



2016 YEAR in REVIEW

**RE** THINK WASTE  
COVER VALUE  
NEW OPPORTUNITY





**MISSION STATEMENT**

To manage solid waste and recyclable materials in an environmentally safe, reliable, and efficient manner.



**Rethink.**



**Recover.**



**Renew.**

These three words represent LCSWMA's perspective on managing municipal solid waste. More than just trash, we view waste as a resource for making great things happen in our community.

**2016 YEAR in REVIEW**

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## 2016 LEADERSHIP

### BOARD OF DIRECTORS:



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STEVE A. DZURIK  
Vice Chair



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Community Relations



LESLIE D. WIREBACK  
Deputy Chief of  
Human Resources



MICHELLE A. MARSH  
Director of  
Business Solutions

### LEADERSHIP HIGHLIGHT

Barbara Hammel retired from the Board of Directors at the end of 2016, after 25 years of volunteer service. During her tenure, LCSWMA managed over 15 million tons of solid waste, produced enough renewable energy to power all homes in Lancaster County for 3 years, and grew the recycling rate from 5% (1990) to 44% (2016). We express our deepest gratitude for her leadership at LCSWMA and investment in our community.

## MESSAGE FROM THE BOARD CHAIR & CEO

### THE WHY FOR 2016

The Lancaster County Solid Waste Management Authority (LCSWMA) was established in 1987 to provide Lancaster County with the essential public service of managing municipal solid waste. Since that time, our purpose and service area expanded to include initiatives and activities that help make the community a better place to live, work, and recreate. Today, LCSWMA manages almost one million tons of solid waste each year, while generating enough renewable energy to power the equivalent of 45,000+ homes. We partner with various organizations and businesses to further extract the most value from the waste. These efforts allow LCSWMA to improve the livability of the community, while maintaining our core service of providing environmentally safe and cost-effective solid waste disposal services for our customers.

### THE WHAT FOR 2016

Last year, LCSWMA fulfilled our mission of managing solid waste in an environmentally safe, reliable, and efficient manner, while furthering our purpose of making waste a resource for the communities we serve. This *2016 Year in Review* shares some highlights of those efforts, including their impact on Lancaster and Dauphin Counties. Within the following pages, you'll find a summary of our operational and financial performance, with notable results that include:

- Managing record waste volumes (960,190 tons) with no compromises in LCSWMA's customer service levels, environmental compliance record, or operating expenses. LCSWMA exceeded its 2016 financial targets with a healthy \$78.9 million in operating revenues that netted a \$10.2 million internal operating surplus.
- Diverting 96.5% of Lancaster County's municipal solid waste from the landfill (44% recycling, 52.5% combustion through waste-to-energy, and only 3.5% landfilled).
- Excellent environmental performance at all four facilities, with the Frey Farm Landfill again receiving a perfect compliance record from PA-DEP (24 years running).
- Continuing focus on the effectiveness of the Integrated System, which included \$7.4 million in investments in capital assets (i.e., planned improvements/modifications at LCSWMA facilities). LCSWMA funded capital expenditures throughout its operating surplus.
- Achieving 25 years of operations at the Lancaster Waste-to-Energy Facility, which combusts waste and makes renewable energy for Lancaster County homes and businesses.



We thank our partners, stakeholders, and the citizens and businesses we serve for your collaboration and support in 2016.

Together, we are (and will continue) making waste a resource for our community.



J. SCOTT ULRICH  
2016 Board Chair



JAMES D. WARNER  
Chief Executive Officer



# REthink

## MAXIMIZING WASTE AS A RESOURCE

What do you imagine when you hear the word trash? What about waste? For many, it is something no longer useful. But what if the opposite were true? What if it was a resource — something that adds as much value in its second life as it did in its first? Imagine what could happen if we began to **RETHINK** our perspective on waste. At LCSWMA, we view waste with an innovative lens, which allows us to discover and apply ways to maximize waste as a resource. The vertical expansion of the Frey Farm Landfill, the future Metals Recovery Facility, and the integration of the Perdue Soybean Processing Plant offer a few notable examples of this innovative perspective we advanced last year.



## PROGRESSING THE VERTICAL EXPANSION PROJECT

While LCSWMA expends considerable effort to divert municipal solid waste from the landfill (96.5% in 2016), the Frey Farm Landfill functions as an essential part of the Integrated System. It serves as the end disposal facility for refuse that was not recycled or combusted for energy, ash residue from LCSWMA's two waste-to-energy facilities, and construction/demolition waste. Over 900 businesses rely on the Frey Farm Landfill each year for environmentally safe and cost-effective waste disposal services.



