

**NORTHWESTERN WATER AND
SEWER DISTRICT
WOOD COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR
ENDED DECEMBER 31, 2018**

James G. Zupka, CPA, Inc.
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Trustees
Northwestern Water and Sewer District
12560 Middleton Pike
Bowling Green, Ohio 43402

We have reviewed the *Independent Auditor's Report* of the Northwestern Water and Sewer District, Wood County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Northwestern Water and Sewer District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 19, 2019

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**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	Under Separate Cover
Comprehensive Annual Financial Report	Under Separate Cover
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8
Schedule of Prior Audit Findings and Recommendations	9

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Northwestern Water and Sewer District
Bowling Green, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Northwestern Water and Sewer District, Wood County, Ohio (the District), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Northwestern Water and Sewer District, Ohio's basic financial statements and have issued our report thereon dated June 13, 2019, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northwestern Water and Sewer District, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Northwestern Water and Sewer District, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Northwestern Water and Sewer District, Ohio's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Northwestern Water and Sewer District, Ohio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka,
CPA, President

James G. Zupka, CPA, Inc.
Certified Public Accountants

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Date: 2019.06.28 10:25:36 -04'00'

June 13, 2019

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
Northwestern Water and Sewer District
Bowling Green, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on Compliance for Each Major Program

We have audited the Northwestern Water and Sewer District, Wood County, Ohio's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Northwestern Water and Sewer District, Ohio's major federal program for the year ended December 31, 2018. The Northwestern Water and Sewer District, Ohio's major federal program is identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Northwestern Water and Sewer District, Ohio's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Northwestern Water and Sewer District, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Northwestern Water and Sewer District, Ohio's compliance.

Opinion on Each Major Federal Program

In our opinion, the Northwestern Water and Sewer District, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of the Northwestern Water and Sewer District, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Northwestern Water and Sewer District, Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Northwestern Water and Sewer District, Ohio's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Northwestern Water and Sewer District, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Northwestern Water and Sewer District, Ohio's basic financial statements. We issued our report thereon dated June 13, 2019, which contained unmodified opinions on those financial statements, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic 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 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to described the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

James G. Zupka,
CPA, President
James G. Zupka, CPA, Inc.
Certified Public Accountants

Digitally signed by James G. Zupka, CPA, President
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June 13, 2019

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**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>		
<i>Direct Award</i>		
Water and Waste Disposal Systems for Rural Communities - Grant Program	10.760	\$ 455,595
Water and Waste Disposal Systems for Rural Communities - Loan Program	10.760	846,104
<i>Total CFDA #10.760</i>		<u>1,301,699</u>
Total U.S. Department of Agriculture		<u>1,301,699</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 1,301,699</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2018**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Northwestern Water and Sewer District, Ohio (the District), under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: U.S. DEPARTMENT OF AGRICULTURE WATER AND WASTE DISPOSAL SYSTEMS FOR RURAL COMMUNITIES GRANT

The U.S. Department of Agriculture (USDA) has approved a \$5,139,000 loan to the District for the purpose of financing wastewater collection and treatment in the Village of McComb. The District has not received any funds for this loan in 2018. No payments were made on this loan in 2018. Until this project is complete, expenditures incurred will be financed through a private lender. Once completed, the USDA will pay the District directly.

**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
UNIFORM GUIDANCE
DECEMBER 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

2018(i)	Type of Financial Statement Opinion	Unmodified
2018(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2018(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2018(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2018(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2018(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2018(v)	Type of Major Programs' Compliance Opinions	Unmodified
2018(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2018(vii)	Major Programs (list): Water and Waste Disposal Systems for Rural Communities - CFDA #10.760	
2018(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2018(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

The prior audit report, as of December 31, 2017, included no citations or instances of noncompliance. Verbal management comments have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

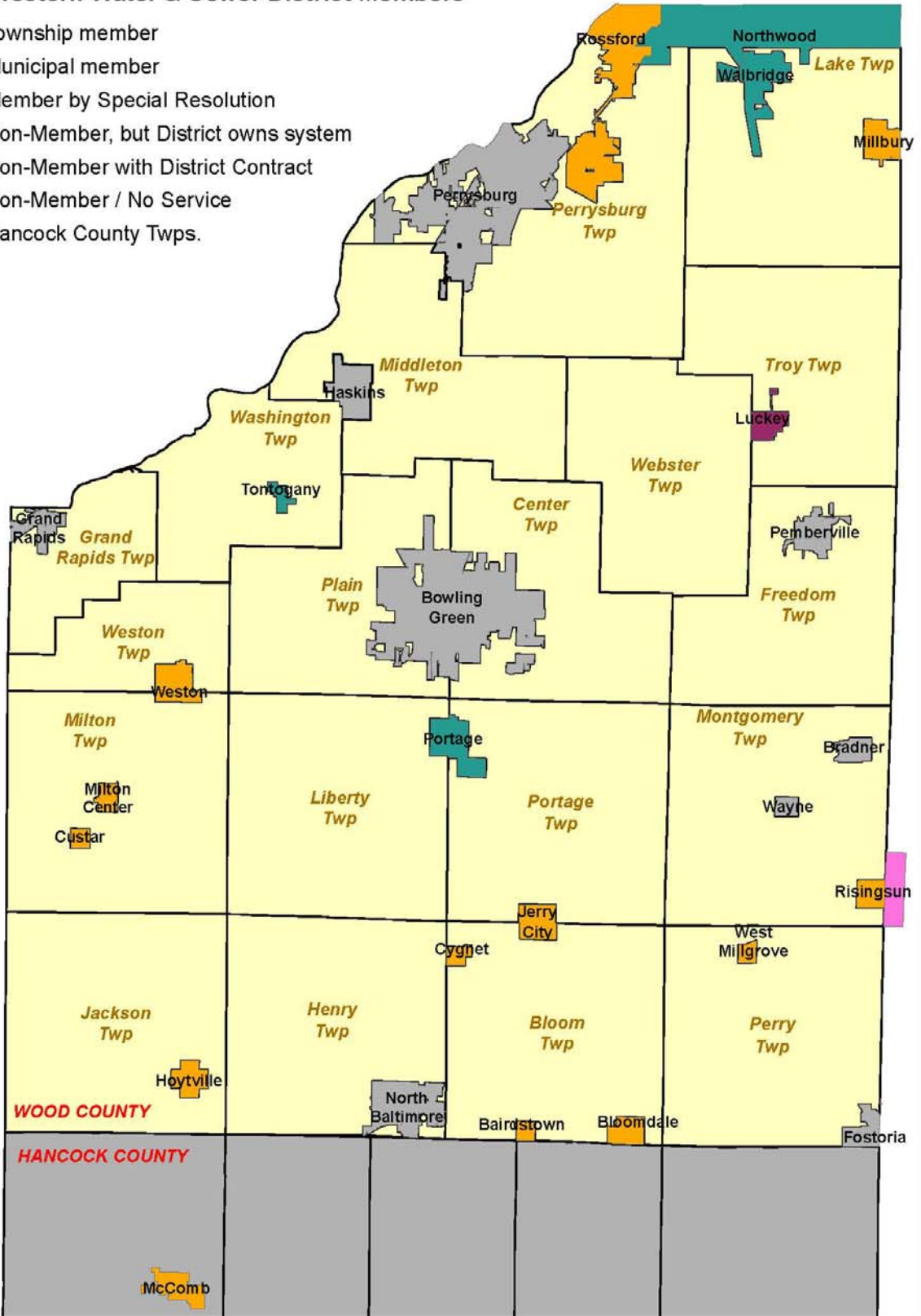


Comprehensive Annual Financial Report
For the years ended December 31, 2018 and 2017

NORTHWESTERN WATER & SEWER DISTRICT
A Political Subdivision of the State of Ohio

Northwestern Water & Sewer District Members

- Township member
- Municipal member
- Member by Special Resolution
- Non-Member, but District owns system
- Non-Member with District Contract
- Non-Member / No Service
- Hancock County Twps.



**NORTHWESTERN WATER & SEWER DISTRICT
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	PAGE
INTRODUCTION SECTION (UNAUDITED)	
Letter of Transmittal	i
2017 Certificate of Achievement for Excellence in Financial Reporting	vi
District Officials	vii
Organizational Chart	viii
FINANCIAL SECTION	
Independent Auditor's Report	F1
Management's Discussion and Analysis (Unaudited)	F4
Basic Financial Statements:	
Statements of Net Position	F10
Statements of Revenues, Expenses, and Changes in Net Position	F12
Statements of Cash Flows	F13
Notes to Financial Statements	F15
Supplementary Information:	
Required Supplementary Information:	
Schedule of District's Proportionate Share of Net Pension Liability – Ohio Public Employees Retirement System - Traditional Plan	F55
Schedule of District's Pension Contributions – Ohio Public Employees Retirement System – Traditional Plan	F56
Schedule of District's Proportionate Share of Net OPEB Liability – Ohio Public Employees Retirement System - Traditional Plan	F57
Schedule of District's OPEB Contributions – Ohio Public Employees Retirement System – Traditional Plan	F58
Other Supplementary Information:	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget to Actual (GAAP Basis)	F59
Schedule of Net Position – Information by Division	F60
Schedule of Revenues, Expenses, and Changes in Net Position – Information by Division	F64
Schedule of Cash Flows – Information by Division	F66
STATISTICAL SECTION (UNAUDITED)	
Net Position – Last Ten Years	S2
Changes in Net Position – Last Ten Years	S3
Sewer Operating Revenues by Source – Last Ten Years	S4
Water Operating Revenues by Source – Last Ten Years	S5
Sewer Operating Expenses by Type – Last Ten Years	S6
Water Operating Expenses by Type – Last Ten Years	S7
Sewer Nonoperating Revenues by Source – Last Ten Years	S8
Water Nonoperating Revenues by Source – Last Ten Years	S9
Sewer User Rates – Last Ten Years	S10
Water User Rates – Last Ten Years	S11
Historical Sewer Customers and Sewer Consumption – Last Ten Years	S12
Historical Water Customers and Water Consumption – Last Ten Years	S13
Ten Largest Sewer Customers	S14
Ten Largest Water Customers	S15
Ratio of Outstanding Debt by Type – Last Ten Years	S16
Computation of Revenue Debt Coverage Ratios – Last Ten Years	S17
Computation of Special Assessment and Related Debt	
Coverage Ratios – Last Ten Years	S18
Sewer Debt by Total Debt Service	S19
Water Debt by Total Debt Service	S20
Continuing Disclosure Requirements:	
Nonagricultural Employment	S21
Ten Largest Employers in Wood County	S22
Wood County Ohio Demographic and Economic Statistics	S23
Number of Employees by Function	S24
Demographic Statistics	S25



June 13, 2019

To the Board of Trustees and Citizens Served by The Northwestern Water and Sewer District:

The Comprehensive Annual Report of the Northwestern Water and Sewer District (The District) for the year ended December 31, 2018, is hereby submitted. This report follows guidelines set forth by the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). This report consists of management's representations concerning finances of The District. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management.

To provide a reasonable basis for making these representations, management of The District has established an internal control framework that is designed both to protect District assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of The District's financial statements in conformity with GAAP. Because the cost of internal



controls should not outweigh their benefits, The District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects, to the best of our knowledge and belief. All disclosures necessary to enable the reader to gain an understanding of The District's activities have been included.

The District is required to undergo an annual audit in conformity with government auditing standards. Information related to this audit, includes the independent auditor's report on internal control over financial reporting and on compliance and other matters.

As part of The District's audit, described earlier, tests were made by The District's external auditors of its internal control structure and compliance with applicable laws and regulations. Although this testing is not sufficient to support a separate opinion on The District's internal control system or its overall compliance with laws, the audit for the year ended December 31, 2018 disclosed no material internal control weaknesses or material violations of laws and regulations.

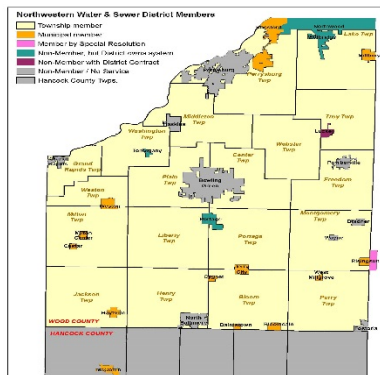
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to compliment MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Included in the accompanying financial statements are all accounts of the Northwestern Water and Sewer District. For accounting purposes, The District is accounted for as a single enterprise fund. The reporting is described in Note 1 to the financial statements.

Included in the Statistical Section at page S21 is a section titled “Continuing Disclosure Requirements”. The schedules in this section are in addition to those required by the Government Finance Officers Association and are presented in compliance with the terms of the Continuing Disclosure Agreement in conjunction with the issuance of the Water Resource Improvement and Refunding Revenue Bonds, Series 2002.

PROFILE OF THE DISTRICT

The District is a regional water and sewer district established pursuant to Chapter 6119 of the Ohio Revised Code. The District is operated pursuant to the authority of the Ohio Revised Code which specifically authorizes the formation of such districts.



In 1991, the County of Wood, Ohio, together with five municipalities and 14 townships, petitioned the Court of Common Pleas of Wood County for the establishment of a regional water and sewer district under Chapter 6119, Ohio Revised Code, to assume ownership and operation of the water and sewer facilities owned and operated by the County. The Court created The District on May 18, 1992 and approved a formal plan of operation on September 29, 1993. The District is currently comprised of 13 municipalities and 20 townships.

The District has authority to levy taxes to pay current operating expenses or debt service charges only with a vote of a majority of its electors. The District may submit the question of issuing bonds of The District and levying a tax outside the ten-mill limitation imposed by Article XII, Section 2 of the Ohio Constitution to pay the principal and interest on such bonds to the electors within the territorial limits of The District. The District may also submit to its electors the question of levying a tax in excess of the ten-mill limitation to pay current expenses of The District or to pay any portion of the cost of water resource projects. Such levy may not exceed ten years. The District currently has no plans to submit a bond issue or tax levy to its electors.

The District may assess real estate for the cost of improvements to the water or sewer system and may issue bonds or notes in anticipation of the collection of such assessments. The District may also issue revenue resource bonds and notes the principal of and interest on which is payable from District revenues generated from charges for water and/or sewer services.

General provisions regulating The District’s budget and appropriation procedures are set forth in the Ohio Revised Code. The President is required to submit The District’s operating and capital budgets to the board of trustees and they are required to adopt such budgets by March 31 of the year to which they apply.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Wood County is centrally located in the Toledo Trade Area, and is classified as belonging to the Toledo Metropolitan Statistical Area (MSA). The 2018 population of the MSA is estimated to be approximately 605,221, of which the County accounted for approximately 130,492 in 2018. The County is the second largest in the Toledo MSA.

The Wood County economy is composed of three major activities: agriculture, manufacturing, and education. Agriculture has always been an important part of Wood County, both economically and socially.

Manufacturing is another critical component of the Wood County economy. Most manufacturing industries in the county are involved in either the production of food stuffs, automotive parts, and sub-assemblies or machinery. However, the County has seen a diversification of its industrial tax base over the last several years.

Higher education is also of major significance to the Wood County economy. Bowling Green State University, located in the City of Bowling Green, serves as the center of this activity. For the 2017-18 school year, the university had 20,000 students, 900+ full-time faculty as well as 1,256 full and part-time administrative and classified staff. In addition to Bowling Green State University, Wood County is home to Owens Community College. For 2018 Owens had a student enrollment of approximately 8,826 in over 120 program areas by a full time faculty of 138. Students, faculty, and staff members of both higher education facilities contribute heavily to the economy of Wood County.

Long-Term Financial Planning

In 2009, The District established a strategic architecture that identified a mission statement, three key business drivers, and action plans for each of the three business drivers. The action plans became the basis for establishing the 2018 budget. This process will continue in 2019 with results measured and compared to the plan. The main focus of the plan will be on how to continue to grow The District while not providing an undue financial burden on our customers.

The District has begun a program to address inflow and infiltration into its sewer system. A large retention basin has been constructed to hold overflow during peak rain events. Inflow and infiltration is being studied and addressed throughout the system as well.

At year-end, The District had debt outstanding of \$79,760,842. Outstanding bonds of The District are rated Aa3 by Moody's and AA- by Standard & Poor's rating agencies. The District has a MIG-1 rating from Moody's on short-term borrowing. Notes 5 and 6 to the audited financial statements include schedules of debt outstanding and future debt service requirements.

DISTRICT MAJOR INITIATIVES

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northwestern Water and Sewer District for its Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2017. This was the fifteenth year that The District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Millbury Infiltration and Inflow Improvements, Phase 1

This project included the rehabilitation of thousands of feet of sanitary sewers, manholes, and service laterals throughout the Village of Millbury. The Village is located at the confluence of two large creeks that makes it prone to high groundwater and flooding during wet weather. During these times, the sanitary sewers that were mostly constructed in the 1970 to 1980 era, are prone to groundwater infiltration and surface water inflow. This project identified many of the sources of this extraneous water in the system. These sources have been significantly reduced as a result of this project resulting in fewer nutrients entering the Lake Erie watershed. The total project cost was approximately \$1,000,000.

Rossford Infiltration and Inflow Improvements, Phase 3

The City of Rossford sanitary sewer system in many areas is in very poor condition. Since joining the District in 2012, the District has invested several million dollars to rehabilitate, repair, and replace a significant portion of the sanitary sewer system. This project is focused on Santus, Cherry, Birch, and Highland Streets in the City. The sewers in this area were identified as large contributors of storm water in the sanitary system in the City. This has added to sanitary sewer overflows directly to the Maumee River, which contributes a large part of the nutrient loading in the western basin of Lake Erie. The sewers in the project area were rehabilitated through grouting and rehabilitation of manholes. The project will be completed in early 2019 at a cost of \$825,000.

Hoytville Wastewater Treatment Plant Improvements

The Village of Hoytville in southern Wood County has a wastewater treatment controlled discharge lagoon that was constructed approximately 30 years ago. The Plant consists of three large ponds that treat the sewage from the Village through natural, biological treatment. The plant was in need of many improvements including reconstruction of the embankments and erosion protection as well as a new road access to the facility. The project was funded in large part by the Ohio EPA Pollution Control Loan Fund through a \$460,000 grant for this low income community. The project costs were \$480,000.

Village of McComb 500,000 Gallon Clearwell Project



The Village of McComb is served by a small water treatment plant with an existing clear well and an elevated storage tank. In order to provide reliability and redundancy, The District constructed a new glass line steel clear well near the existing plant. This clear well will also reduce the operating hours of the plant resulting in significant savings in operation and maintenance of the plant equipment and personnel. The project cost is \$1,060,000.

Waterline #100 Area Lead Services Replacement

There are over 300 lead services within the Cities of Rossford and Northwood. While The District is in compliance with the requirements of the Ohio EPA, the decision was made to remove and replace the lead services within our system. The removal of lead will help to reduce the chance of lead in our customers' drinking water. The project is funded by Ohio EPA with a low interest loan from the Ohio EPA's Water Supply Revolving Loan Account. The project includes a new plastic service line to each household, meter, and meter pit. Each household will also be offered a water filter for their use. Private lead services were also removed as part of the project with the cooperation of the owner. The project will be completed in 2019 and will cost \$1,050,000.

Weston Area Silver Street waterline Extension

The Village of Weston has some areas of low fire flows and potential water quality in the water distribution system due to long dead end waterlines. This extension will connect the southwestern part of the water system with the northwestern part, greatly improving fire flows and water quality throughout the entire Village. Approximately 30 homes will now have access to a public water supply that are currently on private wells. The project includes the extension of about 3,500 feet of 8" waterline and cost approximately \$350,000. The project is funded through a 0% interest loan from the Ohio Public Works Commission.

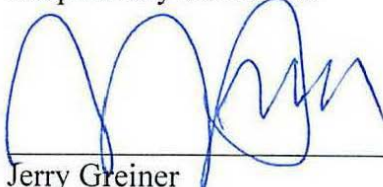
INDEPENDENT AUDIT

Included in this report is an unmodified opinion rendered on the District's financial statements for the year ended December 31, 2018, by James G. Zupka, CPA, Inc., a firm of licensed independent certified public accountants. As part of the preparation of the comprehensive annual financial report, The District subjects its financial statements to an annual audit. The annual audit serves to strengthen The District's accounting, internal, and budgetary controls.

ACKNOWLEDGEMENTS

The preparation of this comprehensive annual financial report would not have been possible without the efficient and dedicated services of all of The District departments and their staff. A special acknowledgement goes to Laurie Mooney, Financial Analyst, for her dedication to details in preparing The District's financial information.

Respectfully submitted.



Jerry Greiner
President



Kay Ball
CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
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Presented to

Northwestern Water & Sewer District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

**NORTHWESTERN WATER & SEWER DISTRICT
DISTRICT OFFICIALS
DECEMBER 31, 2018**

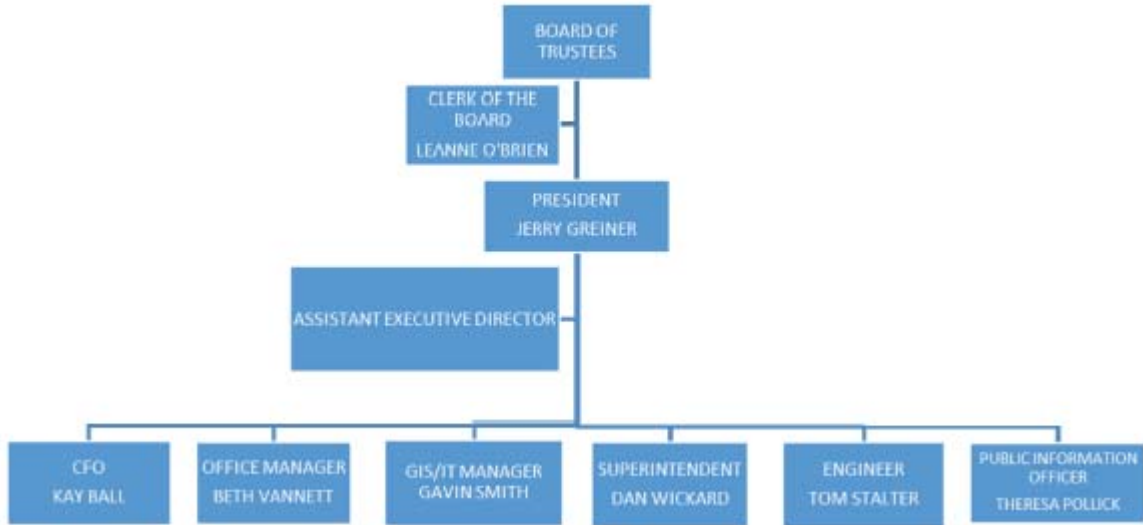
Board of Trustees

Office	Name	Date Originally Installed	Term Expires
Chairman	Mark Sheffer	10/5/2013	12/31/2021
Vice-Chairman	Steve Arnold	6/19/2014	12/31/2021
Secretary	John Cheney	7/21/1992	12/31/2019
Member	Melinda Kale	1/11/2007	12/31/2020
Member	William Hirzel	1/10/2008	12/31/2020
Member	Rob Armstrong	1/1/2017	12/31/2019
Member	Doug Miller	7/23/2015	12/31/2021
Member	Bill Verbosky	8/13/2015	12/31/2020
Member	Leonard Michaels	1/1/2011	12/31/2019

Senior Staff

Jerry R. Greiner	President
Vacant	Assistance Executive Director
Kay Ball	CFO
Tom Stalter	Engineer
Gavin Smith	GIS/IT Manager
Dan E. Wickard	Superintendent
Beth A. Vannett	Office Manager
Theresa Pollick	Public Information Officer

**NORTHWESTERN WATER & SEWER DISTRICT
ORGANIZATIONAL CHART
DECEMBER 31, 2018**



Number of Employees by Department	
Administration	3
Engineering	14
Operations	35
Finance	5
Office	11
GIS	<u>4</u>
Total Employees - December 31, 2018	<u><u>72</u></u>

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Northwestern Water and Sewer District
Bowling Green, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Northwestern Water and Sewer District, Wood County, Ohio (the District), as of and for the years ended December 31, 2018 and December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Northwestern Water and Sewer District, Ohio, as of December 31, 2018 and December 31, 2017, and the changes in its financial position, and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Net Other Postemployment Benefit Liabilities and Pension and Other Postemployment Benefit Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northwestern Water and Sewer District, Ohio's basic financial statements. The introductory section, the Schedule of Revenue, Expenses, and Changes in Net Position - Budget to Actual (GAAP Basis); the Schedule of Net Position - Information by Division; the Schedule of Revenues, Expenses and Changes in Net Position - Information by Division; and the Schedule of Cash Flows - Information by Division, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenue, Expenses, and Changes in Net Position - Budget to Actual (GAAP basis); the Schedule of Net Position - Information by Division; the Schedule of Revenues, Expenses and Changes in Net Position - Information by Division; and the Schedule of Cash Flows - Information by Division are the responsibility of management and were derived from and relate 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 above schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2019, on our consideration of the Northwestern Water and Sewer District, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and on the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northwestern Water and Sewer District, Ohio's internal control over reporting and compliance.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive style.

