

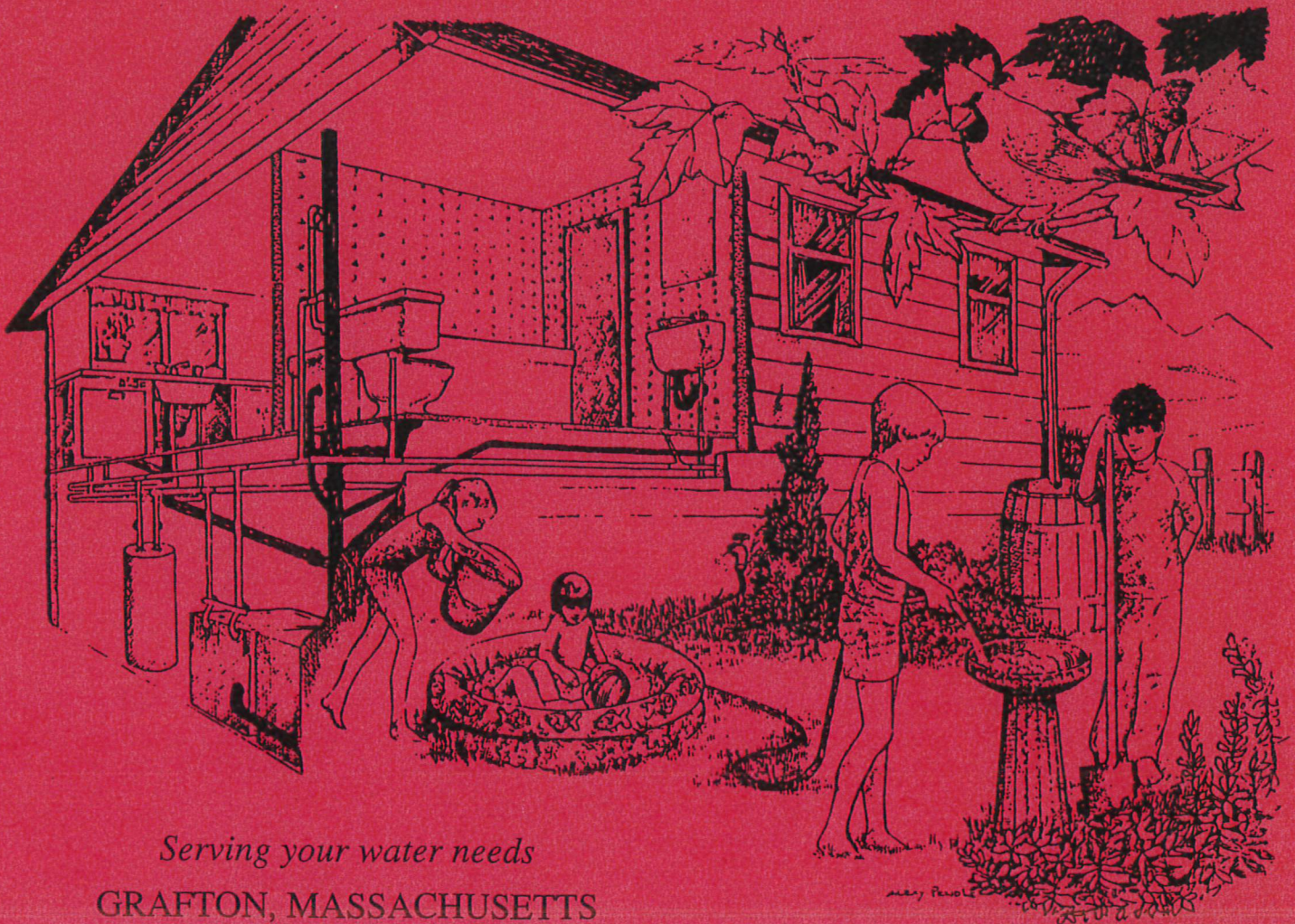
---

---

ANNUAL REPORTS  
of the  
OFFICERS  
Grafton Water District  
for 2021

---

---



*Serving your water needs*  
GRAFTON, MASSACHUSETTS

**REPORTS OF THE OFFICIALS OF THE  
GRAFTON WATER DISTRICT-FOR THE YEAR 2021**

**DISTRICT ELECTED OFFICIALS**

**BOARD OF WATER COMMISSIONERS**

Kenneth Grew.....Term Expires 2023  
Robert Frederico.....Term Expires 2024  
Michael Corda.....Term Expires 2022

**MODERATOR**

Dan Concaugh.....Term Expires 2023

**CLERK**

Rebecca Corda.....Term Expires 2023

**EMPLOYEES**

**BUSINESS MANAGER**.....Matthew E. Pearson

**OFFICE MANAGER**.....Sharon Carroll-Tidman

**OFFICE ASSISTANT**.....Pamela Rybak

**OPERATIONS SUPERINTENDENT**.....Dave Erickson

**UTILITY OPERATOR**.....Ron Festa

**UTILITY OPERATOR**.....Andrew DeVries

**UTILITY OPERATOR**.....William Cournoyer

**YEARLY APPOINTMENTS**

**TREASURER**.....Wendy Graves

**COUNSEL**.....Mary Bassett

# **Grafton Water District**

## **Annual Meeting**

**April 27, 2021**

**Moderator Dan Concaugh called the meeting to order, at 5:30pm.**

### **Article 1**

A motion was made by Commissioner Michael Corda and seconded by Commissioner Robert Frederico, to see if the District will accept the Annual Report of the District Commissioners or take any action relative thereto. The moderator called for discussion. There was none. The moderator called for a vote, and the article passed unanimously.

### **Article 2**

A motion was made by Commissioner Michael Corda and seconded by Commissioner Robert Frederico to see if the District will accept the Annual Report of the District Treasurer or take any action relative thereto. The moderator called for discussion. There was none. The moderator called for a vote, and the article passed unanimously.

### **Article 3**

A motion was made by Commissioner Robert Frederico and seconded by Commissioner Ken Grew to see if the District will vote to appropriate from the income of the District and accept the sum of two million, two hundred and thirty eight thousand, fifty dollars and no cents (2,238,050.00) as the Fiscal 2022 budget as printed in the Annual Report or take any action relative thereto. The moderator called for discussion. There was none. The moderator called for a vote, and the article passed unanimously.

### **Article 4**

A motion was made by Commissioner Robert Frederico and seconded by Commissioner Ken Grew, to see if the District will vote to raise and appropriate, borrow or transfer from available sums in the treasury the sum of two hundred and fifty thousand dollars (\$250,000.00) for the design and permitting of the Pigeon Hill steel storage tank and underground booster station replacement or take any action relative thereto. The moderator called for discussion. There was none. The moderator called for a vote, and the article passed unanimously.

## **Article 5**

A motion was made by Commissioner Ken Grew and seconded by Commissioner Michael Corda to see if the District will vote to appropriate from the income of the District fifteen thousand dollars (\$15,000) to hire an outside vendor to perform a leak detection survey of the entire water distribution system or take any action relative thereto. The moderator called for discussion. There was none. The moderator called for a vote, and the article passed unanimously.

## **Article 6**

A motion was made by Commissioner Ken Grew and seconded by Commissioner Michael Corda to see if the District will vote to appropriate from the income of the District an additional seventy thousand dollars (\$70,000.00) as part of the replacement and transfer of water services as part of the Route 140 water main replacement program from the old 10-inch cast iron water main to the 16-inch ductile iron water main or take any action relative thereto. The moderator called for a discussion. There was none. The moderator called for a vote and the article passed unanimously.

## **Article 7**

A motion was made by Commissioner Michael Corda and seconded by Commissioner Ken Grew to see if the District will appropriate from the income of the District the sum of twenty-five thousand dollars (\$25,000.00) for the replacement of backwash filter valves at the East Street treatment plant. The moderator called for a discussion. There was none. The moderator called for a vote and the article passed unanimously.

## **Article 8**

A motion was made by Commissioner Robert Frederico and seconded by Commissioner Michael Corda to see if the District will vote to authorize the Treasurer, with the approval of the Board of Water Commissioners, to borrow in anticipation of revenue under MGL Chapter 44, Section 4. The moderator called for a discussion. There was none. The moderator called for a vote and the article passed unanimously.

