

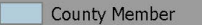

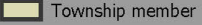

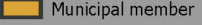

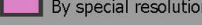


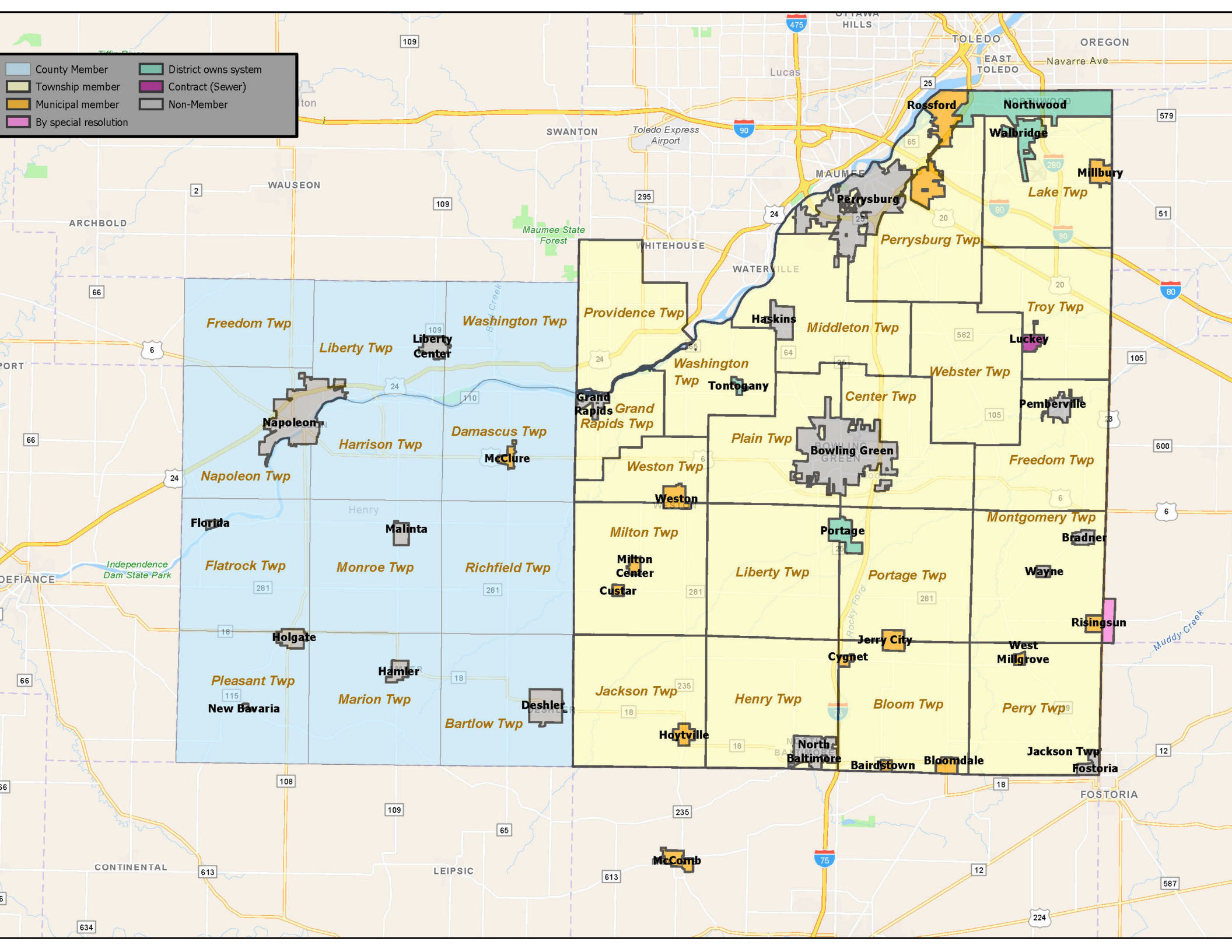
dennybetts.photo

**Annual Comprehensive Financial Report**  
For the years ended December 31, 2021 and 2020

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



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



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Members of the Board  
Northwestern Water and Sewer District  
P.O. Box 348  
Bowling Green, OH 43402

We have reviewed the *Independent Auditor's Report* of the Northwestern Water and Sewer District, Wood County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

August 18, 2022

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**NORTHWESTERN WATER & SEWER DISTRICT  
WOOD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Prepared by Kay Ball, CFO**

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**NORTHWESTERN WATER & SEWER DISTRICT  
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June 17, 2022

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

The Annual Comprehensive Financial Report of the Northwestern Water and Sewer District (“The District”) for the year ended December 31, 2021, 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.

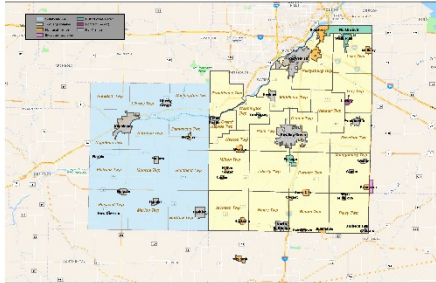
As part of The District’s audit, described earlier, tests were made by The District’s external auditors of its internal control structure and compliance with applicable laws and regulations. Although this testing is not sufficient to support a separate opinion on The District’s internal control system or its overall compliance with laws, the audit for the year ended December 31, 2021 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 and are presented in compliance with the terms of the Continuing Disclosure Agreement in conjunction with the issuance of the Water Resource Improvement and Refunding Revenue Bonds, Series 2002.

## **PROFILE OF THE DISTRICT**



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

In 1991, the County of Wood, Ohio, together with five municipalities and 14 townships, petitioned the Court of Common Pleas of Wood County for the establishment of a regional water and sewer district under Chapter 6119, Ohio Revised Code, to assume ownership and operation of the water and sewer facilities owned and operated by the County. The Court created The District on May 18, 1992 and approved a formal plan of operation on September 29, 1993. The District is currently comprised of 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 2021 population of the MSA is estimated to be approximately 641,549, of which the County accounted for approximately 131,113 in 2021. 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.

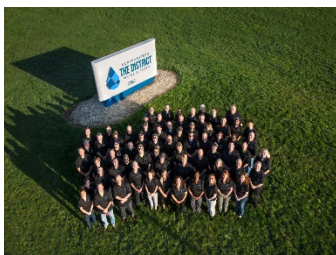
Higher education is also of major significance to the Wood County economy. Bowling Green State University, located in the City of Bowling Green, serves as the center of this activity. For the 2020-21 school year, the university had 20,000 students, 800+ full-time faculty as well as 1,274 full and part-time administrative and classified staff. In addition to Bowling Green State University, Wood County is home to Owens Community College. For 2021 Owens had a student enrollment of approximately 6,357 in over 120 program areas by a full-time faculty of 133. 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 2021 budget. This process will continue in 2022 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 \$94,146,059. Outstanding bonds of The District are rated Aa3 by Moody's and AA- by Standard & Poor's rating agencies. The District has a MIG-1 rating from Moody's on short-term borrowing. Notes 5 and 6 to the audited financial statements include schedules of debt outstanding and future debt service requirements.



#### DISTRICT MAJOR INITIATIVES

##### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northwestern Water and Sewer District for its Annual Comprehensive Financial Report (ACFR) for the year ending December 31, 2020. This was the eighteenth 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 annual comprehensive 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.

## **McComb Regional Water Connection**

The Village of McComb joined the Northwestern Water and Sewer District in 2016. McComb receives treated drinking water from a municipal water treatment facility located in the Village. This plant was constructed in 1999. The raw water source is a small stream with a very limited drainage area. The raw water quality is difficult to treat with the existing water plant process. It is anticipated that a major plant upgrade and reconstruction of the plant will be required in the coming years. The District studied the options for the future of this system and determined that a regional connection to the Village of North Baltimore is the best long-term alternative. The District has entered into an agreement with North Baltimore to purchase finished water for McComb and surrounding areas. We have secured federal funding for the construction of a regional water transmission main. Design is nearly complete and construction is expected to commence in 2022 with completion planned for 2023. This water main will provide safe and affordable drinking water to many homes and the rural areas surrounding McComb. The estimated cost for this project is \$7,000,000.

## **Ford Road Sanitary Pump Station Replacement**

The Ford Road Pump Station serves a large sewer service area in and around the City of Perrysburg. This station was constructed in the seventies and it serves several hundred residential and commercial properties. The station is subjected to high flows during wet weather which can require bypass pumping to prevent basement flooding. The pumps will be sized to handle additional flow to minimize bypass pumping. The station has a deep and dangerous wet well that requires personnel to enter possibly unsafe conditions. The new station will be updated with submersible pumps that will minimize entry to the well and will have updated safety and controls.

There is a significant amount of undeveloped property in these highly desirable areas 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 to the City of Perrysburg Wastewater Treatment Plant. Project construction is planned for mid to late 2022 at an estimated cost of \$5,200,000.

### **Deimling Road Water and Sanitary Sewer Extension**

The District is involved in a project funded by the U.S. Economic Development Administration (EDA) to construct new infrastructure to an area in the City of Rossford known as the Crossroads. The project will create better transportation and development opportunities for northwest Ohio through the construction of a secondary surface road for better access near the Amazon Warehouse that has created 5,000 new jobs.

As part of this project, new water and sewer lines will be extended to undeveloped property in the area. A 12" sanitary sewer will be extended along the frontage of the reconstructed road and will loop to an existing dead-end waterline nearby. This will open up hundreds of acres of undeveloped property for development of employment opportunities. Fire protection in the area will also be enhanced significantly. The estimated project cost is \$1,400,000 of which 40% will be covered through the grant from EDA.


### **INDEPENDENT AUDIT**

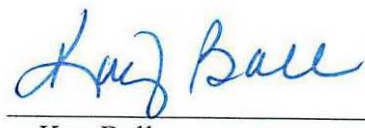
Included in this report is an unqualified opinion rendered on the District's financial statements for the year ended December 31, 2021, by James G. Zupka, CPA, Inc., a firm of licensed independent certified public accountants. As part of the preparation of the annual comprehensive financial report, The 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 annual comprehensive financial report would not have been possible without the efficient and dedicated services of all of the district departments and their staff. A special acknowledgement goes to Laurie Mooney, Financial Analyst, for her dedication to details in preparing The District's financial information.

Respectfully submitted.

  
\_\_\_\_\_  
Jerry Greiner  
President

  
\_\_\_\_\_  
Kay Ball  
CFO



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Northwestern Water & Sewer District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

**NORTHWESTERN WATER & SEWER DISTRICT  
DISTRICT OFFICIALS  
DECEMBER 31, 2021**

Board of Trustees

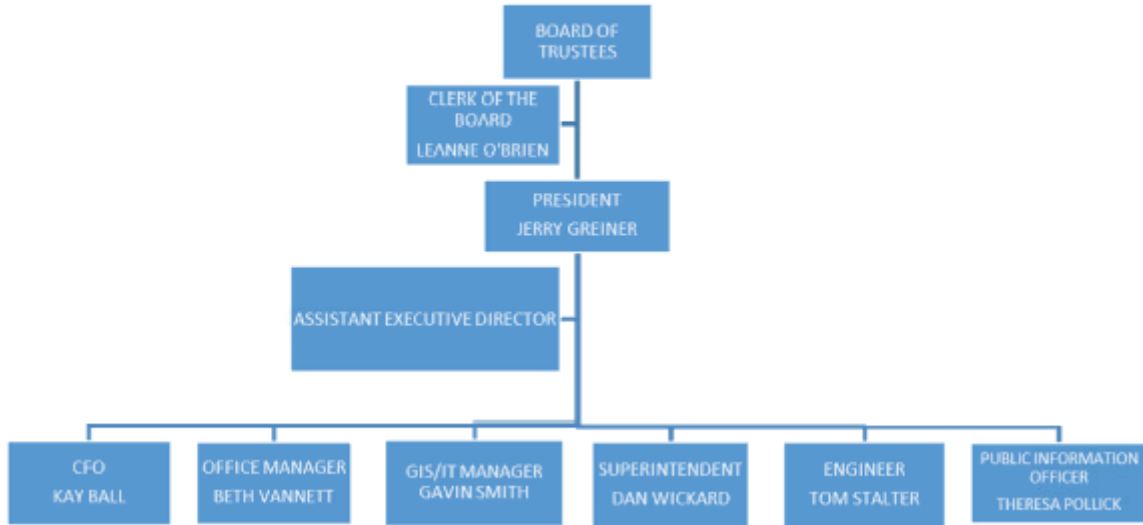
Office	Name	Date Originally Installed	Term Expires
Chairman	Mark Sheffer	10/5/2013	12/31/2024
Vice-Chairman	Steve Arnold	6/19/2014	12/31/2024
Secretary	Melina Kale	1/11/2007	12/31/2023
Member	John Cheney	7/21/1992	12/31/2022
Member	William Hirtzel	1/10/2008	12/31/2023
Member	Doug Miller	7/23/2015	12/31/2024
Member	Brooke Hahn	1/9/2020	12/31/2022
Member	Bill Barnhart	1/1/2021	12/31/2023
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, 2021**



**Number of Employees by Department**

Administration	3
Engineering	14
Operations	38
Finance	4
Office	12
GIS	<u>4</u>
 Total Employees - December 31, 2021	 <u>75</u>

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

The Honorable Keith Faber  
Auditor of State  
State of Ohio

### Report on the Financial Statements

#### *Opinions*

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, 2021 and December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Northwestern Water and Sewer District, Ohio, as of December 31, 2021 and December 31, 2020, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenses, and Changes in Net Position - Budget to Actual (Budgetary 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 presented for purposes of additional analysis and are 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 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2022, on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting and compliance.



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

June 17, 2022

**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, 2021. 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 \$154,225,411 as of December 31, 2021.
- Change in net position was \$6,515,320 in 2021.
- Overall net position increase in 2021 by \$6,515,320 was attributable to \$806,281 decrease in net investment in capital assets, \$610,802 increase in restricted net position, and \$6,710,799 increase in unrestricted net position.
- Debt increased \$5,662,879. Retirements of debt principal were \$8,729,081 and new issues of debt principal were \$14,391,960.

**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, \$127 million (82%) 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)**

	2021	2020	2019	Change			
				2021/2020		2020/2019	
				Amount	Percent	Amount	Percent
<b>ASSETS</b>							
Current Assets	\$ 36,111	\$ 30,947	\$ 30,357	\$ 5,164	16.7 %	\$ 590	1.9 %
Capital Assets, Net	217,440	214,130	203,428	3,310	1.5	10,702	5.3
Other Non-Current Assets	8,504	8,747	8,284	(243)	(2.8)	463	5.6
Total Assets	262,055	253,824	242,069	8,231	3.2	11,755	4.9
Deferred Outflows of Resources	1,559	2,194	3,632	(635)	(28.9)	(1,438)	(39.6)
<b>LIABILITIES</b>							
Current Liabilities	12,315	12,453	11,491	(138)	(1.1)	962	8.4
Long-Term Liabilities	93,218	93,736	93,785	(518)	(0.6)	(49)	(0.1)
Total Liabilities	105,533	106,189	105,276	(656)	(0.6)	913	0.9
Deferred Inflows of Resources	3,856	2,119	286	1,737	82.0	1,833	640.9
<b>NET POSITION</b>							
Net Investment in Capital Assets	126,876	127,683	121,662	(807)	(0.6)	6,021	4.9
Restricted	1,846	1,235	5,350	611	49.5	(4,115)	(76.9)
Unrestricted	25,503	18,792	13,127	6,711	35.7	5,665	43.2
Total Net Position	\$ 154,225	\$ 147,710	\$ 140,139	\$ 6,515	4.4 %	\$ 7,571	5.4 %

Net position increased by \$6,515 thousand during 2021 and increased by \$7,571 thousand during 2020. The majority of this change was due to the following:

- Debt, including current portion of long-term debt, increased \$5,662,879 in 2021 and increased by \$2,371,911 in 2020 related to borrowing for construction projects.
- Deferred inflow of resources related to pension and OPEB increased \$1,737,686 in 2021 and increased by \$1,832,738 in 2020.

Net position 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 \$6,350,427 in 2019 related to borrowing for construction projects.
- Deferred inflows decreased by \$3,887,845 in 2019.

**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						
	2021	2020	2019	2021/2020		2020/2019	
				Amount	Percent	Amount	Percent
Utility Revenue	\$ 31,239	\$ 30,117	\$ 27,775	\$ 1,122	3.7%	\$ 2,342	8.4%
Fees and Permit	458	498	508	(40)	(8.0)	(10)	(2.0)
Contract Services	173	221	227	(48)	(21.7)	(6)	(2.6)
Other	557	702	519	(145)	(20.7)	183	35.3
Non-Operating Revenue	312	631	580	(319)	(50.6)	51	8.8
<b>Total Revenues</b>	<b>32,739</b>	<b>32,169</b>	<b>29,609</b>	<b>570</b>	<b>1.8</b>	<b>2,560</b>	<b>8.6</b>
Depreciation and							
Amortization	9,940	9,381	8,553	559	6.0	828	9.7
Other Operating Expense	15,781	19,854	20,453	(4,073)	(20.5)	(599)	(2.9)
Non-Operating Expense	2,085	2,175	2,042	(90)	(4.1)	133	6.5
<b>Total Expenses</b>	<b>27,806</b>	<b>31,410</b>	<b>31,048</b>	<b>(3,604)</b>	<b>(11.5)</b>	<b>362</b>	<b>1.2</b>
Net Revenue Before Aid in Construction	4,933	759	(1,439)	4,174	549.9	2,198	(152.7)
Aid in Construction	1,582	6,812	4,447	(5,230)	(76.8)	2,365	53.2
<b>Changes in Net Position</b>	<b>6,515</b>	<b>7,571</b>	<b>3,008</b>	<b>\$ (1,056)</b>	<b>(13.9)%</b>	<b>\$ 4,563</b>	<b>151.7 %</b>
<b>Beginning Net Position</b>	<b>147,710</b>	<b>140,139</b>	<b>137,131</b>				
<b>Ending Net Position</b>	<b>\$ 154,225</b>	<b>\$ 147,710</b>	<b>\$ 140,139</b>				

Utility revenues increased in 2021 due 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 2021 with decreases in employee benefits and material and supplies offset by increases in purchased water and salaries and wages.

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.



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

**Capital Assets**

At the end of 2021, the District had \$217,440,295 invested in capital assets, net of depreciation. This amount represents a net increase of approximately \$3.3 million, or 1.5% over 2020.

