



Eder, Casella & Co.
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***LAKE COUNTY PUBLIC WATER DISTRICT
SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021***

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LAKE COUNTY PUBLIC WATER DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Lake County Public Water District
Zion, Illinois

We have submitted under separate cover the financial statements of the Lake County Public Water District for the years ended April 30, 2022 and 2021. Our report thereon dated June 14, 2022 follows:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Lake County Public Water District as of and for the year ended April 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District'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 respective financial position of Lake County Public Water District as of April 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Lake County Public Water District 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 opinions.

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; this includes 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 the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditor's Responsibility 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 opinions. 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 GAAS 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Lake County Public Water District'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake County Public Water District'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 required supplementary information, as listed on the table of contents, 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises statistical tables and graphs but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The supplementary information submitted herewith is as follows:

1. Computation of revenue delivery requirement and refund or billing for District customers for the year ended April 30, 2022.
2. Computation of availability and repair and replacement charges for the year ended April 30, 2023.
3. Computation of rate for delivery of water for District customers for the year ended April 30, 2023.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
June 14, 2022

LAKE COUNTY PUBLIC WATER DISTRICT
 COMPUTATION OF REVENUE DELIVERY REQUIREMENT
 FOR DISTRICT CUSTOMERS
 YEAR ENDED APRIL 30, 2022

Revenue Requirement	
Operation and Maintenance Expenses	\$ 1,884,460
Less - Depreciation on Plant and Equipment Financed by Bond Proceeds	(397,702)
Less - Depreciation on Plant and Equipment Financed by Renewal and Replacement	(102,438)
Less - Depreciation on Plant and Equipment Financed by Grants	(9,898)
Less - Repairs and Replacement Expenses	<u>(34,101)</u>
Revenue Delivery Requirement for District Customers	<u><u>\$ 1,340,321</u></u>

Customer	%	Delivered Gallons of Water (000)	Computed Revenue Delivery Requirement	Revenues Billed for Period	Amount Due or (Refund)
City of Zion	80.09%	755,598	\$ 1,073,437	\$ 1,220,877	\$ (147,440)
Village of Winthrop Harbor	18.73%	176,730	251,070	285,599	(34,529)
State of Illinois					
Marina	0.66%	6,266	8,902	11,148	(2,246)
Illinois Beach State Park	0.52%	4,865	6,912	7,754	(842)
	<u>100.00%</u>	<u>943,459</u>	<u>\$ 1,340,321</u>	<u>\$ 1,525,378</u>	<u>\$ (185,057)</u>

See Accompanying Independent Auditor's Report.

LAKE COUNTY PUBLIC WATER DISTRICT
 COMPUTATION OF AVAILABILITY AND REPAIR AND REPLACEMENT CHARGES
 YEAR ENDING APRIL 30, 2023

COMPUTATION OF AVAILABILITY CHARGE
 FOR THE YEAR ENDED APRIL 30, 2022

<u>Availability</u>	
Interest - November 1, 2022 and May 1, 2023	\$ 85,406
Principal - Due May 1, 2023	858,000
Total	\$ 943,406
Additional Debt Service Coverage - 10%	94,341
Totals	\$ 1,037,747

Allocation	Allocation Percentage	
City of Zion	69.2308%	\$ 718,440
Village of Winthrop Harbor	23.0769%	239,480
State of Illinois:		
Illinois Beach State Park	3.0769%	31,931
North Point Marina	4.6154%	47,896
Totals	100.0000%	\$ 1,037,747

COMPUTATION OF A MONTHLY REPAIR
 AND REPLACEMENT CONTRIBUTION
 FOR THE YEAR ENDED APRIL 30, 2022

Amount Required for Full Funding	\$ 2,260,600
Balance Available in Reserve	(2,034,021)
Amount Needed to Fully Fund the Reserve	\$ 226,579
Underdrain project (2)	92,451
Credit for Additional Debt Service Coverage	(94,341)
Credit for Fiscal Year 2022 Contributions to be Paid in Fiscal Year 2023	(44,145)
Net Amount to be Contributed by Customers	\$ 180,544

Amount to be Contributed by Each Customer	%	Total	Funding Period	Monthly Contribution (1)
City of Zion	69.2308	\$ 124,992	12 Months	\$ 10,416
Village of Winthrop Harbor	23.0769	41,664	12 Months	3,472
State of Illinois:				
Illinois Beach State Park	3.0769	5,555	12 Months	463
North Point Marina	4.6154	8,333	12 Months	694
Totals	100.0000	\$ 180,544		\$ 15,045

(1) Monthly contribution amounts are in addition to any previous monthly contribution amounts which remain unpaid.
 (2) The underdrain project, a special project as agreed to by the customers will be billed over a five year period starting August 1, 2021 and end July 1, 2026. The total estimated cost of the project is 462,257 and billings per year will be an estimated \$92,451.

LAKE COUNTY PUBLIC WATER DISTRICT
COMPUTATION OF RATE FOR DELIVERY OF WATER
FOR THE YEAR ENDING APRIL 30, 2023

COMPUTATION OF RATE PER THOUSAND
GALLONS FOR THE DELIVERY OF WATER

Total Operating Expenses Before Depreciation	\$ 1,354,426
Less - Repairs and Replacement Expenses	(34,101)
Add - Depreciation on Plant and Equipment Financed By Operations and Maintenance	<u>19,996</u>
Fiscal 2022 Qualified Operations and Maintenance Costs	\$ 1,340,321
Additional Operations and Maintenance Coverage, 10% of Above	<u>134,032</u>
Total	<u><u>\$ 1,474,353</u></u>
Fiscal 2022 Water Sales in Thousands of Gallons	<u><u>\$ 943,459</u></u>
Computed Rate per Thousand Gallons for 2023	<u><u>\$ 1.563</u></u>

See Accompanying Independent Auditor's Report.