## **Article 9**

A motion was made by Commissioner Ken Grew and seconded by Commissioner Robert Frederico to see if the District will vote to authorize the Board of Water Commissioners to make pre-payments against existing loans or take any action relative thereto. The moderator called for a discussion. There was none. The moderator called for a vote and the article passed unanimously.

A motion was made by Commissioner Robert Frederico and seconded by Commissioner Michael Corda to adjourn the meeting. The meeting was adjourned at 5:36pm.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Rebecca Corda". The signature is written in black ink and is positioned above the printed name.

Rebecca A. Corda

Clerk

Grafton Water District

**Grafton Water District  
Annual Budget**

	2020-2021 Budget	2021-2022 Proposal	Change
<b>Maintenance &amp; Operation</b>			
Salaries	\$ 565,900	\$ 581,900	2.8%
Benefits	280,900	\$ 296,900	5.7%
Maintenance	246,500	\$ 331,500	34.5%
Utilities	130,000	\$ 130,000	0.0%
Chemicals	76,000	\$ 82,000	7.9%
Engineering Services	30,000	\$ 30,000	0.0%
Miscellaneous	2,750	\$ 2,750	0.0%
<b>Sub Total</b>	<b>\$ 1,332,050</b>	<b>\$ 1,455,050</b>	<b>9.2%</b>
<b>Administrative Expenses</b>			
Office & Supplies	\$ 41,500	\$ 41,500	0.0%
Insurance	20,000	\$ 22,000	10.0%
Accounting	8,000	\$ 9,500	18.8%
Legal	5,000	\$ 4,000	-20.0%
Officers Fee	3,500	\$ 3,500	0.0%
Moderator's Fee	300	\$ 300	0.0%
Treasurer's Fee	11,000	\$ 11,000	0.0%
<b>Sub-Total</b>	<b>\$ 89,300</b>	<b>\$ 91,800</b>	<b>2.8%</b>
<b>Debt Service</b>	<b>\$ 362,200</b>	<b>\$ 366,200</b>	<b>1.09%</b>
<b>Capital</b>			
Gen. System Improvements	\$ 325,000	\$ 325,000	0.0%
Vehicle	\$ -	\$ -	0.0%
Meters	50,000	0	-100.0%
<b>Sub-Total</b>	<b>\$ 375,000</b>	<b>\$ 325,000</b>	<b>-13.3%</b>
<b>Total Expenditures</b>	<b>\$ 2,158,550</b>	<b>\$ 2,238,050</b>	<b>3.7%</b>
<b>Total Revenue(Anticipated)</b>	<b>\$ 2,570,000</b>	<b>\$ 2,810,000</b>	<b>9.3%</b>

April 27, 2021

To Whom It May Concern:

On April 27, 2021 the Grafton Water District held its annual election for officers in the following categories: one Commissioner.

The results are as follows:

**Commissioner:**

Robert Frederico, 8 votes

There were a total of 8 ballots cast with 8 being valid for Robert Frederico.

Rebecca Corda

Clerk

Grafton Water District

# Board of Water Commissioners

## 2021 Annual Report

The Board elected Mike Corda, Chairman of the Board. Appointed were Wendy Graves as Treasurer and Mary Bassett as District Counsel.

1. The Board took steps to facilitate a transition plan as Manager Matthew Pearson, gets closer to retirement. The Board voted in December to renew Mr. Pearson's contract as Business Manger, a new title. They also came to an agreement with David Erickson to retain his position as Water Superintendent for the operations of the water system. New job descriptions were create for three positions, Business manager, Office manager and Water Superintendent. These three roles will define the direction of the District and its continued success in supplying affordable water to the District community.
2. The Board reviewed and updated both the District Rules and Regulations and the Personnel Rules and Regulations, With the new transition plan changes to both of these documents were required to define the new positions and roles of management.
3. The Board reviewed and updated the District fees and fee table. It has been many years since the fees were reviewed and updated. These new fess are on the District website.
4. The Board has been very concerned with the EPA's and State's testing requirements for PFAS chemicals. These chemicals are being tested in the "parts per trillion" and if found over he maximum contaminant levels will require very expensive treatment. Treatment could cost between 4-8 million dollars per well. At the present time testing has shown our wells to be below the levels required for treatment.
5. The Board has reviewed the Solar Credits that have accrued since the solar farm on Follette street was installed ten years ago. At present the District has a surplus credit of over \$190,000, The Board decided not to sell those credits at this time, but to hold onto them for future electrical consumption demands.
6. The Board acquired the services of Scanlon & Associates to perform a financial audit of the District finances and procedures. This audit is completed annually consistent with sound financial practice and in conformance with State and Federal requirements.
7. The Board is pleased to announce that the replacement of the Worcester Street pumping station building and infrastructure is complete and was finished within budget. The budgeted project cost was \$2,500,000
8. The Board has funded an additional \$50,000 into the "Other Post Employee Benefits" trust fund. The OPEB Trust committee continues to manage the "Trust Fund" and has realized a positive return on the investment. At the present time the District has funded 90% of the fund.
9. The Board wishes to thank the staff of the Water District for operating the water system and maintaining it in great condition and continuing to provide safe dependable water to our customers.

Michael Corda, Commissioner  
Ken Grew, Commissioner  
Robert Frederico, Commissioner



# MANAGERS REPORT

## 2021

This will be my last report as District Manager. After 32 years the Board of Water Commissioners have restructured the management of the District. I have accepted a new role as Business Manager until December 2025 at which time I will be retiring. Dave Erickson has been appointed Operation Supervisor and Sharon Carroll-Tidman will continue her role as Office Manager. The restructuring of the management will allow for a smooth transition between the financial and operation roles of the District which used to be under the sole direction of the District Manager. Changes to the Rules and Regulations and Personnel Rules and Regulations were completed by the Board as a result of this change.

The Grafton Water District (District) now has service connections. These include residential, commercial and industrial. This figure does not include fire services.

The District pumped a total of 416,140,000 gallons of water during the year 2021. A difference between years usually correlates to the type of weather we have during the summer and fall months, system leaks and water main breaks. During a dry year, the amount of water pumped is usually more and during a wet year it is usually less.

The District operations and office staff took extra precautions throughout this year due to the Covid-19 pandemic. None of our employees or operations were halted due to the virus.

The following items address some of the projects that were worked on during the 2021 calendar year.

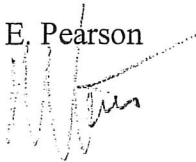
1. The District submitted its Consumer Confidence Report to the District customers. The report is now available online at [www.graftonwaterdistrict.org](http://www.graftonwaterdistrict.org). This report highlights the District and its water quality status. The District is pleased to report that the water in which the District supplies you meets or exceeds all of the required testing parameters required by State and Federal government.
2. There was 500 feet of 8-inch ductile iron pipe installed on Abby Way by private developers at a cost \$125,000.00 or \$250.00 per foot. There was no pipe installed by the District.
3. All testing for PFAS contaminants has come back below the State action limit of 20 parts per trillion. The District at this time will not be required to install very expensive treatment. The State and the EPA are looking at placing further restrictions by lowering the maximum contaminant level. This will put a huge financial burden on our system.
4. The Worcester Street pump station building replacement was completed. Winston Builders of Westborough, MA was awarded the construction contract for \$1,695,518.00. The project

entailed the demolition of the old building, construction of a new building and treatment facility and the replacement of the vertical turbine pump with a submersible pump

5. The District is investigating the replacement of the 600,000-gallon steel tank water storage tank on Pigeon Hill and the replacement of the underground booster station that feeds the top elevation of Pigeon Hill. After reviewing finance options and a complete inspection of the Pigeon Hill tank we will be pursuing a repainting of the outside and inside of the tank. This should get another 10-15 years out of the tank, before a replacement should be considered.
6. Regular maintenance of the District facilities was done throughout the year.
7. Employees of the District continue to take courses that keep them abreast of changes in the industry. Each employee is mandated by the State to attend a certain number of training class hours. This participation is required to keep their licenses valid and to be able to continue employment at the District. All of the District water operators carry the required State licenses. Recently adopted by the State Legislation, was the requirement that municipalities meet the requirements of OSHA. The District has always been proactive in assuring that its employees are trained and operate in a safe manner. Our workmen's compensation rates and our on-the-job injuries are very low. The District staff will be participating in new and additional training to meet any new requirements of this new law.
8. Hydrants in the system were flushed and checked for proper operation. Also, hydrants were greased, painted and maintained as needed throughout the year.
9. Leak detection of the entire water system was done in the fall of 2021. All leaks found were repaired. Leak detection is an annual task which is important to maintain water losses through leaks in the pipes.
10. All water testing sampled throughout the year has met the requirements of the Environmental Protection agency and the Massachusetts Department of Environmental. Our Consumer Confidence Report highlights the testing.

