



Water Supply District of Acton

693 MASSACHUSETTS AVENUE
P.O. BOX 953
ACTON, MASSACHUSETTS 01720

TELEPHONE (978) 263-9107

FAX (978) 264-0148

Board of Water Commissioners & Finance Committee

Meeting Agenda

Monday, December 22nd, 2025 @ 7:00 PM

Due to the COVID-19 Pandemic, meetings are being held virtually via Zoom

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/86086830401>

Phone one-tap:

+13052241968,,86086830401# US, +13092053325,,86086830401# US

Join via audio:

+1 305 224 1968 US, +1 309 205 3325 US, +1 312 626 6799 US (Chicago), +1 646 931 3860 US

+1 929 205 6099 US (New York), +1 301 715 8592 US (Washington DC), +1 253 205 0468 US

+1 253 215 8782 US (Tacoma), +1 346 248 7799 US (Houston), +1 360 209 5623 US

Webinar ID: 860 8683 0401

International numbers available: <https://us02web.zoom.us/u/kccZsB76cc>

- **Comments from the public**
- **Approve minutes from the meeting of 11/24 and 12/8**
- **Appoint one Commissioner to sign warrants while conducting meetings virtually**

NEW BUSINESS:

- Representatives of CBIZ CPAs for annual audit report
- Update on Investments from Cap Trust (formerly Boston Financial)

OLD BUSINESS:

- Per- and Polyfluoroalkyl Substances (PFAS)
 - Current sample data, if available
 - Discussion of Additional PFAS Upgrades
 - MDL Update
- Review Draft Budget for FY '27 and proposed articles for 2026 Annual District Meeting Warrant
- MWRA MetroWest Expansion
- Recruitment for Treasurer/Collector

EXECUTIVE SESSION: To conduct strategy sessions for contract negotiations with nonunion personnel.

Any agenda item(s) which did not come to the attention of the Board of Water Commissioners 48 hours prior to this meeting and were not reasonably anticipated.

Acton Water



District

DP

WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

(With Independent Auditors' Report Thereon)

DRAFT

WATER SUPPLY DISTRICT OF ACTON

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Independent Auditors' Report.....	1
Management's Discussion and Analysis	4
Basic Financial Statements	10
Proprietary Funds – Statement of Net Position	11
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position.....	12
Proprietary Funds – Statement of Cash Flows	13
Fiduciary Funds – Statement of Fiduciary Net Position	14
Fiduciary Funds – Statement of Changes in Fiduciary Net Position.....	15
Notes to Basic Financial Statements	16
Required Supplementary Information.....	45
Pension Plan Schedules	46
Schedule of the District's Proportionate Share of the Net Pension Liability.....	47
Schedule of the District's Contributions	48
Other Postemployment Benefit Plan Schedules	49
Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios	50
Schedule of the District's Contributions	51
Schedule of Investment Returns.....	52
Notes to Required Supplementary Information.....	53
Combining Schedules	56
Combining Schedule of Net Position	59
Combining Schedule of Revenues, Expenses and Changes in Net Position	60
Additional Information	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Sub Fund – Budget and Actual	62
Schedule of Reserve for Capital Projects	63
General Operations - Changes in Net Position– Current Year and Two Years Prior	64
Notes to Additional Information	65
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	66

This page intentionally left blank.

DRAFT

Independent Auditors' Report

To the Board of Commissioners
Water Supply District of Acton

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of the Water Supply District of Acton (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the fiduciary activities of the District, as of June 30, 2025, 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") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("Government Auditing Standards"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining schedules and additional information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statements and additional information, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The financial statements of the Water Supply District of Acton, as of June 30, 2024, and for the year then ended, were audited by other auditors whose report dated September 26, 2024, expressed unmodified opinions on those statements. The 2024 and 2023 supplementary

information on page 66 was subjected to the auditing procedures applied in the audits of the 2024 and 2023 basic financial statements by other auditors whose reports stated that they were fairly stated in all material respects to the 2024 and 2023 basic financial statements as a whole, respectively.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Merrimack, NH
_____, 2025

DRAFT

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2025

As management of the Water Supply District of Acton (the "District"), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2025. The District complies with financial reporting requirements issued by the Governmental Accounting Standards Board ("GASB"). Management's discussion and analysis are part of these requirements.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. These basic financial statements include the single purpose business-type activity statements, the fiduciary fund statements and the notes to the financial statements. The proprietary fund and entity-wide financial statements use the same basis of accounting and are therefore reported as the proprietary fund statement of net position and statement of revenues, expenses, and changes in net position.

The District's *business-type activities* account for all operating, capital and debt service activities.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not available to support the District's own programs.

The *other postemployment benefit (OPEB) trust fund* is used to accumulate resources to provide funding for future OPEB (other postemployment benefit) liabilities.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information, combining schedules, and additional information*. A schedule of the District's proportionate share of the net pension liability and a schedule of contributions have been provided to show a multi-year trend information on the District's net pension liability in relation to the Middlesex County Retirement System. A schedule of changes in the District's net other postemployment benefit liability/(asset) and related ratios had been provided to show the components of changes in the District's net other postemployment liability/(asset). Also, combining schedules have been provided to show the impact of the combining of the District's operating funds with the long-term liabilities and assets to total the full-accrual financial statements. Also, a budgetary comparison schedule has been provided for the general sub-fund to demonstrate compliance with the District's annual appropriated budget; a schedule of reserve for capital projects has been provided to show the activity of the individual projects included in the basic financial statements; and a general operations – schedule of changes in net position – current year and prior two periods has been provided to show a three year trend schedule for the District's general fund activity.

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2025

Financial Highlights

In 2025, the District entered into interim loan agreements with the Massachusetts Clean Water Trust (“MCWT”) in the amounts of \$7.6 million and \$10.4 million for the purposes of financing costs of the South Acton Water Treatment Plant (“SAWTP”) and the Central Acton Water Treatment Plant (“CAWTP”) drinking water projects, respectively. During the interim financing period, the District is allowed to draw funds from the Trust on an interest-free basis. Upon completion of the project, and notice from MCWT, the interim financing will be converted to long-term debt, by the Trust. At this point, a permanent debt funding schedule will be established. As of June 30, 2025, the District incurred approximately \$4.2 million and \$6.6 million of eligible construction costs related to the SAWTP and CAWTP projects, respectively. In 2025, the District drew down on project costs, and was awarded \$2.4 million in principal loan forgiveness.

In 2025, the District was awarded a net settlement of \$4.2 million from 3M related to a class action lawsuit, payable over eight years. For 2025, the District reported, as a special item, the cash payment received of \$611,000 and a receivable of \$1.4 million for payments received after year-end.

Additionally, the District was awarded a settlement from DuPont in the same lawsuit, and recorded a receivable of \$350,000 for the amount received subsequent to year end.

As measured in the updated other postemployment benefit (OPEB) liability actuarial report, the District has elected to pay retiree health insurance from operations rather than directly from the OPEB Trust fund, which increases the funding to the Trust. This update resulted in an increase to the District's discount rate from 5.98% to 7.00%, which decreased the District's net OPEB liability.

Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$43.5 million at the close of year 2025. This represents an increase of \$8.3 million from the prior year.

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2025

The following table demonstrates the changes in the District's net position at June 30, 2025 and 2024:

	2025	2024
Assets:		
Current assets.....	\$ 10,671,783	\$ 8,323,651
Noncurrent assets (excluding capital).....	5,171,138	5,344,857
Nondepreciable capital assets.....	21,487,929	11,377,661
Capital assets, net of accumulated depreciation.....	<u>51,159,299</u>	<u>50,933,381</u>
Total assets.....	88,490,149	75,979,550
 Deferred outflows of resources.....	 831,561	 1,135,203
 Liabilities:		
Current liabilities (excluding debt).....	4,124,453	396,189
Noncurrent liabilities (excluding debt).....	4,813,496	5,133,638
Current debt.....	8,053,117	9,075,654
Noncurrent debt.....	<u>22,944,171</u>	<u>21,454,072</u>
Total liabilities.....	39,935,237	36,059,553
 Deferred inflows of resources.....	 5,864,510	 5,875,868
 Net position:		
Net investment in capital assets.....	41,649,940	31,781,316
Restricted.....	-	26,796
Unrestricted.....	<u>1,872,023</u>	<u>3,371,220</u>
 Total net position.....	 \$ 43,521,963	 \$ 35,179,332

The largest portion of net position, \$41.6 million, reflects the District's investment in capital assets (e.g., land improvements, vehicles, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its users; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of *unrestricted net position* has a year-end balance of \$1.9 million.

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2025

The following table demonstrates the changes in revenues and expenses between 2025 and 2024:

	2025	2024
Operating revenues:		
Water user charges & other services.....	\$ 7,939,259	\$ 6,372,723
Mitigation fees.....	235,060	17,402
Solar field land use and cell tower use.....	516,263	545,337
New service meter install fees.....	12,164	15,392
Other operating revenues.....	8,540	-
Total operating revenues.....	8,711,286	6,950,854
Operating expenses:		
Salaries & wages.....	1,645,971	1,388,640
Other postemployment benefits expense.....	(64,758) (A)	138,859
Depreciation.....	1,932,662	1,554,031
Lights, power, & fuel.....	600,000	581,747
Health & life insurance.....	317,988	205,109
Maintenance & operations.....	535,303	389,733
Reserve.....	69,391	83,106
Middlesex retirement.....	454,699	512,065
Insurance.....	110,593	98,781
Auto maintenance & fuel.....	53,560	35,039
Chemicals.....	122,802	128,371
Legal.....	58,185	81,393
Laboratory analysis.....	77,887	80,371
Education.....	8,028	10,899
Information reports.....	11,120	38,163
Office supplies.....	41,622	63,361
D.E.P. withdrawal & fees.....	4,791	4,967
Accounting.....	16,000	15,800
Total operating expenses.....	6,062,911	5,410,435
Nonoperating revenues (expenses):		
Investment income.....	222,232	205,358
Interest expense.....	(813,996)	(626,082)
Total nonoperating revenues (expenses).....	(591,764)	(420,724)
Special Item.....	2,362,009	-
Capital Contribution.....	3,924,011	2,063,272
Change in net position.....	8,342,631	3,182,967
Net position, beginning of year.....	35,179,332	31,996,365
Net position, end of year.....	\$ 43,521,963	\$ 35,179,332

(A) Represents a decrease in the estimated net other postemployment benefit liability, net of related deferred outflows/(inflows) of resources.

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2025

The District's net position increased by \$8.3 million over the prior year. This increase was primarily due to operating income totaling \$2.6 million, as well as capital contributions for grant revenue totaling \$1.5 million and \$2.4 million in principal loan forgiveness, as well as \$2.4 million in settlement revenues recognized as a special item. Operating revenues increased \$1.8 million, mainly related to water user charges & other services, which was due to an increase in the rates charged.

Budgetary Highlights

The District's annual budget is a legally adopted budget that is approved at the District's Annual Meeting. In 2025, District Annual Meeting authorized appropriations of \$6.8 million. Actual revenues came in over budget by \$896,000, primarily due to water user charges and services. Actual expenditures came in under budget and unexpended appropriations totaled approximately \$228,000. The District's voted budget does not include the mitigation activities, which are included within the District's general sub-fund.

Capital Asset and Debt Administration

In 2025, the District reported \$12.3 million in capital asset additions, mainly related to costs associated with PFAS mitigation efforts at two of the District's water treatment plants. These were capitalized as construction in progress. Other capital asset additions include costs related to land, infrastructure, machinery and equipment, and vehicles. Construction on the North Acton Water Treatment Plant was placed into service from construction in progress in 2025.

