

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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

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



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Northwestern Water and Sewer District, Wood County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 9, 2018

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**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Comprehensive Annual Financial Report	Under Separate Cover
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5-7
Schedule of Findings and Questioned Costs	8
Schedule of Prior Audit Findings and Recommendations	9

**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor Number	Total Federal Receipts	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Direct Award:</i>				
Water and Waste Disposal Systems for Rural Communities Grant Program	10.760	050674-05PU-09	\$ 103,521	\$ 85,823
Water and Waste Disposal Systems for Rural Communities Loan Program	10.760		<u>497,674</u>	<u>1,568,593</u>
<i>Total CFDA #10.760</i>			<u>601,674</u>	<u>1,654,416</u>
Total U.S. Department of Agriculture			<u>601,195</u>	<u>1,654,416</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 601,195</u>	<u>\$ 1,654,416</u>

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

**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Northwestern Water and Sewer District, Ohio (the District), under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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

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

The U.S. Department of Agriculture has approved a \$1,655,000 loan to the District for the purpose of financing water distribution improvements serving the Village of Bloomdale. This loan has an interest rate of 2.50 percent and matures on September 1, 2055. As of December 31, 2017, the District has received the full amount of this loan. Payments of \$25,550 were made on this loan in 2017. Final expenditures on this program will be made in 2018.

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**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 David Yost
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, 2017, and the related notes to the financial statements, which collectively comprise the Northwestern Water and Sewer District, Ohio's basic financial statements and have issued our report thereon dated June 15, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
o=James G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2018.06.29 08:42:13 -04'00'

June 15, 2018

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

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

The Honorable David Yost
Auditor of State
State of Ohio

Report on Compliance for Each Major Program

We have audited the Northwestern Water and Sewer District, Wood County, Ohio's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Northwestern Water and Sewer District, Ohio's major federal program for the year ended December 31, 2017. The Northwestern Water and Sewer District, Ohio's major federal program is identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Northwestern Water and Sewer District, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

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

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

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

We have audited the financial statements of the Northwestern Water and Sewer District, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Northwestern Water and Sewer District, Ohio's basic financial statements. We issued our report thereon dated June 15, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

James G. Zupka,
CPA, President

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

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President, o=James
G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2018.06.29 08:42:35 -04'00'

June 15, 2018

**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. Summary of Auditor's Results

2017(i)	Type of Financial Statement Opinion	Unmodified
2017(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2017(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2017(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2017(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2017(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2017(v)	Type of Major Program's Compliance Opinion	Unmodified
2017(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2017(vii)	Major Programs (list): Water and Waste Disposal Systems for Rural Communities - CFDA #10.760	
2017(viii)	Dollar Threshold: Type A\B Programs	Type A : > \$750,000 Type B: > All
Others		
2017 (ix)	Low Risk Auditee?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The prior audit report, as of December 31, 2016, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

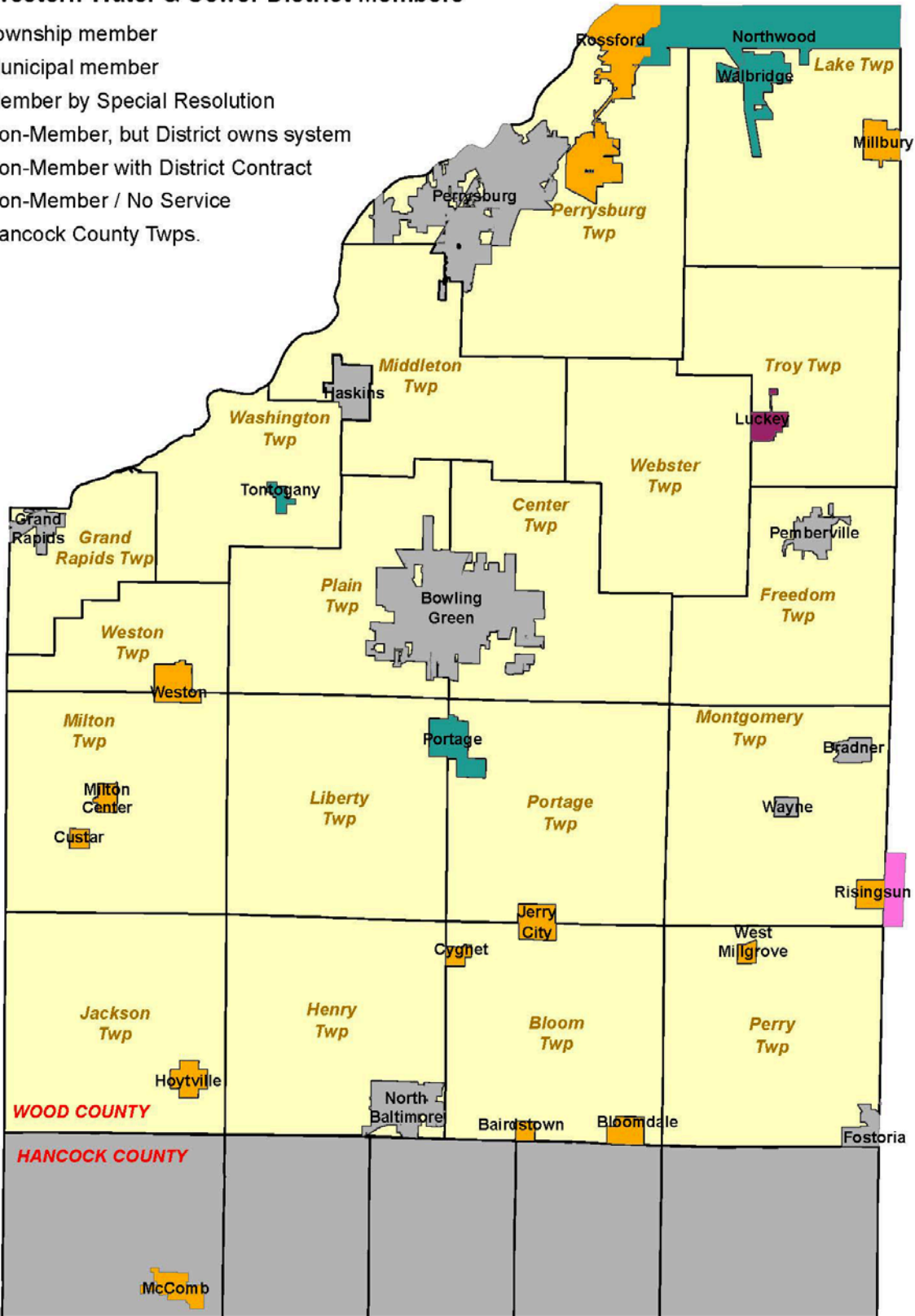


Comprehensive Annual Financial Report
For the years ended December 31, 2017 and 2016

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

Northwestern Water & Sewer District Members

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



**NORTHWESTERN WATER & SEWER DISTRICT
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	PAGE
INTRODUCTION SECTION (UNAUDITED)	
Letter of Transmittal	i
2016 Certificate of Achievement for Excellence in Financial Reporting	vi
District Officials	vii
Organizational Chart	viii
FINANCIAL SECTION	
Independent Auditors' Report	F1
Management's Discussion and Analysis (Unaudited).....	F4
Basic Financial Statements:	
Statements of Net Position.....	F9
Statements of Revenues, Expenses, and Changes in Net Position	F11
Statements of Cash Flows	F12
Notes to Financial Statements	F14
Supplementary Information:	
Required Supplementary Information:	
Schedule of District's Proportionate Share of Net Pension Liability – Ohio Public Employees Retirement System - Traditional Plan.....	F48
Schedule of District's Contributions – Ohio Public Employees Retirement System – Traditional Plan.....	F49
Other Supplementary Information:	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget to Actual (GAAP Basis)	F50
Schedule of Net Position – Information by Division	F51
Schedule of Revenues, Expenses, and Changes in Net Position – Information by Division	F55
Schedule of Cash Flows – Information by Division.....	F57
STATISTICAL SECTION (UNAUDITED)	
Net Position – Last Ten Years	S2
Changes in Net Position – Last Ten Years	S3
Sewer Operating Revenues by Source – Last Ten Years	S4
Water Operating Revenues by Source – Last Ten Years.....	S5
Sewer Operating Expense by Type – Last Ten Years.....	S6
Water Operating Expense by Type – Last Ten Years	S7
Sewer Nonoperating Revenues by Source – Last Ten Years	S8
Water Nonoperating Revenues by Source – Last Ten Years.....	S9
Sewer User Rates – Last Ten Years	S10
Water User Rates – Last Ten Years	S11
Historical Sewer Customers and Sewer Consumption – Last Ten Years	S12
Historical Water Customers and Water Consumption – Last Ten Years.....	S13
Ten Largest Sewer Customers	S14
Ten Largest Water Customers.....	S15
Ratio of Outstanding Debt by Type – Last Ten Years	S16
Computation of Revenue Debt Coverage Ratios – Last Ten Years	S17
Computation of Special Assessment and Related Debt	
Coverage Ratios – Last Ten Years	S18
Sewer Debt by Total Debt Service	S19
Water Debt by Total Debt Service	S20
Continuing Disclosure Requirements:	
Nonagricultural Employment	S21
Ten Largest Employers in Wood County.....	S22
Wood County Ohio Demographic and Economic Statistics	S23
Number of Employees by Function	S24
Demographic Statistics.....	S25



May 24, 2018

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

The Comprehensive Annual Report of the Northwestern Water and Sewer District (“The District”) for the year ended December 31, 2017, 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, 2016 disclosed no material internal control weaknesses or material violations of laws and regulations.

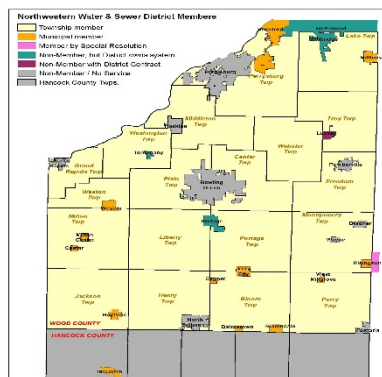
GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is intended to compliment MD&A and should be read in conjunction with it. The District’s 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 13 municipalities and 20 townships.

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Wood County is centrally located in the Toledo Trade Area, and is classified as belonging to the Toledo Metropolitan Statistical Area (MSA). The 2017 population of the MSA is estimated to be approximately 605,221, of which the County accounted for approximately 130,219 in 2017. 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 2016-17 school year, the university had 20,000 students, 900+ full-time faculty as well as 1,263 full and part-time administrative and classified staff. In addition to Bowling Green State University, Wood County is home to Owens Community College. For 2017 Owens had a student enrollment of approximately 8,826 in over 120 program areas by a full time faculty of 138. Students, faculty and staff members of both higher education facilities contribute heavily to the economy of Wood County.

Long-Term Financial Planning

In 2009, The District established a strategic architecture that identified a mission statement, three key business drivers and action plans for each of the three business drivers. The action plans became the basis for establishing the 2017 budget. This process will continue in 2018 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 \$80,720,024. Outstanding bonds of The District are rated Aa3 by Moody's and AA- by Standard & Poor's rating agencies. The District has a MIG-1 rating from Moody's on short-term borrowing. Notes 5 and 6 to the audited financial statements include schedules of debt outstanding and future debt service requirements.

DISTRICT MAJOR INITIATIVES

Certificate of Achievement



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northwestern Water and Sewer District for its Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2016. This was the fourteenth year that The District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report

must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Weston Center Street Waterline Replacement

This project consists of the replacement of approximately 3,000 feet of waterline to correct problem areas and to increase available flows to the commercial district in which it is located. The project cost estimate is \$450,000 and the work is scheduled to be completed in 2018.

Sugar Ridge Sanitary Sewer

In response to Findings and Orders from the Ohio EPA, construction of a sanitary sewer collection system is planned to begin in 2018. This community had no centralized sanitary system and the residents relied upon failing septic systems for the treatment of their sanitary waste. The gravity sanitary sewers collect the flow and it is pumped to the Bowling Green system for treatment. The total cost is estimated to be \$1,500,000. Approximately 60% of the cost will be funded by State and Federal grants.

McComb Wastewater Treatment Plant Replacement

The existing wastewater treatment plant in McComb is in poor condition and in need of replacement. Ohio EPA is requiring that the plant be replaced with a new plant that meets current discharge standards. The project is nearing approval and grant and loan funding should be available in 2018. Construction is expected to commence in late 2018 with completion in mid 2019. The total cost is estimated to be approximately \$7,900,000.

Perrysburg Service Area Sanitary Sewer Rehabilitation

The sanitary system is tributary to the City of Perrysburg and is subject to surcharging during wet weather conditions. This project consists of rehabilitation of sanitary sewers, manholes and sewer lateral repairs. The project should reduce or eliminate sanitary sewer overflows to the stream during wet weather. The project cost estimate is \$1,000,000 and will begin in 2018 with completion in 2019.

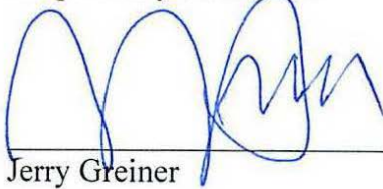
INDEPENDENT AUDIT

Included in this report is an unqualified opinion rendered on the District's financial statements for the year ended December 31, 2017, by James G. Zupka, CPA, Inc., a firm of licensed independent certified public accountants. As part of the preparation of the comprehensive annual financial report, The District subjects its financial statements to an annual audit. The annual audit serves to strengthen The District's accounting, internal and budgetary controls.

ACKNOWLEDGEMENTS

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

Respectfully submitted.



Jerry Greiner
President



Kay Ball
CFO



Government Finance Officers Association

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

Presented to

**Northwestern Water & Sewer District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

**NORTHWESTERN WATER & SEWER DISTRICT
DISTRICT OFFICIALS
DECEMBER 31, 2017**

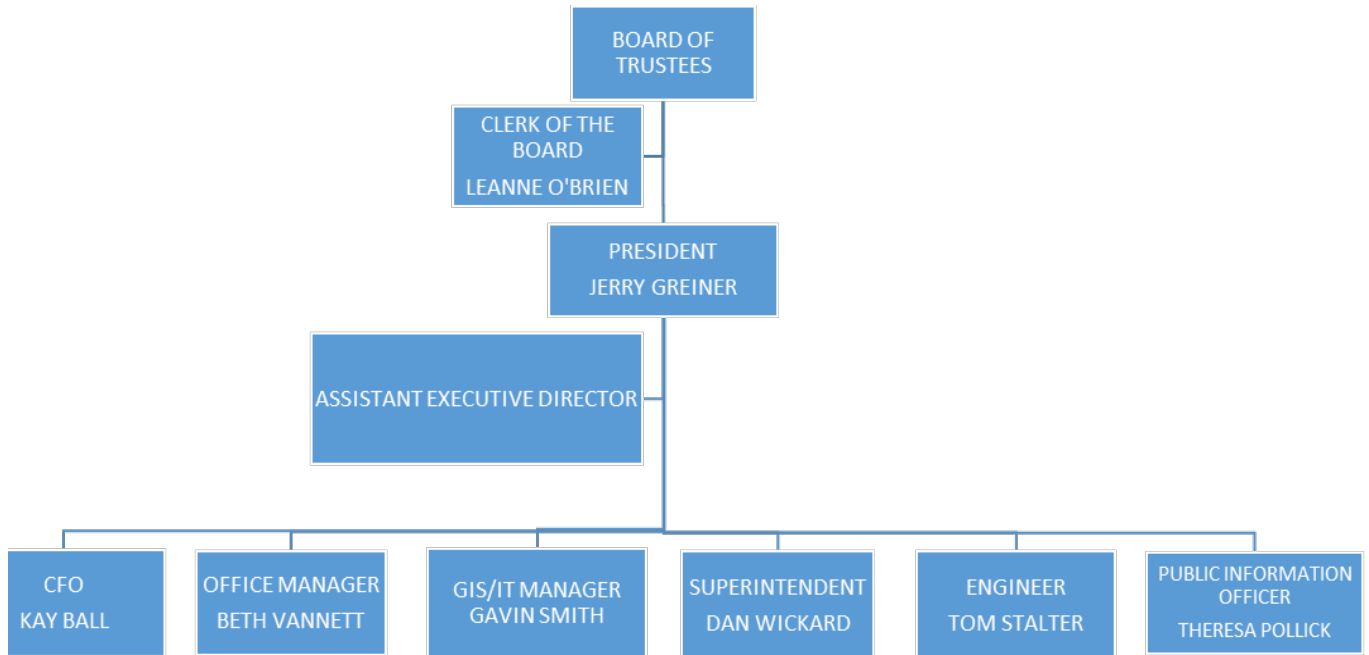
Board of Trustees

Office	Name	Date Originally Installed	Term Expires
Chairman	Mark Sheffer	10/5/2013	12/31/2018
Vice-Chairman	Steve Arnold	6/19/2014	12/31/2018
Secretary	John Cheney	7/21/1992	12/31/2019
Member	Melinda Kale	1/11/2007	12/31/2020
Member	William Hirzel	1/10/2008	12/31/2020
Member	Rob Armstrong	1/1/2017	12/31/2019
Member	Doug Miller	7/23/2015	12/31/2018
Member	Bill Verbosky	8/13/2015	12/31/2020
Member	Leonard Michaels	1/1/2011	12/31/2019

Senior Staff

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

**NORTHWESTERN WATER & SEWER DISTRICT
ORGANIZATIONAL CHART
DECEMBER 31, 2017**



Number of Employees by Department

Administration	3
Engineering	15
Operations	36
Finance	5
Office	12
GIS	<u>3</u>
 Total Employees - December 31, 2017	 <u><u>74</u></u>

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable David Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Northwestern Water and Sewer District, Wood County, Ohio (the District), as of and for the years ended December 31, 2017 and December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Northwestern Water and Sewer District, Ohio, as of December 31, 2017 and December 31, 2016, 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.

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

Other Information

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

The Schedule of Revenue, Expenses, and Changes in Net Position - Budget to Actual (GAAP basis); the Schedule of Net Position - Information by Division; the Schedule of Revenues, Expenses and Changes in Net Position - Information by Division; and the Schedule of Cash Flows - Information by Division are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the above schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2018, on our consideration of the Northwestern Water and Sewer District, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and on the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northwestern Water and Sewer District, Ohio's internal control over reporting and compliance.

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

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

June 15, 2018

**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, 2017. This information should be read in conjunction with the letter of transmittal and basic financial statements included in this report.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$137,555,605 as of December 31, 2017.
- Net position increased by \$5,806,039 in 2017.
- Of the increase in net position, an increase of \$3,382,806 was attributable to net investment in capital assets. The remaining change of a net increase of \$2,423,233 was attributable to a \$100,526 increase in restricted net position and \$2,322,707 increase in unrestricted net position.
- Debt increased \$6,448,749. Retirements of debt principal were \$11,930,941 and new issues of debt principal were \$18,379,690.

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

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, \$117.9 million (86%) reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Certain amounts may vary slightly due to differences caused by rounding to thousands.

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

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

	2017	2016	2015	Change			
				2017/2016		2016/2015	
				Amount	Percent	Amount	Percent
ASSETS							
Current Assets	\$ 23,247	\$ 24,250	\$ 15,697	\$ (1,003)	(4.1)%	\$ 8,553	54.5 %
Capital Assets, Net	194,518	185,761	167,269	8,757	4.7	18,492	11.1
Other Non-Current Assets	9,516	10,370	10,832	(854)	(8.2)	(462)	(4.3)
Total Assets	227,281	220,381	193,798	6,900	3.1	26,583	13.7
Deferred Outflows of Resources	3,011	1,894	744	1,117	59.0	1,150	154.6
LIABILITIES							
Current Liabilities	10,150	11,604	7,926	(1,454)	(12.5)	3,678	46.4
Long-Term Liabilities	82,091	74,721	63,755	7,370	9.9	10,966	17.2
Total Liabilities	92,241	86,325	71,681	5,916	6.9	14,644	20.4
Deferred Inflows of Resources	496	4,200	58	(3,704)	(88.2)	4,142	7141.4
NET POSITION							
Net Investment in Capital Assets	117,942	114,559	107,364	3,383	3.0	7,195	6.7
Restricted	4,806	4,706	4,951	100	2.1	(245)	(4.9)
Unrestricted	14,807	12,485	10,488	2,322	18.6	1,997	19.0
Total Net Position	\$ 137,555	\$ 131,750	\$ 122,803	\$ 5,805	4.4 %	\$ 8,947	7.3 %

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

Net position increased by \$5,805 thousand during 2017 and by \$8,947 during 2016. The majority of this change was due to the following:

- Capital assets increased by \$16,511,969 offset by related accumulated depreciation increase of \$7,754,485 in 2017 and \$25,336,885 in 2016 offset by related depreciation increased by \$6,884,572 due mainly to construction of water and sewer lines.
- Debt, including current portion of long-term debt increased by \$6,448,749 in 2017 and by \$9,816,428 in 2016 related to borrowing for construction projects.