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

	2021	2020	2019	Change			
				2021/2020		2020/2019	
				Amount	Percent	Amount	Percent
Land and Easements	\$ 1,296	\$ 1,273	\$ 1,159	\$ 23	1.8 %	\$ 114	9.8 %
Construction in Progress	15,083	6,493	17,967	8,590	132.3	(11,474)	(63.9)
Water and Sewer Lines	150,999	153,039	137,268	(2,040)	(1.3)	15,771	11.5
Buildings, Structures, and Improvements	38,096	40,320	36,056	(2,224)	(5.5)	4,264	11.8
Equipment	11,965	13,005	10,978	(1,040)	(8.0)	2,027	18.5
<b>Total</b>	<b>\$ 217,440</b>	<b>\$ 214,130</b>	<b>\$ 203,428</b>	<b>\$ 3,310</b>	<b>1.5 %</b>	<b>\$ 10,702</b>	<b>5.3 %</b>

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

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

**Debt Administration**

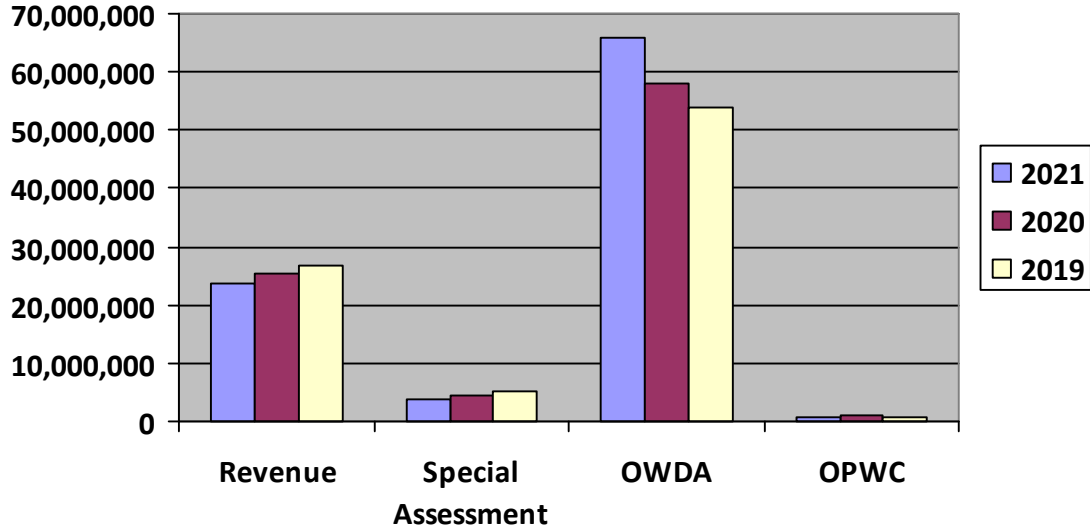
At December 31, 2021, the District had total debt outstanding of \$94,146,059 compared to \$88,483,180 at December 31, 2020. This represents an increase of \$5,662,879. During 2021, the District issued \$14,391,960 of new debt and repaid \$8,729,081 in principal on outstanding debt. At December 31, 2020, 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. The District has ratings on its long-term debt of Aa3 from Moody's Investor Service and AA- from Standard and Poor's. This information should be read in conjunction with Notes 5 and 6 to the audited financial statements for more detailed information on long-term debt.

**Outstanding Debt at December 31,**

	2021	2020	2019
Revenue Bonds and Notes and Capital Leases	\$ 23,721,773	\$ 25,333,151	\$ 26,689,921
Special Assessment Bonds and Notes	3,662,550	4,359,552	5,084,551
Ohio Water Development Authority	65,959,698	57,929,704	53,710,615
Ohio Public Works Commission	802,038	860,773	626,182
<b>Total Current and Long-term Debt</b>	<b>\$ 94,146,059</b>	<b>\$ 88,483,180</b>	<b>\$ 86,111,269</b>

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

**Type of Debt by Year**



**Economic Factors**

Based on the District's 2021 budget, neither water nor sewer rates were increased. 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 2022, 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, 2021 AND 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents - Unrestricted	\$ 16,960,753	\$ 11,939,393
Cash and Cash Equivalents - Restricted	4,248,754	4,292,993
Investments - Unrestricted	7,169,226	7,204,927
Investments - Restricted	1,208,624	1,240,561
Accounts Receivable - Trade	3,738,387	3,623,716
Grant Receivable	919,444	919,444
Current Portion of Special Assessments	985,698	979,736
Inventory	634,961	507,672
Prepaid Expenses	244,729	238,845
Total Current Assets	<u>36,110,576</u>	<u>30,947,287</u>
<b>NONCURRENT ASSETS</b>		
Capital Assets:		
Depreciable:		
Sewer and Water Lines	256,068,411	252,884,781
Buildings, Pumps, and Lift Stations	56,651,587	56,300,730
Machinery and Equipment	19,042,084	18,496,293
Vehicles	4,572,541	4,305,531
Furniture and Fixtures	515,342	509,500
Computer Equipment	2,947,093	2,850,997
Improvements - Oregon Waste Water Treatment Plant	6,580,004	6,580,004
Total Depreciable Capital Assets	<u>346,377,062</u>	<u>341,927,836</u>
Accumulated Depreciation and Amortization	<u>(145,316,462)</u>	<u>(135,564,067)</u>
Net Depreciable Capital Assets	201,060,600	206,363,769
Nondepreciable:		
Land	829,581	828,581
Easements	466,803	444,631
Construction in Progress	15,083,311	6,492,895
Net Capital Assets	<u>217,440,295</u>	<u>214,129,876</u>
<b>OTHER ASSETS</b>		
Net Pension Asset	84,911	58,026
Net OPEB Asset	572,879	-
Special Assessments, Less Current Portion	7,845,840	8,689,182
Total Other Assets	<u>8,503,630</u>	<u>8,747,208</u>
Total Noncurrent Assets	<u>225,943,925</u>	<u>222,877,084</u>
Total Assets	262,054,501	253,824,371
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on Debt Refunding	452,910	460,709
Pension	770,540	987,104
OPEB	336,357	746,332
Total Deferred Outflows of Resources	<u>1,559,807</u>	<u>2,194,145</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 263,614,308</u>	<u>\$ 256,018,516</u>

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT  
STATEMENTS OF NET POSITION (CONTINUED)  
DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 5,909,544	\$ 5,531,880
Current Portion of Compensated Absences Payable	458,179	517,326
Accounts Payable - Trade	2,742,103	3,516,654
Accrued Payroll and Payroll Taxes	339,961	340,622
Accrued Interest Payable	908,599	941,056
Accounts Due Others	1,029,766	676,486
Unearned Revenues	926,444	929,444
Total Current Liabilities	12,314,596	12,453,468
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt, Less Current Portion	88,236,515	82,951,300
Net Pension Liability	4,708,148	6,174,205
Net OPEB Liability	-	4,354,558
Compensated Absences Payable, Less Current Portion	273,251	256,193
Total Long-Term Liabilities	93,217,914	93,736,256
Total Liabilities	105,532,510	106,189,724
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	2,092,562	1,465,651
OPEB	1,763,825	653,050
Total Deferred Inflows of Resources	3,856,387	2,118,701
Total Liabilities and Deferred Inflows of Resources	\$ 109,388,897	\$ 108,308,425
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 126,876,485	\$ 127,682,766
Restricted for Debt Service	1,188,051	1,177,013
Restricted for Net Pension/OPEB Asset	657,790	58,026
Unrestricted	25,503,085	18,792,286
Total Net Position	\$ 154,225,411	\$ 147,710,091

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Utility Revenue	\$ 31,238,792	\$ 30,117,379
Fees and Permits	457,861	497,729
Contract Services	172,779	220,704
Other	556,810	702,264
Total Operating Revenues	<u>32,426,242</u>	<u>31,538,076</u>
<b>OPERATING EXPENSES</b>		
Depreciation and Amortization	9,940,021	9,380,684
Labor	4,778,904	4,618,048
Employee Benefits	(2,327,160)	2,469,624
Professional Services	1,592,652	1,934,241
Purchased Water and Sewer Treatment	8,034,507	7,384,797
Materials and Supplies	1,837,132	1,583,064
Utilities	814,248	783,895
Other	1,050,683	1,080,536
Total Operating Expenses	<u>25,720,987</u>	<u>29,234,889</u>
<b>OPERATING INCOME</b>	6,705,255	2,303,187
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	253,926	495,227
Interest Expense	(2,084,834)	(2,175,359)
Other Income	58,959	135,980
Total Nonoperating Revenues (Expenses)	<u>(1,771,949)</u>	<u>(1,544,152)</u>
<b>AID IN CONSTRUCTION</b>	<u>1,582,014</u>	<u>6,811,666</u>
<b>CHANGE IN NET POSITION</b>	6,515,320	7,570,701
<b>NET POSITION</b>		
Net Position at Beginning of Year	<u>147,710,091</u>	<u>140,139,390</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 154,225,411</u></u>	<u><u>\$ 147,710,091</u></u>

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATIONS</b>		
Cash Received from Customers	\$ 32,321,571	\$ 30,547,237
Cash Payments to Suppliers for Goods and Services	(14,456,545)	(12,862,154)
Cash Payments to Employees for Services	(5,982,970)	(5,194,972)
Net Cash Provided by Operations	11,882,056	12,490,111
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Aid in Construction	1,204,962	624,994
Acquisition and Construction of Capital Assets	(12,897,917)	(14,144,641)
Proceeds from Sale of Capital Assets	159,805	248,677
Proceeds from Issuance of Long-Term Debt	11,354,242	7,694,919
Repayment of Long-Term Debt	(5,691,363)	(5,323,008)
Collections on Special Assessments	987,941	999,684
Assessed Special Assessments	(150,561)	(1,414,735)
Interest Paid	(2,058,332)	(2,006,472)
Net Cash Used by Capital and Related Financing Activities	(7,091,223)	(13,320,582)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	253,926	495,227
Proceeds on Sale of Investments	6,842,734	3,046,806
Purchases of Investments	(6,910,372)	(3,190,088)
Net Cash Provided by Investing Activities	186,288	351,945
 <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,977,121	(478,526)
 Cash and Cash Equivalents - Beginning of Year	16,232,386	16,710,912
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 21,209,507	\$ 16,232,386
 <b>RESTRICTED CASH AND CASH EQUIVALENTS</b>	\$ 4,248,754	\$ 4,292,993
<b>UNRESTRICTED CASH AND CASH EQUIVALENTS</b>	16,960,753	11,939,393
	\$ 21,209,507	\$ 16,232,386
 <b>SUPPLEMENTAL CASH FLOW INFORMATION (NONCASH ITEMS)</b>		
Aid in Construction	\$ 377,052	\$ 6,186,872
Refunding Bond Proceeds Directly to Escrow Agent	\$ 3,037,718	\$ -

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATIONS</b>		
Operating Income	\$ 6,705,255	\$ 2,303,187
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:		
Depreciation and Amortization	9,940,021	9,380,684
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:		
Accounts Receivable - Trade	(114,671)	(81,395)
Grant Receivable	-	(919,444)
Inventory	(127,289)	85,955
Prepaid Expenses	(578,763)	(30,815)
Deferred Outflow - Refunding	7,799	8,272
Deferred Outflow - Pension	216,564	1,737,163
Deferred Outflow - OPEB	409,975	(307,335)
Net Pension Asset	(26,885)	(28,358)
Accounts Payable - Trade	(774,551)	158,065
Accrued Payroll and Payroll Taxes	(661)	(129,334)
Accounts Due Others	353,280	(308,826)
Net Pension Liability	(1,466,057)	(2,516,821)
Net OPEB Liability	(4,354,558)	187,336
Compensated Absences Payable	(42,089)	189,595
Unearned Revenues	(3,000)	919,444
Deferred Inflow - Pension	626,911	1,200,995
Deferred Inflow - OPEB	1,110,775	641,743
Total Adjustments	5,176,801	10,186,924
Net Cash Provided by Operations	\$ 11,882,056	\$ 12,490,111

See accompanying Notes to Financial Statements.



**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**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 wastewater 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, 2021 AND 2020**

**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 of resources, liabilities, and deferred inflows of resources 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, 2021 AND 2020**

**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.

**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.

**Compensated Absences**

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

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

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

**Deferred Outflows and Inflows**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until then. See Notes 8 and 9 for details on the District's deferred outflows of resources related to its net pension liability and net OPEB liability/asset, respectively. See Note 5 for details on the District's deferred outflows of resources related to its loss on debt refunding. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. See Notes 8 and 9 for detail on the District's deferred inflows of resources related to its net pension liability and net OPEB liability/asset, 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, 2021 AND 2020**

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

**Net Position (Continued)**

The District's board of trustees has designated unrestricted net position of \$6,589,108 and \$6,261,493 as of December 31, 2021 and 2020, respectively, for capital and operating expenses, 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 2021 and 2020, respectively.

**Reclassifications**

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

**Subsequent Event**

The District has evaluated subsequent events through June 17, 2022, the date which the financial statements were available to be issued.

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

In June 2018, the GASB issued Statement 89, *Accounting For Interest Cost Incurred Before The End Of A Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement was adopted for the District's year ended December 31, 2021, with no material impact on the District.

**NOTE 3 CASH AND INVESTMENTS**

**Deposits**

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

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

**NORTHWESTERN WATER & SEWER DISTRICT  
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**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

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

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

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. The collateral is pooled through the Ohio Pooled Collateral System. Under this program, public depositories that pledge a collateral pool using the method prescribed in Ohio Rev. Code § 135.18(A)(2) or Ohio Rev. Code § 135.37(A)(2) shall pledge to the Treasurer of State a single pool of eligible securities for the benefit of all public depositories to secure the repayment of all uninsured public deposits at the public depository; provided that at all times the total fair value of securities so pledged is at least equal to either one hundred two percent 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 \$18,299,004 and \$13,116,406 at December 31, 2021 and 2020, respectively. At December 31, 2021, the bank balance of \$18,996,514 was covered by federal depository insurance and \$18,746,514 was covered by collateral held by the pledging financial institution, but not in the name of the District. 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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

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

**Investments**

As of December 31, 2021, the District has not established a formal policy relating to interest rate risk. The District's investments and cash equivalents consist of the following:

<u>Investments</u>	2021		
	<u>Fair Value</u>	<u>Maturity Less Than 1</u>	<u>Maturity 1-5 years</u>
U.S. Treasuries and Federal Agency Obligations	\$ 8,346,634	\$ 6,337,406	\$ 2,009,228
Money Market Mutual Funds	707,178	707,178	-
STAR Ohio	2,234,541	2,234,541	-
Total Investments, Including Restricted	<u>\$ 11,288,353</u>	<u>\$ 9,279,125</u>	<u>\$ 2,009,228</u>
	2020		
<u>Investments</u>	<u>Fair Value</u>	<u>Maturity Less Than 1</u>	<u>Maturity 1-5 years</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>

Investments held by the District at December 31, 2021 and 2020 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 investments were subject to custodial credit risk.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

<u>Investment Type</u>	2021			
	<u>Fair Value</u>	<u>Not Rated</u>	<u>AAA</u>	<u>AA+</u>
U.S. Treasuries and Federal Agency Obligations	\$ 8,346,634	\$ 1,736,127	\$ -	\$ 6,610,507
Money Market Mutual Funds	707,178	707,178	-	-
Star Treasury Reserve of Ohio (STAROhio)	2,234,541	-	2,234,541	-
Total Investments	<u>\$ 11,288,353</u>	<u>\$ 2,443,305</u>	<u>\$ 2,234,541</u>	<u>\$ 6,610,507</u>

<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>

Reconciliation of this footnote to the financial statements:

	2021	2020
Carrying Amount of Bank Deposits - per Note Above	\$ 18,299,004	\$ 13,116,406
Investments - Per Note Above	11,288,353	11,561,468
Total	<u>\$ 29,587,357</u>	<u>\$ 24,677,874</u>

	2021	2020
Statement of Net Position:		
Cash and Cash Equivalents - Unrestricted	\$ 16,960,753	\$ 11,939,393
Cash and Cash Equivalents - Restricted	4,248,754	4,292,993
Investments - Unrestricted	7,169,226	7,204,927
Investments - Restricted	1,208,624	1,240,561
Total	<u>\$ 29,587,357</u>	<u>\$ 24,677,874</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, 2021 AND 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2021 and 2020, the District's investments had the following recurring fair value measurements:

<u>Investment Type</u>	2021			Total
	Level 1	Level 2	Level 3	
U.S. Treasuries and Federal Agency Obligations	\$ -	\$ 8,346,634	\$ -	\$ 8,346,634
Money Market Mutual Funds	707,178	-	-	707,178
Star Treasury Reserve of Ohio (STAROhio)	2,234,541	-	-	2,234,541
Total	<u>\$ 2,941,719</u>	<u>\$ 8,346,634</u>	<u>\$ -</u>	<u>\$ 11,288,353</u>

<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>

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 2021, the District's investment in U.S. Treasury Notes represents 15% of the District's total investments. The District's investment in Federal Farm Credit Bank bonds represents 14% of the District's total investments in 2021. The District's investment in Federal National Mortgage Association notes represents 16% of the District's total investments in 2021. The District's investment in Federal Home Loan notes represents 14% of the District's total investments in 2021. The District's investment in Federal Home Loan Bank notes represents 15% of the District's total investments in 2021.