The District entered into interim loan agreements with the MCWT to fund project costs related to PFAS mitigation efforts at the Districts' water treatment plants. The project costs associated with the North Acton Water Treatment Plant were funded through 2025, and during 2025, interim loan draws, net of previously recognized principal loan forgiveness, was permanently financed. Remaining interim loan balances from the MCWT relate to the SAWTP, and the CAWTP, which had outstanding interim loan balances totaling approximately \$6.0 million at year end, which is net of principal loan forgiveness of \$2.4 million recognized in 2025.

The District used a combination of other grant revenue and available funds as well as proceeds from bonds issued in the current year to pay down the interim loan outstanding during the year totaling \$5.9 million. The bonds proceeds issued in the current year totaled \$2.7 million, and the District recognized an associated premium totaling \$190,000.

The District has several lease agreements related to land usage for the operation of solar energy generating and storage fields as well as for cellular towers. The District is scheduled to receive lease payments through 2044, and reported a lease receivable and corresponding deferred inflows of resources related to leases totaling \$5.5 million.

Water Supply District of Acton

Management's Discussion and Analysis

Year Ended June 30, 2025

District has a lease agreement for the use of filtration equipment in one of the District's treatment plants for per- and poly fluoroalkyl contamination mitigation efforts. The cost of the assets acquired through the lease totaled \$2.4 million, and the accumulated depreciation on those assets totaled \$450,000. At June 30, 2025, the lease liability totaled \$2.0 million.

Please refer to Notes 4, 6, 7, and 8 of the basic financial statements for further discussion of the capital assets and debt activity.

Economic Outlook and Next Year

Looking ahead to fiscal year 2026, the District is positioned to continue making significant investments in water infrastructure with draws remaining on the interim loans outstanding from the Massachusetts Clean Water Trust.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at 693 Massachusetts Ave, Acton, MA 01720.

Basic Financial Statements

Water Supply District of Acton

Business-Type Activities (Enterprise Fund) Statement of Net Position

June 30, 2025

ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 5,660,920
Investments.....	701,904
Receivables, net of allowance for uncollectibles:	
Billed user charges.....	272,798
Unbilled user charges.....	1,962,585
Leases.....	322,821
PFAS Settlement receivable.....	<u>1,750,755</u>
Total current assets.....	<u>10,671,783</u>
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Leases.....	5,171,138
Capital assets, non depreciable.....	21,487,929
Capital assets, net of accumulated depreciation.....	<u>51,159,299</u>
Total noncurrent assets.....	<u>77,818,366</u>
TOTAL ASSETS.....	<u>88,490,149</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions.....	339,084
Deferred outflows related to OPEB.....	<u>492,477</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>831,561</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	3,837,490
Accrued interest.....	255,963
Lease obligations.....	268,755
Compensated absences.....	31,000
Notes payable.....	6,012,328
Bonds payable.....	<u>1,772,034</u>
Total current liabilities.....	<u>12,177,570</u>
NONCURRENT:	
Lease obligations.....	1,744,661
Compensated absences.....	368,000
Net pension liability.....	4,367,590
Net OPEB liability.....	77,906
Bonds payable.....	<u>21,199,510</u>
Total noncurrent liabilities.....	<u>27,757,667</u>
TOTAL LIABILITIES.....	<u>39,935,237</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to leases.....	5,493,959
Deferred inflows related to pensions.....	76,456
Deferred inflows related to OPEB.....	<u>294,095</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>5,864,510</u>
NET POSITION	
Net investment in capital assets.....	41,649,940
Unrestricted.....	<u>1,872,023</u>
TOTAL NET POSITION.....	\$ 43,521,963

See notes to basic financial statements.

Water Supply District of Acton

Business-Type Activities (Enterprise Fund) Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

OPERATING REVENUES:

Water user charges & other services.....	\$ 7,939,259
Mitigation fees.....	235,060
Solar field land use and cell tower use.....	516,263
New service meter install fees.....	12,164
Other operating revenues.....	<u>8,540</u>
 TOTAL OPERATING REVENUES	<u>8,711,286</u>

OPERATING EXPENSES:

Salaries & wages.....	1,645,971
Other postemployment benefits expense.....	(64,758) (A)
Depreciation.....	1,932,662
Lights, power, & fuel.....	600,000
Health & life insurance.....	317,988
Maintenance & operations.....	535,303
Reserve.....	69,391
Middlesex retirement.....	454,699
Insurance.....	110,593
Auto maintenance & fuel.....	53,560
Chemicals.....	122,802
Legal.....	58,185
Laboratory analysis.....	77,887
Education.....	8,028
Computer maintenance.....	46,067
Information reports.....	11,120
Office supplies.....	41,622
Telephone.....	21,000
D.E.P. withdrawal & fees.....	4,791
Accounting.....	<u>16,000</u>
 TOTAL OPERATING EXPENSES.....	<u>6,062,911</u>
 OPERATING INCOME.....	<u>2,648,375</u>

NONOPERATING REVENUES (EXPENSES):

Investment income.....	222,232
Interest expense.....	<u>(813,996)</u>

 TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	<u>(591,764)</u>
---	------------------

 INCOME (LOSS) BEFORE SPECIAL ITEM AND CAPITAL CONTRIBUTION..	<u>2,056,611</u>
---	------------------

SPECIAL ITEM:

PFAS Settlement revenues.....	2,362,009
-------------------------------	-----------

CAPITAL CONTRIBUTION:

Grant revenue - principal forgiveness.....	2,418,827
Grant revenue.....	<u>1,505,184</u>

 TOTAL CAPITAL CONTRIBUTIONS.....	<u>3,924,011</u>
--------------------------------------	------------------

 CHANGE IN NET POSITION.....	8,342,631
---------------------------------	-----------

 NET POSITION AT BEGINNING OF YEAR.....	<u>35,179,332</u>
--	-------------------

 NET POSITION AT END OF YEAR.....	<u>\$ 43,521,963</u>
--------------------------------------	----------------------

(A) Represents a decrease in the estimated net other postemployment benefit liability, net of related deferred outflows/(inflows) of resources.

See notes to basic financial statements.

Water Supply District of Acton

Business-Type Activities (Enterprise Fund) Statement of Cash Flows

Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers and users.....	\$ 8,472,731
Payments to vendors.....	(2,478,427)
Payments to employees.....	(1,443,971)
NET CASH FROM OPERATING ACTIVITIES.....	<u>4,550,333</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from the issuance of bonds and notes.....	11,343,118
Premium from the issuance of bonds.....	190,000
Acquisition and construction of capital assets.....	(8,622,567)
Principal payments on bonds and notes.....	(8,391,601)
Interest expense.....	(733,663)
Grant receipts.....	1,505,184
Payments on lease financing.....	(255,128)
Proceeds from settlement agreement.....	<u>611,254</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(4,353,403)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments.....	(88,678)
Investment income.....	<u>222,232</u>
NET CASH FROM INVESTING ACTIVITIES.....	<u>133,554</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>330,484</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>5,330,436</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 5,660,920</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:

Operating income	\$ 2,648,375
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation.....	1,932,662
Deferred inflows related to leases.....	(234,059)
Deferred (outflows)/inflows related to pensions.....	247,178
Deferred (outflows)/inflows related to OPEB.....	279,165
Changes in assets and liabilities:	
Billed user charges receivable.....	(132,305)
Unbilled user charges receivable.....	(106,250)
Lease receivable.....	234,059
Warrants payable.....	(29,350)
Compensated absences.....	202,000
Net pension liability.....	(147,219)
Net OPEB liability/asset.....	<u>(343,923)</u>
Total adjustments.....	<u>1,901,958</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 4,550,333</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

State grant revenue - principal forgiveness.....	\$ 2,418,827
Permanent financing of MCWT bond and notes.....	630,888
Renewals of short term financing.....	931,951
Acquisition and construction of capital assets on account.....	(3,646,281)
Settlement receipts.....	<u>1,750,755</u>

See notes to basic financial statements.

Water Supply District of Acton

Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2025

		Other Postemployment Benefit Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 63,166	
Investments:		
Corporate bonds.....	539,549	
Real estate.....	16,577	
Equity securities.....	792,804	
Equity mutual funds.....	9,634	
U.S. Treasury notes.....	25,220	
Exchange traded funds.....	134,345	
TOTAL ASSETS.....	1,581,295	
NET POSITION		
Restricted for other postemployment benefits.....	\$ 1,581,295	

See notes to basic financial statements.

Water Supply District of Acton

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Other Postemployment Benefit Trust Fund
<u>ADDITIONS:</u>	
Contributions:	
Employer contributions for other postemployment benefit payments....	\$ 109,440
Net investment income:	
Investment income.....	211,472
Less: investment expense.....	<u>(8,198)</u>
Net investment income.....	<u>203,274</u>
TOTAL ADDITIONS.....	<u>312,714</u>
<u>DEDUCTIONS:</u>	
Other postemployment benefit payments.....	<u>109,440</u>
NET INCREASE IN NET POSITION.....	<u>203,274</u>
NET POSITION AT BEGINNING OF YEAR.....	<u>1,378,021</u>
NET POSITION AT END OF YEAR.....	<u>\$ 1,581,295</u>

See notes to basic financial statements.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Water Supply District of Acton (“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 District accounting policies are described herein.

A. Reporting Entity

The District is a municipality incorporated in the Commonwealth of Massachusetts with the purpose of providing water and related services to the residents and business in the Town of Acton, Massachusetts. The District is a separate municipality, distinct from the Town of Acton. The basic operations of the District are financed by water user charges and other service charges. Inhabitants of the Town of Acton who are qualified to vote in elections and Town affairs are eligible to vote on matters concerning the District and to act on articles of the District.

For financial reporting purposes, the District has included all funds, organizations, agencies, boards, commissions and institutions. The District has also considered all potential Component Units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the basic financial statements to be misleading or incomplete. There are no Component Units to report within the District.

B. Government Wide and Fund Financial Statements

The District engages only in business-type and fiduciary activities. Accordingly, the proprietary fund and entity-wide financial statements use the same basis of accounting and are therefore reported as the proprietary fund statement of net position and statement of revenues, expenses, and changes in net position.

There are no differences to be reported between the proprietary fund financial statements and the government wide financial statements.

Separate financial statements are provided for both proprietary and fiduciary funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government wide financial statements (i.e. proprietary fund statement of net position and statement of revenues, expenses and changes in net position) report all non-fiduciary activities of the primary government. There are no differences to be reported between the proprietary fund financial statements and the government wide financial statements.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principle ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 business-type programs.

The *other postemployment benefits (OPEB) trust fund* is used to accumulate resources to provide funding for future OPEB (other postemployment benefits) liabilities.

D. Cash and Investments

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.

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Fair Value Measurements

The District reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, certain U.S. government obligations, and mutual funds with quoted market prices in active markets.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, and certain U.S. government obligations are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the District's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

The recognition of revenue related to accounts receivable reported in the proprietary funds financial statements and the fiduciary funds financial statements are reported under the accrual basis of accounting.

User Charges

Water usage is charged to all commercial and residential users based on consumption. All users are billed quarterly in January, April, July, and October, and are billed based on actual meter readings of water usage on an inclining block rate schedule, which is set by the Commissioners.

Other Services

Other services consist of new installations, repairs and upgrades to services, cross connections, sprinkler services, and rentals.

Mitigation Fees

Mitigation fees are charged for new connections or additional connections to the system. An individual who applies for water use that requires an extension or addition to the system must provide a Water Impact Report. The fee is calculated from the average estimated demand and is charged per gallon of projected use.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Lease Receivable

Leases are reported at the present value of noncancelable lease payments and is offset by a corresponding deferred inflow of resources. Lease revenue is recognized when earned. The implicit rate used to discount the future lease receipts to their present value is 2.5%. This implicit rate was determined based on municipal bond rates as of the lease commencement date, as they reflect the District's return expectations for similar credit risks and maturities.

