



**THE DISTRICT**

Comprehensive Annual Financial Report  
For the years ended December 31, 2020 and 2019

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





OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
Northwestern Water and Sewer District  
P.O. Box 348  
Bowling Green, Ohio 43402

We have reviewed the *Independent Auditor's Report* of Northwestern Water and Sewer District, Wood County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2020 through December 31, 2020. 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. Northwestern Water and Sewer District is responsible for compliance with these laws and regulations.

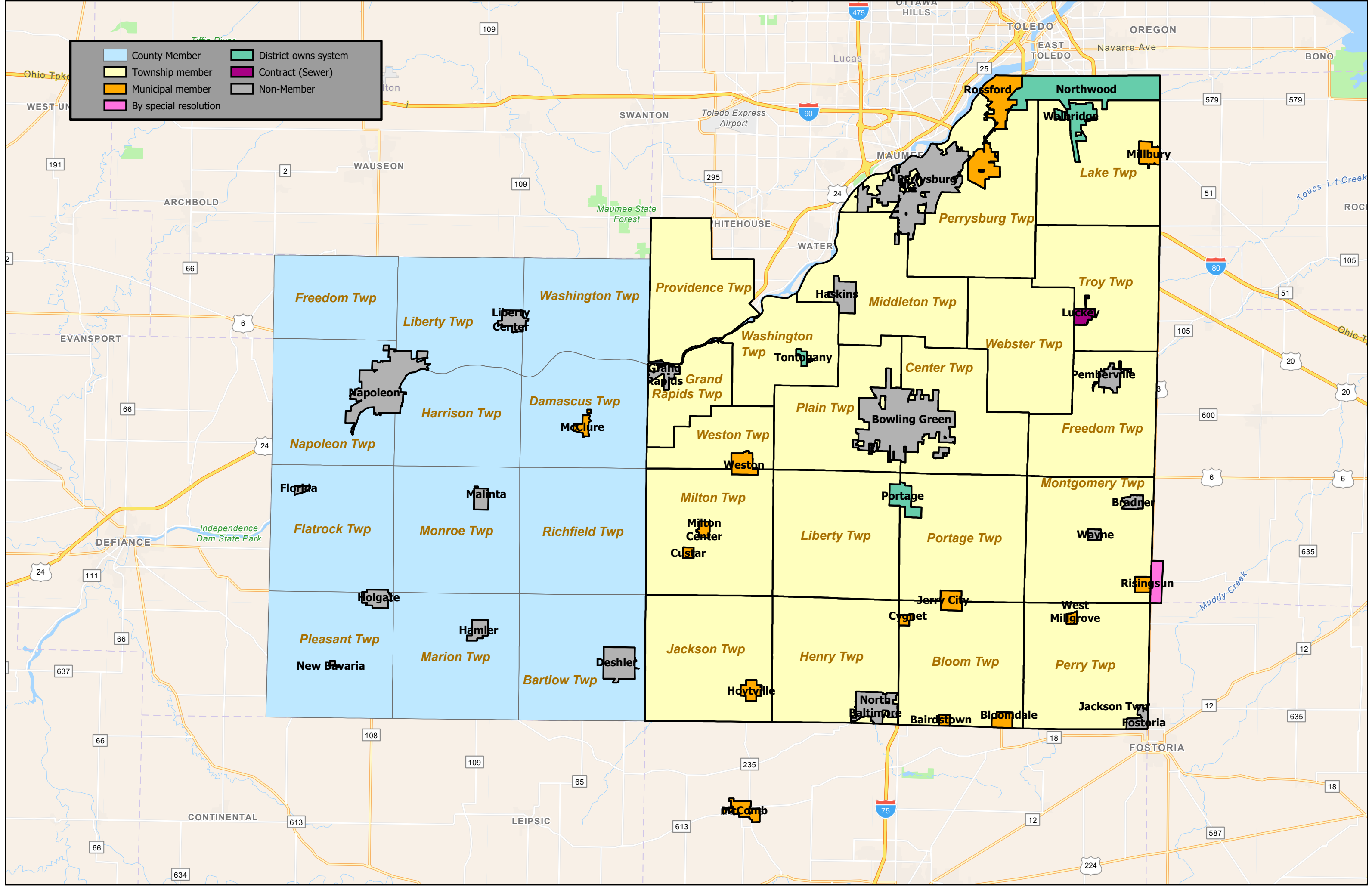
A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 11, 2021

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	County Member		District owns system
	Township member		Contract (Sewer)
	Municipal member		Non-Member
	By special resolution		



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**NORTHWESTERN WATER & SEWER DISTRICT  
WOOD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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**NORTHWESTERN WATER & SEWER DISTRICT  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>PAGE</b>
<b>INTRODUCTION SECTION (UNAUDITED)</b>	
Letter of Transmittal .....	i
2019 Certificate of Achievement for Excellence in Financial Reporting .....	vi
District Officials .....	vii
Organizational Chart .....	viii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	F1
Management's Discussion and Analysis (Unaudited) .....	F4
Basic Financial Statements:	
Statements of Net Position .....	F9
Statements of Revenues, Expenses, and Changes in Net Position .....	F11
Statements of Cash Flows .....	F12
Notes to Financial Statements .....	F14
Supplementary Information:	
Required Supplementary Information:	
Schedule of District's Proportionate Share of Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan .....	F56
Schedule of District's Pension Contributions – Ohio Public Employees Retirement System – Traditional Plan .....	F57
Schedule of District's Proportionate Share of Net OPEB Liability – Ohio Public Employees Retirement System – Traditional Plan .....	F58
Schedule of District's OPEB Contributions – Ohio Public Employees Retirement System – Traditional Plan .....	F59
Other Supplementary Information:	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget to Actual (GAAP Basis) .....	F60
Schedules of Net Position – Information by Division .....	F61
Schedules of Revenues, Expenses, and Changes in Net Position – Information by Division .....	F65
Schedules of Cash Flows – Information by Division .....	F67
<b>STATISTICAL SECTION (UNAUDITED)</b>	
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

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June 18, 2021

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, 2020, 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.

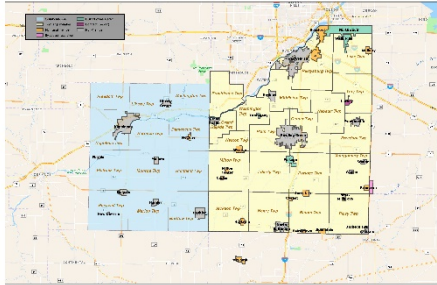
As part of The District’s audit, described earlier, tests were made by The District’s external auditors of its internal control structure and compliance with applicable laws and regulations. Although this testing is not sufficient to support a separate opinion on The District’s internal control system or its overall compliance with laws, the audit for the year ended December 31, 2020 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 at the end of the Statistical Section is a section titled “Continuing Disclosure Requirements”. The schedules in this section are in addition to those required by the Government Finance Officers Association.

## **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 14 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 2020 population of the MSA is estimated to be approximately 641,816, of which the County accounted for approximately 130,817 in 2020. 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 2019-20 school year, the university had 20,000 students, 800+ full-time faculty as well as 1,516 full and part-time administrative and classified staff. In addition to Bowling Green State University, Wood County is home to Owens Community College. For 2020, Owens had a student enrollment of approximately 8,282 in over 120 program areas by a full-time faculty of 140. 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 2020 budget. This process will continue in 2021 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 \$88,483,180. 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 4 and 5 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 for the year ending December 31, 2019. This was the seventeenth 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.

### Sanitary Sewer Infiltration and Inflow Reduction

The District is mandated by the Ohio EPA to reduce wet weather infiltration and inflow into the sanitary sewer systems. Old, leaking sewers, laterals, cleanouts and manholes allow storm water to enter the system reducing the capacity for sanitary sewage flow. At times the sewer system will surcharge, causing basement backups and overflows to area streams. These events can cause health issues, property damage and pollutants to enter the Lake Erie watershed. The District has invested several million dollars over the last ten years to mitigate these problems.

In addition to the rehabilitation of public sewers and infrastructure, we encourage our customers to make similar improvements to their private sanitary laterals and systems. A grant program has been initiated to share the costs of private sewer rehabilitation for our customers. A grant of 50% of the cost of the improvements related to stormwater removal is available. The maximum grant amount is \$2,000 per household.

The District also has a program to assist private community systems by purchasing materials related to private sewer rehabilitation for incorporation into the construction of these improvements.

These efforts have significantly reduced the volume of stormwater in our sanitary sewers. Much work remains in the future and these policies and programs will remain in place to continue the reduction of infiltration and inflow to our system.

### Waterline 100 Area Elevated Water Storage Tank

The plans are in place to construct a new elevated water storage tank to serve the Waterline 100 Service Area. This area includes Walbridge, Northwood, and parts of Perrysburg and Lake Townships. Much of the industrial development in the District is located within this area. It receives water from the City of Toledo system and currently has a single 1,000,000 gallon elevated storage tank in place. Significant development has occurred in this area and more is expected. In order to provide adequate storage and redundancy in the water system, this tank will be constructed on the southern limits of the pressure zone to provide a more stable flow and pressure throughout. The project construction was expected to begin in the spring of 2021 and will take about 18 months to complete. The estimated cost is \$4,400,000.

### Henry County Regional Water System

The Henry County Water and Sewer District merged with the Northwestern Water and Sewer District in 2019. Much of the water supply within the County is from the City of Napoleon. The Village of Liberty Center's contract with the City of Napoleon expired in 2020 and the Village was seeking a new water supplier. The District and Village have come to terms on an agreement to proceed with the design and construction of a water transmission line from the District system, with water supplied from the City of Bowling Green. The District has commenced design of a new regional water connection to serve the Villages of McClure and Liberty Center and surrounding areas within Henry County. The District has secured favorable funding from USDA Rural Development for the construction of this waterline.

The water transmission main will be run from Weston to McClure and then to Liberty Center. This water main will potentially provide safe, affordable and plentiful drinking water to many existing rural homes and communities. The estimated cost for this project is \$5,000,000.

#### Willowbend Sanitary Pump Station Replacement

Many of the residential subdivisions in northwestern Wood County are served by the Willowbend Pump Station. This station was constructed in 1975 and it serves several hundred residential properties. The station is subjected to high flows during wet weather which can require bypass pumping to prevent basement flooding. There is also a significant amount of undeveloped property in this highly desirable area that will likely develop in the future.

The proposed station will have increased capacity to handle the current and future flows that are tributary to this system. This system discharges through a force main that crosses the Maumee River and then to the Lucas County Wastewater Treatment Plant. Two existing river crossing pipelines will be purchased and additional force main will be constructed to handle the additional flow from the upgraded pumping station. Project construction is planned for mid to late 2021 at an estimated cost of \$2,300,000.


#### INDEPENDENT AUDIT

Included in this report is an unmodified opinion rendered on The District's financial statements for the year ended December 31, 2020, 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

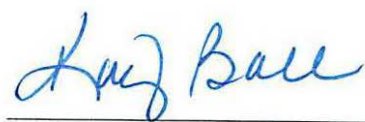
The preparation of this comprehensive annual financial report would not have been possible without the efficient and dedicated services of all of the district departments and their staff. A special acknowledgement goes to Laurie Mooney, Financial Analyst, for her dedication to details in preparing The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

Respectfully submitted.



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Jerry Greiner  
President



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Kay Ball  
CFO

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Northwestern Water & Sewer District  
Ohio**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

**NORTHWESTERN WATER & SEWER DISTRICT  
DISTRICT OFFICIALS  
DECEMBER 31, 2020**

Board of Trustees

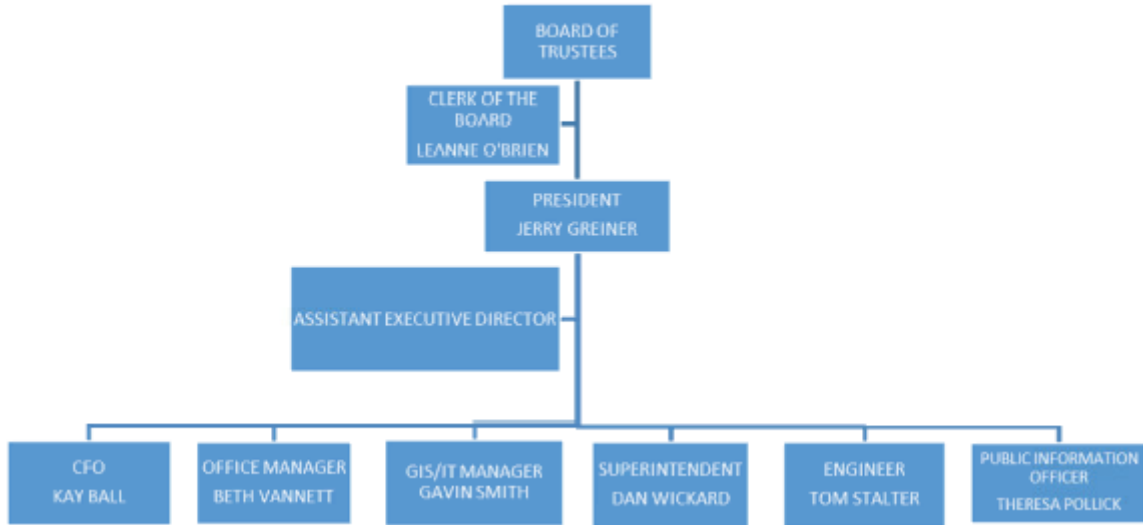
Office	Name	Date Originally Installed	Term Expires
Chairman	Mark Sheffer	10/5/2013	12/31/2021
Vice-Chairman	Doug Miller	7/23/2015	12/31/2021
Secretary	Melinda Kale	1/11/2007	12/31/2020
Member	John Cheney	7/21/1992	12/31/2022
Member	William Hirzel	1/10/2008	12/31/2020
Member	Steve Arnold	6/19/2014	12/31/2021
Member	Brooke Hahn	1/9/2020	12/31/2022
Member	Bill Verbosky	8/13/2015	12/31/2020
Member	Tim Phillips	2/27/2020	12/31/2022
Member	Chuck Latta	8/27/2020	12/31/2022

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, 2020**



**Number of Employees by Department**

Administration	3
Engineering	14
Operations	38
Finance	5
Office	11
GIS	<u>4</u>
 Total Employees - December 31, 2020	 <u>75</u>

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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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, 2020 and December 31, 2019, 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, 2020 and December 31, 2019, 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 13 to the basic financial statements, during 2020, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. 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 section 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 18, 2021, 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 18, 2021

**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, 2020. 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 \$147,710,091 as of December 31, 2020.
- Change in net position was \$7,570,701 in 2020.
- Overall net position increase in 2020 by \$7,570,701 was attributable to \$6,468,849 increase in net investment in capital assets, \$183,041 increase in restricted net position, and \$918,811 increase in unrestricted net position.
- Debt increased \$2,371,911. Retirements of debt principal were \$5,323,008 and new issues of debt principal were \$7,694,919.

**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, deferred outflows, liabilities and deferred inflows). 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 operations, investing, and financing activities. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

**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, \$128 million (87%) 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 and 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.



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

**Condensed Statements of Net Position  
December 31,  
(In Thousands of Dollars)**

	2020	2019	2018	Change			
				2020/2019		2019/2018	
				Amount	Percent	Amount	Percent
<b>ASSETS</b>							
Current Assets	\$ 30,947	\$ 30,357	\$ 26,523	\$ 590	1.9 %	\$ 3,834	14.5 %
Capital Assets, Net	214,130	203,428	197,566	10,702	5.3	5,862	3.0
Other Non-Current Assets	8,747	8,284	8,639	463	5.6	(355)	(4.1)
Total Assets	253,824	242,069	232,728	11,755	4.9	9,341	4.0
Deferred Outflows of Resources	2,194	3,632	2,229	(1,438)	(39.6)	1,403	62.9
<b>LIABILITIES</b>							
Current Liabilities	11,524	11,491	10,741	33	0.3	750	7.0
Long-Term Liabilities	93,736	93,785	82,911	(49)	(0.1)	10,874	13.1
Total Liabilities	105,260	105,276	93,652	(16)	(0.0)	11,624	12.4
Deferred Inflows of Resources	3,048	286	4,174	2,762	965.7	(3,888)	(93.1)
<b>NET POSITION</b>							
Net Investment in Capital Assets	128,131	121,662	122,085	6,469	5.3	(423)	(0.3)
Restricted	5,534	5,350	5,076	184	3.4	274	5.4
Unrestricted	14,045	13,127	9,970	918	7.0	3,157	31.7
Total Net Position	\$ 147,710	\$ 140,139	\$ 137,131	\$ 7,571	5.4 %	\$ 3,008	2.2 %

Net position increased by \$7,571 thousand during 2020 and increased by \$3,008 thousand during 2019. The majority of this change was due to the following:

- Debt, including current portion of long-term debt, increased by \$2,371,911 in 2020 and increased by \$6,350,427 in 2019 related to borrowing for construction projects.
- Deferred inflow of resources related to grants, pension, and OPEB increased by \$2,762,182 in 2020 and deferred inflows decreased by \$3,887,845 in 2019.

Net position increased by \$2,648 thousand during 2018 (offset by a restatement of beginning net position due to GASB75). The majority of this change was due to the following:

- Overall net position increased in 2018 by \$2,648 thousand which was attributable to \$1,087,993 increase in deferred inflow and decrease of \$959,182 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						
	2020	2019	2018	2020/2019		2019/2018	
				Amount	Percent	Amount	Percent
Utility Revenue	\$ 30,117	\$ 27,775	\$ 27,710	\$ 2,342	8.4%	\$ 65	0.2%
Fees and Permit	498	508	589	(10)	(2.0)	(81)	(13.8)
Contract Services	221	227	282	(6)	(2.6)	(55)	(19.5)
Other	702	519	498	183	35.3	21	4.2
Non-Operating Revenue	631	580	554	51	8.8	26	4.7
<b>Total Revenues</b>	<b>32,169</b>	<b>29,609</b>	<b>29,633</b>	<b>2,560</b>	<b>8.6</b>	<b>(24)</b>	<b>(0.1)</b>
Depreciation and							
Amortization	9,381	8,553	8,321	828	9.7	232	2.8
Other Operating Expense	19,854	20,453	17,743	(599)	(2.9)	2,710	15.3
Non-Operating Expense	2,175	2,042	3,173	133	6.5	(1,131)	(35.6)
<b>Total Expenses</b>	<b>31,410</b>	<b>31,048</b>	<b>29,237</b>	<b>362</b>	<b>1.2</b>	<b>1,811</b>	<b>6.2</b>
Net Revenue Before Aid in Construction	759	(1,439)	396	2,198	(152.7)	(1,835)	(463.4)
Aid in Construction	6,812	4,447	2,252	2,365	53.2	2,195	97.5
<b>Changes in Net Position</b>	<b>7,571</b>	<b>3,008</b>	<b>2,648</b>	<b>\$ 4,563</b>	<b>151.7 %</b>	<b>\$ 360</b>	<b>13.6 %</b>
<b>Beginning Net Position</b>	<b>140,139</b>	<b>137,131</b>	<b>134,483</b>				
<b>Ending Net Position</b>	<b>\$ 147,710</b>	<b>\$ 140,139</b>	<b>\$ 137,131</b>				

Utility revenues increased in 2020 due to rate increases and to consumption 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 decreased in 2020 with decreases in employee benefits and material and supplies offset by increases in purchased water and salaries and wages.

Utility revenues increased in 2019 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 2019 due to incremental increases to general insurance, small equipment and bad debt write offs.

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

**Capital Assets**

At the end of 2020, the District had \$214,129,876 invested in capital assets, net of depreciation. This amount represents a net increase of approximately \$10.7 million, or 5.3% over 2019.

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

	2020	2019	2018	Change			
				2020/2019		2019/2018	
				Amount	Percent	Amount	Percent
Land and Easements	\$ 1,273	\$ 1,159	\$ 1,109	\$ 114	9.9 %	\$ 50	4.5 %
Construction in Progress	6,493	17,967	18,765	(11,474)	(63.9)	(798)	(4.3)
Water and Sewer Lines	153,039	137,268	136,354	15,771	11.5	914	0.7
Buildings, Structures, and Improvements	40,320	36,056	31,597	4,264	11.8	4,459	14.1
Equipment	13,005	10,978	9,741	2,027	18.5	1,237	12.7
<b>Total</b>	<b>\$ 214,130</b>	<b>\$ 203,428</b>	<b>\$ 197,566</b>	<b>\$ 10,702</b>	<b>5.3 %</b>	<b>\$ 5,862</b>	<b>3.0 %</b>

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 3.

**Debt Administration**

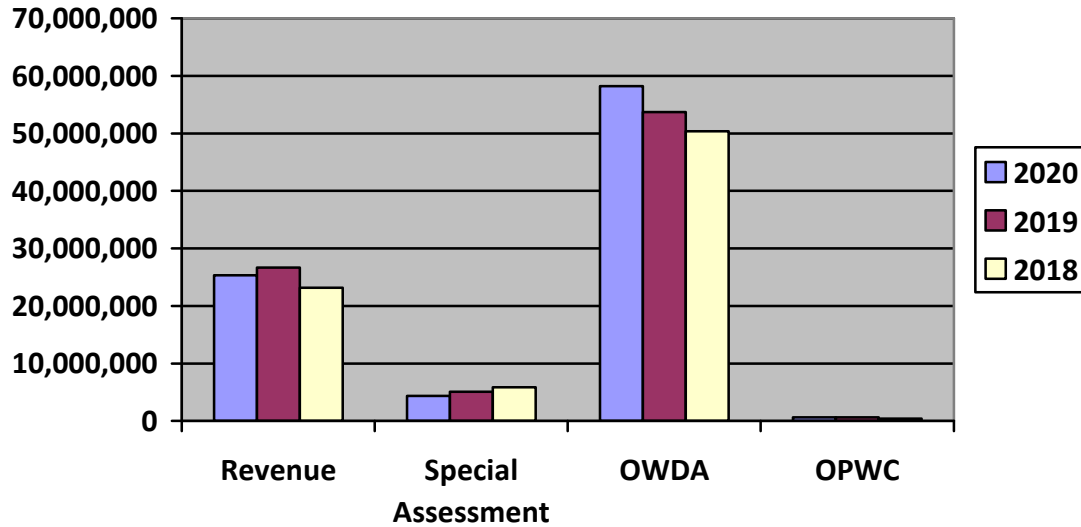
At December 31, 2020, the District had total debt outstanding of \$88,483,180 compared to \$86,111,269 at December 31, 2019. This represents an increase of \$2,371,911. During 2020, the District issued \$7,694,919 of new debt and repaid \$5,323,008 in principal on outstanding debt. At December 31, 2019, the District had total debt outstanding of \$86,111,269 compared to \$79,760,842 at December 31, 2018. This represents an increase of \$6,350,427. During 2019, the District issued \$11,017,091 of new debt and repaid \$4,666,664 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 4 and 5 to the audited financial statements for more detailed information on long-term debt.

