
ANNUAL REPORTS
of the
OFFICERS
Grafton Water District
for 2023



Serving your water needs
GRAFTON, MASSACHUSETTS

**REPORTS OF THE OFFICIALS OF THE
GRAFTON WATER DISTRICT-FOR THE YEAR 2023**

DISTRICT ELECTED OFFICIALS

BOARD OF WATER COMMISSIONERS

Kenneth Grew.....Term Expires 2026

Robert Frederico.....Term Expires 2024

Michael Corda.....Term Expires 2025

MODERATOR

Dan Concaugh.....Term Expires 2026

CLERK

Rebecca Corda.....Term Expires 2026

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

UTILITY OPERATOR.....Adam Rauktis

YEARLY APPOINTMENTS

TREASURER.....Wendy Graves

COUNSEL.....Mary Bassett

Grafton Water District

Annual Meeting

April 25, 2023

Moderator Dan Concaugh called the meeting to order, at 5:34pm.

Article 1

A motion was made by Commissioner Michael Corda and seconded by Commissioner Ken Grew, 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 Ken Grew and seconded by Commissioner Michael Corda, 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 Michael Corda 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, six hundred and twenty thousand, four hundred and twelve dollars and no cents (2,620,412.00) as the Fiscal 2023 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 Ken Grew and seconded by Commissioner Michael Corda to see if the District will vote to appropriate from the income of the District three hundred thousand dollars and no cents (\$300,000.00) to reimburse the Town of Grafton for the installation of a 12-inch water main and appurtenances on Westboro Road, North Grafton 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 Michael Corda and seconded by Commissioner Ken Grew, to see if the District will appropriate from the income of the District the sum of forty thousand dollars and no cents (\$40,000.00) to upgrade the Cross Connection program, SCADA, system software/hardware and cyber security protection 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 6

A motion was made by Commissioner Ken Grew 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, a sum 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 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 Michael Corda and seconded by Commissioner Ken Grew to adjourn the meeting. The meeting was adjourned at 5:37pm.

Respectfully Submitted,

Rebecca A. Corda



Clerk

Grafton Water District

**Grafton Water District
Annual Budget**

	2022-2023 Budget	2023-2024 Proposal	Change
Maintenance & Operation			
Salaries	\$ 589,900	\$ 658,600	11.6%
Benefits	249,096	\$ 256,562	3.0%
Maintenance	371,500	\$ 404,500	8.9%
Utilities	133,500	\$ 131,500	-1.5%
Chemicals	86,000	\$ 92,000	7.0%
Engineering Services	40,000	\$ 40,000	0.0%
Miscellaneous	2,950	\$ 2,950	0.0%
Sub Total	\$ 1,472,946	\$ 1,586,112	7.7%
Administrative Expenses			
Office & Supplies	\$ 43,000	\$ 44,500	3.5%
Insurance	22,000	\$ 30,000	36.4%
Accounting	10,000	\$ 12,000	20.0%
Legal	5,000	\$ 6,000	20.0%
Officers Fee	3,500	\$ 3,500	0.0%
Moderator's Fee	300	\$ 300	0.0%
Treasurer's Fee	12,000	\$ 13,000	8.3%
Sub-Total	\$ 95,800	\$ 109,300	14.1%
Debt Service	\$ 366,200	\$ 525,000	30.25%
Capital			
Gen. System Improvements	\$ 325,000	\$ 325,000	0.0%
Vehicle	\$ 75,000	\$ 75,000	0.0%
Sub-Total	\$ 400,000	\$ 400,000	0.0%
Total Expenditures	\$ 2,334,946	\$ 2,620,412	12.2%
Total Revenue(Anticipated)	\$ 2,710,000	\$ 2,900,000	7.0%

April 25, 2023

To Whom It May Concern:

On April 25, 2023 the Grafton Water District held its annual election for officers in the following categories: one Commissioner, one Clerk and one Moderator.

The results are as follows:

Commissioner

Ken Grew: 11 votes

There were a total of 13 ballots cast with 11 being valid for Ken Grew.

Clerk

Rebecca Corda: 11 votes.

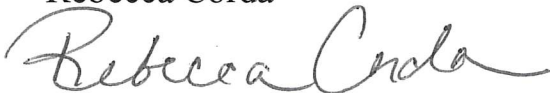
There were a total of 13 ballots cast with 11 being valid for Rebecca Corda.

Moderator

Peter Adams: 13 votes (Write in candidate)

There were a total of 13 ballots cast with 13 being valid for Peter Adams as a write in candidate.

Rebecca Corda

A handwritten signature in cursive script that reads "Rebecca Corda".

Clerk

Grafton Water District

**Commonwealth of Massachusetts
Grafton Water District
Special Meeting Minutes
December 13, 2023**

Moderator Peter Adams called the meeting to order at 4:32 pm.

Article 1

A motion was made by Commissioner Michael Corda and seconded by Commissioner Ken Grew, to see if the District will vote to appropriate from surplus revenue the sum of two-hundred thousand dollars and no cents, (\$200,000.00) to supplement Article 6 of the April 26, 2022, Annual meeting. 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 Ken Grew, to see if the District will vote to authorize the Board of Water Commissioners to enter into a long-term written lease with the Town of Grafton, with options to extend for a period not to exceed 30 years for the purposes of constructing a water treatment plant and associated equipment and materials on a portion of the property owned by the Town of Grafton located off of Powerline Drive in Grafton (book 11125, page 258); the written lease to include terms, conditions and limitations as the Board of Water Commissioners deems necessary and proper. 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 Ken Grew and seconded by Commissioner Robert Frederico, to see if the District will vote to authorize the Board of Water Commissioners to sell or lease all or a portion of District land at 33 Follette Street, Grafton (book 42748, page 111) to the Town of Grafton for open space recreational purposes. 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 Ken Grew and seconded by Commissioner Robert Frederico, to see if the District will vote to appropriate from surplus revenue the sum of two hundred and fifty thousand dollars and no cents, (\$250,000.00) to retain an outside engineering firm to perform water quality pilot testing and report for the future design and construction of an iron, manganese and PFAS treatment plant at the Trinity Avenue, East Street and Worcester Street wells. The moderator called for discussion. There was none. The moderator called for a vote, and the article passed unanimously.