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

	2017	2016	2015	Change			
				2017/2016		2016/2015	
				Amt	%	Amt	%
Utility Revenue	\$ 26,282	\$ 23,942	\$ 21,058	\$ 2,340	9.8%	\$ 2,884	13.7%
Fees and Permit	561	529	394	32	6.1	135	34.3
Contract Services	194	187	196	7	3.5	(9)	(4.6)
Other	490	396	433	94	23.8	(37)	(8.5)
Non-Operating Revenue	549	512	552	37	7.2	(40)	(7.2)
Total Revenues	28,076	25,566	22,633	2,510	9.8	2,933	13.0
Depreciation and Amortization	7,987	7,182	6,840	805	11.2	342	5.0
Other Operating Expense	17,145	15,028	13,144	2,117	14.1	1,884	14.3
Non-Operating Expense	2,263	2,293	2,523	(30)	(1.3)	(230)	(9.1)
Total Expenses	27,395	24,503	22,507	2,892	11.8	1,996	8.9
Net Revenue Before Aid in Construction	681	1,063	126	(381)	(35.9)	937	7.4
Aid in Construction	5,124	7,884	4,731	(2,760)	(35.0)	3,153	0.7
Changes in Net Position	5,805	8,947	4,857	\$ (3,141)	(35.1)%	\$ 4,090	84.2%
Beginning Net Position	131,750	122,803	117,946				
Ending Net Position	\$ 137,555	\$ 131,750	\$ 122,803				

Utility revenues increased in 2017 due to rate increases. The District purchases bulk water from the City of Toledo. Toledo instituted a multi-year rate increase program which is passed through to the customers of the District served by water purchased from Toledo.

Other Operating Expenses increased in 2017 due to incremental increases to general insurance, small equipment and bad debt write offs.

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

Capital Assets

At the end of 2017, the District had \$194,518,462 invested in capital assets net of depreciation. This amount represents a net increase of approximately \$8.7 million, or 4.7% over 2016.

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

	2017	2016	2015	Change			
				2017/2016		2016/2015	
				Amount	Percent	Amount	Percent
Land and Easements	\$ 1,104	\$ 1,027	\$ 923	\$ 77	7.5 %	\$ 104	11.3 %
Construction in Progress	24,988	22,730	8,606	2,258	9.9	14,124	164.1
Water and Sewer Lines	129,280	124,477	122,553	4,803	3.9	1,924	1.6
Buildings, Structures, and Improvements	29,140	27,614	25,923	1,526	5.5	1,691	6.5
Equipment	10,006	9,913	9,264	93	0.9	649	7.0
Total	\$ 194,518	\$ 185,761	\$ 167,269	\$ 8,757	4.7 %	\$ 18,492	11.1 %

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.

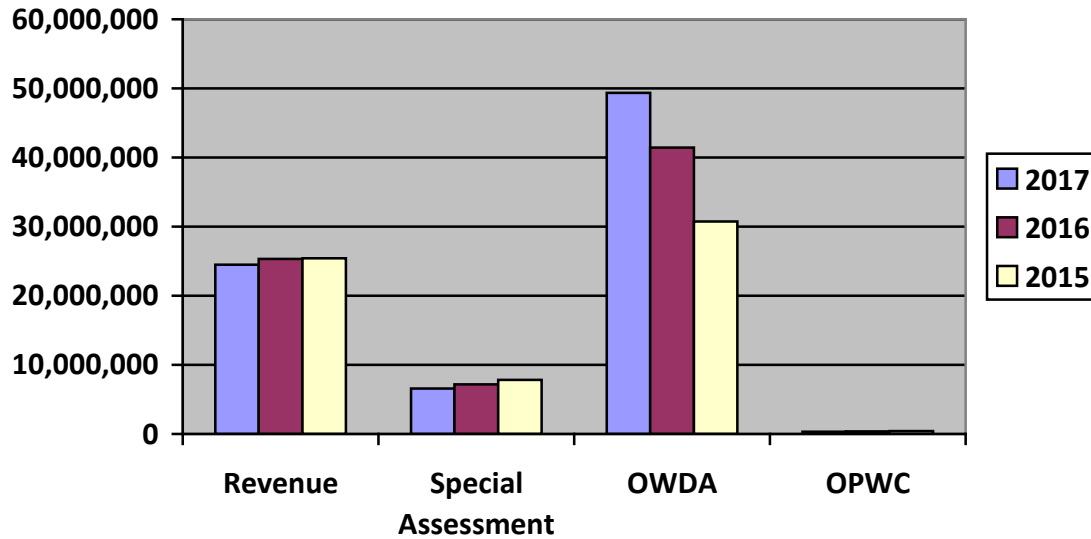
Debt Administration

At December 31, 2017, the District had total debt outstanding of \$80,720,024 compared to \$74,271,275 at December 31, 2016. This represents an increase of \$6,448,749. During 2017, the District issued \$18,379,690 of new debt and repaid \$11,930,941 in principal on outstanding debt. At December 31, 2016, the District had total debt outstanding of \$74,271,275 compared to \$64,454,847 at December 31, 2015. This represents an increase of \$9,816,428. During 2016, the District issued \$13,665,166 of new debt and repaid \$3,848,738 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,

	2017	2016	2015
Revenue Bonds and Notes and Capital Leases	\$ 24,488,741	\$ 25,303,341	\$ 25,427,294
Special Assessment Bonds and Notes	6,574,552	7,171,609	7,842,898
Ohio Water Development Authority	49,347,712	41,429,066	30,745,939
Ohio Public Works Commission	309,019	367,259	438,716
Total	\$ 80,720,024	\$ 74,271,275	\$ 64,454,847

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



Type of Debt By Year

Economic Factors

Based on the District's 2017 budget, sewer rates were increased 12.7% for a customer using 1,000 cubic feet. Water rates were increased 9.3%, effective January 1, 2017 for a customer using 1,000 cubic feet of water. The increases in both water and sewer rates are due in part to the Board of Trustees implementing the policy of including depreciation in rates on a prorated basis over 15 years. The board has directed that rates be reviewed on an annual basis. The District is subject to the general economic slowdown in housing construction seen across the country.

In 2018, 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, 2017 AND 2016**

ASSETS	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 8,208,860	\$ 5,511,360
Cash and Cash Equivalents - Restricted	3,612,704	3,512,664
Investments - Unrestricted	4,773,941	4,736,175
Investments - Restricted	1,193,875	1,193,389
Accounts Receivable - Trade	3,247,146	3,323,064
Grants Receivable	449,922	4,100,206
Current Portion of Special Assessments	977,021	1,014,976
Inventory	603,345	649,706
Prepaid Expenses	179,818	208,609
Total Current Assets	<u>23,246,632</u>	<u>24,250,149</u>
NONCURRENT ASSETS		
Capital Assets		
Depreciable:		
Sewer and Water Lines	215,800,917	206,544,036
Buildings, Pumps, and Lift Stations	39,268,819	35,885,641
Machinery and Equipment	12,662,101	11,737,820
Vehicles	3,694,310	3,545,586
Furniture and Fixtures	509,500	471,950
Computer Equipment	2,100,596	1,674,351
Improvements - Oregon Waste Water Treatment Plant	6,580,004	6,580,004
Total Depreciable Capital Assets	<u>280,616,247</u>	<u>266,439,388</u>
Accumulated Depreciation and Amortization	(112,189,786)	(104,435,301)
Net Depreciable Capital Assets	<u>168,426,461</u>	<u>162,004,087</u>
Nondepreciable:		
Land	714,787	689,608
Easements	389,515	337,208
Construction in Progress	24,987,699	22,730,075
Net Capital Assets	<u>194,518,462</u>	<u>185,760,978</u>
OTHER ASSETS		
Special Assessments, Less Current Portion	9,516,435	10,370,423
Total Other Assets	<u>9,516,435</u>	<u>10,370,423</u>
Total Noncurrent Assets	<u>204,034,897</u>	<u>196,131,401</u>
Total Assets	<u>227,281,529</u>	<u>220,381,550</u>
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding	530,760	45,843
Pension	2,480,688	1,848,102
Total Assets and Deferred Outflows of Resources	<u>\$ 230,292,977</u>	<u>\$ 222,275,495</u>

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2017 AND 2016**

	2017	2016
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 5,145,045	\$ 4,372,256
Current Portion of Compensated Absences Payable	300,149	224,340
Accounts Payable - Trade	2,465,491	4,643,624
Accrued Payroll and Payroll Taxes	371,497	307,986
Accrued Interest Payable	928,154	894,776
Accounts Due Others	940,223	1,161,835
	10,150,559	11,604,817
Total Current Liabilities		
LONG-TERM LIABILITIES		
Long-Term Debt, Less Current Portion	75,574,979	69,899,019
Net Pension Liability	6,292,399	4,628,455
Compensated Absences Payable, Less Current Portion	223,798	193,910
	82,091,176	74,721,384
Total Long-Term Liabilities		
Total Liabilities	92,241,735	86,326,201
DEFERRED INFLOWS OF RESOURCES		
Federal and State Grants	453,922	4,106,939
Pension	41,715	92,789
	\$ 92,737,372	\$ 90,525,929
Total Liabilities and Deferred Inflows of Resources		
NET POSITION		
Net Investment in Capital Assets	\$ 117,941,584	\$ 114,558,778
Restricted for Debt Service	4,806,579	4,706,053
Unrestricted	14,807,442	12,484,735
	\$ 137,555,605	\$ 131,749,566
Total Net Position		

See accompanying Notes to Financial Statements.

NORTHWESTERN WATER & SEWER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
Utility Revenue	\$ 26,282,316	\$ 23,941,871
Fees and Permits	561,196	528,731
Contract Services	193,557	187,148
Other	490,302	395,648
Total Operating Revenues	27,527,371	25,053,398
OPERATING EXPENSES		
Depreciation and Amortization	7,986,708	7,182,233
Labor	3,865,991	3,393,206
Employee Benefits	2,663,158	1,792,356
Professional Services	1,525,136	1,098,496
Purchased Water and Sewer Treatment	6,120,870	5,980,970
Materials and Supplies	1,309,980	1,109,358
Utilities	699,652	640,544
Other	959,882	1,012,386
Total Operating Expenses	25,131,377	22,209,549
Operating Income	2,395,994	2,843,849
NONOPERATING REVENUES (EXPENSES)		
Interest Income	549,482	512,585
Interest Expense	(2,052,263)	(2,261,777)
Other Expense	(210,886)	(31,562)
Total Nonoperating Revenues (Expenses)	(1,713,667)	(1,780,754)
AID IN CONSTRUCTION	5,123,712	7,883,822
Change in Net Position	5,806,039	8,946,917
NET POSITION		
Beginning of Year	131,749,566	122,802,649
End of Year	\$ 137,555,605	\$ 131,749,566

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATIONS		
Cash Received from Customers	\$ 31,703,495	\$ 24,845,170
Cash Payments to Suppliers for Goods and Services	(12,940,113)	(6,520,105)
Cash Payments to Employees for Services	(9,967,513)	(4,810,579)
Net Cash Provided by Operations	8,795,869	13,514,486
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Aid in Construction	4,990,323	6,948,273
Acquisition and Construction of Capital Assets	(16,940,933)	(25,752,245)
Proceeds from Sale of Capital Assets	196,741	77,699
Proceeds from Issuance of Long-Term Debt	18,379,690	13,665,166
Repayment of Long-Term Debt	(11,930,941)	(3,848,738)
Collections on Special Assessments	1,025,332	1,098,809
Interest Paid	(2,229,771)	(2,260,074)
Net Cash Used by Capital and Related Financing Activities	(6,509,559)	(10,071,110)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	549,482	512,585
Proceeds on Sale of Investments	1,453,909	1,019,858
Purchases of Investments	(1,492,161)	(1,747,369)
Net Cash Provided (Used) by Investing Activities	511,230	(214,926)
 INCREASE IN CASH AND CASH EQUIVALENTS	2,797,540	3,228,450
 Cash and Cash Equivalents - Beginning of Year	9,024,024	5,795,574
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 11,821,564	\$ 9,024,024
 RESTRICTED CASH AND CASH EQUIVALENTS	\$ 3,612,704	\$ 3,512,664
 UNRESTRICTED CASH AND CASH EQUIVALENTS	\$ 8,208,860	\$ 5,511,360
 SUPPLEMENTAL CASH FLOW INFORMATION		
Aid in Construction	\$ 223,233	\$ 3,964,148
Easements Received	\$ 52,307	\$ 83,277

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATIONS		
Operating Income	\$ 2,395,994	\$ 2,843,849
Adjustments to Reconcile Operating Loss to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	7,986,708	7,182,233
Changes in Operating Assets and Liabilities that Increase		
(Decrease) Cash Flows:		
Accounts Receivable - Trade	75,918	(494,132)
Grant Receivable	3,650,284	(4,100,206)
Inventory	46,361	30,597
Prepaid and Other Assets	28,791	(13,947)
Reserve with County Commissioner	-	279,171
Deferred Outflow	(1,117,503)	(1,149,014)
Accounts Payable - Trade	(2,178,133)	2,967,365
Accrued Payroll and Payroll Taxes	63,511	20,017
Accounts Due Others	(221,612)	337,634
Net Pension Liability	1,663,944	1,410,766
Compensated Absences Payable	105,697	58,970
Deferred Inflow	(3,704,091)	4,141,183
Total Adjustments	6,399,875	10,670,637
Net Cash Provided by Operations	\$ 8,795,869	\$ 13,514,486

See accompanying Notes to Financial Statements.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

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

Basis of Accounting

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

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statements of net position. The statements of changes in net position present 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 and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Process

The District is required by law to budget its funds, through adoption of an operating budget by March 31 of each year for the following fiscal year. The operating budget includes estimates for total revenues, total expenses, and debt service requirements for the fiscal year. The District prepares its operating budget on the accrual basis of accounting, the same basis on which its financial statements are prepared.

Cash and Cash Equivalents

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

Accounts Receivable - Trade

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

Debt Issuance Costs

Debt issuance costs are expensed when incurred.

Special Assessments Receivable

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

Inventory

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

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Construction in process includes all of the District's costs to develop capital asset projects. The projects are funded through board restriction of assets and construction loans. Interest expense incurred throughout the construction phase of a project is capitalized as part of the cost of the asset under construction to the extent it exceeds interest income on the related invested debt proceeds. The District had minimal capitalized interest for the years ended December 31, 2017 and 2016.

Investments

Investments, repurchase agreements, and certificates of deposit are stated at fair value.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, 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, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Expenses

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

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

Aid in Construction

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

Net Position

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

The District's board of trustees has designated unrestricted net position of \$5,535,230 and \$4,994,443 as of December 31, 2017 and 2016, respectively, for capital and operating expenditures, and debt service. Such amounts are not restricted, and may be designated for other purposes or eliminated at the discretion of the board.

User Rates and Expenses

The District's sewer and water utility rates are determined in conjunction with periodic rate studies performed by independent third parties. Nondirect expenses are generally allocated based upon management's estimate of costs applicable to the respective divisions. Nondirect expenses were allocated to the sewer and water divisions, 52% and 48% in 2017 and in 2016.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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

The Fund has implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The requirements of this statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. This statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions that are provided to the employees of state and local governmental employers and are not within the scope of Statement 68. This statement also establishes requirements for pensions that are provided through pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. This statement also establishes requirements for governments that hold assets accumulated for purposes of providing pensions through defined benefit pension plans that are not administered through trusts that meet certain criteria and amends certain provisions for pension plans that are within the scope of Statement 67 and for pensions that are within the scope of Statement 68. The adoption of this statement did not have a material impact on the financial statements.

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.
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.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

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 depositors to secure the repayment of all uninsured public deposits at the public depository; provided that at all times the total market value of securities so pledged is at least equal to either one hundred 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 market value of the pool of eligible securities pledged by a public depository. Such criteria shall include, but are not limited to, prudent capital and liquidity management by the public depository and the safety and soundness of the public depository as determined by a third-party rating organization. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities, school districts, and district corporations. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required. The carrying value of the District's deposits was \$8,812,962 and \$5,946,364 at December 31, 2017 and 2016, respectively. At December 31, 2017, the bank balance of \$9,043,958 was covered by federal depository insurance and \$8,793,958 was covered by collateral held by the pledging financial institution, but not in the name of the District. At December 31, 2016, the bank balance of \$7,082,461 was covered by federal depository insurance and \$6,832,461 was covered by collateral held by the pledging financial institution, but not in the name of the District.

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

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 2017, the District's investment in U.S. Treasury Notes represents 4% of the District's total investments. The District's investment in Fannie Mae represents 15% of the District's total investments in 2017. The District's investment in Freddie Mac represents 21% of the District's total investments in 2017. In 2017, the District's investment in Federal Home Loan Bank Notes represents 11% of the District's total investments. The District's investment in FED bonds represents 3% of the District's total investments in 2017. The District's

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

investment in Federal Farm Credit Bank notes represents 3% of the District's total investments in 2017.

Investments

As of December 31, 2017, the District has not established a formal policy relating to interest rate risk. The District's investments and cash equivalents consist of the following:

	2017		2016	
	Fair Value	Maturity (Less than 1 Year)	Fair Value	Maturity (Less than 1 Year)
<u>Investments</u>				
U.S. Treasuries and Federal Agency Obligations	\$ 5,953,871	\$ 2,664,294	\$ 5,908,103	\$ 1,433,771
Money Market Mutual Funds	897,207	897,207	996,422	996,422
STAR Ohio	2,124,369	2,124,369	2,101,830	2,101,830
Total Investments, Including Restricted	<u>\$ 8,975,447</u>	<u>\$ 5,685,870</u>	<u>\$ 9,006,355</u>	<u>\$ 4,532,023</u>

Investments held by the District at December 31, 2017 and 2016 are presented below, categorized by investment type and credit quality rating as rated by Standard and Poor's. Credit quality ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. No deposits were subject to custodial credit risk.