**Outstanding Debt at December 31,**

	2020	2019	2018
Revenue Bonds and Notes and Capital Leases	\$ 25,333,151	\$ 26,689,921	\$ 23,165,655
Special Assessment Bonds and Notes	4,359,552	5,084,551	5,829,551
Ohio Water Development Authority	57,929,704	53,710,615	50,353,224
Ohio Public Works Commission	860,773	626,182	412,412
<b>Total</b>	<b>\$ 88,483,180</b>	<b>\$ 86,111,269</b>	<b>\$ 79,760,842</b>

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

**Type of Debt by Year**



**Economic Factors**

Based on the District's 2020 budget, sewer rates were increased 1.77% for a customer using 1,000 cubic feet. Water rates were increased 2.26%, effective January 1, 2020 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. 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 2021, 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, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents - Unrestricted	\$ 11,939,393	\$ 12,605,401
Cash and Cash Equivalents - Restricted	4,292,993	4,105,511
Investments - Unrestricted	7,204,927	7,057,204
Investments - Restricted	1,240,561	1,245,002
Accounts Receivable - Trade	3,623,716	3,542,321
Grant Receivable	919,444	-
Current Portion of Special Assessments	979,736	1,000,169
Inventory	507,672	593,627
Prepaid Expenses	238,845	208,030
Total Current Assets	30,947,287	30,357,265
<b>NONCURRENT ASSETS</b>		
Capital Assets		
Depreciable:		
Sewer and Water Lines	252,884,781	232,874,966
Buildings, Pumps, and Lift Stations	56,300,730	49,866,781
Machinery and Equipment	18,496,293	15,563,884
Vehicles	4,305,531	4,051,272
Furniture and Fixtures	509,500	509,500
Computer Equipment	2,850,997	2,544,094
Improvements - Oregon Waste Water Treatment Plant	6,580,004	6,580,004
Total Depreciable Capital Assets	341,927,836	311,990,501
Accumulated Depreciation and Amortization	(135,564,067)	(127,688,135)
Net Depreciable Capital Assets	206,363,769	184,302,366
Nondepreciable:		
Land	828,581	775,124
Easements	444,631	383,466
Construction in Progress	6,492,895	17,966,968
Net Capital Assets	214,129,876	203,427,924
<b>OTHER ASSETS</b>		
Net Pension Asset	58,026	29,668
Special Assessments, Less Current Portion	8,689,182	8,253,698
Total Other Assets	8,747,208	8,283,366
Total Noncurrent Assets	222,877,084	211,711,290
Total Assets	253,824,371	242,068,555
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on Debt Refunding	460,709	468,981
Pension	987,104	2,724,267
OPEB	746,332	438,997
Total Deferred Outflows of Resources	2,194,145	3,632,245
Total Assets and Deferred Outflows of Resources	\$ 256,018,516	\$ 245,700,800

See accompanying Notes to Financial Statements.



**NORTHWESTERN WATER & SEWER DISTRICT  
STATEMENTS OF NET POSITION (CONTINUED)  
DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 5,531,880	\$ 5,414,936
Current Portion of Compensated Absences Payable	517,326	353,743
Accounts Payable - Trade	3,516,654	3,358,589
Accrued Payroll and Payroll Taxes	340,622	469,956
Accrued Interest Payable	941,056	908,149
Accounts Due Others	676,486	985,312
Total Current Liabilities	11,524,024	11,490,685
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt, Less Current Portion	82,951,300	80,696,333
Net Pension Liability	6,174,205	8,691,026
Net OPEB Liability	4,354,558	4,167,222
Compensated Absences Payable, Less Current Portion	256,193	230,181
Total Long-Term Liabilities	93,736,256	93,784,762
Total Liabilities	105,260,280	105,275,447
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Revenues	929,444	10,000
Pension	1,465,651	264,656
OPEB	653,050	11,307
Total Deferred Inflows of Resources	3,048,145	285,963
Total Liabilities and Deferred Inflows of Resources	\$ 108,308,425	\$ 105,561,410
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 128,130,721	\$ 121,661,872
Restricted for Debt Service	5,533,554	5,350,513
Unrestricted	14,045,816	13,127,005
Total Net Position	\$ 147,710,091	\$ 140,139,390

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>OPERATING REVENUES</b>		
Utility Revenue	\$ 30,117,379	\$ 27,775,054
Fees and Permits	497,729	507,936
Contract Services	220,704	226,866
Other	702,264	519,382
Total Operating Revenues	31,538,076	29,029,238
<b>OPERATING EXPENSES</b>		
Depreciation and Amortization	9,380,684	8,553,476
Labor	4,618,048	4,408,924
Employee Benefits	2,469,624	3,959,296
Professional Services	1,934,241	1,902,824
Purchased Water and Sewer Treatment	7,384,797	6,798,198
Materials and Supplies	1,581,790	1,614,056
Utilities	788,010	777,025
Other	1,077,695	991,909
Total Operating Expenses	29,234,889	29,005,708
Operating Income	2,303,187	23,530
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	495,227	580,301
Interest Expense	(2,175,359)	(2,012,215)
Other Income (Expense)	135,980	(30,068)
Total Nonoperating Revenues (Expenses)	(1,544,152)	(1,461,982)
<b>AID IN CONSTRUCTION</b>	6,811,666	4,446,872
Change in Net Position	7,570,701	3,008,420
<b>NET POSITION</b>		
Net Position at Beginning of Year	140,139,390	137,130,970
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 147,710,091</b>	<b>\$ 140,139,390</b>

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATIONS</b>		
Cash Received from Customers	\$ 30,547,237	\$ 31,707,957
Cash Payments to Suppliers for Goods and Services	(12,862,154)	(11,715,434)
Cash Payments to Employees for Services	(5,194,972)	(8,762,696)
Net Cash Provided by Operations	12,490,111	11,229,827
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Aid in Construction	6,811,666	4,446,872
Acquisition and Construction of Capital Assets	(20,331,313)	(15,068,710)
Proceeds from Sale of Capital Assets	248,677	653,109
Proceeds from Issuance of Long-Term Debt	7,694,919	11,017,091
Repayment of Long-Term Debt	(5,323,008)	(4,666,664)
Collections on Special Assessments	(146,842)	600,545
Assessed Special Assessments	(268,209)	(268,209)
Interest Paid	(2,006,472)	(2,119,960)
Net Cash Used by Capital and Related Financing Activities	(13,320,582)	(5,405,926)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	495,227	580,301
Proceeds on Sale of Investments	3,046,806	3,181,423
Purchases of Investments	(3,190,088)	(4,910,497)
Net Cash Provided (Used) by Investing Activities	351,945	(1,148,773)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(478,526)	4,675,128
Cash and Cash Equivalents - Beginning of Year	16,710,912	12,035,784
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 16,232,386	\$ 16,710,912
<b>RESTRICTED CASH AND CASH EQUIVALENTS</b>	\$ 4,292,993	\$ 4,105,511
<b>UNRESTRICTED CASH AND CASH EQUIVALENTS</b>	\$ 11,939,393	\$ 12,605,401
<b>SUPPLEMENTAL CASH FLOW INFORMATION (NONCASH ITEMS)</b>		
Aid in Construction	\$ 6,186,872	\$ 560,109

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATIONS</b>		
Operating Income	\$ 2,303,187	\$ 23,530
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:		
Depreciation and Amortization	9,380,684	8,553,476
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:		
Accounts Receivable - Trade	(81,395)	(125,281)
Grant Receivable	(919,444)	2,794,000
Inventory	85,955	(43,813)
Prepaid Expenses	(30,815)	469,885
Deferred Outflow - Refunding	8,272	8,273
Deferred Outflow - Pension	1,737,163	(1,215,587)
Deferred Outflow - OPEB	(307,335)	(195,882)
Net Pension Asset	(28,358)	(1,344)
Accounts Payable - Trade	158,065	(398,478)
Accrued Payroll and Payroll Taxes	(129,334)	60,525
Accounts Due Others	(308,826)	340,984
Net Pension Liability	(2,516,821)	3,939,269
Net OPEB Liability	187,336	863,562
Compensated Absences Payable	189,595	44,553
Deferred Inflow - Grants	-	(2,794,000)
Deferred Inflows - Deferred Revenues	919,444	6,000
Deferred Inflow - Pension	1,200,995	(865,052)
Deferred Inflow - OPEB	641,743	(234,793)
Total Adjustments	10,186,924	11,206,297
Net Cash Provided by Operations	\$ 12,490,111	\$ 11,229,827

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**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 ten-member board of trustees (the board), three appointed by the participating municipalities, three by the participating townships, and four 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. On October 24, 2019, the District passed a resolution to merge Henry County Regional Water and Sewer District into the District, transferring all assets of Henry County Regional Water and Sewer District to the District effective January 1, 2020.

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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 increases (i.e., revenue) and decreases (i.e., expenses) in net total 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, deferred outflows, liabilities, and deferred inflows 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 includes 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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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:

	<u>Years</u>
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, 2020 and 2019.

**Investments**

Investments are stated at fair value.

**Pensions and OPEB**

For purposes of measuring the net pension liability and other postemployment benefits (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.



**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

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

**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 7 and 8 for details on the District's deferred outflows of resources related to its net pension liability and net OPEB liability, respectively. See Note 4 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 7 and 8 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 wastewater. 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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position (Continued)**

The District's board of trustees has designated unrestricted net position of \$6,261,493 and \$6,050,875 as of December 31, 2020 and 2019, 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.

**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% in 2020 and 2019, respectively.

**Subsequent Event**

The District has evaluated subsequent events through June 18, 2021, the date which the financial statements were available to be issued.

**NOTE 2 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.
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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

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 depositors to secure the repayment of all uninsured public deposits at the public depository; provided that at all times the total fair 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 fair 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 \$13,116,406 and \$13,610,697 at December 31, 2020 and 2019, respectively. At December 31, 2020, the bank balance of \$13,566,595 was covered by federal depository insurance and \$13,316,595 was covered by collateral held by the pledging financial institution, but not in the name of the District. At December 31, 2019, the bank balance of \$14,034,516 was covered by federal depository insurance and \$13,784,516 was covered by collateral held by the pledging financial institution, but not in the name of the District.

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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

As of December 31, 2020, the District has not established a formal policy relating to interest rate risk. The District's investments and cash equivalents consist of the following:

	2020		
	Fair Value	Maturity Less Than 1	Maturity 1-5 years
<u>Investments</u>			
U.S. Treasuries and Federal Agency Obligations	\$ 7,956,975	\$ 6,708,371	\$ 1,248,604
Money Market Mutual Funds	1,371,775	1,371,775	-
STAR Ohio	2,232,718	2,232,718	-
Total Investments, Including Restricted	<u>\$ 11,561,468</u>	<u>\$ 10,312,864</u>	<u>\$ 1,248,604</u>
	2019		
	Fair Value	Maturity Less Than 1	Maturity 1-5 years
U.S. Treasuries and Federal Agency Obligations	\$ 8,269,961	\$ 1,764,642	\$ 6,505,319
Money Market Mutual Funds	915,507	915,507	-
STAR Ohio	2,216,953	2,216,953	-
Total Investments, Including Restricted	<u>\$ 11,402,421</u>	<u>\$ 4,897,102</u>	<u>\$ 6,505,319</u>

Investments held by the District at December 31, 2020 and 2019 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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

<u>Investment Type</u>	2020			
	<u>Fair Value</u>	<u>Not Rated</u>	<u>AAA</u>	<u>AA+</u>
U.S. Treasuries and Federal Agency Obligations	\$ 7,956,975	\$ 3,440,187	\$ -	\$ 4,516,788
Money Market Mutual Funds	1,371,775	1,371,775	-	-
Star Treasury Reserve of Ohio (STAROhio)	2,232,718	-	2,232,718	-
Total Investments	<u>\$ 11,561,468</u>	<u>\$ 4,811,962</u>	<u>\$ 2,232,718</u>	<u>\$ 4,516,788</u>

<u>Investment Type</u>	2019			
	<u>Fair Value</u>	<u>Not Rated</u>	<u>AAA</u>	<u>AA+</u>
U.S. Treasuries and Federal Agency Obligations	\$ 8,269,961	\$ 2,097,847	\$ -	\$ 6,172,114
Money Market Mutual Funds	915,507	915,507	-	-
Star Treasury Reserve of Ohio (STAROhio)	2,216,953	-	2,216,953	-
Total Investments	<u>\$ 11,402,421</u>	<u>\$ 3,013,354</u>	<u>\$ 2,216,953</u>	<u>\$ 6,172,114</u>

Reconciliation of this footnote to the financial statements:

	2020	2019
Carrying Amount of Bank Deposits - per Note Above	\$ 13,116,406	\$ 13,610,697
Investments - Per Note Above	11,561,468	11,402,421
Total	<u>\$ 24,677,874</u>	<u>\$ 25,013,118</u>

	2020	2019
Statement of Net Position:		
Cash and Cash Equivalents - Unrestricted	\$ 11,939,393	\$ 12,605,401
Cash and Cash Equivalents - Restricted	4,292,993	4,105,511
Investments - Unrestricted	7,204,927	7,057,204
Investments - Restricted	1,240,561	1,245,002
Total	<u>\$ 24,677,874</u>	<u>\$ 25,013,118</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 (quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs such as investments and yield curves, implied volatiles, and credit spreads); Level 3 inputs are significant unobservable inputs.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2020 and 2019, the District's investments had the following recurring fair value measurements:

<u>Investment Type</u>	2020			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries and Federal Agency Obligations	\$ -	\$ 7,956,975	\$ -	\$ 7,956,975
Money Market Mutual Funds	1,371,775	-	-	1,371,775
Star Treasury Reserve of Ohio (STAROhio)	2,232,718	-	-	2,232,718
Total	<u>\$ 3,604,493</u>	<u>\$ 7,956,975</u>	<u>\$ -</u>	<u>\$ 11,561,468</u>

<u>Investment Type</u>	2019			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries and Federal Agency Obligations	\$ -	\$ 8,269,961	\$ -	\$ 8,269,961
Money Market Mutual Funds	915,507	-	-	915,507
Star Treasury Reserve of Ohio (STAROhio)	2,216,953	-	-	2,216,953
Total	<u>\$ 3,132,460</u>	<u>\$ 8,269,961</u>	<u>\$ -</u>	<u>\$ 11,402,421</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 2020, the District's investment in U.S. Treasury Notes represents 30% of the District's total investments. The District's investment in Freddie Mac bonds represents 11% of the District's total investments in 2020. The District's investment in Federal National Mortgage Association notes represents 15% of the District's total investments in 2020.

In 2019, the District's investment in U.S. Treasury Notes represents 18% of the District's total investments. The District's investment in Freddie Mac bonds represents 16% of the District's total investments in 2019. The District's investment in Federal National Mortgage Association notes represents 13% of the District's total investments in 2019. The District's investment in Farm Credit System represents 13% of the District's investments in 2019. The District's investment in STAROhio represents 19% of the District's investments in 2019.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 3 CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended December 31, 2020 is as follows:

	Balance - December 31, 2019	Additions	Retirements	Transfers	Balance - December 31, 2020
<b>Nondepreciable:</b>					
Land	\$ 775,124	\$ 53,457	\$ -	\$ -	\$ 828,581
Easements	383,466	61,165	-	-	444,631
Construction in Progress	17,966,968	10,446,938	(293,795)	(21,627,216)	6,492,895
Total Nondepreciable	<u>19,125,558</u>	<u>10,561,560</u>	<u>(293,795)</u>	<u>(21,627,216)</u>	<u>7,766,107</u>
<b>Depreciable:</b>					
Sewer and Water Lines	232,874,966	7,672,293	(754,300)	13,091,822	252,884,781
Buildings, Pumps, and Lift Station	49,866,781	662,512	(349,109)	6,120,546	56,300,730
Machinery and Equipment	15,563,884	639,643	(82,072)	2,374,838	18,496,293
Vehicles	4,051,272	539,574	(285,315)	-	4,305,531
Furniture and Fixtures	509,500	-	-	-	509,500
Computer Equipment	2,544,094	316,893	(50,000)	40,010	2,850,997
Improvements - Oregon Wastewater Treatment Plant	6,580,004	-	-	-	6,580,004
Total Depreciable	<u>311,990,501</u>	<u>9,830,915</u>	<u>(1,520,796)</u>	<u>21,627,216</u>	<u>341,927,836</u>
Totals at Historical Cost	331,116,059	20,392,475	(1,814,591)	-	349,693,943
<b>Accumulated Depreciation:</b>					
Sewer and Water Lines	95,606,889	4,993,662	(754,300)	-	99,846,251
Buildings, Pumps, and Lift Station	16,802,326	2,303,091	(331,750)	-	18,773,667
Machinery and Equipment	6,418,542	1,164,795	(76,975)	-	7,506,362
Vehicles	2,784,196	388,522	(285,315)	-	2,887,403
Furniture and Fixtures	417,796	25,844	-	-	443,640
Computer Equipment	2,069,245	300,159	(50,000)	-	2,319,404
Improvements - Oregon Wastewater Treatment Plant	3,589,141	198,199	-	-	3,787,340
Total Accumulated Depreciation	<u>127,688,135</u>	<u>9,374,272</u>	<u>(1,498,340)</u>	<u>-</u>	<u>135,564,067</u>
Capital Assets, Net	<u>\$ 203,427,924</u>	<u>\$ 11,018,203</u>	<u>\$ (316,251)</u>	<u>\$ -</u>	<u>\$ 214,129,876</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 3 CAPITAL ASSETS AND DEPRECIATION (CONTINUED)**

Capital asset activity for the year ended December 31, 2019 is as follows:

	Balance - December 31, 2018	Additions	Retirements	Transfers	Balance - December 31, 2019
<b>Nondepreciable:</b>					
Land	\$ 718,442	\$ 56,682	\$ -	\$ -	\$ 775,124
Easements	390,515	-	(7,049)	-	383,466
Construction in Progress	18,765,302	13,857,926	(496,875)	(14,159,385)	17,966,968
Total Nondepreciable	<u>19,874,259</u>	<u>13,914,608</u>	<u>(503,924)</u>	<u>(14,159,385)</u>	<u>19,125,558</u>
<b>Depreciable:</b>					
Sewer and Water Lines	227,407,380	38,719	(236,240)	5,665,107	232,874,966
Buildings, Pumps, and Lift Station	43,171,807	37,155	-	6,657,819	49,866,781
Machinery and Equipment	13,376,609	581,172	(158,656)	1,764,759	15,563,884
Vehicles	3,825,768	369,437	(143,933)	-	4,051,272
Furniture and Fixtures	509,500	-	-	-	509,500
Computer Equipment	2,426,838	127,619	(82,063)	71,700	2,544,094
Improvements - Oregon Wastewater Treatment Plant	6,580,004	-	-	-	6,580,004
Total Depreciable	<u>297,297,906</u>	<u>1,154,102</u>	<u>(620,892)</u>	<u>14,159,385</u>	<u>311,990,501</u>
Totals at Historical Cost	317,172,165	15,068,710	(1,124,816)	-	331,116,059
<b>Accumulated Depreciation:</b>					
Sewer and Water Lines	91,053,583	4,739,945	(186,639)	-	95,606,889
Buildings, Pumps, and Lift Station	14,764,315	2,038,011	-	-	16,802,326
Machinery and Equipment	5,497,305	973,896	(52,659)	-	6,418,542
Vehicles	2,596,098	332,031	(143,933)	-	2,784,196
Furniture and Fixtures	391,520	26,276	-	-	417,796
Computer Equipment	1,912,605	238,703	(82,063)	-	2,069,245
Improvements - Oregon Wastewater Treatment Plant	3,390,940	198,201	-	-	3,589,141
Total Accumulated Depreciation	<u>119,606,366</u>	<u>8,547,063</u>	<u>(465,294)</u>	<u>-</u>	<u>127,688,135</u>
Capital Assets, Net	<u>\$ 197,565,799</u>	<u>\$ 6,521,647</u>	<u>\$ (659,522)</u>	<u>\$ -</u>	<u>\$ 203,427,924</u>



**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 DEBT**

The District has 97 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, 2020 and 2019:

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2020	2019
WL #167 - 183	05/24/99	\$ 3,503,947	5.56 %	07/01/20	\$ -	\$ 280,813
SS #904 & WL #904	08/31/00	1,660,596	3.00	01/01/21	67,580	196,527
WL #300	10/28/04	90,500	4.10	01/01/25	27,176	32,570
WL #318	09/31/04	338,000	4.56	07/01/24	93,879	114,821
SS #1000	11/04/04	168,224	4.56	07/01/24	46,888	57,347
Weston 3587	09/26/01	560,079	1.50	07/01/23	95,045	125,791
Weston 4046	02/26/04	420,316	1.50	07/01/25	117,133	139,527
Williamsburg 5097	04/30/09	650,829	3.70	07/01/29	248,020	270,860
Northwood 2069	12/11/97	830,175	5.88	07/01/23	171,998	223,084
Northwood 2070	05/28/98	360,000	5.66	07/01/23	73,316	95,187
Weston 5730	10/27/10	908,842	3.41	01/01/31	485,234	523,084
Custar 4444	01/26/06	782,759	1.50	01/01/37	473,443	498,556
Milton Center 4714	05/31/07	757,375	1.00	07/01/38	481,303	505,592
Metering 5865	05/26/11	1,969,940	4.45	07/01/31	1,237,106	1,322,638
Weston 5867	05/26/11	1,389,150	-	01/01/33	860,266	929,088
Bloomdale 4329 Country Manor SS Force	06/30/05	530,152	2.00	01/01/36	313,012	330,081
Rossford 6457	05/30/13	454,582	3.44	01/01/44	289,796	297,704
Rossford 6464	05/30/13	1,298,907	2.67	01/01/34	897,967	952,557
Rossford 6475	06/27/13	2,153,389	2.59	07/01/34	1,628,124	1,723,493
Five Point 6581	10/31/13	1,105,909	2.89	07/01/34	673,142	711,655
Custar WL 6231	06/28/12	596,739	-	07/01/43	420,860	439,159
Cygnets 6335	12/06/12	751,817	3.19	07/01/43	513,830	528,780
Homecraft SS Laterals 6309	10/25/12	554,528	2.48	07/01/33	348,185	370,629
Jennings Rd 6382	01/31/13	767,692	2.94	01/01/44	653,165	672,229
Milton Center 6230	06/28/12	842,856	-	07/01/43	584,677	610,097
Morton Building 6396	02/28/13	381,694	3.09	01/01/43	316,292	325,906
Perrysburg Twp 6260	08/30/12	193,950	3.36	07/01/42	154,641	159,327
Rossford Clearwell 6383	01/31/13	3,777,878	2.94	01/01/44	2,749,900	2,830,162
Rossford Tree St 6232	06/28/12	858,032	2.64	07/01/32	551,857	590,478
Stony Ridge 6397	02/28/13	694,644	1.98	01/01/44	593,115	610,082
SS100 Master Meter 6500	07/25/13	274,953	2.57	07/01/33	178,054	189,456
Walbridge Laterals 6583	10/31/13	540,638	3.59	07/01/34	363,519	383,200
Rossford Tree Streets PR 6644	12/12/13	509,997	3.37	01/01/35	329,963	347,357
Hillside Dr SS 6676	02/27/14	389,462	3.44	01/01/35	305,591	321,608
Rossford Citywide I & I 6641	12/13/13	460,927	3.37	07/01/34	353,323	372,788
Amptown SS 6674	02/27/14	1,902,014	3.44	01/01/35	1,480,066	1,557,641
Hufford Rd WL 6742	05/29/14	1,112,050	3.16	01/01/35	811,835	855,372
Rossford Colony I & I 6773	06/26/14	1,395,708	3.09	07/01/35	1,112,733	1,170,271
East Broadway WL 6766	06/26/14	714,388	2.59	01/01/35	489,198	516,677
100 Area WL 6741	05/29/14	356,451	3.16	01/01/35	255,210	268,896
Jennings Rd PS 6695	03/27/14	721,878	3.33	01/01/35	543,772	572,530
E Broadway WL 6747	05/29/14	369,454	4.00	01/01/45	116,736	119,542
Bloomdale PS 6930	03/26/15	211,816	2.74	01/01/46	179,963	184,787

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 DEBT (CONTINUED)**

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2020	2019
Wise St SS 6893	01/29/15	\$ 923,133	3.03 %	01/01/46	\$ 645,696	\$ 662,286
WL 200 Study 6926	02/26/15	17,878	-	07/01/20	-	3,027
WL 100 Study 6925	02/26/15	21,071	-	07/01/20	-	4,016
Homecraft SS Laterals 6843	10/30/14	728,574	2.96	07/01/35	451,768	475,386
Pump Station Sewer Imp 6943	03/26/15	369,550	1.80	01/01/36	276,407	291,740
Colony Rd PS Replacement 7007	05/28/15	2,801,424	1.99	01/01/36	1,964,667	2,071,897
Water Loss Audit 7087	08/27/15	148,143	-	07/01/21	28,249	56,497
Bays Rd WL 7064	07/01/15	313,001	-	07/01/36	259,506	273,399
BG 2nd WL Connection 7119	09/24/15	487,386	-	07/01/36	404,080	425,808
Rossford 7158	10/29/15	745,156	2.18	07/01/36	561,885	590,947
2nd Portage WL 7185	12/10/15	426,791	1.64	07/01/36	434,475	458,043
SS 200 Area I & I 7159	10/29/15	262,721	1.68	07/01/36	167,961	177,040
Bloomdale Rehab 7063	07/30/15	101,011	1.79	07/01/36	81,853	86,235
Northern Area 7253	02/25/16	757,780	1.85	01/01/37	613,068	644,573
Tracy Rd SS 7397	06/30/16	2,844,821	2.18	01/01/37	2,148,961	2,217,157
Hillview Dr 7258	02/25/16	121,186	1.85	01/01/37	93,169	97,957
WL 300 Area 7337	05/26/16	358,847	1.27	01/01/37	302,423	318,800
Oregon EQ Basin 7254	02/25/16	6,087,816	1.85	01/01/37	5,094,058	5,345,446
Eastwood School 7476	09/29/16	860,359	2.01	07/01/36	714,663	752,187
Bairdton WWTP 7468	08/25/16	1,788,861	-	01/01/38	1,516,765	1,599,281
Northwood 7088	08/27/15	237,914	2.32	07/01/36	198,613	208,759
McComb SS 4235	01/27/05	89,843	4.50	07/01/25	30,411	35,722
McComb CSO 5067	02/26/09	412,026	-	07/01/29	185,412	206,013
Millsbury SS 7540	12/08/16	1,225,129	1.55	07/01/37	914,640	946,322
McComb WTP 2155	01/28/99	1,210,580	3.5-5.5	07/01/20	-	89,594
McComb WT 6485	06/27/13	994,336	2.00	07/01/35	718,115	761,795
PPCP WL 7531	12/08/16	217,700	-	01/01/23	86,723	108,135
Carrington Woods & Totogany 7559	01/26/17	379,925	2.85	07/01/37	346,279	361,355
Hanson, George WL Replace 7560	02/08/17	755,885	2.85	01/01/38	681,302	710,965
Southern Serv Area Water System	09/09/16	474,827	0.76	01/01/37	396,853	419,346
Taylor 7651 WL	04/05/17	399,409	1.83	01/01/38	358,742	375,990
Hamlet 7820 WL	08/10/17	581,310	1.89	01/01/38	519,721	544,535
Curtice 7727 WL	06/08/17	1,069,866	1.63	01/01/38	837,547	866,947
Starbright 7814 WL	08/07/17	1,087,657	1.89	01/01/38	922,420	962,872
Williamsburg 7541	11/07/16	504,305	1.55	07/01/37	318,293	333,148
Nutrient Removal	11/09/16	49,000	-	07/01/37	19,599	29,398
Perrysburg I&I 7813	08/07/17	1,119,722	1.39	01/01/38	857,456	890,199
Lead Elimination 7966	01/29/18	1,003,450	1.81	10/01/22	783,753	815,636
White Rd/ Vineyard WL 8101	05/04/18	706,698	2.15	10/01/22	664,073	693,025
McComb WL Imp 7980	04/06/18	321,351	2.70	07/01/39	257,249	266,870
Oregon/Bays Rd Elevated Tank 8095	06/04/18	463,500	2.90	01/01/40	409,052	424,996
Weston Silver St WL 7979	04/06/18	144,475	2.70	07/01/38	130,356	136,115
McComb Clearwell 8212	08/06/18	1,106,715	-	10/01/23	1,004,298	1,030,049
Hoytville 7812	08/07/17	85,873	-	04/01/22	77,286	81,579
Rudolph Rd Forcemain 7257	08/31/17	180,218	-	06/01/37	134,679	140,720
Lime City Buck Rd WL ODOT 7987	04/06/18	426,852	2.70	07/01/39	373,130	387,856
Rossford Various St Sewer Rehab 8340	1/31/2019	827,474	3.10	01/01/40	773,163	724,125
Weston Center St/Euler/Cygnat 8258	10/25/2018	413,820	2.93	01/01/39	365,967	345,980
Weston Meter Pit 8492	04/25/19	306,839	2.09	01/01/40	179,161	77,134
Millbury SS IMP PH2 8621	07/25/19	933,679	1.00	01/01/41	811,880	114,667
WL 101 Repair 8628	08/29/19	536,574	2.10	01/01/40	525,241	76,731

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 DEBT (CONTINUED)**

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2020	2019
Troy TWP WL IMP 8629	08/29/19	\$ 936,505	2.10 %	07/01/40	\$ 878,931	\$ 576,894
Eagle Point SS Rehab 8665	09/26/19	1,377,781	1.22	01/01/41	876,279	72,855
Ampoint WL 8719	12/12/19	1,097,018	1.10	01/01/41	385,833	14,617
HC Filling home WL*	07/01/12	244,839	3.34	01/01/32	167,300	-
HC Okolona Sewers*	07/01/13	623,615	1.00	01/01/43	376,140	-
HC-McClure WWS*	07/01/12	1,122,494	1.00	01/01/42	837,773	-
HC Water Feasibility Study*	01/01/18	249,692	2.51	07/01/22	229,650	-
HC-McClure WWS*	07/01/14	1,784,282	1.98	01/01/44	1,095,033	-
HC Deimling RD/Duke Dev*	10/31/19	348,751	1.78	01/01/41	344,406	-
Rossford lime city WL	01/30/20	925,098	1.17	01/01/41	784,659	-
Troy TWP SS IMP	02/27/20	1,334,993	1.85	01/01/41	587,037	-
Water main IMP	06/25/20	1,741,146	1.93	01/01/41	6,114	-
Rossford tree st WL	05/28/20	860,897	0.62	04/01/41	11,503	-
Mccomb WL PH 2	10/29/20	699,659	0.02	01/01/41	9,320	-
Woods ST WL Replacement	10/29/20	881,126	0.52	01/01/41	11,745	-
Total					<u>\$ 57,929,704</u>	<u>\$ 53,710,615</u>

\*Northwestern Water and Sewer District merged with Henry County Water Sewer District in 2020 acquiring their debt.

Other long-term loans at December 31, 2020 and 2019 are as follows:

Date of Issue	Purpose	Interest Rate	Maturity Date	Amount Outstanding	
				2020	2019
09/08/98	Jerry City SS #1800 USDA Loan	4.75%	09/08/38	\$ 192,900	\$ 199,600
07/31/04	Jerry City WL #CE37F	-	01/01/25	48,530	53,383
11/03/04	Rudolph SS #CE33E	-	07/01/24	18,638	20,709
07/01/07	Village of Custar #CE411	-	01/01/27	8,750	9,375
07/01/06	OPWC Bloomdale CT17H	-	07/01/26	5,950	6,408
07/01/14	OPWC Rossford Tree St SS Improvements	-	01/01/34	115,859	119,997
07/01/17	Silver St CE42U OPWC	-	07/01/37	152,966	152,966
12/19/19	USDA McComb WWTP	2.38	08/31/40	4,748,700	4,833,000
07/11/17	OPWC McComb Raw Water PS CM26U	-	01/01/21	256,761	263,344
08/24/07	OPWC HC Road P WL CE271*	-	02/28/21	31,294	-
06/06/15	OPWC Meters/Hydrants CE51Q*	-	02/28/21	117,026	-
12/25/11	OPWC HC McClure CE56M*	-	02/28/21	70,228	-
12/16/18	OPWC Deshler CE20U*	-	02/28/21	34,771	-
Total				<u>\$ 5,802,373</u>	<u>\$ 5,658,782</u>

\*Northwestern Water and Sewer District merged with Henry County Water Sewer District in 2020 acquiring their debt.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 DEBT (CONTINUED)**

Bonded debt at December 31, 2020 and 2019 is as follows:

Date of Issue	Purpose	Original Amount	Interest Rate	Maturity Date	Amount Outstanding	
					2020	2019
09/20/00	Special Assessment Bond	\$ 175,000	6.13%	12/01/20	\$ -	\$ 10,000
03/03/16	USDA Bloomdale	1,655,000	2.50	09/01/55	1,548,920	1,576,430
03/20/03	USDA Building Construction	2,975,000	4.63	03/20/33	1,780,938	1,879,353
06/28/04	USDA Revenue Bond	796,000	4.38	06/01/44	1,206,047	1,233,492
02/16/06	Rotary Commission Loan	168,026	5.00	03/01/26	121,246	121,794
05/27/09	USDA Revenue Bond	2,400,000	4.25	05/01/49	2,074,800	2,110,900
06/08/10	2010 Special Assessment	2,350,000	3.50 - 6.28	12/01/30	1,485,001	1,590,001
06/08/10	2010 Revenue Bond	2,350,000	5.00 - 6.23	12/01/30	1,490,001	1,595,001
09/26/12	USDA Cygnet Water	638,879	2.75	06/01/42	515,543	532,458
09/26/12	USDA Cygnet Sewer	967,990	2.75	06/01/42	781,560	807,121
03/23/12	2012 Revenue Bond	3,870,000	2.00 - 4.00	12/01/31	1,758,445	1,973,444 *
03/23/12	2012 Special Assessment	2,880,000	2.00 - 4.00	12/01/24	834,551	1,104,551 *
09/26/12	USDA Building Renovation	2,787,892	2.75	06/01/42	2,526,198	2,609,020
06/28/12	USDA West Millgrove	291,385	2.00	06/01/52	540,653	552,608
01/03/13	USDA Stony Ridge	1,945,000	2.50	01/01/53	1,727,200	1,760,700
02/27/15	2015 Revenue Bond	1,300,000	2.40	12/01/24	550,000	680,000
02/27/15	2015 Special Assessment	1,240,000	2.40	12/01/24	530,000	654,999
07/21/17	2017 Special Assessment	2,325,000	2.00	12/01/27	1,510,000	1,725,000
07/21/17	2017 Revenue Bond	5,545,000	1.96	12/01/28	3,770,000	4,225,000
Total					<u>\$ 24,751,103</u>	<u>\$ 26,741,872</u>

\*Includes unamortized discount/premium

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 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, 2020 and 2019 is as follows:

	2020				
	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020	Amount Due in 2021
	OWDA:				
WL #167 - 183	\$ 280,813	\$ 8,960	\$ 289,773	\$ -	\$ -
SS #904 & WL #904	196,527	-	128,947	67,580	67,580
SS #1000	57,347	-	10,459	46,888	10,941
WL #300	32,570	-	5,394	27,176	5,617
Weston 3587	125,791	-	30,746	95,045	31,209
Weston 4046	139,527	-	22,394	117,133	22,732
Williamsburg 5097	270,860	-	22,840	248,020	23,693
Custar 4444	498,556	-	25,113	473,443	25,491
Milton Center 4714	505,592	-	24,289	481,303	24,533
Weston Water Tower 5730	523,084	-	37,850	485,234	39,152
Fixed Base Metering 5865	1,322,638	-	85,532	1,237,106	89,106
Weston 5867	929,088	-	68,822	860,266	68,805
SS100 Master Meter 6500	189,456	-	11,402	178,054	11,654
Walbridge Laterals 6583	383,200	-	19,681	363,519	20,394
Tree St Pipe Relining 6644	347,357	-	17,394	329,963	17,915
Hillside Dr SS 6676	321,608	-	16,017	305,591	16,573
Rossford I & I 6641	372,788	-	19,465	353,323	20,127
Ampoint SS 6674	1,557,641	-	77,575	1,480,066	80,246
Hufford Rd WL 6742	855,372	-	43,537	811,835	44,862
Rossford Colony I & I 6773	1,170,271	-	57,538	1,112,733	59,294
East Broadway WL 6766	516,677	-	27,479	489,198	28,123
100 Area WL 6741	268,896	-	13,686	255,210	14,097
Jennings Rd Ps 6695	572,530	-	28,758	543,772	29,697
E Broadway WL 6747	119,542	-	2,806	116,736	2,451
2nd Portage WL 7185	458,043	-	23,568	434,475	23,956
SS 200 Area I & I 7159	177,040	-	9,079	167,961	9,066
WL 300 Area 7337	318,800	-	16,377	302,423	16,586
Millbury SS 7540	946,322	1,815	33,497	914,640	46,675
PPCP WL 7531	108,135	-	21,412	86,723	33,706
Hanson, George WL Replace	710,965	-	29,663	681,302	30,514
Southern Serv Area Water System	419,346	-	22,493	396,853	22,664
Taylor 7651 WL	375,990	-	17,248	358,742	17,565
Hamlet 7820 WL	544,535	-	24,814	519,721	25,314
Curtice 7727 WL	866,947	-	29,400	837,547	41,593
Starbright 7814 WL	962,872	-	40,452	922,420	44,761
Lead Elimination 7966	815,636	-	31,883	783,753	35,865
White Rd/ Vineyard WL 8101	693,025	-	28,952	664,073	29,577
McComb WL Imp 7980	266,870	-	9,621	257,249	10,845
Oregon/Bays Rd Elevated Tank 8095	424,996	-	15,944	409,052	16,410
Weston Silver St WL 7979	136,115	-	5,759	130,356	5,916
McComb Clearwell 8212	1,030,049	-	25,751	1,004,298	51,502
OPWC - Custar	9,375	-	625	8,750	1,250
Jerry City SS #1800 USDA Loan	199,600	-	6,700	192,900	7,000
Jerry City WL #CE37F (WL 318)	53,383	-	4,853	48,530	9,706
Rudolph SS1000 #CE33E	20,709	-	2,071	18,638	4,142
Bloomdale CT17H OPWC	6,408	-	458	5,950	915

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 DEBT (CONTINUED)**

	2020				
	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020	Amount Due in 2021
	\$	\$	\$	\$	\$
Special Assessments Bond - 2000	10,000	-	10,000	-	-
USDA Building Construction	1,879,353	-	98,415	1,780,938	102,967
USDA Revenue Bond - Rudolph Bond	1,233,492	-	27,445	1,206,047	28,354
OWDA Jerry City - WL 318	114,821	-	20,942	93,879	21,907
Rotary Commission Loan	121,794	-	548	121,246	121,246
OWDA Northwood - 2069	223,084	2,086	53,172	171,998	54,090
OWDA Northwood - 2070	95,187	-	21,871	73,316	23,109
USDA Rising Sun	2,110,900	-	36,100	2,074,800	37,600
2010 Revenue Bonds	1,595,001	-	105,000	1,490,001	110,000
2010 Special Assessment Bonds	1,590,001	-	105,000	1,485,001	115,000
USDA Cygnet Water	532,458	-	16,915	515,543	17,371
USDA Cygnet Sewer	807,121	-	25,561	781,560	26,320
OWDA Bloomdale 4329	330,081	-	17,069	313,012	17,412
USDA Building Renovation	2,609,020	-	82,822	2,526,198	85,104
USDA West Millgrove	552,608	-	11,955	540,653	12,224
Series 2012 Revenue Bonds	1,952,958	1,672	214,999	1,739,631	215,000
Series 2012 Special Assessment Bonds	1,055,827	3,978	270,000	789,805	270,000
Series 2015 Revenue Bonds	680,000	-	130,000	550,000	134,022
Series 2015 Special Assessment Bonds	654,999	-	124,999	530,000	127,208
OWDA:					
Rossford 6457	297,704	-	7,908	289,796	8,154
Rossford 6464	952,557	-	54,590	897,967	55,995
Rossford 6475	1,723,493	-	95,369	1,628,124	97,855
Five Point 6581	711,655	-	38,513	673,142	39,248
Custar WL 6231	439,159	-	18,299	420,860	18,298
Cygnet 6335	528,780	-	14,950	513,830	15,357
Homecraft SS Laterals 6309	370,629	-	22,444	348,185	23,004
Jennings Rd 6382	672,229	-	19,064	653,165	19,629
Milton Center 6230	610,097	-	25,420	584,677	25,421
Morton Building 6396	325,906	-	9,614	316,292	9,913
Perrysburg Twp 6260	159,327	-	4,686	154,641	4,842
Rossford Clearwell 6383	2,830,162	-	80,262	2,749,900	82,491
Rossford Tree St 6232	590,478	-	38,621	551,857	41,773
Stony Ridge 6397	610,082	-	16,967	593,115	17,495
Bloomdale PS 6930	184,787	-	4,824	179,963	4,954
Rossford 7158	590,947	-	29,062	561,885	29,498
Bloomdale Rehab 7063	86,235	-	4,382	81,853	4,461
Northern Area 7253	644,573	-	31,505	613,068	32,092
Tracy Rd SS 7397	2,217,157	-	68,196	2,148,961	114,002
Hillview Dr 7258	97,957	-	4,788	93,169	4,877
Oregon EQ Basin 7254	5,345,446	-	251,388	5,094,058	266,129
Eastwood School 7476	752,187	-	37,524	714,663	38,282
Bairdtown WWTP 7468	1,599,281	-	82,516	1,516,765	88,479
Northwood 7088	208,759	-	10,146	198,613	10,263
McComb SS 4235	35,722	-	5,311	30,411	5,553
McComb CSO 5067	206,013	-	20,601	185,412	20,601
McComb WTP 2155	89,594	-	89,594	-	-
McComb WT 6485	761,795	-	43,680	718,115	41,935