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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 4 CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended December 31, 2021 is as follows:

	Balance - December 31, 2020	Additions	Retirements	Transfers	Balance - December 31, 2021
<b>Nondepreciable:</b>					
Land	\$ 828,581	\$ 1,000	\$ -	\$ -	\$ 829,581
Easements	444,631	22,172	-	-	466,803
Construction in Progress	6,492,895	11,839,191	(52,095)	(3,196,680)	15,083,311
<b>Total Nondepreciable</b>	<b>7,766,107</b>	<b>11,862,363</b>	<b>(52,095)</b>	<b>(3,196,680)</b>	<b>16,379,695</b>
<b>Depreciable:</b>					
Sewer and Water Lines	252,884,781	371,633	-	2,811,997	256,068,411
Buildings, Pumps, and Lift Station	56,300,730	87,330	(21,783)	285,310	56,651,587
Machinery and Equipment	18,496,293	520,592	(74,174)	99,373	19,042,084
Vehicles	4,305,531	353,285	(86,275)	-	4,572,541
Furniture and Fixtures	509,500	5,842	-	-	515,342
Computer Equipment	2,850,997	96,096	-	-	2,947,093
Improvements - Oregon Wastewater Treatment Plant	6,580,004	-	-	-	6,580,004
<b>Total Depreciable</b>	<b>341,927,836</b>	<b>1,434,778</b>	<b>(182,232)</b>	<b>3,196,680</b>	<b>346,377,062</b>
<b>Totals at Historical Cost</b>	<b>349,693,943</b>	<b>13,297,141</b>	<b>(234,327)</b>	<b>-</b>	<b>362,756,757</b>
<b>Accumulated Depreciation:</b>					
Sewer and Water Lines	99,846,251	5,223,344	-	-	105,069,595
Buildings, Pumps, and Lift Station	18,773,667	2,397,635	(21,783)	-	21,149,519
Machinery and Equipment	7,506,362	1,438,978	(73,628)	-	8,871,712
Vehicles	2,887,403	381,069	(86,275)	-	3,182,197
Furniture and Fixtures	443,640	23,830	-	-	467,470
Computer Equipment	2,319,404	271,025	-	-	2,590,429
Improvements - Oregon Wastewater Treatment Plant	3,787,340	198,200	-	-	3,985,540
<b>Total Accumulated Depreciation</b>	<b>135,564,067</b>	<b>9,934,081</b>	<b>(181,686)</b>	<b>-</b>	<b>145,316,462</b>
<b>Capital Assets, Net</b>	<b>\$ 214,129,876</b>	<b>\$ 3,363,060</b>	<b>\$ (52,641)</b>	<b>\$ -</b>	<b>\$ 217,440,295</b>

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 4 CAPITAL ASSETS AND DEPRECIATION (CONTINUED)**

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
<b>Total Nondepreciable</b>	<b>19,125,558</b>	<b>10,561,560</b>	<b>(293,795)</b>	<b>(21,627,216)</b>	<b>7,766,107</b>
<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
<b>Total Depreciable</b>	<b>311,990,501</b>	<b>9,830,915</b>	<b>(1,520,796)</b>	<b>21,627,216</b>	<b>341,927,836</b>
<b>Totals at Historical Cost</b>	<b>331,116,059</b>	<b>20,392,475</b>	<b>(1,814,591)</b>	<b>-</b>	<b>349,693,943</b>
<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
<b>Total Accumulated Depreciation</b>	<b>127,688,135</b>	<b>9,374,272</b>	<b>(1,498,340)</b>	<b>-</b>	<b>135,564,067</b>
<b>Capital Assets, Net</b>	<b>\$ 203,427,924</b>	<b>\$ 11,018,203</b>	<b>\$ (316,251)</b>	<b>\$ -</b>	<b>\$ 214,129,876</b>

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 5 DEBT**

The District has 110 loans with the Ohio Water Development Authority (OWDA) to finance the cost of developing and improving the water and sewer systems. These are direct borrowings. The following table shows remaining principal amounts outstanding on the individual loans as of December 31, 2021 and 2020:

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2021	2020
SS #904 & WL #904	08/31/00	1,660,596	3.00	01/01/21	\$ -	\$ 67,580
WL #300	10/28/04	90,500	4.10	01/01/25	21,558	27,176
WL #318	09/31/04	338,000	4.56	07/01/24	71,972	93,879
SS #1000	11/04/04	168,224	4.56	07/01/24	35,946	46,888
Weston 3587	09/26/01	560,079	1.50	07/01/23	63,835	95,045
Weston 4046	02/26/04	420,316	1.50	07/01/25	94,401	117,133
Williamsburg 5097	04/30/09	650,829	3.70	07/01/29	224,328	248,020
Northwood 2069	12/11/97	830,175	5.88	07/01/23	117,908	171,998
Northwood 2070	05/28/98	360,000	5.66	07/01/23	50,207	73,316
Weston 5730	10/27/10	908,842	3.41	01/01/31	446,082	485,234
Custar 4444	01/26/06	782,759	1.50	01/01/37	447,952	473,443
Milton Center 4714	05/31/07	757,375	1.00	07/01/38	456,771	481,303
Metering 5865	05/26/11	1,969,940	4.45	07/01/31	1,147,725	1,237,106
Weston 5867	05/26/11	1,389,150	-	01/01/33	791,445	860,266
Bloomdale 4329 Country						
Manor SS Force	06/30/05	530,152	2.00	01/01/36	295,600	313,012
Rossford 6457	05/30/13	454,582	3.44	01/01/44	281,615	289,796
Rossford 6464	05/30/13	1,298,907	2.67	01/01/34	841,911	897,967
Rossford 6475	06/27/13	2,153,389	2.59	07/01/34	1,530,269	1,628,124
Five Point 6581	10/31/13	1,105,909	2.89	07/01/34	633,507	673,142
Custar WL 6231	06/28/12	596,739	-	07/01/43	402,562	420,860
Cygnets 6335	12/06/12	751,817	3.19	07/01/43	498,400	513,830
Homecraft SS						
Laterals 6309	10/25/12	554,528	2.48	07/01/33	325,182	348,185
Jennings Rd 6382	01/31/13	767,692	2.94	01/01/44	633,536	653,165
Milton Center 6230	06/28/12	842,856	-	07/01/43	559,256	584,677
Morton Building 6396	02/28/13	381,694	3.09	01/01/43	306,380	316,292
Perrysburg Twp 6260	08/30/12	193,950	3.36	07/01/42	149,796	154,641
Rossford Clearwell 6383	01/31/13	3,777,878	2.94	01/01/44	2,667,260	2,749,900
Rossford Tree St 6232	06/28/12	858,032	2.64	07/01/32	512,209	551,857
Stony Ridge 6397	02/28/13	694,644	1.98	01/01/44	575,620	593,115
SS100 Master Meter 6500	07/25/13	274,953	2.57	07/01/33	166,357	178,054
Walbridge Laterals 6583	10/31/13	540,638	3.59	07/01/34	343,126	363,519
Rossford Tree Streets						
PR 6644	12/12/13	509,997	3.37	01/01/35	311,978	329,963
Hillside Dr SS 6676	02/27/14	389,462	3.44	01/01/35	289,019	305,591
Rossford Citywide						
I & I 6641	12/13/13	460,927	3.37	07/01/34	333,196	353,323
Amptown SS 6674	02/27/14	1,902,014	3.44	01/01/35	1,399,800	1,480,066
Hufford Rd WL 6742	05/29/14	1,112,050	3.16	01/01/35	766,911	811,835
Rossford Colony I & I 6773	06/26/14	1,395,708	3.09	07/01/35	1,053,403	1,112,733
East Broadway WL 6766	06/26/14	714,388	2.59	01/01/35	461,003	489,198
100 Area WL 6741	05/29/14	356,451	3.16	01/01/35	241,087	255,210
Jennings Rd PS 6695	03/27/14	721,878	3.33	01/01/35	514,047	543,772
E Broadway WL 6747	05/29/14	369,454	4.00	01/01/45	113,820	116,736
Bloomdale PS 6930	03/26/15	211,816	2.74	01/01/46	175,006	179,963

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 5 DEBT (CONTINUED)**

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2021	2020
Wise St SS 6893	01/29/15	\$ 923,133	3.03 %	01/01/46	\$ 628,599	\$ 645,696
Homecraft SS Laterals 6843	10/30/14	728,574	2.96	07/01/35	427,446	451,768
Pump Station Sewer Imp 6943	03/26/15	369,550	1.80	01/01/36	260,797	276,407
Colony Rd PS Replacement 7007	05/28/15	2,801,424	1.99	01/01/36	1,855,294	1,964,667
Water Loss Audit 7087	08/27/15	148,143	-	07/01/21	-	28,249
Bays Rd WL 7064	07/01/15	313,001	-	07/01/36	245,364	259,506
BG 2nd WL Connection 7119	09/24/15	487,386	-	07/01/36	381,973	404,080
Rossford 7158	10/29/15	745,156	2.18	07/01/36	532,186	561,885
2nd Portage WL 7185	12/10/15	426,791	1.64	07/01/36	410,519	434,475
SS 200 Area I & I 7159	10/29/15	262,721	1.68	07/01/36	158,729	167,961
Bloomdale Rehab 7063	07/30/15	101,011	1.79	07/01/36	77,392	81,853
Northern Area 7253	02/25/16	757,780	1.85	01/01/37	580,977	613,068
Tracy Rd SS 7397	06/30/16	2,844,821	2.18	01/01/37	2,033,997	2,148,961
Hillview Dr 7258	02/25/16	121,186	1.85	01/01/37	88,292	93,169
WL 300 Area 7337	05/26/16	358,847	1.27	01/01/37	285,837	302,423
Oregon EQ Basin 7254	02/25/16	6,087,816	1.85	01/01/37	4,827,412	5,094,058
Eastwood School 7476	09/29/16	860,359	2.01	07/01/36	676,381	714,663
Bairdton WWTP 7468	08/25/16	1,788,861	-	01/01/38	1,430,093	1,516,765
Northwood 7088	08/27/15	237,914	2.32	07/01/36	188,231	198,613
McComb SS 4235	01/27/05	89,843	4.50	07/01/25	24,858	30,411
McComb CSO 5067	02/26/09	412,026	-	07/01/29	164,810	185,412
Milsbury SS 7540	12/08/16	1,225,129	1.55	07/01/37	867,225	914,640
McComb WT 6485	06/27/13	994,336	2.00	07/01/35	673,557	718,115
PPCP WL 7531	12/08/16	217,700	-	01/01/23	52,034	86,723
Carrington Woods & Totogany 7559	01/26/17	379,925	2.85	07/01/37	330,770	346,279
Hanson, George WL Replace 7560	02/08/17	755,885	2.85	01/01/38	650,789	681,302
Southern Serv Area Water System	09/09/16	474,827	0.76	01/01/37	374,190	396,853
Taylor 7651 WL	04/05/17	399,409	1.83	01/01/38	341,177	358,742
Hamlet 7820 WL	08/10/17	581,310	1.89	01/01/38	494,406	519,721
Curtice 7727 WL	06/08/17	1,069,866	1.63	01/01/38	795,827	837,547
Starbright 7814 WL	08/07/17	1,087,657	1.89	01/01/38	877,490	922,420
Williamsburg 7541	11/07/16	504,305	1.55	07/01/37	301,793	318,293
Nutrient Removal	11/09/16	49,000	-	07/01/37	9,799	19,599
Perrysburg I&I 7813	08/07/17	1,119,722	1.39	01/01/38	813,856	857,456
Lead Elimination 7966	01/29/18	1,003,450	1.81	10/01/22	747,734	783,753
White Rd/ Vineyard WL 8101	05/04/18	706,698	2.15	10/01/22	634,496	664,073
McComb WL Imp 7980	04/06/18	321,351	2.70	07/01/39	246,364	257,249
Oregon/Bays Rd Elevated Tank 8095	06/04/18	463,500	2.90	01/01/40	392,642	409,052
Weston Silver St WL 7979	04/06/18	144,475	2.70	07/01/38	124,440	130,356
McComb Clearwell 8212	08/06/18	1,106,715	-	10/01/23	952,796	1,004,298
Hoytville 7812	08/07/17	85,873	-	04/01/22	72,992	77,286
Rudolph Rd Forcemain 7257	08/31/17	180,218	-	06/01/37	126,516	134,679
Lime City Buck Rd WL ODOT 7987	04/06/18	426,852	2.70	07/01/39	357,342	373,130
Rossford Various St Sewer Rehab 8340	1/31/2019	827,474	3.10	01/01/40	740,492	773,163
Weston Center St/Euler/Cygnnet 8258	10/25/2018	413,820	2.93	01/01/39	348,075	365,967
Weston Meter Pit 8492	04/25/19	306,839	2.09	01/01/40	162,798	179,161
Millbury SS IMP PH2 8621	07/25/19	933,679	1.00	01/01/41	841,092	811,880
WL 101 Repair 8628	08/29/19	536,574	2.10	01/01/40	503,157	525,241

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 5 DEBT (CONTINUED)**

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2021	2020
Troy TWP WL IMP 8629	08/29/19	\$ 936,505	2.10 %	07/01/40	\$ 839,416	\$ 878,931
Eagle Point SS Rehab 8665	09/26/19	1,377,781	1.22	01/01/41	1,128,530	876,279
Ampoint WL 8719	12/12/19	1,097,018	1.10	01/01/41	1,059,084	385,833
HC Filling home WL*	07/01/12	244,839	3.34	01/01/32	155,147	167,300
HC Okolona Sewers*	07/01/13	623,615	1.00	01/01/43	361,154	376,140
HC-McClure WWS*	07/01/12	1,122,494	1.00	01/01/42	802,661	837,773
HC Water Feasibility Study*	01/01/18	249,692	2.51	07/01/22	222,257	229,650
HC-McClure WWS*	07/01/14	1,784,282	1.98	01/01/44	1,055,910	1,095,033
HC Deimling RD/Duke Dev*	10/31/19	348,751	1.78	01/01/41	336,963	344,406
Rossford lime city WL	01/30/20	925,098	1.17	01/01/41	909,841	784,659
Troy TWP SS IMP	02/27/20	1,334,993	1.85	01/01/41	1,313,522	587,037
Water main IMP	06/25/20	1,741,146	1.93	01/01/41	1,621,049	6,114
Rossford tree st WL	05/28/20	860,897	0.62	04/01/41	799,050	11,503
Mccomb WL PH 2	10/29/20	699,659	0.02	01/01/41	638,411	9,320
Woods ST WL Replacement	10/29/20	881,126	0.52	01/01/41	759,308	11,745
SS300-400 IMP PH2 8933	07/01/21	1,348,592	1.12	01/01/41	786,072	-
Mccomb SS Interceptor 9052	07/01/21	407,226	-	01/01/41	394,375	-
Mccomb Sys IMP PH1 9223	07/01/21	1,128,976	0.43	01/01/42	868,787	-
Weston SS IMP 2021 9295	07/01/21	1,009,007	1.35	07/01/42	187,592	-
Cygnat PS Rehab 9244	07/01/21	731,235	1.18	07/01/41	71,878	-
100 Area Elevated Tank 9271	07/01/21	4,521,204	0.22	01/01/42	3,181,740	-
Wales Rd WL 9559	07/01/21	552,737	1.51	07/01/42	1,929	-
Total					<u>\$ 65,959,698</u>	<u>\$ 57,929,704</u>

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

Other long-term loans (direct borrowings) at December 31, 2021 and 2020 are as follows:

Date of Issue	Purpose	Interest Rate	Maturity Date	Amount Outstanding	
				2021	2020
09/08/98	Jerry City SS #1800 USDA Loan	4.75%	09/08/38	\$ -	\$ 192,900
07/31/04	Jerry City WL #CE37F	-	01/01/25	38,824	48,530
11/03/04	Rudolph SS #CE33E	-	07/01/24	14,496	18,638
07/01/07	Village of Custar #CE411	-	01/01/27	7,500	8,750
07/01/06	OPWC Bloomdale CT17H	-	07/01/26	5,035	5,950
07/01/14	OPWC Rossford Tree St SS Improvements	-	01/01/34	107,583	115,859
07/01/17	Silver St CE42U OPWC	-	07/01/37	147,868	152,966
07/11/17	OPWC McComb Raw Water PS CM26U	-	01/01/40	243,594	256,761
08/24/07	OPWC HC Road P WL CE27I*	-	02/28/28	27,121	31,294
06/06/15	OPWC Meters/Hydrants CE51Q*	-	02/28/45	112,345	117,026
12/25/11	OPWC HC McClure CE56M*	-	02/28/32	64,121	70,228
12/16/18	OPWC Deshler CE20U*	-	02/28/49	33,551	34,771
Total				<u>\$ 802,038</u>	<u>\$ 1,053,673</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, 2021 AND 2020**

**NOTE 5 DEBT (CONTINUED)**

Bonded debt at December 31, 2021 and 2020 is as follows:

Date of Issue	Purpose	Original Amount	Interest Rate	Maturity Date	Amount Outstanding	
					2021	2020
03/03/16	USDA Bloomdale	\$ 1,655,000	2.50 %	09/01/55	\$ 1,520,720	\$ 1,548,920
03/20/03	USDA Building Construction	2,975,000	4.63	03/20/33	1,677,971	1,780,938
06/28/04	USDA Revenue Bond	796,000	4.38	06/01/44	1,177,692	1,206,047
02/16/06	Rotary Commission Loan	168,026	5.00	03/01/26	119,738	121,246
05/27/09	USDA Revenue Bond	2,400,000	4.25	05/01/49	2,037,200	2,074,800
06/08/10	2010 Special Assessment	2,350,000	3.50 - 6.28	12/01/30	-	1,485,001
06/08/10	2010 Revenue Bond	2,350,000	5.00 - 6.23	12/01/30	-	1,490,001
09/26/12	USDA Cygnet Water	638,879	2.75	06/01/42	498,155	515,543
09/26/12	USDA Cygnet Sewer	967,990	2.75	06/01/42	755,284	781,560
03/23/12	2012 Revenue Bond	3,870,000	2.00 - 4.00	12/01/31	1,543,445	1,758,445 *
03/23/12	2012 Special Assessment	2,880,000	2.00 - 4.00	12/01/24	564,550	834,551 *
09/26/12	USDA Building Renovation	2,787,892	2.75	06/01/42	2,441,060	2,526,198
06/28/12	USDA West Millgrove	291,385	2.00	06/01/52	528,408	540,653
01/03/13	USDA Stony Ridge	1,945,000	2.50	01/01/53	1,657,700	1,727,200
02/27/15	2015 Revenue Bond	1,300,000	2.40	12/01/24	420,000	550,000
02/27/15	2015 Special Assessment	1,240,000	2.40	12/01/24	405,000	530,000
07/21/17	2017 Special Assessment	2,325,000	2.00	12/01/27	1,285,000	1,510,000
07/21/17	2017 Revenue Bond	5,545,000	1.96	12/01/28	3,310,000	3,770,000
12/19/19	USDA McComb WWTP	4,833,000	2.38	08/31/40	4,662,400	4,748,700
03/03/21	2021 Special Assessment	1,545,000	1.58	12/01/30	1,408,000	-
03/03/21	2021 Revenue Bonds	1,502,000	1.58	12/01/30	1,372,000	-
Total					<u>\$ 27,384,323</u>	<u>\$ 24,751,103</u>

\*Includes unamortized discount/premium

The two 2017 bonds and the two 2021 bonds are direct placement bonds. They are not collateralized and there are no default or acceleration clauses.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 5 DEBT (CONTINUED)**

Other 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, 2021 and 2020 is as follows:

	2021				
	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021	Amount Due in 2022
	OWDA:				
SS #904 & WL #904	\$ 67,580	\$ -	\$ 67,580	\$ -	\$ -
SS #1000	46,888	-	10,979	35,909	11,446
WL #300	27,176	-	5,618	21,558	5,850
Weston 3587	95,045	-	31,210	63,835	31,679
Weston 4046	117,133	-	22,732	94,401	23,074
Williamsburg 5097	248,020	-	23,692	224,328	24,577
Custar 4444	473,443	-	25,491	447,952	25,874
Milton Center 4714	481,303	-	24,532	456,771	24,778
Weston Water Tower 5730	485,234	-	39,152	446,082	40,498
Fixed Base Metering 5865	1,237,106	-	89,381	1,147,725	93,116
Weston 5867	860,266	-	68,821	791,445	68,805
SS100 Master Meter 6500	178,054	-	11,697	166,357	11,956
Walbridge Laterals 6583	363,519	-	20,393	343,126	21,133
Tree St Pipe Relining 6644	329,963	-	17,985	311,978	18,523
Hillside Dr SS 6676	305,591	-	16,572	289,019	17,148
Rossford I & I 6641	353,323	-	20,127	333,196	20,811
Ampoint SS 6674	1,480,066	-	80,266	1,399,800	83,030
Hufford Rd WL 6742	811,835	-	44,924	766,911	46,291
Rossford Colony I & I 6773	1,112,733	-	59,330	1,053,403	61,141
East Broadway WL 6766	489,198	-	28,195	461,003	28,856
100 Area WL 6741	255,210	-	14,123	241,087	14,546
Jennings Rd Ps 6695	543,772	-	29,725	514,047	30,685
E Broadway WL 6747	116,736	-	2,916	113,820	2,547
2nd Portage WL 7185	434,475	-	23,956	410,519	24,350
SS 200 Area I & I 7159	167,961	-	9,232	158,729	9,219
WL 300 Area 7337	302,423	-	16,586	285,837	16,797
Millbury SS 7540	914,640	-	47,415	867,225	47,401
PPCP WL 7531	86,723	-	34,689	52,034	35,181
Hanson, George WL Replace	681,302	-	30,513	650,789	31,390
Southern Serv Area Water System	396,853	-	22,663	374,190	22,836
Taylor 7651 WL	358,742	-	17,565	341,177	17,888
Hamlet 7820 WL	519,721	-	25,315	494,406	25,794
Curtice 7727 WL	837,547	-	41,720	795,827	42,274
Starbright 7814 WL	922,420	-	44,930	877,490	45,611
Lead Elimination 7966	783,753	-	36,019	747,734	36,519
White Rd/ Vineyard WL 8101	664,073	-	29,577	634,496	30,217
McComb WL Imp 7980	257,249	-	10,885	246,364	11,140
Oregon/Bays Rd Elevated Tank 8095	409,052	-	16,410	392,642	16,889
Weston Silver St WL 7979	130,356	-	5,916	124,440	6,077
McComb Clearwell 8212	1,004,298	-	51,502	952,796	51,503
OPWC - Custar	8,750	-	1,250	7,500	1,250
Jerry City SS #1800 USDA Loan	192,900	-	192,900	-	-
Jerry City WL #CE37F (WL 318)	48,530	-	9,706	38,824	9,706
Rudolph SS1000 #CE33E	18,638	-	4,142	14,496	4,142
Bloomdale CT17H OPWC	5,950	-	915	5,035	915



**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 5 DEBT (CONTINUED)**

	2021				
	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021	Amount Due in 2022
	\$	\$	\$	\$	\$
USDA Building Construction	1,780,938	-	102,967	1,677,971	107,728
USDA Revenue Bond -					
Rudolph Bond	1,206,047	-	28,355	1,177,692	29,361
OWDA Jerry City - WL 318	93,879	-	21,907	71,972	22,918
Rotary Commission Loan	121,246	-	1,508	119,738	119,738
OWDA Northwood - 2069	171,998	-	54,090	117,908	57,270
OWDA Northwood - 2070	73,316	-	23,109	50,207	24,417
USDA Rising Sun	2,074,800	-	37,600	2,037,200	39,300
2010 Revenue Bonds	1,490,001	-	1,490,001	-	-
2010 Special Assessment Bonds	1,485,001	-	1,485,001	-	-
USDA Cygnet Water	515,543	-	17,388	498,155	17,843
USDA Cygnet Sewer	781,560	-	26,276	755,284	27,035
OWDA Bloomdale 4329	313,012	-	17,412	295,600	17,762
USDA Building Renovation	2,526,198	-	85,138	2,441,060	87,444
USDA West Millgrove	540,653	-	12,245	528,408	12,468
Series 2012 Revenue Bonds	1,739,631	-	185,696	1,553,935	130,000
Series 2012 Special					
Assessment Bonds	789,805	-	270,000	519,805	280,000
Series 2015 Revenue Bonds	550,000	-	130,000	420,000	137,259
Series 2015 Special					
Assessment Bonds	530,000	-	125,000	405,000	130,279
OWDA:					
Rossford 6457	289,796	-	8,181	281,615	8,437
Rossford 6464	897,967	-	56,056	841,911	57,499
Rossford 6475	1,628,124	-	97,855	1,530,269	100,405
Five Point 6581	673,142	-	39,635	633,507	40,390
Custar WL 6231	420,860	-	18,298	402,562	18,298
Cygnet 6335	513,830	-	15,430	498,400	15,850
Homecraft SS Laterals 6309	348,185	-	23,003	325,182	23,578
Jennings Rd 6382	653,165	-	19,629	633,536	20,211
Milton Center 6230	584,677	-	25,421	559,256	25,421
Morton Building 6396	316,292	-	9,912	306,380	10,222
Perrysburg Twp 6260	154,641	-	4,845	149,796	5,006
Rossford Clearwell 6383	2,749,900	-	82,640	2,667,260	84,934
Rossford Tree St 6232	551,857	-	39,648	512,209	42,883
Stony Ridge 6397	593,115	-	17,495	575,620	18,040
Bloomdale PS 6930	179,963	-	4,957	175,006	5,090
Rossford 7158	561,885	-	29,699	532,186	30,144
Bloomdale Rehab 7063	81,853	-	4,461	77,392	4,541
Northern Area 7253	613,068	-	32,091	580,977	32,687
Tracy Rd SS 7397	2,148,961	-	114,964	2,033,997	115,810
Hillview Dr 7258	93,169	-	4,877	88,292	4,967
Oregon EQ Basin 7254	5,094,058	-	266,646	4,827,412	271,075
Eastwood School 7476	714,663	-	38,282	676,381	39,055
Bairdton WWTP 7468	1,516,765	-	86,672	1,430,093	88,479
Northwood 7088	198,613	-	10,382	188,231	10,503
McComb SS 4235	30,411	-	5,553	24,858	5,806
McComb CSO 5067	185,412	-	20,602	164,810	20,601
McComb WT 6485	718,115	-	44,558	673,557	42,777

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 5 DEBT (CONTINUED)**

	2021				
	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021	Amount Due in 2022
	OWDA (Continued):				
Carrington Woods & Totogany 7559	\$ 346,279	\$ -	\$ 15,509	\$ 330,770	\$ 15,954
Williamsburg 7541	318,293	-	16,500	301,793	16,758
Nutrient Removal 7542	19,599	-	9,800	9,799	9,799
Perrysburg I&I 7813	857,456	-	43,600	813,856	43,704
Wise St SS 6893	645,696	-	17,097	628,599	17,619
Homecraft SS Laterals 6843	451,768	-	47,940	403,828	24,763
Pump Station Sewer Imp 6943	276,407	-	15,610	260,797	15,866
Colony Rd PS Replacement 7007	1,964,667	-	109,373	1,855,294	111,206
Water Loss Audit 7087	28,249	-	28,249	-	-
Bays Rd WL 7064	259,506	-	14,142	245,364	14,397
BG 2nd WL Connection 7119	404,080	-	22,107	381,973	22,493
Hoytville 7812	77,286	-	4,294	72,992	4,294
Rudolph Rd Forcemain 7257	134,679	-	8,163	126,516	8,093
2017 Revenue Bond	3,770,000	-	460,000	3,310,000	480,000
2017 Special Assessment	1,510,000	-	225,000	1,285,000	225,000
OPWC - Rossford Tree St SS Improvements	115,859	-	8,276	107,583	8,191
USDA Bloomdale	1,548,920	-	28,200	1,520,720	27,764
USDA - Stony Ridge	1,727,200	-	69,500	1,657,700	-
Lime City Buck Rd WL ODOT 7987	373,130	-	15,788	357,342	16,191
Silver St CE42U OPWC	152,966	-	5,098	147,868	5,099
USDA McComb WWTP	4,748,700	-	86,300	4,662,400	77,258
OPWC McComb Raw Water PS CM26U	256,761	-	13,167	243,594	13,167
Rossford Various St Sewer Rehab 8340	773,163	-	32,671	740,492	30,307
Weston Center St/Euler/Cygnet 8258	365,967	-	17,892	348,075	15,601
Weston Meter Pit 8492	179,161	-	16,363	162,798	7,687
Millbury SS IMP PH2 8621	811,880	50,852	21,640	841,092	39,269
WL 101 Repair 8628	525,241	-	22,084	503,157	22,520
Troy TWP WL IMP 8629	878,931	-	39,515	839,416	36,531
Eagle Point SS Rehab 8665	876,279	284,275	32,025	1,128,529	51,594
Ampoint WL 8719	385,833	697,988	24,738	1,059,083	48,978
HC Filling Home WL*	167,300	-	12,153	155,147	12,562
HC Okolona Sewers*	376,140	-	14,986	361,154	15,136
HC-McClure WWS*	837,773	-	35,112	802,661	35,464
HC Water Feasibility STUD*	229,650	5,091	12,484	222,257	116,257
HC-McClure*	1,095,033	-	39,123	1,055,910	37,912
HC Deimling RD/Duke Dev*	344,406	-	7,443	336,963	14,605
Rossford Lime City WL	784,659	145,898	20,716	909,841	41,796
Troy TWP SS IMP	587,037	754,351	27,865	1,313,523	56,507
Water Main IMP	6,114	1,650,810	35,875	1,621,049	69,195
Rossford Tree St WL	11,503	807,926	20,378	799,051	38,673
Mccomb WL PH 2	9,320	646,548	17,457	638,411	32,678
Woods ST WL Replacement	11,745	768,494	20,931	759,308	37,097
HC Road P WL CE271*	31,294	-	4,173	27,121	4,172
Meters/Hydrants CE51Q*	117,026	-	4,681	112,345	4,681
HC McClure CE56M*	70,228	-	6,107	64,121	6,107
Deshler CE20U*	34,771	-	1,220	33,551	1,220
SS300-400 IMP PH2 8933	-	816,245	30,173	786,072	36,283
Mccomb SS Interceptor 9052	-	404,556	10,181	394,375	20,224
Mccomb Sys IMP PH1 9223	-	868,787	-	868,787	20,822
Weston SS IMP 2021 9295	-	187,592	-	187,592	-
Cygnet PS Rehab 9244	-	71,878	-	71,878	3,206
100 Area Elevated Tank 9271	-	3,181,740	-	3,181,740	77,850
Wales Rd WL 9559	-	1,929	-	1,929	-
2021 Special Assessment	-	1,545,000	137,000	1,408,000	120,000
2021 Revenue Bonds	-	1,502,000	130,000	1,372,000	120,000
Unamortized Premium	63,560	-	5,650	57,910	-
Total	<u>\$ 88,483,180</u>	<u>\$ 14,391,960</u>	<u>\$ 8,729,081</u>	<u>\$ 94,146,059</u>	<u>\$ 5,909,544</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, 2021 AND 2020**

**NOTE 5 DEBT (CONTINUED)**

	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, 2021 AND 2020**

**NOTE 5 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
Bairdton 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, 2021 AND 2020**

**NOTE 5 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/Cygnet 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, 2021 AND 2020**

**NOTE 5 DEBT (CONTINUED)**

In March 2021, the District issued 2021 revenue improvement refunding bonds amounting to \$1,502,000 to advance refund the District's outstanding Revenue bonds, series 2010, due December 1, 2030 and to pay the cost of issuing the 2021 bonds: interest at 1.58%. Those proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2010 Bond in the amount of \$1,521,974.

This transaction resulted in a reduction of payments of \$340,202 and an economic gain of \$105,106. The outstanding balance of the bonds at December 31, 2021 was \$1,372,000. These bonds are considered defeased and are not included as District debt in this financial statement.

In March 2021, the District issued 2021 special assessment refunding bonds amounting to \$1,545,000 to advance refund the District's outstanding special assessment bonds, series 2010, due December 1, 2030 and to pay the cost of issuing the 2021 bonds; interest at 1.58%. Those proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2010 Bond in the amount of \$1,515,744.

This transaction resulted in a reduction of payments of \$118,405 and an economic gain of \$109,565. The outstanding balance of the bonds at December 31, 2021 was \$1,408,000. These bonds are considered defeased and are not included as District debt in this financial statement.

**NOTE 6 DEBT SERVICE REQUIREMENTS**

The annual principal and interest requirements on all direct borrowing loans outstanding at December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	3,741,068	1,306,565	5,047,633
2023	3,884,568	1,201,057	5,085,625
2024	3,711,055	1,149,390	4,860,495
2025	3,737,989	1,070,131	4,808,120
2026	3,762,987	990,282	4,753,270
2027-2031	19,785,716	3,671,945	23,457,661
2032-2036	18,257,261	1,664,525	19,921,786
2037-2041	8,466,927	464,001	8,930,928
2042-2046	1,390,715	52,612	1,443,327
2047-2051	23,451	-	23,451
Total	<u>\$ 66,761,737</u>	<u>\$ 11,570,508</u>	<u>\$ 78,332,295</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 6 DEBT SERVICE REQUIREMENTS (CONTINUED)**

The annual principal and interest requirements on all direct placement bonded debts outstanding at December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 945,000	\$ 174,943	\$ 1,119,943
2023	965,000	153,907	1,118,907
2024	1,010,000	132,376	1,142,376
2025	1,025,000	109,757	1,134,757
2026	935,000	86,687	1,021,687
2027-2031	2,495,000	142,969	2,637,969
Total	<u>\$ 7,375,000</u>	<u>\$ 800,639</u>	<u>\$ 8,175,639</u>

The annual principal and interest requirements on all other bonded debts outstanding at December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,223,475	\$ 549,361	\$ 1,772,836
2023	1,034,028	546,695	1,580,723
2024	1,009,921	525,258	1,535,179
2025	652,557	497,673	1,150,230
2026	669,085	476,594	1,145,679
2027-2031	3,721,648	2,036,720	5,758,368
2032-2036	2,820,524	1,451,997	4,272,521
2037-2041	2,850,329	1,060,191	3,910,520
2042-2046	2,225,682	663,386	2,889,068
2047-2051	1,908,991	365,754	2,274,745
2052-2056	1,316,935	153,253	1,470,188
2057-2059	518,237	25,834	544,071
Total	<u>\$ 19,951,412</u>	<u>\$ 8,352,716</u>	<u>\$ 28,304,128</u>

At December 31, 2021 and 2020, the District had \$5,457,378 and \$5,533,554, respectively, in restricted cash and cash equivalents and investments related to unspent debt proceeds for capital projects and a debt service reserve for USDA loans.

**NOTE 7 COUNTY DEBT OBLIGATIONS**

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

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 7 COUNTY DEBT OBLIGATIONS (CONTINUED)**

At December 31, 2021 and 2020, \$1,827,249 and \$1,830,174 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 2021 and 2020, or in prior years on this reserve.

**NOTE 8 RETIREMENT PLANS**

**Net Pension Liability (Asset)**

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

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

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

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

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



**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

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

District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiemployer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiemployer 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 ACFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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.

**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%. A death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

**Funding Policy**

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

	2021	2020
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	14.0 %	14.0 %
Total Employee	10.0 %	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payrolls. The District's contractually required contribution was \$683,968 for 2021 and \$645,089 for 2020. All required contributions have been paid.

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

The net pension liability (asset) for OPERS for 2021 and 2020 was measured as of December 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability(asset) 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, 2021 and 2020:

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**NOTE 8 RETIREMENT PLANS (CONTINUED)**

	2021	
	Traditional	Combined
Proportionate Share of the Net Pension Liability (Asset)	\$ 4,708,148	\$ (84,911)
Proportion of the Net Pension Liability (Asset)	0.031795 %	0.029415 %
Pension Expense	\$ 173,494	\$ 2,464

	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

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

At December 31, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	Traditional	Combined
<i>Deferred Outflows of Resources:</i>		
Changes of Assumptions	\$ -	\$ 5,302
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	76,833	4,437
Subtotal	76,833	9,739
District Contributions Subsequent to the Measurement Date	666,396	17,572
Total Deferred Outflows of Resources	<u>\$ 743,229</u>	<u>\$ 27,311</u>
<i>Deferred Inflows of Resources:</i>		
Net Differences between Projected and Actual Earnings on Pension Plan Investments	\$ 1,835,099	\$ 12,628
Differences Between Expected and Actual Experience	196,946	16,019
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	23,320	8,550
Total Deferred Inflows of Resources	<u>\$ 2,055,365</u>	<u>\$ 37,197</u>

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**NOTE 8 RETIREMENT PLANS (CONTINUED)**

	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	78,064	13,621
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	127,361	7,462
Total Deferred Inflows of Resources	\$ 1,437,040	\$ 28,611

**Pension Liabilities(Assets), 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:

Year Ending December 31,	Traditional	Combined
2022	\$ (747,032)	\$ (5,618)
2023	(233,171)	(3,399)
2024	(748,048)	(7,358)
2025	(250,281)	(4,488)
2026	-	(2,695)
Thereafter	-	(3,900)
Total	\$ (1,978,532)	\$ (27,458)

**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.

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**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**Actuarial Assumptions (continued)**

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, 2020 and 2019, 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

Pre-retirement mortality rates are based on the RP-2014 Employee's 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, 2020, 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.

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

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.

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**NOTE 8 RETIREMENT PLANS (CONTINUED)**  
**Actuarial Assumptions (Continued)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the board of trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The tables below display the board-approved asset allocation policy for 2020 and 2019 and the long-term expected real rates of return:

	2021	
	Target Allocation For 2020	Weighted Average Long-Term Expected Real Rate of Return
Asset Class:		
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other Investments	9.00	4.75
Total	100.00 %	5.43 %
	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 %

**Discount Rate**

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

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**NOTE 8 RETIREMENT PLANS (CONTINUED)**

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

The following tables present 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:

**Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate (continued)**

	2021		
	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	\$ 8,980,816	\$ 4,708,148	\$ 1,155,430
Combined Pension Plan	(59,124)	(84,911)	(102,953)
	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)

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS**

**Net OPEB Liability (Asset)**

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

The net OPEB liability (asset) 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 (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 these estimates annually.