Intergovernmental

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

The accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories

Inventories are supplies and are recorded as expenditures at the time of purchase. Such inventories are not material in total to the fund financial statements, and therefore are not reported.

H. Capital Assets

Capital assets, which include land, construction in progress, vehicles, buildings, machinery and equipment, and infrastructure, are reported in the proprietary fund 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 at the date of donation. All purchases and construction costs are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year. The District does not have a minimum capital threshold. Capital assets (except for land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Vehicles.....	6
Buildings.....	40
Right-to-use lease - equipment.....	8
Machinery and equipment.....	5-50
Infrastructure.....	10-100

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

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.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has reported deferred outflows of resources related to OPEB, and pensions in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has reported deferred inflows of resources related to OPEB, pensions and leases in this category.

L. Net Position

Proprietary Fund Financial Statements (Net Position)

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Net position has been restricted for “Article 97 Stabilization,” which represents amounts restricted by special legislation for specified uses.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Middlesex County Retirement System (System) and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

N. Long-term Debt

Long-term debt is reported as a liability in the proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

O. Right-to-Use Lease Liability

Right to use lease liabilities are reported at the present value of their future minimum lease payments. Lease payments are reported as reductions of the lease liability and as interest expense during the lease term. The implicit rate used to discount the future lease payments to their present value is 2.8%. This implicit rate was determined based on municipal bond rates as of the lease commencement date, as they reflect the District's borrowing costs for similar debt instruments.

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on state laws and executive policies.

Vested or accumulated vacation and sick leave benefits are reported as liabilities and expensed when the benefits are earned by employees.

Q. 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 the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

NOTE 2 – CASH AND INVESTMENTS

Statutes authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the "Pool"). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. In addition, there are various restrictions limiting the amount and length of deposits and investments.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (“MMDT”), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. At year-end, the carrying amount of deposits totaled \$2,360,641 and the bank balance totaled \$2,376,209. Of the bank balance, \$587,430 was covered by Federal Depository Insurance, \$1,716,771 was covered by an IntraFI cash service agreement, and \$72,008 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy related to interest rate risk.

The District participates in MMDT, which maintains a cash portfolio fund with combined average maturities of 47 days.

As of June 30, 2025, the District’s had the following investments and maturities:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. treasury notes.....	\$ 50,184	\$ 24,964	\$ 25,220	\$ -
Corporate bonds.....	<u>845,035</u>	<u>44,914</u>	<u>646,922</u>	<u>153,199</u>
Total debt securities.....	<u>895,219</u>	<u>\$ 69,878</u>	<u>\$ 672,142</u>	<u>\$ 153,199</u>
Other investments:				
Equity securities.....	1,116,568			
Equity mutual funds.....	13,337			
Real estate investment trust.....	26,523			
Exchange Traded Funds.....	168,386			
MMDT - Cash portfolio.....	<u>3,363,445</u>			
Total investments.....	<u>\$ 5,583,478</u>			

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the District will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The District's shares in MMDT are not subject to custodial credit risk because the investments are not evidenced by securities that exist in physical or book entry form. The District does not have a formal investment policy related to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investments in U.S. Treasury notes totaled \$50,184 are rated AAA, and the District's \$845,035 investments in Corporate Bonds were rated as follows:

<u>Quality Rating</u>	<u>Corporate Bonds</u>
AA+.....	\$ 44,934
AA-.....	25,761
A+.....	50,492
A.....	148,729
A-.....	225,039
BBB+.....	188,550
BBB.....	73,622
BBB-.....	42,789
Not Rated.....	<u>45,119</u>
 Total.....	<u>\$ 845,035</u>

Concentration of Credit Risk

A concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not have a formal policy related to the concentration of credit risk. The District did not have an investments that exceeded 5% of the total investments.

Fair Value of Investments

The District holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the District's mission, the District determines that the disclosures related to these investments only need to be disaggregated by major type. The District chooses a tabular format for disclosing the levels within the fair value hierarchy.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

MMDT, which is an external investment pool that is overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB 79, "Certain External Investment Pools and Pool Participants", to report its investments at amortized cost; therefore the District reports its investments in MMDT at amortized cost which approximates the net asset value of \$1.00 per share. MMDT has a maturity of less than 1 year and is not rated.

Investment Type	June 30, 2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Investments measured at fair value:				
Debt securities:				
U.S. treasury notes.....	\$ 50,184	\$ -	\$ 50,184	\$ -
Corporate bonds.....	845,035	-	845,035	-
Total debt securities.....	895,219	-	895,219	-
Other investments:				
Equity securities.....	1,116,568	1,116,568	-	-
Equity mutual funds.....	13,337	13,337	-	-
Real estate investment trust.....	26,523	26,523	-	-
Exchange traded products.....	168,386	168,386	-	-
Total other investments.....	1,324,814	1,324,814	-	-
Total investments measured at fair value.....	2,220,033	\$ 1,324,814	\$ 895,219	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	3,363,445			
Total investments.....	\$ 5,583,478			

Equity securities, equity mutual funds, real estate investment trusts, and exchange traded products are classified in Level 1 of the fair value hierarchy are valued using process quoted in active markets for those securities. Corporate bonds and U.S. treasury notes classified in Level 2 of the fair value hierarchy are valued using matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship benchmark quoted price.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 3 – RECEIVABLES

At June 30, 2025, the following receivables are all considered to be collectible:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Billed user charges.....	\$ 272,798	\$ -	\$ 272,798
Unbilled user charges.....	1,962,585	-	1,962,585
PFAS settlement.....	1,750,755	-	1,750,755
Leases.....	5,493,959	-	5,493,959
Total.....	\$ 9,480,097	\$ -	\$ 9,480,097

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land.....	\$ 7,558,882	\$ 144,147	\$ -	\$ 7,703,029
Construction in progress.....	3,818,779	11,050,881	(1,084,760)	13,784,900
Total capital assets not being depreciated.....	11,377,661	11,195,028	(1,084,760)	21,487,929
Capital assets being depreciated:				
Vehicles.....	\$ 1,010,531	\$ 84,530	\$ -	\$ 1,095,061
Buildings.....	13,813,375	1,084,760	-	14,898,135
Right to use lease - equipment.....	2,397,499	-	-	2,397,499
Machinery and equipment.....	3,259,826	124,715	-	3,384,541
Infrastructure.....	61,037,736	864,575	-	61,902,311
Total capital assets being depreciated.....	81,518,967	2,158,580	-	83,677,547
Less accumulated depreciation for:				
Vehicles.....	(765,461)	(85,897)	-	(851,358)
Buildings.....	(680,141)	(296,888)	-	(977,029)
Right to use lease - equipment.....	(149,844)	(299,687)	-	(449,531)
Machinery and equipment.....	(2,834,252)	(73,723)	-	(2,907,975)
Infrastructure.....	(26,155,888)	(1,176,467)	-	(27,332,355)
Total accumulated depreciation.....	(30,585,586)	(1,932,662)	-	(32,518,248)
Total capital assets being depreciated, net.....	50,933,381	225,918	-	51,159,299
Total capital assets, net.....	\$ 62,311,042	\$ 11,420,946	\$ (1,084,760)	\$ 72,647,228

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 5 – LEASE RECEIVABLE

The District has several lease agreements related to land usage for the operation of solar energy generating and storage fields as well as for cellular towers. The lease agreements related to land usage for the operation of solar energy generating and storage fields was the result of special legislation passed for the District. See Note 12 for further information.

Under the current lease agreements, the District is scheduled to receive lease payments through 2044. The future scheduled lease revenues as of June 30, 2025, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026.....	\$ 322,821	\$ 135,225	\$ 458,046
2027.....	333,355	136,612	469,967
2028.....	318,569	127,598	446,167
2029.....	263,830	118,991	382,821
2030.....	271,341	111,805	383,146
2031-2035.....	1,475,304	445,646	1,920,950
2036-2040.....	1,690,007	240,651	1,930,658
2041-2044.....	<u>818,732</u>	<u>36,814</u>	<u>855,546</u>
Total.....	<u>\$ 5,493,959</u>	<u>\$ 1,353,342</u>	<u>\$ 6,847,301</u>

NOTE 6 – LEASE PAYABLE

The District has entered into a lease agreement for the use of filtration equipment in one of the District's treatment plants for per- and poly fluoroalkyl contamination mitigation efforts. The cost of the assets acquired through the lease totaled \$2.4 million, and the accumulated depreciation on those assets totaled \$450,000.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

The future operating lease payments under this agreement are as follows:

Year	Principal	Interest	Total
2026.....\$ 268,755	\$ 52,965	\$ 321,720	
2027.....282,896	45,258	328,154	
2028.....297,563	37,154	334,717	
2029.....312,784	28,628	341,412	
2030.....328,571	19,669	348,240	
2031.....344,945	10,260	355,205	
2032.....177,902	1,458	179,360	
 Total.....\$ 2,013,416	\$ 195,392	\$ 2,208,808	

NOTE 7 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue notes (RANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. The District had the following short-term debt activity during 2025:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2024	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2025
BAN	MCWT Interim Loan.....	0.00%	On Demand	\$ 472,974	\$ 157,914	\$ (630,888)	\$ - (1)
BAN	MCWT Interim Loan.....	0.00%	On Demand	-	3,019,340	(1,021,338)	1,998,002 (2)
BAN	MCWT Interim Loan.....	0.00%	On Demand	-	5,411,815	(1,397,489)	4,014,326 (2)
BAN	Bond Anticipation Note.....	4.75%	7/25/2024	976,000	-	(976,000)	-
BAN	Bond Anticipation Note.....	5.05%	10/25/2024	-	976,000	(976,000)	-
BAN	Bond Anticipation Note.....	4.25%	9/27/2024	5,900,000	-	(5,900,000)	-
 Total				\$ 7,348,974	\$ 9,565,069	\$ (10,901,715)	\$ 6,012,328

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

- 1) The District entered into an interim loan with the Massachusetts Clean Water Trust (“MCWT”) in 2024 totaling \$1.0 million for the purposes of financing costs of the NAWTP drinking water project. During the interim funding period, the District was allowed to draw funds from the Trust on an interest free basis. The interim loan was permanently financed during 2025 and is included in long-term debt.
- 2) In 2025, the District entered into interim loans with the Massachusetts Clean Water Trust (MCWT) in 2025, in the amounts of \$7.6 million and \$10.4 million for the purposes of financing costs of drinking water projects, related to two of the District’s water treatment plants. During the interim funding period, the District is allowed to draw funds from the Trust on an interest-free basis. Upon completion of the project, and notice from MCWT, the interim financing will be converted to long-term debt, by the Trust. At this point, a permanent debt funding schedule will be established. As of June 30, 2025, the District incurred approximately \$4.1 million and \$6.6 million of eligible construction costs related to the two projects and has received corresponding loan proceeds in the amount of \$2.6 million and \$4.9 million, as well as reissuances of previous outstanding BANS totaling \$426,000 and \$506,000, for these projects respectively. In 2025, the District was awarded \$2.4 million of principal loan forgiveness from the MCWT.

