DEDHAM-WESTWOOD WATER DISTRICT

FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2025

DEDHAM-WESTWOOD WATER DISTRICT

CONTENTS

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Independent Auditors' Report

To the Board of Commissioners
Dedham-Westwood Water District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of the Dedham-Westwood Water District (the "District"), as of and for the year ended December 31, 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 aggregate discretely presented component unit of the District, as of December 31, 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 certain pension and other post-employment benefit (OPEB) schedules 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 schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the District's 2024 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated June 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2026 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.

CBIZ CPAs P.C.

Providence, RI
June 17, 2026

Within this section of the Dedham-Westwood Water District's (the District) annual financial report, District management offers readers of the District's financial statements this narrative overview and analysis of the financial activities for the year ended 2025.

The District provides water supply services to approximately 13,000 active customer accounts and about 43,000 residents, through metered sales in the communities of Dedham and Westwood. The District is responsible for operating and maintaining the water supply and distribution systems, providing ongoing capital improvements, ensuring adequate pressure and fire flow capacity, and for providing the highest quality water product at the lowest possible price.

Overview of the Financial Statements

The financial statements of the District include (1) the Statement of Net Position, (2) the Statement of Revenues, Expenses, and Changes in Net Position, (3) the Statement of Cash Flows, (4) the Statement of Fiduciary Net Position, (5) the Statement of Changes in Fiduciary Net Position, and (6) Notes to Financial Statements. In addition, various pension and other post-employment benefit (OPEB) schedules are included in the financial statements as required supplementary information.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows and inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. As of 2025, the District's net position was $81,808,055, comprising $72,912,238 invested in capital assets $140,186 restricted and $8,755,631 unrestricted.

The Statement of Revenues, Expenses, and Changes in Net Position summarizes operating and non-operating revenues and expenses for the year, reveals the net income earned for the year, and determines the net change in net position for the year. That change combined with the previous year-end net position total reconciles to the net position total at the end of the current year. The District’s net income for calendar year 2025 was $8,123,989.

The Statement of Cash Flows reports cash and short-term investments activity for the year resulting from operating activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year cash and short-term investments balance reconciles to the cash and short-term investments balance at the end of the current year. A review of the District's Statement of Cash Flows indicates that the cash receipts from operating activities adequately covered the District’s operating expenditures and debt service requirements for 2025.

The Statement of Fiduciary Net Position and Changes in Fiduciary Net Position represent the net position and changes in net position of the District’s OPEB irrevocable trust fund.

The District's financial statements are prepared using proprietary fund (enterprise fund) and fiduciary fund accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting, an economic resources measurement focus and the accrual basis of accounting are used. Revenue is recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows.

Financial Highlights

As of the close of the current year, the District's net position was $81,808,055. Net position increased by $8,123,989 in comparison to the prior year. The increase in net position is primarily attributable to the increase of revenues over expenses and settlement proceeds.

Operating revenues were $15,705,692 for the District in 2025, a 21.05% increase from 2025, primarily due to a 5.0% meter rate increase and additional usage due to the warmer summer. The District also performed a full evaluation of the existing tier structure resulting in a change to a four tier structure with a reduction in the trigger points by tier and an increase for usage.

Operating expenses were $13,080,773 in 2025, an increase of 7.05% from 2025, primarily due to inflation and additional spending related to the plant upgrades mandated by the EPA for PFAS compliance.

The District's Statement of Cash Flows identifies the sources and uses of cash activity for the year. In 2025, District cash and short-term investments decreased by $2,122,687 from 2025, primarily due to investment in capital projects related to the plant upgrades.

Financial Analysis

The following is a summary of condensed financial data for the current and prior year (in thousands).

	2025	2024
Assets		
Current and other assets	$ 18,925	$ 19,227
Capital assets	89,970	80,794
Total assets	108,895	100,021
Deferred Outflows of Resources	1,723	2,326
Liabilities		
Other liabilities	4,474	4,283
Long-term liabilities	20,867	20,942
Total liabilities	25,341	25,225
Deferred Inflows of Resources	3,469	3,438
Net Position		
Net investment in capital assets	72,912	64,517
Restricted - Net OPEB asset	140	--
Unrestricted	8,756	9,167
Total Net Position	$ 81,808	$ 73,684

As noted earlier, net position may serve over time as a useful indicator of a governmental entity's financial position. At the close of 2025, total net position was $81,808,055, an increase of $8,123,989 in comparison to the prior year.