**Commonwealth of Massachusetts
Grafton Water District
Special Meeting Minutes
December 13, 2023**

Article 5

A motion was made by Commissioner Robert Frederico and seconded by Commissioner Michael Corda, to see if the District will vote to appropriate from surplus revenue the sum of one hundred thousand dollars and no cents (\$100,000.00) to supplement the Other Post Employment Benefits Trust account.

Article 6

A motion was made by Commissioner Robert Frederico and seconded by Commissioner Michael Corda, to see if the District will vote to appropriate from surplus revenue the sum of forty five thousand dollars and no cents (\$45,000.00) for the purchase of a new vehicle to replace the 2018 Ford Escape. The moderator called for discussion. There was none. The moderator called for a vote, and the article passed unanimously.

Article 7

A motion was made by Commissioner Ken Grew and seconded by Commissioner Michael Corda, to see if the District will vote to appropriate from surplus revenue the sum of fifty thousand dollars and no cents (\$50,000.00) to retain engineers, appraisers and surveyors to provide professional services relative to the Powerline Drive and Follette Street Article 97 application requirements. The moderator called for 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 Ken Grew to adjourn the meeting. The moderator called for a vote and it passed unanimously to adjourn.

The meeting was adjourned at 4:41pm.

Respectfully submitted,

Sharon Carroll-Tidman

Assistant Clerk

Grafton Water District

Board of Water Commissioners

2023 Annual Report

The Board elected Michael Corda as chairman of the Board. Appointed were Wendy Graves as Treasurer and Marry Bassett as District counsel.

During the past year the Commissioners worked on many projects as well as the general management of the operations of the District.

1. The Board met with the Select Board and went before Town meeting to receive approval to use a portion of Town land off of Powerline Drive for the purpose of constructing a PFAS and Iron and manganese treatment facility. Town meeting approved the use of the land for that purpose and authorized the Select Board to negotiate a lease agreement between the two parties.
2. 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. This year's audit showed no deficiencies.
3. The Board has continued to review and manage 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 a significant portion of fund requirements.
4. The Board met with customers who were present at the August Commissioners meeting to address dirty water complaints caused by the Trinity Ave well needing to be used. It was explained that the water was safe to use and that as soon as the East Street well was back online it would be shut off. The cause was investigated and determined that an Iron and Manganese plant would need to be built.
5. The Board received approval of 23 million dollars from the State Revolving Fund Loan to build PFAS treatment plants at the Worcester street and East street wells.
6. The Board approved an increase in the connection fees starting on December 1, 2023. The reason for the increase is to offset the costs of the construction costs of over 35 million for PFAS treatment, which has been mandated by the EPA.
7. 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.

2023 OPEB TRUST ANNUAL MEETING

WATER DISTRICT OFFICE

APRIL 25, 2023

Committee Members present: Michael Corda, Ken Grew, Bob Frederico, Wendy Graves, Matthew Pearson and Dan Concaugh.

The OPEB TRUST members met prior to the Annual Meeting to discuss the present balance and the investments presently in the Trust Account. A balance of approximately \$425,000.00. (amount does fluctuate on a daily basis). The Committee voted to leave the present investment strategy as is.

Investments are managed through Bartholomew & Company, Worcester, MA

Matthew Pearson, Business Manager

Superintendents report 2023

The Grafton Water District now has 4496 total active services, which include residential, commercial, and industrial.

The District pumped a total of 448,971,000 gallons of water in the year 2023. 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 water pumped usually goes up and during a wet year it goes down.

The following addresses some of the projects we worked on during the 2023 calendar year.

1. The District submitted its Consumer confidence report to the DEP and the Board of Health and is now available online at www.graftonwaterdistrict.org and at the District office.
2. The East Street well had a major failure and needed to be repaired and relined. It was out of service for over 3 months, and we relied on our other stations to supply water. We also replaced the media in the air stripping tower while the station was offline.
3. Due to the inevitable EPA change on the minimum state action limit of 20 parts per trillion to 4, The District took steps to start getting 3 PFAS treatment plants designed and constructed at our Worcester St., East St., and Trinity Ave stations. Due to the increasing amounts of Iron and Manganese Trinity Ave will need a treatment facility for that as well. These plants are 3 to 4 years from being online.
4. The Trinity Ave. well is offline due to increased levels of Iron and Manganese in the system when the station is running.
5. We did an extensive hydrant flushing program this past year to remove Iron build up in the water mains and did roughly 95% of the district.
6. The 10" cast iron water main on Westboro Rd. was replaced with a new 12" cement lined ductile iron main in cooperation with Tufts and the Town of Grafton (with ARPA, Tufts, and District funds) to increase fire protection and future growth.
7. There was around 3,795 feet of new 8" ductile iron watermain installed and approved in the District by contractors.

8. We installed 21 new meters and replaced 40 older meters. Older meters are replaced as they become less accurate and affect our unaccounted for water.
9. We have been working with A&D instruments to update our Scada system and update our chemical and critical alarms at the pump stations.
10. Leak detection of the entire water system was performed in September and any leaks were addressed.
11. The District is in the process of installing a new booster pump station off of Pigeon hill Dr. which will replace the old underground booster. The new building will be a pre-built station with a generator to supply power in the event of an outage.
12. Regular maintenance has been performed throughout the year of District facilities to keep Pump stations and Treatment plants running.
13. Employees of the District continue to take classes to keep them up to date on changes in the industry. Each employee must attend a certain number of training hours to keep their license to operate valid and to continue their employment at the District. All operators carry the required licenses or newer employees are taking classes to achieve the grade needed.
14. All water sampling has met the requirements of the Environmental Protection Agency and the Massachusetts Department of Environmental Protection.

