



**SOLID WASTE AGENCY OF LAKE COUNTY, IL**

**MEMORANDUM**

To: Michael Talbott, Chairman, Executive Committee  
From: Walter S. Willis, Executive Director  
Subject: July Meeting Notice Information  
Date: July 7, 2023

WW/AP

Attached you will find the agenda for our next meeting at 12 pm on July 13, 2023, the minutes from the March 9, 2023 meeting, and the referenced consent, action and informational items.

Please let Amy Bartemio know if you will be attending or not, this meeting will be held in person with food and drinks served.

**SOLID WASTE AGENCY OF LAKE COUNTY, IL  
EXECUTIVE COMMITTEE**

**Thursday, July 13, 2023, 12:00 pm  
1311 N. Estes Street, Gurnee, IL. 60031**

1. CALL TO ORDER .....Chairman Talbott
2. ROLL CALL .....Secretary
3. APPROVAL OF MINUTES  
*March 9, 2023*
4. NEW AGENDA ITEMS
5. PUBLIC COMMENT ON AGENDA ITEMS
6. EXECUTIVE COMMITTEE ITEMS .....Chairman Talbott

**Consent Items**

1. Expenditure Reports (May 2023)

**Action Items**

1. Fiscal Year 2022 Audit

**Information Items**

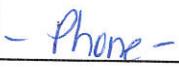
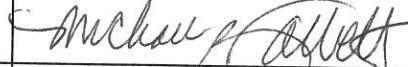
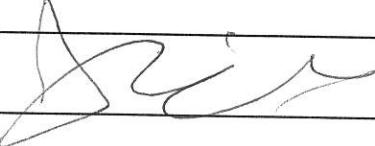
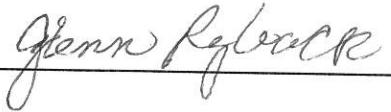
1. Project and Program Updates

7. EXECUTIVE SESSION – 5 ILCS 120/2(c)(1) *Executive Director Annual Review*
8. ADJOURNMENT

# SOLID WASTE AGENCY OF LAKE COUNTY (SWALCO) EXECUTIVE COMMITTEE

SIGN IN SHEET

March 9, 2023

REPRESENTATIVE	SIGNATURE	TITLE
ELLIS		VILLAGE MANAGER
MUETZ		VILLAGE ADMINISTRATOR
NORRIS		MAYOR EMERITUS
ROTHING		VILLAGE PRESIDENT
TALBETT		VILLAGE ADMINISTRATOR
WAGENER		TRUSTEE
WARDA		SENIOR PLANNER
ROSS		TRUSTEE
WASIK		LAKE COUNTY BOARD
RYBACK		SWALCO BOD CHAIRMAN

# PUBLIC SIGN-IN SHEET

## (Executive Committee Meeting)

Name \_\_\_\_\_

## Address

## Representing

NONE

A blue curve is plotted on a grid of horizontal lines. The curve starts at the top left, moves down and to the right, then turns sharply to the right, and finally curves downwards again towards the bottom right. The grid consists of approximately 12 horizontal lines spaced evenly down the page.

Date: 03/09/2023



Start 12:01 pm  
Arrive 1:00 pm

	A	B	C	D	E	F	G	H	I	J	K	L
1	SWALCO EXECUTIVE BOARD VOTING RECORD - March 9, 2023											
2	REPRESENTATIVE											
3	Attendance		A	N	A	N	A	N	A	N	A	N
4	MIKE ELLIS	✓	1		✓		✓					
5	PATRICK MUETZ	✓			✓		✓					
6	JOHN NORRIS phone	✓			✓		✓					
7	BUD ROTHING	—			—							
8	MICHAEL TALBETT	✓			✓		✓					
9	JOHN WAGENER	✓			✓		✓					
10	NIMROD WARD	—			—		✓					
11	JENNY ROSS	—			—		—					
12	JOHN WASIK	✓			✓		✓					

(6) voice (1)

(Nimrod  
arrived 1:10 pm)

Denke/Pete via phone

MINUTES

**SOLID WASTE AGENCY OF LAKE COUNTY, IL**  
**EXECUTIVE COMMITTEE**

Thursday, March 9, 2022, 12:00 pm  
1311 N. Estes Street, Gurnee, IL. 60030

**CALL TO ORDER**

Chairperson Michael Talbott called the meeting to order at 12:01 pm with 6 members in attendance.  
*Pete Adrian, Derke Price and John Norris connected via telephone. Nimrod Warda arrived at 12:10 pm. Glenn Ryback was in attendance.*

**APPROVAL OF MINUTES**

Motion by *John Wasik* seconded by *Pat Muetz* to approve the *Executive* meeting minutes of 09.08.2022  
***Motion was unanimously approved.***

**NEW AGENDA ITEMS – *None***

**PUBLIC COMMENT - *None***

**EXECUTIVE COMMITTEE ITEMS – *None***

**CONSENT ITEM**

1. Expenditure Reports (December 2022 & January 2023).  
Motion by *Mike Ellis* seconded by *John Wasik*  
***Motion was approved on a roll call of 6 to 0.***

**ACTION ITEMS**

1. **Veolia Environmental Service (ES) Contract Extension**

Walter Willis presented a letter from Veolia dated April 2022 discussing Mobile event cost increases. Veolia ES provides labor and transportation services supporting the Agency's mobile drop-offs, public drop-offs, and pharmaceutical collection events. The Agency went out for quotes last year and did not receive a single response (this was in response to a large increase Veolia requested and was granted due to Veolia indicating it would terminate the contract without a rate increase) from another vendor. Veolia has indicated it will honor the rates granted in the last increase granted on April 27, 2022, and reserves the right to request an increase.

Motion by *John Norris*, seconded by *Mike Ellis* to approved contract extension with Veolia.  
***Motion was approved on a roll call vote of 7 to 0.***

**INFORMATION ITEMS**

1. **Staff Reorganization**

Walter Willis discussed the temporary organization of the recently vacant HHW Program and Facility Manager position.

## **2. Project and Program Updates – Brief Updates Given by Walter Willis**

Walter Willis provided summaries and updates regarding several projects and programs we are currently working on:

- The complaints against the landfills continue, I will ask Derke to provide an update at the meeting.
- The two EPR bills supported by SWALCO for carpet (SB 1984) and packaging and paper products (SB 1555 and HB 2874) have been filed and will be heard in committee on March 7 (House) and March 8 (Senate). SWALCO and its partners on the packaging bill are negotiating with the waste industry, IMA and the IL Environmental Council on a proposed amendment to the bill.
- Work continues on the MRF procurement documents, with a goal of having the RFP issued in March. The June Board meeting will be focused on the results of the RFP and next steps for the Agency.
- We are still waiting on the IEPA to work out the HHW issues with its vendor Heritage, until that is accomplished, we will continue to collect only limited HCW materials.
- The Agency's building was appraised recently by Kroll Appraisal for a value of \$1,980,000 (see attached appraisal)
- Round Lake Beach has issued RFP for both its residential and commercial franchises. If it implements the commercial franchise, it will be the 10th SWALCO member with one. SWALCO is also assisting Waukegan with its residential RFP and Ela Township reached out for assistance.

***NEXT EXECUTIVE COMMITTEE MEETING:*** Thursday, May 11, 2023 - 12:00 p.m.

***NEXT BOARD MEETING:*** Thursday, April 13, 2023 – 6:00 p.m., Hainesville

***ADJOURNMENT (1:00 p.m.):*** Motion by *Mike Ellis* seconded by *John Norris* to adjourn.  
*Motion was approved on a roll call vote of 7 to 0.*

Memo to the Executive Committee

July 13, 2023

**Consent - 1. Expenditure Approval**

**ISSUE:** Approve Expenditures

**RECOMMENDATION:** We recommend approval

**TIMING:** Routine

**BACKGROUND:** The Board of Directors authorized the Executive Director to pay expenditures under \$20,000. The Executive Director submits the monthly expenditures to the Board for approval.