The largest portion of net position $72,912,238, reflects the District's investment in capital assets (e.g., land, treatment plants, equipment, and infrastructure), less any related debt used to acquire those assets that remains outstanding. These capital assets are used to provide services to customers; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of 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 District's investment in capital assets reflects an increase of $8,395,389 in comparison to the prior year.

The restricted net position balance of $140,186 is restricted for the OPEB trust. The District's restricted net position reflects an increase of $140,186 in comparison to the prior year.

The remaining balance of unrestricted net position $8,755,631 may be used to meet the District's ongoing obligations to customers and creditors. The District's unrestricted net position reflects a decrease of $411,586 in comparison to the prior year.

	2025	2024
Operating revenues	$ 15,706	$ 12,974
Operating expenses	(13,081)	(12,219)
Operating Income	2,625	755
Nonoperating revenues (expenses), net	5,085	279
Income Before Capital Contributions	7,710	1,034
Capital Contributions	414	532
Change in Net Position	8,124	1,566
Net Position - Beginning of Year	73,684	72,118
Net Position - End of Year	$ 81,808	$ 73,684

Capital Assets and Debt Administration

Capital Assets
The District continues to adequately prepare for and respond to infrastructure funding needs throughout the water system. Total investment in capital assets at year-end 2025 amounted to $89,970,030 (net of accumulated depreciation), a change of $9,176,438 from the prior year. In 2025, the District's capital asset additions totaled $12,460,315. Capital asset additions in 2025 included infrastructure improvements and meter replacements.

Debt Plan
The District's long-term debt obligations are a reflection of long-term capital budgets designed to prudently address the infrastructure needs of the District in priority order. In 2025, capital expenditures (net of donated capital) totaled $12.5 million. The District is currently planning to fund capital projects of more than $25.9 million between 2025 and 2026. The District plans to fund the projects with operating income, cash on hand, general obligation bonds (GOB), and Commonwealth of Massachusetts low interest loans acquired through the Clean Water Trust.

The District had a rating performed in 2025 and continues to maintain its underlying debt rating (Moody's) of Aa2 for its general obligation debt.

Massachusetts Clean Water Interim Loan Note

In 2017, the District was awarded an interest-free interim loan note for $8,841,400 through the Massachusetts Clean Water Trust, to be used for upgrades to the Bridge Street Treatment Plant. In 2019, the interim loan note was replaced (bonded) with a 2% 20-year loan payable to the Massachusetts Clean Water Trust. As of December 31, 2022, the District has drawn down the total loan amount of $8,841,400. The amount of the 20-year loan outstanding as of December 31, 2025 was $6,575,512.

In 2025, the District was awarded an interest-free interim loan note for $15,550,000 through the Massachusetts Clean Water Trust, to be used for construction of a PFAs Treatment Plant. As of December 31, 2025, the District has drawn down $1,537,673 of the loan. As of December 31, 2025 $777,500 of the loan has been forgiven. The amount of the interim loan outstanding as of December 31, 2025 was $760,173.

As of 2025, the District had two general obligation bonds outstanding and two Massachusetts Clean Water Trust bonds totaling $16,370,085 (exclusive of premiums). Maturities by issue are as follows:

General Obligation Bond 2045	$ 8,525,000
General Obligation Bond through 2031	509,400
MA Clean Water Trust Bond through 2027	760,173
MA Clean Water Trust Bond through 2039	6,575,512
	$ 16,370,085

Net Pension Liability GASB Statement 68

Governmental Accounting Standards Board Statement No. 68 (GASB 68) was implemented by the District in 2015 (see Note 15). GASB 68 relates to the accounting and financial reporting for pensions, an amendment of GASB Statement No. 27, with respect to employee's retirement funds. The District joined the Norfolk County Retirement System in July 2006. The accounting and disclosure for the District's proportionate share of the net pension liability of the Norfolk County Retirement System is actuarially derived and reported in the District's financial statements. The December 31, 2025 and 2024, net pension liability was $3,670,956 and $4,421,990, respectively.

Other Postemployment Benefits (OPEB) GASB Statements 74 and 75

On May 13, 2014, the Board of Commissioners (the Board) established an irrevocable OPEB trust. In opting to serve as trustees ex-officio, the Board has authorized Rockland Trust to serve as financial advisors to the Board in managing the OPEB irrevocable trust account. As of December 31, 2025, the District had six OPEB-eligible retirees and twelve OPEB-eligible active employees.