James G. Zupka, CPA, Inc.
Certified Public Accountants

June 13, 2019

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**NORTHWESTERN WATER & SEWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

The following discussion provides a summary overview of the financial activities of the Northwestern Water & Sewer District (The District) for the year ended December 31, 2018. This information should be read in conjunction with the letter of transmittal and basic financial statements included in this report.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$137,130,970 as of December 31, 2018.
- Change in net position was \$2,648,141 in 2018.
- Overall net position decreased in 2018 by \$424,635, an increase of \$4,143,901 was attributable to net investment in capital assets. The remaining change of a net decrease of \$4,568,536 was attributable to a \$268,850 increase in restricted net position and \$4,837,386 decrease in unrestricted net position. \$3,072,776 of this overall net decrease is due to a restatement of beginning net position due to the implementation of GASB75 which is further discussed in note 1.
- Debt decreased \$959,182. Retirements of debt principal were \$4,444,005 and new issues of debt principal were \$3,484,823.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, the Statements of Cash Flows and the accompanying notes to the financial statements. These statements report information about The District as a whole and about its activities. The District is a single enterprise fund using proprietary fund accounting, which means these statements are presented in a manner similar to a private-sector business. The statements are presented using economic resources measurement focus and the accrual basis of accounting.

The Statements of Net Position present the District's financial position and report the resources owned by the District (assets), obligations owed by the District (liabilities), deferred outflows and inflows, and District net position (the difference between assets and liabilities). The Statements of Revenues, Expenses, and Changes in Net Position present a summary of how the District's net position changed during the year. Revenue is reported when earned and expenses are reported when incurred. The Statements of Cash Flows provide information about the District's cash receipts and disbursements during the year. They summarize net changes in cash resulting from operating, investing, and financing activities. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

New GASB 75 reporting

During 2018, the District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for other postemployment benefits (OPEB) costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to OPEB and the net OPEB liability to the reported net position and subtracting deferred outflows related to OPEB.

**NORTHWESTERN WATER & SEWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

New GASB 75 reporting (continued)

Under the new standards required by GASB 75, the net OPEB liability equals the District's proportionate share of each plan's collective:

1. Present value of estimated future OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future OPEB. GASB noted that the unfunded portion of this OPEB promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding OPEB benefits with the employer. Both employer and employee contribution rates are capped by state statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by state statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net OPEB liability. As explained above, changes in OPEB benefits, contribution rates, and return on investments affect the balance of the net OPEB liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required OPEB payments, state statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net OPEB liability is satisfied, this liability is separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 75, the District's statements prepared on an accrual basis of accounting include an annual OPEB expense for their proportionate share of each plan's change in net OPEB liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at January 1, 2017, from \$137,555,605 to \$134,482,829

**NORTHWESTERN WATER & SEWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Financial Analysis of the District's Financial Position and Results of Operations

The tables below provide a summary of The District's financial position and operations. Net position may serve over time as a useful indicator of a government's financial position. The largest portion of The District's net position, \$122.1 million (90%) reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although The District's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Certain amounts may vary slightly due to differences caused by rounding to thousands.

Condensed Statements of Net Position

December 31,

(In Thousands of Dollars)

	2018	2017	2016	Change			
				2018/2017		2017/2016	
				Amount	Percent	Amount	Percent
ASSETS							
Current Assets	26,523	\$ 23,247	\$ 24,250	\$ 3,276	14.1 %	\$ (1,003)	(4.1)%
Capital Assets, Net	197,566	194,518	185,761	3,048	1.6	8,757	4.7
Other Non-Current Assets	8,639	9,524	10,370	(885)	(9.3)	(846)	(8.2)
Total Assets	232,728	227,289	220,381	5,439	2.4	6,908	3.1
Deferred Outflows of Resources	2,229	3,011	1,894	(782)	(26.0)	1,117	59.0
LIABILITIES							
Current Liabilities	10,741	10,150	11,604	591	5.8	(1,454)	(12.5)
Long-Term Liabilities	82,911	82,099	74,721	812	1.0	7,378	9.9
Total Liabilities	93,652	92,249	86,325	1,403	1.5	5,924	6.9
Deferred Inflows of Resources	4,174	496	4,200	3,678	741.5	(3,704)	(88.2)
NET POSITION							
Net Investment in Capital Assets	122,085	117,942	114,559	4,143	3.5	3,383	3.0
Restricted	5,076	4,806	4,706	270	5.6	100	2.1
Unrestricted	9,970	14,807	12,485	(4,837)	(32.7)	2,322	18.6
Total Net Position	\$ 137,131	\$ 137,555	\$ 131,750	\$ (424)	(0.3)%	\$ 5,805	4.4 %

Net position increased by \$2,648 thousand during 2018 and increased by \$5,805 thousand during 2017. The majority of this change was due to the following:

- Debt, including current portion of long-term debt, decreased by \$959,182 in 2018 and increased by \$6,448,749 in 2017 related to borrowing for construction projects.

**NORTHWESTERN WATER & SEWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the years ended December 31,
(In Thousands of Dollars)**

	Change						
	2018	2017	2016	2018/2017		2017/2016	
				Amount	Percent	Amount	Percent
Utility Revenue	\$ 27,711	\$ 26,282	\$ 23,942	\$ 1,429	5.4%	\$ 2,340	9.8%
Fees and Permit	588	561	529	27	4.8	32	6.0
Contract Services	282	194	187	88	45.4	7	3.7
Other	498	490	396	8	1.6	94	23.7
Non-Operating Revenue	554	549	512	5	0.9	37	7.2
Total Revenues	29,633	28,076	25,566	1,557	5.5	2,510	9.8
Depreciation and Amortization	8,321	7,987	7,182	334	4.2	805	11.2
Other Operating Expense	17,743	17,145	15,028	598	3.5	2,117	14.1
Non-Operating Expense	3,174	2,263	2,293	911	40.3	(30)	(1.3)
Total Expenses	29,238	27,395	24,503	1,843	6.7	2,892	11.8
Net Revenue Before Aid in Construction	395	681	1,063	(286)	(42.0)	(382)	(35.9)
Aid in Construction	2,253	5,124	7,884	(2,871)	(56.0)	(2,760)	(35.0)
Changes in Net Position	2,648	5,805	8,947	\$ (3,157)	(54.4)%	\$ (3,142)	(35.1)%
Beginning Net Position	134,483	131,750	122,803				
Ending Net Position	\$ 137,131	\$ 137,555	\$ 131,750				

Utility revenues increased in 2018 due to rate increases. The District purchases bulk water from the City of Toledo. Toledo instituted a multi-year rate increase program which is passed through to the customers of The District served by water purchased from Toledo.

Other Operating Expenses increased in 2018 due to incremental increases to general insurance, small equipment and bad debt write offs.

Beginning Net Position for December 31, 2018, was restated due to the implementation of GASB75, see Note 1 for additional details. .

**NORTHWESTERN WATER & SEWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Capital Assets

At the end of 2018, The District had \$197,565,799 invested in capital assets net of depreciation. This amount represents a net increase of approximately \$3 million, or 1.6% over 2017.

**Capital Assets at December 31,
(Net of Depreciation, in Thousands)**

	2018	2017	2016	Change			
				2018/2017		2017/2016	
				Amount	Percent	Amount	Percent
Land and Easements	\$ 1,109	\$ 1,104	\$ 1,027	\$ 5	0.4 %	\$ 77	7.5 %
Construction in Progress	18,765	24,988	22,730	(6,223)	(24.9)	2,258	9.9
Water and Sewer Lines	136,354	129,280	124,477	7,074	5.5	4,803	3.9
Buildings, Structures, and Improvements	31,597	29,140	27,614	2,457	8.4	1,526	5.5
Equipment	9,741	10,006	9,913	(265)	(2.6)	93	0.9
Total	\$ 197,566	\$ 194,518	\$ 185,761	\$ 3,048	1.6 %	\$ 8,757	4.7 %

As indicated by figures in the table above, the majority of capital assets added during the current fiscal year were related to water and sewer lines and construction in progress.

Additional information on The District's capital assets can be found in Note 4.

Debt Administration

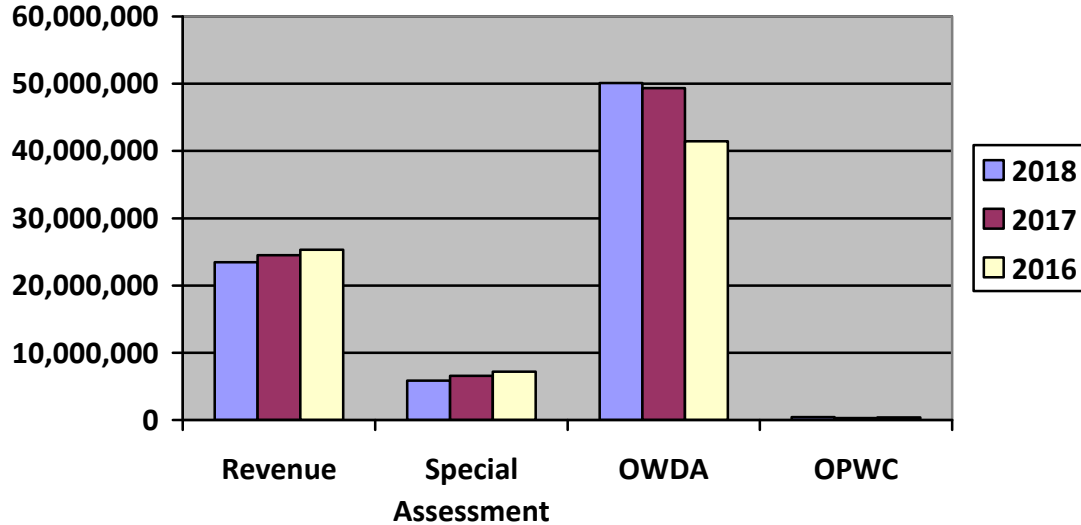
At December 31, 2018, The District had total debt outstanding of \$79,760,842 compared to \$80,720,024 at December 31, 2017. This represents a decrease of \$959,182. During 2018, the District issued \$3,484,823 of new debt and repaid \$4,444,005 in principal on outstanding debt. At December 31, 2017, the District had total debt outstanding of \$80,720,024 compared to \$74,271,275 at December 31, 2016. This represents an increase of \$6,448,749. During 2017, the District issued \$18,379,690 of new debt and repaid \$11,930,941 in principal on outstanding debt. The District has ratings on its long-term debt of Aa3 from Moody's Investor Service and AA- from Standard and Poor's. This information should be read in conjunction with Notes 5 and 6 to the audited financial statements for more detailed information on long-term debt.

Outstanding Debt at December 31,

	2018	2017	2016
Revenue Bonds and Notes and Capital Leases	\$ 23,435,064	\$ 24,488,741	\$ 25,303,341
Special Assessment Bonds and Notes	5,829,551	6,574,552	7,171,609
Ohio Water Development Authority	50,083,815	49,347,712	41,429,066
Ohio Public Works Commission	412,412	309,019	367,259
Total	\$ 79,760,842	\$ 80,720,024	\$ 74,271,275

**NORTHWESTERN WATER & SEWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Type of Debt by Year



Economic Factors

Based on The District's 2018 budget, sewer rates were increased 5.2% for a customer using 1,000 cubic feet. Water rates were increased 4.9%, effective January 1, 2018 for a customer using 1,000 cubic feet of water. The increases in both water and sewer rates are due in part to the Board of Trustees implementing the policy of including depreciation in rates on a prorated basis over 15 years. The board has directed that rates be reviewed on an annual basis. The District is subject to the general economic slowdown in housing construction seen across the country.

In 2019, the District expects new residential construction to be slow but does expect to see a slight increase in housing construction as new plans are being proposed for additional housing starts.

Contacting The District's Financial Management

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions and requests for additional information regarding this report should be addressed to the CFO, Northwestern Water & Sewer District, P.O. Box 348, Bowling Green, Ohio 43402, or by telephone at (419) 354-9090.

**NORTHWESTERN WATER & SEWER DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2018 AND 2017**

ASSETS	2018	2017
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 8,191,442	\$ 8,208,860
Cash and Cash Equivalents - Restricted	3,844,342	3,612,704
Investments - Unrestricted	5,342,045	4,773,941
Investments - Restricted	1,231,087	1,193,875
Accounts Receivable - Trade	3,417,040	3,247,146
Grants Receivable	2,794,000	449,922
Current Portion of Special Assessments	975,352	977,021
Inventory	549,814	603,345
Prepaid Expenses	177,915	179,818
Total Current Assets	26,523,037	23,246,632
NONCURRENT ASSETS		
Capital Assets		
Depreciable:		
Sewer and Water Lines	227,407,380	215,800,917
Buildings, Pumps, and Lift Stations	43,171,807	39,268,819
Machinery and Equipment	13,376,609	12,662,101
Vehicles	3,825,768	3,694,310
Furniture and Fixtures	509,500	509,500
Computer Equipment	2,426,838	2,100,596
Improvements - Oregon Waste Water Treatment Plant	6,580,004	6,580,004
Total Depreciable Capital Assets	297,297,906	280,616,247
Accumulated Depreciation and Amortization	(119,606,366)	(112,189,786)
Net Depreciable Capital Assets	177,691,540	168,426,461
Nondepreciable:		
Land	718,442	714,787
Easements	390,515	389,515
Construction in Progress	18,765,302	24,987,699
Net Capital Assets	197,565,799	194,518,462
OTHER ASSETS		
Net Pension Asset	28,324	8,246
Special Assessments, Less Current Portion	8,610,851	9,516,435
Total Other Assets	8,639,175	9,524,681
Total Noncurrent Assets	206,204,974	204,043,143
Total Assets	232,728,011	227,289,775
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding	477,254	530,760
Pension	1,508,680	2,480,688
OPEB	243,115	-
Total Deferred Outflows	2,229,049	3,011,448
Total Assets and Deferred Outflows of Resources	\$ 234,957,060	\$ 230,301,223

See accompanying Notes to Financial Statements

**NORTHWESTERN WATER & SEWER DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2018 AND 2017 (CONTINUED)**

LIABILITIES AND NET POSITION	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 5,137,263	\$ 5,145,045
Current Portion of Compensated Absences Payable	307,069	300,149
Accounts Payable - Trade	3,257,067	2,465,491
Accrued Payroll and Payroll Taxes	409,431	371,497
Accrued Interest Payable	985,826	928,154
Accounts Due Others	644,328	940,223
	<u>10,740,984</u>	<u>10,150,559</u>
Total Current Liabilities	10,740,984	10,150,559
LONG-TERM LIABILITIES		
Long-Term Debt, Less Current Portion	74,623,579	75,574,979
Net Pension Liability	4,751,757	6,300,645
Net OPEB Liability	3,303,660	-
Compensated Absences Payable, Less Current Portion	232,302	223,798
	<u>82,911,298</u>	<u>82,099,422</u>
Total Long-Term Liabilities	82,911,298	82,099,422
Total Liabilities	93,652,282	92,249,981
DEFERRED INFLOWS OF RESOURCES		
Federal and State Grants	2,798,000	453,922
Pension	1,129,708	41,715
OPEB	246,100	-
	<u>4,173,808</u>	<u>495,637</u>
Total Deferred Inflows	4,173,808	495,637
Total Liabilities and Deferred Inflows of Resources	<u>\$ 97,826,090</u>	<u>\$ 92,745,618</u>
NET POSITION		
Net Investment in Capital Assets	\$ 122,085,485	\$ 117,941,584
Restricted for Debt Service	5,075,429	4,806,579
Unrestricted	9,970,056	14,807,442
	<u>137,130,970</u>	<u>137,555,605</u>
Total Net Position	<u>\$ 137,130,970</u>	<u>\$ 137,555,605</u>

See accompanying Notes to Financial Statements

**NORTHWESTERN WATER & SEWER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Utility Revenue	\$ 27,710,562	\$ 26,282,316
Fees and Permits	588,720	561,196
Contract Services	282,241	193,557
Other	<u>497,548</u>	<u>490,302</u>
Total Operating Revenues	29,079,071	27,527,371
OPERATING EXPENSES		
Depreciation and Amortization	8,321,181	7,986,708
Labor	4,228,871	3,865,991
Employee Benefits	2,408,631	2,663,158
Professional Services	1,665,822	1,525,136
Purchased Water and Sewer Treatment	6,313,924	6,120,870
Materials and Supplies	1,427,267	1,309,980
Utilities	729,279	699,652
Other	<u>968,985</u>	<u>959,882</u>
Total Operating Expenses	<u>26,063,960</u>	<u>25,131,377</u>
Operating Income	3,015,111	2,395,994
NONOPERATING REVENUES (EXPENSES)		
Interest Income	553,512	549,482
Interest Expense	(2,263,386)	(2,052,263)
Other Expense	<u>(909,998)</u>	<u>(210,886)</u>
Total Nonoperating Revenues (Expenses)	(2,619,872)	(1,713,667)
AID IN CONSTRUCTION	<u>2,252,902</u>	<u>5,123,712</u>
Change in Net Position	2,648,141	5,806,039
NET POSITION		
Net Position at Beginning of Year	137,555,605	131,749,566
Change in Accounting Principle (See Note 2)	<u>(3,072,776)</u>	<u>-</u>
Net Position at Beginning of Year, (Restated for 2018)	<u>134,482,829</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u><u>\$ 137,130,970</u></u>	<u><u>\$ 137,555,605</u></u>

See accompanying Notes to Financial Statements

**NORTHWESTERN WATER & SEWER DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATIONS		
Cash Received from Customers	\$ 29,363,099	\$ 31,703,495
Cash Payments to Suppliers for Goods and Services	(10,554,162)	(12,940,113)
Cash Payments to Employees for Services	(6,259,656)	(9,967,513)
Net Cash Provided by Operations	12,549,281	8,795,869
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Aid in Construction	2,077,978	4,990,323
Acquisition and Construction of Capital Assets	(12,670,018)	(16,940,933)
Proceeds from Sale of Capital Assets	1,301,500	196,741
Proceeds from Issuance of Long-Term Debt	3,484,823	18,379,690
Repayment of Long-Term Debt	(4,444,005)	(11,930,941)
Collections on Special Assessments	1,082,177	1,025,332
Interest Paid	(3,115,712)	(2,229,771)
Net Cash Used by Capital and Related Financing Activities	(12,283,257)	(6,509,559)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	553,512	549,482
Proceeds on Sale of Investments	2,960,916	1,453,909
Purchases of Investments	(3,566,232)	(1,492,161)
Net Cash Provided (Used) by Investing Activities	(51,804)	511,230
 INCREASE IN CASH AND CASH EQUIVALENTS	214,220	2,797,540
Cash and Cash Equivalents - Beginning of Year	11,821,564	9,024,024
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 12,035,784	\$ 11,821,564
 RESTRICTED CASH AND CASH EQUIVALENTS	\$ 3,844,342	\$ 3,612,704
 UNRESTRICTED CASH AND CASH EQUIVALENTS	\$ 8,191,442	\$ 8,208,860
 SUPPLEMENTAL CASH FLOW INFORMATION (NONCASH ITEMS)		
Aid in Construction	\$ 535,724	\$ 223,233
Easements Received	\$ 1,000	\$ 52,307

See accompanying Notes to Financial Statements

**NORTHWESTERN WATER & SEWER DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATIONS		
Operating Income	\$ 3,015,111	\$ 2,395,994
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	8,321,181	7,986,708
Changes in Operating Assets and Liabilities that Increase		
(Decrease) Cash Flows:		
Accounts Receivable - Trade	(169,894)	75,918
Grant Receivable	(2,344,078)	3,650,284
Inventory	53,531	46,361
Prepaid and Other Assets	1,903	28,791
Deferred Outflow	782,399	(1,117,503)
Net Pension Asset	(20,078)	-
Accounts Payable - Trade	791,576	(2,178,133)
Accrued Payroll and Payroll Taxes	37,934	63,511
Accounts Due Others	(295,895)	(221,612)
Net Pension Liability	(1,548,888)	1,663,944
Net OPEB Liability	230,884	-
Compensated Absences Payable	15,424	105,697
Deferred Inflow	3,678,171	(3,704,091)
Total Adjustments	9,534,170	6,399,875
Net Cash Provided by Operations	\$ 12,549,281	\$ 8,795,869

See accompanying Notes to Financial Statements

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Northwestern Water & Sewer District (the District) commenced operations on January 1, 1994. The District was created upon approval by the Wood County Court of Common Pleas pursuant to Section 6119 of the Ohio Revised Code for the purpose of supplying water and providing for the collection, treatment, and disposal of waste water to users within and without the District. The District was previously known as the Wood County Sanitary Engineer's Office and was under the control of Wood County (the County). Upon commencement, the County transferred the use of all related assets and liabilities to the District at carrying value.

The District is governed by a nine-member board of trustees (the board), three appointed by the participating municipalities, three by the participating townships, and three by the County Commissioners. Board members serve staggered terms of three years. The board controls the employment of the President of the District, who is responsible for staffing the respective departments and overseeing the day-to-day operations.

The District is authorized to issue revenue bonds and notes to finance the cost of projects which are payable from the revenues of the District. The District is also authorized to levy taxes for the current expenses of the District or for the issuance of bonds upon approval of a majority of the electorate. The District has not exercised these taxing powers. The District may also assess real estate for certain improvements and issue bonds in anticipation of the collection of such special assessments.

As a political subdivision, the District is distinct from, and is not an agency of, the state of Ohio or any other local governmental unit. The District is not subject to federal, state, or local income taxes or sales taxes.

Since the District was formed, several entities have joined, at which time, all water and sewer related assets and debt are assumed by the District.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board is the "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criterion of financial accountability is the ability of the primary government to impose its will upon the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally dependent on the potential component unit. The criterion was considered in determining the reporting entity. The District does not have financial accountability over any entities.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statements of net position. The statements of revenues, expenses, and changes in net position. The statements of cash flows provide information about how the District finances and meets the cash flow needs of its enterprise activity.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Process

The District is required by law to budget its funds, through adoption of an operating budget by March 31 of each year for the following fiscal year. The operating budget includes estimates for total revenues, total expenses, and debt service requirements for the fiscal year.

Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted assets) with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable – Trade

The District considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is included in the financial statements. When amounts are deemed to be uncollectible, they are expensed in the year in which that determination is made.

Debt Issuance Costs

Debt issuance costs are expensed when incurred.

Special Assessments Receivable

Special assessments receivable include amounts due from property owners that benefited from projects constructed by the District. The District receives proceeds from the property owners through assessments collected by the County over a 20-year period.

Inventory

Inventory items are valued at cost value using the first-in, first-out (FIFO) method. Inventory consists primarily of water meters and maintenance parts and supplies for the water and sewer lines.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed, as incurred. Contributed assets are stated at acquisition value at the time of contribution. Capital assets are defined by the District as assets with initial individual cost of \$5,000.

All capital assets are depreciated, excluding land. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	Years
Sewer and Water Lines	50
Buildings, Pumps, and Lift Stations	20 - 40
Machinery and Equipment	10 - 15
Vehicles	5 - 10
Furniture and Fixtures	7 - 12
Computer Equipment	3 - 5
Improvements	10 - 40

Construction in process includes all of the District's costs to develop capital asset projects. The projects are funded through board restriction of assets and construction loans. Interest expense incurred throughout the construction phase of a project is capitalized as part of the cost of the asset under construction to the extent it exceeds interest income on the related invested debt proceeds. The District had minimal capitalized interest for the years ended December 31, 2018 and 2017.

Investments

Investments are stated at fair value.

Pensions and OPEB

For purposes of measuring the net pension liability and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expenses, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Compensated Absences

The District accrues a liability if it is probable that the employee will be compensated through cash payment.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. See Notes 8 and 9 for details on the District's deferred outflows of resources related to its net pension liability and net other postemployment benefits (OPEB) liability, respectively. See Note 5 for details on the District's deferred outflows of resources related to its loss on debt refunding. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. See Notes 8 and 9 for detail on the District's deferred inflows of resources related to its net pension liability and net OPEB liability, respectively.

Revenues and Expenses

Operating revenues and expenses result from supplying water and providing for the collection, treatment, and disposal of waste water. Operating revenues consist primarily of user charges for water and sewage services based on water consumption. Operating expenses include the cost of providing these services, including administrative expenses and depreciation on capital assets.

Nonoperating revenues and expenses are all revenues and expenses not meeting the definition of operating revenues and expenses. Nonoperating revenues and expenses include revenues and expenses from capital and related financing activities, and investing activities.

Aid in Construction

Certain types of revenues received by the District for which no value is given in return, including derived tax revenues, imposed nonexchange transactions, government-mandated nonexchange transactions, and voluntary nonexchange transactions have been reported as nonoperating revenues. These amounts include system development fees, assets whose construction was financed by special assessments, donations from private sources, and grants for the acquisition of capital assets.

Net Position

Net position represents the difference between assets and deferred outflows of resources compared to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Restricted net position consists of monies and other resources which are restricted to satisfy debt service requirements as specified in debt agreements. When both unrestricted and restricted funds are available for use, restricted funds are used first.

The District's board of trustees has designated unrestricted net position of \$5,854,951 and \$5,535,230 as of December 31, 2018 and 2017, respectively, for capital and operating expenditures, and debt service. Such amounts are not restricted, and may be designated for other purposes or eliminated at the discretion of the board.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

User Rates and Expenses

The District's sewer and water utility rates are determined in conjunction with periodic rate studies performed by independent third-parties. Nondirect expenses are generally allocated based upon management's estimate of costs applicable to the respective divisions. Nondirect expenses were allocated to the sewer and water divisions, 52% and 48%, respectively, in 2018 and in 2017.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net position.