The total for Administration \$137,813.71; Education \$ 1,440.00 Household Chemical Waste \$ 13,558.33; Recycling \$ 2,742.00 ***Total expenditures for May 2023 - \$155,554.04***  
*\*(Includes Indirect Cost from LC for FY2023)*

**ENCLOSED DOCUMENTS:** Trading Partner Account Analysis Report

**STAFF:** Walter Willis, Executive Director  
Amy Bartemio, Executive Office Manager

ORACLE® Subledger Accounting  
Lake County

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01

Date To 2023-05-31

Report Date 03-Jul-23  
Page 1 of 15

Ledger / Ledger Set	Lake County
Period From	May-23
Period To	May-23
Accounting Flexfield From	930-92000010-500000-000-000-000000
Accounting Flexfield To	930-92000040-999999-zzzz-zzzz-zzzzzz
Balance Type	Actual
Encumbrance Type / Budget Name	
Include Zero Amount Lines	No
Include User Transaction Identifiers	No
Include Statistical Amount Lines	No
Include Accounts With No Activity	No
Trading Partner	All Trading Partners

ORACLE® Subledger Accounting  
Lake County

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01 Date To 2023-05-31 Report Date 03-Jul-23  
Period Name: May-23 Page 2 of 15 Balance Type Actual

Ledger Name Lake County

Ledger Currency USD

Trading Partner: ANCEL GLINK PC  
Period Name: May-23

Account 930-9200010-71140-000-000-00000				Description	SWALCO \- Solid Waste Prog-SWALCO Administration-Legal Services-----		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
ANCER GLINK PC	Payables	Purchase Invoices	May 22, 2023	96403	Ancel Glink Inv. 96403 dated 05.09.2023 SWALCO Legal Services (Landfill) FY 2023	12,820.00	
					May-23 Account Total	12,820.00	0.00
					Trading Partner Total	12,820.00	0.00
					Trading Partner Net Total		12,820.00

Trading Partner: APTIM CORP DBA  
Period Name: May-23

Account 930-9200010-71150-000-000-00000				Description	SWALCO \- Solid Waste Prog-SWALCO Administration-Consultants-----		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
APTIM CORP DBA	Payables	Purchase Invoices	May 11, 2023	592960	Apitm Inv#592960 dated 05.02.2023 MRF Procurement Assistance	5,520.00	
					May-23 Account Total	5,520.00	0.00
					Trading Partner Total	5,520.00	0.00
					Trading Partner Net Total		5,520.00

Trading Partner: BAKER TILLY US LLP  
Period Name: May-23

Account 930-9200010-71110-000-000-00000				Description	SWALCO \- Solid Waste Prog-SWALCO Administration-Auditing And Accounting-----		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
BAKER TILLY US LLP	Payables	Purchase Invoices	May 11, 2023	BT2392979	Baker Tilly Inv# BT2392979 dated 04.27.2023 - Final Invoice for FY2022 Audit Services	5,092.00	
					May-23 Account Total	5,092.00	0.00
					Trading Partner Total	5,092.00	0.00
					Trading Partner Net Total		5,092.00

Trading Partner: BEST QUALITY FACILITY SERVICES LLC

Period Name: **May-23**

Account 930-9200010-79940-000-000-00000				Description SWALCO \- Solid Waste Prog-SWALCO Administration-Miscell Contractual Serv.....			
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
BEST QUALITY FACILITY SERVICES LLC	Payables	Purchase Invoices	May 25, 2023	45845	BLANKET PO - SWALCO Office Cleaning Services Dec 2022 to Nov 2023	216.00	
					May-23 Account Total	216.00	0.00
					Trading Partner Total	<b>216.00</b>	<b>0.00</b>
					Trading Partner Net Total	<b>216.00</b>	<b>216.00</b>

Trading Partner: **BUILDERS CHICAGO CORPORATION**

Period Name: **May-23**

Account 930-9200030-72410-000-000-00000				Description SWALCO \- Solid Waste Prog-Household Hazard Waste -All Other Maintenance And----			
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
BUILDERS CHICAGO CORPORATION N	Payables	Purchase Invoices	May 25, 2023	88482	Builders Chicago Corp - Invoice #88482 dated 05.11.2023 - Emergency Service/Gate	201.00	
BUILDERS CHICAGO CORPORATION N	Payables	Purchase Invoices	May 25, 2023	88483	Builders Chicago Corp - Invoice #88483 dated 05.11.2023 - New Gate Bumper Edge	890.00	
BUILDERS CHICAGO CORPORATION N	Payables	Purchase Invoices	May 25, 2023	88343	Builders Chicago Corp - Invoice #88343 dated 04.18.2023 - Emergency Service/Gate	779.00	
					May-23 Account Total	1,870.00	0.00
					Trading Partner Total	<b>1,870.00</b>	<b>0.00</b>
					Trading Partner Net Total	<b>1,870.00</b>	<b>1,870.00</b>

Trading Partner: **BURRIS EQUIPMENT CO INC**  
Period Name: **May-23**

Account 930-9200030-79940-000-000-00000				Description SWALCO \- Solid Waste Prog-Household Hazard Waste -Miscell Contractual Serv.....			
Trading	Source	Category	GL Date	Transaction	Line Description	Debit	Credit

ORACLE® Subledger Accounting  
Lake County

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01

Date To 2023-05-31

Report Date 03-Jul-23  
Page 4 of 15

Partner	Payables	Purchase Invoices	May 25, 2023	Number
BURRIS EQUIPMENT CO INC			RC1018767-1	Burris Equipment Inv#RC1018767-1 dated 5/22/23 - Forklift Rental for Mundelein HHW Mobile Event 2023
				May-23 Account Total
				507.25
				0.00
				Trading Partner Total
				507.25
				0.00
				Trading Partner Net Total
				507.25

Trading Partner: CONSTELLATION NEWENERGY, INC  
Period Name: May-23

Trading Partner	Source	Category	GL Date	Transaction Number	Description	SWALCO \- Solid Waste Prog-SWALCO Administration-Electricity-----
CONSTELLATION NEWENERGY, INC	Payables	Purchase Invoices	May 22, 2023	65272080901	Utility #0318096007 - Electricity Supplier	1,082.36
					May-23 Account Total	1,082.36
					Trading Partner Total	1,082.36
					Trading Partner Net Total	0.00

Trading Partner: EWORKS ELECTRONICS SERVICES INC  
Period Name: May-23

Trading Partner	Source	Category	GL Date	Transaction Number	Description	SWALCO \- Solid Waste Prog-Recycling -Miscell Contractual Serv-----
EWORKS ELECTRONIC S SERVICES INC	Payables	Purchase Invoices	May 25, 2023	23-102	Blanket PO - eWorks Grayslake Recycling Center (GRC) Clean Up Services. FY 2023	1,392.00
					May-23 Account Total	1,392.00
					Trading Partner Total	1,392.00
					Trading Partner Net Total	1,392.00

Trading Partner: GRAINGER INDUSTRIAL SUPPLY  
Period Name: May-23

Account	Description	SWALCO \- Solid Waste Prog-Household Hazard Waste -Operational Supplies-----

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
GRAINGER INDUSTRIAL SUPPLY	Payables	Purchase Invoices	May 25, 2023	9715700952	Blanket PO - Misc. Safety & Operational Supplies for SWALCO's Household Chemical Waste Collection Program. Fiscal Year 2023.	421.38	

Trading Partner: GT LANDSCAPING LLC  
Period Name: May-23

Trading Partner Total	421.38	0.00
Trading Partner Net Total		421.38

Trading Partner: GT LANDSCAPING LLC  
Period Name: May-23

SWALCO 1- Solid Waste Prog-SWALCO Administration-Miscell Contractual Serv....					
Account	Description				
930-92000010-79940-000-000-00000	SWALCO 1- Solid Waste Prog-SWALCO Administration-Miscell Contractual Serv....				
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description
GT LANDSCAPIN GLC	Payables	Purchase Invoices	May 11, 2023	4227	BLANKET PO GT Landscaping LLC for 2023 Landscape Services (including spring/fall clean up)
					Debit 330.00 Credit

Trading Partner: INTERFUND-FINANCE ADMIN SERVICES  
Period Name: May-23

SWALCO \- Solid Waste Prog-SWALCO Administration-Unemployment Compensation----					
Account	Description				
930-9200010-72140-000-000-00000	Source	Category	GL Date	Transaction Number	Line Description
INTERFUND-FINANCE	Payables	Purchase Invoices	May 25, 2023	120012939	Unemployment/Indirect Costs FY 2023
ADMIN SERVICES					
					May-23 Account Total
					625.00
					0.00

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SWALCU1-Solid Waste Prog-SWALCU Administration-Indirect Cost Allocations----					
Account	Description		Transaction Number	Line Description	Credit
930-9200010-31950-000-000-00000	Source	Category	GL Date	Unemployment/Indirect Costs FY 2023	Debit
INTERFUND- FINANCE ADMIN	Payables	Purchase Invoices	May 25, 2023	120012939	60,929.00

ORACLE® Subledger Accounting  
Lake County

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01 Date To 2023-05-31 Report Date 03-Jul-23  
Page 6 of 15

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
SERVICES							
					May-23 Account Total	60,929.00	0.00
					Trading Partner Total	61,554.00	0.00
					Trading Partner Net Total		61,554.00

Trading Partner: KRAUSE ELECTRICAL CONTRACTORS  
Period Name: May-23

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	SWALCO \- Solid Waste Prog-Household Hazard Waste -All Other Maintenance And----	
KRAUSE ELECTRICAL CONTRACTORS	Payables	Purchase Invoices	May 9, 2023	24120	Krause Electrical Contractors Inv. 24120 dated 4.13.2023 Facility Electrical Repairs	Debit	Credit
					May-23 Account Total	405.50	0.00
					Trading Partner Total	405.50	0.00
					Trading Partner Net Total		405.50

Trading Partner: NORTH SHORE WATER RECLAMATION DISTRICT  
Period Name: May-23

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	SWALCO \- Solid Waste Prog-SWALCO Administration-Water And Sewer Charges----	
NORTH SHORE WATER RECLAMATION DISTRICT	Payables	Purchase Invoices	May 9, 2023	5064698	Acc#40337190-059406 WWT Charges 05/24/22 to 09/22/2022	Debit	Credit
					May-23 Account Total	10.98	0.00
					Trading Partner Total	10.98	0.00
					Trading Partner Net Total		10.98

