

**WEST COOK COUNTY SOLID
WASTE AGENCY**

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2024 AND 2023



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Independent Auditor's Report

Board of Directors
West Cook County Solid Waste Agency
River Grove, Illinois

Opinion

We have audited the accompanying financial statements of the business type activities of the West Cook County Solid Waste Agency as of and for the years ended April 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business type activities of the West Cook County Solid Waste Agency as of April 30, 2024 and 2023, and the respective changes in financial position and cash flows for the years 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Cook County Solid Waste Agency 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.

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 West Cook County Solid Waste Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

Independent Auditor's Report

In performing an audit in accordance with generally accepted auditing standards, 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 West Cook County Solid Waste Agency'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Cook County Solid Waste Agency'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 management's discussion and analysis and other required supplementary information on pages 3 through 5 and 17 through 19 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise West Cook County Solid Waste Agency's basic financial statements. The accompanying financial information listed as Supplementary Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

ATA Group, LLP

August 15, 2024

Management's Discussion and Analysis

As management of West Cook County Solid Waste Agency, this narrative overview and analysis is provided of the Agency's financial activities for the years ending April 30, 2024 and 2023. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the Agency's financial statements. The statements presented include a statement of net position, statement of activities, statement of cash flows and notes to the financial statements.

Financial Highlights

The Agency's total net position as of April 30, 2024 and 2023 was \$537,117 and \$272,464, respectively. For the year ended April 30, 2024, net position increased by \$264,653 as revenues exceeded expenses. For the year ended April 30, 2023, net position increased by \$149,671, as revenues exceeded expenses. Without the net benefit of \$69,769 in the IMRF pension accounts, there would have been a net income of \$194,884, instead of the reported net income of \$264,653 for the year ended April 30, 2024. The term "net position" represents the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources.

Financial Statements

The financial statements of the Agency are intended to provide the reader with an understanding of the financial position of the Agency as of the close of the fiscal years, the results of activities and cash flows for the years then ended.

The statement of net position provides information on the Agency's assets/deferred outflows of resources, and liabilities/deferred inflows of resources. The difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources represents the net position for the Agency. The statement of activities reflects the results of the Agency's revenues, expenses and activities during the year and the corresponding effect on the net position. This statement shows the source of Agency revenues and how those revenues were used to provide services.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of more information on the pension liability and on employer contributions.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. The Agency's assets and deferred outflows exceeded liabilities and deferred inflows by \$537,117 and \$272,464 as of the close of the years 2024 and 2023, respectively. The entire net position balance is unrestricted.

Management's Discussion and Analysis

Condensed Statement of Net Position

	April 30,	
	2024	2023
Current Assets	\$ 1,420,661	\$ 1,179,322
Total Assets	1,420,661	1,179,322
Deferred Outflows Related to Pension (IMRF)	204,489	244,794
Total Assets and Deferred Outflows of Resources	\$ 1,625,150	\$ 1,424,116
Current Liabilities	\$ 605,762	\$ 559,307
Noncurrent Liabilities	353,289	414,727
Total Liabilities	959,051	974,034
Deferred Inflows Related to Pension (IMRF)	128,982	177,618
Total Liabilities and Deferred Inflows of Resources	1,088,033	1,151,652
Net Position		
Unrestricted	537,117	272,464
Total Net Position	\$ 537,117	\$ 272,464

Condensed Statement of Changes in Net Position

	For Years Ended April 30,	
	2024	2023
Revenues		
Regional Disposal Project Contracts	3,694,941	\$ 3,442,601
Membership Dues	78,000	72,800
Other Income	73,237	73,101
Total Revenues	3,846,178	3,588,502
Expenses		
Regional Disposal Project Contractor	3,398,802	3,168,383
Payroll and Payroll Taxes	96,644	145,300
Pension Expense	(18,643)	27,040
Employee Benefits	23,341	35,126
Consultants	46,600	29,300
Professional Fees	14,091	11,735
Supplies and Equipment	7,015	8,296
Meetings and Conferences	321	202
Telephone	4,914	4,611
Insurance	5,179	5,141
Travel	1,712	1,500
Postage	1,161	737
Professional Dues	254	1,240
Printing and Copying	134	220
Total Expenses	3,581,525	3,438,831
Change in Net Position	264,653	149,671
Net Position,		
Beginning of Year	272,464	122,793
End of Year	\$ 537,117	\$ 272,464

Management's Discussion and Analysis

Economic Factors

Currently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the Agency in the near future.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, West Cook County Solid Waste Agency, 2000 Fifth Avenue, Building N, River Grove, Illinois 60171.