NOTE 2 NEWLY ADOPTED STATEMENT ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

In 2018, the District adopted the following accounting principles issued by the Governmental Accounting Standards Board:

Effective with the year beginning January 1, 2018 the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement establishes standards of accounting and financial reporting for defined benefits other postemployment benefits and defined contributions other postemployment benefits that are provided to the employees of state and local governmental employers through other postemployment benefit plans that are administered through trusts or equivalent arrangements that meet certain criteria. January 1, 2017 amounts have not been restated to reflect the impact of GASB 75 because the information is not available to calculate the impact on OPEB expense for the year-end December 31, 2017.

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Ohio Public Employee Retirement System (OPERS) OPEB plan and additional deductions for OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as an expense when due and payable in accordance with the benefit terms. Investments are reported at fair value. The implementation of this pronouncement had the following effect on net position as reported January 1, 2018

Net Position - January 1, 2018	\$ 137,555,605
Adjustments:	
Net OPEB Liability	(3,072,776)
Restated Net Position - January 1, 2018	\$ 134,482,829

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 2 NEWLY ADOPTED STATEMENT ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD (CONTINUED)

In March 2016, the GASB issued Statement 82, *Pension Issues – an Amendment of GASB Statements No. 67, No.68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pensions Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contributions requirements. This Statement was adopted for the District's year-end December 31, 2018 with no material impact on the District.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. This Statement was adopted for the District's year-end December 31, 2018 with no material impact on the District.

In May 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement was adopted for the District's year ended December 31, 2018 with no material impact on the District.

NOTE 3 CASH AND INVESTMENTS

Deposits

State statutes classify monies held by the District into three categories:

1. Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

2. Inactive deposits are public deposits that the District has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.
3. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. The collateral is pooled through the Ohio Pooled Collateral System. Under this program, public depositories that pledge a collateral pool using the method prescribed in Ohio Rev. Code § 135.18(A)(2) or Ohio Rev. Code § 135.37(A)(2) shall pledge to the Treasurer of State a single pool of eligible securities for the benefit of all public depositories to secure the repayment of all uninsured public deposits at the public depository; provided that at all times the total market value of securities so pledged is at least equal to either one hundred 2% of the total amount of all uninsured public deposits or an amount determined by rules adopted by the Treasurer of State that set forth the criteria for determining the aggregate market value of the pool of eligible securities pledged by a public depository. Such criteria shall include, but are not limited to, prudent capital and liquidity management by the public depository and the safety and soundness of the public depository as determined by a third-party rating organization. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities, school districts, and district corporations. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required. The carrying value of the District's deposits was \$8,986,343 and \$8,812,962 at December 31, 2018 and 2017, respectively. At December 31, 2018, the bank balance of \$9,132,845 was covered by federal depository insurance and \$8,882,845 was covered by collateral held by the pledging financial institution, but not in the name of the District. At December 31, 2017, the bank balance of \$9,043,958 was covered by federal depository insurance and \$8,793,958 was covered by collateral held by the pledging financial institution, but not in the name of the District.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Although the pledging bank has an investment and securities pool used to collateralize all public deposits, which held in the financial institution's name, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized and subject to custodial credit risk.

Investments

As of December 31, 2018, the District has not established a formal policy relating to interest rate risk. The District's investments and cash equivalents consist of the following:

	2018		
	Fair Value	Maturity Less Than 1	Maturity 1-5 years
<u>Investments</u>			
U.S. Treasuries and Federal Agency Obligations	\$ 6,534,157	\$ 1,481,663	\$ 5,052,494
Money Market Mutual Funds	922,237	922,237	-
STAR Ohio	2,166,179	2,166,179	-
Total Investments, Including Restricted	<u>\$ 9,622,573</u>	<u>\$ 4,570,079</u>	<u>\$ 5,052,494</u>
	2017		
	Fair Value	Maturity Less Than 1	Maturity 1-5 years
U.S. Treasuries and Federal Agency Obligations	\$ 5,953,871	\$ 2,987,327	\$ 2,966,544
Money Market Mutual Funds	897,207	897,207	-
STAR Ohio	2,124,369	2,124,369	-
Total Investments, Including Restricted	<u>\$ 8,975,447</u>	<u>\$ 6,008,903</u>	<u>\$ 2,966,544</u>

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investments held by the District at December 31, 2018 and 2017 are presented below, categorized by investment type and credit quality rating as rated by Standard and Poor's. Credit quality ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. No deposits were subject to custodial credit risk.

<u>Investment Type</u>	2018			
	Fair Value	Not Rated	AAA	AA+
U.S. Treasuries and Federal Agency Obligations	\$ 6,534,157	\$ 444,674	\$ -	\$ 6,089,483
Money Market Mutual Funds	922,237	922,237	-	-
Star Treasury Reserve of Ohio (STAROhio)	2,166,179	-	2,166,179	-
Total Investments	<u>\$ 9,622,573</u>	<u>\$ 1,366,911</u>	<u>\$ 2,166,179</u>	<u>\$ 6,089,483</u>

<u>Investment type</u>	2017			
	Fair Value	Not Rated	AAA	AA+
U.S. Treasuries and Federal Agency Obligations	\$ 5,953,871	\$ 399,886	\$ -	\$ 5,553,985
Money Market Mutual Funds	897,207	897,207	-	-
Star Treasury Reserve of Ohio (STAROhio)	2,124,369	-	2,124,369	-
Total Investments	<u>\$ 8,975,447</u>	<u>\$ 1,297,093</u>	<u>\$ 2,124,369</u>	<u>\$ 5,553,985</u>

Reconciliation of this footnote to the financial statements:

Carrying Amount of Bank Deposits - per Note Above	District <u>\$ 8,986,343</u>
Investments - Per Note Above	9,622,573
Total	<u>\$ 18,608,916</u>
Statement of Net Position	District
Cash and Cash Equivalents	\$ 12,035,784
Investments	<u>6,573,132</u>
Total	<u>\$ 18,608,916</u>

The District categorizes its fair value measurements at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2018 and 2017 the District's investments had the following recurring fair value measurements:

<u>Investment Type</u>	2018			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries and Federal Agency Obligations	\$ -	\$ 6,534,157	\$ -	\$ 6,534,157
Money Market Mutual Funds	922,237	-	-	922,237
Star Treasury Reserve of Ohio (STAROhio)	2,166,179	-	-	2,166,179
Total	<u>\$ 3,088,416</u>	<u>\$ 6,534,157</u>	<u>\$ -</u>	<u>\$ 9,622,573</u>

<u>Investment type</u>	2017			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries and Federal Agency Obligations	\$ -	\$ 5,953,871	\$ -	\$ 5,953,871
Money Market Mutual Funds	897,207	-	-	897,207
Star Treasury Reserve of Ohio (STAROhio)	2,124,369	-	-	2,124,369
Total	<u>\$ 3,021,576</u>	<u>\$ 5,953,871</u>	<u>\$ -</u>	<u>\$ 8,975,447</u>

Concentration of Credit Risk - The District places no limit on the amount it may invest in any one issuer, however state statute limits investments in commercial paper and bankers' acceptances to 25% of the interim monies available for investment at any one time. In 2018, the District's investment in U.S. Treasury Notes represents 4% of the District's total investments. The District's investment in Federal Home Loan represents 14% of the District's total investments in 2018. In 2018, the District's investment in Federal Home Loan Bank Notes represents 22% of the District's total investments. The District's investment in Freddie Mac bonds represents 10% of the District's total investments in 2018. The District's investment in Federal Farm Credit Bank notes represents 7% of the District's total investments in 2018. The District's investment in Federal National Mortgage Association notes represents 10% of the District's total investments in 2018. The District's investment in STAROhio represents 23% of the District's investments in 2018. The District's investment in money market mutual funds represents 10% of the District's investments in 2018.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 4 CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2018 is as follows:

	Balance - December 31, 2017	Additions	Retirements	Transfers	Balance - December 31, 2018
Nondepreciable					
Land	\$ 714,787	\$ 3,655	\$ -	\$ -	\$ 718,442
Easements	389,515	1,000	-	-	390,515
Construction in Progress	24,987,699	10,555,648	(147,194)	(16,630,851)	18,765,302
Total Nondepreciable	26,092,001	10,560,303	(147,194)	(16,630,851)	19,874,259
Depreciable					
Sewer and Water Lines Buildings, Pumps, and Lift Station	215,800,917	615,671	(337,664)	11,328,456	227,407,380
Machinery and Equipment	39,268,819	5,278	(982,762)	4,880,472	43,171,807
Vehicles	12,662,101	730,642	(343,265)	327,131	13,376,609
Furniture and Fixtures	3,694,310	299,204	(167,746)	-	3,825,768
Computer Equipment	509,500	-	-	-	509,500
Improvements - Oregon Wastewater Treatment Plant	2,100,596	261,282	(29,832)	94,792	2,426,838
	6,580,004	-	-	-	6,580,004
Total Depreciable	280,616,247	1,912,077	(1,861,269)	16,630,851	297,297,906
Totals at Historical Cost	306,708,248	12,472,380	(2,008,463)	-	317,172,165
Accumulated Depreciation					
Sewer and Water Lines Buildings, Pumps, and Lift Station	86,520,920	4,600,132	(67,469)	-	91,053,583
Machinery and Equipment	13,515,710	1,792,133	(543,528)	-	14,764,315
Vehicles	4,704,701	882,219	(89,615)	-	5,497,305
Furniture and Fixtures	2,336,300	427,544	(167,746)	-	2,596,098
Computer Equipment	363,258	28,262	-	-	391,520
Improvements - Oregon Wastewater Treatment Plant	1,556,158	386,279	(29,832)	-	1,912,605
	3,192,739	198,201	-	-	3,390,940
Total Accumulated Depreciation	112,189,786	8,314,770	(898,190)	-	119,606,366
Capital Assets, Net	\$ 194,518,462	\$ 4,157,610	\$ (1,110,273)	\$ -	\$ 197,565,799

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 4 CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Capital asset activity for the year ended December 31, 2017 is as follows:

	Balance - December 31, 2016	Additions	Retirements	Transfers	Balance - December 31, 2017
Nondepreciable					
Land	\$ 689,608	\$ 25,179	\$ -	\$ -	\$ 714,787
Easements	337,208	52,307	-	-	389,515
Construction in Progress	22,730,075	15,369,169	(12,693)	(13,098,852)	24,987,699
Total Nondepreciable	23,756,891	15,446,655	(12,693)	(13,098,852)	26,092,001
Depreciable					
Sewer and Water Lines	206,544,036	9,296	-	9,247,585	215,800,917
Buildings, Pumps, and Lift Station	35,885,641	36,378	(65,067)	3,411,867	39,268,819
Machinery and Equipment	11,737,820	906,711	(332,630)	350,200	12,662,101
Vehicles	3,545,586	226,025	(77,301)	-	3,694,310
Furniture and Fixtures	471,950	37,550	-	-	509,500
Computer Equipment	1,674,351	337,045	-	89,200	2,100,596
Improvements - Oregon Wastewater Treatment Plant	6,580,004	-	-	-	6,580,004
Total Depreciable	266,439,388	1,553,005	(474,998)	13,098,852	280,616,247
Totals at Historical Cost	290,196,279	16,999,660	(487,691)	-	306,708,248
Accumulated Depreciation					
Sewer and Water Lines	82,066,588	4,454,332	-	-	86,520,920
Buildings, Pumps, and Lift Station	11,857,440	1,723,337	(65,067)	-	13,515,710
Machinery and Equipment	3,961,796	827,907	(85,002)	-	4,704,701
Vehicles	1,956,313	455,728	(75,741)	-	2,336,300
Furniture and Fixtures	335,900	27,358	-	-	363,258
Computer Equipment	1,262,725	293,433	-	-	1,556,158
Improvements - Oregon Wastewater Treatment Plant	2,994,539	198,200	-	-	3,192,739
Total Accumulated Depreciation	104,435,301	7,980,295	(225,810)	-	112,189,786
Capital Assets, Net	\$ 185,760,978	\$ 9,019,365	\$ (261,881)	\$ -	\$ 194,518,462

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 4 DEBT

The District has 91 loans with the Ohio Water Development Authority (OWDA) to finance the cost of developing and improving the water and sewer systems. The following table shows remaining principal amounts outstanding on the individual loans as of December 31, 2018 and 2017:

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2018	2017
WL #167 - 183	05/24/99	\$ 3,503,947	5.56 %	07/01/20	\$ 546,556	\$ 798,118
SS #904 & WL #904	08/31/00	1,660,596	3.00	01/01/21	317,614	431,318
WL #300	10/28/04	90,500	4.10	01/01/25	37,749	42,723
WL #318	09/31/04	338,000	4.56	07/01/24	134,839	153,974
SS #1000	11/04/04	168,224	4.56	07/01/24	67,345	76,902
Weston 2918	02/25/93	943,552	2.00	01/01/19	23,704	70,620
Weston 3587	09/26/01	560,079	1.50	07/01/23	156,081	185,922
Weston 4046	02/26/04	420,316	1.50	07/01/25	161,589	183,324
Williamsburg 5097	04/30/09	650,829	3.70	07/01/29	292,878	314,102
Northwood 2069	12/11/97	830,175	5.88	07/01/23	271,333	316,902
Northwood 2070	05/28/98	360,000	5.66	07/01/23	115,886	135,477
Weston 5730	10/27/10	908,842	3.41	01/01/31	559,675	595,051
Custar 4444	01/26/06	782,759	1.50	01/01/37	523,296	547,670
Milton Center 4714	05/31/07	757,375	1.00	07/01/38	529,640	553,450
Metering 5865	05/26/11	1,969,940	4.45	07/01/31	1,404,488	1,482,813
Weston 5867	05/26/11	1,389,150	-	01/01/33	997,909	1,066,730
Bloomdale 4329 Country Manor SS Force	06/30/05	530,152	2.00	01/01/36	346,814	363,217
Rossford 6457	05/30/13	454,582	3.44	01/01/44	305,346	312,732
Rossford 6464	05/30/13	1,298,907	2.67	01/01/34	1,005,716	1,057,487
Rossford 6475	06/27/13	2,153,389	2.59	07/01/34	1,816,438	1,907,022
Five Point 6581	10/31/13	1,105,909	2.89	07/01/34	749,080	778,066
Custar WL 6231	06/28/12	596,739	-	07/01/43	457,457	475,755
Cygnets 6335	12/06/12	751,817	3.19	07/01/43	543,264	557,296
Homecraft SS Laterals 6309	10/25/12	554,528	2.48	07/01/33	392,526	413,890
Huffman Rd 6118	12/08/11	17,500	-	01/01/19	1,750	5,250
Jennings Rd 6382	01/31/13	767,692	2.94	01/01/44	690,745	708,728
Milton Center 6230	06/28/12	842,856	-	07/01/43	635,518	660,939
Morton Building 6396	02/28/13	381,694	3.09	01/01/43	335,228	344,270
Perrysburg Twp 6260	08/30/12	193,950	3.36	07/01/42	163,859	168,244
Rossford Clearwell 6383	01/31/13	3,777,878	2.94	01/01/44	2,908,116	2,983,827
Rossford Tree St 6232	06/28/12	858,032	2.64	07/01/32	628,100	664,748
Rudolph 6107	12/08/11	10,000	-	01/01/18	-	1,000
Rudolph 6169	04/26/12	52,750	3.09	01/01/18	-	1,642
Stony Ridge 6397	02/28/13	694,644	1.98	01/01/44	626,536	642,494
SS100 Master Meter 6500	07/25/13	274,953	2.57	07/01/33	200,571	205,527
Walbridge Laterals 6583	10/31/13	540,638	3.59	07/01/34	402,193	420,522
Rossford Tree Streets PR 6644	12/12/13	509,997	3.37	01/01/35	364,179	380,448
Hillside Dr SS 6676	02/27/14	389,462	3.44	01/01/35	337,088	352,049
Rossford Citywide I & I 6641	12/13/13	460,927	3.37	07/01/34	391,613	409,820
Ampoint SS 6674	02/27/14	1,902,014	3.44	01/01/35	1,632,614	1,705,073
Hufford Rd WL 6742	05/29/14	1,112,050	3.16	01/01/35	897,565	925,430
Rossford Colony I & I 6773	06/26/14	1,395,708	3.09	07/01/35	1,226,072	1,277,242
East Broadway WL 6766	06/26/14	714,388	2.59	01/01/35	543,457	556,289
100 Area WL 6741	05/29/14	356,451	3.16	01/01/35	282,160	295,014
Jennings Rd PS 6695	03/27/14	721,878	3.33	01/01/35	600,355	624,418

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 DEBT (CONTINUED)

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2018	2017
E Broadway WL 6747	05/29/14	\$ 369,454	4.00 %	01/01/45	\$ 116,786	\$ 111,942
Bloomdale PS 6930	03/26/15	211,816	2.74	01/01/46	189,481	193,228
Wise St SS 6893	01/29/15	923,133	3.03	01/01/46	678,386	694,008
WL 200 Study 6926	02/26/15	17,878	-	07/01/20	6,054	7,984
WL 100 Study 6925	02/26/15	21,071	-	07/01/20	8,032	11,653
Homecraft SS Laterals 6843	10/30/14	728,574	2.96	07/01/35	498,320	498,561
Pump Station Sewer Imp 6943	03/26/15	369,550	1.80	01/01/36	304,010	319,934
Colony Rd PS Replacement 7007	05/28/15	2,801,424	1.99	01/01/36	2,138,326	2,257,101
Water Loss Audit 7087	08/27/15	148,143	-	07/01/21	84,746	111,614
Bays Rd WL 7064	07/01/15	313,001	-	07/01/36	287,046	300,414
BG 2nd WL Connection 7119	09/24/15	487,386	-	07/01/36	447,162	468,128
Rossford 7158	10/29/15	745,156	2.18	07/01/36	619,385	642,833
2nd Portage WL 7185	12/10/15	426,791	1.64	07/01/36	481,229	504,021
SS 200 Area I & I 7159	10/29/15	262,721	1.68	07/01/36	185,968	191,243
Bloomdale Rehab 7063	07/30/15	101,011	1.79	07/01/36	90,539	94,643
Northern Area 7253	02/25/16	757,780	1.85	01/01/37	675,504	704,761
Tracy Rd SS 7397	06/30/16	2,844,821	2.18	01/01/37	2,353,677	2,197,452
Hillview Dr 7258	02/25/16	121,186	1.85	01/01/37	101,925	107,030
WL 300 Area 7337	05/26/16	358,847	1.27	01/01/37	334,971	350,938
Oregon EQ Basin 7254	02/25/16	6,087,816	1.85	01/01/37	5,301,913	5,411,052
Eastwood School 7476	09/29/16	860,359	2.01	07/01/36	788,968	825,020
Bairdton WWTP 7468	08/25/16	1,788,861	-	01/01/38	1,725,345	1,557,957
Northwood 7088	08/27/15	237,914	2.32	07/01/36	218,673	228,356
McComb SS 4235	01/27/05	89,843	4.50	07/01/25	40,803	45,662
McComb CSO 5067	02/26/09	412,026	-	07/01/29	226,614	247,216
McComb WWTP 6361	12/06/12	290,600	-	07/01/18	-	46,489
Milisbury SS 7540	12/08/16	1,225,129	1.55	07/01/37	615,830	324,350
McComb WTP 2155	01/28/99	1,210,580	3.5-5.5	07/01/20	175,220	257,063
McComb WT 6485	06/27/13	994,336	2.00	07/01/35	804,614	841,223
PPCP WL 7531	12/08/16	217,700	-	01/01/23	151,675	2,900
Southern Service 7490	09/29/16	474,836	0.76	01/01/37	-	6,334
Carrington Woods & Totogany 7559	01/26/17	379,925	2.85	07/01/37	376,011	383,185
Hanson, George WL Replace 7560	02/08/17	755,885	2.85	01/01/38	739,263	753,914
Southern Serv Area Water System	09/09/16	474,827	0.76	01/01/37	407,627	423,446
Taylor 7651 WL	04/05/17	399,409	1.83	01/01/38	392,926	361,221
Hamlet 7820 WL	08/10/17	581,310	1.89	01/01/38	462,576	46,372
Curtice 7727 WL	06/08/17	1,069,866	1.63	01/01/38	916,178	540,269
Starbright 7814 WL	08/07/17	1,087,657	1.89	01/01/38	902,448	665,864
Williamsburg 7541	11/07/16	504,305	1.55	07/01/37	344,603	366,292
Nutrient Removal	11/09/16	49,000	-	07/01/37	39,197	48,997
Perrysburg I&I 7813	08/07/17	1,119,722	1.39	01/01/38	344,406	43,507
Lead Elimination 7966	01/29/18	1,003,450	1.81	10/01/22	61,877	-
White Rd/ Vineyard WL 8101	05/04/18	706,698	2.15	10/01/22	63,619	-
McComb WL Imp 7980	04/06/18	321,351	2.70	07/01/39	261,821	-
Oregon/Bays Rd Elevated Tank 8095	06/04/18	463,500	2.90	01/01/40	180,220	-
Weston Silver St WL 7979	04/06/18	144,475	2.70	07/01/38	141,722	-
McComb Clearwell 8212	08/06/18	1,106,715	-	10/01/23	14,742	-
Weston Center St 8258	11/06/18	413,816	2.93	07/01/39	1,448	-
Hoyville 7812	08/07/17	85,873	-	04/01/22	7,255	-
Rudolph Rd Forcemain 7257	08/31/17	180,218	-	06/01/37	149,730	-
Total					<u>\$ 50,083,815</u>	<u>\$ 49,347,712</u>

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 DEBT (CONTINUED)

Other long-term loans at December 31, 2018 and 2017 are as follows:

Date of Issue	Purpose	Interest Rate	Maturity Date	Amount Outstanding	
				2018	2017
08/13/98	Jerry City SS #1800 OPWC Loan	- %	07/01/19	\$ 25,285	\$ 50,569
09/08/98	Jerry City SS #1800 USDA Loan	4.75	09/08/38	206,000	212,100
07/31/04	Jerry City WL #CE37F	-	01/01/25	63,089	72,795
11/03/04	Rudolph SS #CE33E	-	07/01/24	24,851	28,993
07/01/07	Village of Custar #CE411	-	01/01/27	10,625	11,875
07/01/06	OPWC Bloomdale CT17H	-	07/01/26	7,323	8,239
07/01/14	OPWC Rossford Tree St SS Improvements	-	01/01/34	128,273	136,548
12/05/13	Huntington Equipment Lease 2013	2.05	12/05/18	-	149,701
04/06/18	Lime City Buck Rd WL ODOT 7987	2.70	07/01/39	269,409	-
07/01/17	Silver St CE42U OPWC	-	07/01/37	152,966	-
09/30/18	Huntington Bank-McComb WWTP	3.25	09/30/20	50,001	-
Total				<u>\$ 937,822</u>	<u>\$ 670,820</u>

Bonded debt at December 31, 2018 and 2017 is as follows:

Date of Issue	Purpose	Original Amount	Interest Rate	Maturity Date	Amount Outstanding	
					2018	2017
10/01/98	Special Assessment Bond	\$ 360,000	4.25 - 5.25 %	10/01/18	\$ -	\$ 20,000
09/23/99	Special Assessment Bond	500,000	5.85	12/01/19	40,000	80,000
09/20/00	Special Assessment Bond	175,000	6.13	12/01/20	20,000	30,000
03/03/16	USDA Bloomdale	1,655,000	2.50	09/01/55	1,603,270	1,629,450
03/20/03	USDA Building Construction	2,975,000	4.63	03/20/33	1,973,417	2,063,323
06/28/04	USDA Revenue Bond	796,000	4.38	06/01/44	1,260,131	1,285,912
02/16/06	Rotary Commission Loan	168,026	5.00	03/01/26	125,623	125,623
05/27/09	USDA Revenue Bond	2,400,000	4.25	05/01/49	2,145,500	2,178,700
06/08/10	2010 Special Assessment	2,350,000	3.50 - 6.28	12/01/30	1,690,001	1,785,001
06/08/10	2010 Revenue Bond	2,350,000	5.00 - 6.23	12/01/30	1,695,001	1,790,001
09/26/12	USDA Cygnet Water	638,879	2.75	06/01/42	548,928	564,966
09/26/12	USDA Cygnet Sewer	967,990	2.75	06/01/42	832,009	856,244
03/23/12	2012 Revenue Bond	3,870,000	2.00 - 4.00	12/01/31	2,193,444	2,413,444 *
03/23/12	2012 Special Assessment	2,880,000	2.00 - 4.00	12/01/24	1,369,551	1,624,550 *
09/26/12	USDA Building Renovation	2,787,892	2.75	06/01/42	2,689,662	2,768,190
06/28/12	USDA West Millgrove	291,385	2.00	06/01/52	564,369	575,888
01/03/13	USDA Stony Ridge	1,945,000	2.50	01/01/53	1,793,300	1,825,200
02/27/15	2015 Revenue Bond	1,300,000	2.40	12/01/24	810,000	935,000
02/27/15	2015 Special Assessment	1,240,000	2.40	12/01/24	774,999	890,000
07/21/17	2017 Special Assessment	2,325,000	2.00	12/01/27	1,935,000	2,145,000
07/21/17	2017 Revenue Bond	5,545,000	1.96	12/01/28	4,675,000	5,115,000
Total					<u>\$ 28,739,205</u>	<u>\$ 30,701,492</u>

*Includes unamortized discount/premium

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 DEBT (CONTINUED)

Debt is secured by the underlying capital assets, assessments owners, or general revenues of the District.