I would like to take this opportunity to thank the Commissioners and the staff at the District for their assistance and cooperation throughout the year. It is with their commitment to the District, the community, and their jobs that there is a smooth transition into the future.

Sincerely,



David Erickson

Superintendent

2023 WATER PRODUCTION (GALLONS)

	2022	2023
Total Used	418,145,000	448,971,000
Largest day	1,899,000	1,752,000
Average day	1,138,000	1,012,000

MAIN EXTENTIONS

Winslow Ln.	8"	355'
Brook St.	8"	1958'
Dylan Way	8"	565'
Empire Ln.	8"	917'

WATER MAIN REPAIRS

North Main St	6"	Pullard Rd.	12"
Hill Rd.	8"	Anderson Ln.	8"

WATER SERVICE REPAIRS

Forrest Ln.	6"	Brigham Hill Rd.	¾"
Barbara Jean St.	¾"	Overlook St.	¾"

SYSTEM MAINTENANCE

New Meters	26	New Hydrants	8
Replaced Meters	242	Total Services	4495

YEAR 2019-2023 COMPARISON

Year	# of Services	Gallons Pumped	Employees	Payroll
2023	4496	448,971,000	7	\$667,654.00
2022	4453	418,049,000	6.5	\$589,900.00
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

Year	Income	Expenses	Debt Payments	Debt Balance
2023	\$2,996,317.00	\$3,068,886.00	\$364,600.00	\$2,715,000.00
2022	\$3,037,125.00	\$2,529,028.00	\$366,200.00	\$1,813,800.00
2021	\$3,497,642.00	\$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

Year	Extra Payments	Connection Fees	Capital Improvements	Contributed Capital
2023	0	\$278,000.00	\$1,288,274.00	\$762,500.00
2022	0	\$133,500.00	\$743,331.00	\$125,000.00
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

* Fire service not included in total services

OFFICE MANAGER REPORT

FY23

The office staff is responsible for managing customer service, scheduling, billing, accounts receivables, accounts payables, payroll and HR functions. We also manage our website, computers (and software) maintenance and upgrades. Finally, we coordinate with water operations to ensure the District meets our customers' needs plus our regulation requirements for cross connection surveying and backflow testing, lead and copper sampling and reporting, monthly department of environmental protection (DEP) reporting, and emergency response planning (ERP.)

Below is a list of activities and accomplishments we have achieved throughout this year.

- We produced and mailed over 20,000 invoices and processed over 1500 service orders. We also processed over 22,000 payments. This is In addition to ensuring contractors were licensed with the District and developers met the District connection requirements. We continue to maintain an accounts receivables balance less than½ percent of our billed amount at the end of the quarterly billing period.
- Given the increased risk of cybersecurity threats, we implemented several cybersecurity upgrades across the company. This included adding a virtual private network (VPN) across the company, upgrading SCADA, our distribution and treatment software, adding cyber security protection to all of our computer systems and email systems.
- To meet the latest accounting standards, we also upgraded our accounting system, QuickBooks.
- Unipay, our online payment solution, has become so popular that we also implemented an automated lockbox solution to support the increased demand.
- To assist field operations with the increased lead and copper sampling requirements we upgraded the reporting and notifications to be more automated.

We are always very busy assisting customers and making sure the water operations staff plus the business manager, commissioners and treasurer have what they need to be successful. It works both ways, we could not do this without their support as well. I want to take this time to express my sincere appreciation for their continued support and efforts. I am looking forward to serving the Grafton Water District in the upcoming year.

Respectfully submitted,



Sharon L. Carroll-Tidman

Office Manager

BUSINESS MANAGERS REPORT

The following items address some of the projects that I worked on during the 2023 calendar year.

1. Worked together with the staff to facilitate new hires.
2. Prepared Annual budget.
3. Prepared warrant for Annual meeting.
4. Assisted staff with Annual Report.
5. Monitored monthly expenses and receipts.
6. Review and advise monthly pay warrant with Superintendent.
7. Administered 30-B procurement with Superintendent.
8. Review contracts with MIIA our insurance provider. Renewed policies.
9. Worked with District attorney on legal issues as needed.
10. Reviewed water billing and collection debits and credits with Office Manager.
11. Reviewed monthly financial payables and receivables with Office Manager.
12. Assisted Treasurer and office staff in administering Annual Audit review.
13. Advised Superintendent monthly regarding budget expenditures.
14. Reviewed and presented rate and miscellaneous charges and adjustments to the Board.
15. Oversaw the capital expense plan and budget for the Pigeon Hill Booster station project.
16. Worked with the Town on Article 97 issues for the lease of Powerline Drive property.
17. Applied for and received 23 million of State Revolving Fund Loan Program toward funding of the East Street and Worcester Street PFAS facilities.
18. Worked with Tighe and Bond and Wright-Pierce engineers on the process of PFAS treatment at 3 facilities.
19. Reviewed monthly financial reports with Treasurer.
20. Managed investments with Treasurer.
21. Managed OPEB account and reported to Board and OPEB Trust committee.
22. Managed Solar contracts and billings.
23. Managed Smart Plan with employees.
24. Managed Solar contracts and revenues including distribution amounts with the Town.
25. Developers installed a total of 3,795 feet of 8-inch pipe on Brooke Street, Dylan Way, Liberty Lane and Empire Road at \$250 per foot, which resulted in an additional \$948,750 of contributed capital to the water system. The Water District invested funds totaling \$140,000.00 into the Westboro Road water main replacement project along with \$500,000.00 ARPA funds from the Town of Grafton, and Tufts University \$300,000.00 This project was administered by the Town of Grafton, with assistance from the GWD.

I would like to take this opportunity to thank the Commissioners and employees of the District, and the people of Grafton, for their assistance throughout the year. In my 34 years as an employee, I could not have asked for a better job.

Matthew E. Pearson
Business Manager



McWALTER |
BOISVERT LAW, LLP

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

March 21, 2024

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 current fiscal year. Although I have consulted with you and the District staff 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.