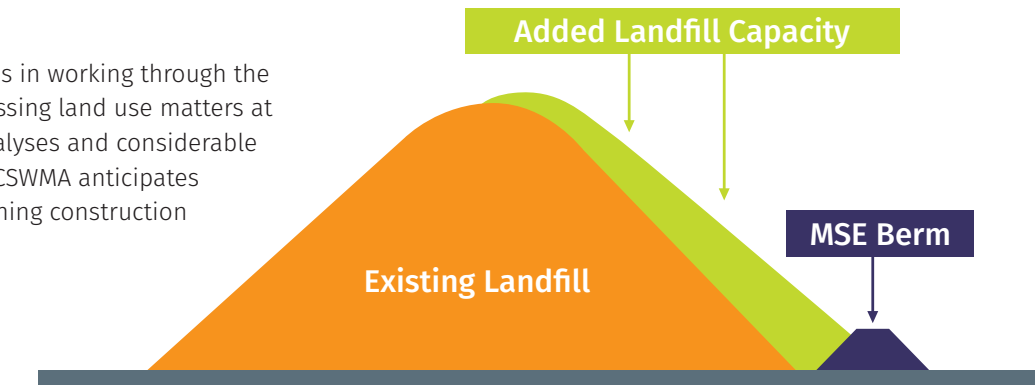
Vertical Expansion Rendering



Example of MSE Berm at Lanchester Landfill

LCSWMA applied to PA-DEP in 2015 for a major permit modification of the Frey Farm Landfill to allow for a vertical expansion. Using a mechanically stabilized earthen (MSE) berm, the permitted height of the Frey Farm Landfill will increase by 50 feet, while only expanding the permitted landfill footprint by 9 acres, and remain on the existing parcel. LCSWMA will gain 6.4 million cubic yards of capacity through the vertical expansion, providing 18-20 years of projected disposal needs for the community. Vertically expanding the landfill maximizes an existing asset and minimizes our environmental impact (i.e., eliminates the need to site a new landfill).

Last year, LCSWMA invested considerable resources in working through the permitting review process with PA-DEP and addressing land use matters at the local level. Activities included engineering analyses and considerable professional planning in support of the project. LCSWMA anticipates receiving permit approval from PA-DEP and beginning construction in 2017, in preparation to receive waste in 2018.



## PROJECT HIGHLIGHT

The MSE berm application is a proven and trusted technology, which has been used in numerous applications for decades (ex: road and building construction purposes). It is considered common practice in the solid waste industry when communities seek to vertically expand their landfill.





Inashco's MRF in Shrewsbury, MA

## INITIATING THE METALS RECOVERY FACILITY

LCSWMA owns two waste-to-energy (WTE) facilities: the Lancaster WTE Facility in Bainbridge and the Susquehanna Resource Management Complex in Harrisburg. These two power plants burn municipal solid waste, producing enough renewable energy to power the equivalent of 45,000 area homes and businesses. After combustion, the remaining ash from both power plants is transported to LCSWMA's Frey Farm Landfill in Conestoga and used as daily cover.



Rendering of the Fully-Enclosed MRF at the Frey Farm Landfill

In April 2016, LCSWMA entered into a long-term contract with Inashco North America, Inc. to site a metals recovery facility (MRF) next to the Frey Farm Landfill. While LCSWMA's WTE facilities currently use in-line metal recovery systems, only larger metals are removed. Inashco North America, Inc., whose parent company is based in the Netherlands, offers an advanced metals recovery system to remove pebble-sized metals present in the ash.

This MRF incorporates the use of proprietary technology, in addition to various screens, magnets, and conventional Eddy Current Separators to remove fine ferrous (iron) and non-ferrous (ex: aluminum, copper, brass, zinc, gold, silver, etc.) metals from WTE ash, which would otherwise be landfilled, for the benefit of bringing these metals back to manufacturers to minimize primary mining.

The proposed facility will process around 650 tons of ash generated each day (165,000 annually) from LCSWMA's two WTE facilities. About 22 tons of metals will be recovered each day (8,300 tons annually). The partners anticipate construction to start in 2017, with full operations commencing in 2018.

### PROJECT HIGHLIGHT

This project exemplifies LCSWMA's philosophy of maximizing waste as a resource by extracting additional value from material disposed by society. It requires innovative thinking and collaboration with world-class partners, like Inashco North America, to apply advanced technology and develop a strong business plan.



The MRF will process  
**165,000 TONS** of  
ash each year

and recover  
**8,300 TONS**  
of metal each year.

#### Environmental benefits of the project include:

- saving landfill space by removing thousands of tons of metals each year,
- selling the metals for re-use, thus saving natural resources and avoiding related CO<sub>2</sub> emissions, and
- preparing for the possibility to beneficially reuse clean minerals from the ash outside of the landfill in the future.

#### Economic benefits of the project include:

- continued revenue diversification for LCSWMA,
- expansion of service offerings by Inashco with its first public partnership in North America, and
- the addition of eight new jobs to the local area.

## CONTINUING THE PERDUE COLLABORATION

Perdue AgriBusiness is constructing a Soybean Processing Facility adjacent to the Lancaster Waste-to-Energy (WTE) Facility in Conoy Township. LCSWMA sold the contiguous 57-acre tract of land to Perdue in 2016 for \$2.48 million.



#### The Perdue Soybean Processing Facility includes two main components:

- (1) A grain elevator to receive, dry, store, and ship soybeans grown and harvested throughout the region.
- (2) The processing plant to process roughly 17.5 million bushels of soybeans per year and produce soybean meal, soybean hulls, and soybean oil.

LCSWMA will provide around 15% of the steam from the Lancaster WTE Facility (up to 57,000 pounds/hour), which will reduce the environmental footprint of the Perdue Soybean Processing Facility and lower its emissions by avoiding the need to use fossil fuels. Using steam from the Lancaster WTE Facility, instead of creating steam from natural gas or fossil fuels, avoids 20,000-30,000 metric tons of CO<sub>2</sub> annually for this project.