Long-term debt activity for the years ended December 31, 2018 and 2017 is as follows:

	2018				
	Balance - December 31, 2017	Additions	Reductions	Balance - December 31, 2018	Amount Due in 2019
OWDA:					
WL #167 - 183	\$ 798,118	\$ -	\$ 251,562	\$ 546,556	\$ 265,743
SS #904 & WL #904	431,318	-	113,704	317,614	121,086
SS #1000	76,902	-	9,557	67,345	9,998
WL #300	42,723	-	4,974	37,749	5,180
Weston 2918	70,620	-	46,916	23,704	23,704
Weston 3587	185,922	-	29,841	156,081	30,290
Weston 4046	183,324	-	21,735	161,589	22,062
Williamsburg 5097	314,102	-	21,224	292,878	22,018
Custar 4444	547,670	-	24,374	523,296	24,741
Milton Center 4714	553,450	-	23,810	529,640	24,048
Weston Water Tower 5730	595,051	-	35,376	559,675	36,592
Fixed Base Metering 5865	1,482,813	-	78,325	1,404,488	81,598
Weston 5867	1,066,730	-	68,821	997,909	68,805
SS100 Master Meter 6500	205,527	-	4,956	200,571	11,074
Walbridge Laterals 6583	420,522	-	18,329	402,193	18,993
Tree St Pipe Relining 6644	380,448	-	16,269	364,179	16,756
Hillside Dr SS 6676	352,049	-	14,961	337,088	15,480
Rossford I & I 6641	409,820	-	18,207	391,613	18,825
Ampoint SS 6674	1,705,073	-	72,459	1,632,614	74,954
Hufford Rd WL 6742	925,430	-	27,865	897,565	42,135
Rossford Colony I & I 6773	1,277,242	-	51,170	1,226,072	55,767
East Broadway WL 6766	556,289	-	12,832	543,457	26,712
100 Area WL 6741	295,014	-	12,854	282,160	13,241
Jennings Rd Ps 6695	624,418	-	24,063	600,355	27,816
E Broadway WL 6747	111,942	4,844	-	116,786	2,269
2nd Portage WL 7185	504,021	-	22,792	481,229	23,186
SS 200 Area I & I 7159	191,243	-	5,275	185,968	8,768
WL 300 Area 7337	350,938	-	15,967	334,971	16,171
Milsbury SS 7540	324,350	291,480	-	615,830	28,106
PPCP WL 7531	2,900	148,775	-	151,675	33,706
Hanson, George WL Replace	753,914	-	14,651	739,263	28,835
Southern Serv Area Water System	423,446	-	15,819	407,627	20,379
Taylor 7651 WL	361,221	31,705	-	392,926	16,936
Hamlet 7820 WL	46,372	416,204	-	462,576	19,822
Curtice 7727 WL	540,269	375,909	-	916,178	40,265
Starbright 7814 WL	665,864	236,584	-	902,448	38,672
Lead Elimination 7966	-	61,877	-	61,877	1,291
White Rd/ Vineyard WL 8101	-	63,619	-	63,619	1,281
McComb WL Imp 7980	-	261,821	-	261,821	4,980
Oregon/Bays Rd Elevated Tank 8095	-	180,220	-	180,220	-
Weston Silver St WL 7979	-	141,722	-	141,722	5,607
McComb Clearwell 8212	-	14,742	-	14,742	-
Weston Center St 8258	-	1,448	-	1,448	1,448
OPWC - Custar	11,875	-	1,250	10,625	1,250
Jerry City SS #1800 OPWC Loan	50,569	-	25,284	25,285	25,285
Jerry City SS #1800 USDA Loan	212,100	-	6,100	206,000	6,400
Jerry City WL #CE37F (WL 318)	72,795	-	9,706	63,089	9,706
Rudolph SS1000 #CE33E	28,993	-	4,142	24,851	4,142
Bloomdale CT17H OPWC	8,239	-	916	7,323	915
Special Assessments Bond	20,000	-	20,000	-	-

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 DEBT (CONTINUED)

	2018			Balance - December 31, 2018	Amount Due in 2019
	Balance - December 31, 2017	Additions	Reductions		
Special Assessments Bond - 1999	\$ 80,000	\$ -	\$ 40,000	\$ 40,000	\$ 40,000
Special Assessments Bond - 2000	30,000	-	10,000	20,000	10,000
USDA Building Construction	2,063,323	-	89,906	1,973,417	94,064
USDA Revenue Bond - Rudolph Bond	1,285,912	-	25,781	1,260,131	26,636
OWDA Jerry City - WL 318	153,974	-	19,135	134,839	20,018
Rotary Commission Loan	125,623	-	-	125,623	125,623
OWDA Northwood - 2069	316,902	-	45,569	271,333	48,249
OWDA Northwood - 2070	135,477	-	19,591	115,886	20,700
USDA Rising Sun	2,178,700	-	33,200	2,145,500	34,600
2010 Revenue Bonds	1,790,001	-	95,000	1,695,001	100,000
2010 Special Assessment Bonds	1,785,001	-	95,000	1,690,001	100,000
USDA Cygnet Water	564,966	-	16,038	548,928	16,454
USDA Cygnet Sewer	856,244	-	24,235	832,009	24,930
OWDA Bloomdale 4329	363,217	-	16,403	346,814	16,733
USDA Building Renovation	2,768,190	-	78,528	2,689,662	80,609
USDA West Millgrove	575,888	-	11,519	564,369	11,749
Series 2012 Revenue Bonds	2,389,615	-	218,328	2,171,287	220,000
Series 2012 Special Assessment Bonds	1,567,872	-	251,022	1,316,850	265,000
Series 2015 Revenue Bonds	935,000	-	125,000	810,000	127,778
Series 2015 Special Assessment Bonds	890,000	-	115,001	774,999	121,280
OWDA:					
Rossford 6457	312,732	-	7,386	305,346	7,616
Rossford 6464	1,057,487	-	51,769	1,005,718	53,101
Rossford 6475	1,907,022	-	90,584	1,816,438	92,946
Five Point 6581	778,066	-	28,986	749,080	37,059
Custar WL 6231	475,755	-	18,298	457,457	18,298
Cygnet 6335	557,296	-	14,032	543,264	14,415
Homecraft SS Laterals 6309	413,890	-	21,364	392,526	21,897
Huffman Rd 6118	5,250	-	3,500	1,750	1,750
Jennings Rd 6382	708,728	-	17,983	690,745	18,516
Milton Center 6230	660,939	-	25,421	635,518	25,421
Morton Building 6396	344,270	-	9,042	335,228	9,323
Perrysburg Twp 6260	168,244	-	4,385	163,859	4,530
Rossford Clearwell 6383	2,983,827	-	75,711	2,908,116	77,814
Rossford Tree St 6232	664,748	-	36,648	628,100	39,639
Rudolph 6107	1,000	-	1,000	-	-
Rudolph 6169	1,642	-	1,642	-	-
Stony Ridge 6397	642,494	-	15,958	626,536	16,454
Bloomdale PS 6930	193,228	-	3,747	189,481	4,691
Rossford 7158	642,833	-	23,448	619,385	28,246
Bloomdale Rehab 7063	94,643	-	4,104	90,539	4,305
Northern Area 7253	704,761	-	29,257	675,504	30,930
Tracy Rd SS 7397	2,197,452	156,225	-	2,353,677	110,469
Hillview Dr 7258	107,030	-	5,105	101,925	4,701
Oregon EQ Basin 7254	5,411,052	-	109,139	5,301,913	242,768
Eastwood School 7476	825,020	-	36,052	788,968	36,781
Bairdtown WWTP 7468	1,557,957	167,388	-	1,725,345	88,479
Northwood 7088	228,356	-	9,683	218,673	9,801
McComb SS 4235	45,662	-	4,859	40,803	5,080
McComb CSO 5067	247,216	-	20,602	226,614	20,601
McComb WWTP 6361	46,489	-	46,489	-	-
McComb WTP 2155	257,063	-	81,843	175,220	85,627
McComb WT 6485	841,223	-	36,609	804,614	40,298

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 DEBT (CONTINUED)

	2018			Balance - December 31, 2018	Amount Due in 2019
	Balance - December 31, 2017	Additions	Reductions		
Southern Service 7490	\$ 6,334	\$ -	\$ 6,334	\$ -	\$ -
Carrington Woods & Totogany 7559	383,185	-	7,174	376,011	14,656
Williamsburg 7541	366,292	-	21,689	344,603	15,999
Nutrient Removal 7542	48,997	-	9,800	39,197	9,799
Perrysburg I&I 7813	43,507	300,899	-	344,406	15,491
Wise St SS 6893	694,008	-	15,622	678,386	16,099
WL 200 Study 6926	7,984	-	1,930	6,054	2,890
WL 100 Study 6925	11,653	-	3,621	8,032	3,967
Homecraft SS Laterals 6843	498,561	-	241	498,320	22,673
Pump Station Sewer Imp 6943	319,934	-	15,924	304,010	15,036
Colony Rd PS Replacement 7007	2,257,101	-	118,775	2,138,326	104,792
Water Loss Audit 7087	111,614	-	26,868	84,746	28,249
Bays Rd WL 7064	300,414	-	13,368	287,046	13,647
BG 2nd WL Connection 7119	468,128	-	20,966	447,162	21,353
Hoytville 7812	-	7,255	-	7,255	7,255
Rudolph Rd Forcemain 7257	-	149,730	-	149,730	8,094
2017 Revenue Bond	5,115,000	-	440,000	4,675,000	450,000
2017 Special Assessment	2,145,000	-	210,000	1,935,000	210,000
OPWC - Rossford Tree St SS					
Improvements	136,548	-	8,275	128,273	8,191
USDA Bloomdale	1,629,450	-	26,180	1,603,270	25,781
USDA - Stony Ridge	1,825,200	-	31,900	1,793,300	32,600
Equipment Lease - Huntington 2013	149,701	-	149,701	-	-
Lime City Buck Rd WL ODOT 7987	-	269,409	-	269,409	5,124
Silver St CE42U OPWC	-	152,966	-	152,966	2,549
Huntington Bank-McComb WWTP	-	50,001	-	50,001	50,001
Unamortized Premium	80,507	-	5,649	74,858	-
Total	<u>\$ 80,720,024</u>	<u>\$ 3,484,823</u>	<u>\$ 4,444,005</u>	<u>\$ 79,760,842</u>	<u>\$ 5,137,263</u>

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 DEBT (CONTINUED)

	2017				
	Balance - December 31, 2016	Additions	Reductions	Balance - December 31, 2017	Amount Due in 2018
	OWDA:				
WL #167 - 183	\$ 1,036,256	\$ -	\$ 238,138	\$ 798,118	\$ 251,562
SS #904 & WL #904	538,091	-	106,773	431,318	113,705
SS #1000	86,038	-	9,136	76,902	9,557
WL #300	47,499	-	4,776	42,723	4,973
Weston 2918	116,617	-	45,997	70,620	46,917
Weston 3587	215,321	-	29,399	185,922	29,841
Weston 4046	204,737	-	21,413	183,324	21,735
Williamsburg 5097	334,563	-	20,461	314,102	21,225
Custar 4444	571,682	-	24,012	547,670	24,374
Milton Center 4714	577,023	-	23,573	553,450	23,809
Weston Water Tower 5730	629,250	-	34,199	595,051	35,375
Fixed Base Metering 5865	1,557,766	-	74,953	1,482,813	78,085
Rossford 2495	74,135	-	74,135	-	-
Weston 5867	1,135,552	-	68,822	1,066,730	68,805
SS100 Master Meter	219,235	-	13,708	205,527	10,795
Walbridge Laterals 6583	433,313	-	12,791	420,522	18,329
Tree St Pipe Relining 6644	391,254	-	10,806	380,448	16,205
Hillside Dr SS 6676	366,391	-	14,342	352,049	14,961
Rossford I & I 6641	427,428	-	17,608	409,820	18,201
Ampoint SS 6674	1,773,694	-	68,621	1,705,073	72,442
Hufford Rd WL 6742	973,843	-	48,413	925,430	40,835
Rossford Colony I & I 6773	1,331,866	-	54,624	1,277,242	54,084
East Broadway WL 6766	590,175	-	33,886	556,289	26,034
100 Area WL 6741	305,760	-	10,746	295,014	12,832
Jennings Rd Ps 6695	651,635	-	27,217	624,418	26,920
E Broadway WL 6747	107,000	4,942	-	111,942	2,182
2nd Portage WL 7185	526,481	-	22,460	504,021	22,810
SS 200 Area I & I 7159	157,189	34,054	-	191,243	8,622
WL 300 Area 7337	279,715	71,223	-	350,938	15,968
Milsbury SS 7540	43,677	280,673	-	324,350	13,950
PPCP WL 7531	2,900	-	-	2,900	290
Hanson, George WL Replace	-	753,914	-	753,914	14,114
Southern Serv Area Water System	-	423,446	-	423,446	20,225
Taylor 7651 WL	-	361,221	-	361,221	7,519
Hamlet 7820 WL	-	46,372	-	46,372	959
Curtice 7727 WL	-	540,269	-	540,269	11,479
Starbright 7814 WL	-	665,864	-	665,864	13,777
OPWC - Custar	13,125	-	1,250	11,875	1,250
Jerry City SS #1800 OPWC Loan	75,854	-	25,285	50,569	25,285
Jerry City SS #1800 USDA Loan	217,900	-	5,800	212,100	212,100
Jerry City WL #CE37F (WL 318)	82,501	-	9,706	72,795	9,706
Easterly OPWC Loan	8,666	-	8,666	-	-
Rudolph SS1000 #CE33E	33,135	-	4,142	28,993	4,143
Bloomdale CT17H OPWC	9,154	-	915	8,239	915
Special Assessments Bond	40,000	-	20,000	20,000	20,000
Special Assessments Bond - 1999	115,000	-	35,000	80,000	40,000
Special Assessments Bond - 2000	40,000	-	10,000	30,000	10,000
USDA Building Construction	2,149,255	-	85,932	2,063,323	89,906
USDA Revenue Bond - Rudolph Bond	684,900	601,012	-	1,285,912	25,779

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 DEBT (CONTINUED)

	2017				
	Balance - December 31, 2016	Additions	Reductions	Balance - December 31, 2017	Amount Due in 2018
	\$	\$	\$	\$	\$
OWDA Jerry City - WL 318	172,266	-	18,292	153,974	19,136
Revenue Bond - Series 2005A	660,001	-	660,001	-	-
2006A Special Assessment Bond	620,000	-	620,000	-	-
Rotary Commission Loan	125,622	1	-	125,623	125,623
2008 Revenue Bond	4,820,000	-	4,820,000	-	-
2008 Special Assessment Bond	1,565,000	-	1,565,000	-	-
OWDA Northwood - 2069	359,941	-	43,039	316,902	45,569
OWDA Northwood - 2070	154,019	-	18,542	135,477	19,592
USDA Rising Sun	2,210,500	-	31,800	2,178,700	33,200
2010 Revenue Bonds	1,880,001	-	90,000	1,790,001	95,000
2010 Special Assessment Bonds	1,875,001	-	90,000	1,785,001	95,000
USDA Cygnet Water	580,559	-	15,593	564,966	16,023
USDA Cygnet Sewer	879,806	-	23,562	856,244	24,276
OWDA Bloomdale 4329	379,297	-	16,080	363,217	16,403
OWDA Country Manor	5,817	-	5,817	-	-
USDA Building Renovation	2,844,536	-	76,346	2,768,190	78,452
USDA West Millgrove	587,214	-	11,326	575,888	11,520
USDA Hoytville	625,986	-	625,986	-	-
Series 2012 Revenue Bonds	2,612,943	-	223,328	2,389,615	220,000
Series 2012 Special Assessment Bonds	1,823,895	-	256,023	1,567,872	255,000
Series 2015 Revenue Bonds	1,060,000	-	125,000	935,000	124,465
Series 2015 Special Assessment Bonds	1,004,999	-	114,999	890,000	118,421
OWDA:					
Rossford 6457	319,870	-	7,138	312,732	7,361
Rossford 6464	1,100,977	-	43,490	1,057,487	51,711
Rossford 6475	1,995,305	-	88,283	1,907,022	90,584
Five Point 6581	803,844	-	25,778	778,066	36,011
Custar WL 6231	494,053	-	18,298	475,755	18,298
Cygnet 6335	570,892	-	13,596	557,296	13,966
Ford Rd 6234	29,808	-	29,808	-	-
Homecraft SS Laterals 6309	427,476	-	13,586	413,890	21,364
Huffman Rd 6118	8,750	-	3,500	5,250	3,500
Jennings Rd 6382	726,194	-	17,466	708,728	17,983
Milton Center 6230	686,360	-	25,421	660,939	25,420
Morton Building 6396	353,038	-	8,768	344,270	9,041
Perrysburg Twp 6260	172,484	-	4,240	168,244	4,381
Rossford Clearwell 6383	3,057,361	-	73,534	2,983,827	75,576
Rossford Tree St 6232	700,447	-	35,699	664,748	38,612
Rudolph 6107	3,000	-	2,000	1,000	1,000
Rudolph 6169	1,642	-	-	1,642	1,642
Stony Ridge 6397	657,969	-	15,475	642,494	15,957
Sugar Ridge 6308	(8,056)	-	(8,056)	-	-
Bloomdale PS 6930	198,374	-	5,146	193,228	4,565
Rossford 7158	551,774	91,059	-	642,833	27,640
Bloomdale Rehab 7063	98,921	-	4,278	94,643	4,229
Northern Area 7253	720,844	-	16,083	704,761	30,367

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 DEBT (CONTINUED)

	2017				
	Balance - December 31, 2016	Additions	Reductions	Balance - December 31, 2017	Amount Due in 2018
	Tracy Rd SS 7397	\$ 117,318	\$ 2,080,134	\$ -	\$ 2,197,452
Hillview Dr 7258	109,548	-	2,518	107,030	4,615
Oregon EQ Basin 7254	2,745,203	2,665,849	-	5,411,052	232,780
Eastwood School 7476	746,394	78,626	-	825,020	36,053
Bairdton WWTP 7468	451,030	1,106,927	-	1,557,957	38,949
Northwood 7088	237,829	-	9,473	228,356	9,577
McComb SS 4235	50,309	-	4,647	45,662	4,859
McComb CSO 5067	267,817	-	20,601	247,216	20,601
McComb WWTP 6361	104,609	-	58,120	46,489	46,489
McComb WTP 2155	335,297	-	78,234	257,063	81,843
McComb WT 6485	885,354	-	44,131	841,223	39,505
Southern Service 7490	6,334	-	-	6,334	-
Carrington Woods & Totogany 7559	-	383,185	-	383,185	7,174
Williamsburg 7541	-	366,292	-	366,292	15,753
Nutrient Removal	-	48,997	-	48,997	9,799
Perrysburg I&I 7813	-	43,507	-	43,507	947
Wise St SS 6893	707,031	-	13,023	694,008	15,622
WL 200 Study 6926	11,560	-	3,576	7,984	2,890
WL 100 Study 6925	15,867	-	4,214	11,653	3,967
Homecraft SS Laterals 6843	536,050	-	37,489	498,561	22,017
Pump Station Sewer Imp 6943	335,576	-	15,642	319,934	14,769
Colony Rd PS Replacement 7007	2,373,547	-	116,446	2,257,101	102,738
Water Loss Audit 7087	141,243	-	29,629	111,614	28,249
Bays Rd WL 7064	313,621	-	13,207	300,414	13,406
BG 2nd WL Connection 7119	488,776	-	20,648	468,128	20,988
2017 Revenue Bond	-	5,115,000	-	5,115,000	440,000
2017 Special Assessment	-	2,145,000	-	2,145,000	210,000
OPWC - Rossford Tree St SS Improvements	144,824	-	8,276	136,548	8,191
USDA Bloomdale	1,157,327	472,123	-	1,629,450	25,152
USDA - Stony Ridge	1,856,200	-	31,000	1,825,200	31,900
Equipment Lease - Huntington 2013	296,365	-	146,664	149,701	149,700
Unamortized Discount	(7,716)	-	(7,716)	-	-
Unamortized Premium	149,656	-	69,149	80,507	-
Total	<u>\$ 74,271,275</u>	<u>\$ 18,379,690</u>	<u>\$ 11,930,941</u>	<u>\$ 80,720,024</u>	<u>\$ 5,145,045</u>

In July 2017, the District issued 2017 revenue improvement refunding bonds amounting to \$5,545,000 to advance refund the District's outstanding Revenue bonds, series 2005A and 2008, due December 31, 2017 – 2028 and to pay the cost of issuing the 2017 bonds; interest at 1.96%. Those proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005A and 2008 Bonds. This transaction resulted in a reduction of payments of \$981,917 and an economic gain of \$605,171. The outstanding balance of the bonds at December 31, 2018 was \$4,675,000.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5 DEBT (CONTINUED)

In July 2017, the District issued 2017 special assessment refunding bonds amounting to \$2,325,000 to advance refund the District's outstanding special assessment bonds, series 2006A and 2008, due December 31, 2017 – 2027 and to pay the cost of issuing the 2017 bonds; interest at 2.0%. Those proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006A and 2008 Bonds.

This transaction resulted in a reduction of payments of \$300,252 and an economic gain of \$254,233. The outstanding balance of the bonds at December 31, 2018 was \$1,935,000.

NOTE 5 DEBT SERVICE REQUIREMENTS

The annual principal and interest requirements on all long-term debt outstanding at December 31, 2018 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 5,137,263	\$ 2,064,645	\$ 7,201,908
2020	5,018,682	1,940,515	6,959,197
2021	4,659,852	1,997,852	6,657,704
2022	4,601,629	1,683,600	6,285,229
2023	4,548,342	1,521,167	6,069,509
2024-2028	20,985,954	6,096,915	27,082,869
2029- 2033	17,507,684	3,395,312	20,902,996
2034 - 2038	10,341,023	1,537,670	11,878,693
2039- 2043	4,107,046	731,441	4,838,487
2044 - 2048	1,642,638	282,866	1,925,504
2049 - 2053	948,720	86,915	1,035,635
2054 - 2058	187,151	9,486	196,637
Total	<u>\$ 79,685,984</u>	<u>\$ 21,348,384</u>	<u>\$ 101,034,368</u>

At December 31, 2018 and 2017, the District had \$5,075,429 and \$4,806,579, respectively, in cash and cash equivalents and investments restricted in accordance with loan agreements.

NOTE 6 COUNTY DEBT OBLIGATIONS

The County is obligated for loans received from the Ohio Sewer and Rotary Commission (Rotary Commission) for the District's sewer and water line assessments, the collection of which is deferred or exempt pursuant to Section 6103.051 of the Ohio Revised Code. The County is responsible for collecting the assessments when the property no longer meets the exemption criteria. This money must be remitted to the Rotary Commission within one year, even if not collected by the County.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 7 COUNTY DEBT OBLIGATIONS (CONTINUED)

At December 31, 2018 and 2017, \$1,875,901 in loans from the Rotary Commission are outstanding. These amounts have not been reflected in the District's financial statements, since the County is ultimately responsible for the payment of this debt. The County retained \$75,000 during the formation of the District to establish a reserve to fund shortfalls in the collection of amounts due. Further, the District has agreed to advance additional funds, if necessary, to the extent shortfalls exceed the reserve. The County has agreed to remit to the District any balance that may be remaining in this reserve. No withdrawals from the reserve were made during 2018 and 2017, or in prior years on this reserve.

