

## CONTINUING DISCLOSURE ANNUAL REPORT

**Issuer:** Solid Waste Agency of Northern Cook County (Illinois)

**Bonds:** \$29,085,000 Contract Revenue Refunding Bonds,  
Series 1995A  
\$1,810,000 Contract Revenue Refunding Bonds,  
Series 1995B Taxable

**CUSIP Base No.** 665093

**Contact:** C. Brooke Beal, Executive Director, (847) 724-9205

**Reporting Period:** Fiscal Year 2005 Ending April 30, 2005

**Date of Report:** March 1, 2006

**SOLID WASTE AGENCY OF NORTHERN COOK COUNTY  
CONTINUING DISCLOSURE ANNUAL REPORT  
FISCAL YEAR 2005**

This 2005 Continuing Disclosure is being filed with each Nationally Recognized Municipal Securities Information Repository recognized by the SEC as of this date under the provisions of a Continuing Disclosure Undertaking (the "Agreement") executed and delivered by the Solid Waste Agency of Northern Cook County (the "Agency") in connection with the issuance of \$29,085,000 Contract Revenue Refunding Bonds, Series 1995A, and \$1,810,000 Contract Revenue Refunding Bonds, Series 1995B Taxable (collectively, the "Bonds"). Capitalized terms not otherwise defined herein are defined in the Final Official Statement, dated December 13, 1995, issued in connection with the Bonds. The information in this Disclosure speaks as of April 30, 2005 and is limited to that information which the Agency covenanted to disclose in the Agreement.

**AUDITED FINANCIAL STATEMENTS**

Attached as Exhibit 1 to this Disclosure are the audited financial statements of the Agency for the fiscal year ending April 30, 2005 ("Fiscal Year 2005").

**ANNUAL FINANCIAL INFORMATION**

The following Annual Financial Information is provided as required by the Agreement with respect to Fiscal Year 2005.

**CONTRACT FOR OPERATION OF THE TRANSFER STATION**

On February 1, 1994, the Agency opened a 1,500-ton per day capacity transfer station (the "Glenview Transfer Station") and began accepting deliveries of Member System Waste. Under an agreement between the Agency and Groot Recycling and Waste Services, Inc. ("Groot"), Groot operated the Glenview Transfer Station and provided for

disposal of waste at disposal facilities operated by Waste Management of Illinois ("WMI") or its affiliates. Groot and the Agency executed a new agreement, which became effective March 19, 1996 (the "Long-Term Contract") and applied to all of Fiscal Year 2004. The Agency received an opinion of Mayer, Brown & Platt that the implementation of the Long-Term Contract, together with the purchase or provision for payment of those 1992 Bonds allocable to the Glenview Transfer Station, would not cause the 1992 Bonds to be treated as private activity bonds within the meaning of Section 141(a) of the Internal Revenue Code.

Under the Long-Term Contract, the Agency makes payment to Groot for only that waste which is actually delivered to and processed at the Glenview Transfer Station. The Long-Term Contract also provided for reduced per-ton charges for Fiscal Year 2005.

In future years, per-ton charges for operation, maintenance and hauling increase based upon price indices, subject to a Groot obligation to substantiate certain cost increases. Disposal costs increases are subject to price indices until the year 2014. However, the Agency is a beneficiary of a most-favored customer covenant by WMI that the Agency will never pay a fee for waste disposal at a WMI-owned disposal site greater than any other governmental customer of WMI that delivers an equal or smaller amount of waste and is located in the five county northeastern Illinois region.

Both the Agency and Groot have a one-time option to terminate the Long-Term Contract on April 30, 2009. If the Agency terminates the Long-Term Contract on April 30, 2009 but WMI continues to provide waste disposal services to the Agency, the Agency must pay Groot an annual termination fee of \$250,000. Finally the Agency has the option at any time to terminate the disposal component of the Long-Term Contract, if other cost effective waste disposal technologies become available.

In order to increase the volume of non-Member System Waste processed at the Glenview Transfer Station, the Agency began to market its services to private haulers operating within or in the vicinity of the jurisdictions of the Members. In Fiscal Year 2004, Groot processed approximately 29,154 tons of non-Member System Waste at the Glenview Transfer Station.

**Tabular Information and Data**

As of January 1, 1996, all 23 Members were delivering waste to the Glenview Transfer Station under their respective Project Use Agreements. The actual waste tonnage delivered to the Glenview Transfer Station by each Member for Fiscal Year 2005 and projected waste tonnage to be delivered in Fiscal Year 2006 is set forth in the Table 1. The projected waste is based on a three-year rolling average required by the Project Use Agreement with the members and under projects the actual waste deliveries.

The Project Use Agreements provide for the payment for all of the Agency's Operation and Maintenance Costs and Fixed Costs associated with the ownership and operation of the Project. Actual results for Fiscal Year 2005 and budgeted results for Fiscal Year 2006, are presented on a cash, not an accrual, basis and are shown on the Table 2.