Beginning in 2017, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB),* and in 2018 implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* GASB 74 applies when a trust fund has been established to fund future OPEB costs, and GASB 75 applies whenever OPEB benefits are offered. GASB has taken the position that OPEB is a form of compensation and the liability (or asset)/expense should be recognized while the employee provides service to the District. GASB Statements 74 and 75 require the full net OPEB liability (or asset) and related expenses to be presented on the District's accrual basis financial statements. As of December 31, 2025, the District had a net OPEB asset of $140,186.

Additional information regarding OPEB costs can be found in the Notes to Financial Statements, Note 16.

Requests for Information

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

Dedham-Westwood Water District
50 Elm Street
Dedham, MA 02027-9137

DEDHAM-WESTWOOD WATER DISTRICT

STATEMENT OF NET POSITION
ENTERPRISE FUND

DECEMBER 31, 2025
(With comparative totals for the year ended December 31, 2024)

	2025	2024
Assets		
Current Assets		
Cash and short-term investments	$ 12,242,122	$ 14,364,809
User fees receivable	1,829,878	1,526,337
Settlement receivable, net of fees	236,190	--
Leases receivable	84,259	--
Other current assets	390,586	345,728
Total Current Assets	14,783,035	16,236,874
Noncurrent Assets		
Leases receivable, net of current portion	2,968,931	2,989,735
Settlement receivables, net of fees and current portion	1,033,331	--
Net OPEB asset	140,186	--
Capital assets:		
Land	1,799,332	1,799,365
Other capital assets, net of accumulated depreciation	88,170,698	78,994,227
Total Noncurrent Assets	94,112,478	83,783,327
Total Assets	108,895,513	100,020,201
Deferred Outflows of Resources		
Related to pension	1,554,076	2,192,212
Related to OPEB	168,955	133,960
Total Deferred Outflows of Resources	$ 1,723,031	$ 2,326,172

The accompanying notes are an integral part of these financial statements.

DEDHAM-WESTWOOD WATER DISTRICT

STATEMENT OF NET POSITION (CONTINUED)
ENTERPRISE FUND

DECEMBER 31, 2025
(With comparative totals for the year ended December 31, 2024)

	2025	2024
Liabilities		
Current Liabilities		
Accounts payable	$ 1,134,065	$ 1,531,462
Accrued expenses	3,207,696	2,612,453
Other liabilities	132,616	138,340
Current portion of long-term liabilities:		
Bonds, bond premium and loans payable	1,814,782	9,191,831
Compensated absences liability	176,442	141,641
Total Current Liabilities	6,465,601	13,615,727
Noncurrent Liabilities		
Bonds, bond premium and loans payable, net of current portion	15,204,711	7,084,912
Net pension liability	3,670,956	4,421,990
Net OPEB liability	--	101,484
Total Noncurrent Liabilities	18,875,667	11,608,386
Total Liabilities	25,341,268	25,224,113
Deferred Inflows of Resources		
Related to leases	2,801,771	2,945,534
Related to pension	474,015	342,233
Related to OPEB	193,435	150,427
Total Deferred Inflows of Resources	3,469,221	3,438,194
Net Position		
Net investment in capital assets	72,912,238	64,516,849
Restricted - Net OPEB asset	140,186	--
Unrestricted	8,755,631	9,167,217
Total Net Position	$ 81,808,055	$ 73,684,066

The accompanying notes are an integral part of these financial statements.

DEDHAM-WESTWOOD WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUND

FOR THE YEAR ENDED DECEMBER 31, 2025
(With comparative totals for the year ended December 31, 2024)