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

	2016			
	Fair Value	Not Rated	AAA	AA+
<u>Investment type</u>				
U.S. Treasuries and Federal Agency Obligations	\$ 5,908,103	\$ 5,908,103	\$ -	\$ -
Money Market Mutual Funds	996,422	996,422	-	-
Star Treasury Reserve of Ohio (STAROhio)	2,101,830	-	2,101,830	-
Total Investments	<u>\$ 9,006,355</u>	<u>\$ 6,904,525</u>	<u>\$ 2,101,830</u>	<u>\$ -</u>

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Classification in the statement of net position:

	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents:		
Unrestricted	\$ 8,208,860	\$ 5,511,360
Restricted for Debt Retirement	3,612,704	3,512,664
Total	<u>\$ 11,821,564</u>	<u>\$ 9,024,024</u>
Investments:		
Unrestricted	\$ 4,773,941	\$ 4,736,175
Restricted for Debt Retirement	1,193,875	1,193,389
Total	<u>\$ 5,967,816</u>	<u>\$ 5,929,564</u>

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

As of December 31, 2017 and 2016 the District's investments had the following recurring fair value measurements:

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

<u>Investment type</u>	<u>2016</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
U.S. Treasuries and Federal Agency Obligations	\$ -	\$ 5,908,103	\$ -	\$ 5,908,103
Money Market Mutual Funds	996,422	-	-	996,422
Star Treasury Reserve of Ohio (STAROhio)	2,101,830	-	-	2,101,830
Total	<u>\$ 3,098,252</u>	<u>\$ 5,908,103</u>	<u>\$ -</u>	<u>\$ 9,006,355</u>

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 4 CAPITAL ASSETS AND DEPRECIATION

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

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

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 4 CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Capital asset activity for the year ended December 31, 2016 is as follows:

	Balance - December 31, 2015	Additions	Retirements	Transfers	Balance - December 31, 2016
Nondepreciable					
Land	\$ 668,630	\$ 22,598	\$ (1,620)	\$ -	\$ 689,608
Easements	253,931	83,277	-	-	337,208
Construction in Progress	8,605,564	18,238,835	(2,565)	(4,111,759)	22,730,075
Total Nondepreciable	9,528,125	18,344,710	(4,185)	(4,111,759)	23,756,891
Depreciable					
Sewer and Water Lines	200,490,108	3,346,195	-	2,707,733	206,544,036
Buildings, Pumps, and Lift Station	32,598,967	2,246,689	(15,218)	1,055,203	35,885,641
Machinery and Equipment	10,983,862	632,853	(227,718)	348,823	11,737,820
Vehicles	2,820,636	957,055	(232,105)	-	3,545,586
Furniture and Fixtures	463,900	8,050	-	-	471,950
Computer Equipment	1,393,792	299,147	(18,588)	-	1,674,351
Improvements - Oregon Wastewater Treatment Plant	6,580,004	-	-	-	6,580,004
Total Depreciable	255,331,269	7,489,989	(493,629)	4,111,759	266,439,388
Totals at Historical Cost	264,859,394	25,834,699	(497,814)	-	290,196,279
Accumulated Depreciation					
Sewer and Water Lines	77,936,712	4,129,876	-	-	82,066,588
Buildings, Pumps, and Lift Station	10,459,697	1,401,991	(4,248)	-	11,857,440
Machinery and Equipment	3,261,531	776,574	(76,309)	-	3,961,796
Vehicles	1,787,148	401,269	(232,104)	-	1,956,313
Furniture and Fixtures	309,531	26,369	-	-	335,900
Computer Equipment	1,039,772	241,541	(18,588)	-	1,262,725
Improvements - Oregon Wastewater Treatment Plant	2,796,338	198,201	-	-	2,994,539
Total Accumulated Depreciation	97,590,729	7,175,821	(331,249)	-	104,435,301
Capital Assets, Net	\$ 167,268,665	\$ 18,658,878	\$ (166,565)	\$ -	\$ 185,760,978

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT

The District has 86 loans with the Ohio Water Development Authority (OWDA) to finance the cost of developing and improving the water and sewer systems. The following table shows remaining principal amounts outstanding on the individual loans as of December 31, 2017 and 2016:

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2017	2016
WL #167 - 183	05/24/99	\$ 3,503,947	5.56	07/01/20	\$ 798,118	\$ 1,036,256
SS #904 & WL #904	08/31/00	1,660,596	3.00	01/01/21	431,318	538,091
WL #300	10/28/04	90,500	4.10	01/01/25	42,723	47,499
WL #318	09/31/04	338,000	4.56	07/01/24	153,974	172,266
SS #1000	11/04/04	168,224	4.56	07/01/24	76,902	86,038
Weston 2918	02/25/93	943,552	2.00	01/01/19	70,620	116,617
Weston 3587	09/26/01	560,079	1.50	07/01/23	185,922	215,321
Weston 4046	02/26/04	420,316	1.50	07/01/25	183,324	204,737
Williamsburg 5097	04/30/09	650,829	3.70	07/01/29	314,102	334,563
Northwood 2069	12/11/97	830,175	5.88	07/01/23	316,902	359,941
Northwood 2070	05/28/98	360,000	5.66	07/01/23	135,477	154,019
Weston 5730	10/27/10	908,842	3.41	01/01/31	595,051	629,250
Custar 4444	01/26/06	782,759	1.50	01/01/37	547,670	571,682
Milton Center 4714	05/31/07	757,375	1.00	07/01/38	553,450	577,023
Metering 5865	05/26/11	1,969,940	4.45	07/01/31	1,482,813	1,557,766
Rossford 2495	10/31/96	2,048,159	4.12	01/01/17	-	74,135
Weston 5867	05/26/11	1,389,150	-	01/01/33	1,066,730	1,135,552
Bloomdale 4329 Country Manor SS Force	06/30/05	530,152	2.00	01/01/36	363,217	379,297
Main 6113	12/08/11	27,800	2.30	07/01/17	-	5,817
Rossford 6457	05/30/13	454,582	3.44	01/01/44	312,732	319,870
Rossford 6464	05/30/13	1,298,907	2.67	01/01/34	1,057,487	1,100,977
Rossford 6475	06/27/13	2,153,389	2.59	07/01/34	1,907,022	1,995,305
Five Point 6581	10/31/13	1,105,909	2.89	07/01/34	778,066	803,844
Custar WL 6231	06/28/12	596,739	-	07/01/43	475,755	494,053
Cygnets 6335	12/06/12	751,817	3.19	07/01/43	557,296	570,892
Ford Rd 6234	06/28/12	60,000	2.00	07/01/17	-	29,808
Homecraft SS Laterals 6309	10/25/12	554,528	2.48	07/01/33	413,890	427,476
Huffman Rd 6118	12/08/11	17,500	-	01/01/19	5,250	8,750
Jennings Rd 6382	01/31/13	767,692	2.94	01/01/44	708,728	726,194
Milton Center 6230	06/28/12	842,856	-	07/01/43	660,939	686,360
Morton Building 6396	02/28/13	381,694	3.09	01/01/43	344,270	353,038
Perrysburg Twp 6260	08/30/12	193,950	3.36	07/01/42	168,244	172,484
Rossford Clearwell 6383	01/31/13	3,777,878	2.94	01/01/44	2,983,827	3,057,361
Rossford Tree St 6232	06/28/12	858,032	2.64	07/01/32	664,748	700,447
Rudolph 6107	12/08/11	10,000	-	01/01/18	1,000	3,000
Rudolph 6169	04/26/12	52,750	3.09	01/01/18	1,642	1,642
Stony Ridge 6397	02/28/13	694,644	1.98	01/01/44	642,494	657,969
Sugar Ridge 6308	10/25/12	79,275	2.00	01/01/18	-	(8,056)
SS100 Master Meter 6500	07/25/13	274,953	2.57	07/01/33	205,527	219,235
Walbridge Laterals 6583	10/31/13	540,638	3.59	07/01/34	420,522	433,313
Rossford Tree Streets PR 6644	12/12/13	509,997	3.37	01/01/35	380,448	391,254
Hillside Dr SS 6676	02/27/14	389,462	3.44	01/01/35	352,049	366,391
Rossford Citywide I & I 6641	12/13/13	460,927	3.37	07/01/34	409,820	427,428
Ampoint SS 6674	02/27/14	1,902,014	3.44	01/01/35	1,705,073	1,773,694
Hufford Rd WL 6742	05/29/14	1,112,050	3.16	01/01/35	925,430	973,843

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT (CONTINUED)

Project Number	Date of Loan	Original Amount	Interest Rate	Final Payment Date	Amount Outstanding	
					2017	2016
Rossford Colony I & I 6773	06/26/14	\$ 1,395,708	3.09	07/01/35	\$ 1,277,242	\$ 1,331,866
East Broadway WL 6766	06/26/14	714,388	2.59	01/01/35	556,289	590,175
100 Area WL 6741	05/29/14	356,451	3.16	01/01/35	295,014	305,760
Jennings Rd PS 6695	03/27/14	721,878	3.33	01/01/35	624,418	651,635
E Broadway WL 6747	05/29/14	369,454	4.00	01/01/45	111,942	107,000
Bloomdale PS 6930	03/26/15	211,816	2.74	01/01/46	193,228	198,374
Wise St SS 6893	01/29/15	923,133	3.03	01/01/46	694,008	707,031
WL 200 Study 6926	02/26/15	17,878	-	07/01/20	7,984	11,560
WL 100 Study 6925	02/26/15	21,071	-	07/01/20	11,653	15,867
Homecraft SS Laterals 6843	10/30/14	728,574	2.96	07/01/35	498,561	536,050
Pump Station Sewer Imp 6943	03/26/15	369,550	1.80	01/01/36	319,934	335,576
Colony Rd PS Replacement 7007	05/28/15	2,801,424	1.99	01/01/36	2,257,101	2,373,547
Water Loss Audit 7087	08/27/15	148,143	-	07/01/21	111,614	141,243
Bays Rd WL 7064	07/01/15	313,001	-	07/01/36	300,414	313,621
BG 2nd WL Connection 7119	09/24/15	487,386	-	07/01/36	468,128	488,776
Rossford 7158	10/29/15	745,156	2.18	07/01/36	642,833	551,774
2nd Portage WL 7185	12/10/15	426,791	1.64	07/01/36	504,021	526,481
SS 200 Area I & I 7159	10/29/15	262,721	1.68	07/01/36	191,243	157,189
Bloomdale Rehab 7063	07/30/15	101,011	1.79	07/01/36	94,643	98,921
Northern Area 7253	02/25/16	757,780	1.85	01/01/37	704,761	720,844
Tracy Rd SS 7397	06/30/16	2,844,821	2.18	01/01/37	2,197,452	117,318
Hillview Dr 7258	02/25/16	121,186	1.85	01/01/37	107,030	109,548
WL 300 Area 7337	05/26/16	358,847	1.27	01/01/37	350,938	279,715
Oregon EQ Basin 7254	02/25/16	6,087,816	1.85	01/01/37	5,411,052	2,745,203
Eastwood School 7476	09/29/16	860,359	2.01	07/01/36	825,020	746,394
Bairdton WWTP 7468	08/25/16	1,788,861	-	01/01/38	1,557,957	451,030
Northwood 7088	08/27/15	237,914	2.32	07/01/36	228,356	237,829
McComb SS 4235	01/27/05	89,843	4.50	07/01/25	45,662	50,309
McComb CSO 5067	02/26/09	412,026	-	07/01/29	247,216	267,817
McComb WWTP 6361	12/06/12	290,600	-	07/01/18	46,489	104,609
Millsbury SS 7540	12/08/16	1,225,129	1.55	07/01/37	324,350	43,677
McComb WTP 2155	01/28/99	1,210,580	3.5-5.5	07/01/20	257,063	335,297
McComb WT 6485	06/27/13	994,336	2.00	07/01/35	841,223	885,354
PPCP WL 7531	12/08/16	217,700	-	01/01/23	2,900	2,900
Southern Service 7490	09/29/16	474,836	0.76	01/01/37	6,334	6,334
Carrington Woods & Totogany 7559	01/26/17	379,925	2.85	07/01/37	383,185	-
Hanson, George WL Replace 7560	02/08/17	755,885	2.85	01/01/38	753,914	-
Southern Serv Area Water System	09/09/16	474,827	0.76	01/01/37	423,446	-
Taylor 7651 WL	04/05/17	399,409	1.83	01/01/38	361,221	-
Hamlet 7820 WL	08/10/17	581,310	1.89	01/01/38	46,372	-
Curtice 7727 WL	06/08/17	1,069,866	1.63	01/01/38	540,269	-
Starbright 7814 WL	08/07/17	1,087,657	1.89	01/01/38	665,864	-
Williamsburg 7541	11/07/16	504,305	1.55	07/01/37	366,292	-
Nutrient Removal	11/09/16	49,000	-	07/01/37	48,997	-
Perrysburg I&I 7813	08/07/17	1,119,722	1.39	01/01/38	43,507	-
Total					<u>\$ 49,347,712</u>	<u>\$ 41,429,066</u>

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT (CONTINUED)

Other long-term loans at December 31, 2017 and 2016 are as follows:

Date of Issue	Purpose	Interest Rate	Maturity Date	Amount Outstanding	
				2017	2016
08/13/98	Jerry City SS #1800 OPWC Loan	-	07/01/19	\$ 50,569	\$ 75,854
09/08/98	Jerry City SS #1800 USDA Loan	4.75	09/08/38	212,100	217,900
12/05/05	Easterly OPWC Loan	-	01/01/17	-	8,666
07/31/04	Jerry City WL #CE37F	-	01/01/25	72,795	82,501
11/03/04	Rudolph SS #CE33E	-	07/01/24	28,993	33,135
07/01/07	Village of Custar #CE411	-	01/01/27	11,875	13,125
07/01/06	OPWC Bloomdale CT17H	-	07/01/26	8,239	9,154
07/01/14	OPWC Rossford Tree St SS Improvements	-	01/01/34	136,548	144,824
12/05/13	Huntington Equipment Lease 2013	2.05	12/05/18	149,701	296,365
Total				<u>\$ 670,820</u>	<u>\$ 881,524</u>

Bonded debt at December 31, 2017 and 2016 is as follows:

Date of Issue	Purpose	Original Amount	Interest Rate	Maturity Date	Amount Outstanding	
					2017	2016
10/01/98	Special Assessment Bond	\$ 360,000	4.25 - 5.25	10/01/18	\$ 20,000	\$ 40,000
09/23/99	Special Assessment Bond	500,000	5.85	12/01/19	80,000	115,000
09/20/00	Special Assessment Bond	175,000	6.13	12/01/20	30,000	40,000
03/03/16	USDA Bloomdale	1,655,000	2.50	09/01/55	1,629,450	1,157,327
03/20/03	USDA Building Construction	2,975,000	4.63	03/20/33	2,063,323	2,149,255
06/28/04	USDA Revenue Bond	796,000	4.38	06/01/44	1,285,912	684,900
08/01/05	Revenue Bond	1,200,000	3.00 - 5.00	12/01/25	-	688,725 *
08/16/06	Special Assessment Bond	1,010,000	4.00 - 4.65	12/31/26	-	618,128 *
02/16/06	Rotary Commission Loan	168,026	5.00	03/01/26	125,623	125,623
08/27/08	Revenue Bond	6,910,000	3.00 - 5.00	12/01/28	-	4,820,000
09/03/08	Special Assessment Bond	2,205,000	3.00	12/01/28	-	1,593,930 *
05/27/09	USDA Revenue Bond	2,400,000	4.25	05/01/49	2,178,700	2,210,500
06/08/10	2010 Special Assessment	2,350,000	3.50 - 6.28	12/01/30	1,785,001	1,875,001
06/08/10	2010 Revenue Bond	2,350,000	5.00 - 6.23	12/01/30	1,790,001	1,880,001
09/26/12	USDA Cygnet Water	638,879	2.75	06/01/42	564,966	580,559
09/26/12	USDA Cygnet Sewer	967,990	2.75	06/01/42	856,244	879,806
03/23/12	2012 Revenue Bond	3,870,000	2.00 - 4.00	12/01/31	2,413,444	2,638,444 *
03/23/12	2012 Special Assessment	2,880,000	2.00 - 4.00	12/01/24	1,624,550	1,884,551 *
09/26/12	USDA Building Renovation	2,787,892	2.75	06/01/42	2,768,190	2,844,536
06/28/12	USDA West Millgrove	291,385	2.00	06/01/52	575,888	587,214
06/28/12	USDA Hoytville	671,807	2.00	06/01/52	-	625,986
01/03/13	USDA Stony Ridge	1,945,000	2.50	01/01/53	1,825,200	1,856,200
02/27/15	2015 Revenue Bond	1,300,000	2.40	12/01/24	935,000	1,060,000
02/27/15	2015 Special Assessment	1,240,000	2.40	12/01/24	890,000	1,004,999
07/21/17	2017 Special Assessment	2,325,000	2.00	12/01/27	2,145,000	-
07/21/17	2017 Revenue Bond	5,545,000	1.96	12/01/28	5,115,000	-
Total					<u>\$ 30,701,492</u>	<u>\$ 31,960,685</u>

*Includes unamortized discount/premium

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT (CONTINUED)

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

Long-term debt activity for the years ended December 31, 2017 and 2016 is as follows:

	2017				
	Balance - December 31, 2016	Additions	Reductions	Balance - December 31, 2017	Amount Due in 2018
	OWDA:				
WL #167 - 183	\$ 1,036,256	\$ -	\$ 238,138	\$ 798,118	\$ 251,562
SS #904 & WL #904	538,091	-	106,773	431,318	113,705
SS #1000	86,038	-	9,136	76,902	9,557
WL #300	47,499	-	4,776	42,723	4,973
Weston 2918	116,617	-	45,997	70,620	46,917
Weston 3587	215,321	-	29,399	185,922	29,841
Weston 4046	204,737	-	21,413	183,324	21,735
Williamsburg 5097	334,563	-	20,461	314,102	21,225
Custar 4444	571,682	-	24,012	547,670	24,374
Milton Center 4714	577,023	-	23,573	553,450	23,809
Weston Water Tower 5730	629,250	-	34,199	595,051	35,375
Fixed Base Metering 5865	1,557,766	-	74,953	1,482,813	78,085
Rossford 2495	74,135	-	74,135	-	-
Weston 5867	1,135,552	-	68,822	1,066,730	68,805
SS100 Master Meter 6500	219,235	-	13,708	205,527	10,795
Walbridge Laterals 6583	433,313	-	12,791	420,522	18,329
Tree St Pipe Relining 6644	391,254	-	10,806	380,448	16,205
Hillside Dr SS 6676	366,391	-	14,342	352,049	14,961
Rossford I & I 6641	427,428	-	17,608	409,820	18,201
Ampoint SS 6674	1,773,694	-	68,621	1,705,073	72,442
Hufford Rd WL 6742	973,843	-	48,413	925,430	40,835
Rossford Colony I & I 6773	1,331,866	-	54,624	1,277,242	54,084
East Broadway WL 6766	590,175	-	33,886	556,289	26,034
100 Area WL 6741	305,760	-	10,746	295,014	12,832
Jennings Rd Ps 6695	651,635	-	27,217	624,418	26,920
E Broadway WL 6747	107,000	4,942	-	111,942	2,182
2nd Portage WL 7185	526,481	-	22,460	504,021	22,810
SS 200 Area I & I 7159	157,189	34,054	-	191,243	8,622
WL 300 Area 7337	279,715	71,223	-	350,938	15,968
Milbury SS 7540	43,677	280,673	-	324,350	13,950
PPCP WL 7531	2,900	-	-	2,900	290
Hanson, George WL Replace	-	753,914	-	753,914	14,114
Southern Serv Area Water System	-	423,446	-	423,446	20,225
Taylor 7651 WL	-	361,221	-	361,221	7,519
Hamlet 7820 WL	-	46,372	-	46,372	959
Curtice 7727 WL	-	540,269	-	540,269	11,479
Starbright 7814 WL	-	665,864	-	665,864	13,777
OPWC - Custar	13,125	-	1,250	11,875	1,250
Jerry City SS #1800 OPWC Loan	75,854	-	25,285	50,569	25,285
Jerry City SS #1800 USDA Loan	217,900	-	5,800	212,100	212,100
Jerry City WL #CE37F (WL 318)	82,501	-	9,706	72,795	9,706
Easterly OPWC Loan	8,666	-	8,666	-	-
Rudolph SS1000 #CE33E	33,135	-	4,142	28,993	4,143
Bloomdale CT17H OPWC	9,154	-	915	8,239	915
Special Assessments Bond	40,000	-	20,000	20,000	20,000
Special Assessments Bond - 1999	115,000	-	35,000	80,000	40,000
Special Assessments Bond - 2000	40,000	-	10,000	30,000	10,000
USDA Building Construction	2,149,255	-	85,932	2,063,323	89,906
USDA Revenue Bond - Rudolph Bond	684,900	601,012	-	1,285,912	25,779

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT (CONTINUED)