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 DEBT (CONTINUED)**

	2020				
	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020	Amount Due in 2021
	OWDA (Continued):				
Carrington Woods & Totogany 7559	\$ 361,355	\$ -	\$ 15,076	\$ 346,279	\$ 15,509
Williamsburg 7541	333,148	-	14,855	318,293	16,500
Nutrient Removal 7542	29,398	-	9,799	19,599	9,799
Perrysburg I&I 7813	890,199	-	32,743	857,456	43,103
Wise St SS 6893	662,286	-	16,590	645,696	17,097
WL 200 Study 6926	3,027	-	3,027	-	-
WL 100 Study 6925	4,016	-	4,016	-	-
Homecraft SS Laterals 6843	475,386	-	23,618	451,768	24,046
Pump Station Sewer Imp 6943	291,740	-	15,333	276,407	15,585
Colony Rd PS Replacement 7007	2,071,897	-	107,230	1,964,667	109,025
Water Loss Audit 7087	56,497	-	28,248	28,249	28,249
Bays Rd WL 7064	273,399	-	13,893	259,506	14,142
BG 2nd WL Connection 7119	425,808	-	21,728	404,080	22,107
Hoyville 7812	81,579	-	4,293	77,286	4,294
Ruddolph Rd Forcemain 7257	140,720	-	6,041	134,679	8,094
2017 Revenue Bond	4,225,000	-	455,000	3,770,000	460,000
2017 Special Assessment	1,725,000	-	215,000	1,510,000	225,000
OPWC - Rossford Tree St SS					
Improvements	119,997	-	4,138	115,859	8,191
USDA Bloomdale	1,576,430	-	27,510	1,548,920	27,086
USDA - Stony Ridge	1,760,700	-	33,500	1,727,200	34,300
Lime City Buck Rd WL ODOT 7987	387,856	-	14,726	373,130	15,762
Silver St CE42U OPWC	152,966	-	-	152,966	5,099
USDA McComb WWTP	4,833,000	-	84,300	4,748,700	75,464
OPWC McComb Raw Water PS CM26U	263,344	-	6,583	256,761	13,167
Rossford Various St Sewer Rehab 8340	724,125	64,125	15,087	773,163	29,389
Weston Center St/Euler/Cygnat 8258	345,980	35,690	15,703	365,967	15,154
Weston Meter Pit 8492	77,134	108,245	6,218	179,161	7,529
Millbury SS IMP PH2 8621	114,667	697,213	-	811,880	18,385
WL 101 Repair 8628	76,731	459,373	10,863	525,241	22,050
Troy TWP WL IMP 8629	576,894	302,037	-	878,931	35,777
Eagle Point SS Rehab 8665	72,855	803,424	-	876,279	19,409
Ampoint WL 8719	14,617	371,221	5	385,833	8,650
HC Filling Home WL*	-	179,368	12,068	167,300	12,153
HC Okolona Sewers*	-	391,240	15,100	376,140	14,986
HC-McClure WWS*	-	872,870	35,097	837,773	35,112
HC Water Feasibility STUD*	-	242,134	12,484	229,650	113,393
HC-McClure*	-	1,134,141	39,108	1,095,033	37,189
HC Deimling RD/Duke Dev*	-	344,406	-	344,406	7,206
Rossford Lime City WL	-	784,659	-	784,659	17,468
Troy TWP SS IMP	-	587,037	-	587,037	12,195
Water Main IMP	-	6,114	-	6,114	6,114
Rossford Tree St WL	-	11,503	-	11,503	11,503
Mccomb WL PH 2	-	9,320	-	9,320	9,320
Woods ST WL Replacement	-	11,745	-	11,745	11,745
HC Road P WL CE271*	-	31,294	-	31,294	4,172
Meters/Hydrants CE51Q*	-	119,367	2,341	117,026	4,681
HC McClure CE56M*	-	73,281	3,053	70,228	6,107
Deshler CE20U*	-	36,601	1,830	34,771	1,220
Unamortized Premium	69,210	-	5,650	63,560	-
Total	<u>\$ 86,111,269</u>	<u>\$ 7,694,919</u>	<u>\$ 5,323,008</u>	<u>\$ 88,483,180</u>	<u>\$ 5,531,880</u>

\*Northwestern Water and Sewer District merged with Henry County Water Sewer District in 2020 acquiring their debt.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 DEBT (CONTINUED)**

	2019				
	Balance - December 31, 2018	Additions	Reductions	Balance - December 31, 2019	Amount Due in 2020
OWDA:					
WL #167 - 183	\$ 546,556	\$ -	\$ 265,743	\$ 280,813	\$ 280,814
SS #904 & WL #904	317,614	-	121,087	196,527	128,971
SS #1000	67,345	-	9,998	57,347	10,459
WL #300	37,749	-	5,179	32,570	5,394
Weston 2918	23,704	-	23,704	-	-
Weston 3587	156,081	-	30,290	125,791	30,746
Weston 4046	161,589	-	22,062	139,527	22,394
Williamsburg 5097	292,878	-	22,018	270,860	22,840
Custar 4444	523,296	-	24,740	498,556	25,113
Milton Center 4714	529,640	-	24,048	505,592	24,289
Weston Water Tower 5730	559,675	-	36,591	523,084	37,850
Fixed Base Metering 5865	1,404,488	-	81,850	1,322,638	85,270
Weston 5867	997,909	-	68,821	929,088	68,805
SS100 Master Meter 6500	200,571	-	11,115	189,456	11,361
Walbridge Laterals 6583	402,193	-	18,993	383,200	19,681
Tree St Pipe Relining 6644	364,179	-	16,822	347,357	17,325
Hillside Dr SS 6676	337,088	-	15,480	321,608	16,017
Rossford I & I 6641	391,613	-	18,825	372,788	19,465
Ampoint SS 6674	1,632,614	-	74,973	1,557,641	77,555
Hufford Rd WL 6742	897,565	-	42,193	855,372	43,477
Rossford Colony I & I 6773	1,226,072	-	55,801	1,170,271	57,504
East Broadway WL 6766	543,457	-	26,780	516,677	27,408
100 Area WL 6741	282,160	-	13,264	268,896	13,662
Jennings Rd Ps 6695	600,355	-	27,825	572,530	28,741
E Broadway WL 6747	116,786	2,756	-	119,542	2,358
2nd Portage WL 7185	481,229	-	23,186	458,043	23,568
SS 200 Area I & I 7159	185,968	-	8,928	177,040	8,916
WL 300 Area 7337	334,971	-	16,171	318,800	16,377
Milsbury SS 7540	615,830	330,492	-	946,322	45,960
PPCP WL 7531	151,675	-	43,540	108,135	33,706
Hanson, George WL Replace	739,263	-	28,298	710,965	29,662
Southern Serv Area Water System	407,627	11,719	-	419,346	22,493
Taylor 7651 WL	392,926	-	16,936	375,990	17,248
Hamlet 7820 WL	462,576	81,959	-	544,535	24,842
Curtice 7727 WL	916,178	-	49,231	866,947	40,924
Starbright 7814 WL	902,448	60,424	-	962,872	43,927
Lead Elimination 7966	61,877	753,759	-	815,636	35,225
White Rd/ Vineyard WL 8101	63,619	629,406	-	693,025	28,951
McComb WL Imp 7980	261,821	5,049	-	266,870	10,558
Oregon/Bays Rd Elevated Tank 8095	180,220	244,776	-	424,996	15,944
Weston Silver St WL 7979	141,722	-	5,607	136,115	5,760
McComb Clearwell 8212	14,742	1,015,307	-	1,030,049	25,751
Weston Center St 8258	1,448	-	1,448	-	-
OPWC - Custar	10,625	-	1,250	9,375	1,250
Jerry City SS #1800 OPWC Loan	25,285	-	25,285	-	-
Jerry City SS #1800 USDA Loan	206,000	-	6,400	199,600	6,700
Jerry City WL #CE37F (WL 318)	63,089	-	9,706	53,383	9,706
Rudolph SS1000 #CE33E	24,851	-	4,142	20,709	4,142
Bloomdale CT17H OPWC	7,323	-	915	6,408	915



**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 DEBT (CONTINUED)**

	2019				
	Balance - December 31, 2018	Additions	Reductions	Balance - December 31, 2019	Amount Due in 2020
	\$	\$	\$	\$	\$
Special Assessments Bond - 1999	40,000	-	40,000	-	-
Special Assessments Bond - 2000	20,000	-	10,000	10,000	10,000
USDA Building Construction	1,973,417	-	94,064	1,879,353	98,415
USDA Revenue Bond -					
Rudolph Bond	1,260,131	-	26,639	1,233,492	27,445
OWDA Jerry City - WL 318	134,839	-	20,018	114,821	20,941
Rotary Commission Loan	125,623	-	3,829	121,794	121,794
OWDA Northwood - 2069	271,333	-	48,249	223,084	51,086
OWDA Northwood - 2070	115,886	-	20,699	95,187	21,871
USDA Rising Sun	2,145,500	-	34,600	2,110,900	36,100
2010 Revenue Bonds	1,695,001	-	100,000	1,595,001	105,000
2010 Special Assessment Bonds	1,690,001	-	100,000	1,590,001	105,000
USDA Cygnet Water	548,928	-	16,470	532,458	16,899
USDA Cygnet Sewer	832,009	-	24,888	807,121	25,605
OWDA Bloomdale 4329	346,814	-	16,733	330,081	17,069
USDA Building Renovation	2,689,662	-	80,642	2,609,020	82,826
USDA West Millgrove	564,369	-	11,761	552,608	11,984
Series 2012 Revenue Bonds	2,171,287	-	218,329	1,952,958	215,000
Series 2012 Special					
Assessment Bonds	1,316,850	-	261,023	1,055,827	270,000
Series 2015 Revenue Bonds	810,000	-	130,000	680,000	130,863
Series 2015 Special					
Assessment Bonds	774,999	-	120,000	654,999	124,209
OWDA:					
Rossford 6457	305,346	-	7,642	297,704	7,880
Rossford 6464	1,005,718	-	53,161	952,557	54,528
Rossford 6475	1,816,438	-	92,945	1,723,493	95,369
Five Point 6581	749,080	-	37,425	711,655	38,138
Custar WL 6231	457,457	-	18,298	439,159	18,298
Cygnet 6335	543,264	-	14,484	528,780	14,878
Homecraft SS Laterals 6309	392,526	-	21,897	370,629	22,444
Huffman Rd 6118	1,750	-	1,750	-	-
Jennings Rd 6382	690,745	-	18,516	672,229	19,064
Milton Center 6230	635,518	-	25,421	610,097	25,421
Morton Building 6396	335,228	-	9,322	325,906	9,613
Perrysburg Twp 6260	163,859	-	4,532	159,327	4,683
Rossford Clearwell 6383	2,908,116	-	77,954	2,830,162	80,119
Rossford Tree St 6232	628,100	-	37,622	590,478	40,692
Stony Ridge 6397	626,536	-	16,454	610,082	16,967
Bloomdale PS 6930	189,481	-	4,694	184,787	4,821
Rossford 7158	619,385	-	28,438	590,947	28,865
Bloomdale Rehab 7063	90,539	-	4,304	86,235	4,382
Northern Area 7253	675,504	-	30,931	644,573	31,505
Tracy Rd SS 7397	2,353,677	-	136,520	2,217,157	112,222
Hillview Dr 7258	101,925	-	3,968	97,957	4,788
Oregon EQ Basin 7254	5,301,913	43,533	-	5,345,446	261,273
Eastwood School 7476	788,968	-	36,781	752,187	37,524
Bairdtown WWTP 7468	1,725,345	-	126,064	1,599,281	88,479
Northwood 7088	218,673	-	9,914	208,759	10,029
McComb SS 4235	40,803	-	5,081	35,722	5,312
McComb CSO 5067	226,614	-	20,601	206,013	20,601
McComb WTP 2155	175,220	-	85,626	89,594	89,594
McComb WT 6485	804,614	-	42,819	761,795	41,108

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 DEBT (CONTINUED)**

	2019				
	Balance - December 31, 2018	Additions	Reductions	Balance - December 31, 2019	Amount Due in 2020
	OWDA (Continued):				
Carrington Woods & Totogany 7559	\$ 376,011	\$ -	\$ 14,656	\$ 361,355	\$ 15,076
Williamsburg 7541	344,603	-	11,455	333,148	16,247
Nutrient Removal 7542	39,197	-	9,799	29,398	9,799
Perrysburg I&I 7813	344,406	545,793	-	890,199	42,510
Wise St SS 6893	678,386	-	16,100	662,286	16,591
WL 200 Study 6926	6,054	-	3,027	3,027	3,027
WL 100 Study 6925	8,032	-	4,016	4,016	4,016
Homecraft SS Laterals 6843	498,320	-	22,934	475,386	23,349
Pump Station Sewer Imp 6943	304,010	-	12,270	291,740	15,308
Colony Rd PS Replacement 7007	2,138,326	-	66,429	2,071,897	106,888
Water Loss Audit 7087	84,746	-	28,249	56,497	28,249
Bays Rd WL 7064	287,046	-	13,647	273,399	13,892
BG 2nd WL Connection 7119	447,162	-	21,354	425,808	21,727
Hoytville 7812	7,255	74,324	-	81,579	4,294
Rudolph Rd Forcemain 7257	149,730	-	9,010	140,720	8,094
2017 Revenue Bond	4,675,000	-	450,000	4,225,000	455,000
2017 Special Assessment	1,935,000	-	210,000	1,725,000	215,000
OPWC - Rossford Tree St SS Improvements	128,273	-	8,276	119,997	8,191
USDA Bloomdale	1,603,270	-	26,840	1,576,430	26,426
USDA - Stony Ridge	1,793,300	-	32,600	1,760,700	33,500
Lime City Buck Rd WL ODOT 7987	269,409	118,447	-	387,856	15,345
Silver St CE42U OPWC	152,966	-	-	152,966	5,099
Huntington Bank-McComb WWTP	50,001	-	50,001	-	-
USDA McComb WWTP	-	4,833,000	-	4,833,000	73,714
OPWC McComb Raw Water PS CM26U	-	263,344	-	263,344	13,167
Rossford Various St Sewer Rehab 8340	-	724,125	-	724,125	13,203
Weston Center St/Euler/Cygnnet 8258	-	345,980	-	345,980	13,379
Weston Meter Pit 8492	-	77,134	-	77,134	1,563
Millbury SS IMP PH2 8621	-	114,667	-	114,667	-
WL 101 Repair 8628	-	76,731	-	76,731	1,554
Troy TWP WL IMP 8629	-	576,894	-	576,894	-
Eagle Point SS Rehab 8665	-	72,855	-	72,855	-
Ampoint WL 8719	-	14,617	-	14,617	-
Unamortized Premium	74,858	-	5,648	69,210	-
Total	<u>\$ 79,760,842</u>	<u>\$ 11,017,091</u>	<u>\$ 4,666,664</u>	<u>\$ 86,111,269</u>	<u>\$ 5,414,936</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. The outstanding balance of the bonds at December 31, 2020 was \$3,770,000. These bonds are considered defeased and are not included as District debt in this financial statement.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 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. The outstanding balance of the bonds at December 31, 2020 was \$1,510,000. These bonds are considered defeased and are not included as District debt in this financial statement.

**NOTE 5 DEBT SERVICE REQUIREMENTS**

The annual principal and interest requirements on all loans outstanding at December 31, 2020 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,421,859	\$ 1,222,057	\$ 4,643,916
2022	3,321,515	1,176,038	4,497,553
2023	3,245,392	1,100,615	4,346,007
2024	3,175,705	1,025,979	4,201,684
2025	3,198,481	955,628	4,154,109
2026-2030	16,726,549	3,685,252	20,411,801
2031-2035	16,377,157	1,812,694	18,189,852
2036-2040	7,531,779	534,785	8,066,564
2041-2045	1,860,561	92,800	1,953,361
2046-2050	52,726	339	53,065
Total	<u>\$ 58,911,724</u>	<u>\$ 11,606,188</u>	<u>\$ 70,517,912</u>

The annual principal and interest requirements on all bonded debts outstanding at December 31, 2020 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,110,021	\$ 888,324	\$ 2,998,345
2022	2,091,337	824,639	2,915,976
2023	2,006,728	724,166	2,730,894
2024	2,017,713	707,969	2,725,682
2025	1,686,057	652,515	2,338,572
2026-2030	7,031,843	2,517,551	9,549,394
2031-2035	3,164,428	1,569,121	4,733,548
2036-2040	2,814,789	1,147,503	3,962,292
2041-2045	2,431,310	734,661	3,165,971
2046-2050	1,979,387	421,215	2,400,602
2051-2055	1,412,494	187,102	1,599,596
2056-2060	761,789	44,334	806,123
Total	<u>\$ 29,507,896</u>	<u>\$ 10,419,099</u>	<u>\$ 39,926,995</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 5 DEBT SERVICE REQUIREMENTS (CONTINUED)**

At December 31, 2020 and 2019, the District had \$5,533,554 and \$5,350,513, 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.

At December 31, 2020 and 2019, \$1,830,174 and \$1,831,419 in loans from the Rotary Commission are outstanding, respectively. These amounts have not been reflected in the District's financial statements, since the County is ultimately responsible for the payment of this debt. 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 2020 and 2019, 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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

**Net Pension Liability (Asset) (Continued)**

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.

**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 Comprehensive Annual Financial Report referenced above for additional information):

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

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

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
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 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.

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:

	<u>2020</u>	<u>2019</u>
Statutory Maximum Contribution Rates:		
Employer	14.0 %	14.0 %
Employee	10.0	10.0
Actual Contribution Rates:		
Employer:		
Pension	14.0	14.0
Post-Employment Health Care Benefits	-	-
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>
Total Employee	<u>10.0 %</u>	<u>10.0 %</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

**Funding Policy (Continued)**

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payrolls. The District's contractually required contribution was \$645,089 for 2020 and \$633,104 for 2019. All required contributions have been paid.

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

The net pension liability (asset) for OPERS for 2020 and 2019 was measured as of December 31, 2019 and 2018, 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 (asset) 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, 2020 and 2019:

	2020	
	Traditional	Combined
Proportionate Share of the Net Pension Liability (Asset)	\$ 6,174,205	\$ (58,026)
Proportion of the Net Pension Liability (Asset)	0.031237 %	0.027827 %
Pension Expense	\$ 1,031,689	\$ 7,397
	2019	
	Traditional	Combined
Proportionate Share of the Net Pension Liability (Asset)	\$ 8,691,026	\$ (29,668)
Proportion of the Net Pension Liability (Asset)	0.031733 %	0.026531 %
Pension Expense	\$ 2,032,036	\$ 9,151

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

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

At December 31, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020	
	Traditional	Combined
<i>Deferred Outflows of Resources:</i>		
Changes of Assumptions	\$ 329,776	\$ 5,983
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	6,256
Subtotal	329,776	12,239
District Contributions Subsequent to the Measurement Date	626,941	18,148
Total Deferred Outflows of Resources	\$ 956,717	\$ 30,387
<i>Deferred Inflows of Resources:</i>		
Net Differences between Projected and Actual Earnings on Pension Plan Investments	\$ 1,231,615	\$ 7,528
Differences Between Expected and Actual Experience Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	78,064	13,621
Total Deferred Inflows of Resources	\$ 1,437,040	\$ 28,611
	2019	
	Traditional	Combined
<i>Deferred Outflows of Resources:</i>		
Differences Between Expected and Actual Experience Changes of Assumptions	\$ 401	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	756,571	6,626
	1,179,615	6,391
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	133,484	8,076
Subtotal	2,070,071	21,093
District Contributions Subsequent to the Measurement Date	615,761	17,342
Total Deferred Outflows of Resources	\$ 2,685,832	\$ 38,435
<i>Deferred Inflows of Resources:</i>		
Differences Between Expected and Actual Experience Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	\$ 114,118	\$ 12,117
Total Deferred Inflows of Resources	\$ 245,501	\$ 19,155



**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 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 in the previous table will be recognized as a reduction in the net pension (asset) liability in the subsequent fiscal period. 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>
2021	\$ (442,906)	\$ (2,949)
2022	(752,939)	(2,808)
2023	88,581	(709)
2024	-	(4,511)
2025	-	(1,836)
Thereafter	-	(3,559)
Total	<u>\$ (1,107,264)</u>	<u>\$ (16,372)</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, 2019 and 2018, 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	7.2%	7.2%
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 RETIREMENT PLANS (CONTINUED)**

**Actuarial Assumptions (Continued)**

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 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement 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. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of 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, 2018, 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 7.5% down to 7.2%, 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 17.2% in 2019 and 2.94% for 2018.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 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 2019 and 2018 and the long-term expected real rates of return:

	2020	
	Target Allocation For 2019	Weighted Average Long-Term Expected Real Rate of Return
Asset Class:		
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other Investments	13.00	4.98
Total	100.00 %	5.61 %
	2019	
	Target Allocation For 2018	Weighted Average Long-Term Expected Real Rate of Return
Asset Class:		
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other Investments	18.00	5.50
Total	100.00 %	5.95 %

**Discount Rate**

The discount rate used to measure the total pension liability was 7.2% in 2019 and 2018. 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, 2020 AND 2019**

**NOTE 7 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 (asset) calculated using the current period discount rate assumption of 7.2%, 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 (6.2%) or one-percentage-point higher (8.2%) than the current rate:

	2020		
	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
District's Proportionate Share of the Net Pension Liability(Asset):			
Traditional Pension Plan	\$ 10,183,262	\$ 6,174,205	\$ 2,570,180
Combined Pension Plan	(35,062)	(58,026)	(74,576)
	2019		
	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
District's Proportionate Share of the Net Pension Liability(Asset):			
Traditional Pension Plan	\$ 12,839,172	\$ 8,691,026	\$ 5,243,878
Combined Pension Plan	(9,816)	(29,668)	(44,041)

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS**

**Net OPEB Liability**

As described in Note 7, 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, 2020 AND 2019**

**NOTE 8 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 2019 Comprehensive Annual Financial Report.

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 0% for 2019. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan health care accounts was 4.0% for 2018.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

At December 31, 2020, 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, 2019. 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.

<u>Measurement Date</u>	<u>Net OPEB Liability</u>	<u>Proportionate Share</u>
December 31, 2019	\$ 4,354,558	0.031526 %
December 31, 2018	\$ 4,167,222	0.031963 %

For the years ended December 31, 2020 and 2019, the District recognized OPEB expense of \$529,411 and \$432,887, respectively.