**NORTHWESTERN WATER & SEWER DISTRICT  
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**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Net OPEB Liability (Asset) (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 (asset). Resulting adjustments to the net OPEB liability (asset) 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 2020 ACFR.

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 2021 and 2020.



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**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

At December 31, 2021 and 2020, the District reported an asset for its proportionate share of the net OPEB liability (asset) for OPERS. The net OPEB asset was measured as of December 31, 2020 and 2019. The total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as the measurement dates presented. The District's proportion of the net OPEB asset 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(Asset)</u>	<u>Proportionate Share</u>
December 31, 2020	\$ (572,879)	0.032155 %
December 31, 2019	\$ 4,354,558	0.031526 %

For the years ended December 31, 2021 and 2020, the District recognized OPEB expense (income) of (\$3,398,801) and \$529,411, respectively.

At December 31, 2021 and 2020, the District reported deferred outflow of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Projected and Actual Experience	\$ -	\$ 517,009
Changes of Assumption	281,627	928,216
Differences Between Projected and Actual Investment Earnings	-	305,116
Change in Proportionate Share	54,730	13,484
Total	<u>\$ 336,357</u>	<u>\$ 1,763,825</u>
	<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>

There are no contributions subsequent to the measurement date because the contribution rate was 0% for 2021 and 2020.

**NORTHWESTERN WATER & SEWER DISTRICT  
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**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Liabilities (Assets), 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>	<u>Net Deferred Outflows (Inflows)</u>
2022	\$ (746,162)
2023	(512,763)
2024	(132,591)
2025	(35,952)
Total	<u>\$ (1,427,468)</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 12/31/20	OPERS - as of 12/31/19
Inflation	3.25%	3.25%
Salary increases	3.25% - 10.75% (includes inflation)	3.25% - 10.75% (includes inflation)
Single discount rate of return	6.00%	3.16%
Investment rate of return	6.00%, net of investment expenses	6.00%, net of investment expenses
Health care cost trends	8.5% initial, 3.50% ultimate in 2035	10.5% initial, 3.50% ultimate in 2030

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.

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, 2020, rolled forward to the measurement date of December 31, 2021. The total 2020 OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

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**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Discount Rate**

A single discount rate of 6.0% was used to measure the OPEB liability on the measurement date of December 31, 2020. 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 2.00%. 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

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) 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 2.75%. 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 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.

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**NOTE 9 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.

	2021	
	Target Allocation for 2020	Weighted Average Long-Term Expected Real Rate of Return
Asset Class:		
Fixed Income	34.00 %	1.07 %
Domestic Equity	25.00	5.64
Real Estate	7.00	6.48
International Equity	25.00	7.36
Other Investments	9.00	4.02
Total	100.00 %	4.43 %

	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 %

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**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Health Care Cost Trend Rate**

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

	2021		
	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
District's Proportionate Share of the OPEB Liability(Asset):	\$ (142,447)	\$ (572,879)	\$ (926,707)

	2021		
	1% Decrease (7.50%)	Health Care Rate (8.50%)	1% Increase (9.50%)
District's Proportionate Share of the OPEB Liability(Asset):	\$ (586,829)	\$ (572,879)	\$ (557,246)

	2020		
	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

	2020		
	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

**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, 2021 and 2020.

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**NOTE 10 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, 2021 and 2020 is as follows:

	December 31, 2020	Increase	Decrease	December 31, 2021	Due within one year
Sick Leave Payable	\$ 280,776	\$ 38,445	\$ 29,650	\$ 289,571	\$ 25,000
Vacation Pay	320,394	359,613	346,917	333,090	325,181
Compensatory Time	172,349	145,022	208,602	108,769	107,998
Total	<u>\$ 773,519</u>	<u>\$ 543,080</u>	<u>\$ 585,169</u>	<u>\$ 731,430</u>	<u>\$ 458,179</u>
	December 31, 2019	Increase	Decrease	December 31, 2020	Due within one year
Sick Leave Payable	\$ 255,181	\$ 48,945	\$ 23,350	\$ 280,776	\$ 25,000
Vacation Pay	243,445	324,373	247,424	320,394	316,485
Compensatory Time	85,298	299,766	212,715	172,349	175,841
Total	<u>\$ 583,924</u>	<u>\$ 673,084</u>	<u>\$ 483,489</u>	<u>\$ 773,519</u>	<u>\$ 517,326</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
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**NOTE 11 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 2021 and 2020. 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 12 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, 2021.

**Construction Commitments**

At December 31, 2021, the District has construction commitments, on which work has not commenced, totaling \$11,589,757 which will be funded by existing resources or the issuance of new revenue debt. All projects were current at December 31, 2021.

**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, 2021, 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 \$3,466,236 at December 31, 2021 in potential receivables related to special assessments that have been deferred by the County. The special assessments were deferred on properties, \$1,827,349 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, 2021 AND 2020**

**NOTE 13 SEGMENT INFORMATION**

Significant financial data for the respective divisions of the December 31, 2021 and 2020 is as follows:

**Statement of Net Position**

	2021			2020		
	Water	Sewer	Total	Water	Sewer	Total
Current Assets	\$ 23,775,690	\$ 12,334,886	\$ 36,110,576	\$ 19,530,848	\$ 11,416,439	\$ 30,947,287
Capital Assets	98,099,893	119,340,402	217,440,295	94,918,323	119,211,553	214,129,876
Other Assets	3,612,910	4,890,720	8,503,630	3,716,986	5,030,222	8,747,208
Total Assets	125,488,493	136,566,008	262,054,501	118,166,157	135,658,214	253,824,371
Deferred Outflows of Resources	761,025	798,782	1,559,807	1,067,702	1,126,443	2,194,145
Current Liabilities	4,965,585	7,349,011	12,314,596	5,648,571	6,804,897	12,453,468
Long-Term Liabilities	43,661,999	49,555,915	93,217,914	41,475,127	52,261,129	93,736,256
Total Liabilities	48,627,584	56,904,926	105,532,510	47,123,698	59,066,026	106,189,724
Deferred Inflows of Resources	1,851,518	2,004,869	3,856,387	1,017,429	1,101,272	2,118,701
Net Investment In Capital Assets	56,208,514	70,667,971	126,876,485	56,886,998	70,795,768	127,682,766
Restricted	564,591	1,281,250	1,845,841	273,302	961,737	1,235,039
Unrestricted	18,997,311	6,505,774	25,503,085	13,932,432	4,859,854	18,792,286
Total Net Position	\$ 75,770,416	\$ 78,454,995	\$ 154,225,411	\$ 71,092,732	\$ 76,617,359	\$ 147,710,091



**NORTHWESTERN WATER & SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 13 SEGMENT INFORMATION (CONTINUED)**

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

	2021			2020		
	Water	Sewer	Total	Water	Sewer	Total
Utility Revenues	\$ 19,439,279	\$ 11,799,513	\$ 31,238,792	\$ 18,619,069	\$ 11,498,310	\$ 30,117,379
Other Revenues	751,743	435,707	1,187,450	881,896	538,801	1,420,697
Total Operating Revenues	20,191,022	12,235,220	32,426,242	19,500,965	12,037,111	31,538,076
Depreciation and Amortization	4,285,459	5,654,562	9,940,021	4,121,424	5,259,260	9,380,684
Other Operating Expenses	11,121,240	4,659,726	15,780,966	12,571,788	7,282,417	19,854,205
Total Operating Expenses	15,406,699	10,314,288	25,720,987	16,693,212	12,541,677	29,234,889
Operating Income	4,784,323	1,920,932	6,705,255	2,807,753	(504,566)	2,303,187
Interest Expense	(941,079)	(1,143,755)	(2,084,834)	(1,009,148)	(1,166,211)	(2,175,359)
Other Nonoperating Revenues	150,327	162,558	312,885	296,657	334,550	631,207
Total Non-Operating Revenues (Expenses)	(790,752)	(981,197)	(1,771,949)	(712,491)	(831,661)	(1,544,152)
Aid in Construction	684,113	897,901	1,582,014	2,847,022	3,964,644	6,811,666
Change in Net Position	4,677,684	1,837,636	6,515,320	4,942,284	2,628,417	7,570,701
Net Position:						
Beginning of Year	71,092,732	76,617,359	147,710,091	66,150,448	73,988,942	140,139,390
End of Year	<u>\$ 75,770,416</u>	<u>\$ 78,454,995</u>	<u>\$ 154,225,411</u>	<u>\$ 71,092,732</u>	<u>\$ 76,617,359</u>	<u>\$ 147,710,091</u>

**Statement of Cash Flows**

	2021			2020		
	Water	Sewer	Total	Water	Sewer	Total
Net Cash Provided (Used) by:						
Operations	\$ 6,112,483	\$ 5,769,573	\$ 11,882,056	\$ 7,813,304	\$ 4,676,807	\$ 12,490,111
Capital And Related Financing Activities	(1,918,590)	(5,172,633)	(7,091,223)	(7,182,178)	(6,138,404)	(13,320,582)
Investing Activities	94,331	91,957	186,288	169,357	182,588	351,945
Cash and Cash Equivalents Beginning of Year	12,126,272	4,106,114	16,232,386	11,325,789	5,385,123	16,710,912
End of Year	<u>\$ 16,414,496</u>	<u>\$ 4,795,011</u>	<u>\$ 21,209,507</u>	<u>\$ 12,126,272</u>	<u>\$ 4,106,114</u>	<u>\$ 16,232,386</u>

**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 EIGHT YEARS (OPERS)**

	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.031795%	0.031237%	0.03173 %	0.03029 %	0.02775 %	0.02676 %	0.02673 %	0.02677 %
District's Proportionate Share of the Net Pension Liability	\$ 4,708,148	\$ 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	\$ 4,607,779	\$ 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	102.18 %	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	86.88 %	84.17 %	74.70 %	84.66 %	77.25 %	81.08 %	86.45 %	86.36 %

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 683,969	\$ 645,089	\$ 633,104	\$ 615,466	\$ 531,506	\$ 430,393	\$ 399,692	\$ 393,213	\$ 398,006
Contributions in Relation to the Contractually Required Contribution	(683,969)	(645,089)	(633,104)	(615,466)	(531,506)	(430,393)	(399,692)	(393,213)	(398,006)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District Covered Payroll	\$ 4,885,493	\$ 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%	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 (ASSET)  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST FIVE YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's Proportion of the Net OPEB Liability	0.03216 %	0.03153 %	0.03196 %	0.03042 %	0.03042 %
District's Proportionate Share of the Net OPEB Liability(Asset)	\$ (572,879)	\$ 4,354,558	\$ 4,167,222	\$ 3,303,660	\$ 3,072,776
District's Covered Payroll	\$ 4,607,779	\$ 4,522,171	\$ 4,396,186	\$ 4,088,508	\$ 3,586,608
District's Proportionate Share of the Net OPEB Liability(Asset) as a Percentage of its Covered Payroll	(12.43)%	96.29 %	94.79 %	80.80 %	85.67 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57 %	47.80 %	46.33 %	54.14 %	54.05 %

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

- (1) Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.
- (2) Changes in Assumptions and Benefit Terms: At measurement date December 31, 2020 there was a \$9.4 billion plan wide benefit change taking the plan to a Net OPEB Asset rather than Net OPEB Liability and a change to the discount rate from 3.16% to 6%.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
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>\$ -</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (0)</u>
District Covered Payroll	\$ 4,885,493	\$ 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%	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 (BUDGETARY BASIS)  
YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Over (Under)
<b>REVENUES</b>				
Operating Revenue:				
Utility Revenues	\$ 29,653,045	\$ 31,238,792	\$ 31,238,792	\$ -
Other Operating Revenues	1,130,000	1,187,450	1,874,210	686,760
Nonoperating Revenue - Interest	550,000	398,367	253,926	(144,441)
Total Revenues	<u>31,333,045</u>	<u>32,824,609</u>	<u>33,366,928</u>	<u>542,319</u>
<b>EXPENSES</b>				
Operating Expenses:				
Operations and Maintenance	19,504,566	19,837,109	19,837,110	1
Debt Retirement	7,665,833	9,872,875	7,717,238	(2,155,637)
Total Expenses	<u>27,170,399</u>	<u>29,709,984</u>	<u>27,554,348</u>	<u>(2,155,636)</u>
<b>OPERATING INCOME</b>	4,162,646	3,114,625	5,812,580	2,697,955
<b>RECONCILIATION TO CHANGE IN NET POSITION</b>				
Aid on Construction:				
Grants and Other	4,079,144	41,067	41,067	-
System Development Fees and other Aid in Construction	250,000	749,147	749,147	-
Antidegradation Credits	-	105,040	105,040	-
Total Aid in Construction	<u>4,329,144</u>	<u>895,254</u>	<u>895,254</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 8,491,790</u>	<u>\$ 4,009,879</u>	<u>\$ 6,707,834</u>	<u>\$ 2,697,955</u>

**Note to Supplementary Information**

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

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

A reconciliation of the annual budget basis revenues and other income in excess of operating expenses to the net income included in the accompanying 2021 financial statements is as follows:

Change in Net Position - Budgetary Basis Above	\$ 6,707,834
GASB 68	649,467
GASB 75	3,406,677
Depreciation	(9,940,021)
Principal Payments on Debt	<u>5,691,363</u>
<b>CHANGE IN NET POSITION - GAAP</b>	<u>\$ 6,515,320</u>

**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF NET POSITION –  
INFORMATION BY DIVISION  
DECEMBER 31, 2021**

<b>ASSETS</b>	<u>Water</u>	<u>Sewer</u>	<u>Eliminations</u>	<u>Combined</u>
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents:				
Unrestricted	\$ 14,834,777	\$ 2,125,976	\$ -	\$ 16,960,753
Restricted	1,579,719	2,669,035	-	4,248,754
Investments:				
Unrestricted	3,337,217	3,832,009	-	7,169,226
Restricted	1,208,624	-	-	1,208,624
Accounts Receivable - Trade	1,731,658	2,006,729	-	3,738,387
Grants Receivable	-	919,444	-	919,444
Current Portion of Special Assessments	490,830	494,868	-	985,698
Inventory	451,448	183,513	-	634,961
Prepaid Expenses	141,417	103,312	-	244,729
Total Current Assets	<u>23,775,690</u>	<u>12,334,886</u>	<u>-</u>	<u>36,110,576</u>
<b>NONCURRENT ASSETS</b>				
Capital Assets (Depreciable):				
Sewer and Water Lines	107,173,743	148,894,668	-	256,068,411
Buildings, Pumps, and Lift Stations	22,113,562	34,538,025	-	56,651,587
Machinery and Equipment	10,422,725	8,619,359	-	19,042,084
Vehicles	1,766,647	2,805,894	-	4,572,541
Furniture and Fixtures	226,360	288,982	-	515,342
Computer Equipment	1,090,329	1,856,764	-	2,947,093
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	146,187,884	200,189,178	-	346,377,062
Accumulated Depreciation	<u>(57,133,924)</u>	<u>(88,182,538)</u>	<u>-</u>	<u>(145,316,462)</u>
Net Depreciable Capital Assets	89,053,960	112,006,640	-	201,060,600
Capital Assets (Nondepreciable):				
Land	349,874	479,707	-	829,581
Easements	138,195	328,608	-	466,803
Construction in Process	<u>8,557,864</u>	<u>6,525,447</u>	<u>-</u>	<u>15,083,311</u>
Net Capital Assets	98,099,893	119,340,402	-	217,440,295
<b>OTHER ASSETS</b>				
Special Assessments, Less Current Portion	3,293,769	4,552,071	-	7,845,840
Net Pension Asset	44,154	40,757	-	84,911
Net OPEB Asset	274,987	297,892	-	572,879
Total Other Assets	<u>3,612,910</u>	<u>4,890,720</u>	<u>-</u>	<u>8,503,630</u>
Total Noncurrent Assets	<u>101,712,803</u>	<u>124,231,122</u>	<u>-</u>	<u>225,943,925</u>
Total Assets	125,488,493	136,566,008	-	262,054,501
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Debt Refunding	212,154	240,756	-	452,910
Pension	369,859	400,681	-	770,540
OPEB	179,012	157,345	-	336,357
Total Deferred Outflows of Resources	<u>761,025</u>	<u>798,782</u>	<u>-</u>	<u>1,559,807</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 126,249,518</u>	<u>\$ 137,364,790</u>	<u>\$ -</u>	<u>\$ 263,614,308</u>



**NORTHWESTERN WATER & SEWER DISTRICT  
SCHEDULE OF NET POSITION –  
INFORMATION BY DIVISION (CONTINUED)  
DECEMBER 31, 2021**

<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	\$ 2,973,314	\$ 2,936,230	\$ -	\$ 5,909,544
Current Portion of Compensated Absences	219,926	238,253	-	458,179
Accounts Payable - Trade	888,872	1,853,231	-	2,742,103
Accrued Payroll and Payroll Taxes	166,185	173,776	-	339,961
Accrued Interest Payable	396,753	511,846	-	908,599
Amounts Due Others	313,535	716,231	-	1,029,766
Unearned Revenues	7,000	919,444	-	926,444
Total Current Liabilities	<u>4,965,585</u>	<u>7,349,011</u>	-	<u>12,314,596</u>
<b>LONG-TERM LIABILITIES</b>				
Long-Term Debt, Less Current Portion	41,267,488	46,969,027	-	88,236,515
Net Pension Liability	2,263,308	2,444,840	-	4,708,148
Net OPEB Liability	-	-	-	-
Compensated Absences Payable, Less Current Portion	131,203	142,048	-	273,251
Total Long-Term Liabilities	<u>43,661,999</u>	<u>49,555,915</u>	-	<u>93,217,914</u>
Total Liabilities	48,627,584	56,904,926	-	105,532,510
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	1,004,429	1,088,133	-	2,092,562
OPEB	847,089	916,736	-	1,763,825
Total Deferred Inflows of Resources	<u>1,851,518</u>	<u>2,004,869</u>	-	<u>3,856,387</u>
Total Liabilities and Deferred Inflows	<u>\$ 50,479,102</u>	<u>\$ 58,909,795</u>	<u>\$ -</u>	<u>\$ 109,388,897</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 56,208,514	\$ 70,667,971	\$ -	\$ 126,876,485
Restricted for Debt Service	245,450	942,601	-	1,188,051
Restricted for Net Pension/OPEB Asset	319,141	338,649	-	657,790
Unrestricted	18,997,311	6,505,774	-	25,503,085
Total Net Position	<u>\$ 75,770,416</u>	<u>\$ 78,454,995</u>	<u>\$ -</u>	<u>\$ 154,225,411</u>