NOTE 7 RETIREMENT PLANS

Net Pension Liability (Asset)

The net pension liability (asset) reported on the Statement of Net Position represents a liability (asset) to employees for pensions. Pensions are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability (asset) represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability (asset) is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the state legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability/(asset) on the accrual basis of accounting.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Plan Description – Ohio Public Employees Retirement System (OPERS)

District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multi-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multi-employer defined benefit pension plan with defined contribution features, while members (e.g. District employees) may elect the member-directed plan and the combined plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Funding Policy

The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	2018	2017
Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee	10.0	10.0
Actual Contribution Rates		
Employer:		
Pension	14.0	13.0
Post-employment health care benefits	-	1.0
Total Employer	14.0 %	14.0 %
Total Employee	10.0 %	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payrolls. The District's contractually required contribution was \$615,465 for 2018 and \$531,506 for 2017. All required contributions have been paid.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 RETIREMENT PLANS (CONTINUED)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions**

The net pension liability for OPERS for 2018 and 2017 was measured as of December 31, 2017 and 2016, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense for December 31, 2018 and 2017:

	2018	
	Traditional	Combined
Proportionate Share of the Net Pension Liability (Asset)	\$ 4,751,757	\$ (28,324)
Proportion of the Net Pension Liability (Asset)	0.030289 %	0.020860 %
Pension Expense	1,020,190	4,573
	2017	
	Traditional	Combined
Proportionate Share of the Net Pension Liability (Asset)	\$ 6,300,645	\$ (8,246)
Proportion of the Net Pension Liability (Asset)	0.027746 %	0.014815 %
Pension Expense	1,337,640	5,957

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 RETIREMENT PLANS (CONTINUED)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (Continued)**

At December 31, 2018 and 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018	
	Traditional	Combined
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	\$ 4,853	\$ -
Changes of Assumptions	567,867	2,475
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	308,337	9,682
District Contributions Subsequent to the Measurement Date	599,580	15,886
Total Deferred Outflows of Resources	\$ 1,480,637	\$ 28,043
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	\$ 1,113,782	\$ 15,926
	2017	
	Traditional	Combined
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	\$ 8,540	\$ -
Changes of Assumptions	999,359	2,010
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	938,311	2,012
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	(1,001)	(49)
District Contributions Subsequent to the Measurement Date	520,429	11,077
Total Deferred Outflows of Resources	\$ 2,465,638	\$ 15,050
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	\$ 37,498	\$ 4,217

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Traditional</u>	<u>Combined</u>
2018	\$ 183,074	(514)
2019	\$ (42,275)	(557)
2002	\$ (193,219)	(919)
2021	\$ (180,305)	(881)
2022	-	(314)
Thereafter	-	(584)
Total	<u>\$ (232,725)</u>	<u>\$ (3,769)</u>

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017 and 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Traditional</u>	<u>Combined</u>
Wage Inflation	3.25%	3.25%
Future Salary Increases, Including Inflation	3.25% - 10.75%	3.25% - 8.25%
COLA or Ad Hoc COLA	3% Simple	3% Simple
Investment Rate of Return	7.5%	7.5%
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006, and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006, and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the board of trustees' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4% in 2015 and 6.95% for 2014.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the board of trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The tables below displays the board-approved asset allocation policy for 2018 and 2017 and the long-term expected real rates of return:

Asset Class	2018	
	Target Allocation For 2017	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other Investments	18.00	5.26
Total	<u>100.00 %</u>	<u>5.66 %</u>

Asset Class	2017	
	Target Allocation For 2016	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	<u>100.00 %</u>	<u>5.66 %</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following tables presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5%, as well as what the District's proportionate share of the net pension liability(asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.5%) or one-percentage-point higher (8.5%) than the current rate:

	2018		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's Proportionate Share of the Net Pension Liability(Asset):			
Traditional Pension Plan	\$ 8,437,910	\$ 4,751,757	\$ 1,678,616
Combined Pension Plan	832	(28,324)	(21,222)
	2017		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's Proportionate Share of the Net Pension Liability(Asset):			
Traditional Pension Plan	\$ 9,625,642	\$ 6,300,645	\$ 3,529,846
Combined Pension Plan	593	(8,246)	(15,111)

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

Net OPEB Liability

As described in Note 8, OPERS provides benefits other than pensions, such as health care, that meet the GASB criteria for other postemployment benefit plans.

The net OPEB liability represents the District's proportionate share of the OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability (Continued)

GASB 75 assumes the OPEB liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The ORC permits, but does not require, the retirement system to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement system may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The ORC permits, but does not require OPERS to offer postemployment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses, and prescription drugs. The system determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional detail on health care coverage can be found in the Plan Statement in the OPERS 2017 CAFR.

Participants in the Member-Directed Plan are not eligible for health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to a retiree medical account. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from these accounts.

With the assistance of the System's actuary and board approval, a portion of each employer contribution to OPERS may be set aside for the funding of postemployment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0% for 2017. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan health care accounts was 4.0% for 2017.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2018, the District reported a liability for its proportionate share of the net OPEB liability for OPERS. The net OPEB liability was measured as of December 31, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates. The District's proportion of the net OPEB liability was based on its share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Measurement Date Date	Net OPEB Liability 2018	Proportionate Share 2018
December 31, 2017	\$ 3,303,660	0.030422498 %

For the year ended December 31, 2018, the District recognized OPEB Expense of \$233,870.

At December 31, 2018, the District reported deferred outflow of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 2,574	\$ -
Changes of assumption	240,541	-
Differences between projected and actual investment earnings	-	(246,100)
Contributions after the measurement date	-	-
Total	<u>\$ 243,115</u>	<u>\$ (246,100)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in benefit expense as follows:

<u>Year Ending December 31,</u>	<u>OPERS</u>
2019	\$ 54,697
2020	54,697
2021	(50,867)
2022	(61,512)
2023	-
Thereafter	-
	<u>\$ (2,985)</u>

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The total OPEB liability is based on the results of an actuarial valuation using the following key assumptions, applied to all periods included in the measurement

	OPERS - as of 12/31/17
Inflation	3.25%
Salary increases	3.25% - 10.75% (includes inflation)
Blended discount rate of return	3.85%
Investment rate of return	6.50%, net of investment expenses
Health care cost trends	7.50% initial, 3.25% ultimate in 2028

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 200. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

Projections of health care costs for financial reporting purposes are based on the substantive plan and included the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the system and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017.

Discount Rate

A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and further contributions were sufficient to finance health care costs through 2034.

As a result, the long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Target Investment Allocation and Long-term Expected Real Rate of Return

The allocation of investment assets within the Health Care portfolio is approved by the board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2017	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00 %	1.88 %
Domestic Equity	21.00	6.37
Real Estate	6.00	5.91
International Equity	22.00	7.88
Other Investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

Sensitivity of the net OPEB liability to changes in the discount rate and health care cost trend rate

The following presents the net OPEB liability of the District (in thousands), calculated using the current discount rate listed below, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate. Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1.00 percentage point lower and higher than the current rate.

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
District's Proportionate Share of the OPEB Liability:	\$4,389	\$3,304	\$2,426
	1% Decrease (6.50%)	Current Health Care Rate (7.50%)	1% Increase (8.50%)
District's Proportionate Share of the OPEB Liability:	\$3,161	\$3,304	\$3,451

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued STRS and OPERS financial report.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Payable to the OPEB Plan

The District did not have a payable to the OPEB plan as of December 31, 2018 and 2017.

NOTE 9 COMPENSATED ABSENCES

Vacation, sick leave, and compensatory banked time policies are established by an agreement between the District and the American Federation of State, County and Municipal Employees, for members of the bargaining unit, and by personnel policy for management employees not covered by the labor agreement.

For nonunion employees, these agreements provide for two weeks of paid vacation after one year of service, three weeks after four years of service, 4.5 weeks after 9 years of service, five weeks after 19 years of service and 6 weeks after 24 years of service. Vacation time relating to a maximum of two years of service may be accumulated before it is lost.

For union employees, these agreements provide for two weeks of paid vacation after one year of service, three weeks after five years of service, four weeks after 10 years of service, and five weeks after 20 years of service.

For union personnel, the labor agreement provides for sick leave pay to be credited at a rate of 4.6 hours for each 80 hours "in active pay status." By limiting the use of sick leave during the fiscal year, an employee may receive a bonus.

In the event of termination of employment after 10 consecutive years of service, or due to retirement, such employees are entitled to receive payment for one fourth of their accumulated sick leave, up to a maximum of 120 days. Employees may accrue up to 240 actual hours of work to their compensatory time bank. Employees may take compensatory time off with pay as mutually scheduled or receive the appropriate rate of pay for said time.

Compensated absences activity for the years ended December 31, 2018 and 2017 is as follows:

	December 31, 2017	Increase	Decrease	December 31, 2018
Sick Leave Payable	\$ 240,798	\$ 42,354	\$ 25,850	\$ 257,302
Vacation Pay	210,129	302,623	308,475	204,277
Compensatory Time	73,020	138,333	133,561	77,792
Total	<u>\$ 523,947</u>	<u>\$ 483,310</u>	<u>\$ 467,886</u>	<u>\$ 539,371</u>
	December 31, 2016	Increase	Decrease	December 31, 2017
Sick Leave Payable	\$ 212,912	\$ 45,241	\$ 17,355	\$ 240,798
Vacation Pay	138,798	277,949	206,618	210,129
Compensatory Time	66,540	130,057	123,577	73,020
Total	<u>\$ 418,250</u>	<u>\$ 453,247</u>	<u>\$ 347,550</u>	<u>\$ 523,947</u>

The District estimates \$307,069 of compensated absences will be paid in 2019.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 10 INSURANCE

The District maintains comprehensive insurance coverage with private carriers for health, real property, building contents, and vehicles. There were no significant reductions in coverage between 2018 and 2017. There have been no significant reductions in insurance coverage since 2011 and no insurance settlement has exceeded insurance coverage during the last five years.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Grants

The District has received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of District management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2018.

Construction Commitments

At December 31, 2018, the District has construction commitments, on which work has not commenced, totaling approximately \$8,953,335 which will be funded by existing resources or the issuance of new revenue debt. All projects were current at December 31, 2018.

Litigation and Claims

In the normal course of operations, the District may be subject to other litigation and claims. While the outcome of any such matters cannot presently be determined, management believes that their ultimate resolution will not have a material adverse effect on the District's financial position.

Other Pending EPA and Local Health Department Ordered Projects

The District has received various orders for installation of waste water treatment facilities and collection systems within various areas of the District. At December 31, 2018, there are two such ordered areas with preliminary or updated cost estimates totaling \$2.8 million for projects commencing or finishing over the next few years. These projects will be paid for by federal and state financial assistance and by the property owners benefiting from the projects through real estate special assessments and connection fees.

The District had approximately \$3,422,837 at December 31, 2018 in potential receivables related to special assessments that have been deferred by the County. The special assessments were deferred on properties, \$1,875,901 of which would have qualified for loans from the Rotary Commission and Wood County Commissioners pursuant to Section 6103.051 of the Ohio Revised Code, had these funds been available from the Rotary Commission. As these receivables become due and payable only in the event the properties no longer qualify, and therefore collection is uncertain, they have not been reported in the financial statements.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 12 SEGMENT INFORMATION

Significant financial data for the respective divisions of the December 31, 2018 and 2017 is as follows:

Statement of Net Position

	2018			2017		
	Water	Sewer	Total	Water	Sewer	Total
Current Assets	\$ 15,115,681	\$ 11,407,356	\$ 26,523,037	\$ 14,018,313	\$ 9,228,319	\$ 23,246,632
Capital Assets	87,122,496	110,443,303	197,565,799	83,871,493	110,646,969	194,518,462
Interfund Receivable	500,000	-	500,000	500,000	-	500,000
Other Assets	4,031,200	4,607,975	8,639,175	4,382,120	5,134,315	9,516,435
Total Assets	106,769,377	126,458,634	233,228,011	102,771,926	125,009,603	227,781,529
Deferred Outflows of Resources	1,142,224	1,086,825	2,229,049	1,549,056	1,462,392	3,011,448
Current Liabilities	4,779,186	5,961,798	10,740,984	3,868,050	6,282,509	10,150,559
Interfund Payable	-	500,000	500,000	-	500,000	500,000
Long-Term Liabilities	36,936,008	45,975,290	82,911,298	35,812,713	46,278,463	82,091,176
Total Liabilities	41,715,194	52,437,088	94,152,282	39,680,763	53,060,972	92,741,735
Deferred Inflows of Resources	719,421	3,454,387	4,173,808	25,691	469,946	495,637
Net Investment In						
Capital Assets	54,715,241	67,370,244	122,085,485	51,749,872	66,191,712	117,941,584
Restricted	2,825,979	2,249,450	5,075,429	2,729,562	2,077,017	4,806,579
Unrestricted	7,935,766	2,034,290	9,970,056	10,135,094	4,672,348	14,807,442
Total Net Position	\$ 65,476,986	\$ 71,653,984	\$ 137,130,970	\$ 64,614,528	\$ 72,941,077	\$ 137,555,605

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 13 SEGMENT INFORMATION (CONTINUED)

Statement of Revenues, Expenses, and Changes in Net Position

	2018			2017		
	Water	Sewer	Total	Water	Sewer	Total
Utility Revenues	\$ 16,748,453	\$ 10,962,109	\$ 27,710,562	\$ 15,997,100	\$ 10,285,216	\$ 26,282,316
Other Revenues	916,369	452,140	1,368,509	838,787	406,268	1,245,055
Total Operating Revenues	17,664,822	11,414,249	29,079,071	16,835,887	10,691,484	27,527,371
Depreciation and Amortization	3,606,190	4,714,991	8,321,181	3,470,205	4,516,503	7,986,708
Other Operating Expenses	11,606,390	6,136,389	17,742,779	11,416,362	5,728,307	17,144,669
Total Operating Expenses	15,212,580	10,851,380	26,063,960	14,886,567	10,244,810	25,131,377
Operating Income	2,452,242	562,869	3,015,111	1,949,320	446,674	2,395,994
Interest Expense	(1,040,425)	(1,222,961)	(2,263,386)	(948,407)	(1,103,856)	(2,052,263)
Other Nonoperating Revenues	158,166	(514,652)	(356,486)	187,841	150,755	338,596
Total Non-Operating Revenues (Expenses)	(882,259)	(1,737,613)	(2,619,872)	(760,566)	(953,101)	(1,713,667)
Aid in Construction	890,319	1,362,583	2,252,902	1,486,711	3,637,001	5,123,712
Change in Net Position	2,460,302	187,839	2,648,141	2,675,465	3,130,574	5,806,039
Net Position:						
Beginning of Year	63,016,684	71,466,145	134,482,829	61,939,063	69,810,503	131,749,566
End of Year	\$ 65,476,986	\$ 71,653,984	\$ 137,130,970	\$ 64,614,528	\$ 72,941,077	\$ 137,555,605

Statement of Cash Flows

	2018			2017		
	Water	Sewer	Total	Water	Sewer	Total
Net Cash Provided (Used) by:						
Operating Activities	\$ 7,231,263	\$ 5,318,018	\$ 12,549,281	\$ 5,912,379	\$ 2,883,490	\$ 8,795,869
Capital And Related Financing Activities	(6,405,335)	(5,877,922)	(12,283,257)	(3,481,796)	(3,027,763)	(6,509,559)
Investing Activities	(278,818)	227,014	(51,804)	284,373	226,857	511,230
Cash and Cash Equivalents Beginning of Year	9,085,253	2,736,311	11,821,564	6,370,297	2,653,727	9,024,024
End of Year	\$ 9,632,363	\$ 2,403,421	\$ 12,035,784	\$ 9,085,253	\$ 2,736,311	\$ 11,821,564

SUPPLEMENTARY INFORMATION

**NORTHWESTERN WATER & SEWER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY –
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – TRADITIONAL PLAN
LAST FIVE YEARS (OPERS)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.03029 %	0.02775 %	0.02676 %	0.02673 %	0.02677 %
District's Proportionate Share of the Net Pension Liability	\$ 4,751,757	\$ 6,300,645	\$ 4,635,516	\$ 3,223,937	\$ 3,151,119
District's Covered Payroll	\$ 4,088,508	\$ 3,586,608	\$ 3,330,767	\$ 3,276,775	\$ 3,316,717
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	116.22 %	175.67 %	139.17 %	98.39 %	95.01 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66 %	77.25 %	81.08 %	86.45 %	86.36 %

Amounts presented as of the District's measurement date which is the prior fiscal year end.

- (1) Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

**NORTHWESTERN WATER & SEWER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – TRADITIONAL PLAN
LAST SIX YEARS (OPERS)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 615,466	\$ 531,506	\$ 430,393	\$ 399,692	\$ 393,213	\$ 398,006
Contributions in Relation to the Contractually Required Contribution	<u>(615,466)</u>	<u>(531,506)</u>	<u>(430,393)</u>	<u>(399,692)</u>	<u>(393,213)</u>	<u>(398,006)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District Covered Payroll	\$ 4,396,186	\$ 4,088,508	\$ 3,586,608	\$ 3,330,767	\$ 3,276,775	\$ 3,316,717
Contributions as a Percentage of Covered Payroll	14%	13%	12%	12%	12%	12%

Amounts presented as of the District's measurement date which is the prior fiscal year end.

- (1) Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

**NORTHWESTERN WATER & SEWER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST TWO YEARS**

	<u>2018</u>	<u>2017</u>
District's Proportion of the Net OPEB Liability	0.03042 %	0.03042 %
District's Proportionate Share of the Net OPEB Liability	\$ 3,303,660	\$ 3,072,776
District's Covered Payroll	\$ 4,088,508	\$ 3,586,608
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	80.80 %	85.67 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	77.25 %	54.05 %

Amounts presented as of the District's measurement date which is the prior fiscal year end.

(1) Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

**NORTHWESTERN WATER & SEWER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST SIX YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ -	\$ 40,885	\$ 71,732	\$ 66,615	\$ 64,552	\$ 35,489
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>(40,885)</u>	<u>(71,732)</u>	<u>(66,615)</u>	<u>(64,552)</u>	<u>(35,489)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (0)</u>
District Covered Payroll	\$ 4,396,186	\$ 4,088,508	\$ 3,586,608	\$ 3,330,767	\$ 3,276,775	\$ 3,316,717
Contributions as a Percentage of Covered Payroll	0.00%	1.00%	2.00%	2.00%	1.97%	1.07%

Amounts presented as of the District's measurement date which is the prior fiscal year end.

- (1) Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Operating Revenue:				
Utility Revenues	\$ 27,579,868	\$ 27,710,562	\$ 27,710,562	\$ -
Other Operating Revenues	1,162,000	1,524,618	1,525,033	415
Nonoperating Revenue - Interest	500,000	539,037	553,512	14,475
Total Revenues	<u>29,241,868</u>	<u>29,774,217</u>	<u>29,789,107</u>	<u>14,890</u>
EXPENSES				
Operating Expenses:				
Operations and Maintenance	17,829,102	17,629,218	17,017,875	611,343
Debt Retirement	6,988,822	7,893,816	7,617,389	276,427
Total Expenses	<u>24,817,924</u>	<u>25,523,034</u>	<u>24,635,264</u>	<u>887,770</u>
Operating Income	<u>4,423,944</u>	<u>4,251,183</u>	<u>5,153,843</u>	<u>902,660</u>
RECONCILIATION TO CHANGE IN NET POSITION				
Aid on Construction:				
Grants and Other	911,000	917,649	917,649	-
System Development Fees and other Aid in Construction	325,000	1,178,729	1,178,729	-
Antidegradation Credits	-	-	-	-
Total Aid in Construction	<u>1,236,000</u>	<u>2,096,378</u>	<u>2,096,378</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ 5,659,944</u>	<u>\$ 6,347,561</u>	<u>\$ 7,250,221</u>	<u>\$ 902,660</u>

Note to Supplementary Information

The District's budget is not prepared on the basis of accounting principles generally accepted in the United States of America (GAAP), the same basis on which its financial statements are prepared. The District is required by law to budget its funds, through adoption of an operating budget by March of each year for the following year. The operating budget includes estimates for total revenues, and debt service requirements for the fiscal year.

The Final Budget varies from the Original Budget due to adjustments made by management. The adjustments were made in an effort to make the balances more representative of the respective areas.

A reconciliation of the annual budget basis revenues and other income in excess of operating expenses to the net income included in the accompanying 2018 financial statements is as follows:

Change in Net Position - budgetary basis above	\$ 7,250,221
GASB 68	(491,035)
GASB 75	(233,869)
Depreciation	(8,321,181)
Principal Payments on Debt	<u>4,444,005</u>
CHANGE IN NET POSITION - GAAP	<u>\$ 2,648,141</u>

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF NET POSITION –
INFORMATION BY DIVISION
DECEMBER 31, 2018**

ASSETS	<u>Water</u>	<u>Sewer</u>	<u>Eliminations</u>	<u>Combined</u>
CURRENT ASSETS				
Cash and Cash Equivalents:				
Unrestricted	\$ 8,037,471	\$ 153,971	\$ -	\$ 8,191,442
Restricted	1,594,892	2,249,450	-	3,844,342
Investments:				
Unrestricted	1,646,586	3,695,459	-	5,342,045
Restricted	1,231,087	-	-	1,231,087
Accounts Receivable - Trade	1,602,950	1,814,090	-	3,417,040
Grants Receivable	-	2,794,000	-	2,794,000
Current Portion of Special Assessments	499,541	475,811	-	975,352
Inventory	408,993	140,821	-	549,814
Prepaid Expenses	94,161	83,754	-	177,915
Total Current Assets	<u>15,115,681</u>	<u>11,407,356</u>	<u>-</u>	<u>26,523,037</u>
NONCURRENT ASSETS				
Capital Assets (depreciable):				
Sewer and Water Lines	93,067,115	134,340,265	-	227,407,380
Buildings, Pumps, and Lift Stations	19,294,802	23,877,005	-	43,171,807
Machinery and Equipment	7,643,660	5,732,949	-	13,376,609
Vehicles	1,482,722	2,343,046	-	3,825,768
Furniture and Fixtures	223,556	285,944	-	509,500
Computer Equipment	797,259	1,629,579	-	2,426,838
Improvements - Oregon Waste Water Treatment Plant	<u>3,394,518</u>	<u>3,185,486</u>	<u>-</u>	<u>6,580,004</u>
Total Depreciable Capital Assets	<u>125,903,632</u>	<u>171,394,274</u>	<u>-</u>	<u>297,297,906</u>
Accumulated Depreciation	<u>(46,339,620)</u>	<u>(73,266,746)</u>	<u>-</u>	<u>(119,606,366)</u>
Net Depreciable Capital Assets	<u>79,564,012</u>	<u>98,127,528</u>	<u>-</u>	<u>177,691,540</u>
Capital Assets (nondepreciable)				
Land	239,735	478,707	-	718,442
Easements	110,963	279,552	-	390,515
Construction in Process	<u>7,207,786</u>	<u>11,557,516</u>	<u>-</u>	<u>18,765,302</u>
Net Capital Assets	<u>87,122,496</u>	<u>110,443,303</u>	<u>-</u>	<u>197,565,799</u>
OTHER ASSETS				
Special Assessments, Less Current Portion	4,016,471	4,594,380	-	8,610,851
Net Pension Asset	14,729	13,595	-	28,324
Miscellaneous	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>
Total Other Assets	<u>4,531,200</u>	<u>4,607,975</u>	<u>(500,000)</u>	<u>8,639,175</u>
Total Noncurrent Assets	<u>91,653,696</u>	<u>115,051,278</u>	<u>(500,000)</u>	<u>206,204,974</u>
Total Assets	<u>106,769,377</u>	<u>126,458,634</u>	<u>(500,000)</u>	<u>232,728,011</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debt Refunding/Loss on Debt Refunding	230,916	246,338	-	477,254
Pension	784,888	723,792	-	1,508,680
OPEB	126,420	116,695	-	243,115
Total Deferred Outflows	<u>1,142,224</u>	<u>1,086,825</u>	<u>-</u>	<u>2,229,049</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 107,911,601</u>	<u>\$ 127,545,459</u>	<u>\$ (500,000)</u>	<u>\$ 234,957,060</u>

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF NET POSITION –
INFORMATION BY DIVISION (CONTINUED)
DECEMBER 31, 2018**

	Water	Sewer	Eliminations	Combined
CURRENT LIABILITIES				
Current Portion of Long-Term Debt	\$ 2,352,099	\$ 2,785,164	\$ -	\$ 5,137,263
Current Portion of Compensated Absences	147,393	159,676	-	307,069
Accounts Payable - Trade	1,597,141	2,159,926	(500,000)	3,257,067
Accrued Payroll and Payroll Taxes	202,772	206,659	-	409,431
Accrued Interest Payable	367,481	618,345	-	985,826
Amounts Due Others	112,300	532,028	-	644,328
Total Current Liabilities	<u>4,779,186</u>	<u>6,461,798</u>	<u>(500,000)</u>	<u>10,740,984</u>
LONG-TERM LIABILITIES				
Long-Term Debt, Less Current Portion	32,635,685	41,987,894	-	74,623,579
Net Pension Liability	2,470,914	2,280,843	-	4,751,757
Net OPEB Liability	1,717,904	1,585,756	-	3,303,660
Compensated Absences Payable, Less Current Portion	111,505	120,797	-	232,302
Total Long-Term Liabilities	<u>36,936,008</u>	<u>45,975,290</u>	<u>-</u>	<u>82,911,298</u>
Total Liabilities	41,715,194	52,437,088	(500,000)	93,652,282
DEFERRED INFLOWS OF RESOURCES				
Federal and State Grants	4,000	2,794,000	-	2,798,000
Pension	587,449	542,259	-	1,129,708
OPEB	127,972	118,128	-	246,100
Total Deferred Inflows of Resources	<u>719,421</u>	<u>3,454,387</u>	<u>-</u>	<u>4,173,808</u>
Total Liabilities and Deferred Inflows	<u>\$ 42,434,615</u>	<u>\$ 55,891,475</u>	<u>\$ (500,000)</u>	<u>\$ 97,826,090</u>
NET POSITION				
Net Investment in Capital Assets	\$ 54,715,241	\$ 67,370,244	\$ -	\$ 122,085,485
Restricted for Debt Service	2,825,979	2,249,450	-	5,075,429
Unrestricted	<u>7,935,766</u>	<u>2,034,290</u>	<u>-</u>	<u>9,970,056</u>
TOTAL NET POSITION	<u>\$ 65,476,986</u>	<u>\$ 71,653,984</u>	<u>\$ -</u>	<u>\$ 137,130,970</u>