Trading Partner: OVERHEAD DOOR CO  
Period Name: May-23

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	SWALCO \- Solid Waste Prog-Household Hazard Waste -All Other Maintenance And----	
OVERHEAD DOOR CO	Payables	Purchase Invoices	May 9, 2023			Debit	Credit
					May-23 Account Total	10.98	0.00
					Trading Partner Total	10.98	0.00
					Trading Partner Net Total		10.98

ORACLE® Subledger Accounting  
Lake County

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01 Date To 2023-05-31 Report Date 03-Jul-23  
Page 7 of 15

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
OVERHEAD DOOR CO	Payables	Purchase Invoices	May 22, 2023	355351	Overhead Door Inv. 359351 dated 5.12.2023 Annual Fire Shutter and OH Door inspection	450.00	
					May-23 Account Total	450.00	0.00
					Trading Partner Total	450.00	0.00
					Trading Partner Net Total	450.00	450.00

Trading Partner: PEERLESS NETWORK INC  
Period Name: May-23

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
PEERLESS NETWORK INC	Payables	Purchase Invoices	May 9, 2023	22331	Acc#FLAKECOUN2771 Telephone/Landline	117.99	
					May-23 Account Total	117.99	0.00
					Trading Partner Total	117.99	0.00
					Trading Partner Net Total	117.99	117.99

Trading Partner: SHRED ACQUISITIONS LLC DBA SHRED SPOT  
Period Name: May-23

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
SHRED ACQUISITION S LLC DBA SHRED SPOT	Payables	Purchase Invoices	May 9, 2023	3864	Shred Spot Inv. 3864 dated 04.29.2023 Highland Park Shred Event	700.00	
					May-23 Account Total	700.00	0.00
					Trading Partner Total	700.00	700.00
					Trading Partner Net Total	700.00	0.00

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
SHRED ACQUISITION S LLC DBA SHRED SPOT	Payables	Purchase Invoices	May 22, 2023	3977	Shred Spot Inv. 3977 dated 5.13.2023 Shred Service for RLP Shoe & Shred event	700.00	
					May-23 Account Total	700.00	0.00
					Trading Partner Total	1,400.00	0.00



ORACLE® Subledger Accounting  
Lake County

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01 Date To 2023-05-31 Report Date 03-Jul-23  
Page 9 of 15

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
SOLUTIONS LLC					Collection Program FY2023		
VEOLIA ES TECHNICAL SOLUTIONS LLC	Payables	Purchase Invoices	May 22, 2023	INV-227504	Blanket PO - Labor and Transportation services for SWALCO's Household Chemical Waste Collection Program FY2023	3,056.00	
					May-23 Account Total	6,941.00	0.00
					Trading Partner Total	6,941.00	0.00
					Trading Partner Net Total		6,941.00

Trading Partner: W.E. CARLSON  
Period Name: May-23

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
W.E. CARLSON	Payables	Purchase Invoices	May 22, 2023	268884	WE Carlson Inv. 268884 dated 5.15.2023 New Dock Bumpers	1,345.00	
					May-23 Account Total	1,345.00	0.00
					Trading Partner Total	1,345.00	0.00
					Trading Partner Net Total		1,345.00

Trading Partner: WASTE MANAGEMENT OF ILLINOIS INC  
Period Name: May-23

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
WASTE MANAGEMENT OF ILLINOIS INC	Payables	Purchase Invoices	May 9, 2023	716741920137	Blanket PO - Trash/recycling services at SWALCO's Gurnee facility. Fiscal Year 2023.	207.02	
					May-23 Account Total	207.02	0.00
					Trading Partner Total	207.02	0.00
					Trading Partner Net Total		207.02

Trading Partner: Not Specified  
Period Name: May-23

ORACLE® Subledger Accounting  
Lake County

**BOSS Trading Partner Account Analysis Report**  
Date From 2023-05-01 Date To 2023-05-31

Report Date 03-Jul-23  
Page 10 of 15

Account 930-92000010-51110-000-000-00000 Description SWALCO \- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wage----					
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description
	Payroll	Payroll	May 12, 2023		Journal Import Created
	Payroll	Payroll	May 12, 2023		Journal Import Created
	Payroll	Payroll	May 26, 2023		Journal Import Created
	Payroll	Payroll	May 26, 2023		Journal Import Created
					May-23 Account Total 33,340.39 0.00
Account 930-92000010-51180-000-000-00000 Description SWALCO \- Solid Waste Prog-SWALCO Administration-Special Pay----					
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description
	Payroll	Payroll	May 12, 2023		Journal Import Created
	Payroll	Payroll	May 26, 2023		Journal Import Created
					May-23 Account Total 447.69 0.00
Account 930-92000010-51310-000-000-00000 Description SWALCO \- Solid Waste Prog-SWALCO Administration-Cell Phone Allowance----					
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description
	Payroll	Payroll	May 12, 2023		Journal Import Created
					May-23 Account Total 55.00 0.00
Account 930-92000010-61010-000-000-00000 Description SWALCO \- Solid Waste Prog-SWALCO Administration-Office Supplies----					
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description
	P Card Import	P Card Import	May 30, 2023		2990.16-MAY-23-AMZN MKTP US*129FJ5BQ3.
	P Card Import	P Card Import	May 30, 2023		2990.15-MAY-23-AMZN MKTP US*PQ1S25RD3.
	P Card Import	P Card Import	May 30, 2023		2990.15-MAY-23-AMAZON.COM*ZQ01H9E73 A.
	P Card Import	P Card Import	May 30, 2023		2990.12-MAY-23-AMZN MKTP US*6G3TJ07E3.
	P Card Import	P Card Import	May 30, 2023		2990.31-MAY-23-VISTAPRINT.-Vista Print will not refund taxes post-order (see attached).
					May-23 Account Total 120.60 0.00
Account 930-92000010-61080-000-000-00000 Description SWALCO \- Solid Waste Prog-SWALCO Administration-Food and Provisions----					
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01 Date To 2023-05-31 Report Date 03-Jul-23  
P Card Import P Card Import Credit

Page 11 of 15

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		6810.29-MAY-23 MENARDS GURNEE IL.- Charcoal for office use.	6.73	0.00

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		5470.17-MAY-23 WPY*PRODUCT STEWARDSHI.	618.80	0.00

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		2990.26-MAY-23 VZWRLSS*MY VZ VB P.	210.33	0.00

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		2990.02-MAY-23 USPS PO 1642840047.	52.82	0.00

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		May-23 Account Total	210.33	0.00

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		May-23 Account Total	52.82	0.00

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	Payroll	Payroll	May 12, 2023		Journal Import Created	3,486.48	

ORACLE® Subledger Accounting  
Lake County

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01 Date To 2023-05-31 Report Date 03-Jul-23  
Page 12 of 15

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	Payroll	Payroll	May 26, 2023		Journal Import Created	1,264.86	
					May-23 Account Total	2,492.69	0.00
Account	930-9200010-74110-000-000-00000				<b>SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF.....</b>		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	Payroll	Payroll	May 12, 2023		Journal Import Created	130.50	
					Journal Import Created	159.15	
					May-23 Account Total	289.65	0.00
Account	930-9200010-79940-000-000-00000				<b>SWALCO \- Solid Waste Prog-SWALCO Administration-Miscell Contractual Serv....</b>		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		2990.04-MAY-23.ORKIN LLC 002	88.99	
					May-23 Account Total	88.99	0.00
Account	930-9200010-84060-000-000-00000				<b>SWALCO \- Solid Waste Prog-SWALCO Administration-Furniture And Office Equi....</b>		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		2990.22-MAY-23.SQ *CROOKED PINE FARM.	50.00	
					May-23 Account Total	50.00	0.00
Account	930-9200020-61040-000-000-00000				<b>SWALCO \- Solid Waste Prog-Education-Operational Supplies.....</b>		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		7856.08-MAY-23 MARIANOS #521 -Marianos Tray - ICIAW & AIC Volunteers May 8 2023	40.00	
					May-23 Account Total	40.00	0.00
Account	930-9200030-61040-000-000-00000				<b>SWALCO \- Solid Waste Prog-Household Hazard Waste -Operational Supplies....</b>		
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		6810.22-MAY-23 MENARDS GURNEE IL.- Distilled water for forklift batteries.	7.32	