NOTE 8 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Details related to the outstanding indebtedness at June 30, 2025, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2025
General Obligation Bonds:				
General Obligation Bond of 2009.....	2029	\$ 6,000,000	2.00-4.30	\$ 1,200,000
General Obligation Bond of 2014.....	2024	2,135,000	2.00-3.00	<u>2,710,000</u>
Total General Obligation Bonds.....				<u>3,910,000</u>
Direct Borrowings and Placements:				
MCWT Loan DW-19-16.....	2043	11,796,233	1.50	10,783,967
MCWT Loan DW-12-19.....	2035	13,470,767	2.00	<u>7,456,689</u>
MCWT Loan DW-23-01.....	2035	684,000	0.00	<u>630,888</u>
Total Direct Borrowings and Placements.....				<u>18,871,544</u>
Total Bonds Payable.....				<u>22,781,544</u>
Add: Unamortized premium on bonds.....				<u>190,000</u>
Total Bond Payable, net.....				<u>\$ 22,971,544</u>

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Debt service requirements for principal and interest for business-type bonds payable in future years are as follows:

Year	General Obligation Bonds		Direct Borrowings and Placements		
	Principal	Interest	Principal (1)	Interest	Total
2026.....	\$ 485,000	\$ 169,937	\$ 1,194,413	\$ 310,893	\$ 2,160,243
2027.....	485,000	152,150	1,217,728	289,596	2,144,474
2028.....	485,000	130,300	1,241,505	267,880	2,124,685
2029.....	485,000	108,300	1,265,755	245,730	2,104,785
2030.....	185,000	86,150	1,290,487	223,140	1,784,777
2031.....	185,000	76,900	1,315,709	200,104	1,777,713
2032.....	185,000	67,650	1,341,433	176,606	1,770,689
2033.....	180,000	58,400	1,367,669	152,640	1,758,709
2034.....	180,000	49,400	1,394,425	128,200	1,752,025
2035.....	180,000	42,200	1,421,713	103,272	1,747,185
2036.....	175,000	35,000	611,870	77,846	899,716
2037.....	175,000	28,000	622,050	68,668	893,718
2038.....	175,000	21,000	632,399	59,336	887,735
2039.....	175,000	14,000	642,921	49,850	881,771
2040.....	175,000	7,000	653,617	40,206	875,823
2041.....	-	-	664,492	30,402	694,894
2042.....	-	-	675,547	20,436	695,983
2043.....	-	-	686,923	10,302	697,225
Total.....	\$ 3,910,000	\$ 1,046,387	\$ 18,240,656	\$ 4,910,214	\$ 28,107,257

(1) The principal and interest debt service schedule for the MCWT Loan DW-23-01 has been excluded from the above future debt service requirements because the permanent schedule provided by MCWT is currently based on the total loan funds available, rather than the actual amounts drawn by the District. Once the MCWT reissues a permanent debt service schedule reflecting only the amounts drawn, the corresponding principal and interest debt service requirements will be included.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Changes in Long-term Liabilities

During the year ended June 30, 2025, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
General obligation bonds.....	\$ 1,500,000	\$ 2,710,000	\$ (300,000)	\$ -	\$ -	\$ 3,910,000	\$ 485,000
Direct borrowings and placements.....	19,412,208	630,888	(1,171,552)	-	-	18,871,544	1,287,034
Add: Unamortized premiums on bonds.....	-	190,000	-	-	-	190,000	24,682
Total long-term debt.....	20,912,208	3,530,888	(1,471,552)	-	-	22,971,544	1,772,034
Lease payable.....	2,268,544	-	-	-	(255,128)	2,013,416	268,755
Compensated absences.....	197,000	-	-	232,070	(30,070)	399,000	31,000
Net pension liability.....	4,514,809	-	-	207,521	(354,740)	4,367,590	-
Net OPEB liability/(asset).....	421,829	-	-	117,949	(461,872)	77,906	-
Total.....	\$ 28,314,390	\$ 3,530,888	\$ (1,471,552)	\$ 557,540	\$ (1,101,810)	\$ 29,829,456	\$ 2,071,789

The District is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2025, the District had the following authorized and unissued debt:

Purpose	Amount
NAWTP PFAS.....	\$ 162,505
Lead Service Line Inventory & Replacement Program.....	400,000
SAWTP PFAS Filtration.....	1,134,538
Backwash Upgrades - Clapp/Whitcomb Treatment plant.....	955,000
Lead Service Line Inventory & Replacement Program.....	500,000
CAWTP PFAS Filtration and Construction of Bedrock Wells.....	231
Replacement of Filtration Media.....	<u>100,000</u>
Total.....	\$ 3,252,274

NOTE 9 – RISK FINANCING

The 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 for which the District carries commercial insurance. The District participates in a premium-based health care plan for its active employees. The District purchases insurance for workers' compensation and unemployment compensation activities.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 10 – PENSION PLAN

Plan Description

The District contributes to the Middlesex County Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 76 member units. The MCRS is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan.

Benefits Provided

The Systems provides retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The District is required to pay into the System a legislatively mandated actuarial determined contribution. The District's contribution totaled \$354,740 and was 28.91% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Pension Liabilities

At June 30, 2025, the District reported a liability of \$4,367,590 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. Accordingly, update procedures were used to update the total pension liability to the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2024, the District's proportion was 0.27%, which remained the same from the last measurement of December 31, 2023.

Pension Expense

For the year ended June 30, 2025, the District recognized pension expense of \$454,699. The balances of deferred outflows/(inflows) of resources related to pensions at June 30, 2025, consist of the following:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience.....	\$ 96,538	\$ -	\$ 96,538
Difference between projected and actual earnings, net.....	136,130	-	136,130
Changes in assumptions.....	14,583	-	14,583
Changes in proportion and proportionate share of contributions.....	91,833	(76,456)	15,377
Total deferred outflows/(inflows) of resources.....	\$ 339,084	\$ (76,456)	\$ 262,628

The net deferred outflows/(inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2026.....	\$ 119,884
2027.....	202,004
2028.....	(22,323)
2029.....	(36,937)
Total.....	\$ 262,628

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Actuarial Assumptions

The total pension liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2024:

Valuation date.....	January 1, 2024
Actuarial cost method.....	Entry age normal cost method.
Inflation rate.....	3.25%
Investment rate of return.....	7.15%.
Discount rate.....	7.15%
Projected salary increases.....	Varies by length of service with ultimate rate of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4
Cost of living adjustments.....	3% of first \$16,000.
Mortality rates.....	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021.
	Post-retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021. For disabled retirees, the rates reflect the RP-2014 Blue Collar Healthy Annuitant table set forward 1 year projected generationally with Scale MP-2021.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2024, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	23.50%	5.82%
International developed markets equity.....	9.00%	5.91%
International emerging markets equity.....	3.50%	7.06%
Core fixed income.....	15.00%	1.81%
High-yield fixed income.....	9.00%	3.34%
Real estate.....	10.00%	3.34%
Timber.....	4.00%	3.82%
Hedge funds, GTAA, risk parity.....	10.00%	2.77%
Private equity.....	16.00%	9.20%
 Total.....	 100.00%	

Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% at December 31, 2024 and December 31, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
The District's proportionate share of the net pension liability.....	\$ 5,539,382	\$ 4,367,590	\$ 3,381,973

Changes in Assumptions

None.

Changes in Plan Provisions

None.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Water Supply District of Acton administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the District’s group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. The Retiree Health Plan does not issue a publicly available financial report.

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/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 or less, which are reported at cost.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District. The required contribution is based on a pay-as-you-go financing requirement. Retired plan members and beneficiaries currently receiving benefits are required to contribute 80% of the cost of medical benefits. The District is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The District contributed \$109,440 during 2025 toward these benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For the year ended June 30, 2025, the District's average contribution rate as a percentage of covered-employee payroll was 8.64%.

The Commonwealth of Massachusetts passed special legislation that has allowed the District to establish the postemployment benefit trust fund and to enable the District to pre-fund its OPEB liabilities. During 2025, the District did not pre-fund future OPEB liabilities by contributing funds to the other postemployment benefit fund in excess of the pay-as-you-go required contribution. As of June 30, 2025, the balance in the other postemployment benefit trust totaled \$1.6 million.

Plan Membership

The following table represents the Plan's membership at July 1, 2023:

Active members.....	14
Inactive members currently receiving benefits.....	<u>12</u>
Total.....	<u>26</u>

Components of Net OPEB Liability

The following table represents the components of the Plan's net OPEB liability as of June 30, 2025:

Total OPEB liability.....	\$ 1,659,201
Less: OPEB plan's fiduciary net position.....	<u>(1,581,295)</u>
Net OPEB liability.....	\$ <u>77,906</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	95.30%

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2023, actuarial valuation was determined by using the actuarial assumptions as noted, applied to all periods included in the measurement that was updated to June 30, 2025, to be in accordance with GASB Statement #74 and GASB Statement #75. For this valuation date and measurement date, the District has elected to use the Alternative Measurement Method (AMM) to determine the actuarial liability for its OPEB obligations. The AMM is a simplified approach, and the District's use of this method is permitted by accounting standards due to the limited number of active members and inactive members currently receiving benefits.

Valuation date.....	July 1, 2023
Actuarial cost method.....	Entry Age Normal Cost Method (Alternative Measurement Method)
Inflation Rate.....	3.00%
Salary increases.....	4.00%
Investment rate of return/Discount Rate.....	7.00%
Healthcare cost trend rates.....	5% for HMO and PPO Plan, Pre-Medicare, and 3.25% for Medicare Supplement Plan; 2% for Dental Plan. Ultimate Health Care Cost Trend Rate of 4.5% reached in fiscal year 2037.
Average Retirement/Elections.....	Average Retirement Age was 65, and 100% of current employees are assumed to elect coverage at retirement.
Turnover rates.....	Table T-5 from the Pension Actuary's Handbook was used.
Coverage status.....	Employees are assumed to continue into retirement at their current coverage level.
Marital Status.....	50% of employees are assumed to be married with males three years older than females. Actual spouse data is used for current retirees.
Mortality rates.....	Determined pursuant to PubG.H-2010 Mortality Table - General, using scale MP-2020.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2025, and 5.98% as of June 30, 2024. A projection of cash flows used to determine the discount rate shows that the OPEB plan's Fiduciary Net Position is projected to be sufficient to make projected benefit payments for the lifetime of every individual in the census.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 14.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expense and a risk margin.

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Money market funds.....	5.00%	2.00%
Fixed income.....	30.00%	6.00%
Equities.....	50.00%	8.00%
Exchange traded funds.....	10.00%	8.00%
Other assets.....	5.00%	6.00%
Total.....	<u>100.00%</u>	

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Changes in the Net OPEB Liability/(Asset):

	Increase (Decrease)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability/(asset) (a) - (b)
Balances at June 30, 2024.....	\$ 1,799,850	\$ 1,378,021	\$ 421,829
Changes for the year:			
Service cost.....	13,552	-	13,552
Interest.....	104,397	-	104,397
Changes in assumptions.....	(149,158)	-	(149,158)
Employer contributions for OPEB payments.....	-	109,440	(109,440)
Net investment income.....	-	203,274	(203,274)
Benefit payments.....	<u>(109,440)</u>	<u>(109,440)</u>	<u>-</u>
Net change.....	<u>(140,649)</u>	<u>203,274</u>	<u>(343,923)</u>
Balances at June 30, 2025.....	<u>\$ 1,659,201</u>	<u>\$ 1,581,295</u>	<u>\$ 77,906</u>

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following table presents the net OPEB liability/(asset), calculated using the discount rate of 7.00%, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate.

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability/(asset).....	<u>\$ 247,513</u>	<u>\$ 77,906</u>	<u>\$ (63,675)</u>

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates

The following table presents the net OPEB liability/(asset), calculated using the current healthcare trend rate, as well as what the net OPEB liability/(asset) would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability/(asset).....	\$ <u>(76,052)</u>	\$ <u>77,906</u>	\$ <u>263,376</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the financial reporting year ended June 30, 2025, the District recognized OPEB expense of 140,060. The District also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience.....	\$ 375,517	\$ (29,995)	\$ 345,522
Difference between projected and actual earning, net.....	-	(97,561)	(97,561)
Changes in assumptions.....	<u>116,960</u>	<u>(166,539)</u>	<u>(49,579)</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>492,477</u>	\$ <u>(294,095)</u>	\$ <u>198,382</u>

Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in OPEB expense in the following periods:

Reporting year ended June 30:

2026.....	\$ 69,238
2027.....	10,502
2028.....	44,153
2029.....	61,101
2030.....	18,533
2031.....	<u>(5,145)</u>
Total.....	\$ <u>198,382</u>

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Changes of Assumptions

The discount rate increased from 5.98% to 7.00%.