	2017				
	Balance - December 31, 2016	Additions	Reductions	Balance - December 31, 2017	Amount Due in 2018
	\$	\$	\$	\$	\$
OWDA Jerry City - WL 318	172,266	-	18,292	153,974	19,136
Revenue Bond - Series 2005A	660,001	-	660,001	-	-
2006A Special Assessment Bond	620,000	-	620,000	-	-
Rotary Commission Loan	125,622	1	-	125,623	125,623
2008 Revenue Bond	4,820,000	-	4,820,000	-	-
2008 Special Assessment Bond	1,565,000	-	1,565,000	-	-
OWDA Northwood - 2069	359,941	-	43,039	316,902	45,569
OWDA Northwood - 2070	154,019	-	18,542	135,477	19,592
USDA Rising Sun	2,210,500	-	31,800	2,178,700	33,200
2010 Revenue Bonds	1,880,001	-	90,000	1,790,001	95,000
2010 Special Assessment Bonds	1,875,001	-	90,000	1,785,001	95,000
USDA Cygnet Water	580,559	-	15,593	564,966	16,023
USDA Cygnet Sewer	879,806	-	23,562	856,244	24,276
OWDA Bloomdale 4329	379,297	-	16,080	363,217	16,403
OWDA Country Manor	5,817	-	5,817	-	-
USDA Building Renovation	2,844,536	-	76,346	2,768,190	78,452
USDA West Millgrove	587,214	-	11,326	575,888	11,520
USDA Hoytville	625,986	-	625,986	-	-
Series 2012 Revenue Bonds	2,612,943	-	223,328	2,389,615	220,000
Series 2012 Special Assessment Bonds	1,823,895	-	256,023	1,567,872	255,000
Series 2015 Revenue Bonds	1,060,000	-	125,000	935,000	124,465
Series 2015 Special Assessment Bonds	1,004,999	-	114,999	890,000	118,421
OWDA:					
Rossford 6457	319,870	-	7,138	312,732	7,361
Rossford 6464	1,100,977	-	43,490	1,057,487	51,711
Rossford 6475	1,995,305	-	88,283	1,907,022	90,584
Five Point 6581	803,844	-	25,778	778,066	36,011
Custar WL 6231	494,053	-	18,298	475,755	18,298
Cygnet 6335	570,892	-	13,596	557,296	13,966
Ford Rd 6234	29,808	-	29,808	-	-
Homecraft SS Laterals 6309	427,476	-	13,586	413,890	21,364
Huffman Rd 6118	8,750	-	3,500	5,250	3,500
Jennings Rd 6382	726,194	-	17,466	708,728	17,983
Milton Center 6230	686,360	-	25,421	660,939	25,420
Morton Building 6396	353,038	-	8,768	344,270	9,041
Perrysburg Twp 6260	172,484	-	4,240	168,244	4,381
Rossford Clearwell 6383	3,057,361	-	73,534	2,983,827	75,576
Rossford Tree St 6232	700,447	-	35,699	664,748	38,612
Rudolph 6107	3,000	-	2,000	1,000	1,000
Rudolph 6169	1,642	-	-	1,642	1,642
Stony Ridge 6397	657,969	-	15,475	642,494	15,957
Sugar Ridge 6308	(8,056)	-	(8,056)	-	-
Bloomdale PS 6930	198,374	-	5,146	193,228	4,565
Rossford 7158	551,774	91,059	-	642,833	27,640
Bloomdale Rehab 7063	98,921	-	4,278	94,643	4,229
Northern Area 7253	720,844	-	16,083	704,761	30,367
Tracy Rd SS 7397	117,318	2,080,134	-	2,197,452	97,044
Hillview Dr 7258	109,548	-	2,518	107,030	4,615
Oregon EQ Basin 7254	2,745,203	2,665,849	-	5,411,052	232,780
Eastwood School 7476	746,394	78,626	-	825,020	36,053
Bairdtown WWTP 7468	451,030	1,106,927	-	1,557,957	38,949
Northwood 7088	237,829	-	9,473	228,356	9,577
McComb SS 4235	50,309	-	4,647	45,662	4,859
McComb CSO 5067	267,817	-	20,601	247,216	20,601
McComb WWTP 6361	104,609	-	58,120	46,489	46,489
McComb WTP 2155	335,297	-	78,234	257,063	81,843
McComb WT 6485	885,354	-	44,131	841,223	39,505
Southern Service 7490	6,334	-	-	6,334	-
Carrington Woods & Totogany 7559	-	383,185	-	383,185	7,174
Williamsburg 7541	-	366,292	-	366,292	15,753
Nutrient Removal	-	48,997	-	48,997	9,799
Perrysburg I&I 7813	-	43,507	-	43,507	947

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT (CONTINUED)

	2017			Balance - December 31, 2017	Amount Due in 2018
	Balance - December 31, 2016	Additions	Reductions		
Wise St SS 6893	\$ 707,031	\$ -	\$ 13,023	\$ 694,008	\$ 15,622
WL 200 Study 6926	11,560	-	3,576	7,984	2,890
WL 100 Study 6925	15,867	-	4,214	11,653	3,967
Homecraft SS Laterals 6843	536,050	-	37,489	498,561	22,017
Pump Station Sewer Imp 6943	335,576	-	15,642	319,934	14,769
Colony Rd PS Replacement 7007	2,373,547	-	116,446	2,257,101	102,738
Water Loss Audit 7087	141,243	-	29,629	111,614	28,249
Bays Rd WL 7064	313,621	-	13,207	300,414	13,406
BG 2nd WL Connection 7119	488,776	-	20,648	468,128	20,988
2017 Revenue Bond	-	5,115,000	-	5,115,000	440,000
2017 Special Assessment	-	2,145,000	-	2,145,000	210,000
OPWC - Rossford Tree St SS					
Improvements	144,824	-	8,276	136,548	8,191
USDA Bloomdale	1,157,327	472,123	-	1,629,450	25,152
USDA - Stony Ridge	1,856,200	-	31,000	1,825,200	31,900
Equipment Lease - Huntington 2013	296,365	-	146,664	149,701	149,700
Unamortized Discount	(7,716)	-	(7,716)	-	-
Unamortized Premium	149,656	-	69,149	80,507	-
Total	<u>\$ 74,271,275</u>	<u>\$ 18,379,690</u>	<u>\$ 11,930,941</u>	<u>\$ 80,720,024</u>	<u>\$ 5,145,045</u>

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT (CONTINUED)

	2016				Amount Due in 2017
	Balance - December 31, 2015	Additions	Reductions	Balance - December 31, 2016	
OWDA:					
WL #234	\$ 231,833	\$ -	\$ 231,833	\$ -	\$ -
WL #167 - 183	1,261,685	-	225,429	1,036,256	238,137
SS #904 & WL #904	638,354	-	100,263	538,091	106,773
SS #1000	94,771	-	8,733	86,038	9,136
WL #300	52,084	-	4,585	47,499	4,776
Weston 2918	161,712	-	45,095	116,617	45,997
Weston 3587	244,283	-	28,962	215,321	29,398
Weston 4046	225,832	-	21,095	204,737	21,413
Williamsburg 5097	354,288	-	19,725	334,563	20,461
Custar 4444	595,338	-	23,656	571,682	24,012
Milton Center 4714	600,362	-	23,339	577,023	23,573
Weston Water Tower 5730	662,312	-	33,062	629,250	34,199
Fixed Base Metering 5865	1,629,491	-	71,725	1,557,766	74,723
Rossford 2495	217,946	-	143,811	74,135	74,135
Weston 5867	1,202,782	-	67,230	1,135,552	68,805
SS100 Master Meter	230,464	-	11,229	219,235	10,523
Walbridge Laterals 6583	452,875	-	19,562	433,313	17,688
Tree St Pipe Relining 6644	409,784	-	18,530	391,254	15,673
Hillside Dr SS 6676	380,444	-	14,053	366,391	14,459
Rossford I & I 6641	444,457	-	17,029	427,428	17,608
Ampoint SS 6674	1,842,323	-	68,629	1,773,694	70,012
Hufford Rd WL 6742	1,015,097	-	41,254	973,843	39,574
Rossford Colony I & I 6773	1,284,203	47,663	-	1,331,866	52,450
East Broadway WL 6766	618,200	-	28,025	590,175	25,372
100 Area WL 6741	318,983	-	13,223	305,760	12,436
Jennings Rd Ps 6695	630,926	20,709	-	651,635	26,053
E Broadway WL 6747	127,615	-	20,615	107,000	2,100
OPWC - Custar	14,375	-	1,250	13,125	1,250
Jerry City SS #1800 OPWC Loan	101,138	-	25,284	75,854	25,285
Jerry City SS #1800 USDA Loan	223,400	-	5,500	217,900	5,800
Jerry City WL #CE37F (WL 318)	92,207	-	9,706	82,501	9,706
Easterly OPWC Loan	25,998	-	17,332	8,666	8,666
Rudolph SS1000 #CE33E	37,276	-	4,141	33,135	4,142
Bloomdale CW827 OPWC	4,552	-	4,552	-	-
Bloomdale CT17H OPWC	10,070	-	916	9,154	915
Special Assessments Bond - WL 183C	14,000	-	14,000	-	-
Special Assessments Bond	60,000	-	20,000	40,000	20,000
Special Assessments Bond - 1999	150,000	-	35,000	115,000	35,000
Special Assessments Bond - 2000	45,000	-	5,000	40,000	10,000
USDA Building Construction	2,231,389	-	82,134	2,149,255	85,932
USDA Revenue Bond - Rudolph Bond	697,300	-	12,400	684,900	12,900

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT (CONTINUED)

	2016				
	Balance - December 31, 2015	Additions	Reductions	Balance - December 31, 2016	Amount Due in 2017
		\$	\$	\$	\$
OWDA Jerry City - WL 318	189,752	-	17,486	172,266	18,292
Revenue Bond - Series 2005A	715,001	-	55,000	660,001	60,000
2006A Special Assessment Bond	670,000	-	50,000	620,000	50,000
Rotary Commission Loan	125,622	-	-	125,622	125,623
2008 Revenue Bond	5,114,999	-	294,999	4,820,000	310,000
2008 Special Assessment Bond	1,660,000	-	95,000	1,565,000	100,000
OWDA Northwood - 2069	400,589	-	40,648	359,941	43,039
OWDA Northwood - 2070	171,567	-	17,548	154,019	18,541
USDA Rising Sun	2,241,100	-	30,600	2,210,500	31,800
2010 Revenue Bonds	1,970,001	-	90,000	1,880,001	90,000
2010 Special Assessment Bonds	1,960,001	-	85,000	1,875,001	90,000
Huntington Equipment Lease	38,065	-	38,065	-	-
USDA Cygnet Water	595,746	-	15,187	580,559	15,577
USDA Cygnet Sewer	902,756	-	22,950	879,806	23,602
OWDA Bloomdale 4329	395,060	-	15,763	379,297	16,080
OWDA Country Manor	11,503	-	5,686	5,817	5,817
USDA Building Renovation	2,918,898	-	74,362	2,844,536	76,352
USDA West Millgrove	598,249	-	11,035	587,214	11,293
USDA Hoytville	637,751	-	11,765	625,986	12,074
Series 2012 Revenue Bonds	2,849,599	-	236,656	2,612,943	225,000
Series 2012 Special Assessment Bonds	2,038,940	-	215,045	1,823,895	260,000
Series 2015 Revenue Bonds	1,180,000	-	120,000	1,060,000	121,824
Series 2015 Special Assessments Bonds	1,120,000	-	115,001	1,004,999	115,629
OWDA:					
Rossford 6457	317,272	-	(2,598)	319,870	7,115
Rossford 6464	1,152,897	-	51,920	1,100,977	50,358
Rossford 6475	2,081,334	-	86,029	1,995,305	88,283
Oregon SS Basin 6539	50,978	-	50,978	-	-
Five Point 6581	846,773	-	42,929	803,844	34,992
Bairdstown 6019	7,400	-	7,400	-	-
Custar WL 6231	476,072	17,981	-	494,053	18,298
Cygnet 6335	569,220	-	(1,672)	570,892	13,531
Five Point 6119	3,700	-	3,700	-	-
Ford Rd 6234	58,826	-	29,018	29,808	29,808
Homecraft SS Laterals 6309	450,291	-	22,815	427,476	20,843
Huffman Rd 6118	12,250	-	3,500	8,750	3,500
Jennings Rd 6382	743,158	-	16,964	726,194	17,466
Milton Center 6230	651,255	35,105	-	686,360	25,421
Morton Building 6396	361,542	-	8,504	353,038	8,768
Oregon SS Basin 6233	24,948	-	24,948	-	-
Perrysburg Twp 6260	175,652	-	3,168	172,484	4,238
Rossford Clearwell 6383	3,087,520	-	30,159	3,057,361	73,402
Rossford Tree St 6232	712,576	-	12,129	700,447	37,613
Rudolph 6107	5,000	-	2,000	3,000	2,000
Rudolph 6169	1,642	-	-	1,642	1,642

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT (CONTINUED)

	2016				
	Balance - December 31, 2015	Additions	Reductions	Balance - December 31, 2016	Amount Due in 2017
OWDA (Continued):					
Stony Ridge 6397	\$ 672,978	\$ -	\$ 15,009	\$ 657,969	\$ 15,476
Sugar Ridge 6308	7,950	-	16,006	(8,056)	(8,056)
Bloomdale PS 6930	750	197,624	-	198,374	4,443
Wise St SS 6893	716,578	-	9,547	707,031	15,159
WL 200 Study 6926	238	11,322	-	11,560	2,890
WL 100 Study 6925	281	15,586	-	15,867	3,967
Homecraft SS Laterals 6843	244,883	291,167	-	536,050	21,379
Pump Station Sewer Imp 6943	164,771	170,805	-	335,576	14,506
Colony Rd PS Replacement 7007	43,183	2,330,364	-	2,373,547	100,723
Milbury Area SS Planning 6696	(5,564)	-	(5,564)	-	-
Water Loss Audit 7087	1,973	139,270	-	141,243	28,249
Bays Rd WL 7064	4,190	309,431	-	313,621	13,169
BG 2nd WL Connection 7119	6,507	482,269	-	488,776	20,627
OWDA:					
Rossford 7158	-	551,774	-	551,774	22,279
2nd Portage WL 7185	-	526,481	-	526,481	22,441
SS 200 Area I & I 7159	-	157,189	-	157,189	6,673
Bloomdale Rehab 7063	-	98,921	-	98,921	4,154
Northern Area 7253	-	720,844	-	720,844	14,975
Tracy Rd SS 7397	-	117,318	-	117,318	2,505
Hillview Dr 7258	-	109,548	-	109,548	2,276
WL 300 Area 7337	-	279,715	-	279,715	6,164
Oregon EQ Basin 7254	-	2,745,203	-	2,745,203	57,028
Eastwood School 7476	-	746,394	-	746,394	30,658
Bairdtown WWTP 7468	-	451,030	-	451,030	11,276
Northwood 7088	-	237,829	-	237,829	4,706
McComb SS 4235	-	50,309	-	50,309	4,648
McComb CSO 5067	-	267,817	-	267,817	20,601
McComb WWTP 6361	-	104,609	-	104,609	52,305
Milbury SS 7540	-	43,677	-	43,677	-
McComb WTP 2155	-	335,297	-	335,297	78,233
McComb WT 6485	-	885,354	-	885,354	38,726
PPCP WL 7531	-	2,900	-	2,900	-
Southern Service 7490	-	6,334	-	6,334	147
OPWC - Rossford Tree St SS Improvements	153,100	-	8,276	144,824	8,191
USDA Bloomdale	-	1,157,327	-	1,157,327	17,170
USDA - Stony Ridge	1,886,600	-	30,400	1,856,200	31,000
Equipment Lease - Huntington 2013	440,057	-	143,692	296,365	146,665
Unamortized Discount	(8,407)	-	(691)	(7,716)	-
Unamortized Premium	194,125	-	44,469	149,656	-
Total	<u>\$ 64,454,847</u>	<u>\$ 13,665,166</u>	<u>\$ 3,848,738</u>	<u>\$ 74,271,275</u>	<u>\$ 4,372,256</u>

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 5 DEBT (CONTINUED)

In July 2017, the District issued 2017 revenue improvement refunding bonds amounting to \$5,545,000 to advance refund the District's outstanding Revenue bonds, series 2005A and 2008, due December 31, 2017 – 2028 and to pay the cost of issuing the 2017 bonds; interest at 1.96%

The proceeds of the 2017 bonds will be used to advance refund the District's outstanding Revenue Bonds, Series 2005A and 2008, due December 31, 2017-2028, and to pay the cost of issuing the Bonds. Those proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005A and 2008 Bonds. This transaction resulted in a reduction of payments of \$981,917 and an economic gain of \$605,171.

In July 2017, the District issued 2017 special assessment refunding bonds amounting to \$2,325,000 to advance refund the District's outstanding special assessment bonds, series 2006A and 2008, due December 31, 2017 – 2027 and to pay the cost of issuing the 2017 bonds; interest at 2.0%.

The proceeds of the 2017 bonds will be used to advance refund the District's outstanding special assessment Bonds, Series 2006A and 2008, due December 31, 2017- 2027, and to pay the cost of issuing the Bonds. Those proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006A and 2008 Bonds. This transaction resulted in a reduction of payments of \$300,252 and an economic gain of \$254,233.

NOTE 6 DEBT SERVICE REQUIREMENTS

The annual principal and interest requirements on all long-term debt outstanding at December 31, 2017 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,145,045	\$ 2,121,553	\$ 7,266,598
2019	4,781,516	2,008,258	6,789,774
2020	4,806,718	1,873,028	6,679,746
2021	4,459,696	1,933,363	6,393,059
2022	4,399,783	1,622,163	6,021,946
2023 - 2027	20,509,511	6,360,272	26,869,783
2028- 2032	17,420,542	3,721,142	21,141,684
2033 - 2037	11,380,534	1,734,670	13,115,204
2037- 2042	4,333,800	852,441	5,186,241
2043 - 2047	1,989,658	340,994	2,330,652
2048 - 2052	1,089,242	117,195	1,206,437
2053 - 2057	323,472	17,572	341,044
Total	<u>\$ 80,639,517</u>	<u>\$ 22,702,651</u>	<u>\$ 103,342,168</u>

At December 31, 2017 and 2016, the District had \$4,806,579 and \$4,706,053, respectively, in cash and cash equivalents and investments restricted in accordance with loan agreements.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 7 COUNTY DEBT OBLIGATIONS

During the formation of the District, the County retained \$208,000 to establish a reserve to fund shortfalls in the collection of the above special assessments. 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. During 2016 the \$204,171 was remitted to the District in full as the loans associated with the reserve were paid in full.

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

At December 31, 2017 and 2016, \$1,189,298 and \$1,875,901, respectively, in loans from the Rotary Commission are outstanding. These amounts have not been reflected in the District's financial statements, since the County is ultimately responsible for the payment of this debt. The County retained \$75,000 during the formation of the District to establish a reserve to fund shortfalls in the collection of amounts due. Further, the District has agreed to advance additional funds, if necessary, to the extent shortfalls exceed the reserve. The County has agreed to remit to the District any balance that may be remaining in this reserve. No withdrawals from the reserve were made during 2017 and 2016, or in prior years on this reserve.

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability 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 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 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.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Net Pension Liability (Continued)

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 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 on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

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

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

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

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

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

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%.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Funding Policy

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

	2017	2016
Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee	10.0	10.0
Actual Contribution Rates		
Employer:		
Pension	13.0	12.0
Post-employment health care benefits	1.0	2.0
Total Employer	14.0 %	14.0 %
Total Employee	10.0 %	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payrolls. The District's contractually required contribution was \$531,506 for 2017 and \$437,313 for 2016. All required contributions have been paid.