Basic Financial Statements

WEST COOK COUNTY SOLID WASTE AGENCY

STATEMENTS OF NET POSITION

APRIL 30,

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 783,847	\$ 717,844
Receivables	633,597	458,309
Prepaid Insurance	3,217	3,169
Total Current Assets	1,420,661	1,179,322
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pension (IMRF)	204,489	244,794
Total Assets and Deferred Outflows of Resources	<u>\$ 1,625,150</u>	<u>\$ 1,424,116</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable to Waste Contractor	\$ 543,627	\$ 540,156
Due to Affiliated Agency	61,461	19,151
Other Payables and Accruals	674	-
Total Current Liabilities	605,762	559,307
NONCURRENT LIABILITIES		
Net Pension Obligation	353,289	414,727
Total Liabilities	959,051	974,034
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pension (IMRF)	128,982	177,618
Total Liabilities and Deferred Inflows of Resources	1,088,033	1,151,652
NET POSITION		
Unrestricted	537,117	272,464
Total Net Position	<u>\$ 537,117</u>	<u>\$ 272,464</u>

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements

WEST COOK COUNTY SOLID WASTE AGENCY

STATEMENTS OF ACTIVITIES

YEARS ENDED APRIL 30,

	<u>2024</u>	<u>2023</u>
REVENUES		
Regional Disposal Project Contracts	\$ 3,694,941	\$ 3,442,601
Membership Dues	78,000	72,800
Other Income	73,237	73,101
Total Revenues	<u>3,846,178</u>	<u>3,588,502</u>
EXPENDITURES / EXPENSES		
Regional Disposal Project Contractor	3,398,802	3,168,383
Payroll and Payroll Taxes	96,644	145,300
Pension Expense	(18,643)	27,040
Employee Benefits	23,341	35,126
Consultants	46,600	29,300
Professional Fees	14,091	11,735
Supplies and Equipment	7,015	8,296
Meetings and Conferences	321	202
Telephone	4,914	4,611
Insurance	5,179	5,141
Travel	1,712	1,500
Postage	1,161	737
Professional Dues	254	1,240
Printing and Copying	134	220
Total Expenses	<u>3,581,525</u>	<u>3,438,831</u>
Change in Net Position	264,653	149,671
NET POSITION		
Beginning of Year	<u>272,464</u>	<u>122,793</u>
End of Year	<u>\$ 537,117</u>	<u>\$ 272,464</u>

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements

WEST COOK COUNTY SOLID WASTE AGENCY

STATEMENTS OF CASH FLOWS

YEARS ENDED APRIL 30,

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and Users	\$ 3,647,653	\$ 3,729,728
Interagency Pension Reimbursement	23,237	23,101
Cash Paid to Employees	(84,980)	(130,552)
Cash Paid to Suppliers	<u>(3,519,907)</u>	<u>(3,106,234)</u>
Net Cash Provided By (Used) in Operating Activities	<u>66,003</u>	<u>516,043</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH POSITION	66,003	516,043
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>717,844</u>	<u>201,801</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 783,847</u>	<u>\$ 717,844</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 264,653	\$ 149,671
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities		
(Increase) Decrease in Receivables	(175,288)	164,327
(Increase) Decrease in Prepaid Expenses	(48)	(194)
(Increase) Decrease in Deferred Outflows	40,305	(190,629)
Increase (Decrease) in Accounts Payable to Waste Contractor	3,471	285,178
Increase (Decrease) in Due to Affiliated Agency	42,310	(43,281)
Increase (Decrease) in Accrued Expenses	674	-
Increase (Decrease) in Net Pension Obligation	(61,438)	194,052
Increase (Decrease) in Deferred Inflows of Resources	<u>(48,636)</u>	<u>(43,081)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 66,003</u>	<u>\$ 516,043</u>

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

West Cook County Solid Waste Agency (the Agency) is duly organized and exists under the provisions of the laws of the State of Illinois, and is operating under the provisions of the State of Illinois, approved in 1988, and all laws amendatory thereto.