ORACLE® Subledger Accounting  
Lake County

**BOSS Trading Partner Account Analysis Report**  
Date From 2023-05-01 Date To 2023-05-31

Report Date 03-Jul-23  
Page 13 of 15

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	May-23 Account Total	Debit	Credit
<b>Account 930-9200030-71150-000-00000000 Description SWALCO \- Solid Waste Prog-Household Hazard Waste -Consultants-----</b>								
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description		Debit	Credit
P Card Import	P Card Import	P Card Import	May 4, 2023		6810.01-MAY-23-MENARDS GURNEE IL.-Food and Beverages for HCW Program Workers		51.91	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.15-MAY-23-PANDA EXPRESS #2331.- Lunch meals from Panda Express for eight workers at the May 13 Household Chemical Waste Collection. Workers Names: Pete Adrian, Mike Frances, James Collins, Moises Cavazos, Larry Pawlowski, Craig Jerge, J		109.55	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.23-MAY-23-PORTILLOS HOT DOGS#180.-Household Chemical Waste Mobile Collection May 20, 2023, Lunch Catering Tax Credit of \$40.09.		40.09	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.18-MAY-23-PORTILLOS HOT DOGS#180.-Catered food for May 20, 2023 Mundelein House Chemical Waste mobile collection (tax was refunded on May 22, 2023).		586.00	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.18-MAY-23-SAMS CLUB #8184.- Beverages and food for Household Chemical Waste Collection Program.		81.84	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.18-MAY-23-AMZN MKTP US*4T91A1EW3.-Trays used for food at Mobile Household Chemical Waste Collections.		9.99	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.18-MAY-23-AMZN MKTP US*LP5OM9MF3.-Trays used for food at Mobile Household Chemical Waste Collections.		10.95	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.22-MAY-23-SPEEDWAY 07350 5499 GR.- Ice for May 20, 2023 Mundelein Mobile Household Chemical Waste Collection. Store clerk could not remove the \$0.08 tax.		11.06	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.22-MAY-23-SAMS CLUB #8184.-Food and supplies for May 20, 2023 Mundelein Mobile Household Chemical Waste Collection.		44.70	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.29-MAY-23-MARIANOS #523.-Beverages and food supplies for the SWALCO office and Household Chemical Waste Program.		43.68	
P Card Import	P Card Import	P Card Import	May 30, 2023		6810.22-MAY-23-MENARDS GURNEE IL.-Food		42.07	

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01

Date To 2023-05-31

Report Date 03-Jul-23  
Page 14 of 15

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		6810.26-MAY-23-JERSEY MIKES 27057-Lunch sandwiches for workers at the SWALCO Special Waste Collection Event. Workers Names: Peter Adrin, Joe Martino, Walter Willis, Larry Pawlowski.	35.70	
	P Card Import	P Card Import	May 30, 2023		6810.29-MAY-23-SAMS CLUB #8184.-Food for seven workers at May 27, 2023, Household Chemical Waste Collection Event. Workers for the event: Peter Adrian, Joe Martino, James Collins, Larry Pawlowski, Mike Francis, Moises Cavazos	28.49	
	P Card Import	P Card Import	May 30, 2023		6810.22-MAY-23-DD/BR #301479.-Coffee for May 20, 2023 Mundelein Mobile Household Chemical Waste Collection. Store clerk could not exempt the \$1.60 tax.	21.59	
					May-23 Account Total	1,077.53	40.09
<b>Account 930-9200030-72210-000-000-00000 Description SWALCO \- Solid Waste Prog-Household Hazard Waste -Motor Vehicle Maintenance And----</b>							
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		6810.26-MAY-23-SPEEDWAY 07459 2850 SK.- Fuel for SWALCO truck.	85.50	
					May-23 Account Total	85.50	0.00
<b>Account 930-9200030-72410-000-000-00000 Description SWALCO \- Solid Waste Prog-Household Hazard Waste -All Other Maintenance And----</b>							
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		2990.11-MAY-23-TECH SYSTEMS, INC.	211.00	
	P Card Import	P Card Import	May 30, 2023		6810.08-MAY-23-MENARDS GURNEE IL.- Supplies for repairing fence.	24.83	
					May-23 Account Total	235.83	0.00
<b>Account 930-9200040-65180-000-000-00000 Description SWALCO \- Solid Waste Prog-Recycling -Miscellaneous Commodities</b>							
Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
	P Card Import	P Card Import	May 30, 2023		6810.10-MAY-23-SURE CLOSE USD.-Compost	1,350.00	

**BOSS Trading Partner Account Analysis Report**

Date From 2023-05-01

Date To 2023-05-31

Report Date 03-Jul-23  
Page 15 of 15

Trading Partner	Source	Category	GL Date	Transaction Number	Line Description	Debit	Credit
					Kitchen Collection Pals.		
					May-23 Account Total	1,350.00	0.00
					Trading Partner Total	<b>48,032.29</b>	<b>40.09</b>
					Trading Partner Net Total		<b>47,992.20</b>
					All Trading Partners Grand Total	<b>155,554.04</b>	<b>45.09</b>
					All Trading Partners Net Grand Total		<b>155,508.95</b>

End of Report

Memo to the Executive Committee

July 13, 2023

**A –1 . Fiscal Year 2022 Audit**

**ISSUE:** Whether to recommend to the SWALCO Board of Directors that the Fiscal Year 2022 audit be approved.

**RECOMMENDATION:** SWALCO staff recommends approval of the financial audit.

**BACKGROUND:** SWALCO's By-Laws and Illinois law requires that municipal joint action agencies undertake an annual financial audit. This year Baker Tilly conducted the audit, the same firm that audits Lake County government.

The audit includes the required communication of internal control related matters, and financial statements for fiscal years ending November 2022 and 2021. This year's audit was completed in conformance with the Government Accounting Standard Board (GASB) 34 model. The audit was found to be satisfactory and did not contain any material weaknesses in our financial reporting.

I want to thank Lake County's Finance Department and Amy Bartemio for their hard work in obtaining this clean audit. Upon your approval, the 2022 audit will be forwarded to the Board of Directors for its final action.

**ENCLOSED DOCUMENTS:** Final Fiscal Year 2022 Financial Audit

**STAFF:** Walter S. Willis, Executive Director



# **Reporting and insights from the 2022 audit:**

## **Solid Waste Agency of Lake County, Illinois**

**November 30, 2022**

# Executive summary

July 1, 2023

Board of Directors  
Solid Waste Agency of Lake County  
1131 Estes Street  
Gurnee, IL 60031

We have completed our audit of the financial statements of the Solid Waste Agency of Lake County, Illinois (SWALCO) for the year ended November 30, 2022, and have issued our report thereon dated July 1, 2023. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of SWALCO's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

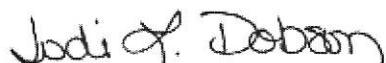
Additionally, we have included information on key risk areas SWALCO should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Jodi Dobson, Partner: [jodi.dobson@bakertilly.com](mailto:jodi.dobson@bakertilly.com) or +1 (608) 240 2469
- Ryan O'Donnell, Senior Manager: [ryan.odonnell@bakertilly.com](mailto:ryan.odonnell@bakertilly.com) or +1 (608) 240 2606

Sincerely,

Baker Tilly US, LLP



Jodi Dobson, CPA, Partner

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

BAKER TILLY US, LLP, TRADING AS BAKER TILLY, IS A MEMBER OF THE GLOBAL NETWORK OF BAKER TILLY INTERNATIONAL LTD., THE MEMBERS OF WHICH ARE SEPARATE AND INDEPENDENT LEGAL ENTITIES.

# Responsibilities

## Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of SWALCO's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board of Directors:
  - Are free from material misstatement
  - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or the Board of Directors of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board of Directors, including:

- Internal control matters
- Qualitative aspects of SWALCO's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

# Audit status

## Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

# Audit approach and results

## Planned scope and timing

### Audit focus

Based on our understanding of SWALCO and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about SWALCO's current year results.

## Key areas of focus and significant findings

### Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

### Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

## Internal control matters

We considered SWALCO's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of SWALCO's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we considered to be material weaknesses.

# Required communications

## Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by SWALCO are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2022. We noted no transactions entered into by SWALCO during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System (modify as necessary)	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

## Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for SWALCO or that otherwise appear to be unusual due to their timing, size or nature.

## Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

## **Disagreements with management**

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

## **Audit report**

There have been no departures from the auditors' standard report.

## **Audit consultations outside the engagement team**

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

## **Uncorrected misstatements and corrected misstatements**

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. Two payments received in during fiscal year 2022 related to services performed in the prior fiscal year were improperly recorded as revenue in the current year. Had these been appropriately accounted for, current year operating revenue would have been \$107,904 lower and beginning net position would have been \$107,904 higher. In our judgment, neither the uncorrected, either individually or in the aggregate, indicate matters that could have had a significant effect on the SWALCO's financial reporting process.

Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the basic financial statements under audit.

## **Other audit findings or issues**

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SWALCO's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Management's consultations with other accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

## **Written communications between management and Baker Tilly**

The attachments include copies of other material written communications, including a copy of the management representation letter.

## **Compliance with laws and regulations**

We did not identify any non-compliance with laws and regulations during our audit.

## **Fraud**

We did not identify any known or suspected fraud during our audit.

## **Going concern**

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of SWALCO's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

## **Independence**

We are not aware of any relationships between Baker Tilly and SWALCO that, in our professional judgment, may reasonably be thought to bear on our independence.

## **Related parties**

We did not have any significant findings or issues arise during the audit in connection with SWALCO's related parties.

