

Lake County Public Works Department
Northeast Central Wholesale Sewer System

Schedule of Income and Expenses

For the Year Ended November 30, 2023

**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, 2023, and the related notes to the financial statements. We issued our report thereon, dated May 20, 2024. 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 20, 2024.

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 13, 2024

Lake County Public Works Department
Northeast Central Wholesale Sewer Department

Schedule of Income and Expenses
For the Year Ended November 30, 2023

Operating Revenues

Sewer charges	\$ 5,579,663
Miscellaneous	950
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Total operating revenues	5,580,613
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Operating Expenses

Personnel services:	
Salaries and wages	266,079
Pension, IMRF and Social Security	33,845
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Total personnel services	299,924
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Commodities

Office supplies and maintenance	2,453
Housekeeping supplies	687
Gasoline	13,334
Buildings and ground supplies	1,909
Operational supplies	43,916
Uniforms	3,861
Medical supplies	1,034
Noncapitalized equipment and improvements	5,879
Miscellaneous	-
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Total commodities	73,073
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Contractual

Insurance:	
Employees' life, health and dental	76,911
Unemployment	501
Self insurance, liability and worker's compensation	37,711
Professional services	83,125
Miscellaneous benefits	8,842
Gas (utility)	3,505
Electricity	46,955
Telephone and telemetry	64,345
Wholesale sewage treatment	4,383,038
Vehicle maintenance	12,174
Buildings and equipment maintenance	11,454
Equipment rental/real estate lease	6,049
Disposal service	2,600
Miscellaneous	109,656
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Total contractual	4,846,866
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Depreciation	238,130
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Total operating expenses	5,457,993
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Operating income (loss)	122,620
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Lake County Public Works Department
Northeast Central Wholesale Sewer Department

Schedule of Income and Expenses

For the Year Ended November 30, 2023

Nonoperating Revenues (Expenses)

Interest expense	\$ (36,986)
Interest rate subsidy	<u>1,168</u>
Total nonoperating revenues (expenses)	<u>(35,818)</u>
Income (loss) before contributions	<u>86,802</u>
Capital contributions, connection fees	<u>2,040</u>
Net increase (decrease) to depreciation extension and improvement reserve	<u><u>\$ 88,842</u></u>

See notes to schedule

Lake County Public Works Department

Northeast Central Wholesale Sewer System

Notes to Schedule

For the Year Ended 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 2023 audited financial statements dated May 20, 2024.

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 2023, 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.