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

The net pension liability for OPERS for 2017 and 2016 was measured as of December 31, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense for December 31, 2017 and 2016:

	2017	
	Traditional	Combined
Proportionate Share of the Net Pension Liability (Asset)	\$ 6,300,645	\$ (8,246)
Proportion of the Net Pension Liability (Asset)	0.027746 %	0.014815 %
Pension Expense	1,337,640	5,957
	2016	
	Traditional	Combined
Proportionate Share of the Net Pension Liability (Asset)	\$ 4,635,516	\$ (7,061)
Proportion of the Net Pension Liability (Asset)	0.026762 %	0.014510 %
Pension Expense	654,007	3,723

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

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

At December 31, 2017 and 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017	
	Traditional	Combined
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	\$ 8,540	\$ -
Changes of Assumptions	999,359	2,010
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	938,311	2,012
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	(1,001)	(49)
District Contributions Subsequent to the Measurement Date	520,429	11,077
Total Deferred Outflows of Resources	\$ 2,465,638	\$ 15,050
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	\$ 37,498	\$ 4,217
	2016	
	Traditional	Combined
Deferred Outflows of Resources		
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 1,362,552	\$ 3,049
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	44,965	223
District Contributions Subsequent to the Measurement Date	430,393	6,920
Total Deferred Outflows of Resources	\$ 1,837,910	\$ 10,192
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	\$ 89,567	\$ 3,222

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

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

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

<u>Year Ending December 31,</u>	<u>Traditional</u>	<u>Combined</u>
2018	\$ 476,928	\$ 529
2019	476,928	529
2020	476,928	529
2021	476,927	409
2022	-	(573)
Thereafter	-	(1,667)
Total	<u>\$ 1,907,711</u>	<u>\$ (244)</u>

Actuarial Assumptions

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016 and 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

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

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

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

The allocation of investment assets with the Defined Benefit portfolio is approved by the board of trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The tables below displays the board-approved asset allocation policy for 2017 and 2016 and the long-term expected real rates of return:

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

Asset Class	2016	
	Target Allocation For 2015	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.5% (8.0% in 2016). The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

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

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

	2017		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's Proportionate Share of the Net Pension Liability:			
Traditional Pension Plan	\$ 9,625,642	\$ 6,300,645	\$ 3,529,846
Combined Pension Plan	593	(8,246)	(15,111)

	2016		
	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's Proportionate Share of the Net Pension Liability:			
Traditional Pension Plan	\$ 7,385,509	\$ 4,635,516	\$ 2,315,983
Combined Pension Plan	(145)	(7,061)	(12,624)

Plan Description

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2016 and 2015 CAFR for details.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issue a standalone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016 - 2017, the Authority contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Postemployment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contribution allocated to the health care plan was 2.0% during calendar 2016. Effective January 1, 2017, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by OPERS' actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The District's contributions to OPERS for other postemployment benefits for the years ended December 31, 2017, 2016, and 2015 were \$31,595, \$72,851, and \$67,672, respectively, equal to 100% of the required contributions for each year.

NOTE 9 COMPENSATED ABSENCES

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

For both union and nonunion employees, these agreements provide for two weeks of paid vacation after one year of service, three weeks after eight years of service, four weeks after 15 years of service, and five weeks after 25 years of service. Vacation time relating to a maximum of two years of service may be accumulated before it is lost.

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.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 9 COMPENSATED ABSENCES (CONTINUED)

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

Compensated absences activity for the years ended December 31, 2017 and 2016 is as follows:

	December 31, 2016	Increase	Decrease	December 31, 2017
Sick Leave Payable	\$ 212,912	\$ 45,241	\$ 17,355	\$ 240,798
Vacation Pay	138,798	277,949	206,618	210,129
Compensatory Time	66,540	130,057	123,577	73,020
Total	<u>\$ 418,250</u>	<u>\$ 453,247</u>	<u>\$ 347,550</u>	<u>\$ 523,947</u>
	December 31, 2015	Increase	Decrease	December 31, 2016
Sick Leave Payable	\$ 185,593	\$ 46,523	\$ 19,204	\$ 212,912
Vacation Pay	121,270	213,882	196,354	138,798
Compensatory Time	52,417	107,472	93,349	66,540
Total	<u>\$ 359,280</u>	<u>\$ 367,877</u>	<u>\$ 308,907</u>	<u>\$ 418,250</u>

The District estimates \$300,149 of compensated absences will be paid in 2018.

NOTE 10 INSURANCE

The District maintains comprehensive insurance coverage with private carriers for health, real property, building contents, and vehicles. There were no significant reductions in coverage between 2017 and 2016. There have been no significant reductions in insurance coverage since 2011 and no insurance settlement has exceeded insurance coverage during the last five years.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Grants

The District has received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of District management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2017.

Construction Commitments

At December 31, 2017, the District has construction commitments, on which work has not commenced, totaling approximately \$5,886,825 which will be funded by existing resources or the issuance of new revenue debt. All projects were current at December 31, 2017.

**NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation and Claims

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

Other Pending EPA and Local Health Department Ordered Projects

The District has received various orders for installation of waste water treatment facilities and collection systems within various areas of the District. At December 31, 2017, 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 \$3,427,679 at December 31, 2017 in potential receivables related to special assessments that have been deferred by the County. The special assessments were deferred on properties, \$1,189,298 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, 2017 AND 2016**

NOTE 12 SEGMENT INFORMATION

Significant financial data for the respective divisions of the December 31, 2017 and 2016 is as follows:

Statement of Net Position

	2017			2016		
	Water	Sewer	Total	Water	Sewer	Total
Current Assets	\$ 14,018,313	\$ 9,228,319	\$ 23,246,632	\$ 12,053,423	\$ 12,196,726	\$ 24,250,149
Capital Assets	83,871,493	110,646,969	194,518,462	81,502,595	104,258,383	185,760,978
Interfund Receivable	500,000	-	500,000	500,000	-	500,000
Other Assets	4,382,120	5,134,315	9,516,435	4,790,703	5,579,720	10,370,423
Total Assets	102,771,926	125,009,603	227,781,529	98,846,721	122,034,829	220,881,550
Deferred Outflows of Resources	1,549,056	1,462,392	3,011,448	966,354	927,591	1,893,945
Current Liabilities	3,868,050	6,282,509	10,150,559	3,750,112	7,854,705	11,604,817
Interfund Payable	-	500,000	500,000	-	500,000	500,000
Long-Term Liabilities	35,812,713	46,278,463	82,091,176	33,479,473	41,241,911	74,721,384
Total Liabilities	39,680,763	53,060,972	92,741,735	37,229,585	49,596,616	86,826,201
Deferred Inflows of Resources	25,691	469,946	495,637	644,427	3,555,301	4,199,728
Net Investment In Capital Assets	51,749,872	66,191,712	117,941,584	49,742,103	64,816,675	114,558,778
Restricted	2,729,562	2,077,017	4,806,579	2,677,258	2,028,795	4,706,053
Unrestricted	10,135,094	4,672,348	14,807,442	9,519,702	2,965,033	12,484,735
Total Net Position	\$ 64,614,528	\$ 72,941,077	\$ 137,555,605	\$ 61,939,063	\$ 69,810,503	\$ 131,749,566

NORTHWESTERN WATER & SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 12 SEGMENT INFORMATION (CONTINUED)

	2017			2016		
	Water	Sewer	Total	Water	Sewer	Total
Utility Revenues	\$ 15,997,100	\$ 10,285,216	\$ 26,282,316	\$ 14,843,204	\$ 9,098,667	\$ 23,941,871
Other Revenues	838,787	406,268	1,245,055	701,325	410,202	1,111,527
Total Operating Revenues	16,835,887	10,691,484	27,527,371	15,544,529	9,508,869	25,053,398
Depreciation and Amortization	3,470,205	4,516,503	7,986,708	3,173,901	4,008,332	7,182,233
Other Operating Expenses	11,416,362	5,728,307	17,144,669	10,130,584	4,896,732	15,027,316
Total Operating Expenses	14,886,567	10,244,810	25,131,377	13,304,485	8,905,064	22,209,549
Operating Income	1,949,320	446,674	2,395,994	2,240,044	603,805	2,843,849
Interest Expense	(948,407)	(1,103,856)	(2,052,263)	(1,061,221)	(1,200,556)	(2,261,777)
Other Nonoperating Revenues	187,841	150,755	338,596	231,724	249,299	481,023
Total Non-Operating Revenues (Expenses)	(760,566)	(953,101)	(1,713,667)	(829,497)	(951,257)	(1,780,754)
Aid in Construction	1,486,711	3,637,001	5,123,712	3,325,521	4,558,301	7,883,822
Change in Net Position	2,675,465	3,130,574	5,806,039	4,736,068	4,210,849	8,946,917
Net Position:						
Beginning of Year	61,939,063	69,810,503	131,749,566	57,202,995	65,599,654	122,802,649
End of Year	\$ 64,614,528	\$ 72,941,077	\$ 137,555,605	\$ 61,939,063	\$ 69,810,503	\$ 131,749,566

Statement of Cash Flows

	2017			2016		
	Water	Sewer	Total	Water	Sewer	Total
Net Cash Provided (Used) by:						
Operating Activities	\$ 5,912,379	\$ 2,883,490	\$ 8,795,869	\$ 6,980,544	\$ 6,533,942	\$ 13,514,486
Capital And Related Financing Activities	(3,481,796)	(3,027,763)	(6,509,559)	(4,212,646)	(5,858,464)	(10,071,110)
Investing Activities	284,373	226,857	511,230	(97,027)	(117,899)	(214,926)
Cash and Cash Equivalents						
Beginning of Year	6,370,297	2,653,727	9,024,024	3,699,426	2,096,148	5,795,574
End of Year	\$ 9,085,253	\$ 2,736,311	\$ 11,821,564	\$ 6,370,297	\$ 2,653,727	\$ 9,024,024

SUPPLEMENTARY INFORMATION

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

	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
District's Proportion of the Net Pension Liability	0.02775 %	0.02676 %	0.02673 %	0.02673 %
District's Proportionate Share of the Net Pension Liability	\$ 6,300,645	\$ 4,635,516	\$ 3,223,937	\$ 3,151,119
District's Covered Payroll	\$ 3,586,608	\$ 3,330,767	\$ 3,276,775	\$ 3,061,585
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.67 %	139.17 %	98.39 %	102.92 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25 %	81.08 %	86.45 %	86.36 %

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 531,506	\$ 430,393	\$ 399,692	\$ 393,213	\$ 398,006
Contributions in Relation to the Contractually Required Contribution	<u>(531,506)</u>	<u>(430,393)</u>	<u>(399,692)</u>	<u>(393,213)</u>	<u>(398,006)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District Covered Payroll	\$ 4,088,508	\$ 3,586,608	\$ 3,330,767	\$ 3,276,775	\$ 3,061,585
Contributions as a Percentage of Covered Payroll	13%	12%	12%	12%	13%

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

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Operating Revenue:				
Utility Revenues	\$ 26,350,470	\$ 26,282,317	\$ 26,282,316	\$ (1)
Other Operating Revenues	969,000	1,477,317	1,477,326	9
Nonoperating Revenue - Interest	450,000	563,957	549,482	(14,475)
Total Revenues	<u>27,769,470</u>	<u>28,323,591</u>	<u>28,309,124</u>	<u>(14,467)</u>
EXPENSES				
Operating Expenses:				
Operations and Maintenance	17,205,242	16,849,622	16,164,385	685,237
Debt Retirement	6,468,145	14,771,083	14,194,090	576,993
Total Expenses	<u>23,673,387</u>	<u>31,620,705</u>	<u>30,358,475</u>	<u>1,262,230</u>
Operating Income	<u>4,096,083</u>	<u>(3,297,114)</u>	<u>(2,049,351)</u>	<u>(1,247,763)</u>
RECONCILIATION TO CHANGE IN NET POSITION				
Aid on Construction:				
Grants and Other	5,035,629	3,830,864	3,830,865	1
System Development Fees and other Aid in Construction	325,000	1,060,576	1,060,576	-
Antidegradation Credits	-	-	-	-
Total Aid in Construction	<u>5,360,629</u>	<u>4,891,440</u>	<u>4,891,441</u>	<u>1</u>
CHANGE IN NET POSITION	<u>\$ 9,456,712</u>	<u>\$ 1,594,326</u>	<u>\$ 2,842,090</u>	<u>\$ (1,247,764)</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, 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 2017 financial statements is as follows:

Change in Net Position	\$ 2,842,090
GASB 68	\$ (980,284)
Depreciation	(7,986,708)
Principal Payments on Debt	<u>11,930,941</u>
CHANGE IN NET POSITION	<u>\$ 5,806,039</u>

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

ASSETS	<u>Water</u>	<u>Sewer</u>	<u>Eliminations</u>	<u>Combined</u>
CURRENT ASSETS				
Cash and Cash Equivalents:				
Unrestricted	\$ 7,549,566	\$ 659,294	\$ -	\$ 8,208,860
Restricted	1,535,687	2,077,017	-	3,612,704
Investments:				
Unrestricted	1,136,424	3,637,517	-	4,773,941
Restricted	1,193,875	-	-	1,193,875
Accounts Receivable - Trade	1,546,392	1,700,754	-	3,247,146
Grants Receivable	-	449,922	-	449,922
Current Portion of Special Assessments	493,014	484,007	-	977,021
Inventory	469,155	134,190	-	603,345
Prepaid Expenses	94,200	85,618	-	179,818
Total Current Assets	<u>14,018,313</u>	<u>9,228,319</u>	<u>-</u>	<u>23,246,632</u>
NONCURRENT ASSETS				
Capital Assets:				
Sewer and Water Lines	90,499,236	125,301,681	-	215,800,917
Buildings, Pumps, and Lift Stations	19,294,802	19,974,017	-	39,268,819
Machinery and Equipment	7,011,456	5,650,645	-	12,662,101
Vehicles	1,407,269	2,287,041	-	3,694,310
Furniture and Fixtures	223,556	285,944	-	509,500
Computer Equipment	702,367	1,398,229	-	2,100,596
Improvements - Oregon Waste Water Treatment Plant	<u>3,394,518</u>	<u>3,185,486</u>	<u>-</u>	<u>6,580,004</u>
Total Depreciable Capital Assets	122,533,204	158,083,043	-	280,616,247
Accumulated Depreciation	<u>(42,855,208)</u>	<u>(69,334,578)</u>	<u>-</u>	<u>(112,189,786)</u>
Net Depreciable Capital Assets	79,677,996	88,748,465	-	168,426,461
Land	236,080	478,707	-	714,787
Easements	110,963	278,552	-	389,515
Construction in Process	3,846,454	21,141,245	-	24,987,699
Net Capital Assets	<u>83,871,493</u>	<u>110,646,969</u>	<u>-</u>	<u>194,518,462</u>
OTHER ASSETS				
Special Assessments, Less Current Portion	4,382,120	5,134,315	-	9,516,435
Miscellaneous	500,000	-	(500,000)	-
Total Other Assets	<u>4,882,120</u>	<u>5,134,315</u>	<u>(500,000)</u>	<u>9,516,435</u>
Total Noncurrent Assets	<u>88,753,613</u>	<u>115,781,284</u>	<u>(500,000)</u>	<u>204,034,897</u>
Total Assets	102,771,926	125,009,603	(500,000)	227,281,529
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding	26,562	11,009	-	37,571
Pension	1,289,958	1,190,730	-	2,480,688
Debt Refunding	<u>232,536</u>	<u>260,653</u>	<u>-</u>	<u>493,189</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 104,320,982</u>	<u>\$ 126,471,995</u>	<u>\$ (500,000)</u>	<u>\$ 230,292,977</u>

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

LIABILITIES AND NET POSITION

	Water	Sewer	Eliminations	Combined
CURRENT LIABILITIES				
Current Portion of Long-Term Debt	\$ 2,219,347	\$ 2,925,698	\$ -	\$ 5,145,045
Current Portion of Compensated Absences	144,072	156,077	-	300,149
Accounts Payable - Trade	892,341	2,073,150	(500,000)	2,465,491
Accrued Payroll and Payroll Taxes	184,190	187,307	-	371,497
Accrued Interest Payable	349,444	578,710	-	928,154
Amounts Due Others	78,656	861,567	-	940,223
Total Current Liabilities	<u>3,868,050</u>	<u>6,782,509</u>	<u>(500,000)</u>	<u>10,150,559</u>
LONG-TERM LIABILITIES				
Long-Term Debt, Less Current Portion	32,433,242	43,141,737	-	75,574,979
Net Pension Liability	3,272,048	3,020,351	-	6,292,399
Compensated Absences Payable	107,423	116,375	-	223,798
Total Long-Term Liabilities	<u>35,812,713</u>	<u>46,278,463</u>	<u>-</u>	<u>82,091,176</u>
Total Liabilities	39,680,763	53,060,972	(500,000)	92,241,735
DEFERRED INFLOWS OF RESOURCES				
Federal and State Grants	4,000	449,922	-	453,922
Pension	21,691	20,024	-	41,715
Total Deferred Inflows of Resources	<u>25,691</u>	<u>469,946</u>	<u>-</u>	<u>495,637</u>
Total Liabilities and Deferred Inflows	<u>\$ 39,706,454</u>	<u>\$ 53,530,918</u>	<u>\$ (500,000)</u>	<u>\$ 92,737,372</u>
NET POSITION				
Net Investment in Capital Assets	\$ 51,749,872	\$ 66,191,712	\$ -	\$ 117,941,584
Restricted	2,729,562	2,077,017	-	4,806,579
Unrestricted	<u>10,135,094</u>	<u>4,672,348</u>	<u>-</u>	<u>14,807,442</u>
TOTAL NET POSITION	<u>\$ 64,614,528</u>	<u>\$ 72,941,077</u>	<u>\$ -</u>	<u>\$ 137,555,605</u>

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF NET POSITION –
INFORMATION BY DIVISION
YEAR ENDED DECEMBER 31, 2016**

ASSETS	<u>Water</u>	<u>Sewer</u>	<u>Eliminations</u>	<u>Combined</u>
CURRENT ASSETS				
Cash and Cash Equivalents:				
Unrestricted	\$ 4,886,428	\$ 624,932	\$ -	\$ 5,511,360
Restricted	1,483,869	2,028,795	-	3,512,664
Investments:				
Unrestricted	1,123,312	3,612,863	-	4,736,175
Restricted	1,193,389	-	-	1,193,389
Accounts Receivable - Trade	1,705,315	1,617,749	-	3,323,064
Grants Receivable	598,518	3,501,688	-	4,100,206
Current Portion of Special Assessments	495,073	519,903	-	1,014,976
Inventory	459,499	190,207	-	649,706
Prepaid Expenses	108,020	100,589	-	208,609
Total Current Assets	<u>12,053,423</u>	<u>12,196,726</u>	<u>-</u>	<u>24,250,149</u>
NONCURRENT ASSETS				
Capital Assets:				
Sewer and Water Lines	85,460,563	121,083,473	-	206,544,036
Buildings, Pumps, and Lift Stations	17,241,735	18,643,906	-	35,885,641
Machinery and Equipment	6,389,139	5,348,681	-	11,737,820
Vehicles	1,330,397	2,215,189	-	3,545,586
Furniture and Fixtures	205,532	266,418	-	471,950
Computer Equipment	555,934	1,118,417	-	1,674,351
Improvements - Oregon Waste Water Treatment Plant	3,394,518	3,185,486	-	6,580,004
Total Depreciable Capital Assets	<u>114,577,818</u>	<u>151,861,570</u>	<u>-</u>	<u>266,439,388</u>
Accumulated Depreciation	<u>(39,449,192)</u>	<u>(64,986,109)</u>	<u>-</u>	<u>(104,435,301)</u>
Net Depreciable Capital Assets	<u>75,128,626</u>	<u>86,875,461</u>	<u>-</u>	<u>162,004,087</u>
Land	236,080	453,528	-	689,608
Easements	81,683	255,525	-	337,208
Construction In Process	6,056,206	16,673,869	-	22,730,075
Net Capital Assets	<u>81,502,595</u>	<u>104,258,383</u>	<u>-</u>	<u>185,760,978</u>
OTHER ASSETS				
Special Assessments, Less Current Portion	4,790,703	5,579,720	-	10,370,423
Miscellaneous	500,000	-	(500,000)	-
Total Other Assets	<u>5,290,703</u>	<u>5,579,720</u>	<u>(500,000)</u>	<u>10,370,423</u>
Total Noncurrent Assets	<u>86,793,298</u>	<u>109,838,103</u>	<u>(500,000)</u>	<u>196,131,401</u>
Total Assets	<u>98,846,721</u>	<u>122,034,829</u>	<u>(500,000)</u>	<u>220,381,550</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding	32,974	12,869	-	45,843
Pension	933,380	914,722	-	1,848,102
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 99,813,075</u>	<u>\$ 122,962,420</u>	<u>\$ (500,000)</u>	<u>\$ 222,275,495</u>