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF NET POSITION –
INFORMATION BY DIVISION
DECEMBER 31, 2017**

ASSETS	Water	Sewer	Eliminations	Combined
CURRENT ASSETS				
Cash and Cash Equivalents:				
Unrestricted	\$ 7,549,566	\$ 659,294	\$ -	\$ 8,208,860
Restricted	1,535,687	2,077,017	-	3,612,704
Investments:				
Unrestricted	1,136,424	3,637,517	-	4,773,941
Restricted	1,193,875	-	-	1,193,875
Accounts Receivable - Trade	1,546,392	1,700,754	-	3,247,146
Grants Receivable	-	449,922	-	449,922
Current Portion of Special Assessments	493,014	484,007	-	977,021
Inventory	469,155	134,190	-	603,345
Prepaid Expenses	94,200	85,618	-	179,818
Total Current Assets	14,018,313	9,228,319	-	23,246,632
NONCURRENT ASSETS				
Capital Assets (depreciable):				
Sewer and Water Lines	90,499,236	125,301,681	-	215,800,917
Buildings, Pumps, and Lift Stations	19,294,802	19,974,017	-	39,268,819
Machinery and Equipment	7,011,456	5,650,645	-	12,662,101
Vehicles	1,407,269	2,287,041	-	3,694,310
Furniture and Fixtures	223,556	285,944	-	509,500
Computer Equipment	702,367	1,398,229	-	2,100,596
Improvements - Oregon Waste Water Treatment Plant	3,394,518	3,185,486	-	6,580,004
Total Depreciable Capital Assets	122,533,204	158,083,043	-	280,616,247
Accumulated Depreciation	(42,855,208)	(69,334,578)	-	(112,189,786)
Net Depreciable Capital Assets	79,677,996	88,748,465	-	168,426,461
Capital Assets (nondepreciable):				
Land	236,080	478,707	-	714,787
Easements	110,963	278,552	-	389,515
Construction In Process	3,846,454	21,141,245	-	24,987,699
Net Capital Assets	83,871,493	110,646,969	-	194,518,462
OTHER ASSETS				
Special Assessments, Less Current Portion	4,382,120	5,134,315	-	9,516,435
Net Pension Asset	4,288	3,958	-	8,246
Miscellaneous	500,000	-	(500,000)	-
Total Other Assets	4,886,408	5,138,273	(500,000)	9,524,681
Total Noncurrent Assets	88,757,901	115,785,242	(500,000)	204,043,143
Total Assets	102,776,214	125,013,561	(500,000)	227,289,775
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding	259,098	271,662	-	530,760
Pension	1,289,958	1,190,730	-	2,480,688
OPEB	-	-	-	-
Total Deferred Outflows	1,549,056	1,462,392	-	3,011,448
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 104,325,270	\$ 126,475,953	\$ (500,000)	\$ 230,301,223

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF NET POSITION –
INFORMATION BY DIVISION (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

	Water	Sewer	Eliminations	Combined
CURRENT LIABILITIES				
Current Portion of Long-Term Debt	\$ 2,219,347	\$ 2,925,698	\$ -	\$ 5,145,045
Current Portion of Compensated Absences	144,072	156,077	-	300,149
Accounts Payable - Trade	892,341	2,073,150	(500,000)	2,465,491
Accrued Payroll and Payroll Taxes	184,190	187,307	-	371,497
Accrued Interest Payable	349,444	578,710	-	928,154
Amounts Due Others	78,656	861,567	-	940,223
Total Current Liabilities	<u>3,868,050</u>	<u>6,782,509</u>	<u>(500,000)</u>	<u>10,150,559</u>
LONG-TERM LIABILITIES				
Long-Term Debt, Less Current Portion	32,433,242	43,141,737	-	75,574,979
Net Pension Liability	3,276,336	3,024,309	-	6,300,645
Net OPEB Liability	0	0	-	-
Compensated Absences Payable, Less Current Portion	107,423	116,375	-	223,798
Total Long-Term Liabilities	<u>35,817,001</u>	<u>46,282,421</u>	<u>-</u>	<u>82,099,422</u>
Total Liabilities	39,685,051	53,064,930	(500,000)	92,249,981
DEFERRED INFLOWS OF RESOURCES				
Federal and State Grants	4,000	449,922	-	453,922
Pension	21,691	20,024	-	41,715
OPEB	0	0	-	-
Total Deferred Inflows of Resources	<u>25,691</u>	<u>469,946</u>	<u>-</u>	<u>495,637</u>
Total Liabilities and Deferred Inflows	<u>\$ 39,710,742</u>	<u>\$ 53,534,876</u>	<u>\$ (500,000)</u>	<u>\$ 92,745,618</u>
NET POSITION				
Net Investment in Capital Assets	\$ 51,749,872	\$ 66,191,712	\$ -	\$ 117,941,584
Restricted for Debt Service	2,729,562	2,077,017	-	4,806,579
Unrestricted	10,135,094	4,672,348	-	14,807,442
TOTAL NET POSITION	<u>\$ 64,614,528</u>	<u>\$ 72,941,077</u>	<u>\$ -</u>	<u>\$ 137,555,605</u>

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
INFORMATION BY DIVISION
YEAR ENDED DECEMBER 31, 2018**

	Water	Sewer	Eliminations	Combined
OPERATING REVENUES				
Utility Revenue	\$ 16,748,453	\$ 10,962,109	\$ -	\$ 27,710,562
Fees and Permits	491,792	96,928	-	588,720
Contract Services	105,284	176,957	-	282,241
Other Operating Revenues	319,293	178,255	-	497,548
Total Operating Revenues	<u>17,664,822</u>	<u>11,414,249</u>	-	<u>29,079,071</u>
OPERATING EXPENSES				
Depreciation and Amortization	3,606,190	4,714,991	-	8,321,181
Labor	2,114,970	2,113,901	-	4,228,871
Employee Benefits	1,199,945	1,208,686	-	2,408,631
Professional Services	796,396	869,426	-	1,665,822
Purchased Water and Sewer Treatment	5,980,096	333,828	-	6,313,924
Materials and Supplies	691,916	735,351	-	1,427,267
Utilities	342,059	387,220	-	729,279
Other	481,008	487,977	-	968,985
Total Operating Expenses	<u>15,212,580</u>	<u>10,851,380</u>	-	<u>26,063,960</u>
Operating Income	2,452,242	562,869	-	3,015,111
NONOPERATING REVENUES (EXPENSES)				
Interest Income	268,556	284,956	-	553,512
Interest Expense	(1,040,425)	(1,222,961)	-	(2,263,386)
Other Expense	(110,390)	(799,608)	-	(909,998)
Total Nonoperating Revenues (Expenses)	<u>(882,259)</u>	<u>(1,737,613)</u>	-	<u>(2,619,872)</u>
AID IN CONSTRUCTION				
	<u>890,319</u>	<u>1,362,583</u>	-	<u>2,252,902</u>
Change in Net Position	2,460,302	187,839	-	2,648,141
NET POSITION				
Beginning of Year (Restated)	<u>63,016,684</u>	<u>71,466,145</u>	-	<u>134,482,829</u>
End of Year	<u>\$ 65,476,986</u>	<u>\$ 71,653,984</u>	<u>\$ -</u>	<u>\$ 137,130,970</u>

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
INFORMATION BY DIVISION (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

	Water	Sewer	Eliminations	Combined
OPERATING REVENUES				
Utility Revenue	\$ 15,997,100	\$ 10,285,216	\$ -	\$ 26,282,316
Fees and Permits	464,399	96,797	-	561,196
Contract Services	56,821	136,736	-	193,557
Other Operating Revenues	317,567	172,735	-	490,302
Total Operating Revenues	<u>16,835,887</u>	<u>10,691,484</u>	-	<u>27,527,371</u>
OPERATING EXPENSES				
Depreciation and Amortization	3,470,205	4,516,503	-	7,986,708
Labor	1,968,692	1,897,299	-	3,865,991
Employee Benefits	1,438,881	1,224,277	-	2,663,158
Professional Services	778,539	746,597	-	1,525,136
Purchased Water and Sewer Treatment	5,779,484	341,386	-	6,120,870
Materials And Supplies	627,499	682,481	-	1,309,980
Utilities	324,143	375,509	-	699,652
Other	499,124	460,758	-	959,882
Total Operating Expenses	<u>14,886,567</u>	<u>10,244,810</u>	-	<u>25,131,377</u>
Operating Income	1,949,320	446,674	-	2,395,994
NONOPERATING REVENUES (EXPENSES)				
Interest Income	297,971	251,511	-	549,482
Interest Expense	(948,407)	(1,103,856)	-	(2,052,263)
Other Expense	(110,130)	(100,756)	-	(210,886)
Total Nonoperating Revenues (Expenses)	<u>(760,566)</u>	<u>(953,101)</u>	-	<u>(1,713,667)</u>
AID IN CONSTRUCTION				
	<u>1,486,711</u>	<u>3,637,001</u>	-	<u>5,123,712</u>
Change In Net Position	2,675,465	3,130,574	-	5,806,039
NET POSITION				
Beginning of Year	<u>61,939,063</u>	<u>69,810,503</u>	-	<u>131,749,566</u>
End of Year	<u>\$ 64,614,528</u>	<u>\$ 72,941,077</u>	<u>\$ -</u>	<u>\$ 137,555,605</u>

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF CASH FLOWS –
INFORMATION BY DIVISION
YEAR ENDED DECEMBER 31, 2018**

	Water	Sewer	Eliminations	Combined
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income	\$ 2,452,242	\$ 562,869	\$ -	\$ 3,015,111
Adjustments to Reconcile Net Cash Provided by Operating Activities:				
Depreciation and Amortization	3,606,190	4,714,991	-	8,321,181
Effects of Changes in Operating Assets and Liabilities:				
Accounts Receivable - Trade	(56,558)	(113,336)	-	(169,894)
Grant Receivable	-	(2,344,078)	-	(2,344,078)
Inventory	60,162	(6,631)	-	53,531
Prepaid and Other Assets	39	1,864	-	1,903
Net Pension Asset	(10,441)	(9,637)	-	(20,078)
Deferred Outflows	406,832	375,567	-	782,399
Accounts Payable - Trade	704,800	86,776	-	791,576
Accrued Payroll and Payroll Taxes	18,582	19,352	-	37,934
Accounts Due to Others	33,644	(329,539)	-	(295,895)
Net Pension Liability	(805,422)	(743,466)	-	(1,548,888)
Net OPEB Liability	120,060	110,824	-	230,884
Compensated Absences Payable	7,403	8,021	-	15,424
Deferred Inflows	693,730	2,984,441	-	3,678,171
Net Cash Provided by Operating Activities	<u>7,231,263</u>	<u>5,318,018</u>	<u>-</u>	<u>12,549,281</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	268,556	284,956	-	553,512
Proceeds on Sale of Investments	1,182,455	1,778,461	-	2,960,916
Purchases of Investments	<u>(1,729,829)</u>	<u>(1,836,403)</u>	<u>-</u>	<u>(3,566,232)</u>
Net Cash Provided (Used) by Investing Activities	<u>(278,818)</u>	<u>227,014</u>	<u>-</u>	<u>(51,804)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Aid in Construction	890,319	1,362,583	-	2,252,902
Acquisition and Construction of Capital Assets	(7,001,926)	(5,668,092)	-	(12,670,018)
Proceeds from Sale Of Assets	144,733	1,156,767	-	1,301,500
Proceeds from Issuance of Long-Term Debt	2,361,845	1,122,978	-	3,484,823
Repayment of Long-Term Debt	(2,026,650)	(2,417,355)	-	(4,444,005)
Collections on Special Assessments	495,609	586,568	-	1,082,177
Assessed Special Assessments	(136,487)	(38,437)	-	(174,924)
Interest Paid	<u>(1,132,778)</u>	<u>(1,982,934)</u>	<u>-</u>	<u>(3,115,712)</u>
Net Cash Used by Financing Activities	<u>(6,405,335)</u>	<u>(5,877,922)</u>	<u>-</u>	<u>(12,283,257)</u>
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	547,110	(332,890)	-	214,220
CASH AND CASH EQUIVALENTS				
Beginning of Year	<u>9,085,253</u>	<u>2,736,311</u>	<u>-</u>	<u>11,821,564</u>
End of Year	<u>\$ 9,632,363</u>	<u>\$ 2,403,421</u>	<u>\$ -</u>	<u>\$ 12,035,784</u>

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF CASH FLOWS –
INFORMATION BY DIVISION (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

	Water	Sewer	Eliminations	Combined
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income	\$ 1,949,320	\$ 446,674	\$ -	\$ 2,395,994
Adjustments to Reconcile Net Cash Provided by Operating Activities:				
Depreciation and Amortization	3,470,205	4,516,503	-	7,986,708
Effects of Changes in Operating Assets and Liabilities:				
Accounts Receivable - Trade	158,923	(83,005)	-	75,918
Grant Receivable	598,518	3,051,766	-	3,650,284
Inventory	(9,656)	56,017	-	46,361
Prepaid and Other Assets	13,820	14,971	-	28,791
Deferred Outflows	(582,702)	(534,801)	-	(1,117,503)
Accounts Payable - Trade	(100,389)	(2,077,744)	-	(2,178,133)
Accrued Payroll and Payroll Taxes	36,077	27,434	-	63,511
Accounts Due to Others	(51,875)	(169,737)	-	(221,612)
Net Pension Liability	993,959	669,985	-	1,663,944
Net OPEB Liability	-	-	-	-
Compensated Absences Payable	54,915	50,782	-	105,697
Deferred Inflows	(618,736)	(3,085,355)	-	(3,704,091)
Net Cash Provided by Operating Activities	<u>5,912,379</u>	<u>2,883,490</u>	<u>-</u>	<u>8,795,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	297,971	251,511	-	549,482
Proceeds on Sale of Investments	365,977	1,087,932	-	1,453,909
Purchases of Investments	<u>(379,575)</u>	<u>(1,112,586)</u>	<u>-</u>	<u>(1,492,161)</u>
Net Cash Provided (Used) by Investing Activities	<u>284,373</u>	<u>226,857</u>	<u>-</u>	<u>511,230</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Aid in Construction	1,486,711	3,637,001	-	5,123,712
Acquisition and Construction of Capital Assets	(5,944,009)	(10,996,924)	-	(16,940,933)
Proceeds from Sale of Assets	104,906	91,835	-	196,741
Proceeds from Issuance of Long-Term Debt	7,397,816	10,981,874	-	18,379,690
Repayment of Long-Term Debt	(5,872,186)	(6,058,755)	-	(11,930,941)
Collections on Special Assessments	505,594	519,738	-	1,025,332
Assessed Special Assessments	(94,952)	(38,437)	-	(133,389)
Interest Paid	<u>(1,065,676)</u>	<u>(1,164,095)</u>	<u>-</u>	<u>(2,229,771)</u>
Net Cash Provided (Used) by Financing Activities	<u>(3,481,796)</u>	<u>(3,027,763)</u>	<u>-</u>	<u>(6,509,559)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	2,714,956	82,584	-	2,797,540
CASH AND CASH EQUIVALENTS				
Beginning of Year	<u>6,370,297</u>	<u>2,653,727</u>	<u>-</u>	<u>9,024,024</u>
End of Year	<u>\$ 9,085,253</u>	<u>\$ 2,736,311</u>	<u>\$ -</u>	<u>\$ 11,821,564</u>



NORTHWESTERN WATER & SEWER DISTRICT STATISTICAL SCHEDULES

This part of Northwestern Water & Sewer District's comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information about the District's overall financial health.

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time	S2
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its water and sewer sales	S4
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future	S16
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments	S21
Operating Information These schedules contain information about the District's operation and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs	S24
Sources Unless stated otherwise, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	



NORTHWESTERN WATER & SEWER DISTRICT
NET POSITION
LAST TEN YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Investment in										
Capital Assets	\$ 122,085	\$ 117,942	\$ 114,559	\$ 107,364	\$ 102,403	\$ 101,502	\$ 97,598	\$ 88,455	\$ 81,477	\$ 73,573
Restricted	5,076	4,806	4,706	4,951	4,967	4,812	4,820	4,853	5,133	9,145
Unrestricted	9,970	14,807	12,485	10,488	13,258	9,254	9,141	13,455	12,248	10,073
Total Net Position	<u>\$ 137,131</u>	<u>\$ 137,555</u>	<u>\$ 131,750</u>	<u>\$ 122,803</u>	<u>\$ 120,628</u>	<u>\$ 115,568</u>	<u>\$ 111,559</u>	<u>\$ 106,763</u>	<u>\$ 98,858</u>	<u>\$ 92,791</u>

Source: District accounting records.



**NORTHWESTERN WATER & SEWER DISTRICT
CHANGES IN NET POSITION
LAST TEN YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

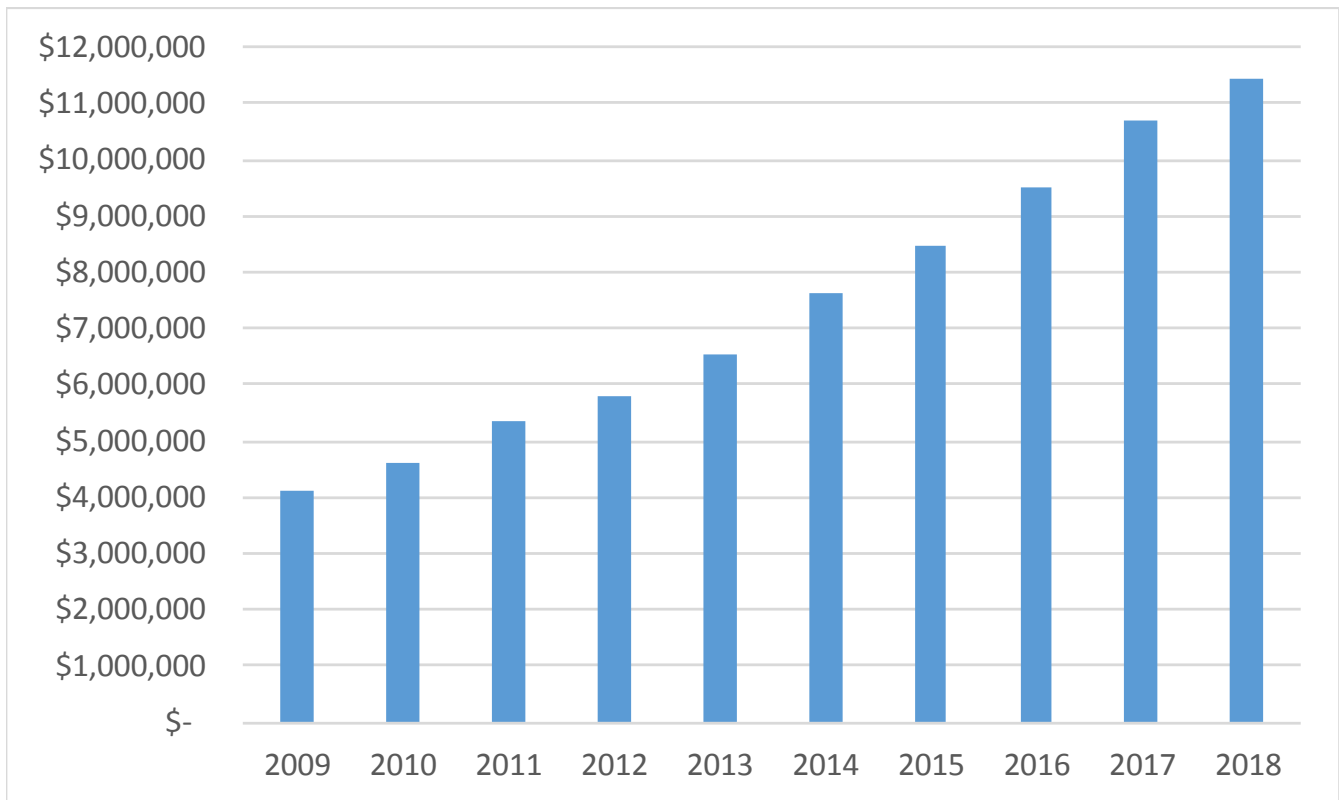
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Revenue	\$ 29,079	\$ 27,527	\$ 25,053	\$ 22,081	\$ 20,359	\$ 17,226	\$ 16,050	\$ 13,806	\$ 10,160	\$ 9,197
Operating Expenses	26,064	25,131	22,210	19,984	19,297	17,429	15,414	13,549	10,507	10,278
Total Net Revenue (Expense)	3,015	2,396	2,843	2,097	1,062	(203)	636	257	(347)	(1,081)
Other Changes in Net Position										
Nonoperating Revenues (Expenses)	(2,620)	(1,714)	(1,781)	(1,971)	(2,151)	(1,486)	(1,564)	(1,344)	(1,212)	(1,164)
Aid in Construction	2,253	5,124	7,885	4,731	6,149	5,698	5,724	9,742	7,626	2,420
Total Other Changes in Net Position	(367)	3,410	6,104	2,760	3,998	4,212	4,160	8,398	6,414	1,256
Change in Net Position	\$ 2,648	\$ 5,806	\$ 8,947	\$ 4,857	\$ 5,060	\$ 4,009	\$ 4,796	\$ 8,655	\$ 6,067	\$ 175

Source: District accounting records.



**NORTHWESTERN WATER & SEWER DISTRICT
SEWER OPERATING REVENUES BY SOURCE
LAST TEN YEARS**

Year End December 31,	Waste Water Revenue	Fees and Permits	Contract Services	Other Operating	Total	Percent Change
2018	\$ 10,962,109	\$ 96,928	\$ 176,957	\$ 178,255	\$ 11,414,249	6.8 %
2017	10,285,216	96,797	136,736	172,735	10,691,484	12.4
2016	9,098,667	97,068	152,401	160,733	9,508,869	12.4
2015	8,072,309	79,848	149,613	161,234	8,463,004	10.9
2014	7,302,593	67,472	139,918	120,461	7,630,444	16.3
2013	5,804,560	68,526	144,477	541,405	6,558,968	13.2
2012	5,420,599	52,910	164,164	155,358	5,793,031	8.3
2011	5,051,649	48,448	130,632	119,046	5,349,775	16.7
2010	4,147,811	64,867	274,118	96,794	4,583,590	11.0
2009	3,834,605	42,028	165,295	85,910	4,127,838	(3.6)



Source: District accounting records.

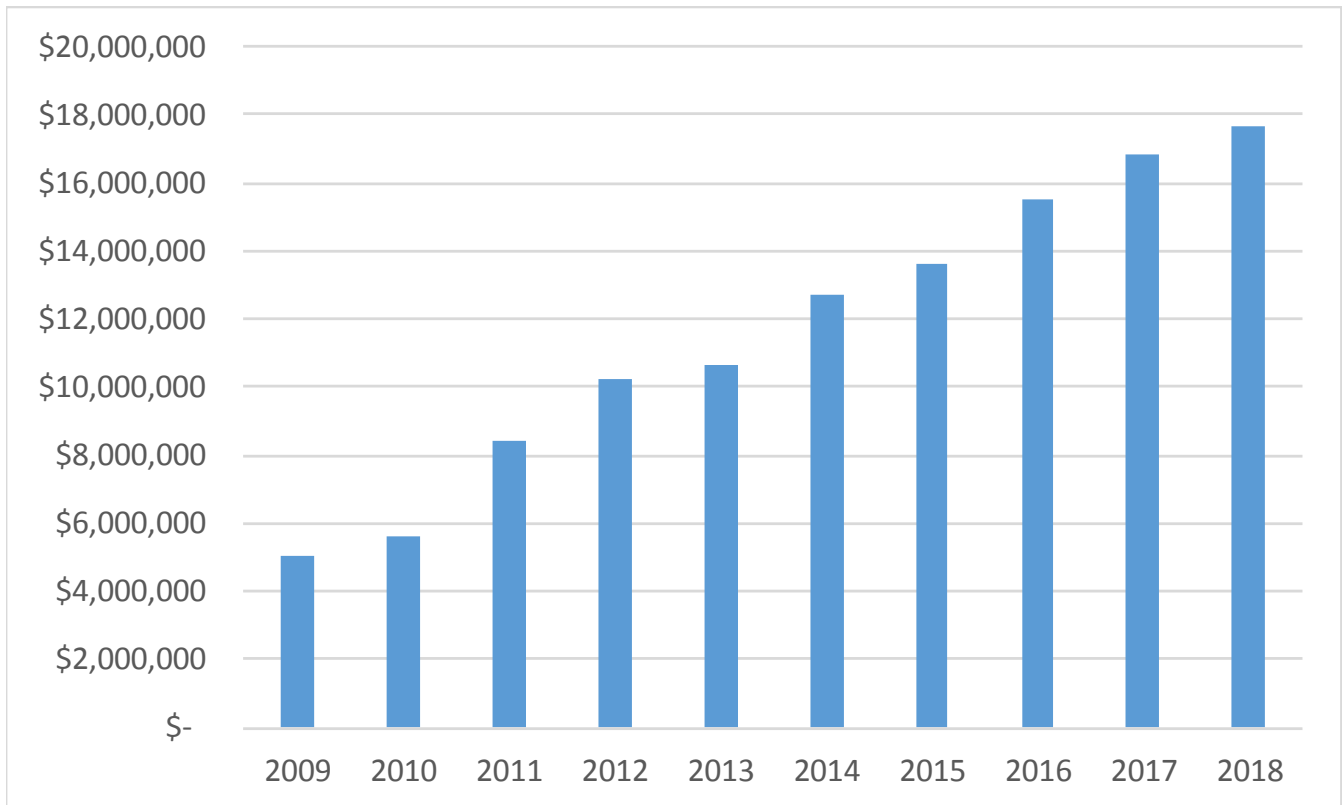


**NORTHWESTERN WATER & SEWER DISTRICT
WATER OPERATING REVENUES BY SOURCE
LAST TEN YEARS**

Year Ended December 31,	Water Revenue	Fees and Permits	Contract Services	Other Operating	Total	Percent Change
2018	\$ 16,748,453	\$ 491,792	\$ 105,284	\$ 319,293	\$ 17,664,822	4.9 %
2017	15,997,100	464,399	56,821	317,567	16,835,887	8.3
2016	14,843,204	431,663	34,747	234,915	15,544,529	14.1
2015	12,985,300	314,355	46,715	271,662	13,618,032	0.7
2014	12,084,386	317,836	43,986	283,477	12,729,685	19.3
2013	10,049,093	271,435	50,283	296,060	10,666,871	4.0
2012	9,659,619	241,699	65,959	289,524	10,256,801	21.3 (2)
2011	7,956,148	167,070	93,046	240,352	8,456,616	51.6 (1)
2010	5,177,288	137,747	89,743	171,957	5,576,735	10.0
2009	4,668,363	134,770	109,092	157,102	5,069,327	17.8

(1) District began billing City of Toledo supply customers in July 2011.