At December 31, 2020 and 2019, the District reported deferred outflow of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Projected and Actual Experience	\$ 117	\$ 398,246
Changes of Assumption	689,279	-
Differences Between Projected and Actual Investment Earnings	-	221,732
Change in Proportionate Share	56,936	33,072
Total	<u>\$ 746,332</u>	<u>\$ 653,050</u>
	<u>2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Projected and Actual Experience	\$ 1,411	\$ 11,307
Changes of Assumption	134,357	-
Differences Between Projected and Actual Investment Earnings	191,043	-
Change in Proportionate Share	112,186	-
Total	<u>\$ 438,997</u>	<u>\$ 11,307</u>

There are no contributions subsequent to the measurement date because the contribution rate was 0% for 2020 and 2019.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

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>	Net Deferred Outflows (Inflows)
2021	\$ 147,349
2022	40,505
2023	177
2024	<u>(94,749)</u>
Total	<u>\$ 93,282</u>

**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 12/31/19	OPERS - as of 12/31/18
Inflation	3.25%	3.25%
Salary increases	3.25% - 10.75% (includes inflation)	3.25% - 10.75% (includes inflation)
Single discount rate of return	3.16%	3.96%
Investment rate of return	6.00%, net of investment expenses	6.00%, net of investment expenses
Health care cost trends	10.5% initial, 3.50% ultimate in 2030	10.0% initial, 3.25% ultimate in 2029

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 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement 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. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

**NORTHWESTERN WATER & SEWER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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, 2018, rolled forward to the measurement date of December 31, 2019.

**Discount Rate**

A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. 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 future contributions were sufficient to finance health care costs through the year 2034. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 6.00% and a municipal bond rate of 2.74%. 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 OPEB plan's fiduciary net position and future contributions were sufficient to finance the health care costs through the year 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, 2020 AND 2019**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Target Investment Allocation and Long-Term Expected Real Rate of Return**

The allocation of investment assets within the OPERS 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 tables below display the board-approved asset allocation policy and the long-term expected real rates of return.

	2020	
	Target Allocation for 2019	Weighted Average Long-Term Expected Real Rate of Return
Asset Class:		
Fixed Income	36.00 %	1.53 %
Domestic Equity	21.00	5.75
Real Estate	6.00	5.69
International Equity	23.00	7.66
Other Investments	14.00	4.90
Total	100.00 %	4.55 %

	2019	
	Target Allocation for 2018	Weighted Average Long-Term Expected Real Rate of Return
Asset Class:		
Fixed Income	34.00 %	2.42 %
Domestic Equity	21.00	6.21
Real Estate	6.00	5.98
International Equity	22.00	7.83
Other Investments	17.00	5.57
Total	100.00 %	5.16 %

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**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 1.0 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.

	2019		
	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
District's Proportionate Share of the OPEB Liability:	\$ 5,698,640	\$ 4,354,558	\$ 3,278,389

	2019		
	1% Decrease (9.50%)	Health Care Rate (10.50%)	1% Increase (11.50%)
District's Proportionate Share of the OPEB Liability:	\$ 4,226,060	\$ 4,354,558	\$ 4,481,421

	2018		
	1% Decrease (2.96%)	Discount Rate (3.96%)	1% Increase (4.96%)
District's Proportionate Share of the OPEB Liability:	\$ 5,331,428	\$ 4,167,222	\$ 3,241,368

	2018		
	1% Decrease (9.00%)	Health Care Rate (10.00%)	1% Increase (11.00%)
District's Proportionate Share of the OPEB Liability:	\$ 4,005,603	\$ 4,167,222	\$ 4,353,361

**OPEB Plan Fiduciary Net Position**

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

**Payable to the OPEB Plan**

The District did not have a payable to the OPEB plan as of December 31, 2020 and 2019.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

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

For nonunion employees, these agreements provide for two weeks of paid vacation for 1-4 years of service, three weeks for 4-9 years of service, four weeks for 9-14 years of service, 4.5 weeks for 14-19 years of service, five weeks for 19-24 years of service, and six weeks for over 24 years of service.

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 retirement 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, 2020 and 2019 is as follows:

	December 31, 2019	Increase	Decrease	December 31, 2020
Sick Leave Payable	\$ 255,181	\$ 48,945	\$ 23,350	\$ 280,776
Vacation Pay	243,445	324,373	247,424	320,394
Compensatory Time	85,298	299,766	212,715	172,349
Total	<u>\$ 583,924</u>	<u>\$ 673,084</u>	<u>\$ 483,489</u>	<u>\$ 773,519</u>
	December 31, 2018	Increase	Decrease	December 31, 2019
Sick Leave Payable	\$ 257,302	\$ 19,667	\$ 21,788	\$ 255,181
Vacation Pay	204,277	319,187	280,019	243,445
Compensatory Time	77,792	176,475	168,969	85,298
Total	<u>\$ 539,371</u>	<u>\$ 515,329</u>	<u>\$ 470,776</u>	<u>\$ 583,924</u>

The District estimates \$517,326 of compensated absences will be paid in 2021.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**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 2020 and 2019. 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, 2020.

**Construction Commitments**

At December 31, 2020, the District has construction commitments, on which work has not commenced, totaling \$9,069,632 which will be funded by existing resources or the issuance of new revenue debt. All projects were current at December 31, 2020.

**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 wastewater treatment facilities and collection systems within various areas of the District. At December 31, 2020, 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 \$3,489,026 at December 31, 2020 in potential receivables related to special assessments that have been deferred by the County. The special assessments were deferred on properties, \$1,830,174 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, 2020 AND 2019**

**NOTE 12 SEGMENT INFORMATION**

Significant financial data for the respective divisions of the December 31, 2020 and 2019 is as follows:

**Statement of Net Position**

	2020			2019		
	Water	Sewer	Total	Water	Sewer	Total
Current Assets	\$ 19,530,848	\$ 11,416,439	\$ 30,947,287	\$ 18,649,591	\$ 11,707,674	\$ 30,357,265
Capital Assets	94,918,323	119,211,553	214,129,876	88,074,461	115,353,463	203,427,924
Other Assets	3,716,986	5,030,222	8,747,208	3,763,294	4,520,072	8,283,366
Total Assets	118,166,157	135,658,214	253,824,371	110,487,346	131,581,209	242,068,555
Deferred Outflows of Resources	1,067,702	1,126,443	2,194,145	1,869,777	1,762,468	3,632,245
Current Liabilities	5,638,571	5,885,453	11,524,024	4,671,136	6,819,549	11,490,685
Long-Term Liabilities	41,475,127	52,261,129	93,736,256	41,382,037	52,402,725	93,784,762
Total Liabilities	47,113,698	58,146,582	105,260,280	46,053,173	59,222,274	105,275,447
Deferred Inflows of Resources	1,027,429	2,020,716	3,048,145	153,502	132,461	285,963
Net Investment In Capital Assets	57,097,763	71,032,958	128,130,721	53,580,267	68,081,605	121,661,872
Restricted	2,864,515	2,669,039	5,533,554	2,862,070	2,488,443	5,350,513
Unrestricted	11,130,454	2,915,362	14,045,816	9,708,111	3,418,894	13,127,005
Total Net Position	<u>\$ 71,092,732</u>	<u>\$ 76,617,359</u>	<u>\$ 147,710,091</u>	<u>\$ 66,150,448</u>	<u>\$ 73,988,942</u>	<u>\$ 140,139,390</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 12 SEGMENT INFORMATION (CONTINUED)**

**Statement of Revenues, Expenses, and Changes in Net Position**

	2020			2019		
	Water	Sewer	Total	Water	Sewer	Total
Utility Revenues	\$ 18,619,069	\$ 11,498,310	\$ 30,117,379	\$ 16,783,043	\$ 10,992,011	\$ 27,775,054
Other Revenues	881,896	538,801	1,420,697	835,523	418,661	1,254,184
Total Operating Revenues	19,500,965	12,037,111	31,538,076	17,618,566	11,410,672	29,029,238
Depreciation and Amortization	4,121,424	5,259,260	9,380,684	3,704,971	4,848,505	8,553,476
Other Operating Expenses	12,571,788	7,282,417	19,854,205	13,352,498	7,099,734	20,452,232
Total Operating Expenses	16,693,212	12,541,677	29,234,889	17,057,469	11,948,239	29,005,708
Operating Income	2,807,753	(504,566)	2,303,187	561,097	(537,567)	23,530
Interest Expense	(1,009,148)	(1,166,211)	(2,175,359)	(991,403)	(1,020,812)	(2,012,215)
Other Nonoperating Revenues	296,657	334,550	631,207	247,615	302,618	550,233
Total Non-Operating Revenues (Expenses)	(712,491)	(831,661)	(1,544,152)	(743,788)	(718,194)	(1,461,982)
Aid in Construction	2,847,022	3,964,644	6,811,666	856,153	3,590,719	4,446,872
Change in Net Position	4,942,284	2,628,417	7,570,701	673,462	2,334,958	3,008,420
Net Position:						
Beginning of Year	66,150,448	73,988,942	140,139,390	65,476,986	71,653,984	137,130,970
End of Year	\$ 71,092,732	\$ 76,617,359	\$ 147,710,091	\$ 66,150,448	\$ 73,988,942	\$ 140,139,390

**Statement of Cash Flows**

	2020			2019		
	Water	Sewer	Total	Water	Sewer	Total
Net Cash Provided (Used) by:						
Operations	\$ 7,813,304	\$ 4,676,807	\$ 12,490,111	\$ 5,459,805	\$ 5,770,022	\$ 11,229,827
Capital And Related Financing Activities	(7,182,178)	(6,138,404)	(13,320,582)	(2,443,584)	(2,962,342)	(5,405,926)
Investing Activities	169,357	182,588	351,945	(1,322,795)	174,022	(1,148,773)
Cash and Cash Equivalents Beginning of Year	11,325,789	5,385,123	16,710,912	9,632,363	2,403,421	12,035,784
End of Year	\$ 12,126,272	\$ 4,106,114	\$ 16,232,386	\$ 11,325,789	\$ 5,385,123	\$ 16,710,912

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 13 RISK AND UNCERTAINTY**

During 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the District, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, declines in services provided, loss of revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the District is taking appropriate action to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**REQUIRED SUPPLEMENTARY INFORMATION**



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

	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.031237%	0.03173 %	0.03029 %	0.02775 %	0.02676 %	0.02673 %	0.02677 %
District's Proportionate Share of the Net Pension Liability	\$ 6,174,205	\$ 8,691,026	\$ 4,751,757	\$ 6,300,645	\$ 4,635,516	\$ 3,223,937	\$ 3,151,119
District's Covered Payroll	\$ 4,522,171	\$ 4,396,186	\$ 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	136.53 %	197.69 %	116.22 %	175.67 %	139.17 %	98.39 %	95.01 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.17 %	74.70 %	84.66 %	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.
- (2) This Schedule only shows the Traditional Plan. The Combined Plan is insignificant.
- (3) Changes in Assumptions and Benefit Terms: No significant changes noted.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 645,089	\$ 633,104	\$ 615,466	\$ 531,506	\$ 430,393	\$ 399,692	\$ 393,213	\$ 398,006
Contributions in Relation to the Contractually Required Contribution	<u>(645,089)</u>	<u>(633,104)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District Covered Payroll	\$ 4,607,779	\$ 4,522,171	\$ 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%	14%	14%	13%	12%	12%	12%	12%

(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.

(2) Changes in Assumptions and Benefit Terms: No significant changes noted.

**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 FOUR YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's Proportion of the Net OPEB Liability	0.00315 %	0.03196 %	0.03042 %	0.03042 %
District's Proportionate Share of the Net OPEB Liability	\$ 4,354,558	\$ 4,167,222	\$ 3,303,660	\$ 3,072,776
District's Covered Payroll	\$ 4,522,171	\$ 4,396,186	\$ 4,088,508	\$ 3,586,608
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	96.29 %	94.79 %	80.80 %	85.67 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		47.80 %	46.33 %	54.14 %

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.
- (2) Changes in Assumptions and Benefit Terms: No significant changes noted.

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

	<u>2020</u>	<u>2019</u>	<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	-	-	-	(40,885)	(71,732)	(66,615)	(64,552)	(35,489)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (0)</u>
District Covered Payroll	\$ 4,607,779	\$ 4,522,171	\$ 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%	0.00%	0.00%	1.00%	2.00%	2.00%	1.97%	1.07%

(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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>REVENUES</b>				
Operating Revenue:				
Utility Revenues	\$ 28,117,157	\$ 30,117,379	\$ 30,117,379	\$ -
Other Operating Revenues	1,152,500	1,420,696	7,800,962	6,380,266
Nonoperating Revenue - Interest	600,000	495,227	495,227	-
Total Revenues	29,869,657	32,033,302	38,413,568	6,380,266
<b>EXPENSES</b>				
Operating Expenses:				
Operations and Maintenance	18,385,374	18,939,318	18,664,238	(275,080)
Debt Retirement	7,238,004	7,484,449	7,362,387	(122,062)
Total Expenses	25,623,378	26,423,767	26,026,625	(397,142)
Operating Income	4,246,279	5,609,535	12,386,943	6,777,408
<b>RECONCILIATION TO CHANGE IN NET POSITION</b>				
Aid on Construction:				
Grants and Other	-	45,477	45,477	-
System Development Fees and other Aid in Construction	350,000	385,524	385,524	-
Antidegradation Credits	-	400	400	-
Total Aid in Construction	350,000	431,401	431,401	-
<b>CHANGE IN NET POSITION</b>	<b>\$ 4,596,279</b>	<b>\$ 6,040,936</b>	<b>\$ 12,818,344</b>	<b>\$ 6,777,408</b>

**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 2020 financial statements is as follows:

Change in Net Position - Budgetary Basis Above	\$ 12,818,344
GASB 68	(668,223)
GASB 75	(521,744)
Depreciation	(9,380,684)
Principal Payments on Debt	5,323,008
<b>CHANGE IN NET POSITION - GAAP</b>	<b>\$ 7,570,701</b>

**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF NET POSITION –  
INFORMATION BY DIVISION  
DECEMBER 31, 2020**

<b>ASSETS</b>	<u>Water</u>	<u>Sewer</u>	<u>Eliminations</u>	<u>Combined</u>
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents:				
Unrestricted	\$ 10,502,318	\$ 1,437,075	\$ -	\$ 11,939,393
Restricted	1,623,954	2,669,039	-	4,292,993
Investments:				
Unrestricted	3,336,733	3,868,194	-	7,204,927
Restricted	1,240,561	-	-	1,240,561
Accounts Receivable - Trade	1,853,366	1,770,350	-	3,623,716
Grants Receivable	-	919,444	-	919,444
Current Portion of Special Assessments	487,089	492,647	-	979,736
Inventory	363,451	144,221	-	507,672
Prepaid Expenses	123,376	115,469	-	238,845
Total Current Assets	<u>19,530,848</u>	<u>11,416,439</u>	<u>-</u>	<u>30,947,287</u>
<b>NONCURRENT ASSETS</b>				
Capital Assets (Depreciable):				
Sewer and Water Lines	104,804,260	148,080,521	-	252,884,781
Buildings, Pumps, and Lift Stations	21,857,042	34,443,688	-	56,300,730
Machinery and Equipment	9,985,669	8,510,624	-	18,496,293
Vehicles	1,633,909	2,671,622	-	4,305,531
Furniture and Fixtures	223,556	285,944	-	509,500
Computer Equipment	1,032,781	1,818,216	-	2,850,997
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	142,931,735	198,996,101	-	341,927,836
Accumulated Depreciation	<u>(52,916,325)</u>	<u>(82,647,742)</u>	<u>-</u>	<u>(135,564,067)</u>
Net Depreciable Capital Assets	90,015,410	116,348,359	-	206,363,769
Capital Assets (Nondepreciable):				
Land	349,874	478,707	-	828,581
Easements	112,765	331,866	-	444,631
Construction in Process	<u>4,440,274</u>	<u>2,052,621</u>	<u>-</u>	<u>6,492,895</u>
Net Capital Assets	94,918,323	119,211,553	-	214,129,876
<b>OTHER ASSETS</b>				
Special Assessments, Less Current Portion	3,689,134	5,000,048	-	8,689,182
Net Pension Asset	27,852	30,174	-	58,026
Total Other Assets	<u>3,716,986</u>	<u>5,030,222</u>	<u>-</u>	<u>8,747,208</u>
Total Noncurrent Assets	<u>98,635,309</u>	<u>124,241,775</u>	<u>-</u>	<u>222,877,084</u>
Total Assets	118,166,157	135,658,214	-	253,824,371
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Debt Refunding	218,092	242,617	-	460,709
Pension	473,810	513,294	-	987,104
OPEB	375,800	370,532	-	746,332
Total Deferred Outflows of Resources	<u>1,067,702</u>	<u>1,126,443</u>	<u>-</u>	<u>2,194,145</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 119,233,859</u>	<u>\$ 136,784,657</u>	<u>\$ -</u>	<u>\$ 256,018,516</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF NET POSITION –  
INFORMATION BY DIVISION (CONTINUED)  
DECEMBER 31, 2020**

<b>LIABILITIES AND NET POSITION</b>	<u>Water</u>	<u>Sewer</u>	<u>Eliminations</u>	<u>Combined</u>
<b>CURRENT LIABILITIES</b>				
Current Portion of Long-Term Debt	\$ 2,793,300	\$ 2,738,580	\$ -	\$ 5,531,880
Current Portion of Compensated Absences	248,316	269,010	-	517,326
Accounts Payable - Trade	1,919,024	1,597,630	-	3,516,654
Accrued Payroll and Payroll Taxes	168,239	172,383	-	340,622
Accrued Interest Payable	386,264	554,792	-	941,056
Amounts Due Others	123,428	553,058	-	676,486
Total Current Liabilities	<u>5,638,571</u>	<u>5,885,453</u>	<u>-</u>	<u>11,524,024</u>
<b>LONG-TERM LIABILITIES</b>				
Long-Term Debt, Less Current Portion	36,131,659	46,819,641	-	82,951,300
Net Pension Liability	2,963,618	3,210,587	-	6,174,205
Net OPEB Liability	2,256,877	2,097,681	-	4,354,558
Compensated Absences Payable, Less Current Portion	122,973	133,220	-	256,193
Total Long-Term Liabilities	<u>41,475,127</u>	<u>52,261,129</u>	<u>-</u>	<u>93,736,256</u>
Total Liabilities	47,113,698	58,146,582	-	105,260,280
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenues	10,000	919,444	-	929,444
Pension	703,512	762,139	-	1,465,651
OPEB	313,917	339,133	-	653,050
Total Deferred Inflows of Resources	<u>1,027,429</u>	<u>2,020,716</u>	<u>-</u>	<u>3,048,145</u>
Total Liabilities and Deferred Inflows	<u>\$ 48,141,127</u>	<u>\$ 60,167,298</u>	<u>\$ -</u>	<u>\$ 108,308,425</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 57,097,763	\$ 71,032,958	\$ -	\$ 128,130,721
Restricted for Debt Service	2,864,515	2,669,039	-	5,533,554
Unrestricted	11,130,454	2,915,362	-	14,045,816
<b>TOTAL NET POSITION</b>	<u>\$ 71,092,732</u>	<u>\$ 76,617,359</u>	<u>\$ -</u>	<u>\$ 147,710,091</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF NET POSITION –  
INFORMATION BY DIVISION (CONTINUED)  
DECEMBER 31, 2019**

<b>ASSETS</b>	<u>Water</u>	<u>Sewer</u>	<u>Eliminations</u>	<u>Combined</u>
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents:				
Unrestricted	\$ 9,708,721	\$ 2,896,680	\$ -	\$ 12,605,401
Restricted	1,617,068	2,488,443	-	4,105,511
Investments:				
Unrestricted	3,250,347	3,806,857	-	7,057,204
Restricted	1,245,002	-	-	1,245,002
Accounts Receivable - Trade	1,785,858	1,756,463	-	3,542,321
Grants Receivable	-	-	-	-
Current Portion of Special Assessments	505,673	494,496	-	1,000,169
Inventory	428,326	165,301	-	593,627
Prepaid Expenses	108,596	99,434	-	208,030
Total Current Assets	<u>18,649,591</u>	<u>11,707,674</u>	<u>-</u>	<u>30,357,265</u>
<b>NONCURRENT ASSETS</b>				
Capital Assets (Depreciable):				
Sewer and Water Lines	96,627,061	136,247,905	-	232,874,966
Buildings, Pumps, and Lift Stations	20,621,409	29,245,372	-	49,866,781
Machinery and Equipment	9,251,806	6,312,078	-	15,563,884
Vehicles	1,597,039	2,454,233	-	4,051,272
Furniture and Fixtures	223,556	285,944	-	509,500
Computer Equipment	841,945	1,702,149	-	2,544,094
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>132,557,334</u>	<u>179,433,167</u>	<u>-</u>	<u>311,990,501</u>
Accumulated Depreciation	<u>(49,724,605)</u>	<u>(77,963,530)</u>	<u>-</u>	<u>(127,688,135)</u>
Net Depreciable Capital Assets	<u>82,832,729</u>	<u>101,469,637</u>	<u>-</u>	<u>184,302,366</u>
Capital Assets (Nondepreciable):				
Land	296,417	478,707	-	775,124
Easements	112,765	270,701	-	383,466
Construction in Process	<u>4,832,550</u>	<u>13,134,418</u>	<u>-</u>	<u>17,966,968</u>
Net Capital Assets	<u>88,074,461</u>	<u>115,353,463</u>	<u>-</u>	<u>203,427,924</u>
<b>OTHER ASSETS</b>				
Special Assessments, Less Current Portion	3,747,867	4,505,831	-	8,253,698
Net Pension Asset	15,427	14,241	-	29,668
Miscellaneous	-	-	-	-
Total Other Assets	<u>3,763,294</u>	<u>4,520,072</u>	<u>-</u>	<u>8,283,366</u>
Total Noncurrent Assets	<u>91,837,755</u>	<u>119,873,535</u>	<u>-</u>	<u>211,711,290</u>
Total Assets	<u>110,487,346</u>	<u>131,581,209</u>	<u>-</u>	<u>242,068,555</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Debt Refunding	224,504	244,477	-	468,981
Pension	1,416,994	1,307,273	-	2,724,267
OPEB	<u>228,279</u>	<u>210,718</u>	<u>-</u>	<u>438,997</u>
Total Deferred Outflows of Resources	<u>1,869,777</u>	<u>1,762,468</u>	<u>-</u>	<u>3,632,245</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 112,357,123</u>	<u>\$ 133,343,677</u>	<u>\$ -</u>	<u>\$ 245,700,800</u>