**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>
Total Assets and Deferred Outflows of Resources	<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
Unearned Revenues	10,000	919,444	-	929,444
Total Current Liabilities	<u>5,648,571</u>	<u>6,804,897</u>	-	<u>12,453,468</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>93,736,256</u>
Total Liabilities	47,123,698	59,066,026	-	106,189,724
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	703,512	762,139	-	1,465,651
OPEB	313,917	339,133	-	653,050
Total Deferred Inflows of Resources	<u>1,017,429</u>	<u>1,101,272</u>	-	<u>2,118,701</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	\$ 56,886,998	\$ 70,795,768	\$ -	\$ 127,682,766
Restricted for Debt Service	245,450	931,563	-	1,177,013
Restricted for Net Pension/OPEB Asset	27,852	30,174	-	58,026
Unrestricted	13,932,432	4,859,854	-	18,792,286
Total Net Position	<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, 2021**

	Water	Sewer	Eliminations	Combined
<b>OPERATING REVENUES</b>				
Utility Revenue	\$ 19,439,279	\$ 11,799,513	\$ -	\$ 31,238,792
Fees and Permits	339,166	118,695	-	457,861
Contract Services	39,154	133,625	-	172,779
Other Operating Revenues	373,423	183,387	-	556,810
Total Operating Revenues	<u>20,191,022</u>	<u>12,235,220</u>	-	<u>32,426,242</u>
<b>OPERATING EXPENSES</b>				
Depreciation and Amortization	4,285,459	5,654,562	-	9,940,021
Labor	2,362,103	2,416,801	-	4,778,904
Employee Benefits	(1,265,424)	(1,061,736)	-	(2,327,160)
Professional Services	699,287	893,365	-	1,592,652
Purchased Water and Sewer Treatment	7,674,926	359,581	-	8,034,507
Materials and Supplies	735,565	1,101,567	-	1,837,132
Utilities	389,922	424,326	-	814,248
Other	524,861	525,822	-	1,050,683
Total Operating Expenses	<u>15,406,699</u>	<u>10,314,288</u>	-	<u>25,720,987</u>
<b>OPERATING INCOME</b>	4,784,323	1,920,932	-	6,705,255
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	125,784	128,142	-	253,926
Interest Expense	(941,079)	(1,143,755)	-	(2,084,834)
Other Income	24,543	34,416	-	58,959
Total Nonoperating Revenues (Expenses)	<u>(790,752)</u>	<u>(981,197)</u>	-	<u>(1,771,949)</u>
<b>AID IN CONSTRUCTION</b>	684,113	897,901	-	1,582,014
<b>CHANGE IN NET POSITION</b>	4,677,684	1,837,636	-	6,515,320
<b>NET POSITION</b>				
Beginning of Year	<u>71,092,732</u>	<u>76,617,359</u>	-	<u>147,710,091</u>
End of Year	<u>\$ 75,770,416</u>	<u>\$ 78,454,995</u>	<u>\$ -</u>	<u>\$ 154,225,411</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>-</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	612,547	970,517	-	1,583,064
Utilities	378,567	405,328	-	783,895
Other	503,830	576,706	-	1,080,536
Total Operating Expenses	<u>16,693,212</u>	<u>12,541,677</u>	<u>-</u>	<u>29,234,889</u>
<b>OPERATING INCOME (LOSS)</b>	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>-</u>	<u>(1,544,152)</u>
<b>AID IN CONSTRUCTION</b>	<u>2,847,022</u>	<u>3,964,644</u>	<u>-</u>	<u>6,811,666</u>
<b>CHANGE IN NET POSITION</b>	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>-</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 CASH FLOWS –  
INFORMATION BY DIVISION  
YEAR ENDED DECEMBER 31, 2021**

	Water	Sewer	Eliminations	Combined
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income	\$ 4,784,323	\$ 1,920,932	\$ -	\$ 6,705,255
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations:				
Depreciation and Amortization	4,285,459	5,654,562	-	9,940,021
Effects of Changes in Operating Assets and Liabilities:				
Accounts Receivable - Trade	121,708	(236,379)	-	(114,671)
Grant Receivable	-	-	-	-
Inventory	(87,997)	(39,292)	-	(127,289)
Prepaid Expenses	(293,028)	(285,735)	-	(578,763)
Net Pension Asset	(16,302)	(10,583)	-	(26,885)
Deferred Outflows - Refunding	5,938	1,861	-	7,799
Deferred Outflows - Pension	103,951	112,613	-	216,564
Deferred Outflows - OPEB	196,788	213,187	-	409,975
Accounts Payable - Trade	(1,030,152)	255,601	-	(774,551)
Accrued Payroll and Payroll Taxes	(2,054)	1,393	-	(661)
Accounts Due to Others	190,107	163,173	-	353,280
Net Pension Liability	(700,310)	(765,747)	-	(1,466,057)
Net OPEB Asset	(2,256,877)	(2,097,681)	-	(4,354,558)
Compensated Absences Payable	(20,160)	(21,929)	-	(42,089)
Deferred Inflows - Grants	-	-	-	-
Unearned Revenues	(3,000)	-	-	(3,000)
Deferred Inflows - Pension	300,917	325,994	-	626,911
Deferred Inflows - OPEB	533,172	577,603	-	1,110,775
Net Cash Provided by Operations	<u>6,112,483</u>	<u>5,769,573</u>	<u>-</u>	<u>11,882,056</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	125,784	128,142	-	253,926
Proceeds on Sale of Investments	3,653,409	3,189,325	-	6,842,734
Purchases of Investments	(3,684,862)	(3,225,510)	-	(6,910,372)
Net Cash Provided by Investing Activities	<u>94,331</u>	<u>91,957</u>	<u>-</u>	<u>186,288</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Aid in Construction	462,114	742,848	-	1,204,962
Acquisition and Construction of Capital Assets	(7,232,125)	(5,665,792)	-	(12,897,917)
Proceeds from Sale of Assets	50,001	109,804	-	159,805
Proceeds from Issuance of Long-Term Debt	7,913,757	3,440,485	-	11,354,242
Repayment of Long-Term Debt	(2,597,914)	(3,093,449)	-	(5,691,363)
Collections on Special Assessments	490,742	497,199	-	987,941
Assessed Special Assessments	(99,118)	(51,443)	-	(150,561)
Interest Paid	(906,047)	(1,152,285)	-	(2,058,332)
Net Cash Used by Capital and Related Financing Activities	<u>(1,918,590)</u>	<u>(5,172,633)</u>	<u>-</u>	<u>(7,091,223)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,288,224	688,897	-	4,977,121
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning of Year	<u>12,126,272</u>	<u>4,106,114</u>	<u>-</u>	<u>16,232,386</u>
End of Year	<u>\$ 16,414,496</u>	<u>\$ 4,795,011</u>	<u>\$ -</u>	<u>\$ 21,209,507</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
Unearned Revenues	-	-	-	-
Deferred Inflow - 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 FINANCING ACTIVITIES</b>				
Aid in Construction	426,348	198,646	-	624,994
Acquisition and Construction of Capital Assets	(8,631,362)	(5,513,279)	-	(14,144,641)
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	505,192	494,492	-	999,684
Assessed Special Assessments	(427,875)	(986,860)	-	(1,414,735)
Interest Paid	(955,376)	(1,051,096)	-	(2,006,472)
Net Cash Used by 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 STATISTICAL SCHEDULES

This part of Northwestern Water & Sewer District's annual 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 annual comprehensive financial reports for the relevant year.	





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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Investment in										
Capital Assets	\$ 126,876	\$ 127,683	\$ 121,662	\$ 122,085	\$ 117,942	\$ 114,559	\$ 107,364	\$ 102,403	\$ 101,502	\$ 97,598
Restricted	1,846	1,235	5,350	5,076	4,806	4,706	4,951	4,967	4,812	4,820
Unrestricted	25,503	18,792	13,127	9,970	14,807	12,485	10,488	13,258	9,254	9,141
Total Net Position	<u>\$ 154,225</u>	<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>

Source: District accounting records.



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

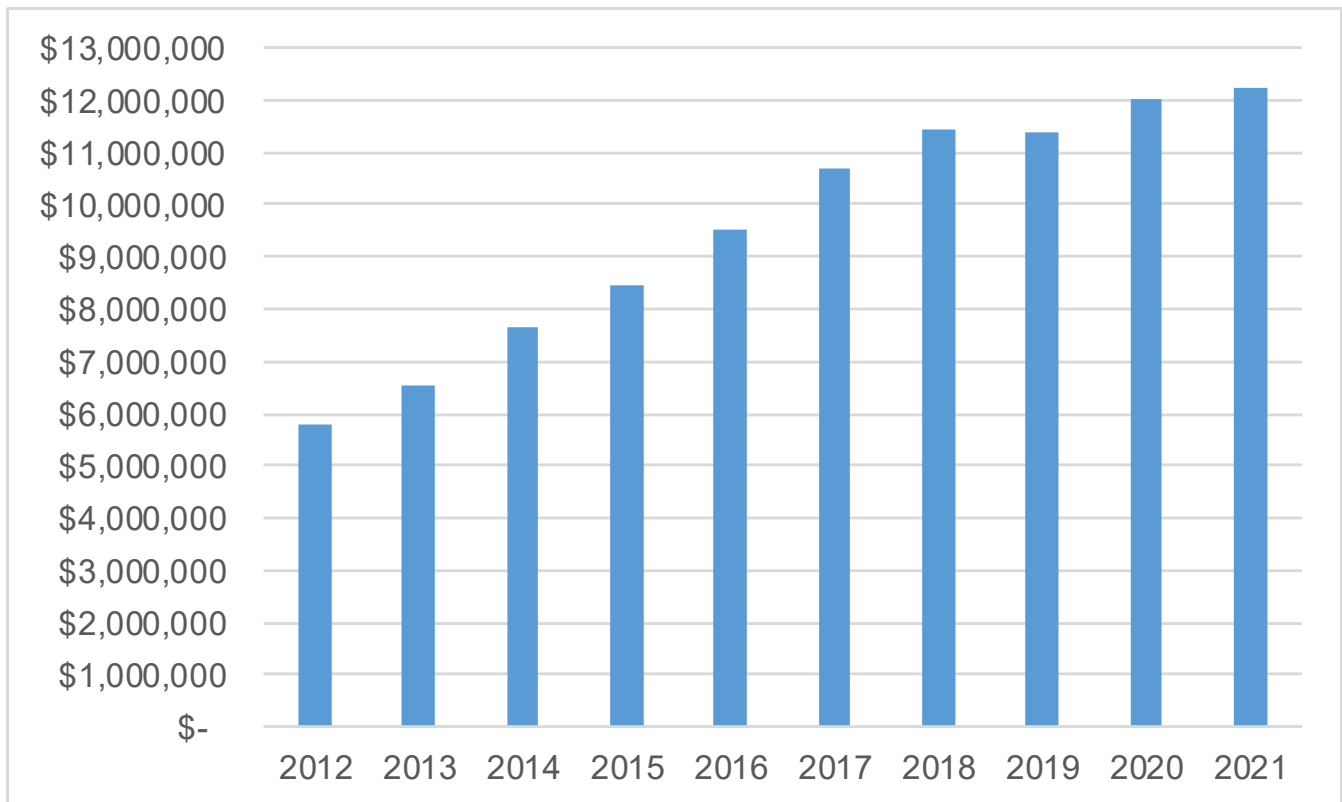
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenue	\$ 32,427	\$ 31,538	\$ 29,029	\$ 29,079	\$ 27,527	\$ 25,053	\$ 22,081	\$ 20,359	\$ 17,226	\$ 16,050
Operating Expenses	25,721	29,235	29,006	26,064	25,132	22,210	19,984	19,297	17,429	15,414
Total Net Revenue (Expense)	6,706	2,303	23	3,015	2,395	2,843	2,097	1,062	(203)	636
Other Changes in Net Position:										
Nonoperating Revenues (Expenses)	(1,773)	(1,544)	(1,462)	(2,620)	(1,714)	(1,781)	(1,971)	(2,151)	(1,486)	(1,564)
Aid in Construction	1,582	6,812	4,447	2,253	5,124	7,885	4,731	6,149	5,698	5,724
Total Other Changes in Net Position	(191)	5,268	2,985	(367)	3,410	6,104	2,760	3,998	4,212	4,160
Change in Net Position	\$ 6,515	\$ 7,571	\$ 3,008	\$ 2,648	\$ 5,805	\$ 8,947	\$ 4,857	\$ 5,060	\$ 4,009	\$ 4,796

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
2021	\$ 11,799,513	\$ 118,695	\$ 133,625	\$ 183,387	\$ 12,235,220	1.6 %
2020	11,498,310	134,756	150,869	253,176	12,037,111	5.5
2019	10,992,011	88,377	152,542	177,742	11,410,672	(0.03)
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



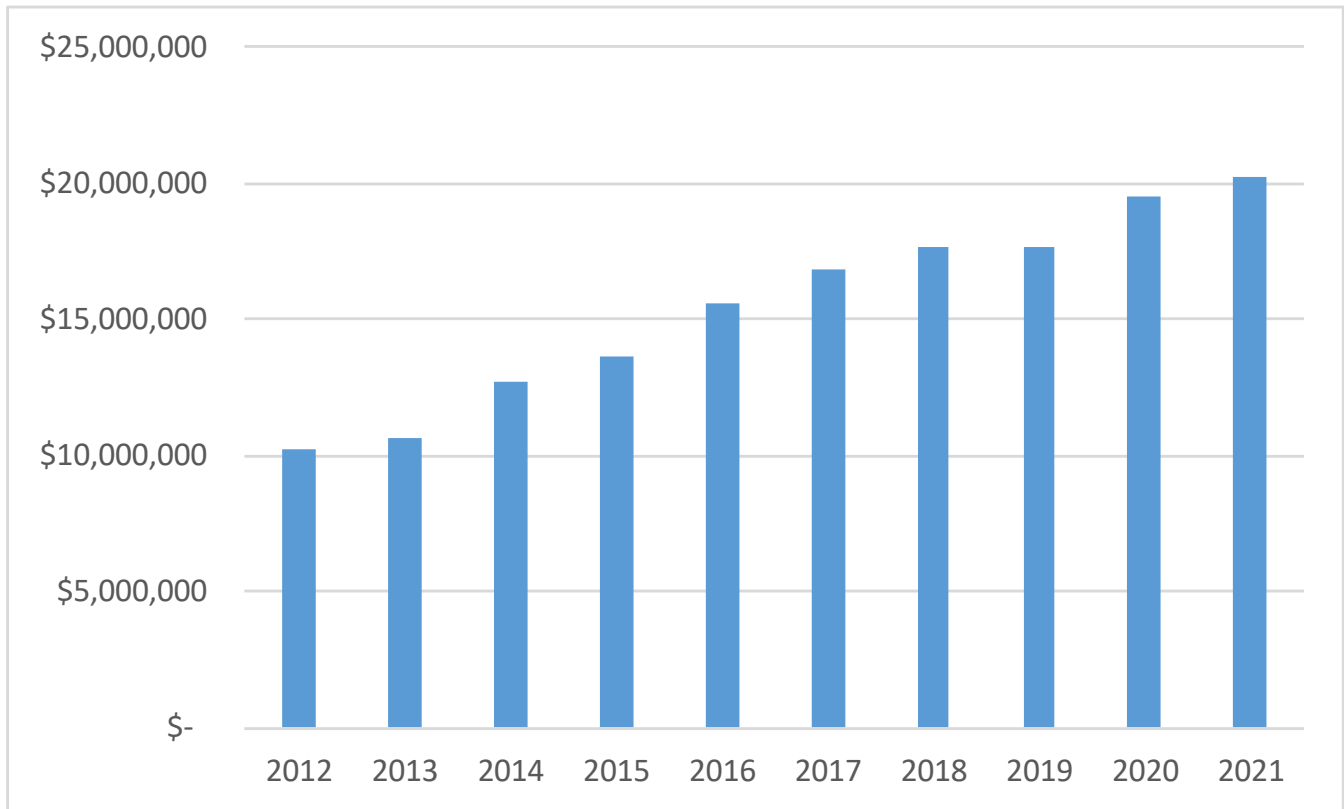
Source: District accounting records.



**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
2021	\$ 19,439,279	\$ 339,166	\$ 39,154	\$ 373,423	\$ 20,191,022	3.5 %
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 (1)

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



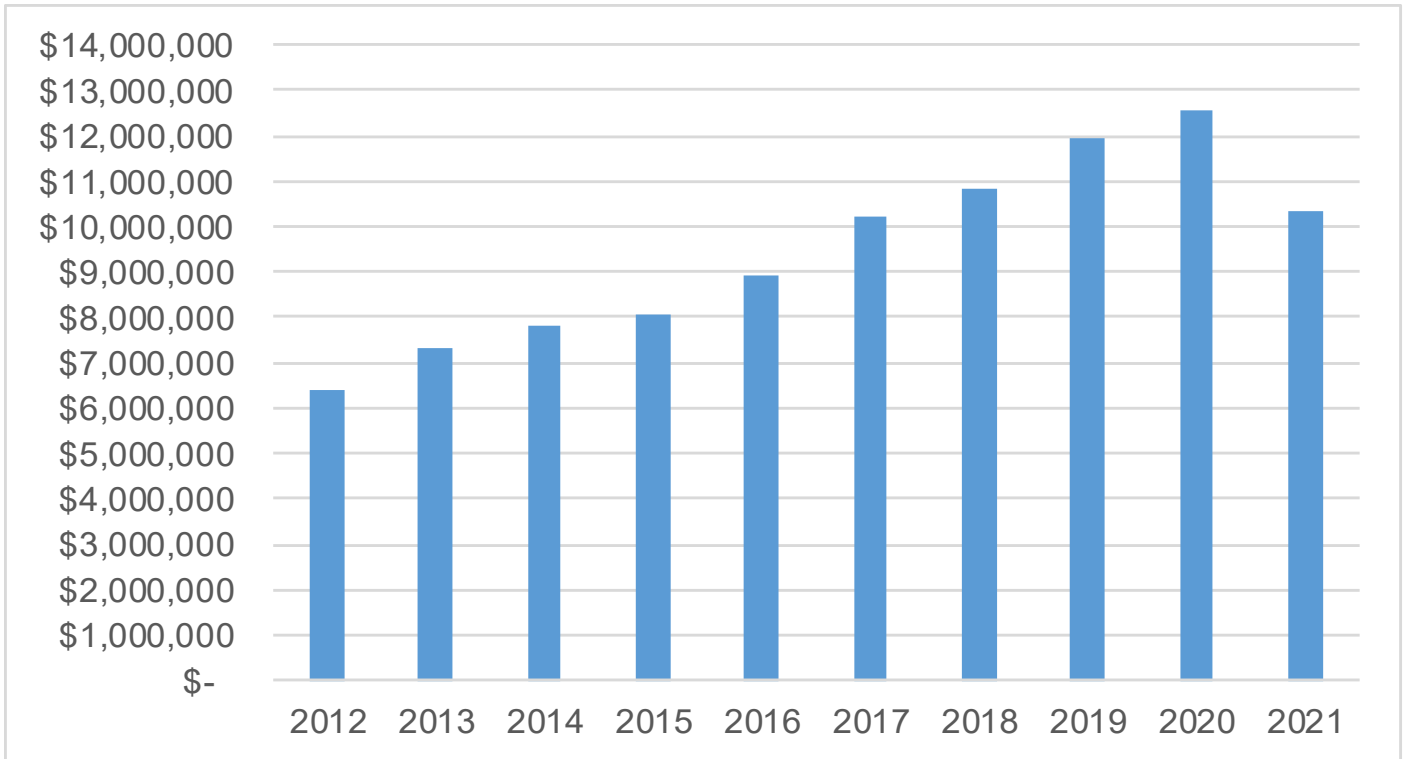
Source: District accounting records.