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**GRAFTON WATER DISTRICT
TREASURER'S REPORT
YEAR ENDING JUNE 30, 2023**

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

Vendor Payments

>= \$4,000

July 1, 2022 thru June 30, 2023

Vendor	Amount	Vendor	Amount
Vendor	Amount	Kearsarge Energy	\$ 92,585.30
A/D Instrument	\$ 22,332.43	Keltic Painting LLC	\$ 9,700.00
Altus Dental	\$ 7,594.74	Koopman	\$ 11,466.37
Andrew DeVries	\$ 4,536.29	LockeLordLLP	\$ 5,250.00
Bau Hopkins	\$ 14,020.60	Luminace by Brookfield	\$ 145,518.98
Bigelow Electrical Co., Inc.	\$ 4,114.00	MarcelAPayeur	\$ 394,000.00
Borden & Remington	\$ 32,615.79	MIIA-PropertyCasual	\$ 31,347.00
CUSI	\$ 6,753.00	MWWA	\$ 4,074.00
DanAmorelloServices	\$ 16,900.00	Nashoba Analytical, LLC	\$ 27,215.00
Dankris Builders Corp	\$ 63,545.50	National Grid	\$ 21,838.16
DEP	\$ 4,150.71	NEWWA	\$ 6,350.00
DurandBuickGMCCadillac	\$ 50,164.00	Putnam Pipe	\$ 4,869.78
EarthWorks	\$ 201,603.00	R H White	\$ 24,775.77
EIS	\$ 5,103.75	R. M. Adams	\$ 4,565.32
Everett J. Prescott Inc.	\$ 15,174.80	S&PGlobalRatings	\$ 16,250.00
Fall River Electrical Inc.	\$ 9,887.11	Savers Bank	\$ 38,046.58
FG Sullivan Drilling	\$ 16,545.00	Scanton & Associates	\$ 8,500.00
Flowrite	\$ 18,177.69	Shannon Chemical Corporation	\$ 4,781.78
Grafton Police Department	\$ 12,306.25	Stiles Company	\$ 41,585.07
Gulf	\$ 14,198.35	SunLife	\$ 9,022.12
H.R. Prescott & Sons Inc	\$ 12,141.32	Tighe&Bond	\$ 140,190.00
HACH Co.	\$ 11,294.64	TuftsHealthPlan	\$ 95,534.31
Haffner's - Huhtala Oil	\$ 19,395.90	U.S. Postal Service	\$ 9,274.00
Haluch Water Contracting, Inc.	\$ 5,500.00	UFASI	\$ 15,075.00
Harvey & Sons, Inc.	\$ 4,144.98	UNIVAR	\$ 42,081.76
Holcim	\$ 7,165.46	USBank	\$ 4,000.00
Hydra Tech, Inc	\$ 33,650.00	USBankNA	\$ 398,250.00
JMR Water Services	\$ 17,496.00	Verizon Wireless	\$ 4,225.77
Jones Chemicals, Inc.	\$ 29,129.58	Wendy Graves	\$ 11,916.00

GRAFTON, MASSACHUSETTS WATER DISTRICT
Report on the Examination of Basic Financial Statements
Fiscal Year Ended June 30, 2023

GRAFTON, MASSACHUSETTS WATER DISTRICT
Report on the Examination of Basic Financial Statements
For the Year Ended June 30, 2023

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Independent Auditor's Report

To the Honorable Board of Water Commissioners
Grafton Water District
Grafton, Massachusetts

Opinions

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Grafton Water District in Grafton, Massachusetts, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Grafton Water District in Grafton, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Grafton Water District in Grafton, Massachusetts, as of June 30, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grafton Water District in Grafton, Massachusetts' basic financial statements. The Schedule of Accounts Receivable, as listed in the table of contents, is presented for purposes of additional analysis 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 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 Schedule of Accounts Receivable 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

October 10, 2023

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, 2023. 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 \$21,765,926 (net position) at the close of the 2023 fiscal year. This compares to the previous year when assets exceeded its liabilities by \$21,045,456, or an increase of \$720,470 (3%).
- Total liabilities of the Water District increased during the year by \$1,129,370 to \$3,294,934. This net change resulted mainly from an increase in the long-term bonds payable of \$1,100,000 (due to the new loan issuance) from the previous year.
- At June 30, 2023, the Water District's total current assets in the amount of \$4,095,342 exceeded its total current liabilities of \$737,001 by \$3,358,341. 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.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

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		
	2023	2022	Change
Assets:			
Current assets	\$ 4,095,342	\$ 2,489,619	\$ 1,605,723
Capital assets	20,965,518	20,680,401	285,117
Total assets	25,060,860	23,170,020	1,890,840
Liabilities:			
Current liabilities (excluding debt)	332,001	396,535	(64,534)
Current debt	405,000	300,000	105,000
Noncurrent liabilities (excluding debt)	247,933	113,029	134,904
Noncurrent debt	2,310,000	1,315,000	995,000
Total liabilities	3,294,934	2,124,564	1,170,370
Net Position:			
Net investment in capital assets	18,250,518	19,065,401	(814,883)
Restricted	937,722	-	937,722
Unrestricted	2,577,686	1,980,055	597,631
Total net position	\$ 21,765,926	\$ 21,045,456	\$ 720,470

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

	2023	2022	Change
Operating Revenues:			
Charges for services - Rates	\$ 2,600,483	\$ 2,814,384	\$ (213,901)
Service and entrance fees	278,000	133,500	144,500
Miscellaneous fees	34,080	33,181	899
Other	83,754	56,060	27,694
Total revenues	2,996,317	3,037,125	(40,808)
Expenses:			
Salaries and wages	667,654	581,185	86,469
Employee benefits	353,718	224,327	129,391
Professional fees	37,291	50,031	(12,740)
Office expenses	49,367	42,319	7,048
Maintenance and operating	904,210	592,482	311,728
Depreciation	1,056,646	1,038,684	17,962
Total expenses	3,068,886	2,529,028	539,858
Non-operating revenues (expenses):			
Interest Income	57,783	1,424	56,359
Contributed Capital	762,500	125,000	637,500
Other: Bond Premium	98,048	-	98,048
Interest Expense	(125,292)	(75,233)	(50,059)
Total non-operating revenues (expenses)	793,039	51,191	741,848
Change in net position	720,470	559,288	161,182
Net position - beginning of year	21,045,456	20,486,168	559,288
Net position - end of year	\$ 21,765,926	\$ 21,045,456	\$ 720,470

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 \$21,765,926, at the close of fiscal year 2023.