	2025	2024
Operating Revenues		
User charges	$ 15,211,226	$ 12,441,811
Miscellaneous	494,466	532,484
Total Operating Revenues	15,705,692	12,974,295
Operating Expenses		
Direct labor	3,180,017	3,092,069
Depreciation	3,281,909	2,893,699
Other operating costs	1,775,863	1,580,362
Purchased water	1,750,785	1,735,387
Fuel and power	757,331	658,055
Pension expense	578,099	451,387
Health care	663,326	570,424
Repairs and maintenance	575,145	493,844
General insurance	196,324	221,411
Chemicals	228,708	228,992
Other employee benefits	106,713	87,516
Change in OPEB liability	(233,657)	6,754
Payroll tax	81,143	67,838
Transportation, heat, electric	119,646	103,961
Water conservation	10,711	14,752
Temporary help	8,710	12,905
Total Operating Expenses	13,080,773	12,219,356
Operating Income	2,624,919	754,939
Nonoperating Revenues (Expenses)		
Lease revenue	350,576	274,671
Interest income	271,140	214,926
Gain on loan forgiveness	777,500	--
Settlement revenue	4,115,174	--
Interest on long-term debt	(429,048)	(210,224)
Total Nonoperating Revenues, Net	5,085,342	279,373
Income Before Capital Contributions	7,710,261	1,034,312
Capital contributions	413,728	531,941
Change in Net Position	8,123,989	1,566,253
Net Position at Beginning of Year	73,684,066	72,117,813
Net Position at End of Year	$ 81,808,055	$ 73,684,066

The accompanying notes are an integral part of these financial statements.

DEDHAM-WESTWOOD WATER DISTRICT

STATEMENT OF CASH FLOWS
ENTERPRISE FUND

FOR THE YEAR ENDED DECEMBER 31, 2025
(With comparative totals for the year ended December 31, 2024)

	2025	2024
Cash Flows from Operating Activities		
Receipts from customers and users	$ 15,357,293	$ 12,848,013
Proceeds from settlement	2,845,653	--
Payments to vendors and employees	(9,799,323)	(7,608,076)
Net Cash Provided by Operating Activities	8,403,623	5,239,937
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets, net of disposals	(12,458,347)	(5,859,772)
Proceeds from issuance of bonds	10,719,051	8,727,260
Principal payments on bonds and loans	(9,113,134)	(774,663)
Interest on long-term debt	(502,106)	(236,280)
Contributions received	413,728	436,431
Net Cash (Used in) Provided by Capital and Related Financing Activities	(10,940,808)	2,292,976
Cash Flows from Investing Activities		
Lease payments received	143,358	230,470
Interest received	271,140	214,926
Net Cash Provided by Investing Activities	414,498	445,396
Net Change in Cash and Short-term Investments	(2,122,687)	7,978,309
Cash and Short-term Investments - Beginning of Year	14,364,809	6,386,500
Cash and Short-term Investments - End of Year	$ 12,242,122	$ 14,364,809

The accompanying notes are an integral part of these financial statements.

DEDHAM-WESTWOOD WATER DISTRICT

STATEMENT OF CASH FLOWS (CONTINUED)
ENTERPRISE FUND

FOR THE YEAR ENDED DECEMBER 31, 2025
(With comparative totals for the year ended December 31, 2024)

	2025	2024
Reconciliation of Operating Income to Net Cash		
Operating income	$ 2,624,919	$ 754,939
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,281,909	2,893,699
Non-operating settlement proceeds	2,845,653	--
Changes in assets, liabilities, and deferred outflows/inflows:		
User fees receivable	(303,541)	(152,069)
Other current assets	(44,858)	25,787
Net OPEB asset	(140,186)	--
Accounts payable	(397,397)	766,092
Accrued expenses	582,634	1,024,098
Other liabilities	(5,724)	49,786
Compensated absences liability	34,801	(2,205)
Net pension liability and related deferrals	18,884	(126,944)
Net OPEB liability and related deferrals	(93,471)	6,754
Net Cash Provided by Operating Activities	$ 8,403,623	$ 5,239,937
Schedule of Non Cash Capital and Related Financing Activities		
Donated capital assets	$ --	$ 95,510
Supplemental Disclosure for Cash Flows Information		
Interest paid	$ 417,526	$ 236,280

The accompanying notes are an integral part of these financial statements.

DEDHAM-WESTWOOD WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY COMPONENT UNIT

FOR THE YEAR ENDED DECEMBER 31, 2025
(With comparative totals as of December 31, 2024)

	Other Post-Employment Benefits Trust Fund	
	2025	2024
Assets		
Investments		
Equity mutual funds	$ 890,163	$ 831,253
Fixed income mutual funds	723,433	635,783
Total Assets	1,613,596	1,467,036
Net Position		
Restricted for OPEB purposes	$ 1,613,596	$ 1,467,036

The accompanying notes are an integral part of these financial statements.