LCSWMA will also provide process water (up to 130,000 gallons/day or 47 million gallons/annually) from the Lancaster WTE Facility, eliminating the need to use water from the Susquehanna River for the Perdue Soybean Processing Facility. The process water is returned to the Lancaster WTE Facility, where it is treated and recycled yet again in a closed-loop, zero discharge system.

In May 2016, Perdue received its air permit from PA-DEP for the Soybean Processing Facility and began groundwork and construction on the project. LCSWMA spent the latter half of the year focused on engineering design for the necessary steam modifications to the Lancaster WTE Facility, in order to integrate the two facilities. The partners anticipate completion of the Perdue Soybean Processing Facility, with tie-in to the Lancaster WTE Facility, and full commencement of operations at the site to occur in fall 2017.

### Reducing the Footprint of the

Perdue Soybean Processing Facility by providing steam from the Lancaster WTE Facility to process the beans, instead of using fossil fuels to create steam.



Providing up to 47 Million Gallons of Water/Year, eliminating the need to use water from the Susquehanna River.

### PROJECT HIGHLIGHT

This business arrangement will enable LCSWMA to sell 15% of the steam generated at the Lancaster WTE Facility at prices higher than would be received for electricity, while also producing environmental benefits by negating Perdue's need to burn fossil fuels or extract water from the Susquehanna River for their processing operations.



# REcover

## OPPORTUNITIES TO USE WASTE AS A RESOURCE

By viewing solid waste with an innovative lens, LCSWMA recognizes the many ways waste connects us, including how it can help make our community more sustainable. The most impactful application of this perspective is using the Integrated System to manage our community's waste in ways that protect the environment and **RECOVER** the highest value.

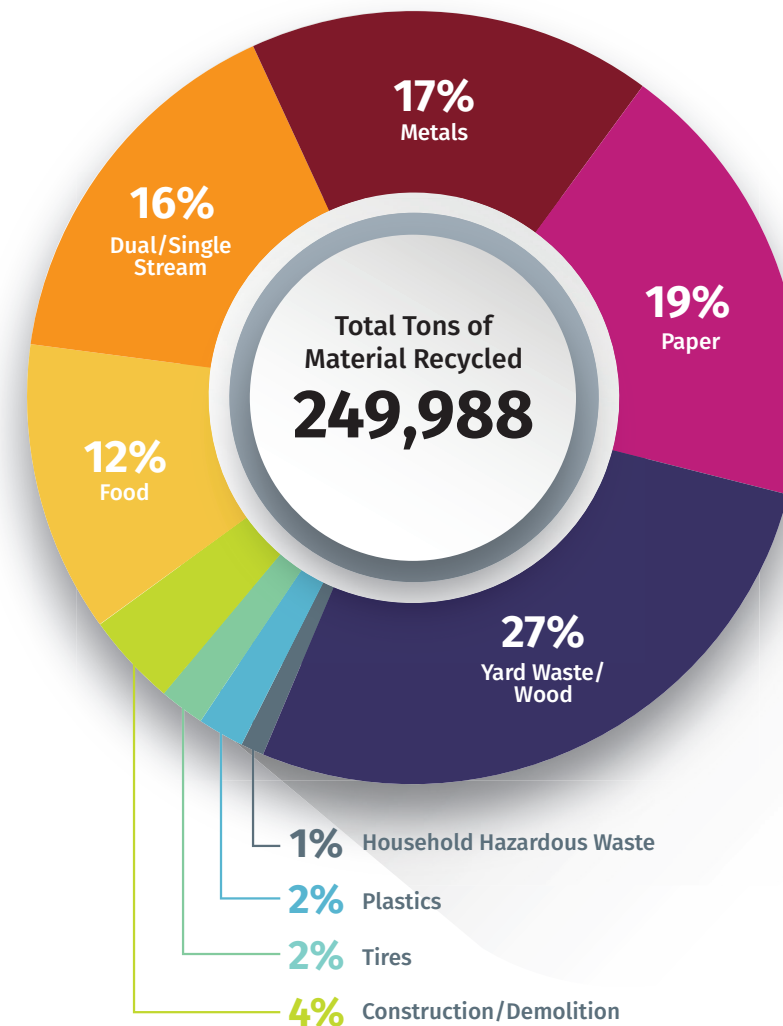
Last year, LCSWMA diverted 96.5% of municipal solid waste (MSW) from the landfill. In Lancaster County, recycling represented 44%, combustion for energy recovery represented 52.5%, and only 3.5% of MSW was landfilled. Each step in the Integrated System plays a critical role in this success.

WASTE IN  
ENERGY OUT

LCSWMA  
www.lcswma.org

STEP  
1

## INTEGRATED SYSTEM: MINIMIZING THE VOLUME & TOXICITY OF WASTE



### RECYCLING PROGRAM

#### Serving Lancaster County

The role of recycling in LCSWMA's Integrated System is an important one, as it reduces our consumption of raw materials and minimizes the amount of waste our other facilities must manage. Simply said: Recycling gives new life to old things.