## **Other matters**

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

## **Nonattest services**

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Adjusting journal entries

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

# Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.

# Management representation letter



SOLID WASTE AGENCY OF LAKE COUNTY, IL

July 1, 2023

Antioch	Highland Park	Lindenhurst	Third Lake
Bannockburn	Highwood	Long Grove	Tower Lakes
Beach Park	Island Lake	Mundelein	Vernon Hills
Deer Park	Kildeer	North Barrington	Volo
Deerfield	Lake Barrington	North Chicago	Wadsworth
Fox Lake	Lake Bluff	Park City	Wauconda
Grayslake	Lake County	Port Barrington	Waukegan
Great Lakes NTC	Lake Forest	Riverwoods	Winthrop Harbor
Green Oaks	Lake Villa	Round Lake	Zion
Gurnee	Lake Zurich	Round Lake Beach	
Hainesville	Libertyville	Round Lake Heights	
Hawthorn Woods	Lincolnshire	Round Lake Park	

Baker Tilly US, LLP  
1301 W. 22nd Street  
Suite 400  
Oak Brook, Illinois 60523

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Solid Waste Agency of Lake County, Illinois (SWALCO) as of November 30, 2022 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of SWALCO and the respective changes in financial position and cash flows in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

#### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 17, 2022.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the Department required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
- 7) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 9) We believe the effects of the uncorrected financial statement misstatement listed here is immaterial, both individually and in the aggregate, to the basic financial statements as a whole. Management has chosen not to restate the prior year related to fiscal year 2021 revenue that was improperly recorded as revenue in fiscal year 2022. Had the prior year been adjusted, operating revenue would have been \$107,904 lower and beginning net position would have been \$107,904 higher.
- 10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
- 11) Guarantees, whether written or oral, under which the County is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 12) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 16) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) There are no related parties or related party relationships and transactions, including side agreements, of which we are aware.

#### **Other**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) SWALCO has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 24) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 25) There are no:
  - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.

- b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
- c) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
- d) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

26) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

- a) Financial statement preparation
- b) Adjusting journal entries

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

27) SWALCO has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

28) SWALCO has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

29) The financial statements properly classify all funds and activities.

30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

31) Provisions for uncollectible receivables, if any, have been properly identified and recorded.

32) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

33) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

34) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

35) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).

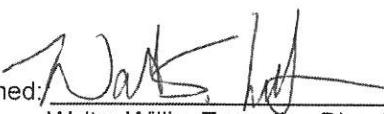
36) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.

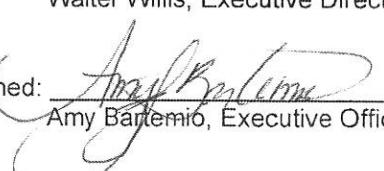
37) Tax-exempt bonds issued have retained their tax-exempt status.

- 38) We have appropriately disclosed SWALCO's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.
- 39) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 40) We assume responsibility for, and agree with, the findings of specialists in evaluating the total OPEB liability and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 41) We assume responsibility for, and agree with, the information provided by the Illinois Municipal Retirement Fund as audited by Plante & Moran LLC relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 42) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as leases in accordance with GASB Statement No. 87, Leases.
- 43) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement*. In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.
- 44) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. We do not prepare an annual report.

Sincerely,

Solid Waste Agency of Lake County, Illinois

Signed:   
Walter Willis, Executive Director

Signed:   
Amy Bartemio, Executive Office Assistant

# Accounting changes relevant to SWALCO

## Future accounting standards update

GASB Statement Number	Description	Potentially Impacts you	Effective Date
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements		11/30/23
96	Subscription-Based Information Technology Arrangements	✓	11/30/23
99	Omnibus 2022	✓	11/30/23
100	Accounting Changes and Error Corrections	✓	11/30/24
101	Compensated Absences	✓	11/30/25

Further information on upcoming [GASB pronouncements](#).

### Determining if GASB 94 applies for your organization

GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* provides guidance related to public-private and public-public partnerships (PPP) and availability payment arrangements (APA).

A PPP is an arrangement in which an entity contracts with an operator to provide public services by conveying control of the right to operate or use infrastructure or other capital asset. A common example of PPP is a service concession arrangement.

An APA is an arrangement in which an entity compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an asset.

SWALCO should start to identify any contracts that could meet either definition to ensure they are reviewed for applicability and accounted for correctly when the standard is effective. Initial steps include reviewing contracts that didn't meet the definition of a lease under GASB 87 and identifying any other agreements where the organization contracts with or partners with another entity to provide services.

## **Future accounting for subscription-based IT arrangements**

Subscription-based IT arrangements include contracts that convey control of the right to use another party's IT software. It would not include any licensing arrangements that provide a perpetual license, which would still be accounted for as an intangible asset. Subscription-based IT arrangements are becoming more and more popular with IT vendors. This standard mirrors the new lease standard. SWALCO will be able to utilize the systems put into place to implement the lease standard to properly account for these contracts. Common examples of these contracts in the utility industry include:

- Leasing space in the cloud
- GIS systems
- SCADA systems
- Some work order or inventory systems as well as some general ledger or billing systems

SWALCO should work with its IT department and department managers to determine a population listing of contracts that would fall under this standard to determine the potential future impact to financial reporting.

## **Revised guidance for accounting changes and error corrections**

GASB Statement No. 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*, seeks to provide more understandable, reliable, relevant, consistent and comparable information for making decisions and assessing accountability.

The standard establishes the following categories:

1. Accounting changes, which is comprised of:
  - a. Changes in accounting principles – result from a change from one generally accepted accounting principle to another that is justified on the basis that the newly adopted principle is preferable to the previously applied principle, or the implementation of a new pronouncement.
  - b. Changes in accounting estimates – occur when inputs change due to a change in circumstances, new information, or more experience. Note that the focus is on changes to the inputs used; a change in the value of an input such as an annual inflation update does not require disclosure under this standard.
  - c. Changes to or within the financial reporting entity – result from the addition or removal of a fund that results from the movement of continuing operations (such as moving sanitation operation from the general fund to its own separate fund), a change in a fund's presentation as major or nonmajor, the addition or removal of a component unit (with certain exceptions), or a change in a component unit's presentation as blended or discretely presented.
2. Error corrections – result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time of the financial statements were issued (i.e., facts that could reasonably be expected to have been obtained and considered at that time).

A summary of the reporting impact of each category is as follows:

Accounting changes				
Reporting considerations	Change in accounting principle	Change in estimate	Change to the financial reporting entity	Correction of an error
Basic financial statement schedules:	Restate earliest period presented	Report prospectively	Adjust current year beginning balances	Restate earliest period presented
Required supplementary information & supplementary information:	Should match the financial statement presentation noted above; no adjustments to earlier periods needed			Restate all periods impacted
Additional disclosures?	Yes	Yes	Yes	Yes

SWALCO should become familiar with the new guidance in advance of the implementation effective date.

# Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
  - Identify types of potential misstatements.
  - Consider factors that affect the risks of material misstatement.
  - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that SWALCO will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early in January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.



## **Solid Waste Agency of Lake County, Illinois**

Financial Statements and  
Required Supplementary Information

November 30, 2022 and 2021

## **Solid Waste Agency of Lake County, Illinois**

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### Table of Contents

November 30, 2022 and 2021

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statements of Net Position	4
Statements of Revenues, Expenses and Changes in Net Position	5
Statements of Cash Flows	6
Notes to Financial Statements	7
<b>Required Supplementary Information</b>	
Statement of Revenues, Expenses and Changes in Net Position – Budget and Actual Year Ended November 30, 2022	20
Statement of Revenues, Expenses and Changes in Net Position – Budget and Actual Year Ended November 30, 2021	21
Notes to Required Supplementary Information – Budget and Actual	22
Schedule of Changes in the Agency's Net Pension Liability (Asset) and Related Ratios	23
Schedule of Employer Contributions	24
Notes to Required Supplementary Information - Pension	24

## Independent Auditors' Report

To the Board of Directors of  
Solid Waste Agency of Lake County, Illinois

### Opinion

We have audited the accompanying financial statements of the Solid Waste Agency of Lake County, Illinois (SWALCO), as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise SWALCO's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of SWALCO as of November 30, 2022, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Other Matter

The financial statements of SWALCO as of and for the year ended November 30, 2021, were audited by other auditors whose report dated July 21, 2022, expressed an unmodified opinion on those statements.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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 SWALCO'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.