Net position of \$18,250,518 (84%) 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.

An additional portion of the net position, \$937,722 (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is *unrestricted net position* of \$2,577,686 (12%) 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 \$720,470 (3%) during the current fiscal year. This change was mainly due to operating expenses exceeding current operating revenues by \$72,569, interest income of \$57,783, contributed capital of \$762,500, bond premium of \$98,048 and interest expense of \$125,292. Operating revenues decreased by \$40,808 (1%) while operating expenses increased by \$539,858 (21%) from the prior year.

Capital Asset and Debt Administration

Capital Assets. The Water District's investment in capital assets as of June 30, 2023 amounts to \$20,965,518.

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:

- Vehicle purchase for \$53,489.
- Infrastructure improvements for \$1,288,274.

Debt Administration. The Water District's outstanding governmental debt as of June 30, 2023, totaled \$2,715,000 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, 2023 do not reflect the fiscal year 2024 Water District meeting. The annual Water District meeting on April 25, 2023 authorized a fiscal year 2024 operating budget as follows:

From Water receipts	<u>\$ 2,960,412</u>
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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, 2023

	Business-Type Activity Enterprise Fund
	Water Fund
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 89,623
Investments	2,959,849
Receivables, net of allowance for uncollectibles:	
User Charges	686,993
Betterment Receivable	23,489
Due from Other Governments	24,570
Other - Solar Credit	310,818
Total current assets	4,095,342
NONCURRENT:	
Capital Assets, net of accumulated depreciation	
Nondepreciable	1,847,383
Depreciable	19,118,135
Total noncurrent assets	20,965,518
Total Assets	25,060,860
LIABILITIES	
CURRENT:	
Accounts Payable	299,319
Other	257
Accrued Interest	32,425
Bonds Payable	405,000
Total current liabilities	737,001
NONCURRENT:	
Compensated Absences	44,784
Net Other Post Employment Benefits Liability	203,149
Bonds Payable	2,310,000
Total noncurrent liabilities	2,557,933
Total Liabilities	3,294,934
NET POSITION	
Net Investment in Capital Assets	18,250,518
Restricted for Capital Projects	937,722
Unrestricted	2,577,686
Total Net Position	\$ 21,765,926

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, 2023**

	Business-Type Activity Enterprise Fund
	Water Fund
Operating Revenues:	
Charges for Services - Rates	\$ 2,600,483
Service and Entrance Fees	278,000
Miscellaneous Fees	34,080
Other	83,754
Total Operating Revenues	2,996,317
Operating Expenses:	
Salaries & Wages	667,654
Employee Benefits	353,718
Professional Fees	37,291
Office Expenses	49,367
Maintenance and Operating	904,210
Depreciation	1,056,646
Total Operating Expenses	3,068,886
Operating Income (Loss)	(72,569)
Non-Operating Revenues (Expenses):	
Interest Income	57,783
Contributed Capital	762,500
Other	98,048
Interest Expense	(125,292)
Total Non-Operating Revenues (Expenses)	793,039
Change in Net Position	720,470
Net Position at Beginning of Year	21,045,456
Net Position at End of Year	\$ 21,765,926

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, 2023**

	Business-Type Activity Enterprise Fund
	Water Fund
Cash Flows From Operating Activities:	
Receipts from Customers and Users	\$ 2,948,784
Payments to Vendors	(1,208,028)
Payments to Employees	(622,870)
Net Cash Provided by (Used for) Operating Activities	1,117,886
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Issuance of Bonds	1,400,000
Other	98,048
Acquisition and Construction of Capital Assets	(717,277)
Principal Payments on Bonds and Notes	(300,000)
Interest Expense	(98,250)
Net Cash Provided by (Used for) Capital and Related Financing Activities	382,521
Cash Flows from Investing Activities:	
Investment Income	57,783
Sale of Investments	(2,557,146)
Net Cash Provided by (Used for) Investing Activities	(2,499,363)
Net Increase (Decrease) in Cash and Cash Equivalents	(998,956)
Cash and Cash Equivalents at Beginning of Year	\$1,088,579
Cash and Cash Equivalents at End of Year	\$ 89,623

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

Operating Income (Loss)	\$ (72,569)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	1,056,646
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	46,296
Increase (Decrease) in Compensated Absences	44,784
Increase (Decrease) in Other Liability	142
Increase (Decrease) in Other Post Employment Benefits Payable	90,120
Decrease (Increase) in Due from Other Governments	(3,010)
Decrease (Increase) in Other Asset	(83,754)
Decrease (Increase) in User Charges Receivable	39,231
Total Adjustments	1,190,455
Net Cash Provided by (Used for) Operating Activities	\$ 1,117,886

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, 2023**

	Other Post Employment Benefits Trust Fund
ASSETS	
Investments	\$ 448,796
Total Assets	448,796
NET POSITION	
Restricted for Other Postemployment Benefits	\$ 448,796

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, 2023**

	Other Post Employment Benefits Trust Fund
Additions:	
Contributions:	
Employer Contributions	\$ -
Investment Income	30,612
Total Additions	30,612
Deductions:	
Employee Benefits and Insurance	-
Total Deductions	-
Change in Net Position	30,612
Net Position at Beginning of Year	418,184
Net Position at End of Year	\$ 448,796

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, 2023

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 2023, 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, 2023

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, 2023

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:

Capital Asset Type	Years
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, 2023

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, 2023 were \$94,756. 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, 2023

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, 2023, the Water District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1
Debt Securities:		
Money market mutual fund	\$ 2,260	\$ 2,260
Other Investments:		
Equity mutual funds	446,536	
MMDT	2,959,849	
	\$ 3,408,645	

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 \$3,408,645 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 District does not have any exposure to credit risk as of June 30, 2023.