#### 2016 Trends:

- Yard waste increased 101%, mostly attributable to improved reporting by municipal composting facilities, as well as increased deliveries from self-haul customers and yard service companies.
- Food scraps increased by 63%, mostly attributable to new companies reporting their composting activities. Major grocery chains continued their composting of old produce and bakery items, as did local higher-education institutions that compost food scraps from cafeterias.
- Total single stream recycling increased by 13.8%, of which a large portion is due to more businesses implementing single stream recycling at their locations.
- Paper decreased by 42%, in part due to some businesses not reporting their recycling activities (ex: Kmart store closures). However, consumer behavior influences this change as well. Online ordering with individual home deliveries is shifting cardboard packaging from commercial to residential sources.

#### 2016 Performance:

- Recycling rate achieved = **44%**
- Municipalities with curbside recycling programs = **44**
- Municipalities with drop-off recycling programs = **3**
- Lancaster County residents served = **89%**  
(**100%** of residents have access to LCSWMA's drop-off facility locations)
- Total tons of material recycled = **249,988**

**STEP 1**

**INTEGRATED SYSTEM:  
MINIMIZING THE VOLUME & TOXICITY OF WASTE**

**HOUSEHOLD HAZARDOUS WASTE FACILITY  
LANCASTER, PA**

It's also important to protect the environment by minimizing the toxicity of waste to be disposed. For Lancaster County residents, LCSWMA offers free disposal at its Household Hazardous Waste Facility, for such things as paint, cleaners, automotive fluids, cooking oils, pesticides, herbicides, computers, TVs, tablets, cell phones, fluorescent light bulbs, batteries, and more. This is the only permanent, drive-through facility of its kind in Pennsylvania.

**2016 Performance:**

- Number of resident visits = **71,688**
- Average number of daily visits = **255**
- Total material received = **3,493,947 lbs.**



**STEP 2**

**INTEGRATED SYSTEM:  
WASTE CONSOLIDATION & TRANSFER**



**TRANSFER STATION COMPLEX  
LANCASTER, PA**

The Transfer Station Complex (TSC) is a key component in LCSWMA's Integrated System, helping to reduce the amount of traffic on local highways by functioning as a waste delivery, consolidation, and transfer hub. It serves as the central drop-off location for haulers and residents delivering trash, construction/demolition waste, and certain recyclable material.

**2016 Annual Totals:**

- Tons received = **339,814**
- Inbound loads = **95,758**
- Outbound transferred to the Frey Farm Landfill = **65,764 tons / 3,273 loads**
- Outbound transferred to the Lancaster WTE = **248,038 tons / 12,057 loads**
- Outbound transferred to recycling market = **1,348 tons**
- Reduction in traffic to disposal facilities achieved = **84%**

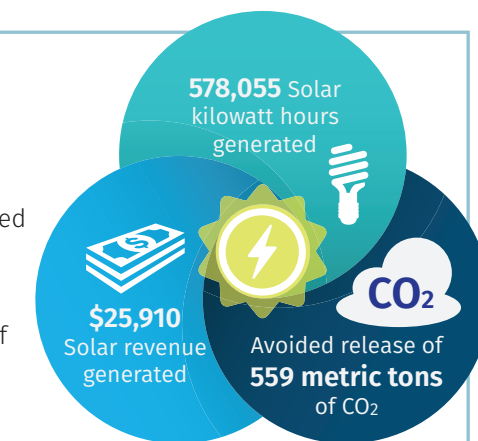
**2016 Averages:**

- Daily MSW customer visits = **340**
- Minutes on-site per trip = **10.6**
- Daily tons delivered = **1,207**
- Tons per inbound waste load = **3.55**
- Tons per outbound waste load to FFLF = **20.1**
- Traffic trip reduction benefit to FFLF = **15,259**
- Tons per outbound waste load to Lancaster WTE = **20.6**
- Traffic trip reduction benefit to Lancaster WTE = **57,839**

**GREEN ENERGY HIGHLIGHTS:**

**Annual Solar Production:**

- Solar kilowatt hours generated = **578,055**
- 80% of the TSC annual needs are produced from 2,000 solar panels.
- Solar revenue generated = **\$25,910**
- Using solar energy avoided the release of **559 metric tons of CO<sub>2</sub>**, when compared to burning coal for producing electricity.



**Compressed Natural Gas (CNG):**

By using CNG over conventional (diesel) fuels, LCSWMA and our customers, collectively realized the financial benefit of saving \$100,000 in fuel costs and the environmental benefit of reducing 700 metric tons of CO<sub>2</sub> emissions. This cleaner technology means a cleaner community.

**LANCASTER WASTE-TO-ENERGY FACILITY  
BAINBRIDGE, PA**

The Lancaster Waste-to-Energy (WTE) Facility reduces the volume of waste by 90% through burning non-hazardous material. This process not only saves significant landfill space, but also produces enough electricity to power the equivalent of 30,000 area homes.

The Lancaster WTE Facility offers an excellent example of how waste is used as a resource to fuel a more sustainable community. Not only does the facility reduce waste volume, recover metals, and produce renewable energy, it also reduces greenhouse gas emissions by eliminating the creation of methane had the waste been landfilled.