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF NET POSITION –
INFORMATION BY DIVISION (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

LIABILITIES AND NET POSITION

	Water	Sewer	Eliminations	Combined
CURRENT LIABILITIES				
Current Portion of Long-Term Debt	\$ 2,005,498	\$ 2,366,758	\$ -	\$ 4,372,256
Current Portion of Compensated Absences	116,657	107,683	-	224,340
Accounts Payable - Trade	992,730	4,150,894	(500,000)	4,643,624
Accrued Payroll and Payroll Taxes	148,113	159,873	-	307,986
Accrued Interest Payable	356,583	538,193	-	894,776
Amounts Due Others	130,531	1,031,304	-	1,161,835
Total Current Liabilities	<u>3,750,112</u>	<u>8,354,705</u>	<u>(500,000)</u>	<u>11,604,817</u>
LONG-TERM LIABILITIES				
Long-Term Debt, Less Current Portion	31,121,461	38,777,558	-	69,899,019
Net Pension Liability	2,278,089	2,350,366	-	4,628,455
Compensated Absences Payable	79,923	113,987	-	193,910
Total Long-Term Liabilities	<u>33,479,473</u>	<u>41,241,911</u>	<u>-</u>	<u>74,721,384</u>
 Total Liabilities	 37,229,585	 49,596,616	 (500,000)	 86,326,201
DEFERRED INFLOWS OF RESOURCES				
Federal and State Grants	598,518	3,508,421	-	4,106,939
Pension	45,909	46,880	-	92,789
Total Deferred Inflows of Resources	<u>644,427</u>	<u>3,555,301</u>	<u>-</u>	<u>4,199,728</u>
 Total Liabilities and Deferred Inflows	 <u>\$ 37,874,012</u>	 <u>\$ 53,151,917</u>	 <u>\$ (500,000)</u>	 <u>\$ 90,525,929</u>
NET POSITION				
Net Investment in Capital Assets	\$ 49,742,103	\$ 64,816,675	\$ -	\$ 114,558,778
Restricted	2,677,258	2,028,795	-	4,706,053
Unrestricted	<u>9,519,702</u>	<u>2,965,033</u>	<u>-</u>	<u>12,484,735</u>
TOTAL NET POSITION	<u>\$ 61,939,063</u>	<u>\$ 69,810,503</u>	<u>\$ -</u>	<u>\$ 131,749,566</u>

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

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

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
INFORMATION BY DIVISION (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

	Water	Sewer	Eliminations	Combined
OPERATING REVENUES				
Utility Revenue	\$ 14,843,204	\$ 9,098,667	\$ -	\$ 23,941,871
Fees and Permits	431,663	97,068	-	528,731
Contract Services	34,747	152,401	-	187,148
Other Operating Revenues	234,915	160,733	-	395,648
Total Operating Revenues	<u>15,544,529</u>	<u>9,508,869</u>	-	<u>25,053,398</u>
OPERATING EXPENSES				
Depreciation and Amortization	3,173,901	4,008,332	-	7,182,233
Labor	1,744,097	1,649,109	-	3,393,206
Employee Benefits	869,233	923,123	-	1,792,356
Professional Services	566,492	532,004	-	1,098,496
Purchased Water and Sewer Treatment	5,678,647	302,323	-	5,980,970
Materials And Supplies	534,054	575,304	-	1,109,358
Utilities	288,383	352,161	-	640,544
Other	449,678	562,708	-	1,012,386
Total Operating Expenses	<u>13,304,485</u>	<u>8,905,064</u>	-	<u>22,209,549</u>
Operating Income	2,240,044	603,805	-	2,843,849
NONOPERATING REVENUES (EXPENSES)				
Interest Income	261,776	250,809	-	512,585
Interest Expense	(1,061,221)	(1,200,556)	-	(2,261,777)
Other Income (Expense)	(30,052)	(1,510)	-	(31,562)
Total Nonoperating Revenues (Expenses)	<u>(829,497)</u>	<u>(951,257)</u>	-	<u>(1,780,754)</u>
AID IN CONSTRUCTION				
	<u>3,325,521</u>	<u>4,558,301</u>	-	<u>7,883,822</u>
Change In Net Position	4,736,068	4,210,849	-	8,946,917
NET POSITION				
Beginning of Year (Restated)	<u>57,202,995</u>	<u>65,599,654</u>	-	<u>122,802,649</u>
End of Year	<u>\$ 61,939,063</u>	<u>\$ 69,810,503</u>	<u>\$ -</u>	<u>\$ 131,749,566</u>

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

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

**NORTHWESTERN WATER & SEWER DISTRICT
SCHEDULE OF CASH FLOWS –
INFORMATION BY DIVISION (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

	Water	Sewer	Eliminations	Combined
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income	\$ 2,240,044	\$ 603,805	\$ -	\$ 2,843,849
Adjustments to Reconcile Net Cash Provided by Operating Activities:				
Depreciation and Amortization	3,173,901	4,008,332	-	7,182,233
Effects of Changes in Operating Assets and Liabilities:				
Accounts Receivable - Trade	(406,477)	(87,655)	-	(494,132)
Grant Receivable	(598,518)	(3,501,688)	-	(4,100,206)
Inventory	45,050	(14,453)	-	30,597
Prepaid and Other Assets	1,150,114	(4,061)	(1,160,000)	(13,947)
Reserve with County Commissioners	32,880	246,291	-	279,171
Deferred Outflows	(595,377)	(553,637)	-	(1,149,014)
Accounts Payable - Trade	421,431	1,385,934	1,160,000	2,967,365
Accrued Payroll and Payroll Taxes	9,323	10,694	-	20,017
Accounts Due to Others	130,531	207,103	-	337,634
Net Pension Liability	733,598	677,168	-	1,410,766
Compensated Absences Payable	27,718	31,252	-	58,970
Deferred Inflows	616,326	3,524,857	-	4,141,183
Net Cash Provided by Operating Activities	<u>6,980,544</u>	<u>6,533,942</u>	<u>-</u>	<u>13,514,486</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	261,776	250,809	-	512,585
Proceeds on Sale of Investments	422,792	597,066	-	1,019,858
Purchases of Investments	<u>(781,595)</u>	<u>(965,774)</u>	<u>-</u>	<u>(1,747,369)</u>
Net Cash Provided (Used) by Investing Activities	<u>(97,027)</u>	<u>(117,899)</u>	<u>-</u>	<u>(214,926)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Aid in Construction	3,325,521	4,558,301	-	7,883,822
Acquisition and Construction of Capital Assets	(10,165,271)	(15,586,974)	-	(25,752,245)
Proceeds from Sale of Assets	59,203	18,496	-	77,699
Proceeds from Issuance of Long-Term Debt	4,992,634	8,672,532	-	13,665,166
Repayment of Long-Term Debt	(1,852,543)	(1,996,195)	-	(3,848,738)
Collections on Special Assessments	610,160	488,649	-	1,098,809
Assessed Special Assessments	(86,999)	(848,550)	-	(935,549)
Interest Paid	<u>(1,095,351)</u>	<u>(1,164,723)</u>	<u>-</u>	<u>(2,260,074)</u>
Net Cash Provided (Used) by Financing Activities	<u>(4,212,646)</u>	<u>(5,858,464)</u>	<u>-</u>	<u>(10,071,110)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	2,670,871	557,579	-	3,228,450
CASH AND CASH EQUIVALENTS				
Beginning of Year	<u>3,699,426</u>	<u>2,096,148</u>	<u>-</u>	<u>5,795,574</u>
End of Year	<u>\$ 6,370,297</u>	<u>\$ 2,653,727</u>	<u>\$ -</u>	<u>\$ 9,024,024</u>



NORTHWESTERN WATER & SEWER DISTRICT STATISTICAL SCHEDULES

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

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time	S2
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its water and sewer sales	S10
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future	S16
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments	S21
Operating Information These schedules contain information about the District's operation and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs	S24
Sources Unless stated otherwise, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	



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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net Investment in										
Capital Assets	\$ 117,942	\$ 114,559	\$ 107,364	\$ 102,403	\$ 101,502	\$ 97,598	\$ 88,455	\$ 81,477	\$ 73,573	\$ 73,491
Restricted	4,806	4,706	4,951	4,967	4,812	4,820	4,853	5,133	9,145	5,001
Unrestricted	14,807	12,485	10,488	13,258	9,254	9,141	13,455	12,248	10,073	14,124
Total Net Position	<u>\$ 137,555</u>	<u>\$ 131,750</u>	<u>\$ 122,803</u>	<u>\$ 120,628</u>	<u>\$ 115,568</u>	<u>\$ 111,559</u>	<u>\$ 106,763</u>	<u>\$ 98,858</u>	<u>\$ 92,791</u>	<u>\$ 92,616</u>

Source: District accounting records.



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

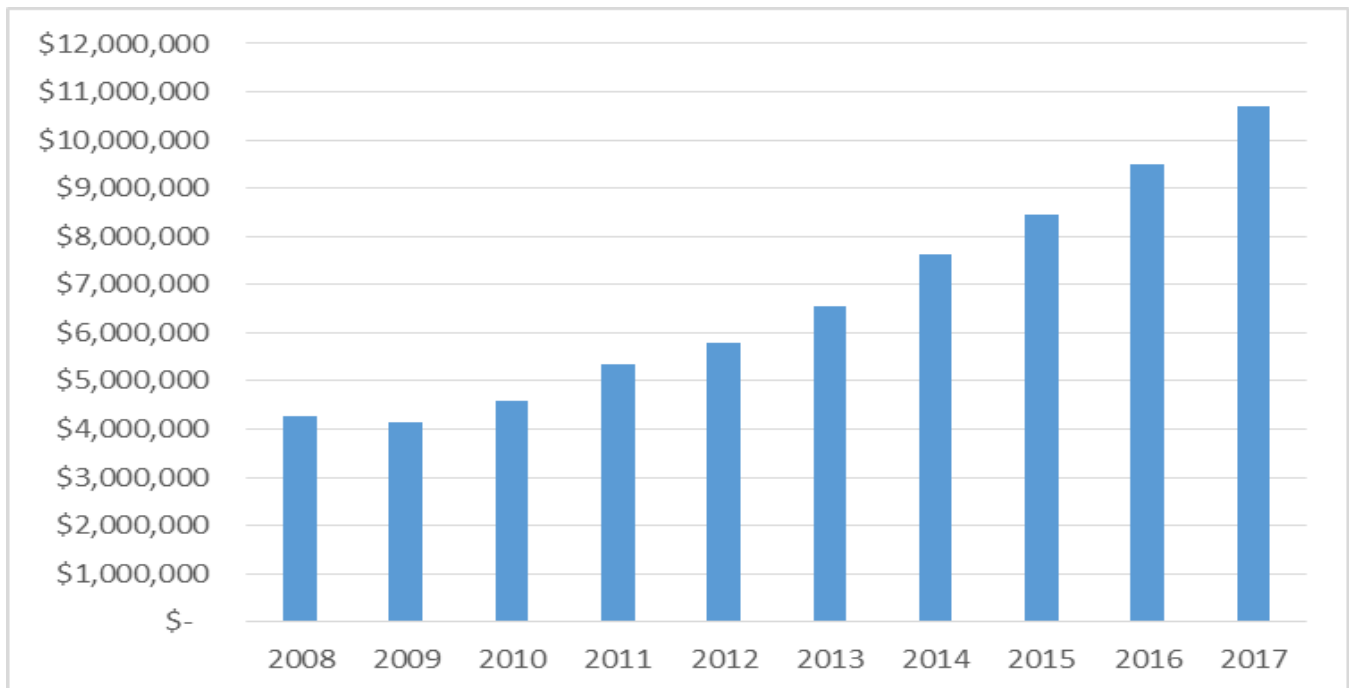
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating Revenue	\$ 27,527	\$ 25,053	\$ 22,081	\$ 20,359	\$ 17,226	\$ 16,050	\$ 13,806	\$ 10,160	\$ 9,197	\$ 8,586
Operating Expenses	25,131	22,210	19,984	19,297	17,429	15,414	13,549	10,507	10,278	10,221
Total Net Revenue (Expense)	2,396	2,843	2,097	1,062	(203)	636	257	(347)	(1,081)	(1,635)
Other Changes in Net Position										
Nonoperating Revenues (Expenses)	(1,714)	(1,781)	(1,971)	(2,151)	(1,486)	(1,564)	(1,344)	(1,212)	(1,164)	(530)
Aid in Construction	5,124	7,885	4,731	6,149	5,698	5,724	9,742	7,626	2,420	4,642
Total Other Changes in Net Position	3,410	6,104	2,760	3,998	4,212	4,160	8,398	6,414	1,256	4,112
Change in Net Position	<u>\$ 5,806</u>	<u>\$ 8,947</u>	<u>\$ 4,857</u>	<u>\$ 5,060</u>	<u>\$ 4,009</u>	<u>\$ 4,796</u>	<u>\$ 8,655</u>	<u>\$ 6,067</u>	<u>\$ 175</u>	<u>\$ 2,477</u>

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
2017	\$ 10,285,216	\$ 96,797	\$ 136,736	\$ 172,735	\$ 10,691,484	12.4%
2016	9,098,667	97,068	152,401	160,733	9,508,869	12.4%
2015	8,072,309	79,848	149,613	161,234	8,463,004	10.9%
2014	7,302,593	67,472	139,918	120,461	7,630,444	16.3%
2013	5,804,560	68,526	144,477	541,405	6,558,968	13.2%
2012	5,420,599	52,910	164,164	155,358	5,793,031	8.3%
2011	5,051,649	48,448	130,632	119,046	5,349,775	16.7%
2010	4,147,811	64,867	274,118	96,794	4,583,590	11.0%
2009	3,834,605	42,028	165,295	85,910	4,127,838	-3.6%
2008	3,978,236	64,205	152,793	88,900	4,284,134	14.5%



Source: District accounting records.

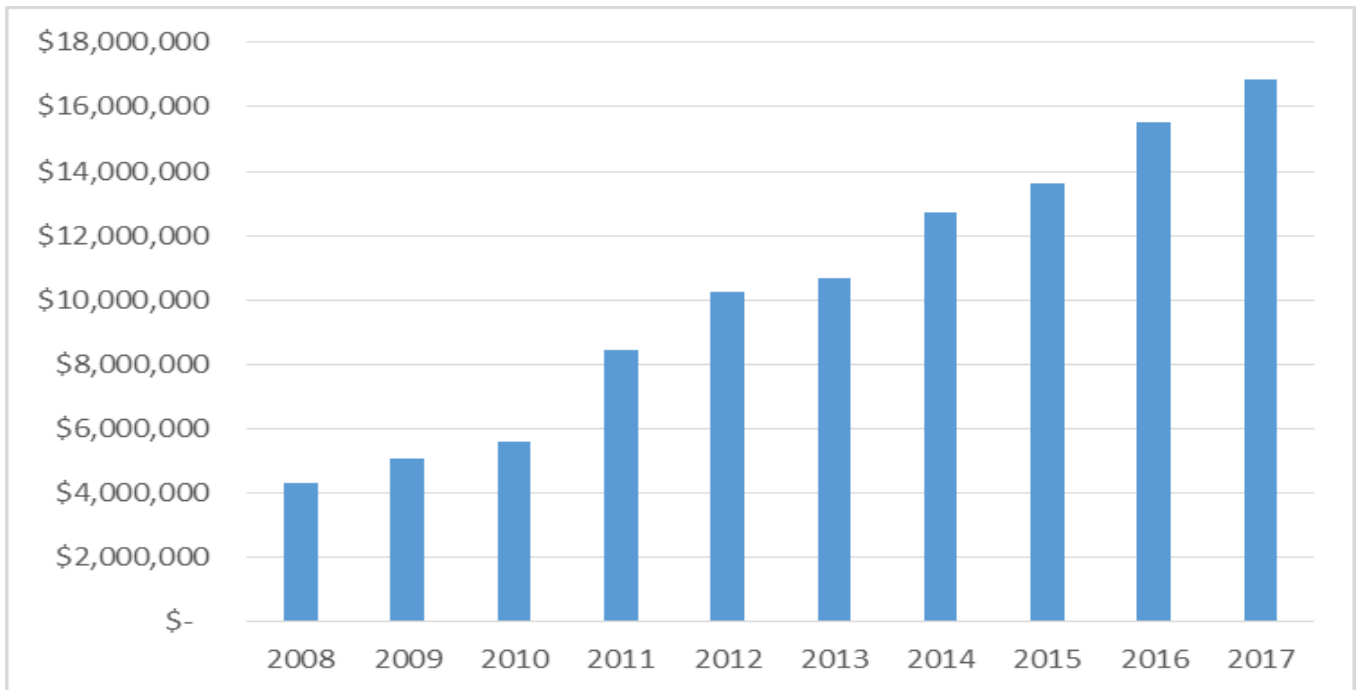


**NORTHWESTERN WATER & SEWER DISTRICT
WATER OPERATING REVENUES BY SOURCE
LAST TEN YEARS**

Year Ended December 31,	Water Revenue	Fees and Permits	Contract Services	Other Operating	Total	Percent Change
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	7.0%
2014	12,084,386	317,836	43,986	283,477	12,729,685	19.3%
2013	10,049,093	271,435	50,283	296,060	10,666,871	4.0%
2012	9,659,619	241,699	65,959	289,524	10,256,801	21.3% (2)
2011	7,956,148	167,070	93,046	240,352	8,456,616	51.6% (1)
2010	5,177,288	137,747	89,743	171,957	5,576,735	10.0%
2009	4,668,363	134,770	109,092	157,102	5,069,327	17.8%
2008	3,906,717	212,287	83,724	99,189	4,301,917	17.1%

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

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

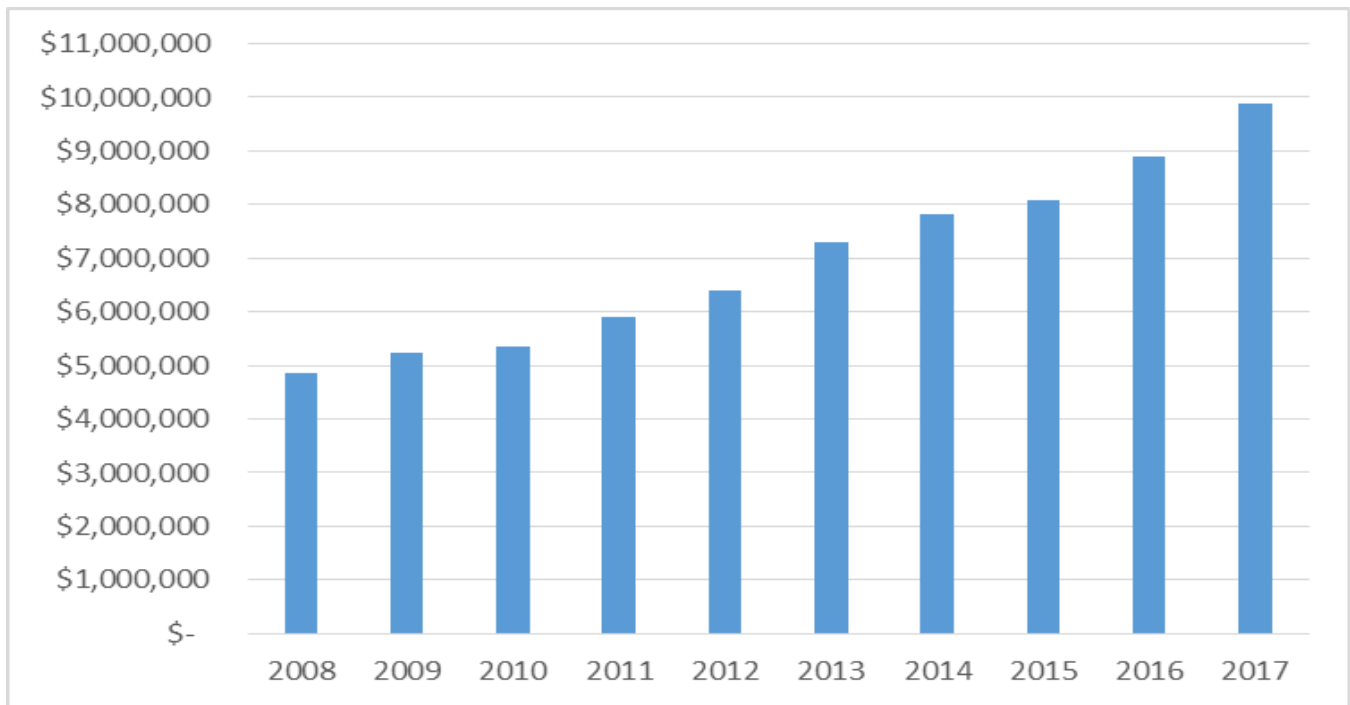


Source: District accounting records.