I would like to take this opportunity to thank the Commissioners and employees of the District for their assistance throughout the year. It is with their continued commitment to the District, the community and to their job that I can concentrate my efforts on the business management side of the District's operation.

Matthew E. Pearson  
Manager



**2021 WATER PRODUCTION (GALLONS)**

	<b>2020</b>	<b>2021</b>
Total Used	436,917,000	416,140,000
Largest Day	2,151,000	1,874,000
Average Day	1,123,000	1,140,000

**MAIN EXTENSIONS**

Abby Way	8"	500
Elm Street	8"	200

**WATER MAIN REPAIRS**

Bernard road	6'	Nelson Place	6"
Bruce Street	8"	Providence Road	8"
Frankie Lane	8"	Bedford Drive	10"
Worcester Street	8"	Meadow lane	8"

**WATER SERVICE REPAIRS**

Midgely Circle	1"	Overlook Street	¾"
Woodside Drive	¾"	Sunrise Avenue	¾"
Jordan Terrace	¾"	Stonegate Circle	2"
Hitchings Road	1"	Donahue Lane	¾"
Mason Drive	¾"	Countryside Road	¾"

**SYSTEM MAINTENANCE**

New Meters –	47	New Hydrants -	1
Replacement Meters –	174	Total Services -	4431

**YEAR 2017-2021 COMPARISON**

Year	# of Services	Gallons Pumped	Employees	Payroll
2021	4431	416,140,000	6.5	\$551,938.00
2020	4439	436,917,000	6.5	\$521,900.00
2019	4392	453,150,000	6.5	\$497,741.00
2018	4370	483,818,000	5.5	\$429,630.00
2017	4313	507,655,000	5.5	\$446,000.00

Year	Income	Expenses	Debt Payments	Debt Balance
2021	3497642	\$2,323,493.00	\$366,200.00	\$1,905,000.00
2020	\$2,820,768.00	\$2,556,802.00	\$362,200.00	\$2,542,200.00
2019	\$2,597,111.00	\$2,138,441.00	\$362,800.00	\$2,905,000.00
2018	\$2,655,694.00	\$1,982,096.00	\$453,725.00	\$2,950,677.00
2017	\$2,845,048.00	\$2,526,924.00	\$470,949.00	\$4,529,430.00

Year	Extra Payments	Connection Improvements	Capital Improvements	Contributed Capital
2021	0	\$182,250.00	\$2,965,632.00	\$248,640.00
2020	0	\$187,300.00	\$888,677.00	\$20,000.00
2019	0	\$133,000.00	\$755,216.00	\$242,000.00
2018	\$1,159,000.00	\$146,500.00	\$1,739,501.00	\$220,800.00
2017	0	\$245,500.00	\$616,076.00	\$126,000.00

\* fire services removed from total services

**GRAFTON WATER DISTRICT  
TREASURER'S REPORT  
YEAR ENDING JUNE 30, 2021**

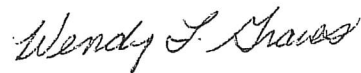
I am pleased to report that the Grafton Water District continues to operate on a sound financial basis. Operations were cost effectively managed to meet the short and long-range needs of the Grafton Community.

The accompanying financial reports provide additional information about the District's financial status.

The balance of this report consists of:

1. Independent Auditors Opinion
2. Audited Financial Statements
3. Notes to Financial Statements
4. List of Payments in Excess of \$4,000

Respectfully submitted,



Wendy Graves  
Treasurer

Vendors Payments

>= \$4,000

7/1/2020 to 6/30/2021

Vendor	Amount	Vendor	Amount
A/D Instrument	\$ 6,204.13	Luminace by Brookfield	\$ 147,610.56
Altus Dental	\$ 5,348.75	Matthew E. Pearson	\$ 5,295.81
Bau Hopkins	\$ 4,030.00	Michael Rybak	\$ 5,200.00
Bigelow Electrical Co., Inc.	\$ 4,240.98	MIIA-PropertyCasual	\$ 31,328.00
Borden & Remington	\$ 21,836.59	MWWA	\$ 5,888.00
CUSI	\$ 4,180.00	Nashoba Analytical, LLC	\$ 11,850.00
Denis L. Maher Co.	\$ 43,481.00	National Grid	\$ 42,993.44
DEP	\$ 4,596.27	NEWWA	\$ 9,640.00
EarthWorks	\$ 110,866.50	Oliveira Construction Inc.	\$ 33,857.56
Eastern Bank	\$ 8,030.46	OPEB Contributions	\$ 50,000.00
EIS	\$ 14,020.00	P. J. Albert, Inc.	\$ 97,025.35
Eurofins	\$ 5,500.00	R H White	\$ 20,540.41
F.W. Webb Company	\$ 4,920.51	Savers Bank	\$ 29,076.72
Fallon Health	\$ 50,739.81	Scanlon & Associates	\$ 8,000.00
Flowrite	\$ 20,794.00	Sharon Carroll-Tidman	\$ 5,079.84
Geosphere, Inc.	\$ 13,576.00	Stiles Company	\$ 35,791.67
Grafton Police Department	\$ 6,968.75	SunLife	\$ 8,505.31
GRAZ Engineering, LLC	\$ 6,090.00	Tata & Howard, Inc,	\$ 10,102.55
Gulf	\$ 12,293.14	Tighe&Bond	\$ 99,706.50
H.R. Prescott & Sons Inc	\$ 6,838.35	Tuck's Trucks	\$ 5,279.03
HACH Co.	\$ 6,509.88	TuftsHealthPlan	\$ 51,824.01
Huhtala Oil & Propane	\$ 4,438.12	U.S. Postal Service	\$ 12,975.00
Hydra Tech, Inc	\$ 20,066.00	UNIVAR	\$ 23,022.53
JMR Water Services	\$ 9,720.00	USBankNA	\$ 356,700.00
Jones Chemicals, Inc.	\$ 16,335.80	Utility Service Co., Inc.	\$ 36,789.00
Kearsarge Energy	\$ 56,946.78	Wendy Graves	\$ 10,992.00
Koopman	\$ 9,893.45	Winston Builders	\$ 1,367,047.93
Lipinski & Sons	\$ 4,340.10		



McWALTER |  
BOISVERT LAW, LLP

Laurence S. Boisvert, Esq.  
Erin R. Boisvert, Esq.  
Of Counsel:  
Mary E. Bassett, Esq.

March 9, 2022

Board of Water Commissioners  
Grafton Water District  
44 Millbury Street  
Grafton, MA 01519

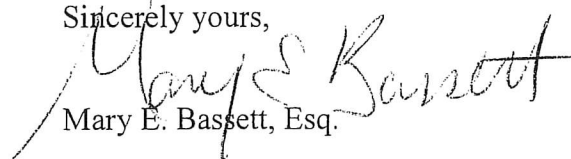
**RE: Legal Services**

Dear Members of the Board:

Once again, I have been honored to serve as District Counsel to the Grafton Water District this past year. Although I have consulted with you and the District Manager on several legal matters, I am pleased to report to you that, to my knowledge, there are no pending or threatened legal actions.

Thank-you for the opportunity to serve you and I remain ready to act in accordance with your direction as District Counsel.