Changes in Plan Provisions

None.

NOTE 12 – COMMITMENTS & CONTINGENCIES

Superfund Cleanup Projects

The District continues to be engaged in legal and environmental negotiations with the Massachusetts Department of Environmental Protection and the Federal Environmental Protection Agency regarding the Superfund cleanup projects. These efforts are also intended to protect the Assabet well field & School Street well fields.

Per – and Polyfluoroalkyl Substances Contamination

Special Item

The District was awarded a net payout of \$4.2 million from The 3M Company (“3M”) related to a class action law suit to prosecute any legal claim for negligence against any and all parties, individuals, or corporations that are found to be liable under the law for injuries and/or property damages arising from contamination of Per – and Poly fluoroalkyl (“PFAS”) in the water supply. This award amount is scheduled to be paid to the District over an eight year period. The District reported a special item representing the cash payment received during 2025 totaling \$611,254 and a receivable totaling \$1,400,928 for payments received subsequent to year end. The timing and total of the remaining payments, net of attorney fees, owed to the District is not determinable at this time, and therefore the District did not report these as receivables.

In 2025, the District was also awarded a payout from DuPont de Nemours, Inc (“Dupont”) related to the same class action lawsuit against 3M. The District recorded a receivable for the payout amount received by the District from the Dupont settlement subsequent to year end totaling \$350,000.

Subsequent payouts from Tyco, and BASF are yet to be finalized, therefore the District did not report these as receivables.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Other

To further address PFAS contamination based on currently known regulations, the District has assessed capital improvements to their existing Water Treatment Plants as well as the Bedrock Wells. The District was approved by the Massachusetts Clean Water Trust (“MCWT”) to borrow \$1.0 million, interest free, to finance modifications needed at the North Acton Water Treatment Plant to accommodate PFAS filtration equipment. The closing documents for the Interim Loan were executed and submitted to MCWT. In October of 2023, the District received notification that they qualify for partial loan forgiveness for this project in the amount of \$316,000. A financing agreement amendment was signed and submitted bringing the total amount to be borrowed down to \$684,000. The District is leasing the PFAS filtration equipment from Veolia WTS Services USA, Inc for a period of 8 years. The North Acton Water Treatment Plant project has been completed, and on June 1, 2024, the plant began sending water with non-detectable levels of PFAS to the distribution system. As of the close of 2025, the Interim Loan was permanently financed with the MCWT for a period of ten years.

At the District’s March 2023 Annual District Meeting, the District was authorized to borrow \$5.4 million, \$8.7 million, and \$2.4 million from the MCWT for the Center Acton Water Treatment Plant, South Acton Water Treatment Plant, and Bedrock Wells, respectively. During 2025, the District began construction on the South Acton Water Treatment Plant and Center Acton Water Treatment Plant projects, and Bedrock Wells projects. It should be noted that the District requested that the Center Acton Water Treatment Plant and Bedrock Wells projects be combined, and the request was granted by the Massachusetts Department of Environmental Protection (DEP) and MCWT. Following the bid openings for the Center Acton Water Treatment Plant and Bedrock Wells project, it was determined that the original borrowing authorization was inadequate. On June 13, 2024, the District held a Special District meeting and voters authorized the District to borrow an additional \$2,532,000 for the Center Acton Water Treatment Plant and Bedrock Wells projects. Interim financing for the projects through the MCWT was put in place in October 2024. In December 2024, the District received notification that they qualify for partial loan forgiveness for these projects. Total anticipated forgiveness totals \$1,021,338 for the South Acton Water Treatment Plant project and \$1,397,489 for the Center Acton Water Treatment Plant and Bedrock Wells project. These loans are scheduled to be permanently financed with the MCWT in February 2026 for a period of twenty years.

The District currently incurs costs related to the PFAS contamination. It is possible that the District may be responsible for further costs associated with PFAS remediation, and these future costs may be significant. While the amounts may be substantial the ultimate liability cannot be determined because of the considerable uncertainties that exist. Therefore, it is possible that there could be material negative outcomes affected by certain contingencies existing as of June 30, 2025. The full extent of the financial impact cannot be determined at the date of the financial statements.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

Litigation

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2025.

NOTE 13 – ARTICLE 97 STABILIZATION FUND

Article 97 of the Amendments to the Massachusetts Constitution (the “Article”) establishes a right to a clean environment including its natural, scenic, historical, and aesthetic qualities for the citizens of the Commonwealth. The Article also declares the conservation of natural resources a public purpose and provides that land or easements subject to the Article cannot be used for other purposes or disposed of without a two-thirds roll call vote of the Legislature. On August 7, 2020, the Commonwealth enacted special legislation that authorized The Water Supply District of Acton (“District”) to enter into a lease, license or other disposition of land held for water supply purposes for the construction, operation, and maintenance of a solar energy generating and energy storage facility. The land under this authorization is located off Lawsbrook Road and Knox Trail within the Town of Acton.

The special legislation required that the District establish a stabilization fund for the purpose of acquiring qualified land for water supply and protection purposes to replace the land now used as solar energy generating and storage fields. The District must deposit 5% of each lease payment or any other proceeds received as compensation for the use of the leased land up to a cumulative amount equal to the fair market value or value in proposed use, whichever is greater, of the leased land.

In 2024, the District used short term borrowings to purchase qualifying land, which satisfied the terms of the special legislation as of December 7, 2023. The balance of the Article 97 Stabilization Fund accumulated from previous deposits was used upon permanent financing of the debt, which occurred in 2025.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through _____, 2025 which is the date the financial statements were available to be issued.

Water Supply District of Acton

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2025, the following GASB pronouncements were implemented:

- GASB Statement #101, Compensated Absences. This pronouncement was implemented in 2025. The District has evaluated the impact of implementing GASB 101 and determined that the effect on the financial statements is not material. As a result, the District implemented GASB 101 at the beginning of the year.
- GASB Statement #102, Certain Risk Disclosures. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #103, Financial Reporting Model Improvements, which is required to be implemented in 2026.
- The GASB issued Statement #104, Disclosure of Certain Capital Assets, which is required to be implemented in 2026.

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

Required Supplementary Information

DRAFT

Pension Plan Schedules

The Schedule of the District's Proportionate Share of the Net Pension Liability presents multi-year trend information on the District's net pension liability and related ratios.

The Schedule of the District's Contributions presents multi-year trend information on the District's required and actual contributions to the pension plan and related ratios.

DRAFT

Water Supply District of Acton

Schedule of the District's Proportionate Share of the Net Pension Liability

Middlesex County Retirement System

<u>Year</u>	<u>Proportion of the net pension liability/(asset)</u>	<u>Proportionate share of the net pension liability/(asset)</u>	<u>Covered Payroll</u>	<u>Net position liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2024.....	0.27%	\$ 4,367,590	\$ 1,203,105	363.03%	58.24%
December 31, 2023.....	0.27%	4,514,809	1,155,228	390.82%	55.21%
December 31, 2022.....	0.25%	4,310,937	1,296,052	332.62%	52.61%
December 31, 2021.....	0.24%	3,246,366	1,246,732	260.39%	61.14%
December 31, 2020.....	0.23%	3,548,184	1,275,867	278.10%	49.45%
December 31, 2019.....	0.23%	3,732,674	1,225,561	304.57%	49.45%
December 31, 2018.....	0.24%	3,740,627	1,188,771	314.66%	46.40%
December 31, 2017.....	0.24%	3,370,594	1,141,452	295.29%	49.27%
December 31, 2016.....	0.23%	3,319,310	1,136,133	292.16%	45.49%
December 31, 2015.....	0.22%	2,784,648	1,013,745	274.69%	46.13%

See notes to required supplementary information.

Water Supply District of Acton

Schedule of the District's Contributions

Middlesex County Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2025.....	\$ 354,740	\$ 354,740	-	\$ 1,227,167	28.91%
June 30, 2024.....	330,838	330,838	-	1,178,333	28.08%
June 30, 2023.....	288,240	288,240	-	1,321,973	21.80%
June 30, 2022.....	268,502	268,502	-	1,271,667	21.11%
June 30, 2021.....	256,971	256,971	-	1,301,384	19.75%
June 30, 2020.....	243,164	243,164	-	1,250,072	19.45%
June 30, 2019.....	218,063	218,063	-	1,212,546	17.98%
June 30, 2018.....	203,213	203,213	-	1,164,281	17.45%
June 30, 2017.....	177,725	177,725	-	1,158,856	15.34%
June 30, 2016.....	165,791	165,791	-	1,034,020	16.03%

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the District's Net Other Postemployment Benefit Liability/(Asset) and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability/(asset). It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability/(asset) as a percentage of covered-employee payroll.

The Schedule of the District's Contributions presents multi-year trend information on the District's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

DRAFT

Water Supply District of Acton

Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios

Other Postemployment Benefit Plan

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Total OPEB Liability									
Service Cost.....	\$ 18,046	\$ 18,605	\$ 19,350	\$ 22,376	\$ 24,148	\$ 21,401	\$ 25,954	\$ 17,546	\$ 13,552
Interest.....	58,372	73,230	78,986	82,041	75,789	78,652	68,263	69,655	104,397
Changes of benefit terms.....	-	-	-	-	-	-	-	(83)	-
Differences between expected and actual experience.....	-	33,670	-	(60,438)	-	(83,077)	-	546,256	-
Changes of assumptions.....	-	18,838	-	(66,514)	-	(50,328)	-	136,374	(149,158)
Other Charges.....	19,824	20,229	26,014	(46)	-	-	-	-	-
Benefit payments.....	(76,445)	(80,182)	(84,498)	(76,922)	(56,551)	(61,498)	(84,325)	(39,297)	(109,440)
Net change in total OPEB liability.....	19,797	84,390	39,852	(99,503)	43,386	(94,850)	9,892	730,451	(140,649)
Total OPEB liability - beginning	1,066,435	1,086,232	1,170,622	1,210,474	1,110,971	1,154,357	1,059,507	1,069,399	1,799,850
Total OPEB liability - ending (a)	\$ 1,086,232	\$ 1,170,622	\$ 1,210,474	\$ 1,110,971	\$ 1,154,357	\$ 1,059,507	\$ 1,069,399	\$ 1,799,850	\$ 1,659,201
Plan fiduciary net position									
Employer contributions.....	\$ 100,000	\$ 100,000	\$ 100,000	-	-	-	-	-	-
Employer contributions for OPEB payments.....	76,445	80,182	84,498	76,922	56,551	61,498	40,083	39,297	109,440
Net investment income (loss).....	55,673	54,890	87,382	50,492	247,771	(206,757)	173,471	144,553	203,274
Other benefit payments.....	(76,445)	(80,182)	(84,498)	(76,922)	(56,551)	(61,498)	(40,083)	(39,297)	(109,440)
Direct benefit payments.....	-	-	-	-	-	-	(84,325)	(109,347)	-
Net change in plan fiduciary net position.....	155,673	154,890	187,382	50,492	247,771	(206,757)	89,146	35,206	203,274
Plan fiduciary net position - beginning of year	664,218	819,891	974,781	1,162,163	1,212,655	1,460,426	1,253,669	1,342,815	1,378,021
Plan fiduciary net position - end of year (b)	\$ 819,891	\$ 974,781	\$ 1,162,163	\$ 1,212,655	\$ 1,460,426	\$ 1,253,669	\$ 1,342,815	\$ 1,378,021	\$ 1,581,295
Net OPEB liability/(asset) - ending (a)-(b)	\$ 266,341	\$ 195,841	\$ 48,311	\$ (101,684)	\$ (306,069)	\$ (194,162)	\$ (273,416)	\$ 421,829	\$ 77,906
Plan fiduciary net position as a percentage of the total OPEB liability	75.48%	83.27%	96.01%	109.15%	126.51%	118.33%	125.57%	76.56%	95.30%
Covered-employee payroll	\$ 1,167,318	\$ 1,191,141	\$ 1,230,570	\$ 1,249,659	\$ 1,317,826	\$ 1,344,183	\$ 1,371,066	\$ 1,218,805	\$ 1,266,764
Net OPEB liability/(asset) as a percentage of covered-employee payroll	22.82%	16.44%	3.93%	-8.14%	-23.23%	-14.44%	-19.94%	34.61%	6.15%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Water Supply District of Acton

