

Lake County Public Works Department
Northeast Central Wholesale Sewer System

Schedule of Income and Expenses

November 30, 2024

Lake County Public Works Department
Northeast Central Wholesale Sewer System

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Independent Accountants' Report on Supplementary Information

To the Public Works and Transportation Committee
Lake County Public Works Department

We have audited the financial statements of the Lake County Public Works Department (Department), an enterprise fund of Lake County, Illinois, as of and for the year ended November 30, 2024, and the related notes to the financial statements. We issued our report thereon, dated May 19, 2025. Our report contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to May 19, 2025.

The accompanying Schedule of Income and Expenses is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
June 27, 2025

Lake County Public Works Department
Northeast Central Wholesale Sewer Department

Schedule of Income and Expenses
Year Ended November 30, 2024

Operating Revenues

Sewer charges	\$ 5,711,307
Miscellaneous	-
Total operating revenues	<u>5,711,307</u>

Operating Expenses

Personnel services:	
Salaries and wages	259,714
Pension, IMRF and Social Security	<u>32,412</u>
Total personnel services	<u>292,126</u>

Commodities

Office supplies and maintenance	2,843
Housekeeping supplies	788
Gasoline	11,719
Buildings and ground supplies	1,132
Operational supplies	49,989
Uniforms	2,998
Medical supplies	1,092
Noncapitalized equipment and improvements	37,871
Miscellaneous	<u>-</u>
Total commodities	<u>108,432</u>

Contractual

Insurance:	
Employees' life, health and dental	74,660
Unemployment	551
Self insurance, liability and worker's compensation	37,760
Professional services	73,493
Miscellaneous benefits	11,649
Gas (utility)	2,681
Electricity	61,027
Telephone and telemetry	38,421
Wholesale sewage treatment	4,703,848
Vehicle maintenance	13,919
Buildings and equipment maintenance	10,009
Equipment rental/real estate lease	1,131
Disposal service	2,199
Miscellaneous	<u>189,120</u>

Total contractual	<u>5,220,468</u>
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Depreciation	<u>236,368</u>
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Total operating expenses	<u>5,857,394</u>
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Operating income (loss)	<u>(146,087)</u>
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See notes to schedule

Lake County Public Works Department
Northeast Central Wholesale Sewer Department

Schedule of Income and Expenses

Year Ended November 30, 2024

Nonoperating Revenues (Expenses)

Interest rate subsidy	\$ 737
Interest expense	<u>(14,141)</u>
Total nonoperating revenues (expenses)	<u>(13,404)</u>
Income (loss) before contributions	<u>(159,491)</u>
Capital contributions, connection fees	<u>162,482</u>
Net increase (decrease) to depreciation extension and improvement reserve	<u><u>\$ 2,991</u></u>

See notes to schedule

Lake County Public Works Department

Northeast Central Wholesale Sewer System

Notes to Schedule
November 30, 2023

1. Nature of Schedule of Income and Expenses

The Schedule of Income and Expenses (Schedule) is reported using 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. The revenues and expenses presented here are allocated to the Northeast Central Wholesale Sewer System from the Department's fiscal year 2024 audited financial statements dated May 19, 2025.

2. Reconciling Items

The attached Schedule was not prepared in accordance with accounting principles generally accepted in the United States of America and only represents revenues and expenses associated with the Northeast Central Wholesale Sewer System's operations and does not include all revenue and expense categories as shown in the Department's fiscal year 2024, audited financial statements. Items not presented in the attached Schedule include:

- Noncash capital contributions
- Proceeds from sale of capital assets
- Investment income

The above items were not allocated to the Northeast Central Wholesale Sewer System. The Schedule presented here only reports similar revenues and expenses as used in designing the Department's current rate structure during the most recent rate study.

3. Items Specific to the Northeast Central Wholesale Sewer System

Interest Expense, Issuance Costs and Interest Rate Subsidy

The Build America Bond Series of 2020 was issued to complete various water and sewer capital projects. The associated interest expense, issuance costs and interest rate subsidy were allocated to the Northeast Central Wholesale Sewer System based on the actual projects funded through this debt that were directly related to the Northeast Central Wholesale Sewer System customers. Principal payments are not included in the Schedule as the related capital improvement charges are recovered through depreciation.