**2016 Annual Totals:**

- Tons of waste processed = **400,191**
- Inbound deliveries = **30,691**
- Tons of ash produced and used as daily landfill cover = **88,440**
- Tons of ferrous metal recovered and recycled = **9,162**
- Revenue from recycled ferrous metals = **\$276,043**

- Tons of non-ferrous metal recovered and recycled = **639**
- Revenue from recycled non-ferrous metals = **\$239,103**



**2016 Averages:**

- Daily tons delivered = **1,426**
- Daily inbound deliveries = **109**
- Tons per inbound load = **13.08**
- Minutes on site = **16.1**



Ferrous Metal

**RENEWABLE ENERGY HIGHLIGHT:**

 <b>226.1 Million Kilowatts of Electricity Generated</b>	 <b>\$5.8 Million in Electric Revenue Received</b>
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**RECYCLING HIGHLIGHT:**

The valuable metals recovered from the WTE ash residue represent 1% of the total Lancaster County recycling rate (44%) for 2016. Combusting the waste reduces the volume, but also allows for additional recovery of material for recycling.




**25-Year Anniversary for Operations**

The Lancaster WTE Facility reached 25 years of operation in 2016. Since opening in 1991, the facility represents a vital component of LCSWMA's Integrated System, including:

- 9.51 million tons of waste processed that would have otherwise been landfilled,
- 5.49 billion kilowatts of electricity generated, and
- 173,656 tons of valuable metals recovered and recycled.

Coinciding with this operational anniversary was the expiration of LCSWMA's 25-year Power Purchase Agreement with MetEd on January 31, 2016, at which time the Lancaster WTE Facility entered the wholesale energy market. LCSWMA no longer has the stability of a fixed rate per MWh each month. Instead, our monthly electric revenue now fluctuates with the variations in price per MWh that accompany supply and demand (volatility) in the wholesale market. This makes the innovative and collaborative partnership with the Perdue Soybean Processing Facility (discussed earlier in this report) an important component of generating additional revenue, to offset recent depressed electric market rates.



	<b>9.51 Million Tons of Waste Processed</b>
	<b>5.49 Billion Kilowatts of Electricity Generated</b>
	<b>173,656 Tons of Valuable Metals Recovered and Recycled</b>





### STEP 3

## INTEGRATED SYSTEM: COMBUSTION FOR ENERGY RECOVERY & FURTHER VOLUME REDUCTION

### SUSQUEHANNA RESOURCE MANAGEMENT COMPLEX HARRISBURG, PA

Waste-to-energy is a key part of LCSWMA's Integrated System. The Susquehanna Resource Management Complex (SRMC) contributes to this process by combusting trash to reduce its volume by 90%, while producing renewable energy for State Capitol Buildings nearby.

#### 2016 Annual Totals:

- Tons of waste processed = **295,594**
- Inbound deliveries = **51,819**
- Tons of ash produced and used as daily landfill cover = **89,367**
- Tons of ferrous metal recovered and recycled = **8,092**
- Revenue from recycled ferrous metal = **\$228,844**

#### 2016 Averages:

- Daily tons delivered = **1,111**
- Daily inbound deliveries = **184**
- Tons per inbound customer load = **6**



**120 Million Kilowatts of Electricity Generated**



**\$5 Million in Electric Revenue Received**



### STEP 4

## INTEGRATED SYSTEM: MINIMAL LANDFILLING



### FREY FARM LANDFILL CONESTOGA, PA

Thanks to LCSWMA's Integrated System, only a small percentage of municipal solid waste is landfilled each year. In 2016, the percentage landfilled was only 3.5%. The Frey Farm Landfill receives mostly inorganic material for final disposal (ex: waste-to-energy ash residue, construction/demolition waste, foundry sands, and other industrial/manufacturing waste).

#### 2016 Annual Totals:

- Tons received = **417,778**
- Inbound loads received = **37,333**
- Volume utilized for the year = **3.59%**
- Remaining volume = **17.40%**
- Anticipated year full = **2019**
- Annual density achieved = **2,171 (lbs./cubic yard)**

#### 2016 Averages:

- Tons delivered daily = **1,484**
- Daily inbound deliveries = **133**
- Tons per inbound load = **11.19**
- Minutes on site = **20.2**

#### GREEN ENERGY HIGHLIGHTS:

##### Landfill Gas Plant:

- Landfill gas revenue = **\$41,580**
- Landfill gas kilowatt hours generated = **14.2 million**
- The renewable energy generated by the Landfill Gas Plant offset 5,779 tons of CO<sub>2</sub> emissions by creating electricity from combusting landfill gas (methane).

##### Turkey Point Wind Project:

- Wind energy revenue = **\$54,689**
- Wind energy kilowatt hours generated = **6.7 million**
- By using wind energy, Turkey Hill Dairy avoided 6,473 tons of CO<sub>2</sub> emissions.

#### ENVIRONMENTAL HIGHLIGHT:

The Frey Farm Landfill achieved another year of perfect environmental compliance. It is the only municipal landfill in Pennsylvania to hold the record of 24 years without a PA-DEP violation.





# REnew

## MAKING WASTE A RESOURCE FOR OUR COMMUNITY

While LCSWMA managed 960,190 tons of solid waste last year using the Integrated System, it's the people who move the material that contribute to a safe, reliable, and efficient process. LCSWMA's staff offer the heads, hands, and hearts that make waste a resource for our community.



### Culture of Safety:

The solid waste industry ranks fifth out of the most dangerous professions, per the U.S. Bureau of Labor Statistics. LCSWMA places the safety of our employees, customers, and the community as a top priority and continually implements additional measures to provide a safe environment at all our sites.