## 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
2021	\$ 2,416,801	\$ (1,061,736) *	\$ 893,365	\$ 1,101,567	\$ 424,326	\$ 5,654,562	\$ 885,403	\$ 10,314,288	(13.7)%
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

\* Negative balance due to GASB68 and GASB75 adjustments



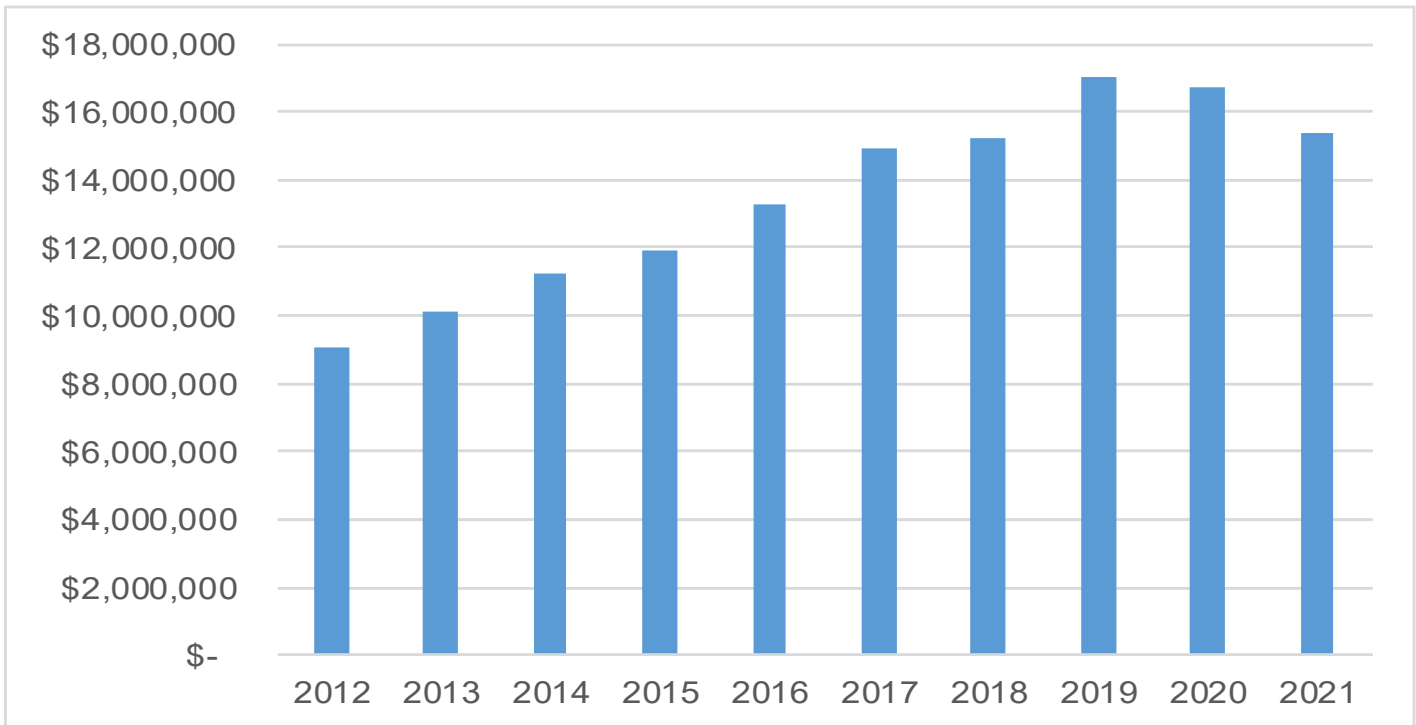
Source: District accounting records.



## 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
2021	\$ 2,362,103	\$ (1,265,424) *	\$ 699,287	\$ 7,674,926	\$ 735,565	\$ 389,922	\$ 4,285,459	\$ 524,861	\$ 15,406,699	(7.7)%
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

\* Negative balance due to GASB68 and GASB75 adjustments



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>
2021	\$ 128,142	\$ 897,901	\$ 34,416	\$ 1,060,459
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

(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>
2021	\$ 125,784	\$ 684,113	\$ 24,543	\$ 834,440
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

(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
2021	\$ 15.16	\$ 30.32	\$ 34.98	\$ 63.21
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

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



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

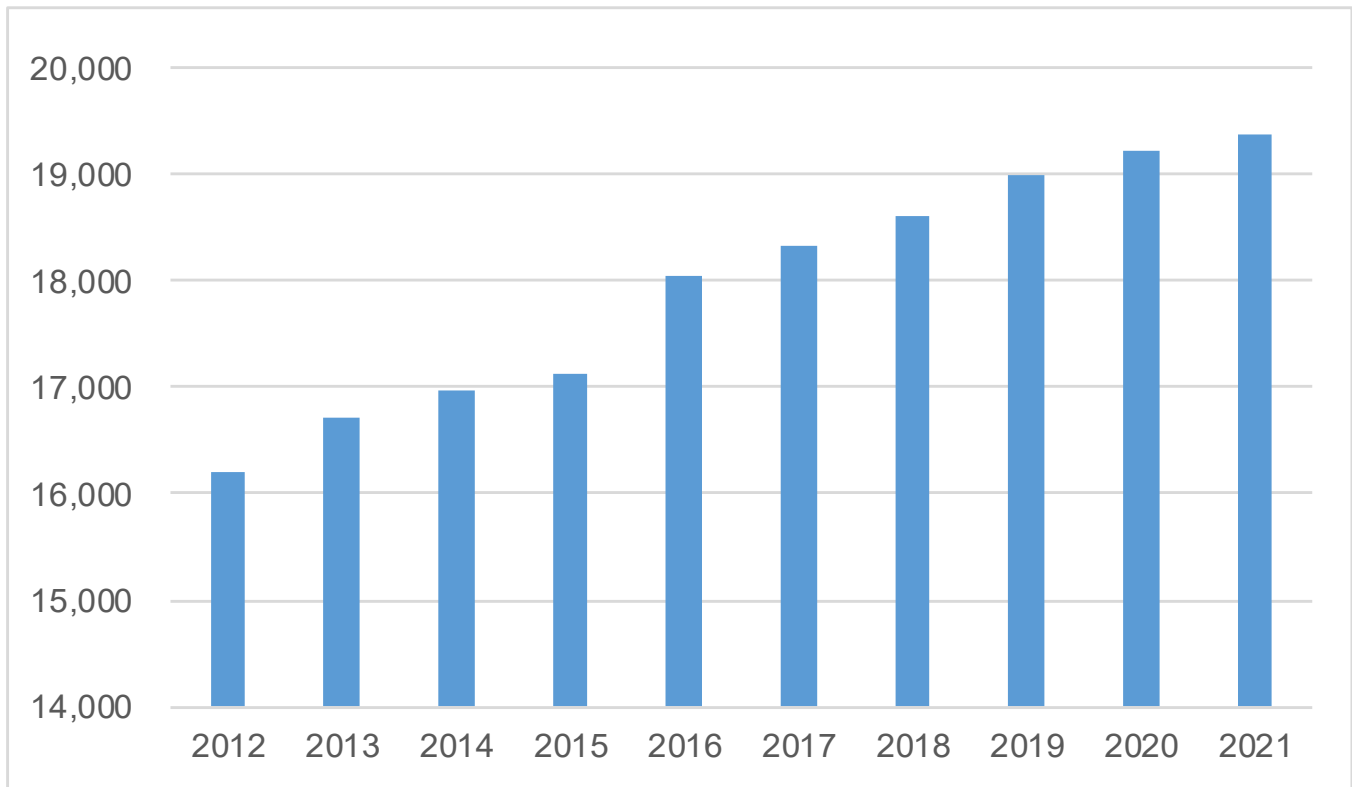
<u>Year Ended December 31,</u>	<u>Minimum Charge</u>		<u>Volume Charges (1)</u>
	<u>Monthly</u>	<u>Quarterly</u>	<u>Distribution</u>
2021	\$ 16.65	\$ 33.30	\$ 21.84
2020	16.65	33.30	21.84
2019	16.16	32.32	21.48
2018	15.69	31.38	21.14
2017	15.23	30.46	19.88
2016	14.79	29.58	17.33
2015	14.36	28.72	15.47
2014	13.94	27.88	13.71
2013	13.53	27.06	11.93
2012	13.53	27.06	11.21

(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>
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
2021	19,378	4,517	1,648,693



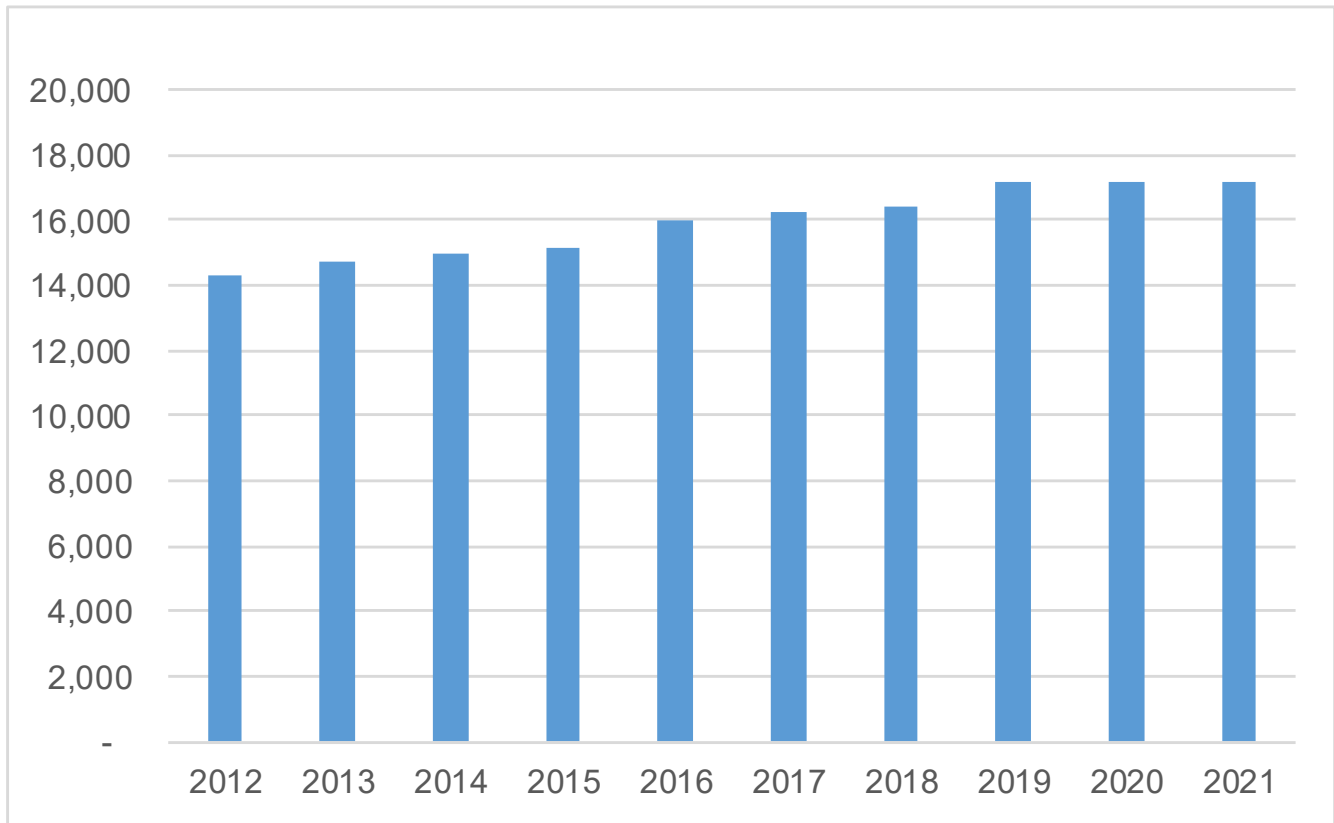
Source: District accounting records.



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

<u>Year Ended December 31,</u>	<u>Average Number of Customers</u>	<u>Average Day (000's/Gal.)</u>	<u>Total Annual Consumption (000's/Gal.)</u>
2012	14,344	4,530	1,657,958 (a)
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
2021	17,222	4,857	1,772,781

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





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

Customer	2021		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. First Solar - Tracy Road	86,765	\$ 402,438	3.29 %
2. First Solar - Cedar Park	73,949	350,401	2.86
3. Charter Steel**	61,640	205,842	1.68
4. MSC Walbridge Coatings	51,549	241,248	1.97
5. Chrysler	25,857	121,282	0.99
6. Tracy Creek Apartments	18,435	89,847	0.73
7. Friendly Village I and II MHP	18,118	85,093	0.70
8. Norplas	15,277	71,622	0.59
9. Perry Lake Village*	14,354	46,614	0.38
10. Hearthside	14,127	86,817	0.71
Total	<u>380,071</u>	<u>\$ 1,701,204</u>	<u>13.90 %</u>

\*Billed at 70% of District Rate

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

Customer	2012		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. Charter Steel	54,908	\$ 106,660	1.97 %
2. First Solar	53,370	105,825	1.96
3. Pre-Finished Metals	51,538	100,123	1.85
4. Chrysler	41,545	80,885	1.49
5. Friendly Village I and II MHP	29,143	56,975	1.05
6. Norplas	23,703	46,127	0.85
7. Perry Lake Village	13,177	19,000	0.35
8. Walnut Hills Mobile Home Park	12,751	24,883	0.46
9. Cintas	12,586	24,562	0.45
10. East Pointe On The Mall Apts	12,275	24,254	0.45
Total	<u>304,996</u>	<u>\$ 589,294</u>	<u>10.88 %</u>



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

<u>Customer</u>	2021		
	<u>Total Billed Consumption (000's/Gal.)</u>	<u>Billed Charges</u>	<u>Percent of Total System Revenue</u>
1. First Solar - Tracy Road	113,865	\$ 336,896	1.67 %
2. First Solar - Cedar Park	99,543	304,405	1.51
3. MSC Walbridge Coatings	68,942	205,491	1.02
4. Charter Steel**	61,640	161,408	0.80
5. MSB Dairy*	33,110	273,723	1.36
6. Jones Hamilton	27,030	82,297	0.41
7. Chrysler	25,857	83,886	0.42
8. Norplas	23,345	70,960	0.35
9. Tracy Creek Apartments	20,175	67,534	0.33
10. Friendly Village I and II MHP	18,118	61,291	0.30
<b>Total</b>	<b>491,625</b>	<b>\$ 1,647,891</b>	<b>8.16 %</b>

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

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

<u>Customer</u>	2012		
	<u>Total Billed Consumption (000's/Gal.)</u>	<u>Billed Charges</u>	<u>Percentage of Total System Revenue</u>
1. First Solar	75,465	\$ 122,216	1.27 %
2. Charter Steel	60,360	100,802	1.04
3. Prefinished Metals	58,449	91,004	0.94
4. Chrysler	41,545	69,081	0.72
5. Norplas	32,882	51,552	0.53
6. Friendly Village I and II MHP	29,143	53,904	0.56
7. Jones Hamilton	20,261	33,980	0.35
8. Walnut Hills Mobile Home Park	15,149	21,014	0.22
9. Tracy Creek Apartments	14,946	27,672	0.29
10. Cintas	12,902	21,436	0.22
<b>Total</b>	<b>361,102</b>	<b>\$ 592,661</b>	<b>6.14 %</b>