Sincerely yours,



Mary E. Bassett, Esq.

537 Massachusetts Avenue, Suite 301 • Acton, MA 01720  
Tel 978-263-8400 • Fax 978-429-8693

eboisvert@mcwalterlaw.com • lboisvert@mcwalterlaw.com • mary@marybassettlaw.com • MBLawActon.com

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Report on the Examination of Basic Financial Statements**  
**Fiscal Year Ended June 30, 2021**



**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Report on the Examination of Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>TABLE OF CONTENTS</b> .....	2
<b>INDEPENDENT AUDITOR’S REPORT ON:</b>	
Basic Financial Statements.....	3-4
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b> .....	5-9
<b>BASIC FINANCIAL STATEMENTS</b> .....	10
Statement of Net Position .....	11
Statement of Revenues, Expenditures and Changes in Net Position .....	12
Statement of Cash Flows .....	13
Statement of Fiduciary Net Position – Fiduciary Funds.....	14
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	15
Notes to the Financial Statements .....	16-27
<b>REQUIRED SUPPLEMENTARY INFORMATION</b> .....	28
Statement of Revenues and Expenditures – Budgetary Basis – (NON-GAAP) – Budget and Actual – General Fund.....	29
Notes to Schedule of Revenues and Expenditures – Budget and Actual.....	30
Other Post Employment Benefit Plan Schedules .....	31-33
<b>SUPPLEMENTARY SCHEDULE</b> .....	34
Schedule of Accounts Receivable .....	35



SCANLON & ASSOCIATES, LLC, 8 Tina Drive, S. Deerfield, MA 01373  
413.665.4001 (t) 413.665.0593 (f) www.scanlonhaynes.com

## Independent Auditor's Report

To the Commissioners  
Grafton Water District  
Grafton, Massachusetts

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Grafton Water District in Grafton, Massachusetts, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Grafton, Massachusetts Water 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. 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 respective financial position of the business-type activities and the aggregate remaining fund information of the Grafton Water District, Massachusetts, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the other post employment benefit plan schedules as listed on 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 Grafton, Massachusetts Water District's basic financial statements. The Supplementary Schedule, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The Supplementary Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## *Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

September 29, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of the Grafton, Massachusetts Water District (the Water District), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. The District's performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Financial Highlights

- The Water District's assets exceeded its liabilities by \$20,486,168 (net position) at the close of the 2021 fiscal year. This compares to the previous year when assets exceeded its liabilities by \$19,145,868 or an increase of \$1,340,300 (7%).
- Total liabilities of the Water District decreased during the year by \$185,717 to \$2,484,813. This net change resulted mainly from an increase in accounts payable of \$213,662 and decreases in the OPEB liability of \$123,462 and in the long-term bonds payable of \$275,000 from the previous year.
- At June 30, 2021, the Water District's total current assets in the amount of \$1,995,226 exceeded its total current liabilities of \$722,942 by \$1,272,284. The relative value of the difference in those two amounts provides a good indication of the Water District's financial strength over the short-term.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Water District's basic financial statements. The Water District operates as a utility enterprise and presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting. In layman's terms, this presentation means that financial information is reported using accounting methods similar to those followed by private sector companies. The statements offer both short-term and long-term financial information about the activities of the Water District.

### Required Financial Statements for Business-Type Activities

In reporting on the operations of its enterprise funds, the Water District's basic financial statements include a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Net Position; a Statement of Cash Flows, a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The financial statements also include notes that are considered essential to a full understanding of the data that is being presented on the face of the statements. The primary purpose of the notes is to provide additional discussion, enhanced disclosures and tabular presentation of data to further explain information in the financial statements and to provide more detailed data.

The information contained in the Statement of Net Position represents all of the Water District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Water District's creditors (liabilities).

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the Water District's operations over the past year and can be used to determine whether the Water District has successfully recovered all of its costs through user fees and other charges. It provides the user with basic financial information about the profitability and credit worthiness of the Water District.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Water District's cash receipts and cash payments during the fiscal year. The statement reports cash receipts, cash payments and net changes in cash resulting from operating; noncapital financing; capital and related financing; and investing activities. The purpose of this statement is to tell the user where the Water District's cash came from, what the cash was used for, and by how much the cash balance changed over the course of the fiscal year.

In addition to the financial statements and accompanying notes, this report also presents as required supplementary information, a schedule of revenues and expenditures – budget and actual.

### Financial Highlights

#### Statement of Net Position Highlights

	Business-Type Activities		
	2021	2020	Change
<b>Assets:</b>			
Current assets	\$ 1,995,226	\$ 2,849,112	\$ (853,886)
Capital assets	20,975,755	18,967,286	2,008,469
<b>Total assets</b>	<b>22,970,981</b>	<b>21,816,398</b>	<b>1,154,583</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	432,942	220,197	212,745
Current debt	290,000	275,000	15,000
Noncurrent liabilities (excluding debt)	146,871	270,333	(123,462)
Noncurrent debt	1,615,000	1,905,000	(290,000)
<b>Total liabilities</b>	<b>2,484,813</b>	<b>2,670,530</b>	<b>(185,717)</b>
<b>Net Position:</b>			
Net investment in capital assets	19,070,755	16,787,286	2,283,469
Unrestricted	1,415,413	2,358,582	(943,169)
<b>Total net position</b>	<b>\$ 20,486,168</b>	<b>\$ 19,145,868</b>	<b>\$ 1,340,300</b>

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

	2021	2020	Change
<b>Operating Revenues:</b>			
Charges for services - Rates	\$ 3,071,186	\$ 2,608,998	\$ 462,188
Service and entrance fees	182,250	187,300	(5,050)
Miscellaneous fees	73,202	24,470	48,732
Other	171,004	-	171,004
<b>Total revenues</b>	<b>3,497,642</b>	<b>2,820,768</b>	<b>676,874</b>
<b>Expenses:</b>			
Salaries and wages	551,938	548,715	3,223
Employee benefits	141,436	335,577	(194,141)
Professional fees	71,939	47,901	24,038
Office expenses	36,312	29,921	6,391
Maintenance and operating	564,705	632,065	(67,360)
Depreciation	957,163	962,623	(5,460)
<b>Total expenses</b>	<b>2,323,493</b>	<b>2,556,802</b>	<b>(233,309)</b>
<b>Non-operating revenues (expenses):</b>			
Interest Income	3,794	31,944	(28,150)
Contributed Capital	248,640	20,000	228,640
Interest Expense	(86,283)	(96,917)	10,634
<b>Total non-operating revenues (expenses)</b>	<b>166,151</b>	<b>(44,973)</b>	<b>211,124</b>
<b>Change in net position</b>	<b>1,340,300</b>	<b>218,993</b>	<b>1,121,307</b>
<b>Net position - beginning of year</b>	<b>19,145,868</b>	<b>18,926,875</b>	<b>218,993</b>
<b>Net position - end of year</b>	<b>\$ 20,486,168</b>	<b>\$ 19,145,868</b>	<b>\$ 1,340,300</b>

The Water District's net position (i.e., the difference between assets and liabilities) is one way to measure financial health or financial position. Over time, increases or decreases in the Water District's net position are general indicators of whether its financial health is improving or deteriorating. In addition to the relative change in net position, readers will also have to take into consideration the impact on operations of other non-financial factors and external influences. These would include, but are not limited to, economic conditions, population growth, unusual rainfall patterns, changes in governmental legislation, restrictions on outdoor water use, the issuance of new regulations and the utilization of new technologies.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$20,486,168 at the close of fiscal year 2021.

Net position of \$19,070,755 (93%) reflects its investment in capital assets (e.g., infrastructure); less any related debt used to acquire those assets that are still outstanding. The Water District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance is *unrestricted net position* of \$1,415,413 (7%) and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Water District is able to report positive balances in all categories of net position for its business-type activities.

The *Water Fund* is the financing and operations of the District's water system. The water fund shows an increase in net position of \$1,340,300 (7%) during the current fiscal year. This change was mainly due to operating revenues exceeding current operating costs by \$1,174,149, interest income of \$3,794, contributed capital of \$248,640 and interest expense of \$86,283. Operating revenues increased by \$676,874 (24%) while operating expenses decreased by \$233,309 (9%) from the prior year.