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.

GRAFTON, MASSACHUSETTS WATER DISTRICT
Notes to the Financial Statements
Year Ended June 30, 2023

The Water District has the following recurring fair value measurements as of June 30, 2023:

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	\$ 446,536	\$ 446,536	\$ -	\$ -
Money market mutual fund	2,260	2,260	-	-
	448,796	\$ 448,796	\$ -	\$ -
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	2,959,849			
Total Investments	\$ 3,408,645			

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, 2023, receivables including the applicable allowances for uncollectible accounts are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
User charges	\$ 686,993	\$ -	\$ 686,993
Betterment receivable	23,489	-	23,489
Due from other governments	24,570	-	24,570
	\$ 735,052	\$ -	\$ 735,052

The composition of amounts due from other governments as of June 30, 2023 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 \$24,570.

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 \$310,818 is available as of June 30, 2023.

GRAFTON, MASSACHUSETTS WATER DISTRICT
Notes to the Financial Statements
Year Ended June 30, 2023

D. Capital Assets

Capital asset activity for the year ended June 30, 2023, is as follows:

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,035,105	\$ -	\$ -	\$ 1,035,105
Construction in progress	351,282	460,996	-	812,278
Total capital assets not being depreciated	1,386,387	460,996	-	1,847,383
Capital assets being depreciated:				
Buildings and renovations	278,076	-	-	278,076
Machinery, equipment and other	183,101	53,489	-	236,590
Infrastructure	37,347,062	827,278	-	38,174,340
Total capital assets being depreciated	37,808,239	880,767	-	38,689,006
Less accumulated depreciation for:				
Buildings and renovations	278,076	-	-	278,076
Machinery, equipment and other	183,101	10,698	-	193,799
Infrastructure	18,053,048	1,045,948	-	19,098,996
Total accumulated depreciation	18,514,225	1,056,646	-	19,570,871
Total capital assets being depreciated, net	19,294,014	(175,879)	-	19,118,135
Total business-type activities capital assets, net	\$ 20,680,401	\$ 285,117	\$ -	\$ 20,965,518

Depreciation expense as charged to the Water District and recorded on the Statement of Activities resulting from water operations is \$1,056,646.

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.

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, 2023
Outside Debt:					
Water Fund:					
General Obligation Refunding Bonds	1.83%	10/17/2017	6/1/2027	\$ 2,985,000	\$ 1,315,000
Municipal Purpose Loan of 2022:	4.65%	8/1/2022	8/1/2037	1,400,000	1,400,000
Total Business-type debt					<u>\$ 2,715,000</u>

GRAFTON, MASSACHUSETTS WATER DISTRICT
Notes to the Financial Statements
Year Ended June 30, 2023

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2023, are as follows:

Year	Principal	Interest	Total
2024	\$ 405,000	\$ 117,525	\$ 522,525
2025	415,000	100,375	515,375
2026	430,000	82,825	512,825
2027	445,000	64,675	509,675
2028	95,000	45,925	140,925
2029-2033	475,000	158,375	633,375
2034-2037	450,000	46,800	496,800
	<u>\$ 2,715,000</u>	<u>\$ 616,500</u>	<u>\$ 3,331,500</u>

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

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due within One Year
Business-type activities:					
Bonds Payable:					
General obligation bonds	\$ 1,615,000	\$ 1,400,000	\$ 300,000	\$ 2,715,000	\$ 405,000
Net OPEB liability	113,029	90,120	-	203,149	-
Governmental activity					
Long-term liabilities	<u>\$ 1,728,029</u>	<u>\$ 1,490,120</u>	<u>\$ 300,000</u>	<u>\$ 2,918,149</u>	<u>\$ 405,000</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, 2023.

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.

GRAFTON, MASSACHUSETTS WATER DISTRICT
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the District at June 30, 2023.

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 Water 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 12 active and retired employees, and spouses that meet the eligibility requirements. The plan does not issue a separate financial report.

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 2023 fiscal year, the District premiums plus implicit costs for the retiree medical program are \$0. The District also made a contribution to an OPEB Trust of \$0 for the 2023 fiscal year for a total contribution of \$0 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.

GRAFTON, MASSACHUSETTS WATER DISTRICT
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2023, the trust balance is \$448,796.

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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Plan Membership:

Current active members	7
Current retirees, beneficiaries and dependents	5
Total	12

Net OPEB Liability

The components of the net OPEB liability are as follows:

	6/30/2023
Total OPEB liability	\$ 651,945
Less: Plan fiduciary net position	(448,796)
District's Net OPEB liability	\$ 203,149
Plan fiduciary net position as a percentage of the total OPEB liability	68.8%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified;

Valuation date	June 30, 2023
Actuarial cost method	Entry Age Actuarial Cost Method
Single Equivalent Discount rate	3.50% annually
Participant salary increases	3.00% annually
Healthcare cost trend rates	to an Ultimate trend rate of 4.0% 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.

GRAFTON, MASSACHUSETTS WATER DISTRICT
Notes to the Financial Statements
Year Ended June 30, 2023

Rate of Return

For the year ended June 30, 2023, 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. The discount rate is based on a municipal bond index for the estimated rate of return for investment assets in the trust fund.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2022	\$ 531,213	\$ 418,184	\$ 113,029
Service cost	41,900	-	41,900
Interest	18,592	-	18,592
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Difference between actual and expected experience	60,240	-	60,240
Net investment income	-	30,612	(30,612)
Employer contributions to Trust	-	-	-
Total benefit payments including implicit cost	-	-	-
Net change in total OPEB liability	120,732	30,612	90,120
Balances at June 30, 2023	\$ 651,945	\$ 448,796	\$ 203,149

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%)
\$ 268,856	\$ 203,149	\$ 140,584

GRAFTON, MASSACHUSETTS WATER DISTRICT
Notes to the Financial Statements
Year Ended June 30, 2023

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
\$ 126,034	\$ 203,149	\$ 294,131

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, 2023, the GASB Statement No. 75 reporting period and fiscal year ending date, the District recognized an OPEB expense of \$106,096 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. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the District's financial statements.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the District's financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the District's financial statements.

