

## 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 2006 Ending April 30, 2006

**Date of Report:** March 1, 2007

**SOLID WASTE AGENCY OF NORTHERN COOK COUNTY  
CONTINUING DISCLOSURE ANNUAL REPORT  
FISCAL YEAR 2006**

This 2006 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, 2006 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, 2006 ("Fiscal Year 2006").

**ANNUAL FINANCIAL INFORMATION**

The following Annual Financial Information is provided as required by the Agreement with respect to Fiscal Year 2006.

**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 2006. 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 2006.

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 2006, Groot processed approximately 33,349 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 2006 and projected waste tonnage to be delivered in Fiscal Year 2007 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 2006 and budgeted results for Fiscal Year 2007, 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 FY2006</u></b>		<b><u>Projected FY2007</u></b>	
Arlington Hts.	27,425	10.05%	27,726	9.98%
Barrington	3,955	1.45%	4,195	1.51%
Buffalo Grove	17,451	6.39%	17,723	6.38%
Elk Grove Village	12,480	4.57%	14,263	5.13%
Evanston	18,540	6.79%	19,969	7.19%
Glencoe	3,424	1.25%	3,784	1.36%
Glenview	12,831	4.70%	13,020	4.69%
Hoffman Estates	15,089	5.53%	10,189	3.67%
Inverness	3,010	1.10%	2,950	1.06%
Kenilworth	2,296	0.84%	2,307	0.83%
Lincolnwood	4,714	1.73%	4,952	1.78%
Morton Grove	7,760	2.84%	8,062	2.90%
Mount Prospect	20,853	7.64%	21,804	7.85%
Niles	8,408	3.08%	8,805	3.17%
Palatine	28,358	10.39%	32,459	11.68%
Park Ridge	15,461	5.66%	16,008	5.76%
Prospect Hts.	6,531	2.39%	3,686	1.33%
Rolling Meadows	12,167	4.46%	10,771	3.88%
Skokie	20,456	7.49%	21,182	7.62%
South Barrington	1,949	0.71%	1,902	0.68%
Wheeling	10,988	4.02%	12,201	4.39%
Wilmette	10,711	3.92%	11,111	4.00%
Winnetka	<u>8,145</u>	2.98%	<u>8,818</u>	3.17%
<b>TOTAL</b>	<b>272,998</b>	<b>100.00%</b>	<b>277,887</b>	<b>100.00%</b>

*\*Numbers are rounded for presentation purposes.*

**TABLE 2 - REVENUES AND EXPENDITURES**

<b>Revenue</b>	<b><u>Actual FY2006</u></b>	<b><u>Proposed FY2007</u></b>
Member Payments		
Operations and Maintenance	14,450,122	14,872,092
Fixed Costs	1,005,951	1,007,015
Fixed Costs True-Up	<u>43,520</u>	<u>-</u>
Subtotal	15,499,592	15,879,107
Other Revenues		
Investments	241,419	206,000
Commercial Waste Program	237,762	180,000
Debt Service Coverage Fund	162,590	177,708
Other	<u>103,271</u>	<u>102,000</u>
Subtotal	745,042	665,708
Total	16,244,635	16,544,815
 <b>Expenses</b>		
Glenview Transfer Station		
Operations	3,663,632	3,832,732
Transportation	2,440,601	2,553,250
Disposal	8,334,627	8,719,324
Host Community Fees	92,119	111,199
Repair and Maintenance	273,898	138,999
Utility Charges	239,072	222,398
Rolling Meadows Waste Credit	(1,127,331)	(1,078,485)
Rolling Meadows Trans. Credit	(154,479)	(168,784)
Groot Chicago Waste Credit	<u>(16,723)</u>	<u>(18,778)</u>
Subtotal	13,745,416	14,311,856
Administration		
Personnel & Office	661,933	634,536
Professional Services\Insurance	248,609	243,000
Education & Recycling	<u>91,038</u>	<u>170,700</u>
Subtotal	1,001,580	1,048,236
Total Operation and Maintenance Costs	14,746,996	15,360,092
Net Revenues Before Debt Service	1,497,638	1,184,723
Debt Service	<u>921,348</u>	<u>1,007,018</u>
Net Revenues	<u>576,290</u>	<u>177,705</u>
Debt Service Coverage	162.55%	117.65%

The following Table 3 shows actual costs per ton of waste processed at the Glenview Transfer Station for Fiscal Year 2006 and projected costs per ton for Fiscal Year 2007 paid by the Members under their respective Project Use Agreements.

**TABLE 3 - MEMBER COSTS PER TON**

	<b>Actual FY2006</b>	<b>Projected FY2007</b>
Tonnage Received From Members	272,998	277,887
Operations & Maintenance Cost/Ton	\$52.00	\$53.50
Fixed Cost/Ton	\$3.62	\$3.62
All-in Cost per Ton	\$55.62	\$57.12

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 2006 and the projected payments to be made with respect to Fiscal Year 2007, together with the per household costs for those periods.

**TABLE 4 - ALLOCATION OF ANNUAL PAYMENTS**

<b>Member</b>	<b>FY2006 Annual Total</b>	<b>Monthly Per Household (1)</b>	<b>FY2007 Annual Total</b>	<b>Monthly Per Household (1)</b>
Arlington Heights	\$1,525,364.04	\$4.24	\$1,583,699.79	\$4.40
Barrington	219,978	5.57	239,613	6.06
Buffalo Grove	970,619	5.36	1,012,334	5.59
Elk Grove	694,113	4.54	814,696	5.32
Evanston	1,031,196	5.91	1,140,601	6.53
Glencoe	190,421	4.86	216,133	5.51
Glenview	713,649	5.01	743,701	5.22
Hoffman Estates	839,243	5.49	581,981	3.81
Inverness	167,420	6.03	168,531	6.07
Kenilworth	127,681	12.34	131,798	12.74
Lincolnwood	262,174	4.87	282,848	5.26
Morton Grove	431,588	4.39	460,511	4.68
Mount Prospect	1,159,870	4.42	1,245,460	4.75
Niles	467,630	4.25	502,969	4.57
Palatine	1,577,280	4.61	1,854,067	5.42
Park Ridge	859,935	6.29	914,386	6.68
Prospect Hts.	363,245	13.34	210,550	7.73
Rolling Meadows	676,702	6.32	615,242	5.75
Skokie	1,137,776	5.25	1,209,895	5.58
South Barrington	108,382	8.81	108,645	8.83
Wheeling	611,125	3.72	696,929	4.25
Wilmette	595,752	5.26	634,644	5.60
Winnetka	453,004	8.76	503,668	9.74
Average		\$6.31		\$6.25

(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.