Lake County Public Works Department
Northwest Wholesale Sewer System

Schedule of Income and Expenses

November 30, 2025

Lake County Public Works Department
Northwest Wholesale Sewer System

Table of Contents
November 30, 2025

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 22, 2026. 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 22, 2026.

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 6, 2026

Lake County Public Works Department
Northwest Wholesale Sewer Department

Schedule of Income and Expenses
Year Ended November 30, 2025

Operating Revenues	
Sewer charges	$ 4,405,214
NW I&I excess flow surcharge	442,823
Miscellaneous	6,463
Total operating revenues	4,854,500
Operating Expenses	
Personnel services:	
Salaries and wages	511,432
Pension, IMRF and Social Security	67,589
Total personnel services	579,021
Commodities	
Office supplies and maintenance	4,076
Housekeeping supplies	1,125
Gasoline	16,874
Buildings and ground supplies	1,251
Operational supplies	79,887
Uniforms	6,665
Medical supplies	1,740
Noncapitalized equipment and improvements	99,554
Total commodities	211,172
Contractual	
Insurance:	
Employees' life, health and dental	124,517
Unemployment	729
Self insurance, liability and worker's compensation	49,904
Professional services	121,050
Miscellaneous benefits	17,252
Gas (utility)	26,679
Electricity	129,488
Telephone and telemetry	15,302
Wholesale sewage treatment	2,201,645
Vehicle maintenance	14,487
Buildings and equipment maintenance	71,312
Equipment rental/real estate lease	2,045
Disposal service	8,690
Miscellaneous	212,231
Total contractual	2,995,331
Depreciation	678,295
Total operating expenses	4,463,819
Operating income (loss)	390,681

See notes to schedule

Lake County Public Works Department
Northwest Wholesale Sewer Department

Schedule of Income and Expenses
Year Ended November 30, 2025

Nonoperating Revenues (Expenses)	
Interest rate subsidy	$ 67
Interest expense	(815)
Total nonoperating revenues (expenses)	(748)
Income (loss) before contributions and transfers	389,933
Capital contributions, connection fees	98,391
Transfer to debt service reserve	(442,823)
Net increase (decrease) to depreciation extension and improvement reserve	$ 45,501

See notes to schedule

Notes to Schedule
November 30, 2025

1. Nature of Schedule of Income and Expenses

The Schedule of Income and Expenses (Schedule) are 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 Northwest Wholesale Sewer System from the Department's fiscal year 2025 audited financial statements dated May 22, 2026.

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 Northwest Wholesale Sewer System's operations and does not include all revenue and expense categories as shown in the Department's fiscal year 2025 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 Northwest 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 Northwest 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 Northwest Wholesale Sewer System based on the actual projects funded through this debt that were directly related to the Northwest Wholesale Sewer System customers. Principal payments are not included in the Schedule as the related capital improvement charges are recovered through depreciation.

I&I Excess Flow Surcharge Revenue

The Department implemented an excess flow surcharge $1.50 per month per Residential Customer Equivalent in 2014 to cover the costs of the I&I Lagoon Improvement project. The revenues from the surcharges are included in the operating revenues on the Schedule on page 2. Due to the fact that these revenues are required to be spent on the I&I Lagoon Improvement project and are not available to cover operating expenses, the revenues were backed out accordingly and shown as a transfer to the debt service reserve on the Schedule on pages 2-3.