DEDHAM-WESTWOOD WATER DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY COMPONENT UNIT

FOR THE YEAR ENDED DECEMBER 31, 2025
(With comparative totals as of December 31, 2024)

	Other Post-Employment Benefits Trust Fund	
	2025	2024
Additions		
Contributions	$ 22,386	$ 31,196
Investment income, net	146,560	120,145
Total Additions	168,946	151,341
Deductions		
Benefit payments	22,386	31,196
Total Deductions	22,386	31,196
Change in Net Position	146,560	120,145
Net Position Restricted for OPEB Purposes		
Beginning of Year	1,467,036	1,346,891
End of Year	$ 1,613,596	$ 1,467,036

The accompanying notes are an integral part of these financial statements.

NOTE 1 - REPORTING ENTITY

The Dedham-Westwood Water District (the District) is a government instrumentality created by Chapter 193 of the Acts of 1985 of the Commonwealth of Massachusetts (the Enabling Act) for the purpose of supplying the Towns of Dedham and Westwood, Massachusetts, with water and providing water treatment works and facilities. Pursuant to the Enabling Act, the District was organized on July 24, 1985. The Enabling Act requires that a six-member Board of Commissioners (the Board) exercise the management and control of the District. The Select Boards from the Towns of Dedham and Westwood each select three residents from their respective towns to serve as water commissioners.

The District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, in fiscal year 2021. Through the application of GASB Statement No. 84, the Dedham-Westwood Water District Other Postemployment Benefit Plan has been included as a fiduciary activity in the accompanying financial statements as a discretely-presented component unit, because it meets the criteria of being a separate legal entity, the District appoints separate board of trustees and the assets are not for the benefit of the District. The Dedham-Westwood Water District Other Postemployment Benefit Plan has been reported as an OPEB Trust Fund in the Fiduciary Fund financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to generally accepted accounting principles in the United States of America (GAAP) as applicable to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies followed by the District:

BASIS OF PRESENTATION

The operations of the District are accounted for as an enterprise fund. The District’s financial statements are reported on an accrual basis of accounting as specified by the GASB’s requirements for an enterprise fund. The accrual basis of accounting recognizes revenues when earned and recognizes expenses when the related liability is incurred, regardless of when the related cash flow takes place.

COMPARATIVE FINANCIAL INFORMATION

The accompanying financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District’s financial statements for the year ended December 31, 2025, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND INVESTMENTS

Deposits with financial institutions consist primarily of demand deposits, money markets, and savings accounts. For purposes of the statement of cash flows, the proprietary fund considers investments with original maturities of three months or less to be short-term investments. Where applicable, investments are carried at fair value.

LEASES

District as a Lessor

The District recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a straight-line basis over its useful life. The following key assumptions are made:

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease, including renewal terms reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases receivable and will remeasure a lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

INVENTORY

Inventory is valued at cost using the weighted average cost method and is included in Other Current Assets (Note 7).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS

Capital assets are stated at historical cost and donated assets are recorded at acquisition value at the date of donation. Depreciation expense is calculated on the straight-line method over the estimated useful lives of the assets. Major betterments or renewals are capitalized and depreciated over their estimated useful lives.

Estimated useful lives used in computing depreciation are as follows:

Asset Class	Estimated Useful Life
Buildings and improvements	5 - 60 years
Machinery, equipment, and furnishings	5 - 25 years
Infrastructure	5 - 75 years

COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation pay benefits. All vested vacation pay is accrued when earned.

NET POSITION

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. The remaining net position is reported as unrestricted.

OPERATING REVENUES AND EXPENSES

Operating revenue consists of billings for metered water supplied to residential, commercial, and industrial entities; water system access fees; and other water related services. The District bills users of the system on a cycle basis and unbilled revenue is accrued as of December 31. The District maintains an ongoing capacity to collect on its customer receivables via the strength of its non-payment lien and shutoff policy. Therefore, District customer accounts deemed uncollectible are typically negligible on an annual basis. All other revenue is considered nonoperating.

Nonoperating revenue is defined as income received from sources other than sales. Nonoperating revenues include interest income and lease revenue.

Operating expenses include costs to provide water services, as well as depreciation. Operating expenses do not include interest on long-term debt, which is reported as nonoperating expense.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/inflows and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - CASH AND INVESTMENTS (EXCLUDING THE OPEB FIDUCIARY COMPONENT UNIT)

Cash balances are invested to the extent available and interest earnings are recognized. Deposits with financial institutions consist primarily of savings accounts. Massachusetts General Laws (MGL), Chapter 44, Section 55 place certain limitation on the nature of deposits and investments available to the District. Deposits, including demand deposits, money markets, certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks, and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by Governmental Accounting Standards Board (GASB) 79. MMDT has a maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for OPEB funds.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned. The District does not have formal deposit policies related to the custodial credit risk of deposits.