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. 100, *Accounting Changes and Error Corrections—An Amendment of GASB 62*, for implementation in fiscal year 2024.

The GASB issued Statement No. 101, *Compensated Absences*, for implementation in fiscal year 2025.

REQUIRED SUPPLEMENTARY INFORMATION

GRAFTON, MASSACHUSETTS WATER DISTRICT
Schedule of Revenues and Expenditures - Budgetary Basis (Non-GAAP) -
Budget and Actual - Water Fund
For the Year Ended June 30, 2023

	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						
Revenues:							
Charges for Services - Water	\$ -	\$ 2,650,000	\$ 2,650,000	\$ 2,600,483	\$ -	\$ (49,517)	
Service and Entrance Fees	-	50,000	50,000	278,000	-	228,000	
Miscellaneous Fees	-	-	-	34,080	-	34,080	
Investment Income	-	10,000	10,000	57,783	-	47,783	
Total Revenues	-	2,710,000	2,710,000	2,970,346	-	260,346	
Expenditures:							
Current:							
Salaries and wages	-	589,900	589,900	667,654	-	(77,754)	
Operations and maintenance	-	615,700	615,700	895,462	-	(279,762)	
Professional fees	-	74,796	74,796	37,291	-	37,505	
Office expenses	-	44,450	44,450	49,367	-	(4,917)	
Employee and Pension Benefits	-	243,900	243,900	218,814	-	25,086	
Capital Outlay	199,693	420,000	619,693	326,707	-	292,986	
Debt Service:							
Principal	-	300,000	300,000	300,000	-	-	
Interest	-	66,200	66,200	98,250	-	(32,050)	
Total Expenditures	199,693	2,354,946	2,554,639	2,593,545	-	(38,906)	
Excess of Revenues Over	(199,693)	355,054	155,361	376,801	-	221,440	
(Under) Expenditures							
Other Financing Sources (Uses):							
Operating Transfers In (Out)	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	
Net Change in Budgetary Fund Balance	(199,693)	355,054	155,361	376,801	\$	\$	221,440
Other Budgetary Items:							
Budgeted Surplus	-	(355,054)	(355,054)				
Prior Year Encumbrances	199,693	-	199,693				
Total Other Budgetary Items	199,693	(355,054)	(155,361)				
NET BUDGET	\$ -	\$ -	\$ -				

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, 2023

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.

	Operating and Non-Operating Revenues	Operating and Non-Operating Expenditures
Statement of Revenues, Expenditures and Changes in Net Position	\$ 3,914,648	\$ 3,194,178
<i>Adjustments:</i>		
Eliminate depreciation	-	(1,056,646)
Change in other post-employment benefit liability	-	(134,904)
Eliminate other-solar credits	(83,754)	-
Eliminate contributed capital	(762,500)	317,959
Eliminate bond premium	(98,048)	-
Principal payment of long-term debt	-	300,000
Change in accrued interest on long-term debt	-	(27,042)
Budgetary Basis	\$ 2,970,346	\$ 2,593,545

GRAFTON, MASSACHUSETTS WATER DISTRICT
Required Supplementary Information
Other Post-Employment Benefit Plan Schedules
For the Year Ended June 30, 2023

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Total OPEB liability			
Service cost	\$ 41,900	\$ 35,965	\$ 33,277
Interest on net OPEB liability	18,592	17,662	20,279
Changes in Benefit terms	-	-	-
Changes in Assumptions	-	-	-
Difference between expected and actual experience	60,240	(109,377)	(40,101)
Benefit payments, including refunds of member contributions	-	(1,786)	(4,115)
Net change in total OPEB liability	<u>120,732</u>	<u>(57,536)</u>	<u>9,340</u>
Total OPEB liability-beginning	531,213	588,749	579,409
Total OPEB liability-ending (a)	\$ 651,945	\$ 531,213	\$ 588,749
Plan fiduciary net position			
Net investment income	30,612	(73,694)	82,802
Employer contributions to Trust	-	51,786	54,115
Benefit payments, including refunds of member contributions	-	(1,786)	(4,115)
Net change in plan fiduciary net position	<u>30,612</u>	<u>(23,694)</u>	<u>132,802</u>
Total fiduciary net position-beginning	418,184	441,878	309,076
Total fiduciary net position-ending (b)	\$ 448,796	\$ 418,184	\$ 441,878
District's net OPEB liability (a-b)	\$ 203,149	\$ 113,029	\$ 146,871

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, 2023

Schedule of Changes in the Net OPEB Liability:

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

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, 2023

Schedule of Net OPEB Liability:

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Total OPEB liability	\$ 651,945	\$ 531,213	\$ 588,749
Less: Plan fiduciary net position	(448,796)	(418,184)	(441,878)
District's Net OPEB liability	<u>\$ 203,149</u>	<u>\$ 113,029</u>	<u>\$ 146,871</u>
Plan fiduciary net position as a percentage of the total OPEB liability	68.8%	78.7%	75.1%
District's share of covered employee payroll	\$ 633,333	\$ 548,091	\$ 535,492
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	32.1%	20.6%	27.4%

Schedule of Contributions:

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarially determined contribution	\$ -	\$ 1,786	\$ 4,115
Less: Contributions in relation to the actuarially determined contribution	-	(51,786)	(54,115)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>
District's share of covered employee payroll	\$ 633,333	\$ 548,091	\$ 535,492
Contributions percentage of covered-employee payroll	0.0%	9.4%	10.1%
Annual money-weighted rate of return net of investment expense	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, 2023