The financial statements of West Cook County Solid Waste Agency have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

A. Reporting Entity

The Agency includes all entities for which the Agency exercised oversight responsibility as defined by GASB.

The Agency has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Agency (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the Agency has not included in its financial statements the activities of any other entity.

B. Basis of Presentation

The Agency reports its finances as one proprietary fund. A subset of this fund is the Regional Disposal Project which tracks the revenues and expenses of solid waste removed for participating governmental units.

C. Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Cash and Cash Equivalents

Cash and cash equivalents represent amounts in a demand deposit account.

E. Receivables

Receivables represent amounts due to the Agency related to the Regional Disposal Project and receivables from their waste hauler for fees. The Agency anticipates collecting 100% of the amounts due. No allowance for doubtful accounts has been recorded.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

F. Compensated Absences

Vacation pay can be accrued up to 70 hours at the end of each calendar year. Any earned, but unused vacation is paid upon termination or retirement of the employee. Vacation pay was not recorded at year end as it is considered immaterial to the financial statements.

G. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources related to pension expense represent amounts which report the difference between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on pension plan investments. The post-measurement date IMRF pension payments are recorded as deferred outflows. See Note 5 for additional information on the deferred outflows and inflows.

H. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Defined Benefit Pension Plan (IMRF)

For purposes of measuring the net pension obligation and deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (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.

Note 2: Deposits

At April 30, 2024 and 2023, the carrying amounts of the Agency's deposits were \$783,847 and \$717,844, respectively, and the bank balances were \$787,727 and \$960,909, respectively. Of the bank balances \$250,000 were covered by federal depository insurance and \$537,727 and \$710,909 were uninsured and uncollateralized for 2024 and 2023, respectively.

Note 3: Section 457 Plan

The Agency has a Section 457 pension plan fund through ICMA. All employees are eligible to participate by contributing a portion of their salary on a tax-deferred basis. In addition, the Agency can make contributions to the employee deferred accounts. Currently, one employee is participating. The Agency contribution was \$4,652 for 2024 and \$4,310 for 2023.

Note 4: Due to Affiliated Agency

The Agency shares offices and expenses with another entity, including two employees for which the affiliated entity reimburses the Agency for 50% of their payroll and benefit costs. These payroll and related costs are shown at net of reimbursement on the Agency's financial statements, except the pension cost, which is reported at gross. The offsetting amount for pensions is shown as Other Income.

Note 5: Defined Benefit Pension Plan

IMRF 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 Comprehensive Annual 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.

Benefits Provided. IMRF has three benefit plans. The Agency participates in the Regular Plan (RP). 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 April 30, 2024 and 2023, the following employees were covered by the benefit terms:

Notes to Financial Statements

Note 5: Defined Benefit Pension Plan (Continued)

	IMRF
Retirees and Beneficiaries currently receiving benefits	1
Inactive Plan Members entitled to but not yet receiving benefits	2
Active Plan Members	<u>2</u>
Total	<u><u>5</u></u>

Contributions. As set by statute, the Agency's Regular Plan Members are required to contribute 4.50% 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 2024 and 2023 was 28.3% and 24.7%, respectively. For the fiscal year ended April 30, 2024 and 2023, the Agency contributed \$46,474 and \$62,387 to the plan, respectively. The Agency 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.

Net Pension Obligation. The Agency's net pension obligation was measured as of December 31, 2023 and 2022. The pension liability amounts used to calculate the net pension obligations were determined by actuarial valuations as of those dates.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2023 and 2022:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Asset Valuation Method* used was 5-year smoothed market; 20% corridor.
- The *Inflation Rate* was assumed to be 2.25%.
- *Salary Increases* were expected to be 2.85% to 13.75%.
- The *Investment Rate of Return* was assumed to be 7.24% (7.24% 2022).
- *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.
- There were no benefit changes during the year.