#### HIGHLIGHTS FROM LAST YEAR INCLUDE:

- Drove 954,848 miles without an accident and realized a 38% reduction in accidents per million miles driven. With a large transfer fleet, safety on the roadways benefits not just LCSWMA, but the community as well.
- Implemented the DriveCam program. A total of 29 LCSWMA vehicles that regularly travel local roadways now have dashboard cameras. Through this program, our drivers receive continual coaching from our Safety and Operations teams.
- Reduced incident (personal injury) frequency by 42% and remained lower than the industry average. Our wellness and safety programs focus on improving various occupational and lifestyle influencers to prevent injuries from occurring.


### Culture of Giving Back:

LCSWMA works to foster a culture of community service, which our employees exemplify through a variety of opportunities.

#### HIGHLIGHTS FROM LAST YEAR INCLUDE:

- Employees (personally) donated a total of \$14,426 to the Lancaster County community through the Extraordinary Give event. They walked 2+ million steps in one work week to donate additional funds to selected charities.
- Employees collected and donated 718 pounds of food to the Central PA Food Bank.
- Employees donated 22 pints of blood to save up to 66 lives during a blood drive event.
- Employees (personally) donated gifts for 50 children during the holiday season through the Salvation Army's Adopt-A-Family program.






**ENGAGED**  
**58,599**  
USERS THROUGH OUR WEBSITE,  
WITH 45% OF INDIVIDUALS  
ACCESSING THE INFORMATION  
FROM A MOBILE DEVICE.

**OUR SOCIAL MEDIA PRESENCE  
GREW BY 40%.**

### Culture of Community Outreach:

One of LCSWMA's core principles is to offer the public opportunities to learn about LCSWMA and best waste management practices. Last year, we provided information and awareness through online and offline efforts, including:

- Engaged 58,599 users through our website, with 45% of individuals accessing the information from a mobile device. Our social media presence grew by 40%.
- Provided 80 tours of our four facilities, reaching over 2,000 individuals. This included collaboration with nine higher-education institutions and eight high-schools to provide experiential learning opportunities for students.
- Hosted six meetings and participated in 10 community events, directly engaging over 3,100 people in Lancaster and Dauphin Counties. LCSWMA employees volunteer their time for all our community outreach activities.



**\$5.3  
MILLION  
CONTRIBUTION  
TO CAPITAL  
RESERVE FUND**

in **20  
16**

## SUSTAINABLE FINANCES

Sustainably managing solid waste reflects LCSWMA's commitment and philosophy to bettering our community. This perspective continues with our finances, as we believe in the importance of serving our community with environmental, operational, and fiscal excellence.

In 2016, our key financial metrics improved across the board. The Integrated System handled record waste volumes, while holding costs steady. Accordingly, strong waste volumes offset weak energy values (a result of entry into the energy market), stabilizing revenues, and boosting LCSWMA above our budgeted fiscal targets for the year. Our diversified business model fosters consistency through ever changing economic cycles. This translates into stable and cost-effective services for our customers.

In 2016, LCSWMA managed more waste and produced more energy than the year prior. This performance helped generate almost \$79 million in Operating Revenues. Operating Expenses dropped by 10% to \$61.9 million, which translated to a healthy \$7.6 million in Cash Flows (not adjusted for depreciation). Thus, LCSWMA could contribute over \$5.3 million to our Capital Reserve Fund in 2016, providing further stability in meeting both current and future Capital needs.

LCSWMA's Net Position improved to \$160 million in 2016, an impressive financial achievement.

The following pages provide additional select financial data. Full audited financials are available at [www.lcswma.org](http://www.lcswma.org), by calling 717-397-9968, or emailing [info@lcswma.org](mailto:info@lcswma.org).



## STATEMENTS of NET POSITION

Years Ended December 31, 2016 and 2015

Full audited financials are available at [www.lcswma.org](http://www.lcswma.org), or by calling 717-397-9968.

ASSETS	2016	2015
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 10,117,237	\$ 7,094,972
Investments	32,530,344	26,576,218
Accounts Receivable, net of Provision for Bad Debts of \$10,000 at 2016 and 2015	8,864,606	10,397,227
Grants Receivable, Current Portion	317,476	815,277
Notes Receivable, Current Portion	6,354	6,074
Interest Receivable	194,284	172,967
Inventory	26,248	16,481
Other Current Assets	195,355	1,022,160
<b>Total Current Assets</b>	<b>52,251,904</b>	<b>46,101,376</b>
<b>RESTRICTED ASSETS</b>		
Investments with Trustee	9,021,940	9,009,994
Interest Receivable	41	11
<b>Total Restricted Assets with Trustee</b>	<b>9,021,981</b>	<b>9,010,005</b>
Escrow Deposit	1,672,052	1,649,684
Closure and Post-Closure Care Funds	19,657,597	19,355,739
<b>Total Restricted Assets</b>	<b>30,351,630</b>	<b>30,015,428</b>
<b>OTHER ASSETS</b>		
Grant Receivable, net of Current Portion	199,166	199,166
Notes Receivable, net of Current Portion	2,548,501	2,554,855
Other – Raffles Insurance, Ltd.	31,000	31,000
<b>Total Other Assets</b>	<b>2,778,667</b>	<b>2,785,021</b>
<b>REAL ESTATE, FACILITIES, and EQUIPMENT</b>		
Waste-to-Energy Facility	140,077,399	140,865,811
Susquehanna Resource Management Complex	127,557,896	127,263,397
Landfill Facility	87,160,387	87,251,192
Transfer Station Complex	24,550,940	24,466,339
Equipment	20,003,982	18,894,897
Support Facilities	9,868,901	9,864,476
Other Real Estate	7,859,866	7,295,802
Administrative Building and Equipment	4,065,441	4,107,987
	421,144,812	420,009,901
Accumulated Depreciation	(200,502,262)	(188,941,597)
<b>Net Depreciable Assets</b>	<b>220,642,550</b>	<b>231,068,304</b>
Construction in Progress	8,758,076	5,819,845
<b>Net Real Estate, Facilities, and Equipment</b>	<b>229,400,626</b>	<b>236,888,149</b>
<b>TOTAL ASSETS</b>	<b>\$ 314,782,827</b>	<b>\$ 315,789,974</b>