Schedule of the District's Contributions

Other Postemployment Benefit Plan

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
June 30, 2025.....	\$ 109,440	\$ (109,440)	\$ -	\$ 1,266,764	8.64%
June 30, 2024.....	39,297	(39,297)	-	1,218,805	3.22%
June 30, 2023.....	84,325	(84,325)	-	1,371,066	6.15%
June 30, 2022.....	61,498	(61,498)	-	1,344,183	4.58%
June 30, 2021.....	56,551	(56,551)	-	1,317,826	4.29%
June 30, 2020.....	76,922	(76,922)	-	1,249,659	6.16%
June 30, 2019.....	84,498	(184,498)	(100,000)	1,230,570	14.99%
June 30, 2018.....	80,182	(180,182)	(100,000)	1,191,141	15.13%
June 30, 2017.....	76,445	(176,445)	(100,000)	1,167,318	15.12%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Water Supply District of Acton

Schedule of Investment Returns

Other Postemployment Benefit Plan

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2025.....	14.75%
June 30, 2024.....	10.91%
June 30, 2023.....	7.11%
June 30, 2022.....	-14.16%
June 30, 2021.....	15.38%
June 30, 2020.....	7.48%
June 30, 2019.....	8.53%
June 30, 2018.....	6.31%
June 30, 2017.....	7.81%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

Water Supply District of Acton

Notes to Required Supplementary Information

Year Ended June 30, 2025

NOTE A – PENSION PLAN

Schedule of the District's Proportionate Share of the Net Pension Liability

The Schedule of the District's Proportionate Share of the Net Pension Liability details the allocated percentages of the net pension liability, the proportionate share of the net pension liability, and the employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of employee payroll.

Schedule of the District's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. The District may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual District contributions may be less than the "total appropriation".

Changes in Assumptions

None.

Changes in Plan Provisions

None.

NOTE B – OTHER POSTEMPLOYMENT BENEFITS

The District administers a single-employer defined benefit healthcare plan ("The Retiree Health Plan"). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members.

The Schedule of Changes in the District's Net Other Postemployment Benefit Liability/(Asset) and Related Ratios

The Schedule of Changes in the District's Net Other Postemployment Benefit Liability/(Asset) and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability/(asset). It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net OPEB liability/(asset) as a percentage of covered-employee payroll.

Water Supply District of Acton

Notes to Required Supplementary Information

Year Ended June 30, 2025

Schedule of the District's Contributions

The Schedule of the District's Contributions includes the District's annual required contribution to the Plan, along with the contributions made in relation to the actuarially determined contribution and the covered-employee payroll. The District is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	July 1, 2023
Actuarial cost method.....	Entry Age Normal Cost Method (Alternative Measurement Method)
Inflation Rate.....	3.00%
Salary increases.....	4.00%
Investment rate of return/Discount Rate.....	7.00%
Healthcare cost trend rates.....	5% for HMO and PPO Plan, Pre-Medicare, and 3.25% for Medicare Supplement Plan; 2% for Dental Plan. Ultimate Health Care Cost Trend Rate of 4.5% reached in fiscal year 2037.
Average Retirement/Elections.....	Average Retirement Age was 65, and 100% of current employees are assumed to elect coverage at retirement.
Turnover rates.....	Table T-5 from the Pension Actuary's Handbook was used.
Coverage status.....	Employees are assumed to continue into retirement at their current coverage level.
Marital Status.....	50% of employees are assumed to be married with males three years older than females. Actual spouse data is used for current retirees.
Mortality rates.....	Determined pursuant to PubG.H-2010 Mortality Table - General, using scale MP-2020.

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

Water Supply District of Acton

Notes to Required Supplementary Information

Year Ended June 30, 2025

Changes of Assumptions

The discount rate increased from 5.98% to 7.00%.

Changes in Plan Provisions

None.

DRAFT

Combining Schedules

This page left intentionally blank

DRAFT

Combining Schedules

The Water Supply District of Acton accounts for the general operations, the W.R. Grace stabilization fund, and capital acquisitions of the District as separate activities and the internal ledgers report them as indicated below. The schedules provide a reconciliation between the internal ledgers and financial statements.

General Fund – This fund is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

Per – and Poly Fluoroalkyl Substances (“PFAS”) – This fund is used to account for the settlement receipts received by the District and the related uses of those settlement receipts. The settlement receipts are related to the class action lawsuit to prosecute any legal claim for negligence against any and all parties, individuals, or corporations that are found to be liable under the law for injuries and/or property damages arising from contamination of water supplies by PFAS.

Article 97 Stabilization Fund – This fund was established through special legislation in the current fiscal year with funds from District owned land leased by the District for solar energy generation and storage. 5% of the funds from the leases must be deposited into this fund. The purpose of this fund is for the District to acquire qualified land for water supply and protection purposes to replace the land now used as solar energy generating and storage fields.

W.R. Grace Stabilization Fund – This fund is used to maintain the purity of the District’s water sources upon approval of District meeting. This fund was established with proceeds from the W.R. Grace lawsuit settlement and was converted to a stabilization fund at the June 2020 Annual Meeting to enable investments to be managed under the prudent investment rule established under Massachusetts General Law Chapter 203c.

Capital Projects Fund – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the District.

Long-Term Obligations Fund – This fund is used to account for liabilities that have maturities greater than one year.

Capital Assets Fund – This fund is used to account for capital asset additions, retirements and depreciation expense.

Water Supply District of Acton

Combining Schedule of Net Position

June 30, 2025

	General	Article 97 Stabilization	W.R. Grace Stabilization	PFAS Settlements	Capital Projects	Long-Term Obligations	Capital Assets	Total
ASSETS								
CURRENT:								
Cash and cash equivalents.....	\$ 3,229,907	\$ -	\$ 97,406	\$ 611,629	\$ 1,721,978	\$ -	\$ -	\$ 5,660,920
Investments.....	-	-	\$ 701,904	-	-	-	-	\$ 701,904
Receivables, net of allowance for uncollectibles:								
Billed user charges.....	272,798	-	-	-	-	-	-	272,798
Unbilled user charges.....	1,962,585	-	-	-	-	-	-	1,962,585
Leases.....	322,821	-	-	-	-	-	-	322,821
Settlement receivables.....	-	-	-	\$ 1,750,755	-	-	-	\$ 1,750,755
Total current assets.....	5,788,111	-	799,310	2,362,384	1,721,978	-	-	10,671,783
NONCURRENT:								
Receivables, net of allowance for uncollectibles:								
Leases.....	5,171,138	-	-	-	-	-	-	5,171,138
Capital assets, non depreciable.....	(1,084,760)	-	-	-	-	-	\$ 22,572,689	21,487,929
Capital assets, net of accumulated depreciation.....	1,084,760	-	-	-	-	-	\$ 50,074,539	\$ 51,159,299
Total noncurrent assets.....	5,171,138	-	-	-	-	-	72,647,228	77,818,666
TOTAL ASSETS.....	10,959,249	-	799,310	2,362,384	1,721,978	-	72,647,228	88,490,149
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to pensions.....	-	-	-	-	-	\$ 339,084	-	\$ 339,084
Deferred outflows related to OPEB.....	-	-	-	-	-	\$ 492,477	-	\$ 492,477
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	-	-	-	-	-	\$ 831,561	-	\$ 831,561
LIABILITIES								
CURRENT:								
Warrants payable.....	191,209	-	-	-	\$ 3,646,281	-	-	\$ 3,837,490
Accrued interest.....	-	-	-	-	-	\$ 255,963	-	\$ 255,963
Lease obligations.....	-	-	-	-	-	\$ 268,755	-	\$ 268,755
Compensated absences.....	-	-	-	-	-	\$ 31,000	-	\$ 31,000
Notes payable.....	-	-	-	-	\$ 6,012,328	-	-	\$ 6,012,328
Bonds payable.....	-	-	-	-	-	\$ 1,772,034	-	\$ 1,772,034
Total current liabilities.....	191,209	-	-	-	\$ 9,658,609	\$ 2,327,752	-	\$ 12,177,570
NONCURRENT:								
Lease obligations.....	-	-	-	-	-	\$ 1,744,661	-	\$ 1,744,661
Compensated absences.....	-	-	-	-	-	\$ 368,000	-	\$ 368,000
Net pension liability.....	-	-	-	-	-	\$ 4,367,590	-	\$ 4,367,590
Net OPEB liability.....	-	-	-	-	-	\$ 77,906	-	\$ 77,906
Bonds payable.....	-	-	-	-	-	\$ 21,199,510	-	\$ 21,199,510
Total noncurrent liabilities.....	-	-	-	-	-	\$ 27,757,667	-	\$ 27,757,667
TOTAL LIABILITIES.....	191,209	-	-	-	\$ 9,658,609	\$ 30,085,419	-	\$ 39,935,237
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to leases.....	5,493,959	-	-	-	-	-	-	5,493,959
Deferred inflows related to pensions.....	-	-	-	-	-	\$ 76,456	-	\$ 76,456
Deferred inflows related to OPEB.....	-	-	-	-	-	\$ 294,095	-	\$ 294,095
TOTAL DEFERRED INFLOWS OF RESOURCES.....	5,493,959	-	-	-	-	\$ 370,551	-	\$ 5,864,510
NET POSITION								
Net investment in capital assets.....	-	-	-	-	-	\$ (6,012,328)	\$ (24,984,960)	\$ 72,647,228
Unrestricted - Internal Reservations:								
Reserved for PFAS Settlement.....	-	-	-	\$ 2,362,384	-	-	-	\$ 2,362,384
Reserved for capital.....	-	-	\$ 1,832	-	\$ (1,924,303)	-	-	\$ (1,922,471)
Reserved for maintenance and operations.....	28,775	-	\$ 83,578	-	-	-	-	\$ 112,353
Reserved for mitigation.....	263,835	-	-	-	-	-	-	\$ 263,835
Unassigned/unreserved.....	4,981,471	-	\$ 713,900	-	-	\$ (4,639,449)	-	\$ 1,055,922
TOTAL NET POSITION.....	\$ 5,274,081	\$ -	\$ 799,310	\$ 2,362,384	\$ (7,936,631)	\$ (29,624,409)	\$ 72,647,228	\$ 43,521,963