## **Auditors' 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 auditors' 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 SWALCO'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 SWALCO'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 the required supplementary information, as listed in the table of contents be 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 basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Baker Tilly US, LLP*

Chicago, Illinois  
July 1, 2023

## **FINANCIAL STATEMENTS**

## Solid Waste Agency of Lake County, Illinois

Statements of Net Position  
November 30, 2022 and 2021

	2022	2021
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 2,384,387	\$ 1,992,180
Receivables	183,097	172,165
Prepaid insurance	21,487	29,479
	2,588,971	2,193,824
Total current assets		
<b>Noncurrent Assets</b>		
Designated assets:		
Equipment replacement fund	242,102	254,602
Restricted assets:		
Net pension asset	1,342,556	955,596
Capital assets:		
Plant in service	2,299,796	2,299,796
Construction work in progress	-	-
Accumulated depreciation	(1,549,376)	(1,476,404)
	2,335,078	2,033,590
Total noncurrent assets		
	4,924,049	4,227,414
Total assets		
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pension	34,263	49,310
	34,263	49,310
Total deferred outflows of resources		
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	38,260	15,348
Accrued payroll	91,351	88,727
Unearned revenue	2,277	142
	131,888	104,217
Total current liabilities		
	131,888	104,217
Total liabilities		
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pension	511,593	321,594
	511,593	321,594
Total deferred inflows of resources		
<b>Net Position</b>		
Net investment in capital assets	750,420	823,392
Restricted for:		
Pension	1,342,556	955,596
Unrestricted	2,221,855	2,071,925
	\$ 4,314,831	\$ 3,850,913
Total net position		

*See notes to financial statements*

## **Solid Waste Agency of Lake County, Illinois**

Statements of Revenues, Expenses and Changes in Net Position  
Years Ended November 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>Operating Revenues</b>		
County surcharge, current	\$ 1,056,360	\$ 714,542
Member fees	315,221	287,324
Other miscellaneous	<u>102,801</u>	<u>94,908</u>
Total operating revenues	<u>1,474,382</u>	<u>1,096,774</u>
<b>Operating Expenses</b>		
Personnel services	658,569	634,021
Operational services	25,859	31,987
Contractual services	418,343	393,721
Buildings and equipment maintenance	16,737	20,004
Pension expense (income)	(177,881)	(127,848)
Depreciation	<u>72,972</u>	<u>79,067</u>
Total operating expenses	<u>1,014,599</u>	<u>1,030,952</u>
Operating income (loss)	<u>459,783</u>	<u>65,822</u>
<b>Nonoperating Income</b>		
Investment income	<u>4,135</u>	<u>3,332</u>
Total nonoperating income	<u>4,135</u>	<u>3,332</u>
Change in net position	463,918	69,154
<b>Net Position, Beginning</b>	<u>3,850,913</u>	<u>3,781,759</u>
<b>Net Position, Ending</b>	<u>\$ 4,314,831</u>	<u>\$ 3,850,913</u>

*See notes to financial statements*

## Solid Waste Agency of Lake County, Illinois

### Statements of Cash Flows

Years Ended November 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>		
Received from members and the County	\$ 1,463,450	\$ 1,076,715
Paid to suppliers for goods and services	(429,309)	(485,261)
Paid to employees for services	(658,569)	(584,847)
	<u>375,572</u>	<u>6,607</u>
<b>Cash Flows From Investing Activities</b>		
Investment income	<u>4,135</u>	<u>3,332</u>
	<u>4,135</u>	<u>3,332</u>
Net change in cash and cash equivalents	379,707	9,939
<b>Cash and Cash Equivalents, Beginning</b>	<u>2,246,782</u>	<u>2,236,843</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 2,626,489</u></u>	<u><u>\$ 2,246,782</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>		
Operating income (loss)	\$ 459,783	\$ 65,822
Nonoperating income	-	-
Noncash items included in operating income:		
Depreciation	72,972	79,067
Changes in assets and liabilities:		
Other receivables	(10,932)	(20,186)
Prepaid insurance	7,992	(2,663)
Accounts payable	22,912	(36,886)
Accrued payroll	2,624	53,181
Pension related deferrals and liabilities	(181,914)	(131,855)
Unearned revenue	2,135	127
	<u>375,572</u>	<u>6,607</u>
<b>Reconciliation of Cash and Cash Equivalents to Statements of Net Position</b>		
Cash and investments	\$ 2,384,387	\$ 1,992,180
Equipment replacement fund	<u>242,102</u>	<u>254,602</u>
	<u><u>\$ 2,626,489</u></u>	<u><u>\$ 2,246,782</u></u>

See notes to financial statements

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 1. Summary of Significant Accounting Policies**

The financial statements of Solid Waste Agency of Lake County, Illinois (SWALCO or the Agency), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by SWALCO are described below:

#### **Reporting Entity**

SWALCO is a municipal corporation formed by Lake County and 43 municipalities within Lake County for the purpose of implementing the Lake County Solid Waste Management Plan. SWALCO has a Board of Directors made up from these members, an Executive Committee (one permanent seat for Lake County, two seats for members with 30,000 or more residents and six at large seats), a Legislative Committee and five staff members. SWALCO is established pursuant to the Intergovernmental Cooperation Act of the State of Illinois, the Illinois Local Solid Waste Disposal Act, the Illinois Planning and Recycling Act and Lake County Board Resolution #38 of September 12, 1989. Operations began on February 21, 1991. Following criteria established by GASB, SWALCO is not considered a component unit of the county.

#### **Mission Statement and Objectives**

SWALCO implements a regional approach to solid waste management by addressing the economic, political and environmental issues in Lake County and by meeting the following objectives:

- Implement and update the Lake County Solid Waste Management Plan.
- Facilitate an efficient, reliable and environmentally sound waste disposal system.
- Advise and assist SWALCO members regarding solid waste management issues.
- Educate the public regarding the implications of solid waste management options.
- Identify and disseminate information regarding techniques to reduce, reuse and recycle solid waste.

The entity generally does not dispose of solid waste for its members.

#### **Funding**

The Agency is funded from a surcharge imposed at sanitary landfills. The surcharge also funds the Lake County Health Department's enforcement program. The Agency also receives a yearly operations and maintenance fee from its members based on the number of households in each member community.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

SWALCO is presented following enterprise fund accounting. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 1. Summary of Significant Accounting Policies (continued)**

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 disclosure 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 those estimates.

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position**

#### **Deposits and Investments**

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition. SWALCO's deposits and investments are maintained by the Treasurer of Lake County in pooled deposit and investment accounts. The county's policy is to maintain collateral for all deposits.

#### **Receivables/Payables**

Other receivables consist of membership fees being paid over a number of years from member communities and other miscellaneous amounts due to SWALCO. Breakdown of accounts receivable is as follows:

	<b>2022</b>	<b>2021</b>
Statutory fee receivable	\$ 179,902	\$ 168,548
Member receivable	918	3,475
Interest receivable	2,277	142
 Total other receivables	 \$ 183,097	 \$ 172,165

SWALCO anticipates no issues with collections from member communities and others. As such, no allowance for uncollectible accounts is considered necessary.

Accounts payable consists of amounts due from SWALCO to outside parties for goods and services received.

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 1. Summary of Significant Accounting Policies (continued)**

#### **Restricted Assets**

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

#### **Designated Assets**

During fiscal year 2009, the Agency authorized a replacement account to fund any future replacement of capital items. As of November 30, 2022 and 2021, the Agency had designated assets of \$242,102 and \$254,602, respectively.

#### **Prepaid Insurance**

Prepaid insurance represents insurance premiums which benefit subsequent periods.

#### **Capital Assets**

Capital assets are generally defined by SWALCO as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year.

Capital assets of SWALCO are recorded at cost or the estimated acquisition value at the time of contribution to SWALCO. Major outlays for SWALCO capital assets are capitalized as projects are constructed. Capital assets in service are depreciated using the straight-line method over the following useful lives:

	<b>Years</b>
Land improvements	5 – 10
Buildings	30
Office furniture and equipment	2 – 10

#### **Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources to pensions and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF or the Fund) and additions to /deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. 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**

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

#### **Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 1. Summary of Significant Accounting Policies (continued)**

#### **Revenues and Expenses**

SWALCO distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with SWALCO's principal ongoing operations. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **Effect of New Accounting Standards on Current Period Financial Statements**

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.

#### **Comparative Data**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

### **Note 2. Deposits and Investments**

#### **Custodial Credit Risk**

##### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, SWALCO's deposits may not be returned to SWALCO.

SWALCO maintains certain deposits at the same institutions as the County. The custodial credit risk pertaining specifically to SWALCO's resources at these institutions cannot be determined individually for those accounts.

State statutes authorize SWALCO to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks, savings and loan associations and credit unions. As of November 30, 2022, SWALCO had deposits, consisting of cash of \$894,026 and non-participating certificates of deposit of \$1,732,463, all with federally insured financial institutions. As of November 30, 2021, SWALCO had deposits, consisting of cash of \$518,450 and non-participating certificates of deposit of \$1,728,332, all with federally insured financial institutions.

## **Solid Waste Agency of Lake County, Illinois**

Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 2. Deposits and Investments (continued)**

The County's current investment policy addresses custodial credit risk. The County's investment policy states that it will not maintain funds in any financial institution that is not a member of the FDIC or National Credit Union Association Systems (NCUA). Furthermore, the County will not maintain funds in any financial institutions that do not collateralize all funds in excess of the FDIC or NCUA insurance limits. Refer to the County financial statements for additional details.