As of 2025, none of the District's bank balance of $12,290,991 was exposed to custodial credit risk as uninsured and uncollateralized.*

*The difference between the carrying amount of $2,025 and the bank balance of $12,290,991 represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank as of 2025.

NOTE 4 - INVESTMENTS – OPEB FIDUCIARY COMPONENT UNIT

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the OPEB fiduciary component unit will not be able to recover the value of its investment or collateral securities that are in possession of another party. The OPEB fiduciary component unit's custodial credit risk policy is that it will engage only those institutions with proven financial strength, capital adequacy, and overall affirmative reputation in the municipal industry.

As of 2025, all of the OPEB fiduciary component unit's investments were subject to custodial credit risk exposure because the related securities were uninsured, unregistered and held by the brokerage firm's trust or agent, which is also the counterparty to these securities.

Credit Risk – Investments in Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The OPEB fiduciary component unit's investment policies related to credit risk are that the Investment Manager will purchase investment grade securities with a high concentration in securities rated A or better at time of purchase. Lower-quality investments may only be held through diversified vehicles, such as mutual funds or exchange-traded funds. There will be no limit to the amount of United States Treasury and United States government agency obligations.

As of 2025 the credit quality ratings, as rated by S&P Global Ratings, of the OPEB fiduciary component unit's debt securities were as follows:

Investment Type	Total	AAA	AA	A	BBB	BB	B	Unrated
Fixed income mutual funds	$ 723,433	$ 206,292	$ 125,232	$ 26,667	$ 203,168	$ 56,251	$ 27,137	$ 78,686

NOTE 4 - INVESTMENTS – OPEB FIDUCIARY COMPONENT UNIT (CONTINUED)

Concentration of Credit Risk

The OPEB fiduciary component unit places no limit on the amount that may be invested in any one issuer. The OPEB fiduciary component unit's Concentration of Credit Risk Policy is that the Investment Manager will diversify the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Securities of a single corporate issuer (with the exception of the United States government and its agencies) will not exceed 5% of the portfolio value.

As of December 31, 2025, OPEB fiduciary component unit invested in open-end mutual funds, and other pooled investments that are not associated with the risk of a single issuer are not considered to exhibit a concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The OPEB fiduciary component unit's Interest Rate Risk Policy is that the Investment Manager will manage interest rate risk by managing duration in the account.

At 2025, the OPEB fiduciary component unit's investments in fixed income mutual funds had a weighted average maturity of 4.91 years.

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The OPEB fiduciary component unit does not have formal investment policies related to foreign currency risk. None of the OPEB fiduciary component unit's investments were subject to foreign currency risk at 2025.

Fair Value

The OPEB fiduciary component unit categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of an asset or liability and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

NOTE 4 - INVESTMENTS – OPEB FIDUCIARY COMPONENT UNIT (CONTINUED)

Fair Value (Continued)

The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as Level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The OPEB fiduciary component unit had the following fair value measurements as of 2025:

		Fair Value Measurements Using:		
Investment Type	Amount	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level:				
Equity mutual funds	$ 890,163	$ 890,163	$ --	$ --
Fixed income mutual funds	723,433	723,433	--	--
	$ 1,613,596	$ 1,613,596	$ --	$ --

NOTE 4 - INVESTMENTS – OPEB FIDUCIARY COMPONENT UNIT (CONTINUED)

Fair Value (Continued)

Equity and debt securities classified in Level 1 are valued using prices quoted in active markets for those securities.

NOTE 5 - USER FEES RECEIVABLE

User fees receivable consisted of the following as of December 31:

	2025	2024
Customer Accounts:		
Billed	$ 1,514,657	$ 1,255,909
Unbilled	315,221	270,428
Total receivables	$ 1,829,878	$ 1,526,337

Management evaluates the collectability of receivables and has determined an allowance is not required.

NOTE 6 - LEASES RECEIVABLE

The District has entered into various lessor agreements for use of land. Lease and interest income recognized during 2025 was $350,576.