Water Supply District of Acton

Combining Schedule of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

	General	Article 97 Stabilization	W.R. Grace Stabilization	PFAS Settlements	Capital Projects	Long-Term Obligations	Capital Assets	Total
OPERATING REVENUES:								
Water user charges & other services.....	\$ 7,939,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,939,259
Mitigation fees.....	235,060							235,060
Solar field land use and cell tower use.....	516,263							516,263
New service meter install fees.....	12,164							12,164
Other operating revenues.....	8,540							8,540
TOTAL OPERATING REVENUES	8,711,286							8,711,286
OPERATING EXPENSES:								
Salaries & wages.....	1,443,971	-	-	-	-	202,000	-	1,645,971
Other postemployment benefits expense.....	-	-	-	-	-	(64,758) (A)	-	(64,758)
Depreciation.....	-	-	-	-	-	-	1,932,662	1,932,662
Lights, power, & fuel.....	600,000	-	-	-	-	-		600,000
Health & life insurance.....	317,988	-	-	-	-	-		317,988
Maintenance & operations.....	535,303	-	-	-	-	-		535,303
Meters.....	137,487	-	-	-	-	(137,487) (B)	-	-
Reserve.....	69,391	-	-	-	-	-		69,391
Mitigation.....	9,024	-	-	-	-	(9,024) (B)	-	-
Middlesex retirement.....	354,740	-	-	-	-	99,959	-	454,699
Insurance.....	110,593	-	-	-	-	-		110,593
Auto maintenance & fuel.....	53,560	-	-	-	-	-		53,560
Chemicals.....	122,802	-	-	-	-	-		122,802
Legal.....	58,185	-	-	-	-	-		58,185
Laboratory analysis.....	77,887	-	-	-	-	-		77,887
Education.....	8,028	-	-	-	-	-		8,028
Computer maintenance.....	46,067	-	-	-	-	-		46,067
Information reports.....	11,120	-	-	-	-	-		11,120
Office supplies.....	41,622	-	-	-	-	-		41,622
Engineering.....	53,305	-	-	-	-	(53,305) (B)	-	-
Telephone.....	21,000	-	-	-	-	-		21,000
D.E.P. withdrawal & fees.....	4,791	-	-	-	-	-		4,791
Accounting.....	16,000	-	-	-	-	-		16,000
TOTAL OPERATING EXPENSES	4,092,864					237,201	1,732,846	6,062,911
OPERATING INCOME (LOSS)	4,618,422					(237,201)	(1,732,846)	2,648,375
NONOPERATING REVENUES (EXPENSES):								
Investment income.....	132,386	-	89,471	375	-	-	-	222,232
Capital outlay.....	-	-	(62,951)	-	(12,006,081)	-	12,069,032	-
Interest & fees expense.....	(670,319)	485	(3,546)	-	-	(80,333)	-	(753,713)
Interest related to leases.....	(60,283)	-	-	-	-	-		(60,283)
Issuance of bonds.....	-	-	-	-	3,340,888	(3,340,888)	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	190,000	(190,000)	-	-
Debt service - principal.....	(1,471,552)	-	-	-	-	1,471,552	-	-
Debt service - principal related to leases.....	(255,128)	-	-	-	-	255,128	-	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET	(2,324,896)	485	22,974	375	(8,475,193)	(1,884,541)	12,069,032	(591,764)
INCOME (LOSS) BEFORE TRANSFERS	2,293,526	485	22,974	375	(8,475,193)	(2,121,742)	10,336,186	2,056,611
SPECIAL ITEM:								
PFAS Settlement revenue.....	-	-	-	-	2,362,009	-	-	2,362,009
CAPITAL CONTRIBUTION:								
Grant revenue - principal forgiveness.....	-	-	-	-	2,418,827	-	-	2,418,827
Grant revenue.....	5,414	-	-	-	1,499,770	-	-	1,505,184
TOTAL CAPITAL CONTRIBUTIONS	5,414				3,918,597			3,924,011
TRANSFERS:								
Transfers in (out), net.....	(1,516,998)	(27,281)	-	-	1,544,279	-	-	-
CHANGE IN NET POSITION	781,942	(26,796)	22,974	2,362,384	(3,012,317)	(2,121,742)	10,336,186	8,342,631
NET POSITION AT BEGINNING OF YEAR	4,492,139	26,796	776,336	-	(4,924,314)	(27,502,667)	62,311,042	35,179,332
NET POSITION AT END OF YEAR	\$ 5,274,081	\$ -	\$ 799,310	\$ 2,362,384	\$ (7,936,631)	\$ (29,624,409)	\$ 72,647,228	\$ 43,521,963

(A) Represents a decrease in the estimated net other postemployment benefit liability, net of related deferred outflows/(inflows) of resources.

(B) Represents capital asset additions from general fund expenditures.

Additional Information

DRAFT

Water Supply District of Acton

General Fund Schedule of Revenues, Expenses and Changes in Fund Balance – Budget and Actual

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Water rates and services.....	\$ 7,447,999	\$ 7,447,999	\$ 7,939,259	\$ -	\$ 491,260
Mitigation fees.....	-	-	235,060	-	235,060 (A)
Solar field land use and cell tower use.....	500,000	500,000	516,263	-	16,263
New service meter install fees.....	-	-	12,164	-	12,164 (A)
Other cost recovery programs.....	-	-	8,540	-	8,540
Interest income.....	-	-	132,386	-	132,386
TOTAL REVENUES.....	7,947,999	7,947,999	8,843,672	-	895,673
EXPENDITURES:					
Current:					
Salaries and wages.....	1,633,565	1,633,565	1,443,971	-	189,594
Lights, power, and fuel.....	600,000	600,000	600,000	-	-
Health and life insurance.....	374,265	374,265	317,988	-	56,277
Maintenance and operations.....	608,000	608,000	535,303	-	72,697
Meters.....	125,000	125,000	137,487	-	(12,487)
Reserve.....	100,000	93,600	69,391	-	24,209
Mitigation.....	-	-	9,024	-	(9,024) (A)
Middlesex retirement.....	354,740	354,740	354,740	-	-
Insurance.....	133,056	133,056	110,593	-	22,463
Chemicals.....	168,000	168,000	122,802	-	45,198
Laboratory analysis.....	85,000	85,000	77,887	-	7,113
Auto maintenance and fuel.....	53,560	53,560	53,560	-	-
Information reports.....	30,000	30,000	11,120	-	18,880
Telephone.....	21,000	21,000	21,000	-	-
Legal.....	100,500	106,900	58,185	-	48,715
Software subscriptions/ IT maintenance.....	60,000	60,000	46,067	-	13,933
Office supplies.....	62,000	62,000	41,622	-	20,378
Education.....	17,500	17,500	8,028	-	9,472
Engineering.....	60,000	60,000	53,305	-	6,695
D.E.P withdrawal and fees.....	5,000	5,000	4,791	-	209
Accounting.....	22,500	22,500	16,000	-	6,500
Debt service:					
Debt principal.....	1,471,552	1,471,552	1,471,552	-	-
Debt interest.....	693,159	693,159	670,319	-	22,840
Debt principal - related to leases.....	-	-	255,128	-	(255,128)
Debt interest - related to leases.....	-	-	60,283	-	(60,283)
TOTAL EXPENDITURES.....	6,778,397	6,778,397	6,550,146	-	228,251
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....					
	1,169,602	1,169,602	2,293,526	-	1,123,924
OTHER FINANCING SOURCES (USES):					
State grant revenue.....	-	-	5,414	-	5,414
Transfers in.....	-	-	27,281	-	27,281
Transfers out.....	-	-	(1,544,279)	-	(1,544,279)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	(1,511,584)	-	(1,511,584)
NET CHANGE IN FUND BALANCE.....	1,169,602	1,169,602	781,942	-	(387,660)
BUDGETARY FUND BALANCE, Beginning of year.....	4,492,139	4,492,139	4,492,139	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 5,661,741	\$ 5,661,741	\$ 5,274,081	\$ -	\$ (387,660)
COMPONENTS OF BUDGETARY FUND BALANCE:					
Reserved for maintenance and operations.....	\$ 28,775				
Reserved for mitigation.....	263,835				
Unassigned/unreserved.....	4,981,471				
Total Budgetary Fund Balance, End of Year.....	\$ 5,274,081				

(A) The District does not budget for mitigation revenue or expenditures or new service meter install revenue or expenditures as part of their operating budget activity is reported within the General Fund.

Water Supply District of Acton

Schedule of Reserve for Capital Projects

Year Ended June 30, 2025

	Beginning Balance 6/30/2024	Transfers (To) From General Fund	Debt Borrowed (Paid)	Payments Made Capitalize	Ending Balance 6/30/2025
From Capital Projects Fund:					
Clean Rehab Wells.....	\$ 43,560	\$ -	\$ -	\$ 32,916	\$ 10,644
Easements Conant II.....	11,589	-	-	-	11,589
Flagg Hill Tank Repairs.....	2,889	-	-	-	2,889
Marshall Well Replacement.....	54	-	-	-	54
Media Replacement.....	305,385	-	-	72,372	233,013
New Vehicle.....	80,530	-	-	80,000	530
Replace Old Mains.....	49,644	-	-	21,513	28,131
Residuals Management Tank.....	15,513	-	-	-	15,513
Storage Tank Repairs.....	27,478	-	-	-	27,478
Water Main Emergency.....	27,889	-	-	27,889	-
Water Main Improvements.....	1,589,394	-	-	371,542	1,217,852
Master Plan Update.....	56,600	-	-	42,029	14,571
North Acton Water Treatment Plant - Funded from the MCWT.....	(48,521)	-	157,914	109,393	-
South and Central Acton Water Treatment Plant - PFAS Engineering.....	6,609	-	-	5,534	1,075
Central Acton Water Treatment Plant - Funded from the MCWT.....	(55,775)	-	4,905,864 (A)	6,625,171	(1,775,082)
South Acton Water Treatment Plant - Funded from the MCWT.....	(191,837)	-	2,593,340 (A)	4,174,302	(1,772,799)
Kelley's Corner Water Mains.....	294,742	-	-	294,742	-
549 Main Street.....	23,868	-	-	6,504	17,364
BALDCO Land Purchase.....	-	-	-	137,644	(137,644)
Vacuum Tank Trailer Truck.....	27,600	-	-	4,530	23,070
Service Vehicle 2024.....	2,449	-	-	-	2,449
Office Roof 2024.....	30,000	-	-	-	30,000
Water Supply Alternative Study.....	75,000	-	-	-	75,000
Kennedy Pitless Adapters.....	50,000	-	-	-	50,000
 Total Reserved for Capital - Capital Projects Fund.....	 \$ 2,424,660	 \$ -	 \$ 7,657,118	 \$ 12,006,081	 \$ (1,924,303)

	Beginning Balance 6/30/2024	Transfers (To) From W.R. Grace Fund	Debt Borrowed (Paid)	Payments Made Capitalize	Ending Balance 6/30/2025
From W.R. Grace Fund:					
Assabet III-(Grace).....	\$ 60	\$ -	\$ -	\$ -	\$ 60
PILOT South Acton Water Treatment Plant.....	21,122	-	- (B)	19,350	1,772
 Total Reserved for Capital - W.R. Grace Fund.....	 \$ 21,182	 \$ -	 \$ -	 \$ 19,350	 \$ 1,832

(A) In 2025, the District was awarded principal loan forgiveness in the amount of \$2,418,827.