**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF NET POSITION –  
INFORMATION BY DIVISION (CONTINUED)  
DECEMBER 31, 2019**

<b>LIABILITIES AND NET POSITION</b>	<u>Water</u>	<u>Sewer</u>	<u>Eliminations</u>	<u>Combined</u>
<b>CURRENT LIABILITIES</b>				
Current Portion of Long-Term Debt	\$ 2,525,553	\$ 2,889,383	\$ -	\$ 5,414,936
Current Portion of Compensated Absences	169,797	183,946	-	353,743
Accounts Payable - Trade	1,305,050	2,053,539	-	3,358,589
Accrued Payroll and Payroll Taxes	231,198	238,758	-	469,956
Accrued Interest Payable	377,847	530,302	-	908,149
Amounts Due Others	61,691	923,621	-	985,312
Total Current Liabilities	<u>4,671,136</u>	<u>6,819,549</u>	<u>-</u>	<u>11,490,685</u>
<b>LONG-TERM LIABILITIES</b>				
Long-Term Debt, Less Current Portion	34,585,261	46,111,072	-	80,696,333
Net Pension Liability	4,519,333	4,171,693	-	8,691,026
Net OPEB Liability	2,166,956	2,000,266	-	4,167,222
Compensated Absences Payable, Less Current Portion	110,487	119,694	-	230,181
Total Long-Term Liabilities	<u>41,382,037</u>	<u>52,402,725</u>	<u>-</u>	<u>93,784,762</u>
Total Liabilities	46,053,173	59,222,274	-	105,275,447
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Federal and State Grants	10,000	-	-	10,000
Pension	137,622	127,034	-	264,656
OPEB	5,880	5,427	-	11,307
Total Deferred Inflows of Resources	<u>153,502</u>	<u>132,461</u>	<u>-</u>	<u>285,963</u>
Total Liabilities and Deferred Inflows	<u>\$ 46,206,675</u>	<u>\$ 59,354,735</u>	<u>\$ -</u>	<u>\$ 105,561,410</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 53,580,267	\$ 68,081,605	\$ -	\$ 121,661,872
Restricted for Debt Service	2,862,070	2,488,443	-	5,350,513
Unrestricted	9,708,111	3,418,894	-	13,127,005
<b>TOTAL NET POSITION</b>	<u>\$ 66,150,448</u>	<u>\$ 73,988,942</u>	<u>\$ -</u>	<u>\$ 140,139,390</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –  
INFORMATION BY DIVISION  
YEAR ENDED DECEMBER 31, 2020**

	Water	Sewer	Eliminations	Combined
<b>OPERATING REVENUES</b>				
Utility Revenue	\$ 18,619,069	\$ 11,498,310	\$ -	\$ 30,117,379
Fees and Permits	362,973	134,756	-	497,729
Contract Services	69,835	150,869	-	220,704
Other Operating Revenues	449,088	253,176	-	702,264
Total Operating Revenues	<u>19,500,965</u>	<u>12,037,111</u>	-	<u>31,538,076</u>
<b>OPERATING EXPENSES</b>				
Depreciation and Amortization	4,121,424	5,259,260	-	9,380,684
Labor	2,317,828	2,300,220	-	4,618,048
Employee Benefits	964,671	1,504,953	-	2,469,624
Professional Services	782,983	1,151,258	-	1,934,241
Purchased Water and Sewer Treatment	7,011,362	373,435	-	7,384,797
Materials and Supplies	611,727	970,063	-	1,581,790
Utilities	382,682	405,328	-	788,010
Other	500,535	577,160	-	1,077,695
Total Operating Expenses	<u>16,693,212</u>	<u>12,541,677</u>	-	<u>29,234,889</u>
Operating Income (Loss)	2,807,753	(504,566)	-	2,303,187
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	251,302	243,925	-	495,227
Interest Expense	(1,009,148)	(1,166,211)	-	(2,175,359)
Other Income	45,355	90,625	-	135,980
Total Nonoperating Revenues (Expenses)	<u>(712,491)</u>	<u>(831,661)</u>	-	<u>(1,544,152)</u>
<b>AID IN CONSTRUCTION</b>				
	<u>2,847,022</u>	<u>3,964,644</u>	-	<u>6,811,666</u>
Change in Net Position	4,942,284	2,628,417	-	7,570,701
<b>NET POSITION</b>				
Beginning of Year	<u>66,150,448</u>	<u>73,988,942</u>	-	<u>140,139,390</u>
End of Year	<u>\$ 71,092,732</u>	<u>\$ 76,617,359</u>	<u>\$ -</u>	<u>\$ 147,710,091</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –  
INFORMATION BY DIVISION  
YEAR ENDED DECEMBER 31, 2019**

	Water	Sewer	Eliminations	Combined
<b>OPERATING REVENUES</b>				
Utility Revenue	\$ 16,783,043	\$ 10,992,011	\$ -	\$ 27,775,054
Fees and Permits	419,559	88,377	-	507,936
Contract Services	74,324	152,542	-	226,866
Other Operating Revenues	341,640	177,742	-	519,382
Total Operating Revenues	<u>17,618,566</u>	<u>11,410,672</u>	-	<u>29,029,238</u>
<b>OPERATING EXPENSES</b>				
Depreciation and Amortization	3,704,971	4,848,505	-	8,553,476
Labor	2,271,333	2,137,591	-	4,408,924
Employee Benefits	2,013,071	1,946,225	-	3,959,296
Professional Services	1,086,957	815,867	-	1,902,824
Purchased Water and Sewer Treatment	6,462,792	335,406	-	6,798,198
Materials And Supplies	647,628	966,428	-	1,614,056
Utilities	383,598	393,427	-	777,025
Other	487,119	504,790	-	991,909
Total Operating Expenses	<u>17,057,469</u>	<u>11,948,239</u>	-	<u>29,005,708</u>
Operating Income	561,097	(537,567)	-	23,530
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	294,881	285,420	-	580,301
Interest Expense	(991,403)	(1,020,812)	-	(2,012,215)
Other Income (Expense)	(47,266)	17,198	-	(30,068)
Total Nonoperating Revenues (Expenses)	<u>(743,788)</u>	<u>(718,194)</u>	-	<u>(1,461,982)</u>
<b>AID IN CONSTRUCTION</b>				
	<u>856,153</u>	<u>3,590,719</u>	-	<u>4,446,872</u>
Change In Net Position	673,462	2,334,958	-	3,008,420
<b>NET POSITION</b>				
Beginning of Year	<u>65,476,986</u>	<u>71,653,984</u>	-	<u>137,130,970</u>
End of Year	<u>\$ 66,150,448</u>	<u>\$ 73,988,942</u>	<u>\$ -</u>	<u>\$ 140,139,390</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF CASH FLOWS –  
INFORMATION BY DIVISION  
YEAR ENDED DECEMBER 31, 2020**

	Water	Sewer	Eliminations	Combined
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 2,807,753	\$ (504,566)	\$ -	\$ 2,303,187
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:				
Depreciation and Amortization	4,121,424	5,259,260	-	9,380,684
Effects of Changes in Operating Assets and Liabilities:				
Accounts Receivable - Trade	(67,508)	(13,887)	-	(81,395)
Grant Receivable	-	(919,444)	-	(919,444)
Inventory	64,875	21,080	-	85,955
Prepaid Expenses	(14,780)	(16,035)	-	(30,815)
Net Pension Asset	(12,425)	(15,933)	-	(28,358)
Deferred Outflows - Refunding	6,412	1,860	-	8,272
Deferred Outflows - Pension	943,184	793,979	-	1,737,163
Deferred Outflows - OPEB	(147,521)	(159,814)	-	(307,335)
Accounts Payable - Trade	613,974	(455,909)	-	158,065
Accrued Payroll and Payroll Taxes	(62,959)	(66,375)	-	(129,334)
Accounts Due to Others	61,737	(370,563)	-	(308,826)
Net Pension Liability	(1,555,715)	(961,106)	-	(2,516,821)
Net OPEB Liability	89,921	97,415	-	187,336
Compensated Absences Payable	91,005	98,590	-	189,595
Deferred Inflows - Grants	-	919,444	-	919,444
Deferred Inflows - Deferred Revenues	-	-	-	-
Deferred Inflows - Pension	565,890	635,105	-	1,200,995
Deferred Inflows - OPEB	308,037	333,706	-	641,743
Net Cash Provided by Operations	<u>7,813,304</u>	<u>4,676,807</u>	<u>-</u>	<u>12,490,111</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	251,302	243,925	-	495,227
Proceeds on Sale of Investments	1,233,055	1,813,751	-	3,046,806
Purchases of Investments	(1,315,000)	(1,875,088)	-	(3,190,088)
Net Cash Provided by Investing Activities	<u>169,357</u>	<u>182,588</u>	<u>-</u>	<u>351,945</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Aid in Construction	2,847,022	3,964,644	-	6,811,666
Acquisition and Construction of Capital Assets	(11,052,036)	(9,279,277)	-	(20,331,313)
Proceeds from Sale of Assets	86,750	161,927	-	248,677
Proceeds from Issuance of Long-Term Debt	4,272,146	3,422,773	-	7,694,919
Repayment of Long-Term Debt	(2,458,001)	(2,865,007)	-	(5,323,008)
Collections on Special Assessments	320,841	(467,683)	-	(146,842)
Assessed Special Assessments	(243,524)	(24,685)	-	(268,209)
Interest Paid	(955,376)	(1,051,096)	-	(2,006,472)
Net Cash Used by Capital and Related Financing Activities	<u>(7,182,178)</u>	<u>(6,138,404)</u>	<u>-</u>	<u>(13,320,582)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	800,483	(1,279,009)	-	(478,526)
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning of Year	<u>11,325,789</u>	<u>5,385,123</u>	<u>-</u>	<u>16,710,912</u>
End of Year	<u>\$ 12,126,272</u>	<u>\$ 4,106,114</u>	<u>\$ -</u>	<u>\$ 16,232,386</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF CASH FLOWS –  
INFORMATION BY DIVISION  
YEAR ENDED DECEMBER 31, 2019**

	Water	Sewer	Eliminations	Combined
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 561,097	\$ (537,567)	\$ -	\$ 23,530
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:				
Depreciation and Amortization	3,704,971	4,848,505	-	8,553,476
Effects of Changes in Operating Assets and Liabilities:				
Accounts Receivable - Trade	(182,908)	57,627	-	(125,281)
Grant Receivable	-	2,794,000	-	2,794,000
Inventory	(19,333)	(24,480)	-	(43,813)
Prepaid Expenses	485,565	(15,680)	-	469,885
Net Pension Asset	(698)	(646)	-	(1,344)
Deferred Outflows - Refunding	6,412	1,861	-	8,273
Deferred Outflows - Pension	(632,106)	(583,481)	-	(1,215,587)
Deferred Outflows - OPEB	(101,859)	(94,023)	-	(195,882)
Accounts Payable - Trade	(292,091)	(106,387)	-	(398,478)
Accrued Payroll and Payroll Taxes	28,426	32,099	-	60,525
Accounts Due to Others	(50,609)	391,593	-	340,984
Net Pension Liability	2,048,419	1,890,850	-	3,939,269
Net OPEB Liability	449,052	414,510	-	863,562
Compensated Absences Payable	21,386	23,167	-	44,553
Deferred Inflows - Grants	-	(2,794,000)	-	(2,794,000)
Deferred Inflows - Deferred Revenues	6,000	-	-	6,000
Deferred Inflow - Pension	(449,827)	(415,225)	-	(865,052)
Deferred Inflows - OPEB	(122,092)	(112,701)	-	(234,793)
Net Cash Provided by Operations	<u>5,459,805</u>	<u>5,770,022</u>	<u>-</u>	<u>11,229,827</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	294,881	285,420	-	580,301
Proceeds on Sale of Investments	1,223,790	1,957,633	-	3,181,423
Purchases of Investments	<u>(2,841,466)</u>	<u>(2,069,031)</u>	<u>-</u>	<u>(4,910,497)</u>
Net Cash Provided (Used) by Investing Activities	(1,322,795)	174,022	-	(1,148,773)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Aid in Construction	856,153	3,590,719	-	4,446,872
Acquisition and Construction of Capital Assets	(5,237,906)	(9,830,804)	-	(15,068,710)
Proceeds from Sale of Assets	580,970	72,139	-	653,109
Proceeds from Issuance of Long-Term Debt	4,174,083	6,843,008	-	11,017,091
Repayment of Long-Term Debt	(2,051,053)	(2,615,611)	-	(4,666,664)
Collections on Special Assessments	505,996	94,549	-	600,545
Assessed Special Assessments	(243,524)	(24,685)	-	(268,209)
Interest Paid	<u>(1,028,303)</u>	<u>(1,091,657)</u>	<u>-</u>	<u>(2,119,960)</u>
Net Cash Used by Financing Activities	<u>(2,443,584)</u>	<u>(2,962,342)</u>	<u>-</u>	<u>(5,405,926)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,693,426	2,981,702	-	4,675,128
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning of Year	<u>9,632,363</u>	<u>2,403,421</u>	<u>-</u>	<u>12,035,784</u>
End of Year	<u>\$ 11,325,789</u>	<u>\$ 5,385,123</u>	<u>\$ -</u>	<u>\$ 16,710,912</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.

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>S2</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the District's ability to generate its water and sewer sales.	<b>S4</b>
<b>Debt Capacity</b> 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.	<b>S16</b>
<b>Demographic and Economic Information</b> 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.	<b>S21</b>
<b>Operating Information</b> 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.	<b>S24</b>
<b>Sources</b> 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)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Investment in										
Capital Assets	\$ 128,131	\$ 121,662	\$ 122,085	\$ 117,942	\$ 114,559	\$ 107,364	\$ 102,403	\$ 101,502	\$ 97,598	\$ 88,455
Restricted	5,534	5,350	5,076	4,806	4,706	4,951	4,967	4,812	4,820	4,853
Unrestricted	14,045	13,127	9,970	14,807	12,485	10,488	13,258	9,254	9,141	13,455
Total Net Position	<u>\$ 147,710</u>	<u>\$ 140,139</u>	<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>

Source: District accounting records.



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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenue	\$ 31,538	\$ 29,029	\$ 29,079	\$ 27,527	\$ 25,053	\$ 22,081	\$ 20,359	\$ 17,226	\$ 16,050	\$ 13,806
Operating Expenses	29,235	29,006	26,064	25,132	22,210	19,984	19,297	17,429	15,414	13,549
Total Net Revenue (Expense)	2,303	23	3,015	2,395	2,843	2,097	1,062	(203)	636	257
Other Changes in Net Position:										
Nonoperating Revenues (Expenses)	(1,544)	(1,462)	(2,620)	(1,714)	(1,781)	(1,971)	(2,151)	(1,486)	(1,564)	(1,344)
Aid in Construction	6,812	4,447	2,253	5,124	7,885	4,731	6,149	5,698	5,724	9,742
Total Other Changes in Net Position	5,268	2,985	(367)	3,410	6,104	2,760	3,998	4,212	4,160	8,398
Change in Net Position	\$ 7,571	\$ 3,008	\$ 2,648	\$ 5,805	\$ 8,947	\$ 4,857	\$ 5,060	\$ 4,009	\$ 4,796	\$ 8,655

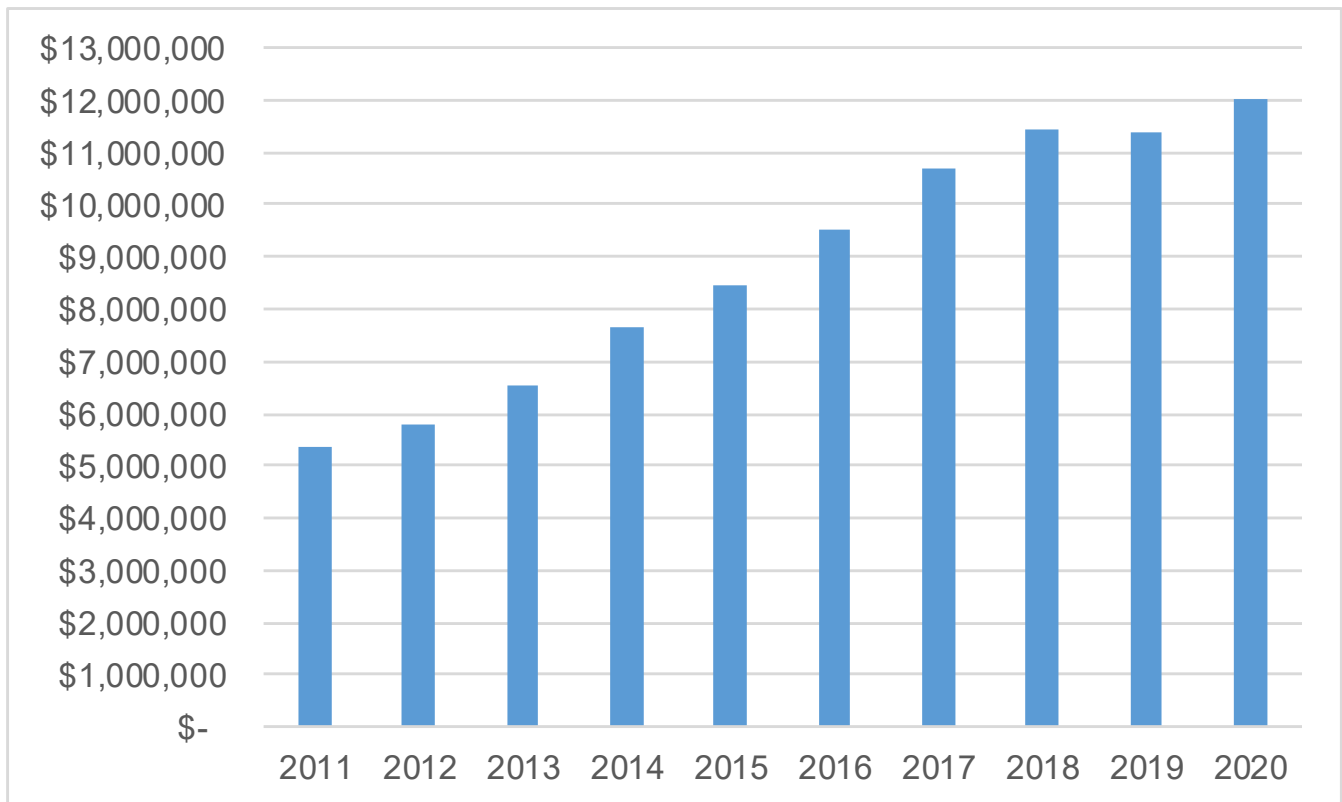
Source: District accounting records.





**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
2020	\$ 11,498,310	\$ 134,756	\$ 150,869	\$ 253,176	\$ 12,037,111	5.490 %
2019	10,992,011	88,377	152,542	177,742	11,410,672	(0.031)
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



Source: District accounting records.

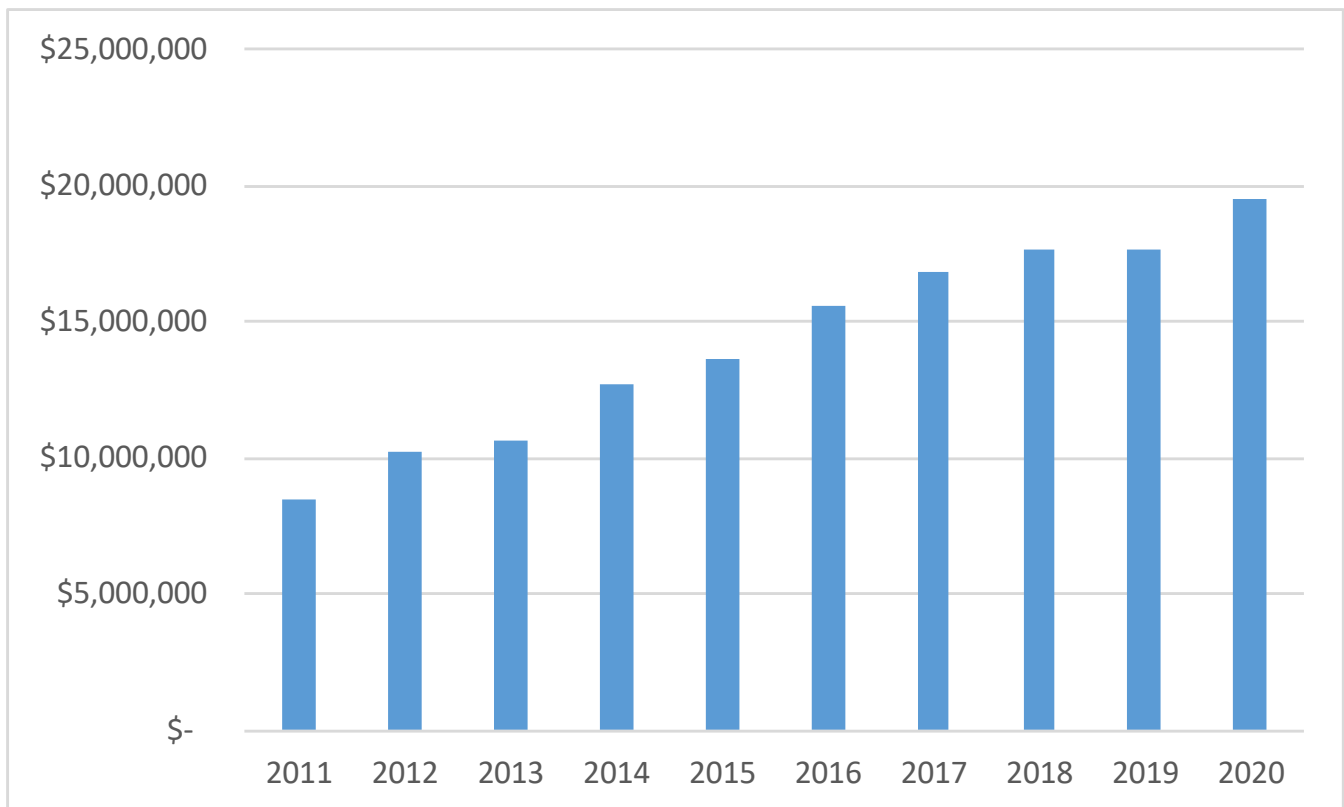


**NORTHWESTERN WATER & SEWER DISTRICT  
WATER OPERATING REVENUES BY SOURCE  
LAST TEN YEARS**

Year Ended December 31,	Water Revenue	Fees and Permits	Contract Services	Other Operating	Total	Percent Change
2020	\$ 18,619,069	\$ 362,973	\$ 69,835	\$ 449,088	\$ 19,500,965	10.7 %
2019	16,783,043	419,559	74,324	341,640	17,618,566	(0.3)
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)

(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.

