

**Lake County Public Works Department  
Northeast Central Wholesale Sewer System**

Schedule of Income and Expenses

For the Year Ended November 30, 2022

**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  
Libertyville, Illinois

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, 2022, and the related notes to the financial statements. We issued our report thereon, dated July 1, 2023. 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 July 1, 2023.

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  
July 27, 2023

**Lake County Public Works Department**  
**Northeast Central Wholesale Sewer Department**

Schedule of Income and Expenses

For the Year Ended November 30, 2022

**Operating Revenues**

Sewer charges	\$ 5,476,914
Miscellaneous	33
Total operating revenues	<u>5,476,947</u>

**Operating Expenses**

Personnel services:	
Salaries and wages	235,873
Pension, IMRF and Social Security	<u>37,424</u>
Total personnel services	<u>273,297</u>

**Commodities**

Office supplies and maintenance	1,702
Housekeeping supplies	441
Gasoline	14,288
Buildings and ground supplies	1,857
Operational supplies	57,111
Uniforms	2,914
Medical supplies	739
Noncapitalized equipment and improvements	7,391
Miscellaneous	<u>(358)</u>
Total commodities	<u>86,087</u>

**Contractual**

Insurance:	
Employees' life, health and dental	80,939
Unemployment	493
Self insurance, liability and worker's compensation	37,168
Professional services	62,989
Miscellaneous benefits	11,143
Gas (utility)	3,482
Electricity	33,215
Telephone and telemetry	44,593
Wholesale sewage treatment	5,298,603
Vehicle maintenance	10,242
Buildings and equipment maintenance	14,900
Equipment rental/real estate lease	828
Disposal service	4,505
Miscellaneous	<u>86,071</u>
Total contractual	<u>5,689,172</u>

Depreciation	<u>238,151</u>
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Total operating expenses	<u>6,286,707</u>
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Operating income (loss)	<u>(809,760)</u>
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See notes to schedule

**Lake County Public Works Department**  
**Northeast Central Wholesale Sewer Department**

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Schedule of Income and Expenses

For the Year Ended November 30, 2022

**Nonoperating Revenues (Expenses)**

Interest expense	\$ (38,928)
Total nonoperating revenues (expenses)	<u>(38,928)</u>
Income (loss) before contributions	<u>(848,687)</u>
Capital contributions, connection fees	<u>138,705</u>
Net increase (decrease) to depreciation extension and improvement reserve	<u><u>\$ (709,982)</u></u>

*See notes to schedule*

# Lake County Public Works Department

## Northeast Central Wholesale Sewer System

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Notes to Schedule

For the Year Ended November 30, 2022

### 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 2022 audited financial statements dated July 1, 2023.

### 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 2022, 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 2010A 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.