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

Debt By Type In Thousands	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenue Bond Issues:</b>										
\$2,165 Series 2004B	\$ 1,517	\$ 1,415	\$ 1,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$1,200 Series 2005A	911	858	770	715	660	-	-	-	-	-
\$6,910 Series 2008	5,940	5,675	5,400	5,115	4,820	-	-	-	-	-
\$2,350 Series 2010	2,210	2,135	2,055	1,970	1,880	1,790	1,695	1,595	1,490	-
\$3,870 Series 2012 (1)	3,618	3,368	3,093	2,850	2,613	2,390	2,171	1,953	1,740	1,527
\$1,300 Series 2015 (3)	-	-	-	1,180	1,060	935	810	680	550	420
\$5,795 Series 2017 (4)	-	-	-	-	-	5,115	4,675	4,225	3,770	3,310
\$1,502 Series 2021 (5)	-	-	-	-	-	-	-	-	-	1,372
<b>Total Revenue Bonds</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>6,629</b>
<b>Special Assessment Issues:</b>										
\$277 Series 1996	55	42	28	14	-	-	-	-	-	-
\$360 Series 1998	110	95	80	60	40	20	-	-	-	-
\$500 Series 1999	240	210	180	150	115	80	40	-	-	-
\$175 Series 2000	75	65	55	45	40	30	20	10	-	-
\$1,245 Series 2003	60	-	-	-	-	-	-	-	-	-
\$2,000 Series 2004A	1,380	1,290	1,195	-	-	-	-	-	-	-
\$1,010 Series 2006	800	760	715	670	620	-	-	-	-	-
\$2,205 Series 2008	1,961	1,878	1,750	1,660	1,565	-	-	-	-	-
\$6,580 Series 2009 BAN	-	-	-	-	-	-	-	-	-	-
\$2,350 Series 2010	2,205	2,125	2,045	1,960	1,875	1,785	1,690	1,590	1,485	-
\$2,880 Series 2012 (2)	2,795	2,615	2,302	2,039	1,824	1,568	1,317	1,056	789	523
\$1,240 Series 2015 (3)	-	-	-	1,120	1,005	890	775	655	530	405
\$2,350 Series 2017 (4)	-	-	-	-	-	2,145	1,935	1,725	1,510	1,285
\$1,545 Series 2021 (5)	-	-	-	-	-	-	-	-	-	1,408
<b>Total SA Bonds</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>	<b>3,621</b>
U.S. Dept. of Agriculture Ohio Water Development Authority	11,110	13,497	13,219	12,933	13,794	13,959	13,617	18,095	17,644	16,956
Ohio Public Works Commission	522	596	520	439	368	309	412	626	607	802
Other	3,928	993	801	603	421	276	446	122	122	120
Unamortized Discount	-	-	(26)	(8)	(8)	-	-	-	-	-
Unamortized Premium	-	-	202	194	150	80	74	69	63	58
<b>Total All Debt</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>	<b>\$ 94,146</b>
Number of Customer Accounts	30,545	31,500	31,988	32,284	34,067	34,561	34,997	36,166	36,361	36,600
<b>Outstanding Debt Per Customer Account</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>	<b>\$ 2,571</b>

- (1) The Series 2002 Bonds were refunded on 3/23/2012 and were replaced by the Series 2012 Bonds.
- (2) The Series 2003 SA Bonds were refunded on 3/23/2012 and were replaced by the Series 2012 SA Bonds.
- (3) The Series 2004 A & B Bonds were refunded on 2/27/2015 and replaced by the Series 2015 Bonds.
- (4) The Series 2005A, 2006, and 2008 Bonds were refunded on 7/21/2017 and replaced by the Series 2017 Bonds.
- (5) The Series 2010 were refunded on March 3, 2021 and replaced by Series 2021 Bonds

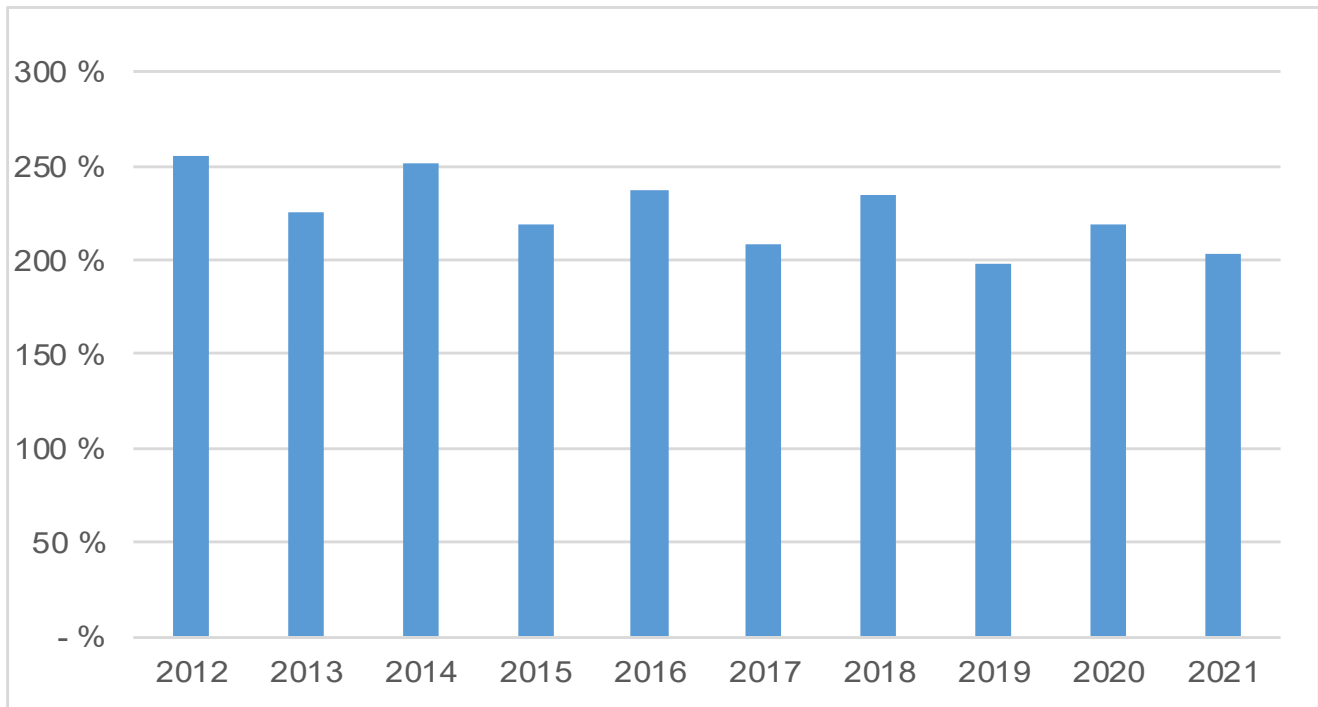
Source: District accounting records.



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

Year Ended December 31,	Revenue (1)	Operating Expense (2)	Net Revenue Available for Debt Service	Debt Service Requirement	Coverage Factor (3)
2021	\$ 32,680,168	\$ 19,837,120	\$ 12,843,048	\$ 6,317,705	203 %
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 %

- (1) Includes water and sewer revenues and interest income.
- (2) Excludes depreciation expense and GASB 68 and 75 adjustments.
- (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**

Year Ended December 31,	Special Assessments Collections	Debt Service Requirement	Coverage Factor
2021	\$ 1,817,832	\$ 1,187,429	153 %
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 %

(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, 2021**

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		
2022	\$ 2,227,189	\$ 13,583	\$ 1,054,346	\$ 268,093	\$ -	\$ 445,278	\$ 4,008,490	93.72%
2023	2,250,814	13,583	1,128,423	268,093	-	349,425	4,010,337	87.42%
2024	2,218,296	13,583	1,130,800	268,093	-	312,552	3,943,324	81.30%
2025	2,205,340	11,512	1,001,936	268,093	-	182,810	3,669,690	75.30%
2026	2,174,076	9,441	950,821	268,093	-	180,884	3,583,315	69.72%
2027	2,174,076	9,441	954,991	268,093	-	177,132	3,583,733	64.28%
2028	2,174,076	8,191	952,119	268,093	-	168,778	3,571,258	58.84%
2029	2,174,176	8,191	670,343	268,093	-	168,492	3,289,296	53.41%
2030	2,119,823	8,191	669,332	268,093	-	176,167	3,241,606	48.44%
2031	2,118,298	8,191	629,867	268,093	-	125,857	3,150,306	43.56%
2032-2036	9,375,175	25,670	2,505,717	994,426	-	629,407	13,530,395	21.87%
2037-2041	3,302,000	-	2,284,996	-	-	629,097	6,216,093	11.37%
2042-2046	492,810	-	1,699,073	-	-	629,127	2,821,010	6.28%
2047-2051	-	-	1,445,161	-	-	377,369	1,822,530	3.13%
2052-2056	-	-	1,120,451	-	-	-	1,120,451	1.19%
2057-2059	-	-	544,071	-	-	-	544,071	0.00%
<b>Totals</b>	<b>\$ 35,006,151</b>	<b>\$ 129,580</b>	<b>\$ 18,742,447</b>	<b>\$ 3,675,351</b>	<b>\$ -</b>	<b>\$ 4,552,374</b>	<b>\$ 62,105,904</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, 2021**

Year Ended December 31,	Revenue Debt			Special Assessment Debt		Totals	Percent of Debt Service Remaining
	OWDA	OPWC	Bonds and Notes	OWDA	Bonds and Notes		
2022	\$ 2,409,333	\$ 45,068	\$ 909,790	\$ -	\$ 567,733	\$ 3,931,924	92.77%
2023	2,461,834	45,068	745,289	-	522,726	3,774,918	85.60%
2024	2,245,591	45,068	789,753	-	514,264	3,594,675	78.78%
2025	2,216,312	45,068	770,994	-	391,043	3,423,417	72.29%
2026	2,212,975	35,362	733,614	-	355,371	3,337,322	65.96%
2027	2,212,975	34,904	736,863	-	310,835	3,295,577	59.70%
2028	2,212,975	32,360	736,427	-	161,090	3,142,852	53.74%
2029	2,212,975	30,274	557,814	-	160,556	2,961,619	48.12%
2030	2,212,975	30,274	553,950	-	189,546	2,986,745	42.46%
2031	2,191,343	30,274	409,391	-	-	2,631,008	37.46%
2032-2036	9,402,626	123,889	1,137,398	-	-	10,663,913	17.23%
2037-2041	5,527,843	101,085	996,427	-	-	6,625,355	4.66%
2042-2046	900,198	50,318	560,869	-	-	1,511,385	1.79%
2047-2051	-	23,446	452,220	-	-	475,666	0.66%
2052-2056	-	-	349,735	-	-	349,735	0.00%
<b>Totals</b>	<b>\$ 38,419,953</b>	<b>\$ 672,459</b>	<b>\$ 10,440,532</b>	<b>\$ -</b>	<b>\$ 3,173,165</b>	<b>\$ 52,706,110</b>	

OWDA - Ohio Water Development Authority

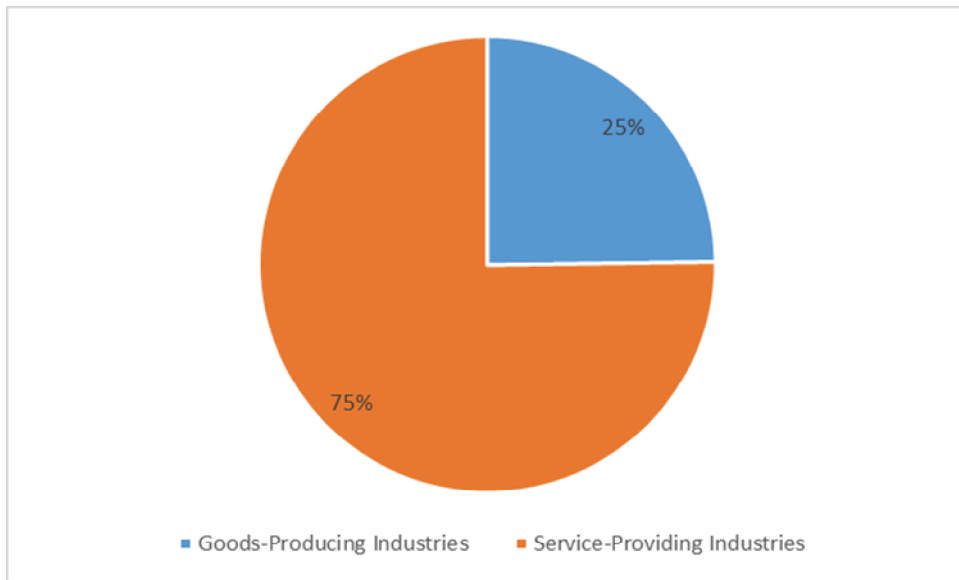
OPWC - Ohio Public Works Commission

**CONTINUING DISCLOSURE REQUIREMENTS**



**NORTHWESTERN WATER & SEWER DISTRICT  
NONAGRICULTURAL EMPLOYMENT  
TOLEDO PRIMARY METROPOLITAN STATISTICAL AREA  
(INCLUDES WOOD COUNTY)  
YEAR ENDED DECEMBER 31, 2021**

	<u>Employment</u>
Goods-Producing Industries	61,600
Natural Resources, Mining, and Construction	15,900
Manufacturing	45,700
Durable Goods	3,670
Transportation Equipment	19,100
Service-Providing Industries	187,700
Trade, Transportation, and Utilities	56,600
Information	3,000
Financial Activities	10,700
Professional and Business Services	31,400
Educational and Health Services	47,200
Leisure and Hospitality	28,600
Other Services	10,200
Government	42,900





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

Employer	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Amazon	4,000	1	5.95%			
Bowling Green State University	3,038	2	4.52%	2,500	1	4.13%
Fed Ex Ground	2,300	3	3.42%			
Magna International	2,200	4	3.27%	1,300	3	2.15%
First Solar	1,500	5	2.23%	1,150	5	1.90%
Home Depot	1,200	6	1.79%			
Walgreens	1,000	7	1.49%	700	9	1.16%
Owens Community College	951	8	1.41%	2,000	2	3.30%
Wood County	841	9	1.25%	1,200	4	1.98%
Chrysler	800	10	1.19%	850	7	1.40%
Wood County Hospital				900	6	1.49%
Owens Illinois, Inc				835	8	1.38%
Nippon Sheet Glass				370	10	0.61%
<b>Totals</b>	<b>17,830</b>		<b>26.53%</b>	<b>11,805</b>		<b>19.48%</b>
 Total Employment within Wood County	 67,213			 60,600		

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>
2021	131,113	\$ 6,706,036,611	\$ 51,147	2.8 %
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 %

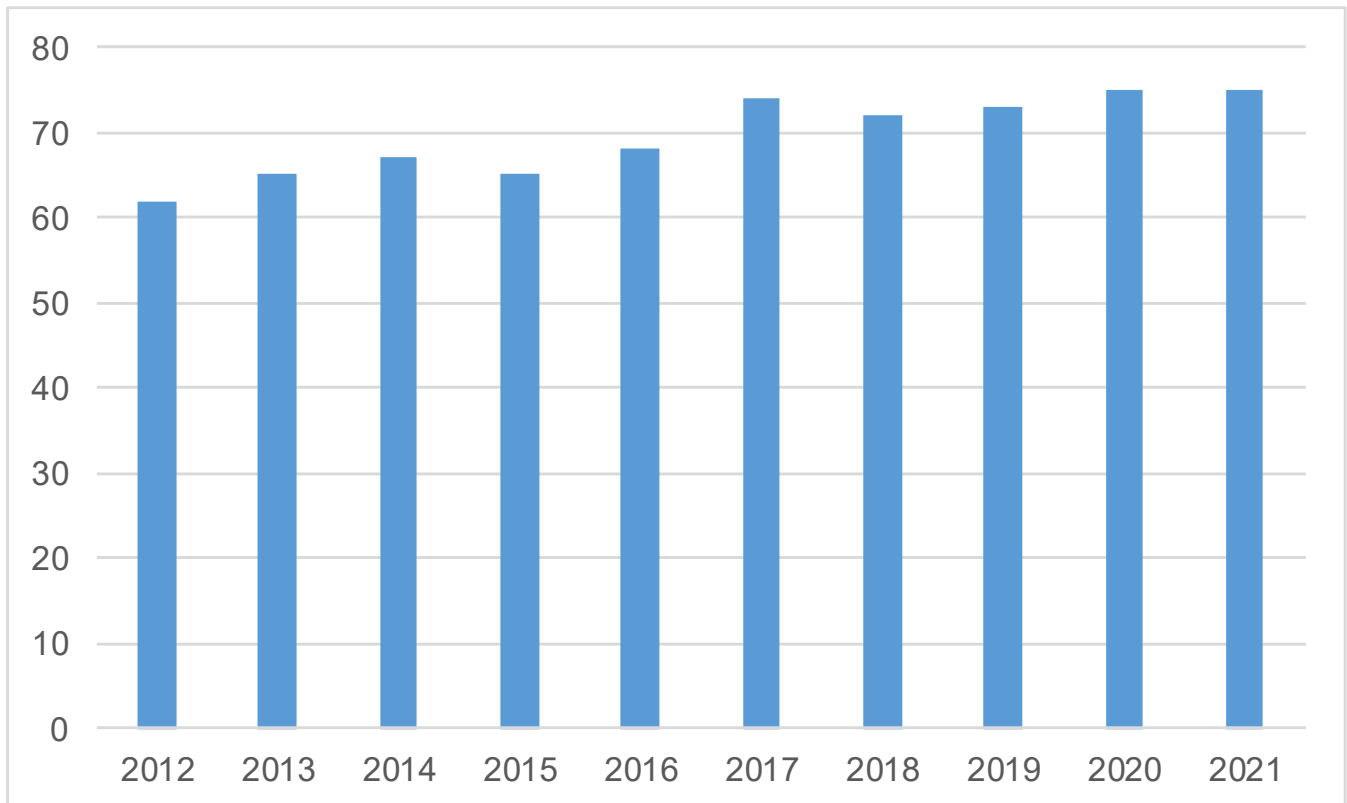
Source: U.S. Census Bureau.  
Ohio Department of Job and Family Services.  
Bureau of Economic Analysis.



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

DEPARTMENT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	3	3	2	2	2	3	3	3	3	3
Finance	3	3	5	5	5	5	5	5	5	4
Customer Service	12	12	13	12	10	12	11	11	11	12
Engineering	10	12	11	11	14	15	14	14	14	14
GIS/IT (1)	3	3	3	3	3	3	4	4	4	4
Operations	31	32	33	32	34	36	35	36	38	38
<b>Total</b>	<b>62</b>	<b>65</b>	<b>67</b>	<b>65</b>	<b>68</b>	<b>74</b>	<b>72</b>	<b>73</b>	<b>75</b>	<b>75</b>

(1) In 2012, GIS/IT staff separated from Engineering.







**NORTHWESTERN WATER & SEWER DISTRICT  
DEMOGRAPHIC STATISTICS  
DECEMBER 31, 2021**

**WATER SYSTEM**

Miles of Potable Water Lines	453
Total Water Customers	17,222
Number of Fire Hydrants	3,982
Water Towers	14
Number of WaterShed and Bulk Water Stations	21

**SEWER SYSTEM**

Miles of Sewer Lines	369
Total Sewer Customers	19,378
Number of Pump Stations	82
Number of Treatment Plants	15
Number of Manholes	5,853

**GENERAL INFORMATION**

Population Served (Estimated)	48,445
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, 2021**

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

**NORTHWESTERN WATER AND SEWER DISTRICT  
WOOD COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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# 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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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

The Honorable Keith Faber  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Northwestern Water and Sewer District, Wood County, Ohio (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 17, 2022.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

June 17, 2022

**NORTHWESTERN WATER AND SEWER DISTRICT  
WOOD COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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The prior audit report, as of December 31, 2020, 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 8/30/2022**

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)