(B) Exclusive of capital asset additions from the balance reserved for operations and maintenance totaling \$43,601

Water Supply District of Acton

General Operations – Schedule of Changes in Net Position – Current Year and Two Years Prior

Year Ended June 30, 2024

	2025 General Fund	2024 General Fund	2023 General Fund
<u>OPERATING REVENUES:</u>			
Water user charges & other services.....	\$ 7,939,259	\$ 6,372,723	\$ 6,235,183
Mitigation fees.....	235,060	17,402	66,776
Solar field land use and cell tower use.....	516,263	545,337	502,073
New service meter install fees.....	12,164	15,392	-
TOTAL OPERATING REVENUES	8,711,286	6,950,854	6,804,032
<u>OPERATING EXPENSES:</u>			
Salaries & wages.....	1,443,971	1,430,640	1,552,117
Lights, power, & fuel.....	600,000	581,747	554,572
Health & life insurance.....	317,988	205,109	236,718
Maintenance & operations.....	535,303	389,733	466,116
Meters.....	137,487	121,245	75,000
Reserve.....	69,391	83,106	-
Mitigation.....	9,024	59,822	59,780
Middlesex retirement.....	354,740	330,838	288,240
Insurance.....	110,593	98,781	97,645
Auto maintenance & fuel.....	53,560	35,039	38,197
Chemicals.....	122,802	128,371	101,504
Legal.....	58,185	81,393	55,170
Laboratory analysis.....	77,887	80,371	83,991
Education.....	8,028	10,899	9,627
Information reports.....	11,120	38,163	34,130
Office supplies.....	41,622	63,361	82,576
Engineering, maintenance, and other.....	53,305	18,893	30,319
D.E.P. withdrawal & fees.....	4,791	4,967	5,121
Leased equipment.....	-	2,397,499	-
Accounting.....	16,000	15,800	16,000
TOTAL OPERATING EXPENSES.....	4,092,864	6,175,777	3,786,823
OPERATING INCOME (LOSS).....	4,618,422	775,077	3,017,209
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Investment income.....	132,386	122,443	53,375
Interest & fees expense.....	(670,319)	(633,722)	(519,114)
Interest related to leases.....	(60,283)	(27,189)	-
State grant revenue.....	5,414	1,500,000	-
Lease financing.....	-	2,397,499	-
Debt service - principal.....	(1,471,552)	(1,659,135)	(1,143,411)
Debt service - principal realted to leases.....	(255,128)	(128,955)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(2,319,482)	1,570,941	(1,609,150)
INCOME (LOSS) BEFORE TRANSFERS....	2,298,940	2,346,018	1,408,059
<u>TRANSFERS:</u>			
Transfers in (out).....	(1,516,998)	(1,320,000)	(685,104)
CHANGE IN NET POSITION.....	781,942	1,026,018	722,955
NET POSITION AT BEGINNING OF YEAR.....	4,492,139	3,466,121	2,743,166
NET POSITION AT END OF YEAR.....	\$ 5,274,081	\$ 4,492,139	\$ 3,466,121

Water Supply District of Acton

Notes to Additional Information

Year Ended June 30, 2024

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved at District Annual Meeting. The District Manager presents an annual budget at District Annual Meeting, which includes recommendations of expenditures and other financing uses.

Increases or transfers between and within line items in the District and other budget adjustments, subsequent to the approval of the annual budget, are authorized by a Special District Meeting.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by Annual District Meeting.

The District adopts an annual budget for the General Sub-Fund in conformity with the guidelines described above. The original 2025 approved budget for the General Sub-Fund authorized \$6.8 million in appropriations. The District Manager has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Commissioners
Water Supply District of Acton

We have audited, in accordance with the auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the business-type activities, and fiduciary activities of Water Supply District of Acton (the “District”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Merrimack, NH
_____, 2025

DRAFT

Acton Water District - PWS 2002000
 Summary of Treated Water Per- and Polyfluoroalkyl Substances (PFAS) 2025

Sample Date	Clapp/Whitcomb WTP	Central Acton WTP	North Acton WTP	South Acton WTP
January 23, 2025	Not Sampled	11.8	Not Sampled	15
January 27, 2025	Not Sampled	Not Sampled	ND	Not Sampled
February 26, 2025	Not Sampled	Not Sampled	ND	14.3
March 10, 2025	Not Sampled	10	ND	15.5
April 28, 2025	Not Sampled	11.7	ND	17.4
May 7, 2025	Not Sampled	13.3	ND	12.2
June 16, 2025	Not Sampled	10.3	ND	17.8
July 21, 2025	Not Sampled	14.5	ND	18.6
August 13, 2025	Not Sampled	12.1	ND	16.3
September 3, 2025	Not Sampled	18	ND	16.8
September 10, 2025	Not Sampled	Not Sampled	Not Sampled	Not Sampled
October 1, 2025	Not Sampled	19	Not Sampled	Not Sampled
October 8, 2025	Not Sampled	Not Sampled	ND	14.8
November 4, 2025	Not Sampled	Not Sampled	Not Sampled	15
November 5, 2025	Not Sampled	14.7	ND	Not Sampled
December 2, 2025	Not Sampled	Not Sampled	ND	Not Sampled
December 9, 2025	Not Sampled	15.1	Not Sampled	12.5

Notes:

WTP = Water Treatment Plant

Units are in parts per trillion (ppt) or ng/L

ND = below method detection limit.

Not Sampled = PFAS samples are not collected at each WTP on the same date or when a WTP is not producing water for consumption

Results provided are the sum of 6 PFAS Compounds - PFOA, PFOS, PFNA, PFHxS, PFHxA, and PFDA

Exceeds Massachusetts Department of Environmental Protection (MassDEP) Maximum Contaminant Level (MCL) of 20 ppt or ng/L

All treated water data is shared with consumers to be transparent. Not all of the data presented here will meet MassDEP data acceptance standards.

DRAFT FY 27 BUDGET
Prepared for the 12.08.2025 Board of Commissioners Meeting

FY 27 Budget Draft								
	Actual FY 24	Budget FY 25	Actual FY 25	Budget FY 26	2nd Qtr Actual FY 26 (as of November 30, 2025)	% Expenditure	FY 28 Projections	FY 27 Proposed
EXPENSES								
Audit/Accounting	15,800	22,500	16,000	28,000	20,600.00	74%	28,000	35,000
Auto Maint & Fuel	35,036	53,560	53,560	75,000	16,954.66	23%	75,000	75,000
Short Term Debt	383,554	184,273	258,639	-	-	0%	-	-
Long Term Debt	2,137,481	2,184,711	1,959,978	2,255,740	441,429.16	20%	2,255,740	3,032,596
Chemicals	128,371	168,000	122,802	184,800	59,895.59	32%	184,800	190,344
DEP Withdrawal	4,967	5,000	4,791	5,000	-	0%	5,000	5,000
Employee Education	10,899	17,500	8,028	17,500	12,024.17	69%	17,500	17,500
Equipment	18,883	60,000	53,305	60,000	12,846.23	21%	60,000	60,000
Health/Ms Insurance Active	104,922	258,118	204,164	295,601	108,674.68	37%	295,601	330,180
Health/Ms Insurance Retiree	100,187	115,847	113,824	131,121	50,963.66	38%	131,121	161,150
Information Reports	38,163	30,000	11,120	40,000	15,114.54	4%	40,000	40,000
Insurance	96,781	133,056	110,593	141,650	128,764.70	91%	128,765	169,980
Laboratory/Analysis	60,371	65,000	77,887	85,000	45,603.56	54%	85,000	89,250
Legal	74,952	100,500	58,185	110,000	19,356.14	18%	110,000	110,000
Light/Power/Fuel	581,743	600,000	600,000	600,000	246,468.48	41%	600,000	666,000
Maintenance & Operations	407,534	608,000	535,403	760,000	291,337.53	39%	750,000	750,000
Media Replacement	-	-	-	100,000	-	0%	100,000	-
NAWTP/PFAS Filter Lease	-	385,750	315,311	322,000	134,023.60	42%	322,000	-
Middlesex Retirement	330,636	354,740	354,740	387,791	387,791.00	100%	387,791	438,431
Meters	121,245	125,000	124,715	400,000	54,643.60	14%	400,000	400,000
Office Supplies & Postage	63,362	62,000	41,622	50,000	15,034.99	32%	50,000	50,000
Software Subscriptions/ IT Maintenance	-	60,000	46,067	125,000	43,577.02	35%	125,000	160,000
Telephone	-	21,000	21,000	21,000	8,408.93	40%	21,000	21,000
Reserve Fund	88,506	100,000	69,391	100,000	-	0%	50,000	100,000
Salaries & Wages	1,430,640	1,633,565	1,443,968	1,675,000	657,731.15	39%	1,675,000	1,725,000
Vehicle	-	-	-	60,000	-	0%	60,000	-
Total	6,287,388	7,298,420	6,805,084	8,030,293	2,768,443.48	34%	7,987,318	8,580,431
REVENUE								
Water Revenue	2,887,849	4,052,399	4,471,297	4,602,230	2,529,426.51	55%	4,602,230	4,577,973
Service Fee	537,645	534,000	537,810	534,000	268,325.00	50%	534,000	534,000
Debt Fee	2,496,668	2,349,600	2,366,364	2,260,600	1,140,142.50	50%	2,260,600	3,034,900
Total Water Revenue	5,912,162	6,935,999	7,375,471	7,396,830	3,938,894.41	53%	7,396,830	8,146,873
Fire Protection Sprinklers	42,326	41,000	42,599	41,000	49,652.65	99%	41,000	41,000
Rent/Lease	545,357	115,000	143,763	115,000	56,263.48	49%	115,000	115,000
Solar Field Lease Revenue	-	385,000	372,500	385,000	-	0%	385,000	385,000
Repairs/Installation	32,118	60,000	23,344	50,000	12,172.83	24%	25,000	50,000
Cross Connection	25,145	21,000	23,797	21,000	16,523.01	79%	21,000	21,000
Demand Fees	35,800	200,000	245,600	250,000	38,100.00	15%	250,000	150,000
Mitigation Fees	17,402	100,000	235,050	-	7,905.00	0%	-	-
New Services Meter Installation RF	15,389	100,000	12,164	-	9,389.32	0%	-	-
Total Other Revenue	713,520	1,012,000	1,099,167	862,000	181,006.29	21%	837,000	762,000
Total	6,828,882	7,847,989	8,474,837	8,258,830	4,119,900.70	56%	8,233,830	8,898,873
July Billing								
October Billing	1,962,585	Actual	-	-	-	-	-	-
January Billing	2,184,002	Actual	-	-	-	-	-	-
April Billing	1,720,000	Projected	-	-	-	-	-	-
Fire Protection	1,520,243	Projected	-	-	-	-	-	-
Repairs/Adm	25,000	-	-	-	-	-	-	-
Cross Conn	21,000	-	-	-	-	-	-	-
Rent	115,000	-	-	-	-	-	-	-
Solar Lease Revenue	365,000	-	-	-	-	-	-	-
New Service Meter Revenue	0	-	-	-	-	-	-	-
Mitigation	0	-	-	-	-	-	-	-
Demand	250,000	-	-	-	-	-	-	-
Projected Income	8,233,830	-	-	-	-	-	-	-
Units	8,000	-	-	-	-	-	-	-
Services	6,864	-	-	-	-	-	-	-
6/30/2025 Free Cash								
Appropriations	-	-	-	-	-	-	-	-
Free Cash Balance	-	-	-	-	-	-	-	-
8/30/2025 Grace Unappropriated								
Filter M&O	-	-	-	-	-	-	-	-
Grace Balance	-	-	-	-	-	-	-	-
0% Rate Increase	4,577,972.50	4,577,972.50	4,577,972.50	4,577,972.50	4,577,972.50	4,577,972.50	4,577,972.50	4,577,972.50
FY 2026	July Actual	October Actual	January Projected	April Projected	Total			
Service Fee	134,670	134,655	134,655	134,655	538,635			
Debt Fee	570,103	570,040	570,040	570,040	2,280,223			
Debt fee = \$63.50/unit per qtr	-	-	-	-	-	-	-	-
Service fee = \$15/unit per qtr	-	-	-	-	-	-	-	-
FY 2027 Debt fee projected to be \$85.25/unit per qtr	-	-	-	-	-	-	-	-
based on 8,000 units	-	-	-	-	-	-	-	-

DRAFT