(Continued on following page)



**STATEMENTS of  
NET POSITION**  
(Continued)

Years Ended December 31, 2016 and 2015

Full audited financials are available at  
[www.lcswma.org](http://www.lcswma.org), or by calling 717-397-9968.

LIABILITIES and NET POSITION	2016	2015
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 4,025,000	\$ 3,925,000
Current Portion of Estimated Post-Closure Care Costs	137,000	118,000
Accounts Payable – Trade	5,724,908	5,015,833
Other Current Liabilities	960,316	894,642
Accrued Expenses	2,958,466	2,762,932
Accrued Interest Payable	271,410	275,711
<b>Total Current Liabilities</b>	<b>14,077,100</b>	<b>12,992,118</b>
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt, net of Current Portion	127,321,963	131,902,546
Estimated Closure and Post-Closure Care Liability, net of Current Portion	10,633,769	11,018,502
Other Long-Term Liabilities	2,775,561	2,543,116
<b>Total Long-Term Liabilities</b>	<b>140,731,293</b>	<b>145,464,164</b>
<b>TOTAL LIABILITIES</b>	<b>154,808,393</b>	<b>158,456,282</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	107,075,644	110,070,608
Restricted	9,208,880	8,518,921
Unrestricted	43,689,910	38,744,163
<b>TOTAL NET POSITION</b>	<b>\$ 159,974,434</b>	<b>\$ 157,333,692</b>



**STATEMENTS of REVENUES,  
EXPENSES and CHANGES  
in NET POSITION**

Years Ended December 31, 2016 and 2015

Full audited financials are available at  
[www.lcswma.org](http://www.lcswma.org), or by calling 717-397-9968.

	2016	2015
<b>OPERATING REVENUES</b>		
Tipping Fees	\$ 61,760,388	\$ 59,545,228
Energy	14,738,431	18,401,006
Transportation	1,549,966	1,540,205
Other	889,221	1,205,454
<b>Total Operating Revenues</b>	<b>78,938,006</b>	<b>80,691,893</b>
<b>OPERATING EXPENSES</b>		
Waste-to-Energy Facility	22,476,694	23,230,173
Susquehanna Resource Management Complex	18,535,832	18,283,527
Depreciation	13,171,084	12,642,052
Landfills	4,284,513	4,319,801
Transfer Station Complex	3,241,425	3,051,474
Closure and Post-Closure Care	(234,865)	592,718
Household Hazardous Waste	475,214	449,586
<b>Total Operating Expenses</b>	<b>61,949,897</b>	<b>62,569,331</b>
<b>SUPPORT EXPENSES</b>		
General and Administrative	11,862,224	11,011,216
Depreciation	49,621	54,095
<b>Total Support Expenses</b>	<b>11,911,845</b>	<b>11,065,311</b>
<b>Total Operating and Support Expenses</b>	<b>73,861,742</b>	<b>73,634,642</b>
<b>OPERATING INCOME</b>	<b>5,076,264</b>	<b>7,057,251</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Grant Revenues	177,236	2,014,586
Gain on Disposal of Assets	1,058,174	241,282
Miscellaneous	425,175	370,707
Interest and Investment Earnings	673,671	601,975
Interest Expense	(4,769,778)	(5,139,214)
<b>Net Non-Operating Revenues</b>	<b>(2,435,522)</b>	<b>(1,910,664)</b>
<b>CHANGES in NET POSITION</b>	<b>2,640,742</b>	<b>5,146,587</b>
<b>NET POSITION</b>		
Beginning of Year	157,333,692	152,187,105
<b>End of Year</b>	<b>\$ 159,974,434</b>	<b>\$ 157,333,692</b>



## STATEMENTS of CASH FLOWS

Years Ended December 31, 2016 and 2015

Full audited financials are available at [www.lcswma.org](http://www.lcswma.org), or by calling 717-397-9968.