### Capital Asset and Debt Administration

**Capital Assets.** The Water District's investment in capital assets as of June 30, 2021 amounts to \$20,975,755.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year included the following:

- Infrastructure improvements for \$2,965,632.

**Debt Administration.** The Water District's outstanding governmental debt as of June 30, 2021, totaled \$1,905,000 for various water projects.

Please refer to note 2D and 2E for further discussion of the capital and debt activity.

### Next Year's Annual District Meeting

The Water District operates under the "Open Meeting" concept where each registered voter has an equal vote in the adopting of Water District's budgets and appropriations. The financial statements for June 30, 2021 do not reflect the fiscal year 2022 Water District meeting with exception of the free cash amount used to fund the fiscal year 2022 budget. The annual Water District meeting on April 27, 2021 authorized a fiscal year 2022 operating budget as follows:

From Water receipts	\$	2,348,050
Water retained earnings (Free Cash)		<u>250,000</u>
From Water receipts	\$	<u><u>2,598,050</u></u>

### Requests for Information

The financial report is designed to provide a general overview of the Water District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer, Grafton Water District, 44 Millbury Street, Grafton, Massachusetts 01519.



**BASIC FINANCIAL STATEMENTS**

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<b>Business-Type Activity Enterprise Fund</b>
	<b>Water Fund</b>
<b>ASSETS</b>	
<b>CURRENT:</b>	
Cash and Cash Equivalents	\$ 112,358
Investments	901,398
Receivables, net of allowance for uncollectibles:	
User Charges	763,276
Betterment Receivable	23,489
Due from Other Governments	23,701
Other - Solar Credit	171,004
Total current assets	1,995,226
<b>NONCURRENT:</b>	
Capital Assets, net of accumulated depreciation	
Nondepreciable	4,202,840
Depreciable	16,772,915
Total noncurrent assets	20,975,755
<b>Total Assets</b>	22,970,981
<b>LIABILITIES</b>	
<b>CURRENT:</b>	
Accounts Payable	426,592
Accrued Interest	6,350
Bonds Payable	290,000
Total current liabilities	722,942
<b>NONCURRENT:</b>	
Net Other Post Employment Benefits Liability	146,871
Bonds Payable	1,615,000
Total noncurrent liabilities	1,761,871
<b>Total Liabilities</b>	2,484,813
<b>NET POSITION</b>	
Net Investment in Capital Assets	19,070,755
Unrestricted	1,415,413
<b>Total Net Position</b>	\$ 20,486,168

The Notes to the Financial Statements are an integral part of this Statement.

**GRAFTON, MASSACHUSETTS WATER DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Business-Type Activity Enterprise Fund</b>
	<b>Water Fund</b>
<b>Operating Revenues:</b>	
Charges for Services - Rates	\$ 3,071,186
Service and Entrance Fees	182,250
Miscellaneous Fees	73,202
Other	171,004
<b>Total Operating Revenues</b>	<b>3,497,642</b>
<b>Operating Expenses:</b>	
Salaries & Wages	551,938
Employee Benefits	141,436
Professional Fees	71,939
Office Expenses	36,312
Maintenance and Operating	564,705
Depreciation	957,163
<b>Total Operating Expenses</b>	<b>2,323,493</b>
<b>Operating Income (Loss)</b>	<b>1,174,149</b>
<b>Non-Operating Revenues (Expenses):</b>	
Interest Income	3,794
Contributed Capital	248,640
Interest Expense	(86,283)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>166,151</b>
<b>Change in Net Position</b>	<b>1,340,300</b>
<b>Net Position at Beginning of Year</b>	<b>19,145,868</b>
<b>Net Position at End of Year</b>	<b>\$ 20,486,168</b>

The Notes to the Financial Statements are an integral part of this Statement.

**GRAFTON, MASSACHUSETTS WATER DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Business-Type Activity Enterprise Fund</b>
	<b>Water Fund</b>
<b>Cash Flows From Operating Activities:</b>	
Receipts from Customers and Users	\$ 3,259,676
Payments to Vendors	(948,007)
Payments to Employees	(551,938)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>1,759,731</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition and Construction of Capital Assets	(2,493,177)
Principal Payments on Bonds and Notes	(275,000)
Interest Expense	(87,200)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(2,855,377)</b>
<b>Cash Flows from Investing Activities:</b>	
Investment Income	3,794
Sale of Investments	946,955
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>950,749</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(144,897)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>257,255</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 112,358</b>

**Reconciliation of Operating Income (Loss) to Net Cash  
Provided by (Used For) Operating Activities:**

<b>Operating Income (Loss)</b>	\$ 1,174,149
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>	
Depreciation	957,163
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	(10,153)
Increase (Decrease) in Other Post Employment Benefits Payable	(123,462)
Decrease (Increase) in Due from Other Governments	(9,418)
Decrease (Increase) in Betterment Receivable	1,906
Decrease (Increase) in Other Asset	(171,004)
Decrease (Increase) in User Charges Receivable	(59,450)
<b>Total Adjustments</b>	<b>585,582</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 1,759,731</b>

The Notes to the Financial Statements are an integral part of this Statement.

**GRAFTON, MASSACHUSETTS WATER DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2021**

		<b>Other Post Employment Benefits Trust Fund</b>
<b>ASSETS</b>		
Investments	\$	441,878
<b>Total Assets</b>		441,878
<b>NET POSITION</b>		
Restricted for OPEB	\$	441,878

The Notes to the Financial Statements are an integral part of this Statement.

**GRAFTON, MASSACHUSETTS WATER DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Other Post Employment Benefits Trust Fund</b>
<b>Additions:</b>	
Contributions:	
Employer Contributions	\$ 54,115
Investment Income	82,802
<b>Total Additions</b>	<b>136,917</b>
<b>Deductions:</b>	
Employee Benefits	4,115
<b>Total Deductions</b>	<b>4,115</b>
<b>Change in Net Position</b>	<b>132,802</b>
<b>Net Position at Beginning of Year</b>	<b>309,076</b>
<b>Net Position at End of Year</b>	<b>\$ 441,878</b>

The Notes to the Financial Statements are an integral part of this Statement

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Grafton, Massachusetts Water District (the Water District) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Water District accounting policies are described herein.

**A. Reporting Entity**

The Water District was created pursuant to Chapter 135 of the Acts of 1984 and amended by Chapter 427 of the Acts of 1987 as a public entity, politic and corporate, for the purpose of acquiring, consolidating, improving, and operating the existing water systems serving the Town of Grafton. The Water District is governed by an elected three-member Board of Water Commissioners. The Water District is a separate governmental unit granted independent authority by the Commonwealth of Massachusetts to allow the Water District's Board to set rates, fees, and charges.

For financial reporting purposes, the Water District has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Water District has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the Water District are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2021, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units. The Water District is considered to be a special-purpose government.

**B. Basis of Presentation**

The business-type activities are financed in whole or in part by fees charged to external parties. The activities of the Water District are considered to be business-type and fiduciary activities.

*Fund Financial Statements.* The Government-wide Financial Statements provide information about the Water District's funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions. The Water District has one fund category – proprietary funds.

***Enterprise Fund***

The Enterprise Fund is used to account for those operations that (a) are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Water District operates as a singular enterprise fund.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**C. Measurement Focus and Basis of Accounting**

The Water District uses the accrual method of accounting for financial reporting. Under this method, revenues are recognized when earned and expenses are recognized when incurred.

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally resulted from providing water and related services to residents and business entities. The principal operating revenues consist of charges for water usage, repair services and entrance fees. Operating expenses include payroll and benefits, power, chemicals, repairs and maintenance, and other operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the Water District reports the following fund type:

*Fiduciary Fund* financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the District programs.

The *Other Post Employment Benefit Trust Fund (OPEB)* accounts for the activities of the District's OPEB plan, which accumulates resources for retiree medical and life insurance benefits.

**D. Cash and Cash Equivalents**

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

**E. Investments**

The Water District maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool.