Schedule of Net OPEB Liability:

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

Schedule of Contributions:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ -	\$ -	\$ -
Less: Contributions in relation to the actuarially determined contribution	(50,000)	(50,000)	(100,000)
Contribution deficiency (excess)	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ (100,000)</u>
District's share of covered employee payroll	\$ 545,209	\$ 492,936	\$ 462,078
Contributions percentage of covered-employee payroll	9.2%	10.1%	21.6%
Annual money-weighted rate of return net of investment expense	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, 2023

Schedule of Funding Progress:

Measurement Date	Other Post Employment Benefits						
	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)	
6/30/2023	\$ 448,796	\$ 651,945	\$ 203,149	68.8%	\$ 633,333	32.1%	
6/30/2022	\$ 418,184	\$ 531,213	\$ 113,029	78.7%	\$ 548,091	20.6%	
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, 2022 TO JUNE 30, 2023

Accounts Receivable July 1, 2022	Amounts Billed	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Accounts Receivable June 30, 2023	Accounts Receivable Per Detail June 30, 2023
\$ 726,224	\$ 2,593,483	-	\$ 2,632,714	\$ 686,993	\$ 686,963
\$ 3,944	-	-	-	\$ 3,944	\$ 3,944
19,545	-	-	-	19,545	19,545
\$ 23,489	-	-	-	\$ 23,489	\$ 23,489

Water Rates

Betterments:
North Street
Stonebrook

**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 30th day of April 2024, 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 sum of two million, eight hundred and forty-nine thousand, nine hundred and forty-two dollars and no cents (2,849,942.00) as the Fiscal 2025 budget as printed in the Annual Report to defray the usual expenses of the District or take any action relative thereto.

Article 4. To see if the District will vote to appropriate twenty-three million dollars (\$23,000,000.00) to pay all costs of making various water system improvements, including, but not limited to, the design and construction of two (2) new water treatment plants at the East Street and Worcester Street well sites that will treat for the removal of PFAS contaminants, and the payment of all other costs incidental and related thereto. To meet this appropriation, the Water District Treasurer, with the approval of the Board of Water Commissioners, is hereby authorized to borrow said amount under and pursuant to M.G.L. Chapter. 44, §7 and 8, or pursuant to any other enabling authority, and to issue bonds or notes of the District therefor. All, or any portion, of this borrowing may be obtained through the Massachusetts Clean Water Trust (the "Trust") in accordance with Chapter 29C, as amended, of the General Laws. The Chair of the Board of Water Commissioners, acting on behalf of the Board of Water Commissioners, the Treasurer and any other appropriate officials of the District are authorized to execute and deliver any and all agreements and other documents that may be required by the Trust, or by the Massachusetts Department of Environmental Protection in connection with any financing to be obtained through the Trust. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this

vote in accordance with M.G.L. Chapter. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount or take any action relative thereto.

Article 5. To see if the District will authorize the Board of Water Commissioners to enter into an intermunicipal agreement with the Town of Shrewsbury, pursuant to the provisions of MGL Chapter 40, Section 4A, for purposes of supplying water for commercial or industrial use only, to an area south of the New England Power transmission lines, located at 414-428 Cherry Street in the Town of Shrewsbury, specifically lots 55-002001, 55-002002, 55-002004; for fire protection, or domestic use and to install, construct, repair, maintain, accept and operate any water lines and appurtenances as necessary to deliver same, to accept any easements to facilitate the supplying of water to that area and to set rates and charges and terms in the best interest of the District or take any action relative thereto.

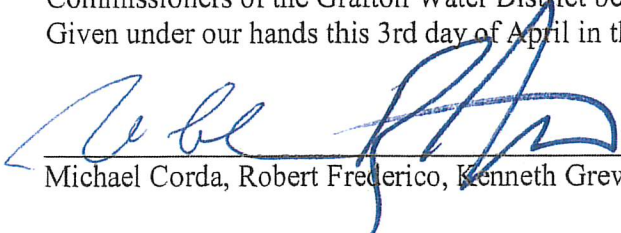
Article 6. To see if the District will appropriate from available funds the sum of fifty thousand dollars (\$50,000.00) to facilitate the repair of the headwall associated with the culvert at Doris Drive owned by the District or take any action relative thereto.

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 3rd day of April in the year two thousand and twenty four.



Michael Corda, Robert Frederico, Kenneth Grew, Commissioners

**Grafton Water District
Annual Budget**

	2023-2024 Budget	2024-2025 Proposal	Change
Maintenance & Operation			
Salaries	\$ 658,600	\$ 728,440	10.6%
Benefits	256,562	\$ 303,502	18.3%
Maintenance	404,500	\$ 416,500	3.0%
Utilities	131,500	\$ 133,500	1.5%
Chemicals	92,000	\$ 98,000	6.5%
Engineering Services	40,000	\$ 45,000	12.5%
Miscellaneous	2,950	\$ 2,950	0.0%
Sub Total	\$ 1,586,112	\$ 1,727,892	8.9%
Administrative Expenses			
Office & Supplies	\$ 44,500	\$ 69,500	56.2%
Insurance	30,000	\$ 30,000	0.0%
Accounting	12,000	\$ 12,000	0.0%
Legal	6,000	\$ 10,000	66.7%
Officers Fee	3,500	\$ 3,500	0.0%
Moderator's Fee	300	\$ 300	0.0%
Treasurer's Fee	13,000	\$ 18,000	38.5%
Sub-Total	\$ 109,300	\$ 143,300	31.1%
Debt Service	\$ 525,000	\$ 555,575	5.50%
Capital			
Gen. System Improvements	\$ 325,000	\$ 325,000	0.0%
Vehicle	\$ 75,000	\$ -	0.0%
Sub-Total	\$ 400,000	\$ 325,000	-18.8%
Total Expenditures	\$ 2,620,412	\$ 2,849,942	8.8%
Total Revenue(Anticipated)	\$ 2,900,000	\$ 3,100,000	6.9%