	2016	2015
<b>CASH FLOWS from OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 80,927,476	\$ 80,235,657
Payments to Suppliers	(53,870,360)	(54,513,972)
Payments to Employees	(6,213,317)	(5,948,349)
<b>Net Cash Provided by Operating Activities</b>	<b>20,843,799</b>	<b>19,773,336</b>
<b>CASH FLOWS from NON-CAPITAL and RELATED FINANCING ACTIVITIES</b>		
State and Local Grant Income	675,037	1,446,985
<b>CASH FLOWS from CAPITAL and RELATED FINANCING ACTIVITIES</b>		
Interest Paid	(5,329,662)	(5,787,503)
Principal Payments	(3,925,000)	(9,925,000)
Payments for Capital Acquisitions	(6,289,629)	(12,033,900)
Proceeds from Sale of Capital Assets	2,679,620	433,500
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(12,864,671)</b>	<b>(27,312,903)</b>
<b>CASH FLOWS from INVESTING ACTIVITIES</b>		
Deposits Made for Escrow Funds	(22,368)	(190,343)
Principal Payments Received on Notes Receivable	6,074	5,808
Sales of Restricted Investments	36,513,400	55,186,131
Purchases of Restricted Investments	(36,963,811)	(53,762,883)
Receipts of Interest	960,610	977,884
Sales of Unrestricted Investments	19,075,665	14,340,799
Purchases of Unrestricted Investments	(25,201,470)	(18,650,886)
<b>Net Cash Used by Investing Activities</b>	<b>(5,631,900)</b>	<b>(2,093,490)</b>
<b>INCREASE (DECREASE) in CASH and CASH EQUIVALENTS</b>	<b>3,022,265</b>	<b>(8,186,072)</b>
<b>CASH and CASH EQUIVALENTS</b>		
Beginning	7,094,972	15,281,044
<b>Ending</b>	<b>\$ 10,117,237</b>	<b>\$ 7,094,972</b>

(Continued on following page)



## STATEMENTS of CASH FLOWS (Continued)

Years Ended December 31, 2016 and 2015

Full audited financials are available at [www.lcswma.org](http://www.lcswma.org), or by calling 717-397-9968.

	2016	2015
<b>RECONCILIATION of OPERATING INCOME to NET CASH PROVIDED by OPERATING ACTIVITIES</b>		
Operating Income	\$ 5,076,264	\$ 7,057,251
<b>ADJUSTMENTS to RECONCILE OPERATING INCOME to NET CASH PROVIDED by OPERATING ACTIVITIES</b>		
Depreciation	13,220,705	12,696,147
Miscellaneous Income not in Operating Income on Statements of Revenues, Expenses, and Changes in Net Position Included for Cash Flow	425,175	370,707
(Increase) Decrease in:		
Accounts Receivable	1,532,621	(909,821)
Inventory and Other Current Assets	817,038	(229,966)
Increase (Decrease) in:		
Current Liabilities	137,729	320,330
Estimated Closure and Post-Closure Care Costs	(365,733)	468,688
<b>Total Adjustments</b>	<b>15,767,535</b>	<b>12,716,085</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 20,843,799</b>	<b>\$ 19,773,336</b>



**SCHEDULES of CONDENSED REVENUES and EXPENSES**

Years Ended December 31, 2016 and 2015

Full audited financials are available at [www.lcswma.org](http://www.lcswma.org), or by calling 717-397-9968.

	2016	2015	2014	2013	2012
<b>OPERATING REVENUES</b>					
Tipping Fees	\$ 61,760,388	\$ 59,545,228	\$ 57,350,288	\$ 36,528,464	\$ 36,739,546
Energy	14,738,431	18,401,006	18,706,329	12,366,845	12,721,735
Transportation and Other	2,439,187	2,745,659	4,362,067	3,312,889	3,460,722
<b>Total Operating Revenues</b>	<b>78,938,006</b>	<b>80,691,893</b>	<b>80,418,684</b>	<b>52,208,198</b>	<b>52,922,003</b>
<b>OPERATING EXPENSES</b>					
Waste-to-Energy Facility	22,476,694	23,230,173	22,476,602	21,586,995	22,066,779
Susq. Resource Mgmt. Complex	18,535,832	18,283,527	19,127,931	439,348	-0-
Depreciation and Amortization	13,171,084	12,642,052	12,187,390	7,667,655	7,633,557
Landfills	4,284,513	4,319,801	4,016,806	3,522,988	3,548,224
Transfer Station Complex	3,241,425	3,051,474	3,141,323	3,132,300	3,218,345
Closure and Post-Closure Care	(234,865)	592,718	1,709,978	476,203	2,530
Household Hazardous Waste	475,214	449,586	386,158	341,862	290,841
<b>Total Operating Expenses</b>	<b>61,949,897</b>	<b>62,569,331</b>	<b>63,046,188</b>	<b>37,167,351</b>	<b>36,760,276</b>
<b>SUPPORT EXPENSES</b>					
<b>Total Operating and Support Expenses</b>	<b>73,861,742</b>	<b>73,634,642</b>	<b>73,691,521</b>	<b>51,176,976</b>	<b>46,391,679</b>
<b>OPERATING INCOME</b>	<b>5,076,264</b>	<b>7,057,251</b>	<b>6,727,163</b>	<b>1,031,222</b>	<b>6,530,324</b>
<b>INTEREST and INVESTMENT EARNINGS</b>					
	673,671	601,975	1,049,363	309,060	1,196,525
<b>INTEREST EXPENSE</b>					
	(4,769,778)	(5,139,214)	(5,591,063)	(1,538,259)	(1,746,862)
<b>NET OTHER NON-OPERATING REVENUES (EXPENSES)</b>					
	1,660,585	2,626,575	(1,883,657)	6,782,293	585,889
<b>CHANGES in NET POSITION</b>	<b>\$ 2,640,742</b>	<b>\$ 5,146,587</b>	<b>\$ 301,806</b>	<b>\$ 6,584,316</b>	<b>\$ 6,565,876</b>

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