Note 5: Defined Benefit Pension Plan (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:

Asset Class	December 31, 2023		December 31, 2022	
	Portfolio Target Percentage	Long-Term Expected Real Rate of Return	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	34.5%	5.00%	35.5%	6.50%
International Equity	18.0	6.35%	18.0	7.60%
Fixed Income	24.5	4.75%	25.5	4.90%
Real Estate	10.5	6.30%	10.5	6.20%
Alternative Investments	11.5	6.05-8.65%	9.5	6.25-9.90%
Cash Equivalents	1.0	3.8%	1.0	4.0%
Total	100%		100%	

Single Discount Rate. A Single Discount Rate of 7.24% (7.24% 2022) was used to measure the total pension liability for 2023 and 2022. 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 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 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).

For the purpose of the most recent valuation, for 2023 the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77% (4.05% 2022), and the resulting single discount rate is 7.24% (7.24% 2022).

Notes to Financial Statements

Note 5: Defined Benefit Pension Plan (Continued)

Changes in the Net Pension Liability for 2023

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (B)-(A)
Balances at December 31, 2022	\$ 1,916,080	\$ 1,501,353	\$ 414,727
Changes for the year:			
Service Cost	18,056	-	18,056
Interest on the Total Pension Liability	137,306	-	137,306
Differences Between Expected and Actual Experience of the Total Pension Liability	28,726	-	28,726
Changes of Assumptions	3,278	-	3,278
Contributions - Employer	-	41,074	(41,074)
Contributions - Employees	-	7,477	(7,477)
Net Investment Income	-	159,289	(159,289)
Benefit Payments, including Refunds of Employee Contributions	(57,225)	(57,225)	-
Other (Net Transfer)	-	40,964	(40,964)
Net Changes	<u>130,141</u>	<u>191,579</u>	<u>(61,438)</u>
Balances at December 31, 2023	<u>\$ 2,046,221</u>	<u>\$ 1,692,932</u>	<u>\$ 353,289</u>

Changes in the Net Pension Liability for 2022

	Total Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (B)-(A)
Balances at December 31, 2021	\$ 1,858,610	\$ 1,637,935	\$ 220,675
Changes for the year:			
Service Cost	28,348	-	28,348
Interest on the Total Pension Liability	133,569	-	133,569
Differences Between Expected and Actual Experience of the Total Pension Liability	(48,630)	-	(48,630)
Changes of Assumptions	-	-	-
Contributions - Employer	-	75,935	(75,935)
Contributions - Employees	-	11,278	(11,278)
Net Investment Income	-	(168,622)	168,622
Benefit Payments, including Refunds of Employee Contributions	(55,817)	(55,817)	-
Other (Net Transfer)	-	644	(644)
Net Changes	<u>57,470</u>	<u>(136,582)</u>	<u>194,052</u>
Balances at December 31, 2022	<u>\$ 1,916,080</u>	<u>\$ 1,501,353</u>	<u>\$ 414,727</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension asset, calculated using a Single Discount Rate of 7.24%, as well as what the plan's net pension asset would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Notes to Financial Statements

Note 5: Defined Benefit Pension Plan (Continued)

	1% Decrease (6.24%)	Current (7.24%)	1% Increase (8.24%)
2023 Net Pension Liability	\$ 536,627	\$ 353,289	\$ 202,603
	1% Decrease (6.24%)	Current (7.24%)	1% Increase (8.24%)
2022 Net Pension Liability	\$ 585,644	\$ 414,727	\$ 276,695

Pension Expense and Deferred Outflows of Resources Related to Pensions. For the year ended April 30, 2024 and 2023 the Agency recognized IMRF pension expense of \$(23,294) and \$22,729, respectively. At April 30, 2024 and 2023, the Agency reported deferred outflows of resources related to pensions from the following sources:

2023

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 10,772	\$ 28,820
Changes of assumptions	1,229	411
Net difference between projected and actual earnings on pension plan investments	<u>173,120</u>	<u>99,751</u>
Total Deferred Amounts to be recognized in pension expense in future periods	185,121	128,982
Pension Contributions made subsequent to the Measurement Date	<u>19,368</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 204,489</u>	<u>\$ 128,982</u>

2022

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 60,128
Changes of assumptions		1,842
Net difference between projected and actual earnings on pension plan investments	<u>230,827</u>	<u>115,648</u>
Total Deferred Amounts to be recognized in pension expense in future periods	230,827	177,618
Pension Contributions made subsequent to the Measurement Date	<u>13,967</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 244,794</u>	<u>\$ 177,618</u>

Notes to Financial Statements

Note 5: Defined Benefit Pension Plan (Continued)

Deferred outflows of resources resulting from District contributions subsequent to the measurement date were \$19,367. Other 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:

Year Ending December 31	Net Deferred Outflows of Resources For Year 2023	Net Deferred Outflows of Resources For Year 2022
2024	\$ (775)	\$ (2,922)
2025	18,916	28,770
2026	47,852	57,706
2027	(9,854)	-
Thereafter	-	-
Total	<u>\$ 56,139</u>	<u>\$ 83,354</u>

Note 6: Other Postemployment Benefits

The Agency is required to offer employees, who are IMRF vested, continued health insurance coverage upon retirement. The retiree pays the entire health insurance premium, so there is no explicit subsidy by the Agency. However, the GASB statement number 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, requires consideration of the potential implicit subsidy due to the possible demographic differences of the retired population.

Based on a previous actuarial evaluation, the Agency believes its OPEB liability, if any, is immaterial to the financial statements. Therefore, no OPEB liability is reported.

Note 7: Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions, injuries to employees and natural disasters. As such, the Agency carries commercial insurance for all risks of loss. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

Note 8: Intergovernmental Agreement for Office Space

On September 26, 2006, Triton College entered into an intergovernmental agreement to provide office space for the Agency and its affiliate for the opportunity to collaborate in the development and delivery of training programs to meet the needs of the affiliate's members. This agreement has been extended through December 31, 2029.

Note 9: Commitment

In February 2018, the Organization entered into a long-term contract, through December of 2028, for waste hauling services. The contract contains certain minimums, and penalties for not reaching them. To date, the Organization has met all minimums and anticipates no penalties.