Additional investment disclosures are presented in these Notes.



**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**F. Receivables**

The recognition of revenues related to accounts receivable reported in the government-wide financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

**User Charges**

User charges consist of water that is levied based on individual meter readings and usage and are subject to penalties and interest and sales if they are not paid by the respective due date. User charges also include sales and connections.

Receivables are reviewed periodically to establish or update the provision for uncollectible amounts. These provisions are estimated based on an analysis of the age of the various accounts. The District records as revenue the amount of earned but unbilled betterments.

**Due from Other Governments**

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

**Other – Solar Credits**

The District sub-leased a portion of the land for the construction of a large scale, 1.7 Megawatt ground-mounted solar array. National Grid applies solar credits at various intervals throughout the year.

**G. Capital Assets**

Capital assets, which include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g., water mains), are reported in the applicable government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value.

All purchase and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

<u>Capital Asset Type</u>	<u>Years</u>
Buildings and related improvements	10-25
Machinery, equipment and other	3-7
Infrastructure	30

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**H. Long-term Debt**

Long-term debt is reported as liabilities in the government-wide statement of net position.

**I. Post Retirement Benefits**

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with Massachusetts General Law, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's share of insurance premiums for retirees and spouses and surviving spouses in the general fund in the fiscal year paid.

**J. Net Position**

In the financial statements, the difference between the Water District's total assets and total liabilities represents net position. Net position in the proprietary fund financial statements is classified as net investment in capital assets, restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments imposed by law through State statute. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**K. Use of Estimates**

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

**2. DETAILED NOTES**

**A. Cash and Investments**

**Custodial Credit Risks – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2021 were \$116,269. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

**Investment Policies**

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost. MMDT's fair value is measured at amortized cost.

As of June 30, 2021, the Water District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1
Debt Securities:		
Fixed income mutual funds	\$ 126,927	\$ 126,927
Other Investments:		
Equity mutual funds	313,514	
MMDT	902,835	
	\$ 1,343,276	

**Custodial Credit Risks - Investments**

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Water District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Water District's \$1,343,276 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Water District's name. The Water District has no policy on custodial credit risk.

**Interest Rate Risk**

The Water District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The Water District's exposure to credit risk as of June 30, 2021 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<b>Fixed Income Mutual Funds:</b>	
Not rated	\$ 126,927

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**Concentration of Credit Risk**

The Water District places no limit on the amount the Water District may invest in one issuer. The Water District does not have more than 5 percent of the Water District's investments in one issuer.

**Fair Value of Investments**

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

The Water District has the following recurring fair value measurements as of June 30, 2021:

Investment Type	Fair Value	Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Equity mutual funds	\$ 313,514	\$ 313,514	\$ -	\$ -
Fixed income mutual fund	126,927	126,927	-	-
Money market mutual fund	1,437	1,437	-	-
	441,878	\$ 441,878	\$ -	\$ -
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	901,398			
Total Investments	\$ 1,343,276			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

**B. Receivables**

At June 30, 2021, receivables including the applicable allowances for uncollectible accounts are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
User charges	\$ 763,276	\$ -	\$ 763,276
Betterment receivable	23,489	-	23,489
Due from other governments	23,701	-	23,701
	\$ 810,466	\$ -	\$ 810,466

The composition of amounts due from other governments as of June 30, 2021 for business-type funds is a solar panel reimbursement from National Grid and Capital Dynamics; which passes through the Town of Grafton in the amount of \$23,701.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**C. Other – Solar Credits**

The Grafton Water District leases approximately 10 acres of land on Follette Street from the Town of Grafton, in exchange, the Town is provided with free water for its' public municipal facilities within the District's boundaries. The primary purpose for the lease was for the placement of a public water supply well, which has been installed and has been actively providing water to the District's customers since 1992. The District subsequently sub-leased a portion of the land for the construction of a large scale, 1.7 Megawatt ground-mounted solar array. In November 2012, the District signed a 20-year Net Metering Power Purchase Agreement with National Grid and Capital Dynamics which included an escalation of power costs and a termination agreement. This agreement between the provider and the District continues to be successful with no power production, maintenance or billing errors. The District also sells a portion of the power to the Town of Grafton at an escalated 10 percent markup charge. The Town has been prompt in paying those bills on a monthly basis. National Grid applies solar credits at various intervals throughout the year. The total solar credits of \$171,004 is available as of June 30, 2021.

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2021, is as follows:

<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 1,035,104	\$ -	\$ -	\$ 1,035,104
Construction in progress	587,513	2,580,223	-	3,167,736
Total capital assets not being depreciated	1,622,617	2,580,223	-	4,202,840
Capital assets being depreciated:				
Buildings and renovations	278,077	-	-	278,077
Machinery, equipment and other	211,530	-	(28,429)	183,101
Infrastructure	33,401,869	385,409	-	33,787,278
Total capital assets being depreciated	33,891,476	385,409	(28,429)	34,248,456
Less accumulated depreciation for:				
Buildings and renovations	278,077	-	-	278,077
Machinery, equipment and other	183,644	17,679	(28,429)	172,894
Infrastructure	16,085,086	939,484	-	17,024,570
Total accumulated depreciation	16,546,807	957,163	(28,429)	17,475,541
Total capital assets being depreciated, net	17,344,669	(571,754)	-	16,772,915
Total business-type activities capital assets, net	\$ 18,967,286	\$ 2,008,469	\$ -	\$ 20,975,755

Depreciation expense as charged to the Water District and recorded on the Statement of Activities resulting from water operations is \$957,163.

**E. Long Term Debt**

**General Obligation Bonds**

The Water District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for the business-type activities.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

General obligation bonds currently outstanding of the business-type activities are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2021
<b>Outside Debt:</b>					
General Obligation Bond	1.83%	10/17/2017	6/1/2027	\$ 2,985,000	<u>\$ 1,905,000</u>

**Future Debt Service**

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2021, are as follows:

Year	Principal	Interest	Total
2022	\$ 290,000	\$ 76,200	\$ 366,200
2023	300,000	64,600	364,600
2024	310,000	52,600	362,600
2025	320,000	40,200	360,200
2026	335,000	27,400	362,400
2027	350,000	14,000	364,000
	<u>\$ 1,905,000</u>	<u>\$ 275,000</u>	<u>\$ 2,180,000</u>

A summary of the changes in long term liabilities during the year is as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due within One Year
<b>Business-type activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds	\$ 2,180,000	\$ -	\$ 275,000	\$ 1,905,000	\$ 290,000
<b>Net OPEB liability</b>	270,333	-	123,462	146,871	-
Governmental activity					
Long-term liabilities	<u>\$ 2,450,333</u>	<u>\$ -</u>	<u>\$ 398,462</u>	<u>\$ 2,051,871</u>	<u>\$ 290,000</u>

**Loans Authorized and Unissued - Memorandum Only**

Under the general laws of the Commonwealth of Massachusetts a District must authorize debt at a District meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or District meeting votes to rescind the authorized debt. The District has no loan authorizations that have not been issued as of June 30, 2021.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**3. OTHER INFORMATION**

**A. Risk Management**

The Water District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Water District has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**B. Contingent Liabilities**

**Litigation**

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the District at June 30, 2021.

The District has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, District management believes such disallowances, if any, will not be material.

**C. Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued.

**D. Other Post Employment Benefits Payable**

**GASB Statement No. 74 and GASB Statement No. 75**

The cost of post employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Water District recognizes the cost of post employment benefits in the year when the employee services are received and provides information useful in assessing potential demands on the Water District's future cash flows.