NORTHWESTERN WATER & SEWER DISTRICT SEWER OPERATING EXPENSE 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
2017	\$ 1,897,299	\$ 1,224,277	\$ 746,597	\$ 682,481	\$ 375,509	\$ 4,516,503	\$ 802,144	\$ 10,244,810	15.0%
2016	1,649,109	923,123	532,004	575,304	352,161	4,008,332	865,031	8,905,064	10.2%
2015	1,579,267	691,616	483,549	532,549	337,855	3,813,745	642,491	8,081,072	3.2%
2014	1,505,418	690,651	670,287	541,383	359,816	3,659,597	404,621	7,831,773	7.4%
2013	1,465,545	626,856	898,666	577,522	310,481	3,102,224	310,016	7,291,310	14.2%
2012	1,239,920	581,705	653,012	463,375	271,739	2,940,780	232,995	6,383,526	8.3%
2011	1,197,473	537,875	503,630	384,106	279,594	2,797,595	191,490	5,891,763	10.3%
2010	1,057,390	444,305	486,733	299,495	226,847	2,631,794	195,595	5,342,159	1.9%
2009	1,088,978	472,491	397,802	330,130	236,985	2,449,124	267,552	5,243,062	8.2%
2008	1,095,395	475,983	268,269	370,010	235,064	2,161,407	240,854	4,846,982	-5.3%



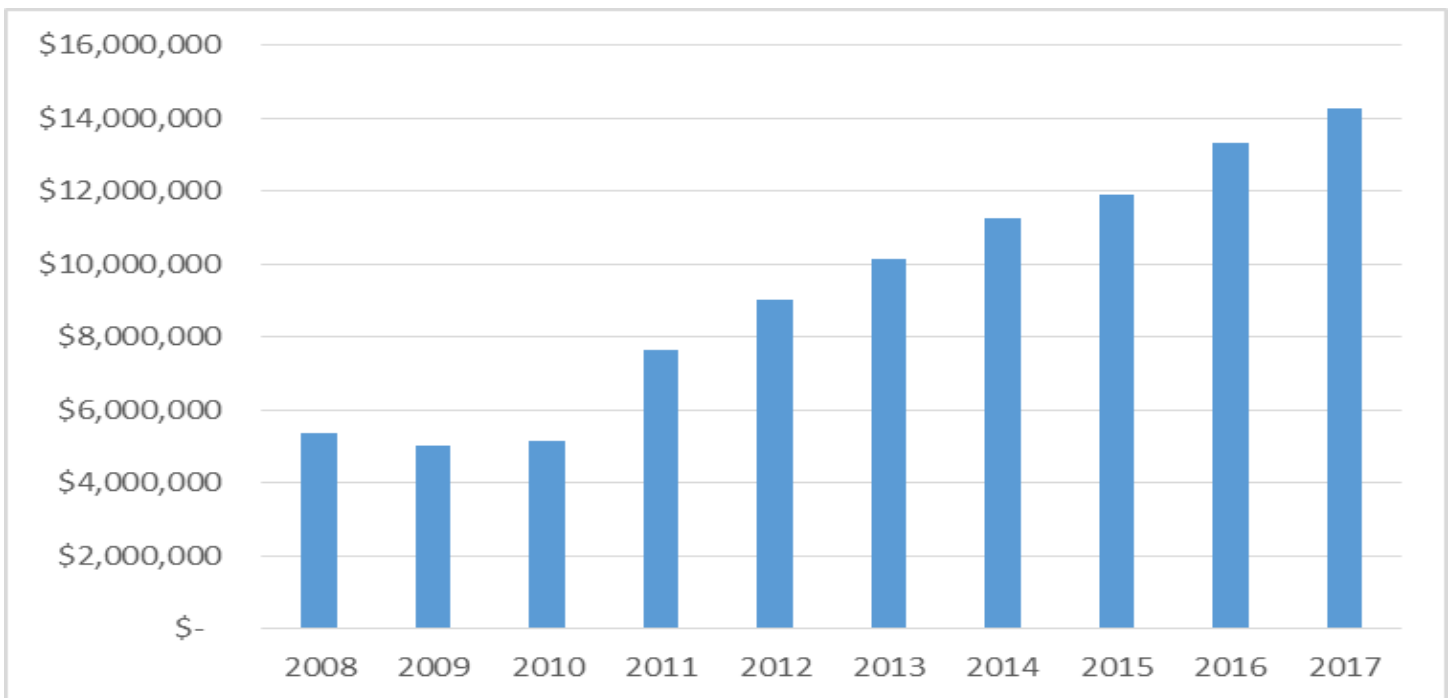
Source: District accounting records.



NORTHWESTERN WATER & SEWER DISTRICT WATER OPERATING EXPENSE 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
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	11.8%
2015	1,620,057	632,291	566,757	4,998,913	386,922	246,532	3,026,220	425,338	11,903,030	5.9%
2014	1,548,554	643,040	464,786	4,673,973	491,402	259,159	2,729,228	428,053	11,238,195	10.9%
2013	1,425,581	617,366	511,770	4,050,714	706,281	219,890	2,302,774	303,288	10,137,664	12.3%
2012	1,307,153	544,879	367,730	3,778,955	403,299	198,718	2,156,451	273,039	9,030,224	17.9%
2011	1,094,754	457,349	275,712	3,040,369 (1)	475,837	207,027	1,887,447	219,179	7,657,674	48.2%
2010	961,586	418,914	196,036	1,198,861	390,202	146,801	1,665,678	187,378	5,165,456	2.6%
2009	957,031	429,346	234,496	1,103,187	324,473	159,109	1,598,650	228,369	5,034,661	-6.3%
2008	1,035,165	405,673	321,588	1,328,232	466,907	169,997	1,465,972	180,433	5,373,967	26.4%

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



Source: District accounting records.



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

<u>Year Ended December 31,</u>	<u>Interest Income</u>	<u>Aid in Construction (1)</u>	<u>Other Income (Expense)</u>	<u>Total</u>
2017	\$ 251,511	\$ 3,637,001	\$ (100,756)	\$ 3,787,756
2016	250,809	4,558,301	(1,510)	4,807,600
2015	247,387	1,348,032	(88,506)	1,506,913
2014	185,600	4,698,217	1,639	4,885,456
2013	196,097	2,013,469	(27,419)	2,182,147
2012	191,518	4,574,208	(1,181)	4,764,545
2011	274,472	5,711,809	(6,856)	5,979,425
2010	261,015	2,979,073	(16,967)	3,223,121
2009	305,757	1,852,018	591	2,158,366
2008	391,457	2,683,536	57,831	3,132,824

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



**NORTHWESTERN WATER & SEWER DISTRICT
WATER NONOPERATING 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>
2017	\$ 297,971	\$ 1,486,711	\$ (110,130)	\$ 1,674,552
2016	261,776	3,325,521	(30,052)	3,557,245
2015	304,456	3,383,262	(75,455)	3,612,263
2014	303,021	1,450,260	(345,462)	1,407,819
2013	295,122	3,684,238	(11,723)	3,967,637
2012	366,749	1,149,979	5,866	1,522,594
2011	452,833	4,029,866	(7,199)	4,475,500
2010	439,644	4,647,205	9,079	5,095,928
2009	463,868	567,628	(15,129)	1,016,367
2008	501,539	1,958,669	26,129	2,486,337

(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
2017	\$ 13.87	\$ 27.74	\$ 32.17	\$ 58.00
2016	13.47	26.94	27.37	52.45
2015	13.08	26.16	23.41	47.75
2014	12.70	25.40	19.49	43.13
2013	12.30	24.60	15.74	38.69
2012	12.30	24.60	14.51	37.01
2011	12.06	24.12	13.39	35.45
2010	12.06	24.12	12.50	34.56
2009	12.06	24.12	11.62	33.68
2008	12.06	24.12	11.62	33.68

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



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

<u>Year Ended December 31,</u>	<u>Minimum Charge</u>		<u>Volume Charges (1)</u>
	<u>Monthly</u>	<u>Quarterly</u>	<u>Distribution</u>
2017	\$ 15.23	\$ 30.46	\$ 19.88
2016	14.79	29.58	17.33
2015	14.36	28.72	15.47
2014	13.94	27.88	13.71
2013	13.53	27.06	11.93
2012	13.53	27.06	11.21
2011	13.26	26.52	10.49
2010	13.00	26.00	9.77
2009	13.00	26.00	9.25
2008	9.93	19.86	5.69

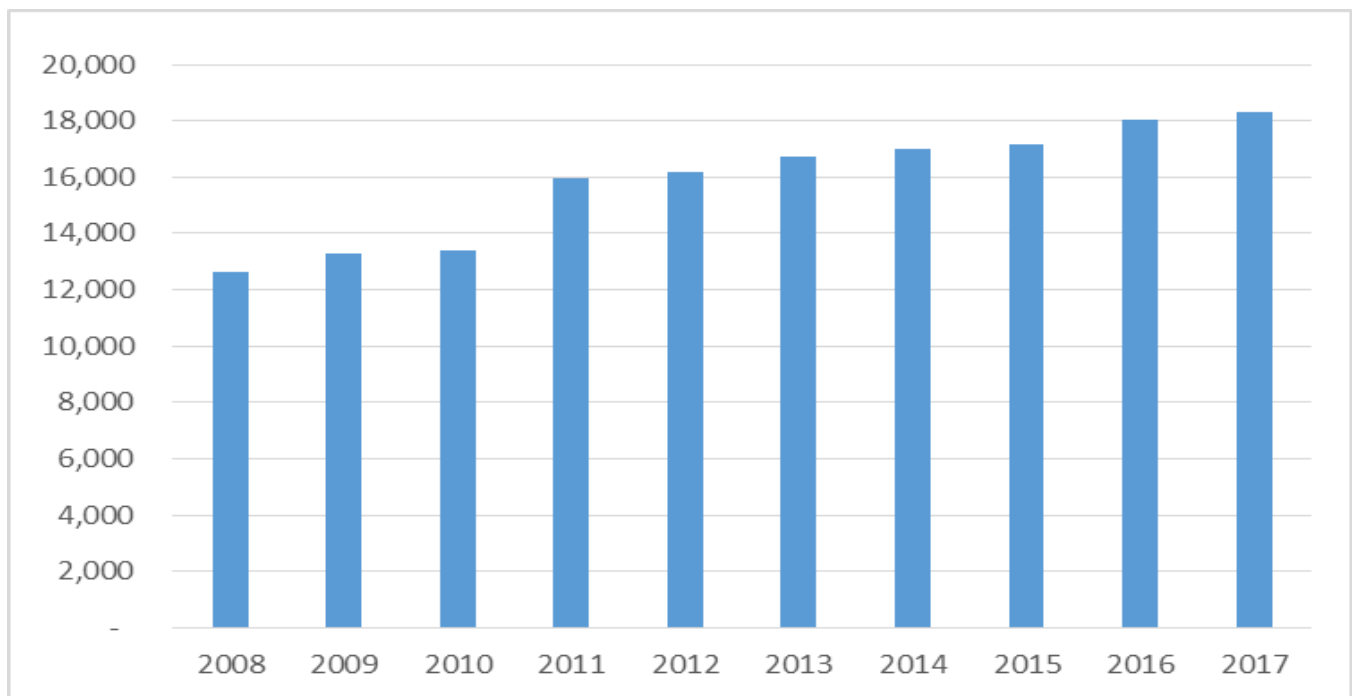
(1) Per 1,000 cubic feet of water consumption.



**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>
2008	12,626	3,701	1,350,812
2009	13,278	3,584	1,308,307
2010	13,394	3,657	1,334,650
2011	15,944	4,295	1,567,808 (a)
2012	16,201	4,279	1,566,211
2013	16,726	4,091	1,493,104
2014	16,979	4,344	1,585,600
2015	17,136	4,278	1,561,609
2016	18,050	4,447	1,622,996
2017	18,321	4,348	1,587,181

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



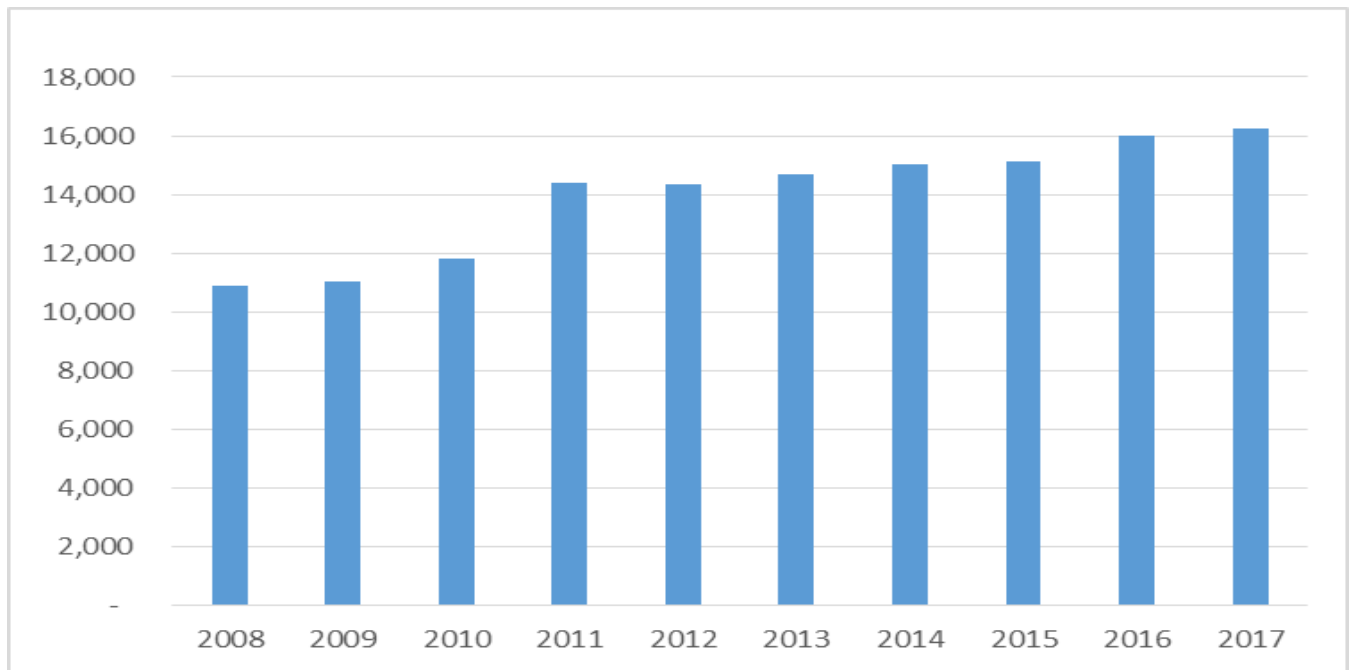


**NORTHWESTERN WATER & SEWER DISTRICT
HISTORICAL WATER CUSTOMERS AND WATER CONSUMPTION
LAST TEN YEARS**

Year Ended December 31,	Average Number of Customers	Average Day (000's/Gal.)	Total Annual Consumption (000's/Gal.)
2008	10,886	3,949	1,441,658
2009	11,025	3,434	1,253,238
2010	11,825	3,642	1,328,774
2011	14,375 est	4,211	1,537,140 (a)
2012	14,344	4,530	1,657,958 (b)
2013	14,704	4,145	1,513,066
2014	15,009	4,425	1,615,268
2015	15,148	4,296	1,568,308
2016	16,017	4,601	1,679,494
2017	16,240	4,381	1,599,123

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

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





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

<u>Customer</u>	2017		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. Charter Steel	82,153	\$ 353,490	3.31%
2. Prefinished Metals	46,740	201,187	1.88%
3. First Solar	36,320	157,195	1.47%
4. Chrysler	32,131	138,522	1.30%
5. LOF Pilkington**	31,597	136,209	1.27%
6. Friendly Village I and II MHP	26,897	116,179	1.09%
7. Norplas	21,476	92,532	0.87%
8. Perry Lake Village*	14,658	46,043	0.43%
9. Cintas	14,482	62,453	0.58%
10. Whitaker & Sons	14,282	60,322	0.56%
Total	<u>320,736</u>	<u>\$ 1,364,132</u>	<u>12.76%</u>

*Billed at 70% of District Rate

** Billed at 75% of Full District Rates

<u>Customer</u>	2008		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. Charter Steel	78,393	\$ 121,926	3.53%
2. Pre Finished Metals	45,737	71,198	2.06%
3. First Solar	43,664	68,121	1.97%
4. Chrysler	43,233	67,308	1.95%
5. Friendly Village I and II MHP	30,019	47,071	1.36%
6. Cintas	15,697	24,531	0.71%
7. Eastpointe On The Mall Apts	13,157	22,836	0.66%
8. Walnut Hills Mobile Home Park	13,496	21,099	0.61%
9. Holiday Inn Perrysburg Twp	12,971	20,343	0.59%
10. Perry Lake Village	14,627	16,945	0.49%
Total	<u>310,994</u>	<u>\$ 481,378</u>	<u>13.93%</u>



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

<u>Customer</u>	2017		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percent of Total System Revenue
1. Charter Steel	61,921	\$ 175,423	1.04%
2. Prefinished Metals	49,231	134,683	0.80%
3. First Solar	45,705	132,153	0.78%
4. Chrysler	32,131	93,074	0.55%
5. MSB Dairy*	30,259	212,003	1.26%
6. Norplas	29,585	81,188	0.48%
7. Friendly Village I & II MHP	26,897	83,003	0.49%
8. Jones Hamilton	25,692	71,373	0.42%
9. Tracy Creek Apartments	17,403	53,364	0.32%
10. Apio-Greenline*	16,230	115,434	0.69%
Total	<u>335,054</u>	<u>\$ 1,151,698</u>	<u>6.83%</u>

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

<u>Customer</u>	2008		
	Total Billed Consumption (000's/Gal.)	Billed Charges	Percentage of Total System Revenue
1. Chrysler	71,709	\$ 64,557	1.83%
2. Charter Steel	67,942	61,762	1.75%
3. Prefinished Metals	47,639	38,627	1.09%
4. First Solar	44,613	36,566	1.04%
5. Friendly Village I and II MHP	30,019	30,307	0.86%
6. Cintas	15,281	13,200	0.37%
7. Perry Lake Village	14,627	9,274	0.26%
8. Hunt Wesson	13,997	11,584	0.33%
9. Walnut Hills Mobile Home Park	13,856	11,790	0.33%
10. Eastpointe On The Mall	13,157	41,416	1.17%
Total	<u>332,840</u>	<u>\$ 319,083</u>	<u>9.03%</u>