**TABLE 1 - MEMBER WASTE DELIVERIES**

<b>Member</b>	<b><u>Actual FY2005</u></b>		<b><u>Projected FY2006</u></b>	
Arlington Hts.	27,714	9.98%	27,255	10.28%
Barrington	4,296	1.55%	4,055	1.53%
Buffalo Grove	17,882	6.44%	17,117	6.45%
Elk Grove Village	12,992	4.68%	13,942	5.26%
Evanston	18,989	6.84%	20,104	7.58%
Glencoe	3,515	1.27%	3,851	1.45%
Glenview	13,275	4.78%	12,698	4.79%
Hoffman Estates	15,237	5.49%	9,232	3.48%
Inverness	3,145	1.13%	2,788	1.05%
Kenilworth	2,346	0.84%	2,271	0.86%
Lincolnwood	4,642	1.67%	4,980	1.88%
Morton Grove	7,694	2.77%	8,104	3.06%
Mount Prospect	21,361	7.69%	21,190	7.99%
Niles	8,740	3.15%	8,691	3.28%
Palatine	28,918	10.41%	26,324	9.92%
Park Ridge	15,635	5.63%	14,645	5.52%
Prospect Hts.	5,596	2.02%	3,480	1.31%
Rolling Meadows	11,410	4.11%	10,630	4.01%
Skokie	20,656	7.44%	21,192	7.99%
South Barrington	2,022	0.73%	1,859	0.70%
Wheeling	11,933	4.30%	11,116	4.19%
Wilmette	11,143	4.01%	11,100	4.18%
Winnetka	<u>8,564</u>	3.08%	<u>8,612</u>	3.25%
TOTAL	277,706	100%	265,236	100.00%

*\*Numbers are rounded for presentation purposes.*

## TABLE 2 - REVENUES AND EXPENDITURES

<b>Revenue</b>	<b><u>Actual FY2005</u></b>	<b><u>Proposed FY2006</u></b>
<b>Member Payments</b>		
Operations and Maintenance	13,261,800	14,448,840
Fixed Costs	1,141,399	1,007,018
Fixed Costs True-Up	82,540	25,000
Subtotal	14,485,739	15,480,858
<b>Other Revenues</b>		
Investments	150,717	178,000
Commercial Waste Program	225,940	200,000
Debt Service Coverage Fund	135,982	177,708
Other	1,448,344	102,000
Subtotal	1,960,984	657,708
<b>Total</b>	<b>16,446,723</b>	<b>16,138,566</b>
<b>Expenses</b>		
<b>Glenview Transfer Station</b>		
Operations	3,662,941	3,540,519
Transportation	2,377,162	2,297,714
Disposal	7,889,624	8,812,744
Host Community Fees	111,082	111,155
Repair and Maintenance	283,032	125,049
Utility Charges	288,646	255,656
Rolling Meadows Waste Credit	(1,066,535)	(1,078,485)
Rolling Meadows Trans. Credit	(153,025)	(168,784)
Groot Chicago Waste Credit	(17,150)	(18,778)
Subtotal	13,375,778	13,876,789
<b>Administration</b>		
Personnel & Office	672,349	620,421
Professional Services\Insurance	304,099	250,000
Education & Recycling	83,980	169,700
Subtotal	1,060,427	1,040,121
<b>Total Operation and Maintenance Costs</b>	<b>14,436,206</b>	<b>14,916,910</b>
<b>Net Revenues Before Debt Service</b>	<b>2,010,517</b>	<b>1,221,656</b>
<b>Debt Service</b>	<b>770,568</b>	<b>1,007,018</b>
<b>Net Revenues</b>	<b>1,239,949</b>	<b>214,638</b>
<b>Debt Service Coverage</b>	<b>260.91%</b>	<b>121.31%</b>

The following Table 3 shows actual costs per ton of waste processed at the Glenview Transfer Station for Fiscal Year 2005 and projected costs per ton for Fiscal Year 2006 paid by the Members under their respective Project Use Agreements.

**TABLE 3 - MEMBER COSTS PER TON**

	<b>Actual FY2005</b>	<b>Projected FY2006</b>
Tonnage Received From Members	277,706	265,236
Operations & Maintenance Cost/Ton	\$49.54	\$52.00
Fixed Cost/Ton	\$3.49	\$3.62
All-in Cost per Ton	\$53.03	455.62

Under the Project Use Agreements, each Member is obligated to make annual payments to the Agency in an amount sufficient to pay all of the Operation and Maintenance Costs and all Fixed Costs of the Project. Table 4 shows the actual payments made by the Members with respect to Fiscal Year 2005 and the projected payments to be made with respect to Fiscal Year 2006, together with the per household costs for those periods.

**TABLE 4 - ALLOCATION OF ANNUAL PAYMENTS**

<b>Member</b>	<b>FY2005 Annual Total</b>	<b>Monthly Per Household (1)</b>	<b>FY2006 Annual Total</b>	<b>Monthly Per Household (1)</b>
Arlington Heights	\$1,469,685.09	\$4.08	\$1,515,923.10	\$4.21
Barrington	227,798	5.76	225,539	5.71
Buffalo Grove	948,294	5.24	952,048	5.26
Elk Grove Village	688,989	4.50	775,454	5.07
Evanston	1,006,967	5.77	1,118,184	6.40
Glencoe	186,411	4.76	214,193	5.47
Glenview	703,996	4.94	706,263	4.95
Hoffman Estates	808,015	5.29	513,484	3.36
Inverness	166,796	6.01	155,069	5.59
Kenilworth	124,392	12.03	126,313	12.21
Lincolnwood	246,189	4.58	276,988	5.15
Morton Grove	408,008	4.15	450,744	4.58
Mount Prospect	1,132,800	4.32	1,178,588	4.49
Niles	463,470	4.21	483,393	4.39
Palatine	1,533,510	4.48	1,464,141	4.28
Park Ridge	829,108	6.06	814,555	5.95
Prospect Hts.	296,771	10.90	193,558	7.11
Rolling Meadows	605,078	5.65	591,241	5.52
Skokie	1,095,378	5.05	1,178,699	5.43
South Barrington	107,236	8.72	103,398	8.41
Wheeling	632,804	3.86	618,272	3.77
Wilmette	590,924	5.22	617,382	5.45
Winnetka	454,125	8.78	478,999	9.26
Average		\$5.93		\$5.81

(1) Annual Total divided by total number of households in the community divided by twelve months. Total number of households includes both single family and multi-family units. Waste deliveries exclude multi-family units for some communities.

(2) Includes some Commercial Waste that increases average waste per household.