(2) Represents a full year of District billing City of Toledo supplied customers.

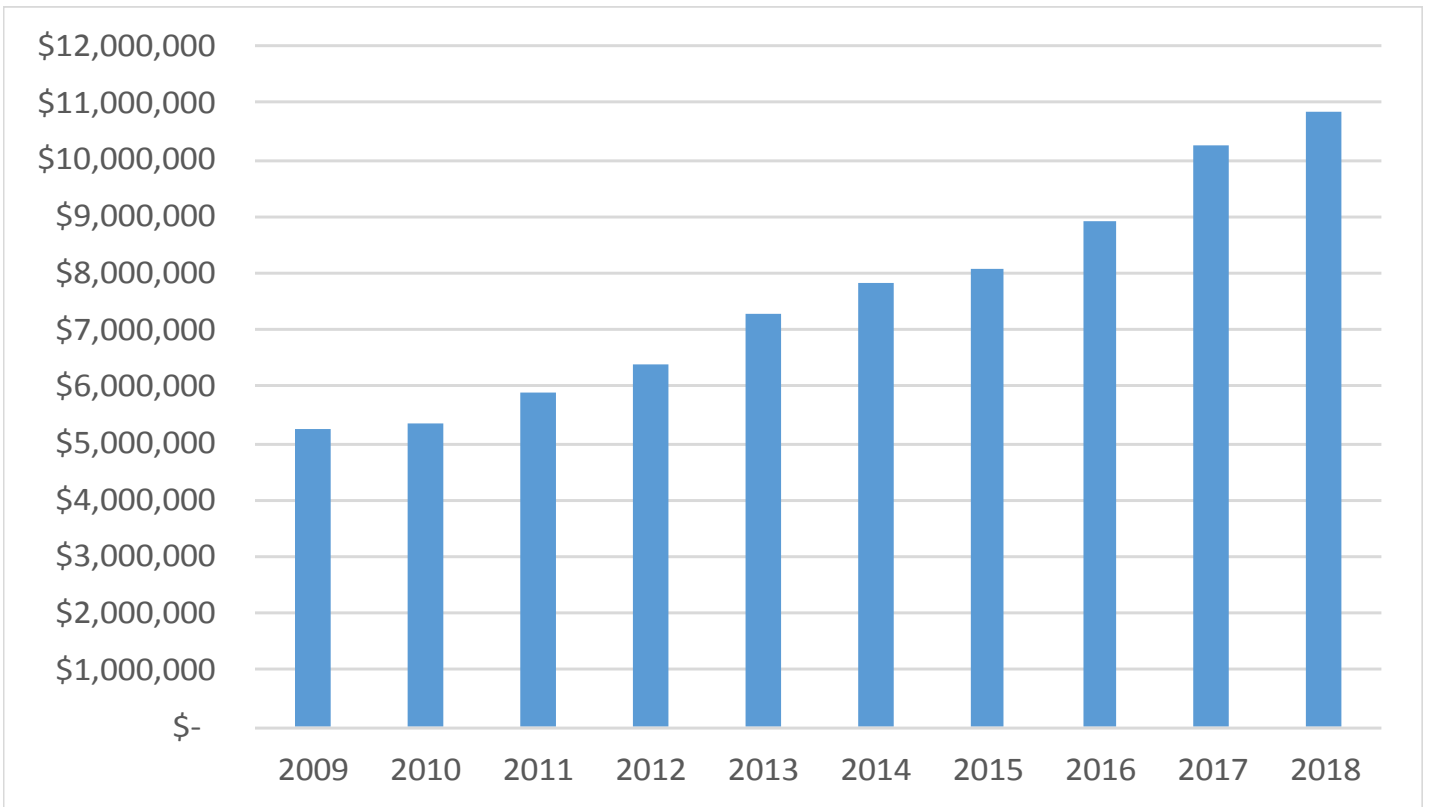


Source: District accounting records.



NORTHWESTERN WATER & SEWER DISTRICT SEWER OPERATING EXPENSES BY TYPE LAST TEN YEARS

Year Ended December 31,	Salaries and Wages	Benefits	Professional Services	Materials and Repairs	Utilities	Depreciation	Other Expense	Total	Percent Change
2018	\$ 2,113,901	\$ 1,208,686	\$ 869,426	\$ 735,351	\$ 387,220	\$ 4,714,991	\$ 821,805	\$ 10,851,380	5.9 %
2017	1,897,299	1,224,277	746,597	682,481	375,509	4,516,503	802,144	10,244,810	15.0
2016	1,649,109	923,123	532,004	575,304	352,161	4,008,332	865,031	8,905,064	10.2
2015	1,579,267	691,616	483,549	532,549	337,855	3,813,745	642,491	8,081,072	3.2
2014	1,505,418	690,651	670,287	541,383	359,816	3,659,597	404,621	7,831,773	7.4
2013	1,465,545	626,856	898,666	577,522	310,481	3,102,224	310,016	7,291,310	14.2
2012	1,239,920	581,705	653,012	463,375	271,739	2,940,780	232,995	6,383,526	8.3
2011	1,197,473	537,875	503,630	384,106	279,594	2,797,595	191,490	5,891,763	10.3
2010	1,057,390	444,305	486,733	299,495	226,847	2,631,794	195,595	5,342,159	1.9
2009	1,088,978	472,491	397,802	330,130	236,985	2,449,124	267,552	5,243,062	8.2



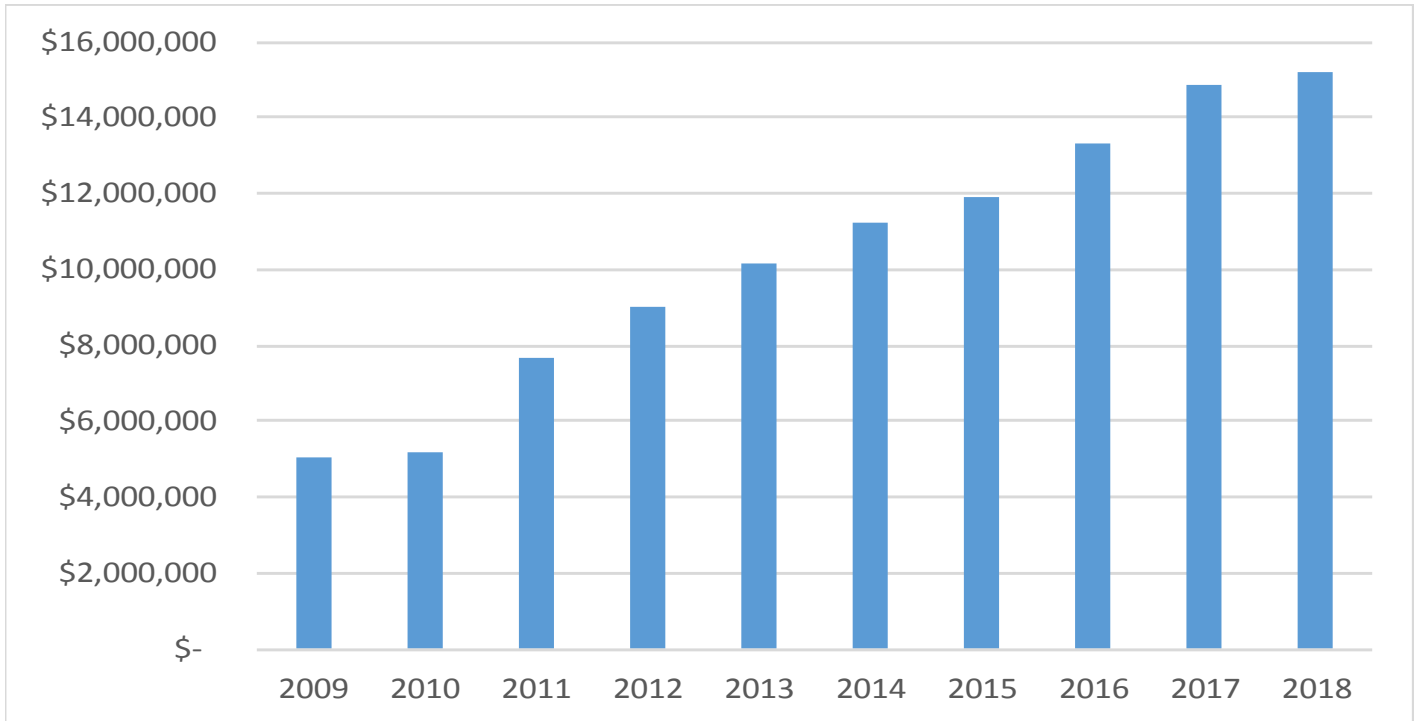
Source: District accounting records.



NORTHWESTERN WATER & SEWER DISTRICT WATER OPERATING EXPENSES BY TYPE LAST TEN YEARS

Year Ended December 31,	Salaries and Wages	Benefits	Professional Services	Purchased Water	Materials and Repairs	Utilities	Depreciation	Other Expense	Total	Percent Change
2018	\$ 2,114,970	\$ 1,199,945	\$ 796,396	\$ 5,980,096	\$ 691,916	\$ 342,059	\$ 3,606,190	\$ 481,008	\$ 15,212,580	2.2 %
2017	1,968,692	1,438,881	778,539	5,779,484	627,499	324,143	3,470,205	499,124	14,886,567	11.9
2016	1,744,097	869,233	566,492	5,678,647	534,054	288,383	3,173,901	449,855	13,304,662	=(S10-S12)
2015	1,620,057	632,291	566,757	4,998,913	386,922	246,532	3,026,220	425,338	11,903,030	5.9
2014	1,548,554	643,040	464,786	4,673,973	491,402	259,159	2,729,228	428,053	11,238,195	10.9
2013	1,425,581	617,366	511,770	4,050,714	706,281	219,890	2,302,774	303,288	10,137,664	12.3
2012	1,307,153	544,879	367,730	3,778,955	403,299	198,718	2,156,451	273,039	9,030,224	17.9
2011	1,094,754	457,349	275,712	3,040,369 (1)	475,837	207,027	1,887,447	219,179	7,657,674	48.2
2010	961,586	418,914	196,036	1,198,861	390,202	146,801	1,665,678	187,378	5,165,456	2.6
2009	957,031	429,346	234,496	1,103,187	324,473	159,109	1,598,650	228,369	5,034,661	(6.3)

(1) In April 2011, the District assumed the billing and meter maintenance for approximately 7,000 accounts previously provided by the City of Toledo and went to a bulk water purchase contract with Toledo.



Source: District accounting records.



**NORTHWESTERN WATER & SEWER DISTRICT
SEWER NONOPERATING REVENUES BY SOURCE
LAST TEN YEARS**

<u>Year Ended December 31,</u>	<u>Interest Income</u>	<u>Aid in Construction (1)</u>	<u>Other Income (Expense)</u>	<u>Total</u>
2018	\$ 284,956	\$ 1,362,583	\$ (799,608)	\$ 847,931
2017	251,511	3,637,001	(100,756)	3,787,756
2016	250,809	4,558,301	(1,510)	4,807,600
2015	247,387	1,348,032	(88,506)	1,506,913
2014	185,600	4,698,217	1,639	4,885,456
2013	196,097	2,013,469	(27,419)	2,182,147
2012	191,518	4,574,208	(1,181)	4,764,545
2011	274,472	5,711,809	(6,856)	5,979,425
2010	261,015	2,979,073	(16,967)	3,223,121
2009	305,757	1,852,018	591	2,158,366

(1) Other Aid in Construction includes: System Development Fees, Grants, Developer assets turned over to the District.



**NORTHWESTERN WATER & SEWER DISTRICT
WATER NONOPERATING REVENUES BY SOURCE
LAST TEN YEARS**

<u>Year Ended December 31</u>	<u>Interest Income</u>	<u>Aid in Construction (1)</u>	<u>Other Income (Expense)</u>	<u>Total</u>
2018	\$ 268,556	\$ 890,319	\$ (110,390)	\$ 1,048,485
2017	297,971	1,486,711	(110,130)	1,674,552
2016	261,776	3,325,521	(30,052)	3,557,245
2015	304,456	3,383,262	(75,455)	3,612,263
2014	303,021	1,450,260	(345,462)	1,407,819
2013	295,122	3,684,238	(11,723)	3,967,637
2012	366,749	1,149,979	5,866	1,522,594
2011	452,833	4,029,866	(7,199)	4,475,500
2010	439,644	4,647,205	9,079	5,095,928
2009	463,868	567,628	(15,129)	1,016,367

(1) Other Aid in Construction includes: System Development Fees, Grants, Developer assets turned over to the District.



**NORTHWESTERN WATER & SEWER DISTRICT
SEWER USER RATES
LAST TEN YEARS**

Year Ended December 31,	Minimum Charge		Volume Charges (1)	
	Monthly	Quarterly	Collection Only	Collection and Treatment
2018	\$ 14.29	\$ 28.58	\$ 34.13	\$ 60.73
2017	13.87	27.74	32.17	58.00
2016	13.47	26.94	27.37	52.45
2015	13.08	26.16	23.41	47.75
2014	12.70	25.40	19.49	43.13
2013	12.30	24.60	15.74	38.69
2012	12.30	24.60	14.51	37.01
2011	12.06	24.12	13.39	35.45
2010	12.06	24.12	12.50	34.56
2009	12.06	24.12	11.62	33.68

(1) Per 1,000 cubic feet of water consumption or measured sewer consumption.



**NORTHWESTERN WATER & SEWER DISTRICT
WATER USER RATES
LAST TEN YEARS**

<u>Year Ended December 31,</u>	<u>Minimum Charge</u>		<u>Volume Charges (1)</u>
	<u>Monthly</u>	<u>Quarterly</u>	<u>Distribution</u>
2018	\$ 15.69	\$ 31.38	\$ 21.14
2017	15.23	30.46	19.88
2016	14.79	29.58	17.33
2015	14.36	28.72	15.47
2014	13.94	27.88	13.71
2013	13.53	27.06	11.93
2012	13.53	27.06	11.21
2011	13.26	26.52	10.49
2010	13.00	26.00	9.77
2009	13.00	26.00	9.25

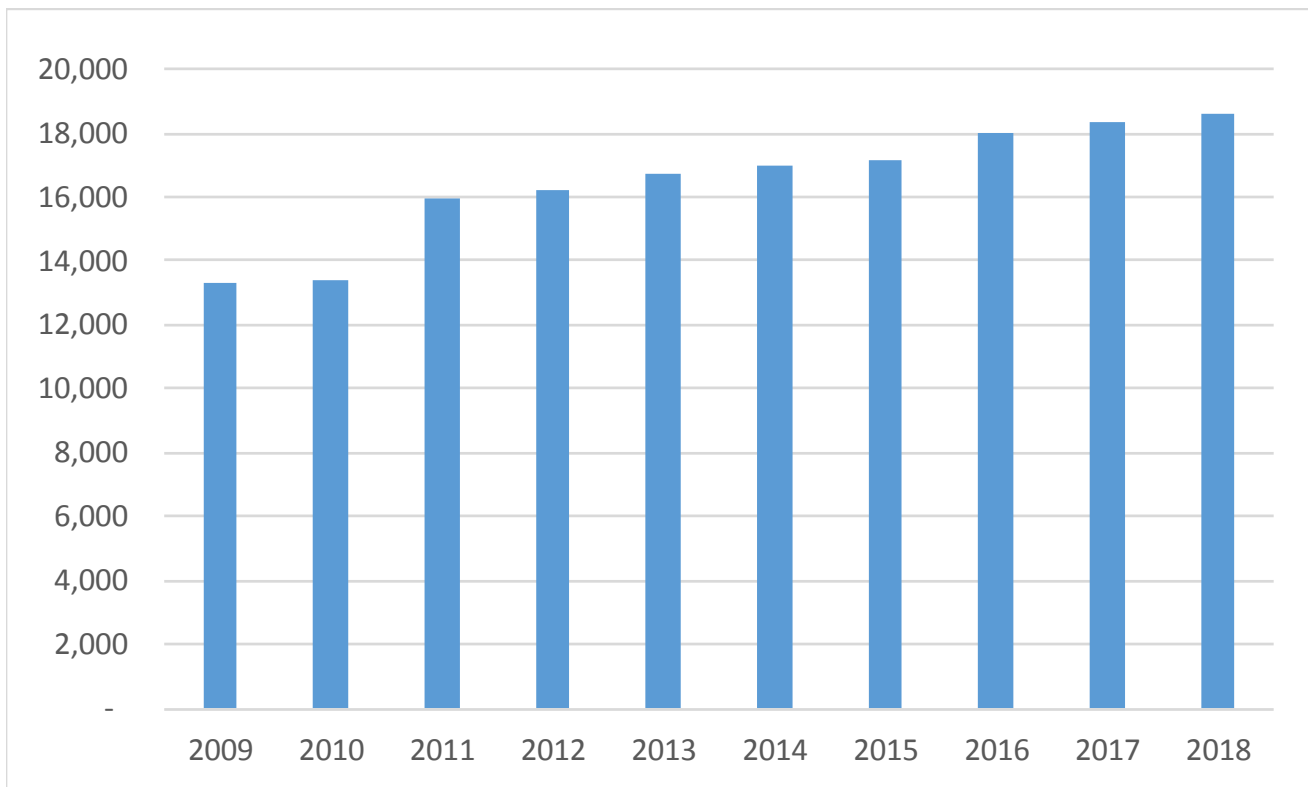
(1) Per 1,000 cubic feet of water consumption.



**NORTHWESTERN WATER & SEWER DISTRICT
HISTORICAL SEWER CUSTOMERS AND SEWER CONSUMPTION
LAST TEN YEARS**

<u>Year Ended December 31,</u>	<u>Average Number of Customers</u>	<u>Average Day (000's/Gal.)</u>	<u>Consumption (000's/Gal.)</u>
2009	13,278	3,584	1,308,307
2010	13,394	3,657	1,334,650
2011	15,944	4,295	1,567,808 (a)
2012	16,201	4,279	1,566,211
2013	16,726	4,091	1,493,104
2014	16,979	4,344	1,585,600
2015	17,136	4,278	1,561,609
2016	18,050	4,447	1,622,996
2017	18,321	4,348	1,587,181
2018	18,606	4,431	1,617,245

(a) In 2011, the City of Rossford and the Village of Cygnet joined the District with approximately 2,550 customers.



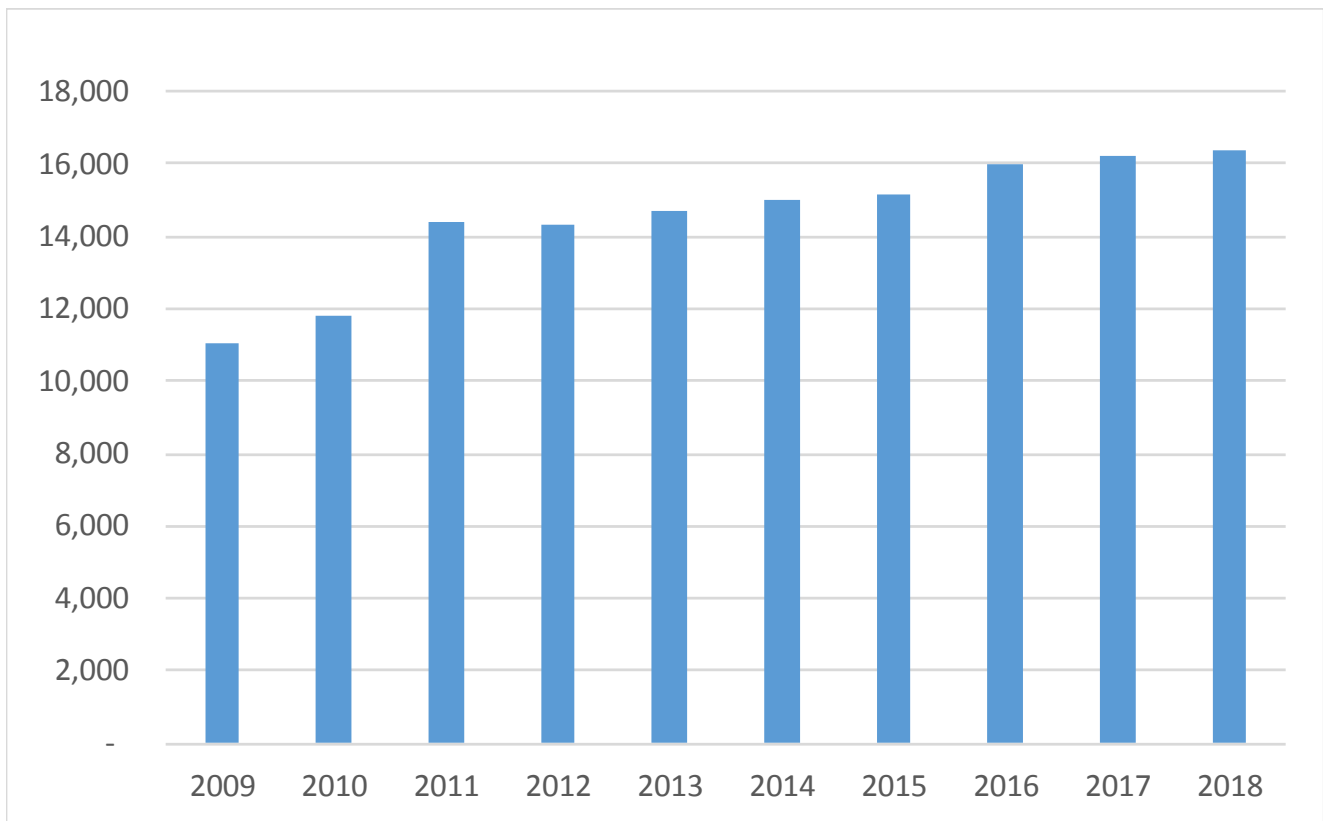


**NORTHWESTERN WATER & SEWER DISTRICT
HISTORICAL WATER CUSTOMERS AND WATER CONSUMPTION
LAST TEN YEARS**

<u>Year Ended December 31,</u>	<u>Average Number of Customers</u>	<u>Average Day (000's/Gal.)</u>	<u>Total Annual Consumption (000's/Gal.)</u>
2009	11,025	3,434	1,253,238
2010	11,825	3,642	1,328,774
2011	14,375 est	4,211	1,537,140 (a)
2012	14,344	4,530	1,657,958 (b)
2013	14,704	4,145	1,513,066
2014	15,009	4,425	1,615,268
2015	15,148	4,296	1,568,308
2016	16,017	4,601	1,679,494
2017	16,240	4,381	1,599,123
2018	16,391	4,480	1,635,043

(a) In 2011, the City of Rossford and the Village of Cygnet joined the District with approximately 2,550 customers.

(b) In July 2012, the Village of Bloomdale joined the District.