Required Supplementary Information

WEST COOK COUNTY SOLID WASTE AGENCY

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

CALENDAR YEAR ENDED DECEMBER 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	\$ 18,056	\$ 28,348	\$ 28,406	\$ 29,966	\$ 29,570	\$ 27,766	\$ 28,391	\$ 25,210	\$ 43,031
Interest on the Total Pension Liability	137,306	133,569	129,546	123,854	117,373	112,524	108,430	97,652	69,220
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	28,726	(48,630)	(47,528)	(14,730)	(5,139)	(17,820)	10,090	67,929	322,363
Assumption Changes	3,278	-	(2,160)	(3,387)	-	46,621	(42,137)	-	1,673
Benefit Payments and Refunds	(57,225)	(55,817)	(54,483)	(53,157)	(51,816)	(50,468)	(49,134)	(47,847)	(45,240)
Net Change in Total Pension Liability	130,141	57,470	53,781	82,546	89,988	118,623	55,640	142,944	391,047
Total Pension Liability - Beginning	1,916,080	1,858,610	1,804,829	1,722,283	1,632,295	1,513,672	1,458,032	1,315,088	924,041
Total Pension Liability - Ending (a)	\$ 2,046,221	\$ 1,916,080	\$ 1,858,610	\$ 1,804,829	\$ 1,722,283	\$ 1,632,295	\$ 1,513,672	\$ 1,458,032	\$ 1,315,088
Plan Fiduciary Net Position									
Employer Contributions	\$ 41,074	\$ 75,935	\$ 91,109	\$ 95,600	\$ 98,168	\$ 104,145	\$ 111,865	\$ 46,046	\$ 36,723
Employee Contributions	7,477	11,278	11,788	11,716	11,579	11,323	11,214	10,719	10,083
Pension Plan Net Investment Income	159,289	(168,622)	217,418	155,540	160,827	(31,155)	114,028	45,991	3,116
Benefit Payments and Refunds	(57,225)	(55,817)	(54,483)	(53,157)	(51,816)	(50,468)	(49,134)	(47,847)	(45,240)
Other	40,964	644	(2,683)	10,846	1,935	19,433	(16,879)	3,150	24,059
Net Change in Plan Fiduciary Net Position	191,579	(136,582)	263,149	220,545	220,693	53,278	171,094	58,059	28,741
Plan Fiduciary Net Position - Beginning	1,501,353	1,637,935	1,374,786	1,154,241	933,548	880,270	709,176	651,117	622,376
Plan Fiduciary Net Position - Ending (b)	\$ 1,692,932	\$ 1,501,353	\$ 1,637,935	\$ 1,374,786	\$ 1,154,241	\$ 933,548	\$ 880,270	\$ 709,176	\$ 651,117
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 353,289	\$ 414,727	\$ 220,675	\$ 430,043	\$ 568,042	\$ 698,747	\$ 633,402	\$ 748,856	\$ 663,971
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.73%	78.36%	88.13%	76.17%	67.02%	57.19%	58.15%	48.64%	49.51%
Covered Valuation Payroll	\$ 166,157	\$ 250,612	\$ 261,957	\$ 260,351	\$ 257,320	\$ 251,619	\$ 249,201	\$ 238,208	\$ 224,064
Net Pension (Asset) Liability as a Percentage of Covered Valuation Payroll	212.62%	165.49%	84.24%	165.18%	220.75%	277.70%	254.17%	314.37%	296.33%

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

Required Supplementary Information

WEST COOK COUNTY SOLID WASTE AGENCY

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2023	\$ 41,074	\$ 41,074	-	\$ 166,157	24.72%
2022	75,935	75,935	-	250,612	30.29%
2021	91,109	91,109	-	261,957	34.78%
2020	95,601	95,601	-	260,351	36.72%
2019	98,168	98,168	-	257,320	38.15%
2018	104,145	104,145	-	251,619	41.39%
2017	111,866	111,866	-	249,201	44.89%
2016	46,046	46,046	-	238,208	19.33%
2015	36,724	36,724	-	224,064	16.39%

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate**

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2023 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	10 year rolling period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	2.75%
<i>Price Inflation:</i>	2.25%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	2.75% to 13.75%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
<i>Mortality:</i>	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-

Required Supplementary Information

Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes:

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2021 actuarial valuation.

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 information is available.

Supplementary Information

WEST COOK COUNTY SOLID WASTE AGENCY

SCHEDULE OF REGIONAL DISPOSAL PROJECT REVENUES AND EXPENSES

YEARS ENDED APRIL 30,

	<u>2024</u>	<u>2023</u>
REVENUES		
Regional Disposal Project Contracts	3,694,941	\$ 3,442,601
Interest Income	-	-
Total Revenues	<u>3,694,941</u>	<u>3,442,601</u>
EXPENSES		
Regional Disposal Project Contractor	3,398,802	3,168,383
Payroll and Payroll Taxes	38,790	58,535
Consultants	46,600	29,300
Pension	11,156	17,439
Benefits	9,336	14,060
Professional Fees	5,839	4,911
Supplies and Equipment	2,813	3,436
Telephone	2,204	2,106
Insurance	2,474	2,466
Meetings and Conferences	-	66
Travel	856	750
Professional Dues	127	600
Postage	538	334
Printing and Copying	59	116
Total Expenses	<u>3,519,594</u>	<u>3,302,502</u>
Change in Net Position Related to RDP	<u>\$ 175,347</u>	<u>\$ 140,099</u>

REGIONAL DISPOSAL PROJECT DEFINED:

The Regional Disposal Project (RDP) is a program designed to provide cost-effective and environmentally sound long-term transfer and disposal of municipal solid waste for West Cook County Solid Waste Agency participating communities and other governmental and private sector entities, utilizing contractual relationships with privately owned and operated transfer and disposal facilities.