### **Note 3. Changes in Capital Assets**

A summary of changes in capital assets for 2022 follows:

	<b>Balance 12/1/21</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 11/30/22</b>
Capital assets, not being depreciated:				
Land	<u>\$ 166,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,217</u>
Capital assets being depreciated:				
Land improvements	266,606	-	-	266,606
Buildings	1,678,340	-	-	1,678,340
Office furniture and equipment	<u>188,633</u>	<u>-</u>	<u>-</u>	<u>188,633</u>
Total capital assets being depreciated	<u>2,133,579</u>	<u>-</u>	<u>-</u>	<u>2,133,579</u>
Total capital assets	2,299,796	-	-	2,299,796
Less accumulated depreciation	<u>(1,476,404)</u>	<u>(72,972)</u>	<u>-</u>	<u>(1,549,376)</u>
Net capital assets	<u>\$ 823,392</u>	<u>\$ (72,972)</u>	<u>\$ -</u>	<u>\$ 750,420</u>

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 3. Changes in Capital Assets (continued)**

A summary of changes in capital assets for 2021 follows:

	<b>Balance 12/1/20</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 11/30/21</b>
Capital assets, not being depreciated:				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Capital assets being depreciated:				
Land improvements	266,606	-	-	266,606
Buildings	1,678,340	-	-	1,678,340
Office furniture and equipment	188,633	-	-	188,633
Total capital assets being depreciated	2,133,579	-	-	2,133,579
Total capital assets	2,299,796	-	-	2,299,796
Less accumulated depreciation	(1,397,337)	(79,067)	-	(1,476,404)
Net capital assets	\$ 902,459	\$ (79,067)	\$ -	\$ 823,392

### **Note 4. Net Position**

GASB No. 34 requires the classification of net position into three components – net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

**Net Investment in Capital Assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. SWALCO has no debt outstanding as of November 30, 2022 or 2021.

**Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 4. Net Position (continued)**

The following calculation supports the investment in capital assets as of November 30, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Plant in service	\$ 2,299,796	\$ 2,299,796
Accumulated depreciation	<u>(1,549,376)</u>	<u>(1,476,404)</u>
 Total investment in capital assets	 <u>\$ 750,420</u>	 <u>\$ 823,392</u>

### **Note 5. Contingencies and Commitments**

#### **Contingent Liabilities**

Due to the nature of SWALCO's operations, claims and legal actions against hazardous waste disposal may be incurred. No amount has been recorded as a loss because the probability, or amount, cannot be reasonably estimated.

#### **Landfill Contracts**

SWALCO has executed waste disposal capacity agreements with seven landfills. The agreements were executed to provide guaranteed disposal capacity to the participating communities over their agreed to terms. The agreements further call for monthly payments to SWALCO based on the tonnage received from the members. Complete terms and conditions of the agreements are available from SWALCO offices.

### **Note 6. Risk Management**

SWALCO is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

### **Note 7. Employee Retirement System**

#### **Plan Description**

The Agency's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases and death benefits to plan members and beneficiaries. The Agency's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 7. Employee Retirement System (continued)**

#### **Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

#### **Employees Covered by Benefit Terms**

As of December 31, 2021 and 2020, the following employees were covered by the benefit terms:

	<b>2021</b>	<b>2020</b>
Retirees and beneficiaries currently receiving benefits	3	2
Inactive plan members entitled to but not yet receiving benefits	2	2
Active plan members	5	5
<b>Total</b>	<b>10</b>	<b>9</b>

#### **Contributions**

As set by statute, the Agency's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Agency's annual contribution rate for calendar year 2022 and 2021 was 0.89% and 0.89%, respectively. SWALCO also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 7. Employee Retirement System (continued)**

#### **Net Pension Liability (Asset)**

The Agency's net pension liability (asset) was measured as of December 31, 2021 and 2020. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

#### **Summary of Significant Accounting Policies**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. 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.

#### **Actuarial Assumption**

The following are the methods and assumptions used to determine total pension liability (asset) at December 31, 2021 and 2020:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For Non-disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020.
- For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.
- For Active Members the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

## **Solid Waste Agency of Lake County, Illinois**

Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 7. Employee Retirement System (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 pension plan 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 to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Projected Returns/Risk</b>	
		<b>One Year Arithmetic</b>	<b>Ten Year Geometric</b>
Equities	39.00 %	3.25 %	1.90 %
International equities	15.00	4.89	3.15
Fixed income	25.00	(0.50)	(0.60)
Real estate	10.00	4.20	6.20
Alternatives	10.00		
Private equity	-	8.85	5.50
Commodities	-	2.90	1.70
Cash equivalents	1.00	(0.90)	(0.90)
<b>Total</b>	<b><u>100 %</u></b>		

#### **Discount Rate**

A Discount Rate of 7.25% was used to measure the total pension liability (asset). The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return (7.25%) on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate (1.84%) based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

IMRF's fiduciary net position as of December 31, 2021 was projected to be available to make all projected future benefit payments of active and inactive members and all benefit recipients of the plan. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84% and the resulting single discount rate is 7.25%.

## Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements  
November 30, 2022 and 2021

### Note 7. Employee Retirement System (continued)

**Changes in the Net Pension Liability (Asset):** The following table shows the components of the Agency's annual pension liability (asset) and related fiduciary net position for the calendar years ended December 31, 2021 and 2020:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2019	\$ 2,745,795	\$ 3,430,126	\$ (684,331)
Changes for the year:			
Service cost	49,114	-	49,114
Interest on the total pension liability	196,859	-	196,859
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	24,396	-	24,396
Changes of assumptions	4,870	-	4,870
Contributions, employer	-	3,705	(3,705)
Contributions, employees	-	20,081	(20,081)
Net investment income	-	499,809	(499,809)
Benefit payments, including refunds of employee contributions	(110,103)	(110,103)	-
Other (net transfer)	-	22,909	(22,909)
Net changes	165,136	436,401	(271,265)
Balances at December 31, 2020	2,910,931	3,866,527	(955,596)
Changes for the year:			
Service cost	48,554	-	48,554
Interest on the total pension liability	208,596	-	208,596
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	24,946	-	24,946
Changes of assumptions	-	-	-
Contributions, employer	-	3,853	(3,853)
Contributions, employees	-	19,485	(19,485)
Net investment income	-	648,491	(648,491)
Benefit payments, including refunds of employee contributions	(116,057)	(116,057)	-
Other (net transfer)	-	(2,773)	2,773
Net changes	166,039	552,999	(386,960)
Balances at December 31, 2021	\$ 3,076,970	\$ 4,419,526	\$ (1,342,556)

## Solid Waste Agency of Lake County, Illinois

Notes to Financial Statements  
November 30, 2022 and 2021

### Note 7. Employee Retirement System (continued)

#### Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset) as of December 31, 2022 and 2021, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Net Pension Liability (Asset)	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
December 31, 2021	(1,021,911)	(1,342,556)	(1,606,639)
December 31, 2020	(642,013)	(955,596)	(1,212,937)

#### Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended November 30, 2022 and 2021, the Agency recognized pension expense (income) of \$(177,995) and \$(127,875), respectively. At November 30, 2022 and 2021, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	November 30, 2022		November 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in expense in future periods:				
Differences between expected and actual experience	\$ 28,357	\$ 3,669	\$ 26,489	\$ 8,894
Changes of assumptions	2,144	-	19,125	2,999
Net difference between projected and actual earnings on pension plan investments	-	507,924	-	309,701
Total deferred amounts to be recognized in pension expense in future periods	30,501	511,593	45,614	321,594
Pension contributions made subsequent to the measurement date	3,762	-	3,696	-
Total deferred amounts related to pensions	\$ 34,263	\$ 511,593	\$ 49,310	\$ 321,594

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Financial Statements  
November 30, 2022 and 2021

### **Note 7. Employee Retirement System (continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

	<b>Net Deferred Outflows/Inflows of Resources</b>
Year ending December 31:	
2022	\$ (99,571)
2023	(185,158)
2024	(122,038)
2025	<u>(74,325)</u>
 Total	 <u>\$ (481,092)</u>

### **Note 8. Other Postemployment Benefits (OPEB)**

All full-time employees participate in a single-employer self-insured health care plan administered through Lake County. The Plan provides limited health care coverage at 100% of the active premium rate. The State of Illinois requires IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled members, retirees and surviving spouses at the same premium rate for active employees. Therefore an implicit rate subsidy exists for retirees (that is, the difference between the premium rate charged to retirees for the benefit and the estimated rate that would be applicable to those retirees if that benefit were acquired for them as a separate group) resulting from the participation in postemployment healthcare plans that cover both active employees and retirees. The plan operates on a pay-as-you-go funding basis. No assets are accumulated or dedicated to funding the retiree health insurance benefits. The actuarial valuation of the plan is computed for the county as a whole. The Agency's portion of the liability is not considered material to the financial statements.

Further details regarding the county's entire commitment to the health care plan can be found in the Lake County, Illinois financial statements.

### **Note 9. Related Parties**

SWALCO is a stand-alone government as determined by criteria established by GASB. Lake County does provide certain services including, but not limited to, banking, general ledger, payroll and other data processing.

### **Note 10. Subsequent Events**

The Agency evaluated subsequent events through the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements. No significant events were noted.