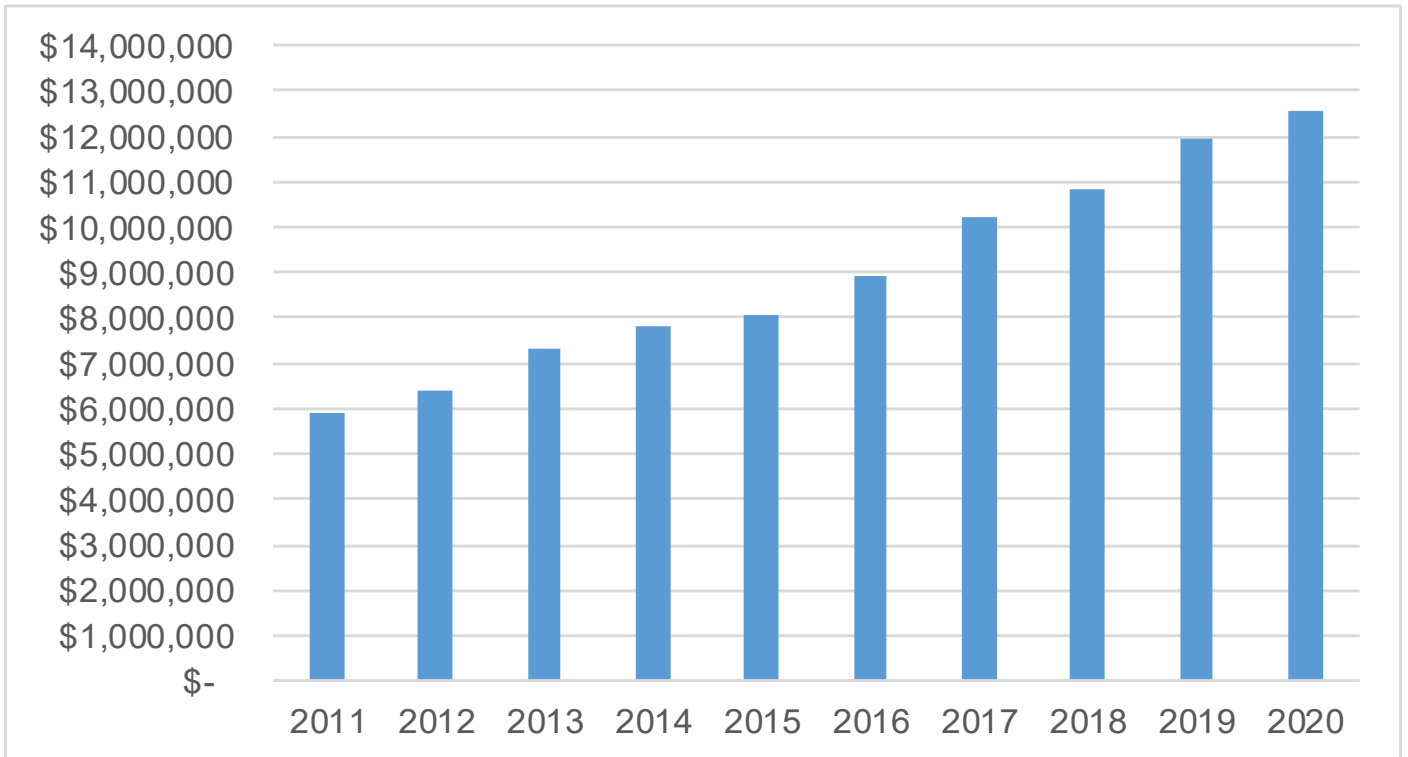


Source: District accounting records.



## 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
2020	\$ 2,300,220	\$ 1,504,953	\$ 1,151,258	\$ 970,063	\$ 405,328	\$ 5,259,260	\$ 950,595	\$ 12,541,677	5.0 %
2019	2,137,591	1,946,225	815,867	966,428	393,427	4,848,505	840,650	11,948,693	10.1
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



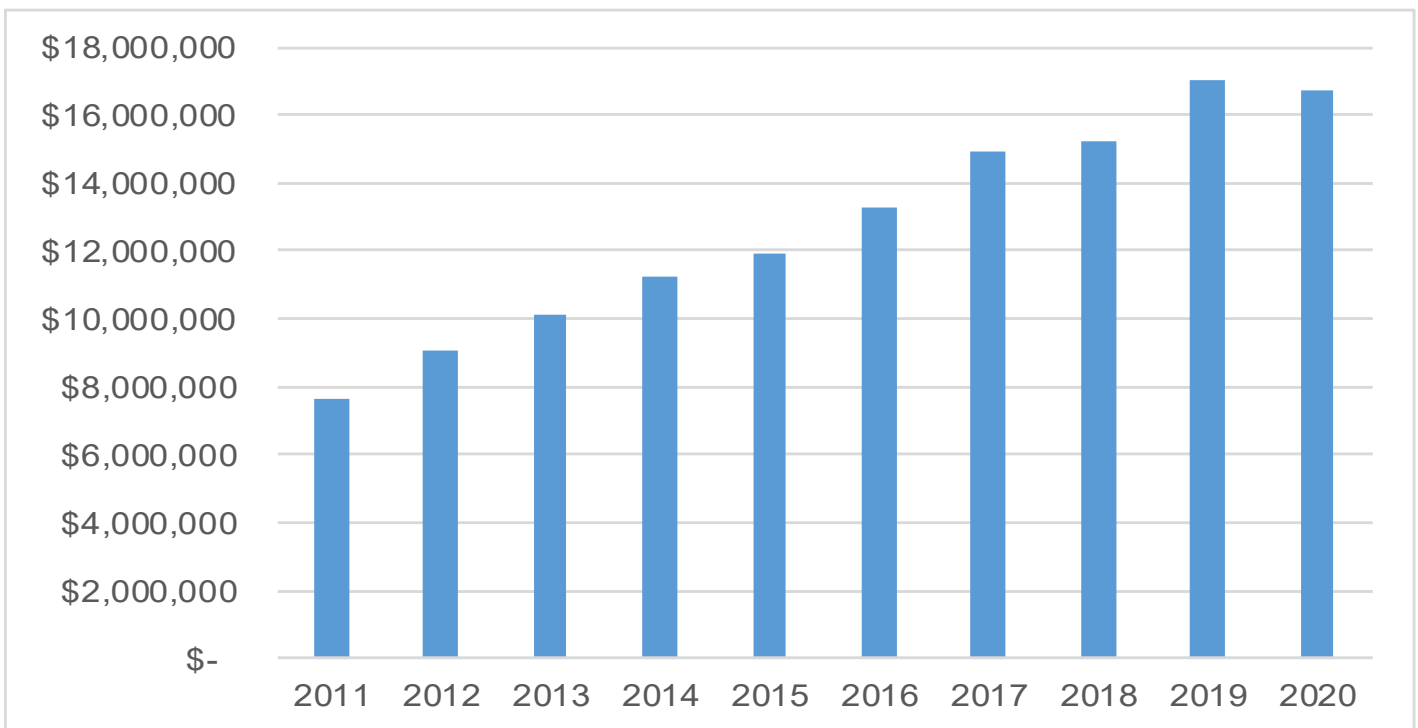
Source: District accounting records.



## 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
2020	\$ 2,317,828	\$ 964,671	\$ 782,983	\$ 7,011,362	\$ 611,727	\$ 382,682	\$ 4,121,424	\$ 500,535	\$ 16,693,212	(2.1)%
2019	2,271,333	2,013,071	1,086,957	6,462,792	647,628	383,598	3,704,971	487,119	17,057,469	12.1
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	11.9
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

(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>
2020	\$ 243,925	\$ 3,964,644	\$ 90,625	\$ 4,299,194
2019	285,420	3,590,719	17,198	3,893,337
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

(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>
2020	\$ 251,302	\$ 2,847,022	\$ 45,355	\$ 3,143,679
2019	294,881	856,153	(47,266)	1,103,768
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

(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
2020	\$ 15.16	\$ 30.32	\$ 34.98	\$ 63.21
2019	14.72	29.44	34.55	61.95
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

(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>
2020	\$ 16.65	\$ 33.30	\$ 21.84
2019	16.16	32.32	21.48
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

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

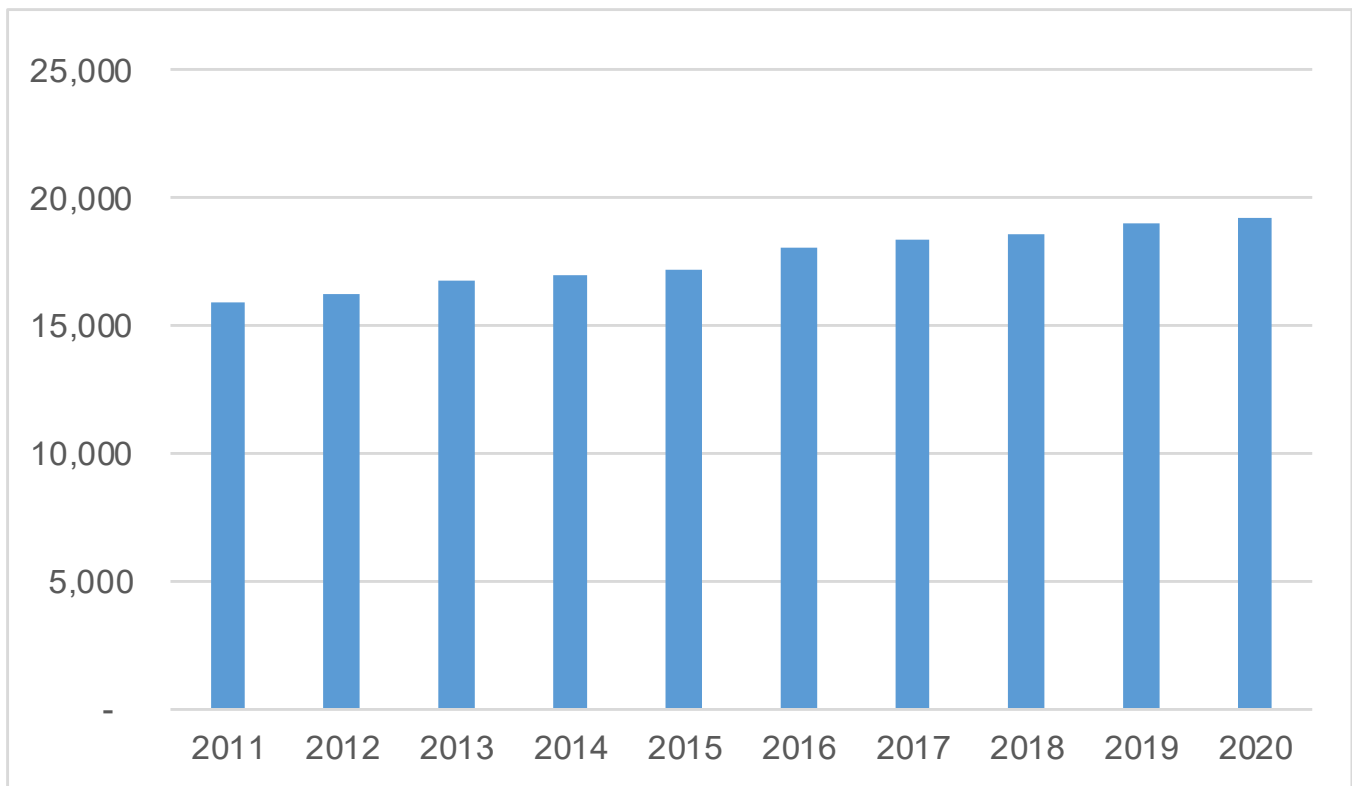




**NORTHWESTERN WATER & SEWER DISTRICT  
HISTORICAL SEWER CUSTOMERS AND SEWER CONSUMPTION  
LAST TEN YEARS**

<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>
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
2019	19,002	4,290	1,565,855
2020	19,212	4,413	1,610,923

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



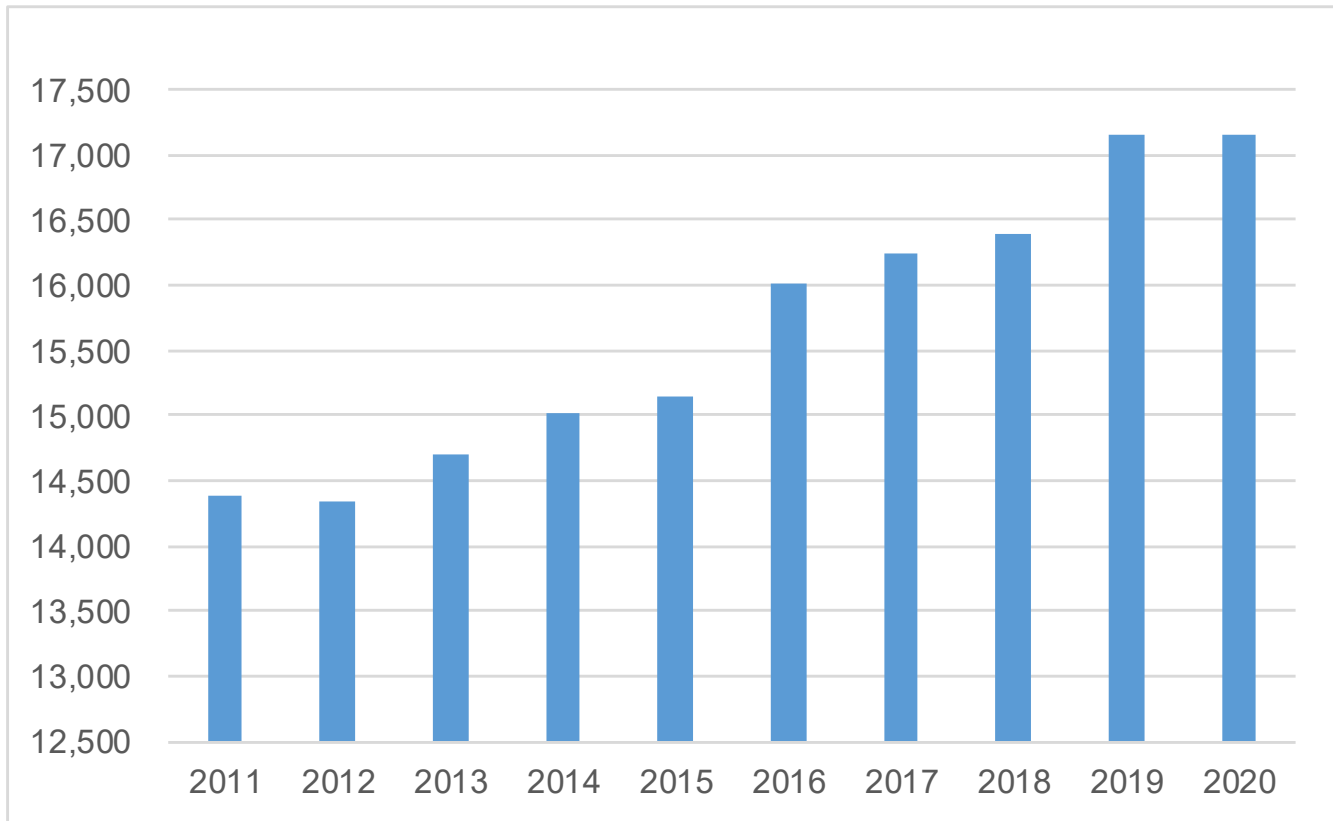


**NORTHWESTERN WATER & SEWER DISTRICT  
HISTORICAL WATER CUSTOMERS AND WATER CONSUMPTION  
LAST TEN YEARS**

Year Ended December 31,	Average Number of Customers	Average Day (000's/Gal.)	Total Annual Consumption (000's/Gal.)
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
2019	17,164	4,375	1,596,963
2020	17,149	4,759	1,737,054

(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>	2020		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. First Solar - Tracy Road**	66,834	\$ 312,731	2.60 %
2. First Solar - Cedar Park	54,553	256,209	2.13
3. Charter Steel***	49,734	196,202	1.63
4. MSC Walbridge Coatings	44,304	207,368	1.72
5. Chrysler	29,360	137,667	1.14
6. Friendly Village I and II MHP	17,932	84,224	0.70
7. LOF Pilkington	17,762	83,479	0.69
8. Tracy Creek Apartments	17,528	85,607	0.71
9. Perry Lake Village*	15,301	50,991	0.42
10. Perry Lake Village*	14,224	66,700	0.55
Total	<u>327,532</u>	<u>\$ 1,481,178</u>	<u>12.31 %</u>

\*Billed at 70% of District Rate

\*\* Billed at 75% of Full District Rates

\*\*\*New rate charged Eff 7/1/2020

<u>Customer</u>	2011		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. First Solar	60,656	\$ 101,742	2.45 %
2. Chrysler	48,689	81,290	1.96
3. Charter Steel	39,608	65,895	1.59
4. Pre Finish Metals	37,410	62,523	1.51
5. Friendly Village I and II MHP	28,351	47,671	1.15
6. Norplas	19,209	40,996	0.99
7. Perry Lake Village*	15,512	19,226	0.46
8. Cintas	13,180	22,108	0.53
9. Walnut Hills Mobile Home Park	12,961	21,803	0.53
10. East Pointe on the Mall Apts	11,765	20,095	0.48
Total	<u>287,341</u>	<u>\$ 483,349</u>	<u>11.65 %</u>



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

<u>Customer</u>	2020		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. First Solar - Tracy Road**	93,336	\$ 277,005	1.42 %
2. First Solar - Cedar Park	73,506	226,113	1.16
3. MSC Walbridge Coatings	56,261	168,464	0.86
4. Charter Steel***	49,734	141,559	0.73
5. MSB Dairy*	37,752	303,857	1.56
6. Chrysler	29,360	94,116	0.48
7. Jones Hamilton	22,811	69,979	0.36
8. Tracy Creek Apartments	22,132	73,128	0.37
9. Norplas	20,883	63,770	0.33
10. Friendly Village I and II MHP	17,932	60,748	0.31
Total	<u>423,707</u>	<u>\$ 1,478,739</u>	<u>7.58 %</u>

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

\*\* New Account May 2019

\*\*\*New Rate Effective 7/1/2020

<u>Customer</u>	2011		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percentage of Total System Revenue
1. First Solar	76,654	\$ 108,416	2.09 %
2. Chrysler	48,689	77,173	1.49
3. Prefinished Metals	42,640	58,911	1.14
4. Charter Steel	37,731	53,747	1.04
5. Norplas	31,242	39,732	0.77
6. Friendly Village I and II MHP	28,351	46,809	0.90
7. Jones Hamilton	22,035	32,647	0.63
8. Perry Lake Village	15,512	16,449	0.32
9. Cintas	13,833	20,228	0.39
10. Walnut Hills Mobile Home Park	13,029	20,119 *1	0.39
Total	<u>329,716</u>	<u>\$ 474,231</u>	<u>9.16 %</u>