**Plan Description**

The Water District offers continued medical coverage through the Water District's medical plan carrier, a single-employer defined benefit, to employees who retire from the Water District at age 55 or older with a minimum of 10 years of service. The Water District provides 50 percent (plus an additional 10 percent for each additional 5 years of service at retirement – not to exceed 100 percent) of the cost for medical coverage. This plan is authorized and may be amended by the Board of Commissioners. This plan is included in the Water District financial statements. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law Chapter 32. As of the actuarial valuation date, there are approximately 10 active and retired employees, and spouses that meet the eligibility requirements. The plan does not issue a separate financial report.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**Funding Policy**

The contribution requirements of plan members and the District are established pursuant to applicable collective bargaining and employment contracts. The required contribution is based on the projected pay-as-you-go financing requirements. For the 2021 fiscal year, the District premiums plus implicit costs for the retiree medical program are \$4,115. The District also made a contribution to an OPEB Trust of \$50,000 for the 2021 fiscal year for a total contribution of \$54,115 towards the annual OPEB cost, comprised of benefit payments made on behalf of retirees (net of reinsurance), administrative expenses and reinsurance payments, and net of retiree contributions.

**Investment Policy**

The District's policy in regard to the allocation of invested assets is established and may be amended by the Board of Water Commissioners by majority vote of its members. The Water District did establish a trust fund in order to contribute funds to reduce the future OPEB liability. As of June 30, 2021, the trust balance is \$441,878.

**Measurement Date**

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

**Plan Membership:**

Current active members	6	
Current retirees, beneficiaries and dependents	4	
Total	10	

**Net OPEB Liability**

The components of the net OPEB liability are as follows:

	<b>6/30/2021</b>
Total OPEB liability	\$ 588,749
Less: Plan fiduciary net position	(441,878)
District's Net OPEB liability	\$ 146,871
Plan fiduciary net position as a percentage of the total OPEB liability	75.1%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified;

Valuation date	June 30, 2021
Actuarial cost method	Entry Age Actuarial Cost Method



**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

Discount rate	3.50% annually
Participant salary increases	3.00% annually
Healthcare cost trend rates	to an Ultimate trend rate of 4.5% annually in the second year
Mortality rates	Life expectancy by gender comes from the <i>Life Expectancy Table</i> from the National Center for Health Statistics updated in 2015.

**Rate of Return**

For the year ended June 30, 2021, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was not provided.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance Massachusetts General Law Chapter 32. Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the District's net OPEB liability as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
\$ 207,706	\$ 146,871	\$ 90,358

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates**

The following presents the District's net OPEB liability as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Healthcare Cost Trend Rates	1% Increase
\$ 81,859	\$ 146,871	\$ 222,528

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**Summary of Significant Accounting Policies**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year, which are reported at cost.

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

For the year ended June 30, 2021, the GASB Statement No. 75 reporting period and fiscal year ending date, the District recognized an OPEB expense of \$2,638 and reported deferred outflows of resources related to OPEB of \$0 and deferred inflows of resources related to OPEB of \$0.

**E. Implementation of New GASB Pronouncements**

The GASB issued Statement No. 84, *Fiduciary Activities*, for implementation in fiscal year 2021.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, for implementation in fiscal year 2021.

The GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, for implementation in fiscal year 2021.

**F. Future GASB Pronouncements**

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Schedule of Revenues and Expenditures - Budgetary Basis (Non-GAAP) -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2021**

	Budgeted	Budgeted Amounts			Actual	Amounts	Variance with
	Amounts	Original	Final	Budgetary	Carried	Final Budget	
	Carried	Budget	Budget	Amounts	Forward to	Positive	
	Forward from				Next Year	(Negative)	
	Prior Year				Amounts		
<b>Revenues:</b>							
Charges for Services - Water	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 3,015,134	\$ -	\$ 515,134	
Service and Entrance Fees	-	50,000	50,000	182,250	-	132,250	
Miscellaneous Fees	-	-	-	73,202	-	73,202	
Investment Income	-	20,000	20,000	3,794	-	(16,206)	
<b>Total Revenues</b>	-	2,570,000	2,570,000	3,274,380	-	704,380	
<b>Expenditures:</b>							
<b>Current:</b>							
Salaries and wages	-	569,700	569,700	551,938	-	17,762	
Operations and maintenance	-	475,000	475,000	557,296	-	(82,296)	
Professional fees	-	56,500	56,500	71,939	-	(15,439)	
Office expenses	-	42,750	42,750	36,313	-	6,437	
Employee and Pension Benefits	-	277,400	277,400	264,898	-	12,502	
Capital Outlay	2,568,559	390,000	3,658,559	2,724,400	382,265	551,894	
Debt Service:							
Principal	-	275,000	275,000	275,000	-	-	
Interest	-	87,200	87,200	87,200	-	-	
<b>Total Expenditures</b>	2,568,559	2,173,550	5,442,109	4,568,984	382,265	490,860	
<b>Excess of Revenues Over (Under) Expenditures</b>	(2,568,559)	396,450	(2,872,109)	(1,294,604)	(382,265)	1,195,240	
<b>Other Financing Sources (Uses):</b>							
Operating Transfers In (Out)	-	-	-	-	-	-	
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-	-	
<b>Net Change in Budgetary Fund Balance</b>	(2,568,559)	396,450	(2,872,109)	(1,294,604)	(382,265)	1,195,240	
<b>Other Budgetary Items:</b>							
Budgeted Surplus	-	(396,450)	(396,450)	(396,450)	-	-	
Use of Fund Balance - Capital	-	-	-	700,000	-	-	
Prior Year Encumbrances	2,568,559	-	2,568,559	-	-	-	
<b>Total Other Budgetary Items</b>	2,568,559	(396,450)	2,872,109	-	-	-	
<b>NET BUDGET</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

See Notes to the Required Supplementary Information.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Notes to Schedule of Revenues and Expenditures – Budget and Actual**  
**For the Year Ended June 30, 2021**

**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

Pursuant to the Massachusetts General Laws, the Water District adopts an annual budget for all of its Business-type Activities.

All portions of the annual budget are prepared under the direction of the Superintendent and Treasurer. The budget must be approved by the Water District's residents at the annual meeting.

The Statement of Revenues and Expenditures – Budgetary Basis (Non-GAAP) – Budget and Actual presented for the General Fund is displayed on the budgetary basis to provide a meaningful comparison of actual results with the budget.

	<b>Operating and Non-Operating Revenues</b>	<b>Operating and Non-Operating Expenditures</b>
<b>Statement of Revenues, Expenditures and Changes in Net Position</b>	\$ 3,694,024	\$ 2,409,776
<i>Adjustments:</i>		
Eliminate depreciation	-	(957,163)
Change in other post-employment benefit liability	-	123,462
Eliminate other-solar credits	(171,004)	-
Eliminate contributed capital	(248,640)	2,716,992
Principal payment of long-term debt	-	275,000
Change in accrued interest on long-term debt	-	917
<b>Budgetary Basis</b>	<b>\$ 3,274,380</b>	<b>\$ 4,568,984</b>

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2021**

**Schedule of Changes in the Net OPEB Liability:**

	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<b>Total OPEB liability</b>				
Service cost	\$ 33,277	\$ 37,664	\$ 24,533	\$ 20,681
Interest on net OPEB liability	20,279	15,487	18,211	18,271
Changes in Benefit terms	-	-	-	-
Changes in Assumptions	-	-	-	-
Difference between expected and actual experience	(40,101)	83,768	(55,541)	(59,693)
Benefit payments, including refunds of member contributions	(4,115)	-	-	-
Net change in total OPEB liability	9,340	136,919	(12,797)	(20,741)
Total OPEB liability-beginning	579,409	442,490	455,287	476,028
<b>Total OPEB liability-ending (a)</b>	<b>\$ 588,749</b>	<b>\$ 579,409</b>	<b>\$ 442,490</b>	<b>\$ 455,287</b>
<b>Plan fiduciary net position</b>				
Net investment income	82,802	7,924	15,792	7,043
Employer contributions to Trust	54,115	50,000	50,000	100,000
Benefit payments, including refunds of member contributions	(4,115)	-	-	-
Net change in plan fiduciary net position	132,802	57,924	65,792	107,043
Total fiduciary net position-beginning	309,076	251,152	185,360	78,317
<b>Total fiduciary net position-ending (b)</b>	<b>\$ 441,878</b>	<b>\$ 309,076</b>	<b>\$ 251,152</b>	<b>\$ 185,360</b>
<b>District's net OPEB liability (a-b)</b>	<b>\$ 146,871</b>	<b>\$ 270,333</b>	<b>\$ 191,338</b>	<b>\$ 269,927</b>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2021**