**NORTHWESTERN WATER & SEWER DISTRICT
TEN LARGEST SEWER CUSTOMERS
CURRENT AND NINE YEARS AGO**

<u>Customer</u>	2018		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. First Solar	61,733	\$ 284,350	2.49 %
2. Charter Steel	60,231	274,995	2.41
3. Pre Finished Metals	55,768	254,629	2.23
4. Chrysler	31,452	143,853	1.26
5. LOF Pilkington**	27,250	124,631	1.09
6. Norplas	23,727	108,435	0.95
7. Friendly Village I and II MHP	18,685	85,598	0.75
8. Cintas	15,862	72,549	0.64
9. Tracy Creek Apartments	15,224	72,867	0.64
10. Perry Lake Village*	14,890	49,005	0.43
Total	<u>324,822</u>	<u>\$ 1,470,912</u>	<u>12.89 %</u>

*Billed at 70% of District Rate

** Billed at 75% of Full District Rates

<u>Customer</u>	2009		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. Chrysler	51,635	\$ 80,359	2.10 %
2. First Solar	51,359	80,256	2.09
3. Charter Steel	32,513	50,652	1.32
4. Pre-Finished Metals	30,915	48,172	1.26
5. Friendly Village I and II MHP	29,224	45,837	1.20
6. Perry Lake Village	14,563	16,908	0.44
7. Cintas	13,513	21,184	0.55
8. Walnut Hills Mobile Home Park	12,626	19,759	0.52
9. Eastpointe On The Mall Apts	12,244	19,455	0.51
10. Holiday Inn Perrysburg Twp	12,033	18,886	0.49
Total	<u>260,625</u>	<u>\$ 401,468</u>	<u>10.48 %</u>



**NORTHWESTERN WATER & SEWER DISTRICT
TEN LARGEST WATER CUSTOMERS
CURRENT AND NINE YEARS AGO**

<u>Customer</u>	2018		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. First Solar	72,391	\$ 217,564	1.23 %
2. Prefinished Metals	61,418	177,534	1.01
3. Charter Steel	57,918	174,068	0.99
4. MSB Dairy*	37,351	271,030	1.53
5. Norplas	32,180	93,583	0.53
6. Chrysler	31,452	96,798	0.55
7. Jones Hamilton	26,382	77,742	0.44
8. Friendly Village I and II MHP	18,685	60,715	0.34
9. Tracy Creek Apartments	18,320	59,626	0.34
10. Apio-Greenline*	16,642	123,474	0.70
Total	<u>372,739</u>	<u>\$ 1,352,134</u>	<u>7.65 %</u>

*Total Billed as Master Meter Rate. Other Accounts O & M only

<u>Customer</u>	2009		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percentage of Total System Revenue
1. First Solar	52,559	\$ 70,546	1.51 %
2. Chrysler	51,003	74,824	1.60
3. Conrail	39,191	48,702	1.04
4. Prefinished Metals	34,493	45,257	0.97
5. Charter Steel	30,998	40,517	0.87
6. Friendly Village I and II MHP	29,224	44,754	0.96
7. Perry Lake Village	14,563	14,759	0.32
8. Cintas	13,771	18,828	0.40
9. Walnut Hills Mobile Home Park	12,768	17,134	0.37
10. Eastpointe On The Mall	12,244	46,656	1.00
Total	<u>290,814</u>	<u>\$ 421,977</u>	<u>9.04 %</u>



NORTHWESTERN WATER & SEWER DISTRICT RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Debt By Type In Thousands	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue Bond Issues										
\$4,235 Series 2002 (1)	\$ 1,695	\$ 1,515	\$ 1,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$2,165 Series 2004B	1,804	1,712	1,590	1,517	1,415	1,290	-	-	-	-
\$1,200 Series 2005A	1,071	1,018	920	911	858	770	715	660	-	-
\$6,910 Series 2008	6,680	6,440	6,195	5,940	5,675	5,400	5,115	4,820	-	-
\$3,550 Series 2009 BAN	3,562	-	-	-	-	-	-	-	-	-
\$2,350 Series 2010	-	2,350	2,280	2,210	2,135	2,055	1,970	1,880	1,790	1,695
\$3,870 Series 2012 (2)	-	-	-	3,618	3,368	3,093	2,850	2,613	2,390	2,171
\$1,300 Series 2015 (4)	-	-	-	-	-	-	1,180	1,060	935	810
\$5,795 Series 2017 (5)	-	-	-	-	-	-	-	-	5,115	4,675
Total Revenue Bonds	14,812	13,035	12,320	14,196	13,451	12,608	11,830	11,033	10,230	9,351
Special Assessment Issues										
\$277 Series 1996	97	83	69	55	42	28	14	-	-	-
\$360 Series 1998	160	140	125	110	95	80	60	40	20	-
\$500 Series 1999	315	290	265	240	210	180	150	115	80	40
\$175 Series 2000	100	90	80	75	65	55	45	40	30	20
\$1,195 Series 2002	925	870	815	-	-	-	-	-	-	-
\$1,245 Series 2003	985	935	880	60	-	-	-	-	-	-
\$2,000 Series 2004A	1,635	1,555	1,470	1,380	1,290	1,195	-	-	-	-
\$1,010 Series 2006	920	880	840	800	760	715	670	620	-	-
\$2,205 Series 2008	2,211	2,133	2,000	1,961	1,878	1,750	1,660	1,565	-	-
\$6,580 Series 2009 BAN	6,604	-	-	-	-	-	-	-	-	-
\$2,350 Series 2010	-	2,350	2,280	2,205	2,125	2,045	1,960	1,875	1,785	1,690
\$2,880 Series 2012 (3)	-	-	-	2,795	2,615	2,302	2,039	1,824	1,568	1,317
\$1,240 Series 2015 (4)	-	-	-	-	-	-	1,120	1,005	890	775
\$2,350 Series 2017 (5)	-	-	-	-	-	-	-	-	2,145	1,935
Total SA Bonds	13,952	9,326	8,824	9,681	9,080	8,350	7,718	7,084	6,518	5,777
U.S. Dept. of Agriculture Ohio Water Development Authority	7,399	7,219	8,360	11,110	13,497	13,219	12,933	13,794	13,959	13,617
Ohio Public Works Commission	9,004	10,805	14,296	15,024	22,495	30,370	30,746	41,429	49,348	50,083
Other	665	611	536	522	596	520	439	368	309	412
Unamortized Discount	325	1,793	905	3,928	993	801	603	421	276	446
Unamortized Premium	-	-	-	-	-	(26)	(8)	(8)	-	-
	-	-	-	-	-	202	194	150	80	74
Total All Debt	\$ 46,157	\$ 42,789	\$ 45,241	\$ 54,461	\$ 60,112	\$ 66,044	\$ 64,455	\$ 74,271	\$ 80,720	\$ 79,760
Number of Customer Accounts	24,614	25,219	30,319	30,545	31,500	31,988	32,284	34,067	34,561	34,997
Outstanding Debt Per Customer Account	\$ 1,869	\$ 1,696	\$ 1,492	\$ 1,776	\$ 1,908	\$ 2,059	\$ 1,990	\$ 2,175	\$ 2,333	\$ 2,279

- (1) The Series 1996 Bonds were refunded on 3/27/2002 and were replaced by the Series 2002 Bonds.
- (2) The Series 2002 Bonds were refunded on 3/23/2012 and were replaced by the Series 2012 Bonds.
- (3) The Series 2003 SA Bonds were refunded on 3/23/2012 and were replaced by the Series 2012 SA Bonds.
- (4) The Series 2004 A & B Bonds were refunded on 2/27/2015 and replaced by the Series 2015 Bonds.
- (5) The Series 2005A, 2006, and 2008 Bonds were refunded on 7/21/2017 and replaced by the Series 2017 Bonds.

Source: District accounting records.



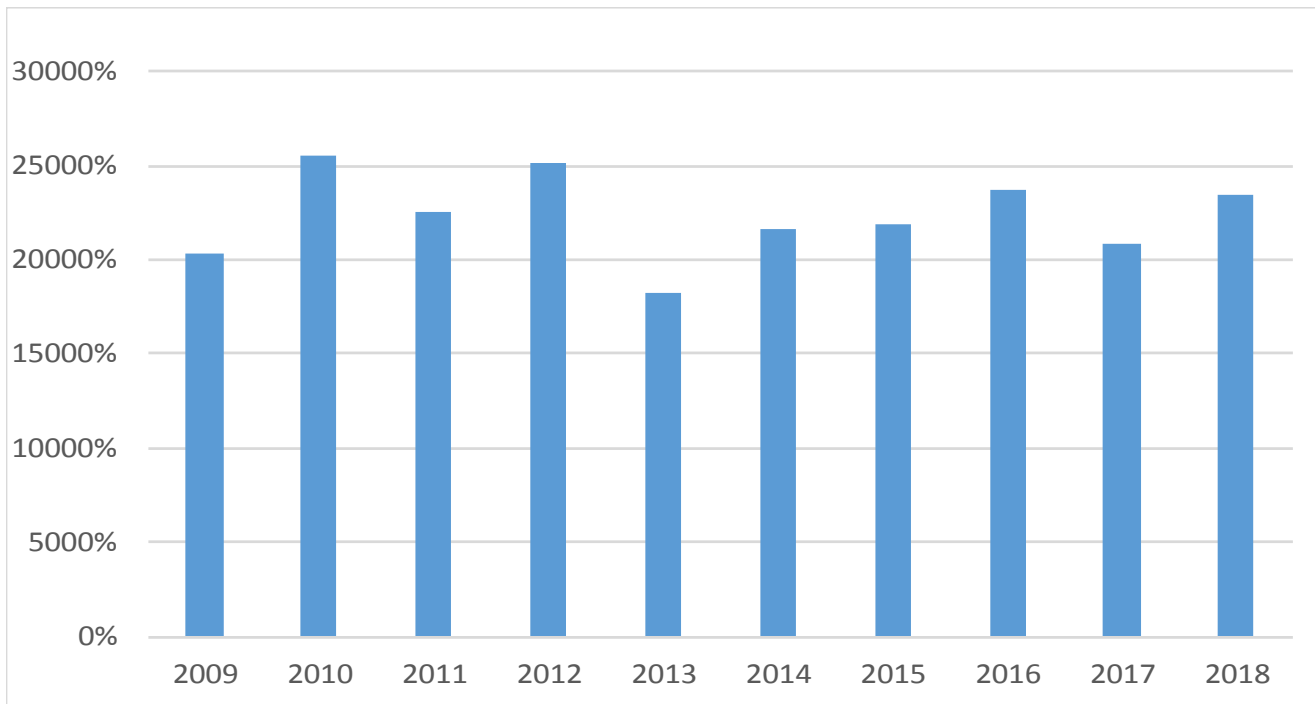
**NORTHWESTERN WATER & SEWER DISTRICT
COMPUTATION OF REVENUE DEBT COVERAGE RATIOS
LAST TEN YEARS**

Year Ended December 31,	Revenue (1)	Operating Expense (2)	Net Revenue Available for Debt Service	Debt Service Requirement	Coverage Factor (3)
2018	\$ 29,632,583	\$ 17,742,779	11,889,804	\$ 5,061,728	235 %
2017	28,076,853	17,144,669	10,932,184	5,237,679	209
2016	25,565,983	15,027,316	10,538,667	4,455,269	237
2015	22,528,320	13,143,942	9,384,378	4,291,772	219
2014	21,183,645	12,907,745	8,275,900	3,831,897	216
2013	18,050,283	12,023,976	6,026,307	3,292,569	183
2012	17,242,424	10,316,519	6,925,905	2,759,213	251
2011	15,056,461	8,864,395	6,192,066	2,752,617	225
2010	11,158,034	6,210,143	4,947,891	1,937,845	255
2009	10,220,215	6,229,849	3,990,366	1,962,352	203

(1) Includes water and sewer revenues. Also includes System Development Fees.

(2) Excludes depreciation expense.

(3) Revenue bonds require 115% coverage and Board Policy requires 150% coverage.



Source: District accounting records.



**NORTHWESTERN WATER & SEWER DISTRICT
COMPUTATION OF SPECIAL ASSESSMENT
AND RELATED DEBT COVERAGE RATIOS
LAST TEN YEARS**

<u>Year Ended December 31,</u>	<u>Special Assessments Collections</u>	<u>Debt Service Requirement</u>	<u>Coverage Factor (3)</u>
2018	\$ 1,778,974	\$ 1,364,021	130 %
2017	1,965,378	1,302,274	151
2016	1,775,195	1,597,364	111
2015	1,877,187	1,771,411	106
2014	2,153,096 (b)	1,636,431	132
2013	1,666,587	1,644,335	101
2012	1,923,976	1,701,693	113
2011	2,019,018	1,587,977	127
2010	1,467,115 (a)	1,817,892	81
2009	1,147,785 (a)	1,449,492	79

(a) Charter Steel paid their second half assessment of \$79,996 on July 30, 2009 but the District did not receive cash from the Wood County Auditor until January 2010. Amount is not included in 2009.

(b) Midstar paid their remaining assessment of \$348,010 in 2014.



**NORTHWESTERN WATER & SEWER DISTRICT
SEWER DEBT BY TOTAL DEBT SERVICE
YEAR ENDED DECEMBER 31, 2018**

Year Ended December 31,	Revenue Debt			Special Assessment Debt			Totals	Percent of Debt Service Remaining
	OWDA	OPWC	Bonds and Notes	OWDA	OPWC	Bonds and Notes		
2019	\$ 1,984,918	\$ 13,583	\$ 1,023,160	\$ 342,719	\$ 25,285	\$ 502,462	\$ 3,892,126	93.35 %
2020	1,977,377	13,583	968,072	342,743	-	472,894	3,774,669	86.86
2021	1,745,727	13,583	1,156,995	305,406	-	460,442	3,682,153	80.81
2022	1,745,727	13,583	943,370	268,093	-	461,277	3,432,050	74.96
2023	1,735,928	13,583	939,925	268,093	-	365,424	3,322,952	69.24
2024	1,703,410	13,583	939,980	268,093	-	318,685	3,243,750	63.99
2025	1,690,453	9,441	813,438	268,093	-	198,809	2,980,234	58.89
2026	1,659,190	9,441	762,323	268,093	-	196,884	2,895,931	53.79
2027	1,659,190	8,816	766,493	268,093	-	194,208	2,896,800	48.70
2028	1,659,190	8,191	764,293	268,093	-	184,776	2,884,543	27.14
2029-2033	7,892,575	40,957	2,171,829	1,340,463	-	794,348	12,240,171	14.66
2034-2038	4,569,409	5,402	1,333,258	459,428	-	712,719	7,080,216	10.26
2039-2043	648,061	-	1,217,650	-	-	629,194	2,494,905	7.92
2044-2048	153,257	-	545,433	-	-	629,044	1,327,733	6.86
2049-2053	-	-	479,595	-	-	125,830	605,425	-
Totals	\$ 30,824,408	\$ 163,749	\$ 14,825,814	\$ 4,667,406	\$ 25,285	\$ 6,246,996	\$ 56,753,657	

OWDA - Ohio Water Development Authority

OPWC - Ohio Public Works Commission



**NORTHWESTERN WATER & SEWER DISTRICT
WATER DEBT BY TOTAL DEBT SERVICE
YEAR ENDED DECEMBER 31, 2018**

Year Ended December 31,	Revenue Debt			Special Assessment Debt		Totals	Percent of Debt Service Remaining
	OWDA	OPWC	Bonds and Notes	OWDA	Bonds and Notes		
2019	\$ 1,661,352	\$ 13,171	\$ 986,421	\$ 64,851	\$ 583,987	\$ 3,309,782	92.53 %
2020	1,683,422	15,720	852,462	64,846	568,077	3,184,528	85.33
2021	1,507,925	15,720	846,943	32,407	572,555	2,975,551	78.61
2022	1,479,674	15,720	790,052		567,733	2,853,179	72.17
2023	1,462,821	15,720	745,289	-	522,726	2,746,557	65.97
2024	1,354,506	15,720	789,413	-	509,502	2,669,142	59.94
2025	1,325,228	10,867	770,994	-	391,043	2,498,133	54.30
2026	1,321,890	6,014	733,614	-	355,371	2,416,890	48.84
2027	1,321,890	5,099	736,863	-	309,759	2,373,611	43.48
2028	1,321,890	5,099	735,755		161,090	2,223,835	38.46
2029-2033	6,254,465	25,494	2,062,782	-	320,084	8,662,825	18.89
2034-2038	3,776,536	25,494	996,446	-	-	4,798,477	8.06
2039-2043	1,550,624	25,494	767,463	-	-	2,343,582	2.49
2044-2048	-	25,494	572,277	-	-	597,771	1.42
2049-2053	-	2,550	427,660	-	-	430,210	0.44
2054-2058	-	-	196,637	-	-	196,637	-
Totals	\$ 26,022,225	\$ 223,379	\$ 13,011,072	\$ 162,104	\$ 4,861,927	\$ 44,280,707	

OWDA - Ohio Water Development Authority

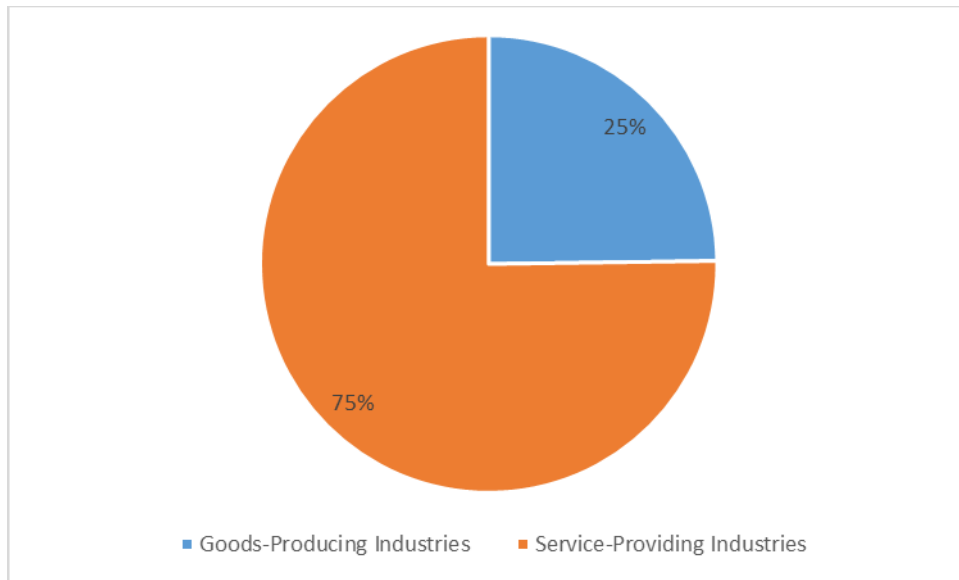
OPWC - Ohio Public Works Commission

CONTINUING DISCLOSURE REQUIREMENTS



**NORTHWESTERN WATER & SEWER DISTRICT
NONAGRICULTURAL EMPLOYMENT
TOLEDO PRIMARY METROPOLITAN STATISTICAL AREA
(INCLUDES WOOD COUNTY)
YEAR ENDED DECEMBER 31, 2018**

	<u>Employment</u>
Goods-Producing Industries	59,700
Natural Resources, Mining, and Construction	13,900
Manufacturing	45,800
Durable Goods	35,100
Transportation Equipment	16,700
Service-Providing Industries	208,800
Trade, Transportation, and Utilities	60,800
Information	2,800
Financial Activities	10,900
Professional and Business Services	36,200
Educational and Health Services	53,800
Leisure and Hospitality	31,500
Other Services	12,800
Government	45,400





**NORTHWESTERN WATER & SEWER DISTRICT
TEN LARGEST EMPLOYERS IN WOOD COUNTY
CURRENT YEAR AND NINE YEARS AGO**

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Bowling Green State University	2,883	1	4.26	5,350	1	8.57 %
Magna International	2,200	2	3.25			
Owens Community College	1,033	3	1.53	1,665	2	2.67
Wood County	822	4	1.22	1,221	3	1.96
Chrysler	800	5	1.18	925	4	1.48
Fed Ex Ground	800	6	1.18			
Owens-Illinois, Inc	750	7	1.11			
Home Depot	700	8	1.04			
First Solar	700	9	1.04	768	6	1.23
Walgreens	650	10	0.96	760	7	1.22
Cooper Standard Automotive				716	8	1.15
Rudolph-Libbe Companies	-		-	750	5	1.20
Wood County Hospital	-		-	705	9	1.13
Norplas	-		-	613	10	0.98
Totals	11,338		16.77	13,473		21.59
 Total Employment within Wood County	 67,600			 62,400		



**NORTHWESTERN WATER & SEWER DISTRICT
WOOD COUNTY, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

<u>Year Ended December 31,</u>	<u>Population (Estimated)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2018	130,492	\$ 5,884,310,000	\$ 45,093	4.00 %
2017	130,219	5,733,453,000	44,029	4.30
2016	129,730	5,536,741,000	42,679	4.20
2015	129,590	5,311,375,740	40,986	4.10
2014	129,264	5,033,023,104	38,936	4.20
2013	128,200	4,940,000,000	38,534	6.30
2012	128,200	4,947,622,600	38,593	6.10
2011	125,500	4,430,150,000	35,300	7.10
2010	125,488	4,434,871,408	35,341	9.10
2009	125,380	3,985,816,000	31,790	11.10

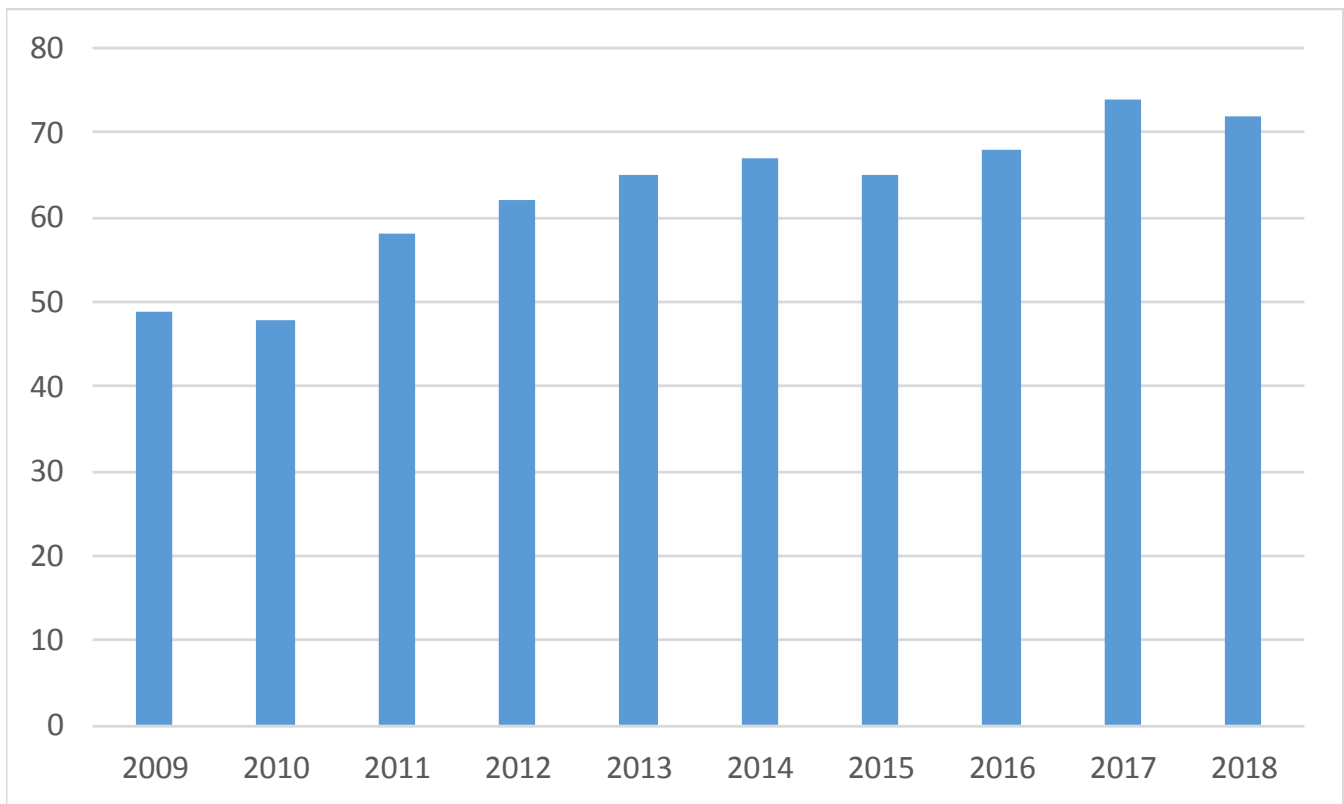
Source: U.S. Census Bureau.
Ohio Department of Job and Family Services.
Bureau of Economic Analysis.



NORTHWESTERN WATER & SEWER DISTRICT NUMBER OF EMPLOYEES BY FUNCTION LAST TEN YEARS

DEPARTMENT	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administration	2	2	2	3	3	2	2	2	3	3
Finance	3	3	3	3	3	5	5	5	5	5
Customer Service (1)	5	5	11	12	12	13	12	10	12	11
Engineering	10	10	12	10	12	11	11	14	15	14
GIS/IT (2)				3	3	3	3	3	3	4
Operations	29	28	30	31	32	33	32	34	36	35
Total	49	48	58	62	65	67	65	68	74	72

- (1) In 2011, the District assumed responsibility for billing approximately 7,000 customers that the City of Toledo had previously billed on behalf of the District.
- (2) In 2012, GIS/IT staff separated from Engineering.





**NORTHWESTERN WATER & SEWER DISTRICT
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2018**

WATER SYSTEM

Miles of Potable Water Lines	431
Total Water Customers	16,391
Number of Fire Hydrants	3,837
Water Towers	8
Number of WaterShed and Bulk Water Stations	15

SEWER SYSTEM

Miles of Sewer Lines	356
Total Sewer Customers	18,606
Number of Pump Stations	76
Number of Treatment Plants	13
Number of Manholes	5,651

GENERAL INFORMATION

Population Served (Estimated)	44,025
Number of Employees	72

12560 Middleton Pike
Bowling Green, OH 43402
419-354-9090 * 877-354-9090
www.nwwsd.org

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OHIO AUDITOR OF STATE KEITH FABER



NORTHWESTERN WATER AND SEWER DISTRICT

WOOD COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 3, 2019**