**REQUIRED SUPPLEMENTARY INFORMATION**

## **Solid Waste Agency of Lake County, Illinois**

Statement of Revenues, Expenses and Changes in Net Position  
 Budget and Actual  
 Year Ended November 30, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Operating Revenues</b>			
County surcharge, current	\$ 743,000	\$ 1,056,360	\$ 313,360
Member fees	287,323	315,221	27,898
Other miscellaneous	138,490	102,801	(35,689)
 Total operating revenues	 1,168,813	 1,474,382	 305,569
<b>Operating Expenses</b>			
Personnel services	665,053	658,569	6,484
Operational services	32,050	25,859	6,191
Contractual services	465,222	418,343	46,879
Buildings and equipment maintenance	17,255	16,737	518
Pension expense (income)	4,379	(177,881)	182,260
Depreciation	-	72,972	(72,972)
 Total operating expenses	 1,183,959	 1,014,599	 169,360
<b>Operating Income (Loss)</b>			
 <b>Nonoperating Income</b>			
Investment income	4,000	4,135	135
 Change in net position	 (11,146)	 463,918	 475,064
 Net position, beginning		 <u>3,850,913</u>	
 Net position, ending		 <u>\$ 4,314,831</u>	

*See notes to required supplementary information*

## **Solid Waste Agency of Lake County, Illinois**

Statement of Revenues, Expenses and Changes in Net Position  
 Budget and Actual  
 Year Ended November 30, 2021

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Operating Revenues</b>			
County surcharge, current	\$ 702,850	\$ 714,542	\$ 11,692
Member fees	287,275	287,324	49
Other miscellaneous	95,890	94,908	(982)
 Total operating revenues	 1,086,015	 1,096,774	 10,759
<b>Operating Expenses</b>			
Personnel services	611,713	634,021	(22,308)
Operational services	33,500	31,987	1,513
Contractual services	487,079	393,721	93,358
Buildings and equipment maintenance	23,640	20,004	3,636
Pension expense (income)	4,191	(127,848)	132,039
Depreciation	1	79,067	(79,066)
 Total operating expenses	 1,160,124	 1,030,952	 129,172
<b>Operating Income (Loss)</b>			
 <b>Nonoperating Income</b>			
Investment income	1,630	3,332	1,702
 Income (loss) before transfers	 (72,479)	 69,154	 141,633
<b>Transfers</b>			
Transfers to other funds	(224,700)	-	224,700
 Change in net position	 (297,179)	 69,154	 366,333
 Net position, beginning		 3,781,759	
 Net position, ending		  \$ 3,850,913	

*See notes to required supplementary information*

## **Solid Waste Agency of Lake County, Illinois**

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Notes to Required Supplementary Information  
November 30, 2022 and 2021

### **Budgetary Information**

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the accrual basis of accounting. We also note depreciation expense is not budgeted.

**Solid Waste Agency of Lake County, Illinois**

Illinois Municipal Retirement Fund

Schedule of Changes in the Agency's Net Pension Liability (Asset) and Related Ratios

As of Measurement Date

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 48,554	\$ 49,114	\$ 49,143	\$ 45,265	\$ 47,951	\$ 47,865	\$ 44,802	\$ 48,289
Interest on the total pension liability	208,596	196,859	188,842	178,364	175,349	168,268	162,272	150,456
Differences between expected and actual experience	24,946	24,396	(18,492)	39,064	(6,760)	(20,058)	(76,621)	(113,552)
Changes of assumptions	-	4,870	-	68,379	(70,935)	-	-	76,878
Benefit payments, including refunds of member contributions	(116,057)	(110,103)	(107,688)	(105,261)	(102,863)	(100,563)	(3,502)	(2,077)
Net change in total pension liability	166,039	165,136	111,805	225,811	42,742	95,512	126,951	159,994
<b>Total Pension Liability, Beginning</b>	<b>2,910,931</b>	<b>2,745,795</b>	<b>2,633,990</b>	<b>2,408,179</b>	<b>2,365,437</b>	<b>2,269,925</b>	<b>2,142,974</b>	<b>1,982,980</b>
<b>Total Pension Liability, Ending (A)</b>	<b>\$ 3,076,970</b>	<b>\$ 2,910,931</b>	<b>\$ 2,745,795</b>	<b>\$ 2,633,990</b>	<b>\$ 2,408,179</b>	<b>\$ 2,365,437</b>	<b>\$ 2,269,925</b>	<b>\$ 2,142,974</b>
<b>Plan Fiduciary Net Position</b>								
Employer contributions	\$ 3,853	\$ 3,705	\$ 3,346	\$ 3,309	\$ 3,441	\$ 3,416	\$ 3,751	\$ 29,569
Employee contributions	19,485	20,081	19,064	18,850	18,222	17,879	17,770	16,266
Net investment income (loss)	648,491	499,809	571,087	(192,179)	513,968	185,576	14,083	165,146
Benefit payments, including refunds of member contributions	(116,057)	(110,103)	(107,688)	(105,261)	(102,863)	(100,563)	(3,502)	(2,077)
Other (net transfer)	(2,773)	22,909	2,197	42,924	(38,435)	9,372	(175,295)	(86,686)
Net change in plan fiduciary net position	552,999	436,401	488,006	(232,357)	394,333	115,680	(143,193)	122,218
<b>Plan Fiduciary Net Position, Beginning</b>	<b>3,866,527</b>	<b>3,430,126</b>	<b>2,942,120</b>	<b>3,174,477</b>	<b>2,780,144</b>	<b>2,664,464</b>	<b>2,807,657</b>	<b>2,685,439</b>
<b>Plan Fiduciary Net Position, Ending (B)</b>	<b>\$ 4,419,526</b>	<b>\$ 3,866,527</b>	<b>\$ 3,430,126</b>	<b>\$ 2,942,120</b>	<b>\$ 3,174,477</b>	<b>\$ 2,780,144</b>	<b>\$ 2,664,464</b>	<b>\$ 2,807,657</b>
<b>Employer's Net Pension Liability (Asset) - Ending (a) - (b)</b>	<b>\$ (1,342,556)</b>	<b>\$ (955,596)</b>	<b>\$ (684,331)</b>	<b>\$ (308,130)</b>	<b>\$ (766,298)</b>	<b>\$ (414,707)</b>	<b>\$ (394,539)</b>	<b>\$ (664,683)</b>
Plan fiduciary net position as a percentage of the total pension liability (asset)	143.63%	132.83%	124.92%	111.70%	131.82%	117.53%	117.38%	131.02%
Covered-employee payroll	\$ 433,011	\$ 446,239	\$ 423,651	\$ 418,887	\$ 404,931	\$ 397,304	\$ 394,891	\$ 366,905
Employer's net pension liability as a percentage of covered-employee payroll	(310.05%)	(214.14%)	(161.53%)	(73.56%)	(189.24%)	(104.38%)	(99.91%)	(181.16%)

*See notes to required supplementary information*

**Solid Waste Agency of Lake County, Illinois**

Illinois Municipal Retirement Fund  
Schedule of Employer Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,854	\$ 3,704	\$ 3,346	\$ 3,309	\$ 3,442	\$ 3,417	\$ 3,751	\$ 29,569
Contributions in relation to the actuarially determined contribution	(3,853)	(3,705)	(3,346)	(3,309)	(3,441)	(3,416)	(3,751)	(29,569)
Contribution deficiency (excess)	\$ 1	\$ (1)	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -
Covered-employee payroll	\$ 433,011	\$ 446,239	\$ 423,651	\$ 418,887	\$ 404,931	\$ 397,304	\$ 394,891	\$ 366,905
Contributions as a percentage of covered-employee payroll	0.89%	0.83%	0.79%	0.79%	0.85%	0.86%	0.95%	8.06%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which is available.

**Notes to Schedule:**

**Valuation date:**

Actuarially determined contribution rates are calculated as of December 31 each year, which are 11 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	5-Year smooth market, 20% corridor
Wage growth	3.25%
Inflation	2.25%
Salary increases	2.85% to 13.75% including inflation
Investment rate of return	7.25%
Retirement Age	

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016. For Non-disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For Active Members the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**Other information:**

There were no benefit changes during the year.

*See notes to required supplementary information*

Memo to the Executive Committee

July 13, 2023

### **I – 1. Project and Program Updates**

**BACKGROUND:** The following are updates on several projects and programs we are currently working on:

1. The complaints against the landfills continue, I will ask Derke to provide an update at the meeting.
2. A pre-proposal meeting for the MRF RFP was held on July 7, staff will provide an update at the meeting.
3. Joe Martino is taking the lead on submitting a grant application to IEPA to obtain a grant, not to exceed \$35,000, to manage sharps collected by SWALCO members. We also have an RFP out for a sharps vendor to hire to collect and manage the sharps and use the IEPA grant to pay for these services. Currently three members are collecting sharps with SWALCO assistance: Wauconda, Highland Park and Lake Zurich. The goal is to obtain the grant, hire a vendor and begin to expand the program later this summer.

**ENCLOSED DOCUMENTS:** None

**STAFF:** Walter Willis, Executive Director