**Schedule of Net OPEB Liability:**

	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB liability	\$ 588,749	\$ 579,409	\$ 442,490	\$ 455,287
Less: Plan fiduciary net position	(441,878)	(309,076)	(251,152)	(185,360)
District's Net OPEB liability	<u>\$ 146,871</u>	<u>\$ 270,333</u>	<u>\$ 191,338</u>	<u>\$ 269,927</u>
Plan fiduciary net position as a percentage of the total OPEB liability	75.1%	53.3%	56.8%	40.7%
District's share of covered employee payroll	\$ 535,492	\$ 545,209	\$ 492,936	\$ 462,078
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	27.4%	49.6%	38.8%	58.4%

**Schedule of Contributions:**

	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially determined contribution	\$ 4,115	\$ -	\$ -	\$ -
Less: Contributions in relation to the actuarially determined contribution	(54,115)	(50,000)	(50,000)	(100,000)
Contribution deficiency (excess)	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ (100,000)</u>
District's share of covered employee payroll	\$ 535,492	\$ 545,209	\$ 492,936	\$ 462,078
Contributions percentage of covered-employee payroll	10.1%	9.2%	10.1%	21.6%
Annual money-weighted rate of return net of investment expense	N/A	N/A	N/A	N/A

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2021**

**Schedule of Funding Progress:**

Actuarial Reporting Date	Actuarial Fiduciary Net Position (A)	Other Post Employment Benefits				Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)
		Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)		
6/30/2021	\$ 441,878	\$ 588,749	\$ 146,871	75.1%	\$ 535,492	27.4%	
6/30/2020	\$ 309,076	\$ 579,409	\$ 270,333	53.3%	\$ 545,209	49.6%	
6/30/2019	\$ 251,152	\$ 442,490	\$ 191,338	56.8%	\$ 492,936	38.8%	
6/30/2018	\$ 185,360	\$ 455,287	\$ 269,927	40.7%	\$ 462,078	58.4%	

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.



**SUPPLEMENTARY SCHEDULE**

**GRAFTON, MASSACHUSETTS WATER DISTRICT**  
**SCHEDULE OF ACCOUNTS RECEIVABLE**  
**JULY 1, 2020 TO JUNE 30, 2021**

Accounts Receivable July 1, 2020	Accounts Billed	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Accounts Receivable June 30, 2021	Accounts Receivable Per Detail June 30, 2021
\$ 703,826	\$ 3,071,356	-	\$ 3,011,906	\$ 763,276	\$ 763,276
\$ 4,568	-	-	624	\$ 3,944	\$ 3,944
19,545	-	-	-	19,545	19,545
1,282	-	-	1,282	-	-
\$ 25,395	-	-	\$ 1,906	\$ 23,489	\$ 23,489

Water Rates

Betterments:

- North Street
- Stonebrook
- Cold Spring

**COMMONWEALTH OF MASSACHUSETTS  
GRAFTON WATER DISTRICT  
WARRANT**

Worcester, ss:

To the Clerk of the Grafton Water District, in the County of Worcester:

Greetings:

In the name of the Commonwealth of Massachusetts, you are directed to notify and warn the voters of the territory included within the boundaries of that Grafton Water District in the Town of Grafton, as established by Chapter 135 of the Acts of 1984 and amended by Chapter 427 of the Acts of 1987, to meet at the office of the Grafton Water District, 44 Millbury Street, Grafton, MA on Tuesday the 26th day of April 2022, at five thirty o'clock, p.m., to act on the following articles hereinafter mentioned.

**Article 1.** To see if the District will accept the Annual Report of the District Commissioners or take any action relative thereto.

**Article 2.** To see if the District will accept the Annual Report of the District Treasurer or take any action relative thereto.

**Article 3.** To see if the District will vote to appropriate from the income of the District and accept the sum of two million, three hundred thirty four, nine hundred and forty six dollars and no cents (\$2,334,946.00) as the Fiscal 2023 budget as printed in the Annual Report or take any action relative thereto.

**Article 4.** To see if the District will vote to appropriate from the income of the District twenty thousand dollars (\$20,000.00) to hire an outside vender to perform a leak detection survey of the entire water distribution system or take any action relative thereto.

**Article 5.** To see if the District will vote to appropriate the sum of one million dollars and no cents (\$1,000,000.00) for the painting of the Pigeon Hill tank and any appurtenances relative to the project and that to meet this appropriation, the Treasurer, with the approval of the Board of Water Commissioners, is authorize to borrow the sum of \$1,000,000.00 under General Laws, Chapter 44, Sec. 8, or another enabling authority and the Board of Water Commissioners is authorized to take any other action necessary to carry out this project or to take any other action relative thereto.

**Article 6.** To see if the District vote to appropriate the sum of one million dollars and no cents (\$1,000,000.00) for the replacement of the Pigeon Hill booster station and any appurtenances relative to the project and that to meet this appropriation, the Treasurer, with the approval of the Board of Water Commissioners, is authorize to borrow the sum

of \$1,000,000.00 under General Laws, Chapter 44, Sec. 8, or another enabling authority and the Board of Water Commissioners is authorized to take any other action necessary to carry out this project or to take any other action relative thereto.

**Article 7.** To see if the District will vote to authorize the Treasurer, with the approval of the Board of Water Commissioners, to borrow in anticipation of revenue under MGL Chapter 44, Section 4, a sum or take any action relative thereto.

**Article 8.** To see if the District will vote to authorize the Board of Commissioners to make pre-payments against existing loans or take any action relative thereto.

And you are directed to serve the warrant by posting attested copies thereof in two or more public places in the territory of the Grafton Water District at least fourteen days before the time of said meeting.

Hereof fail not, and making do return of this warrant, with your doings thereon, to the Commissioners of the Grafton Water District before the opening of said meeting.  
Given under our hands this 6th day of April in the year two thousand and twenty two..

---

Michael Corda, Chairman

---

Robert Frederico, Commissioner

---

Kenneth Grew, Commissioner

**Grafton Water District  
Annual Budget**

	2021-2022 Budget	2022-2023 Proposal	Change
<b>Maintenance &amp; Operation</b>			
Salaries	\$ 581,900	\$ 589,900	1.4%
Benefits	269,900	\$ 249,096	-7.7%
Maintenance	331,500	\$ 371,500	12.1%
Utilities	130,000	\$ 133,500	2.7%
Chemicals	82,000	\$ 86,000	4.9%
Engineering Services	30,000	\$ 40,000	33.3%
Miscellaneous	2,750	\$ 2,950	7.3%
<b>Sub Total</b>	<b>\$ 1,428,050</b>	<b>\$ 1,472,946</b>	<b>3.1%</b>
<b>Administrative Expenses</b>			
Office & Supplies	\$ 41,500	\$ 43,000	3.6%
Insurance	22,000	\$ 22,000	0.0%
Accounting	9,500	\$ 10,000	5.3%
Legal	4,000	\$ 5,000	25.0%
Officers Fee	3,500	\$ 3,500	0.0%
Moderator's Fee	300	\$ 300	0.0%
Treasurer's Fee	11,000	\$ 12,000	9.1%
<b>Sub-Total</b>	<b>\$ 91,800</b>	<b>\$ 95,800</b>	<b>4.4%</b>
<b>Debt Service</b>	<b>\$ 362,200</b>	<b>\$ 366,200</b>	<b>1.09%</b>
<b>Capital</b>			
Gen. System Improvements	\$ 325,000	\$ 325,000	0.0%
Vehicle	\$ -	\$ 75,000	0.0%
Meters	50,000	0	-100.0%
<b>Sub-Total</b>	<b>\$ 375,000</b>	<b>\$ 400,000</b>	<b>6.7%</b>
<b>Total Expenditures</b>	<b>\$ 2,257,050</b>	<b>\$ 2,334,946</b>	<b>3.5%</b>
<b>Total Revenue(Anticipated)</b>	<b>\$ 2,810,000</b>	<b>\$ 2,710,000</b>	<b>-3.6%</b>