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

Debt By Type In Thousands	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue Bond Issues										
\$4,235 Series 2002 (1)	\$ 1,875	\$ 1,695	\$ 1,515	\$ 1,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$2,165 Series 2004B	1,892	1,804	1,712	1,590	1,517	1,415	1,290	-	-	-
\$1,200 Series 2005A	1,124	1,071	1,018	920	911	858	770	715	660	-
\$6,910 Series 2008	6,910	6,680	6,440	6,195	5,940	5,675	5,400	5,115	4,820	-
\$3,550 Series 2009 BAN	-	3,562	-	-	-	-	-	-	-	-
\$2,350 Series 2010	-	-	2,350	2,280	2,210	2,135	2,055	1,970	1,880	1,790
\$3,870 Series 2012 (2)	-	-	-	-	3,618	3,368	3,093	2,850	2,613	2,390
\$1,300 Series 2015 (4)	-	-	-	-	-	-	-	1,180	1,060	935
\$5,795 Series 2017 (5)	-	-	-	-	-	-	-	-	-	5,115
Total Revenue Bonds	11,801	14,812	13,035	12,320	14,196	13,451	12,608	11,830	11,033	10,230
Special Assessment Issues										
\$277 Series 1996	111	97	83	69	55	42	28	14	-	-
\$360 Series 1998	175	160	140	125	110	95	80	60	40	20
\$500 Series 1999	340	315	290	265	240	210	180	150	115	80
\$175 Series 2000	110	100	90	80	75	65	55	45	40	30
\$1,195 Series 2002	975	925	870	815	-	-	-	-	-	-
\$1,245 Series 2003	1,035	985	935	880	60	-	-	-	-	-
\$2,000 Series 2004A	1,715	1,635	1,555	1,470	1,380	1,290	1,195	-	-	-
\$1,010 Series 2006	955	920	880	840	800	760	715	670	620	-
\$2,205 Series 2008	2,265	2,211	2,133	2,000	1,961	1,878	1,750	1,660	1,565	-
\$6,580 Series 2009 BAN	-	6,604	-	-	-	-	-	-	-	-
\$2,350 Series 2010	-	-	2,350	2,280	2,205	2,125	2,045	1,960	1,875	1,785
\$2,880 Series 2012 (3)	-	-	-	-	2,795	2,615	2,302	2,039	1,824	1,568
\$1,240 Series 2015 (4)	-	-	-	-	-	-	-	1,120	1,005	890
\$2,350 Series 2017 (5)	-	-	-	-	-	-	-	-	-	2,145
Total SA Bonds	7,681	13,952	9,326	8,824	9,681	9,080	8,350	7,718	7,084	6,518
U.S. Dept. of Agriculture Ohio Water Development Authority	5,151	7,399	7,219	8,360	11,110	13,497	13,219	12,933	13,794	13,959
Ohio Public Works Commission	11,287	9,004	10,805	14,296	15,024	22,495	30,370	30,746	41,429	49,348
Other	738	665	611	536	522	596	520	439	368	309
Unamortized Discount	328	325	1,793	905	3,928	993	801	603	421	276
Unamortized Premium	-	-	-	-	-	-	(26)	(8)	(8)	-
	-	-	-	-	-	-	202	194	150	80
Total All Debt	\$ 36,986	\$ 46,157	\$ 42,789	\$ 45,241	\$ 54,461	\$ 60,112	\$ 66,044	\$ 64,455	\$ 74,271	\$ 80,720
Number of Customer Accounts	23,512	24,614	25,219	30,319	30,545	31,500	31,988	32,284	34,067	34,561
Outstanding Debt Per Customer Account	\$ 1,568	\$ 1,869	\$ 1,696	\$ 1,492	\$ 1,776	\$ 1,908	\$ 2,059	\$ 1,990	\$ 2,175	\$ 2,333

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

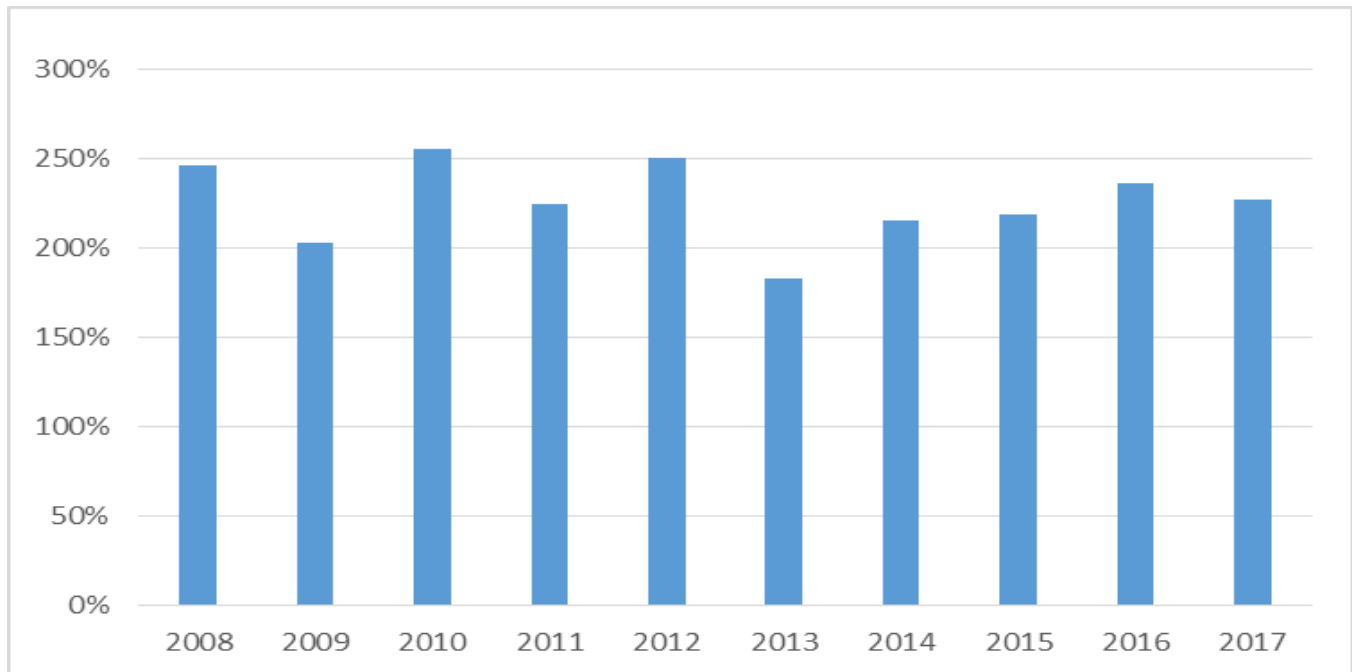
Source: District accounting records.



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

Year Ended December 31,	Revenue (1)	Operating Expense (2)	Net Revenue Available for Debt Service	Debt Service Requirement	Coverage Factor (3)
2017	\$ 28,076,853	\$ 17,144,669	10,932,184	\$ 5,237,679	209%
2016	25,565,983	15,027,316	10,538,667	4,455,269	237%
2015	22,528,320	13,143,942	9,384,378	4,291,772	219%
2014	21,183,645	12,907,745	8,275,900	3,831,897	216%
2013	18,050,283	12,023,976	6,026,307	3,292,569	183%
2012	17,242,424	10,316,519	6,925,905	2,759,213	251%
2011	15,056,461	8,864,395	6,192,066	2,752,617	225%
2010	11,158,034	6,210,143	4,947,891	1,937,845	255%
2009	10,220,215	6,229,849	3,990,366	1,962,352	203%
2008	10,225,557	6,593,570	3,631,987	1,471,370	247%

- (1) Includes water and sewer revenues. Also includes System Development Fees.
- (2) Excludes depreciation expense.
- (3) Revenue bonds require 115% coverage and Board Policy requires 150% coverage.



Source: District accounting records.



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

<u>Year Ended December 31,</u>	<u>Special Assessments Collections</u>	<u>Debt Service Requirement</u>	<u>Coverage Factor (3)</u>
2017	\$ 1,965,378	\$ 1,302,274	151%
2016	1,775,195	1,597,364	111%
2015	1,877,187	1,771,411	106%
2014	2,153,096 (b)	1,636,431	132%
2013	1,666,587	1,644,335	101%
2012	1,923,976	1,701,693	113%
2011	2,019,018	1,587,977	127%
2010	1,467,115 (a)	1,817,892	81%
2009	1,147,785 (a)	1,449,492	79%
2008	1,370,124	1,351,612	101%

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

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



**NORTHWESTERN WATER & SEWER DISTRICT
SEWER DEBT BY TOTAL DEBT SERVICE
YEAR ENDED DECEMBER 31, 2017**

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		
2018	\$ 1,897,926	\$ 13,583	\$ 1,095,636	\$ 342,719	\$ 25,285	\$ 709,251	\$ 4,084,400	93.07%
2019	1,898,878	13,583	973,158	342,719	25,284	486,362	3,739,984	86.72%
2020	1,898,489	13,583	968,072	342,719	-	456,794	3,679,657	80.48%
2021	1,666,942	13,583	1,156,995	305,424	-	444,441	3,587,386	74.39%
2022	1,666,942	13,583	943,370	268,093	-	445,278	3,337,266	68.73%
2023	1,657,143	13,583	939,924	268,092	-	349,424	3,228,166	63.25%
2024	1,624,624	13,583	940,184	268,093	-	298,328	3,144,811	57.91%
2025	1,611,668	9,441	813,437	268,093	-	182,808	2,885,447	53.02%
2026	1,580,404	9,441	762,323	268,093	-	180,883	2,801,144	48.26%
2027-31	7,812,239	41,581	2,935,418	1,340,463	-	809,522	12,939,223	26.31%
2032-36	6,312,465	21,869	1,563,228	988,607	-	629,407	9,515,576	10.16%
2037-41	1,163,767	-	1,342,507	-	-	629,117	3,135,391	4.84%
2042-46	408,810	-	756,482	-	-	629,126	1,794,418	1.80%
2047-51	-	-	502,667	-	-	377,368	880,035	0.30%
2052-56	-	-	177,968	-	-	-	177,968	0.00%
Totals	\$ 31,200,298	\$ 177,414	\$ 15,871,369	\$ 5,003,113	\$ 50,569	\$ 6,628,109	\$ 58,930,871	

OWDA - Ohio Water Development Authority

OPWC - Ohio Public Works Commission



**NORTHWESTERN WATER & SEWER DISTRICT
WATER DEBT BY TOTAL DEBT SERVICE
YEAR ENDED DECEMBER 31, 2017**

Year Ended December 31,	Revenue Debt			Special Assessment Debt		Totals	Percent of Debt Service Remaining
	OWDA	OPWC	Bonds and Notes	OWDA	Bonds and Notes		
2018	\$ 1,480,380	\$ 10,621	\$ 1,016,851	\$ 64,851	\$ 609,495	\$ 3,182,198	92.83%
2019	1,529,534	10,621	860,798	64,851	583,986	3,049,790	85.97%
2020	1,504,077	10,621	852,462	64,851	568,077	3,000,089	79.21%
2021	1,343,146	10,621	846,943	32,407	572,555	2,805,672	72.89%
2022	1,316,274	10,621	790,052	-	567,733	2,684,680	66.85%
2023	1,315,983	10,621	745,289	-	522,726	2,594,619	61.01%
2024	1,224,232	10,621	789,743	-	506,460	2,531,057	55.31%
2025	1,194,953	5,768	770,994	-	391,043	2,362,759	49.99%
2026	1,191,616	915	733,614	-	355,371	2,281,517	44.85%
2027-31	5,935,396	-	2,994,502	-	790,933	9,720,831	22.96%
2032-36	4,353,402	-	1,137,398	-	-	5,490,800	10.60%
2037-41	1,678,608	-	996,427	-	-	2,675,034	4.58%
2042-46	665,008	-	561,002	-	-	1,226,010	1.82%
2047-51	-	-	452,220	-	-	452,220	0.80%
2052-56	-	-	354,021	-	-	354,021	0.00%
Totals	\$ 24,732,609	\$ 81,033	\$ 13,902,316	\$ 226,960	\$ 5,468,379	\$ 44,411,297	

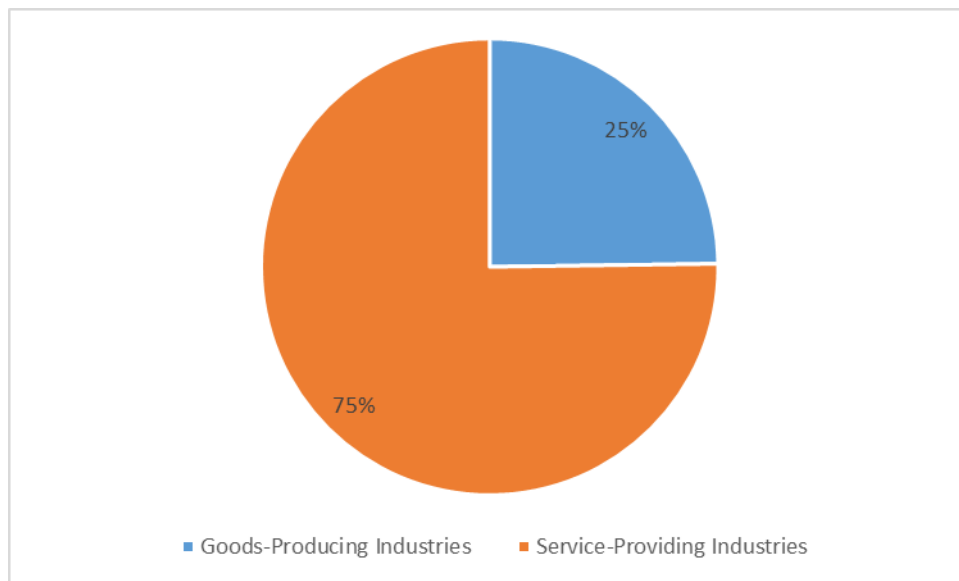
OWDA - Ohio Water Development Authority

OPWC - Ohio Public Works Commission



**NONAGRICULTURAL EMPLOYMENT
TOLEDO PRIMARY METROPOLITAN STATISTICAL AREA
(INCLUDES WOOD COUNTY)
YEAR ENDED DECEMBER 31, 2017**

	<u>Employment</u>
Goods-Producing Industries	55,900
Natural Resources, Mining, and Construction	13,600
Manufacturing	42,300
Durable Goods	31,300
Transportation Equipment	12,700
Service-Providing Industries	212,100
Trade, Transportation, and Utilities	61,000
Information	2,900
Financial Activities	10,800
Professional and Business Services	38,400
Educational and Health Services	52,200
Leisure and Hospitality	34,500
Other Services	12,300
Government	48,500





TEN LARGEST EMPLOYERS IN WOOD COUNTY CURRENT YEAR AND NINE YEARS AGO

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Bowling Green State University	3,300	1	4.86%	5,361	1	8.26%
Magna International	2,200	2	3.24%	613	10	0.94%
Owens Community College	1,033	3	1.52%	1,665	2	2.57%
Wood County	817	4	1.20%	1,221	3	1.88%
Chrysler	800	5	1.18%	925	4	1.43%
Fed Ex Ground	800	6	1.18%	-		-
Owens-Illinois, Inc.	750	7	1.10%	-		-
Home Depot	700	8	1.03%	-		-
First Solar	700	9	1.03%	768	6	1.18%
Walgreens	650	10	0.96%	760	7	1.17%
Cooper Standard Automotive	-		-	716	8	1.10%
Rudolph-Libbe Companies	-		-	750	5	1.16%
Wood County Hospital	-		-	705	9	1.09%
Totals	11,750		17.30%	13,484		20.78%
 Total Employment within Wood County	 67,900			 64,900		



**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>
2017	130,219	\$ 5,733,453,000	\$ 44,029	4.30 %
2016	129,730	5,536,741,000	42,679	4.20 %
2015	129,590	5,311,375,740	40,986	4.10 %
2014	129,264	5,033,023,104	38,936	4.20 %
2013	128,200	4,940,000,000	38,534	6.30 %
2012	128,200	4,947,622,600	38,593	6.10 %
2011	125,500	4,430,150,000	35,300	7.10 %
2010	125,488	4,434,871,408	35,341	9.10 %
2009	125,380	3,985,816,000	31,790	11.10 %
2008	124,990	4,347,543,000	34,783	8.40 %

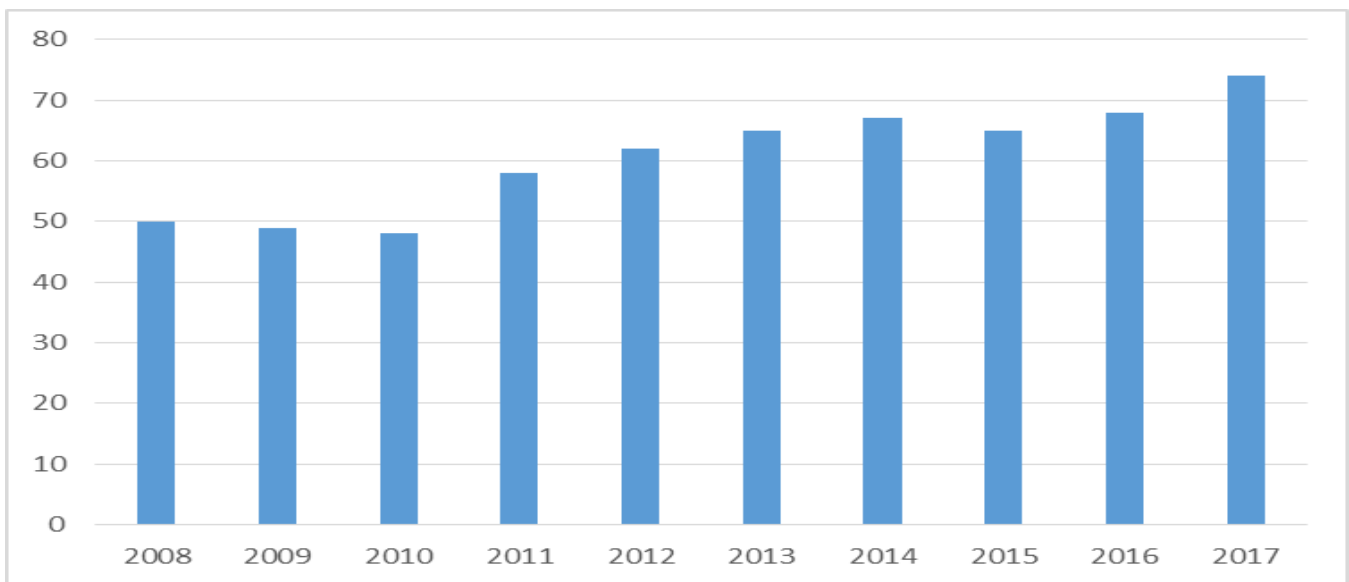
Source: U.S. Census Bureau.
Ohio Department of Job and Family Services.
Bureau of Economic Analysis.



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

DEPARTMENT	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administration	2	2	2	2	3	3	2	2	2	3
Finance	3	3	3	3	3	3	5	5	5	5
Customer Service (1)	6	5	5	11	12	12	13	12	10	12
Engineering	9	10	10	12	10	12	11	11	14	15
GIS/IT (2)					3	3	3	3	3	3
Operations	30	29	28	30	31	32	33	32	34	36
Total	50	49	48	58	62	65	67	65	68	74

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





**NORTHWESTERN WATER & SEWER DISTRICT
DEMOGRAPHIC STATISTICS
DECEMBER 31, 2017**

WATER SYSTEM

Miles of Potable Water Lines	460
Total Water Customers	16,240
Number of Fire Hydrants	3,838
Water Towers	8
Number of WaterShed and Bulk Water Stations	16

SEWER SYSTEM

Miles of Sewer Lines	355
Total Sewer Customers	18,321
Number of Pump Stations	77
Number of Treatment Plants	13
Number of Manholes	5,636

GENERAL INFORMATION

Population Served (Estimated)	44,025
Number of Employees	74

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



Dave Yost • Auditor of State

**NORTHWESTERN WATER AND SEWER DISTRICT
WOOD COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST, 21 2018**