\*1 Includes master meter water charge



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

Debt By Type In Thousands	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenue Bond Issues:</b>										
\$4,235 Series 2002 (1)	\$ 1,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$2,165 Series 2004B	1,590	1,517	1,415	1,290	-	-	-	-	-	-
\$1,200 Series 2005A	920	911	858	770	715	660	-	-	-	-
\$6,910 Series 2008	6,195	5,940	5,675	5,400	5,115	4,820	-	-	-	-
\$3,550 Series 2009 BAN	-	-	-	-	-	-	-	-	-	-
\$2,350 Series 2010	2,280	2,210	2,135	2,055	1,970	1,880	1,790	1,695	1,595	1,490
\$3,870 Series 2012 (2)	-	3,618	3,368	3,093	2,850	2,613	2,390	2,171	1,953	1,740
\$1,300 Series 2015 (4)	-	-	-	-	1,180	1,060	935	810	680	550
\$5,795 Series 2017 (5)	-	-	-	-	-	-	5,115	4,675	4,225	3,770
<b>Total Revenue Bonds</b>	<b>12,320</b>	<b>14,196</b>	<b>13,451</b>	<b>12,608</b>	<b>11,830</b>	<b>11,033</b>	<b>10,230</b>	<b>9,351</b>	<b>8,453</b>	<b>7,550</b>
<b>Special Assessment Issues:</b>										
\$277 Series 1996	69	55	42	28	14	-	-	-	-	-
\$360 Series 1998	125	110	95	80	60	40	20	-	-	-
\$500 Series 1999	265	240	210	180	150	115	80	40	-	-
\$175 Series 2000	80	75	65	55	45	40	30	20	10	-
\$1,195 Series 2002	815	-	-	-	-	-	-	-	-	-
\$1,245 Series 2003	880	60	-	-	-	-	-	-	-	-
\$2,000 Series 2004A	1,470	1,380	1,290	1,195	-	-	-	-	-	-
\$1,010 Series 2006	840	800	760	715	670	620	-	-	-	-
\$2,205 Series 2008	2,000	1,961	1,878	1,750	1,660	1,565	-	-	-	-
\$6,580 Series 2009 BAN	-	-	-	-	-	-	-	-	-	-
\$2,350 Series 2010	2,280	2,205	2,125	2,045	1,960	1,875	1,785	1,690	1,590	1,485
\$2,880 Series 2012 (3)	-	2,795	2,615	2,302	2,039	1,824	1,568	1,317	1,056	789
\$1,240 Series 2015 (4)	-	-	-	-	1,120	1,005	890	775	655	530
\$2,350 Series 2017 (5)	-	-	-	-	-	-	2,145	1,935	1,725	1,510
<b>Total SA Bonds</b>	<b>8,824</b>	<b>9,681</b>	<b>9,080</b>	<b>8,350</b>	<b>7,718</b>	<b>7,084</b>	<b>6,518</b>	<b>5,777</b>	<b>5,036</b>	<b>4,314</b>
U.S. Dept. of Agriculture Ohio Water Development Authority	8,360	11,110	13,497	13,219	12,933	13,794	13,959	13,617	18,095	17,644
Ohio Public Works Commission	14,296	15,024	22,495	30,370	30,746	41,429	49,348	50,083	53,710	58,183
Other	536	522	596	520	439	368	309	412	626	607
Unamortized Discount	905	3,928	993	801	603	421	276	446	122	122
Unamortized Premium	-	-	-	(26)	(8)	(8)	-	-	-	-
	-	-	-	202	194	150	80	74	69	63
<b>Total All Debt</b>	<b>\$ 45,241</b>	<b>\$ 54,461</b>	<b>\$ 60,112</b>	<b>\$ 65,868</b>	<b>\$ 64,455</b>	<b>\$ 74,271</b>	<b>\$ 80,720</b>	<b>\$ 79,760</b>	<b>\$ 86,111</b>	<b>\$ 88,483</b>
Number of Customer Accounts	30,319	30,545	31,500	31,988	32,284	34,067	34,561	34,997	36,166	36,361
<b>Outstanding Debt Per Customer Account</b>	<b>\$ 1,492</b>	<b>\$ 1,776</b>	<b>\$ 1,908</b>	<b>\$ 2,059</b>	<b>\$ 1,990</b>	<b>\$ 2,175</b>	<b>\$ 2,333</b>	<b>\$ 2,279</b>	<b>\$ 2,381</b>	<b>\$ 2,432</b>

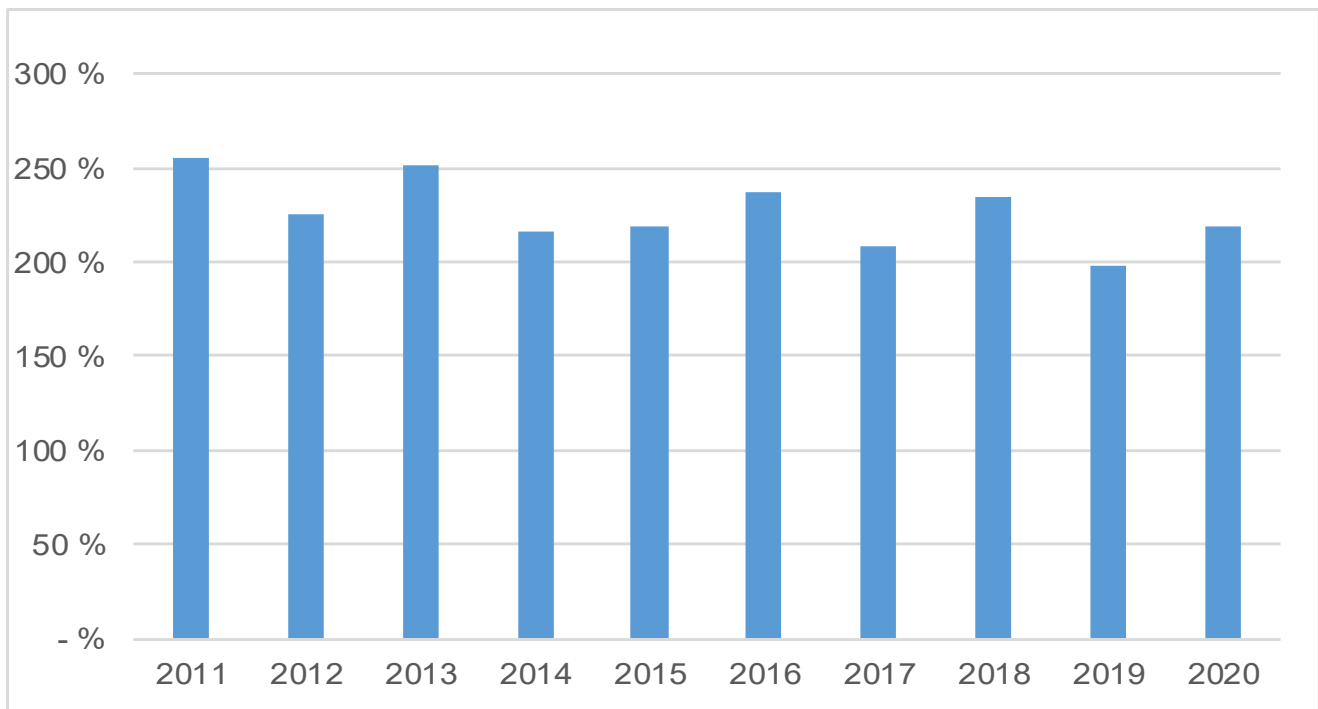
- (1) The Series 1996 Bonds were refunded on 3/27/2002 and were replaced by the Series 2002 Bonds.
- (2) The Series 2002 Bonds were refunded on 3/23/2012 and were replaced by the Series 2012 Bonds.
- (3) The Series 2003 SA Bonds were refunded on 3/23/2012 and were replaced by the Series 2012 SA Bonds.
- (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.



**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)
2020	\$ 32,033,303	\$ 18,664,238	\$ 13,369,065	\$ 6,126,800	218 %
2019	29,609,539	18,162,059	11,447,480	5,766,147	199 %
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 %

- (1) Includes water and sewer revenues and interest income.
- (2) Excludes depreciation expense and GASB 68 and 75 entries.
- (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</u>
2020	\$ 1,614,798	\$ 1,316,517	123 %
2019	1,867,238	1,368,821	136 %
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 (a)	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 %

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



**NORTHWESTERN WATER & SEWER DISTRICT  
SEWER DEBT BY TOTAL DEBT SERVICE  
YEAR ENDED DECEMBER 31, 2020**

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		
2021	\$ 2,006,733	\$ 13,583	\$ 1,152,187	\$ 305,441	\$ -	\$ 460,442	\$ 3,938,386	93.72%
2022	2,071,559	13,583	1,131,867	268,092	-	461,278	3,946,379	87.42%
2023	2,061,760	13,583	1,128,423	268,092	-	365,424	3,837,282	81.30%
2024	2,029,241	13,583	1,127,291	268,092	-	324,708	3,762,915	75.30%
2025	2,016,284	11,512	1,001,935	268,093	-	198,808	3,496,632	69.72%
2026	1,985,020	9,441	950,821	268,093	-	196,883	3,410,258	64.28%
2027	1,985,021	9,441	954,991	268,093	-	193,505	3,411,051	58.84%
2028	1,985,021	8,191	952,346	268,092	-	184,778	3,398,428	53.41%
2029	1,985,121	8,191	670,344	268,092	-	184,492	3,116,240	48.44%
2030	1,930,767	8,191	671,012	268,093	-	184,188	3,062,251	43.56%
2031-2035	8,965,070	33,946	2,678,213	1,210,471	-	709,256	13,596,956	21.87%
2036-2040	3,561,751	-	2,285,027	52,455	-	680,798	6,580,031	11.37%
2041-2045	693,588	-	1,867,085	-	-	629,141	3,189,814	6.28%
2046-2050	23,300	-	1,445,113	-	-	503,264	1,971,677	3.13%
2051-2055	-	-	1,221,042	-	-	-	1,221,042	1.19%
2056-2060	-	-	743,405	-	-	-	743,405	0.00%
<b>Totals</b>	<b>\$ 33,300,236</b>	<b>\$ 143,245</b>	<b>\$ 19,981,102</b>	<b>\$ 3,981,199</b>	<b>\$ -</b>	<b>\$ 5,276,965</b>	<b>\$ 62,682,747</b>	

OWDA - Ohio Water Development Authority

OPWC - Ohio Public Works Commission





**NORTHWESTERN WATER & SEWER DISTRICT  
WATER DEBT BY TOTAL DEBT SERVICE  
YEAR ENDED DECEMBER 31, 2020**

Year Ended December 31,	Revenue Debt			Special Assessment Debt		Totals	Percent of Debt Service Remaining
	OWDA	OPWC	Bonds and Notes	OWDA	Bonds and Notes		
2021	\$ 2,085,671	\$ 45,068	\$ 968,190	\$ 32,391	\$ 572,555	\$ 3,703,875	92.25%
2022	2,064,297	45,068	790,052	-	567,733	3,467,150	84.99%
2023	1,926,536	45,067	745,290	-	522,726	3,239,619	78.20%
2024	1,818,221	45,068	789,240	-	511,922	3,164,451	71.58%
2025	1,788,942	45,068	770,995	-	391,044	2,996,049	65.30%
2026	1,785,605	35,362	733,615	-	355,371	2,909,953	59.21%
2027	1,785,604	34,904	736,863	-	310,462	2,867,833	53.21%
2028	1,785,605	32,360	736,201	-	161,090	2,715,256	47.52%
2029	1,785,605	30,274	557,813	-	160,556	2,534,248	42.22%
2030	1,785,605	30,274	560,271	-	159,527	2,535,677	36.91%
2031-2035	7,850,369	129,999	1,346,076	-	-	9,326,444	17.38%
2036-2040	4,338,106	114,254	996,465	-	-	5,448,825	5.97%
2041-2045	1,204,772	54,998	669,748	-	-	1,929,518	1.93%
2046-2050	-	29,765	452,225	-	-	481,990	0.92%
2051-2055	-	-	378,554	-	-	378,554	0.13%
2056-2060	-	-	62,718	-	-	62,718	0.00%
<b>Totals</b>	<b>\$ 32,004,938</b>	<b>\$ 717,529</b>	<b>\$ 11,294,316</b>	<b>\$ 32,391</b>	<b>\$ 3,712,986</b>	<b>\$ 47,762,160</b>	

OWDA - Ohio Water Development Authority

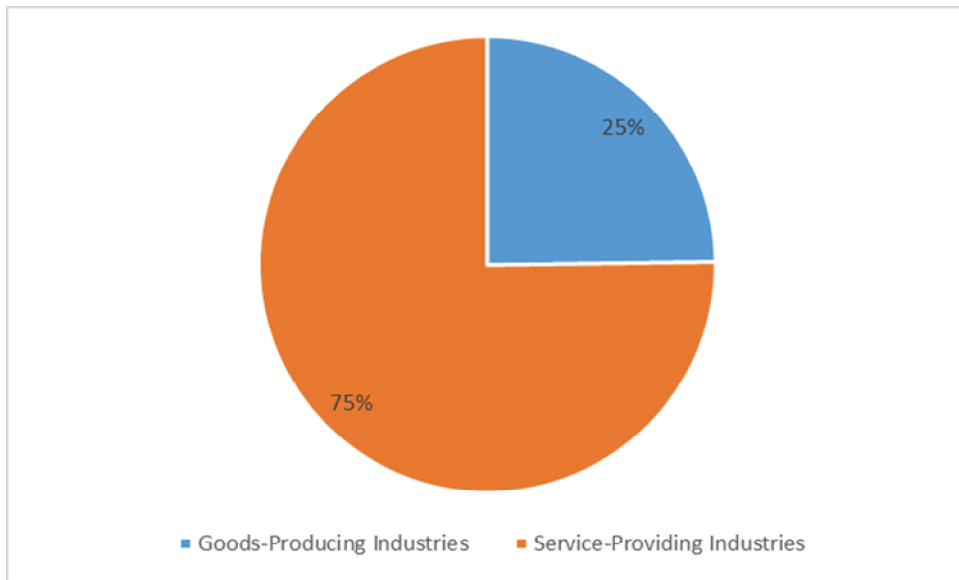
OPWC - Ohio Public Works Commission

**CONTINUING DISCLOSURE REQUIREMENTS**



**NORTHWESTERN WATER & SEWER DISTRICT  
NONAGRICULTURAL EMPLOYMENT  
TOLEDO PRIMARY METROPOLITAN STATISTICAL AREA  
(INCLUDES WOOD COUNTY)  
YEAR ENDED DECEMBER 31, 2020**

	<u>Employment</u>
Goods-Producing Industries	60,800
Natural Resources, Mining, and Construction	15,700
Manufacturing	45,100
Durable Goods	34,900
Transportation Equipment	17,400
Service-Providing Industries	190,300
Trade, Transportation, and Utilities	54,100
Information	3,200
Financial Activities	11,100
Professional and Business Services	33,300
Educational and Health Services	49,100
Leisure and Hospitality	28,100
Other Services	11,400
Government	41,500





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

<u>Employer</u>	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Bowling Green State University	3,059	1	4.49%	5,361	1	9.18%
Fed Ex Ground	2,300	2	3.38%			
Magna International	2,200	3	3.23%	650	8	1.11%
First Solar	1,500	4	2.20%	1,100	4	1.88%
Home Depot	1,100	5	1.62%			
Owens Community College	1,056	6	1.55%	1,525	2	2.61%
Amazon	1,000	7	1.47%			
Walgreens	1,000	8	1.47%	760	7	1.30%
Wood County	825	9	1.21%	1,222	3	2.09%
Chrysler	800	10	1.17%	850	6	1.46%
Cooper Standard Automotive				565	10	0.97%
Wood County Hospital	-		-	900	5	1.54%
NFO Market Research	-		-	625	9	1.07%
<b>Totals</b>	<b>14,840</b>		<b>21.79%</b>	<b>13,558</b>		<b>23.22%</b>
 Total Employment within Wood County	 68,109			 58,400		

Source: Wood County Economic Development Commission.



**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>
2020	130,817	\$ 6,386,878,391	\$ 48,823	4.1 %
2019	130,696	6,233,415,024	47,694	3.4 %
2018	130,492	5,884,310,000	45,093	4.0 %
2017	130,219	5,733,453,000	44,029	4.3 %
2016	129,730	5,536,741,000	42,679	4.2 %
2015	129,590	5,311,375,740	40,986	4.1 %
2014	129,264	5,033,023,104	38,936	4.2 %
2013	128,200	4,940,000,000	38,534	6.3 %
2012	128,200	4,947,622,600	38,593	6.1 %
2011	125,500	4,430,150,000	35,300	7.1 %

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

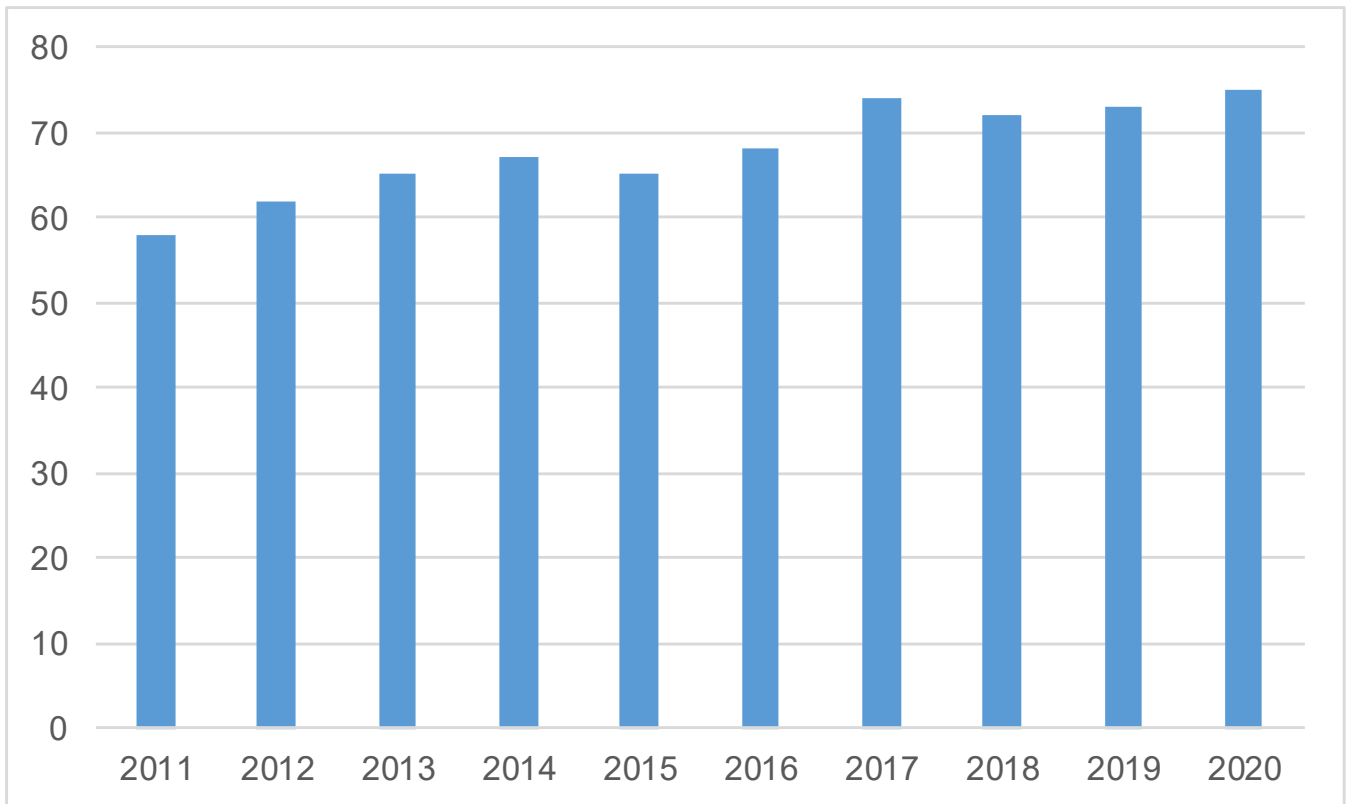


## NORTHWESTERN WATER & SEWER DISTRICT NUMBER OF EMPLOYEES BY FUNCTION LAST TEN YEARS

DEPARTMENT	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	2	3	3	2	2	2	3	3	3	3
Finance	3	3	3	5	5	5	5	5	5	5
Customer Service (1)	11	12	12	13	12	10	12	11	11	11
Engineering	12	10	12	11	11	14	15	14	14	14
GIS/IT (2)		3	3	3	3	3	3	4	4	4
Operations	30	31	32	33	32	34	36	35	36	38
Total	58	62	65	67	65	68	74	72	73	75

(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, 2020**

**WATER SYSTEM**

Miles of Potable Water Lines	452
Total Water Customers	17,149
Number of Fire Hydrants	3,670
Water Towers	13
Number of WaterShed and Bulk Water Stations	19

**SEWER SYSTEM**

Miles of Sewer Lines	368
Total Sewer Customers	19,212
Number of Pump Stations	79
Number of Treatment Plants	15
Number of Manholes	5,848

**GENERAL INFORMATION**

Population Served (Estimated)	48,030
Number of Employees	75

12560 Middleton Pike  
Bowling Green, OH 43402  
419-354-9090 \* 877-354-9090  
[www.nwwsd.org](http://www.nwwsd.org)



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

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

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

**NORTHWESTERN WATER AND SEWER DISTRICT  
WOOD COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	Under Separate Cover
Annual Comprehensive Financial Report	Under Separate Cover
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3-4
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	5-7
Schedule of Findings and Questioned Costs	8
Schedule of Prior Audit Findings and Recommendations	9

**NORTHWESTERN WATER AND SEWER DISTRICT  
WOOD COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. Department of Agriculture</u></b>		
<i>Direct Award</i>		
Water and Waste Disposal Systems for Rural Communities - Grant Program	10.760	\$ 101,037
Water and Waste Disposal Systems for Rural Communities - Loan Program	10.760	4,833,000
<i>Total CFDA #10.760</i>		<u>4,934,037</u>
<b>Total U.S. Department of Agriculture</b>		<u>4,934,037</u>
<b><u>U.S. Department of the Treasury</u></b>		
<i>Passed through Wood County</i>		
Coronavirus Relief Fund	21.019	57,821
<b>Total U.S. Department of the Treasury</b>		<u>57,821</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u>\$ 4,991,858</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, 2020**

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**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, 2020. 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 \$4,833,000 loan to the District for the purpose of financing wastewater collection and treatment in the Village of McComb. The District received all funds for this loan in 2019. Payments of \$84,300 were made on this loan in 2020.

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

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5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY 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, 2020, 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 18, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District.

### **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.

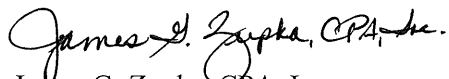
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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, Inc.  
Certified Public Accountants

June 18, 2021

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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
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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, 2020. 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, 2020.

### **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, 2020, 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 18, 2021, which contained unmodified opinions on those financial statements, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. 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, Inc.  
Certified Public Accountants

June 18, 2021

**NORTHWESTERN WATER AND SEWER DISTRICT  
WOOD COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
UNIFORM GUIDANCE  
DECEMBER 31, 2020**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2020(i)	Type of Financial Statement Opinion	Unmodified
2020(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2020(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2020(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2020(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2020(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2020(v)	Type of Major Programs' Compliance Opinions	Unmodified
2020(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2020(vii)	Major Programs (list):  Water and Waste Disposal Systems for Rural Communities - CFDA #10.760	
2020(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2020(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, 2020**

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The prior audit report, as of December 31, 2019, included no citations or instances of noncompliance.

# OHIO AUDITOR OF STATE KEITH FABER



**NORTHWESTERN WATER AND SEWER DISTRICT**

**WOOD COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/24/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)