NOTE 6 - LEASES RECEIVABLE (CONTINUED)

Leases receivable consisted of the following at 2025:

Purpose		Original Issue	Serial Maturities Through	Interest Rate(s) %		Amount Outstanding as of December 31, 2025
T-Mobile cellular tower lease	$	2,020,375	2049	2.00%	$	1,821,037
Verizon Wireless cellular tower lease	$	734,874	2042	2.00%		629,640
AT&T cellular tower lease	$	682,731	2042	2.00%		602,513
					$	3,053,190

Future minimum lease payments under these leases consisted of the following at 2025:

Year		Principal		Interest		Total
2026	$	84,259	$	61,064	$	145,323
2027		90,304		59,379		149,683
2028		96,600		57,573		154,173
2029		103,158		55,641		158,799
2030		109,985		53,577		163,562
Thereafter		2,568,884		478,934		3,047,818
Total	$	3,053,190	$	766,168	$	3,819,358

NOTE 7 - OTHER CURRENT ASSETS

Other current assets for the District consisted of the following as of 2025:

		2025		2024
Inventory	$	134,418	$	125,859
Prepaid expenses		148,513		125,738
Miscellaneous accounts receivable		43,392		45,886
Other		64,263		48,245
	$	390,586	$	345,728

NOTE 8 - CAPITAL ASSETS

The following is a summary of the 2025 activity in capital assets (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Buildings and improvements	$ 23,882	$ 3,041	$ --	$ 26,923
Machinery, equipment, and furnishings	25,363	1,873	(101)	27,135
Infrastructure	79,027	7,545	(4)	86,568
Total capital assets, being depreciated	128,272	12,459	(105)	140,626
Less accumulated depreciation for:				
Buildings and improvements	(10,971)	(521)	--	(11,492)
Machinery, equipment, and furnishings	(16,967)	(1,283)	101	(18,149)
Infrastructure	(21,339)	(1,477)	2	(22,814)
Total accumulated depreciation	(49,277)	(3,281)	103	(52,455)
Total capital assets, being depreciated, net	78,995	9,178	(2)	88,171
Capital assets, not being depreciated:				
Land	1,799	--	--	1,799
Total capital assets, not being depreciated	1,799	--	--	1,799
Capital assets, net	$ 80,794	$ 9,178	$ (2)	$ 89,970

NOTE 9 - DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent the consumption of net assets by the District that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statement No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

NOTE 10 - ACCOUNTS PAYABLE

Accounts payable represents amounts due to vendors for goods and services provided as of year-end, which were paid in the subsequent year.

NOTE 11 - ACCRUED EXPENSES

Accrued expenses for the District consisted of the following as of 2025:

	2025	2024
Accrued purchased water - MWRA	$ 2,618,004	$ 2,189,349
Contract retainage	287,564	106,434
Accrued payroll	116,662	152,213
Accrued interest	148,613	136,004
Other	36,853	28,453
	$ 3,207,696	$ 2,612,453

NOTE 12 - LONG-TERM DEBT

GENERAL OBLIGATION BONDS AND LOANS

The District issues general obligation bonds and direct borrowings to provide funds for the acquisition and construction of major capital facilities. General obligation bonds (exclusive of premium) and direct borrowings outstanding were as follows:

General Obligation Bonds:	Serial Maturities Through	Interest Rates	Amount Outstanding as of December 31, 2025
Public Offerings:			
General obligation bond	2045	5.00%	$ 8,525,000
General obligation bond	2031	0.00%	509,400
Total General Obligation Bonds			9,034,400
Loans - Direct Borrowings:			
MA Clean Water Trust interim loan	2027	0.00%	760,173
MA Clean Water Trust bond	2039	2.00%	6,575,512
Total loans - direct borrowings			7,335,685
			$ 16,370,085

The outstanding MA Clean Water Trust interim loan balance above represents total draws, net of forgiveness amounting to $777,500, as of December 31, 2025.

NOTE 12 - LONG-TERM DEBT (CONTINUED)

FUTURE DEBT SERVICE

The annual payments, which are made semi-annually, to retire all general obligation bonds and direct borrowings as of 2025 were as follows:

	Bonds - Public Offerings		Loans - Direct Borrowings	
Year	Principal	Interest	Principal (1)	Interest
2026	$ 614,900	$ 390,550	$ 406,890	$ 131,510
2027	604,900	364,050	415,733	123,372
2028	599,900	338,050	424,768	115,058
2029	599,900	312,300	434,000	106,562
2030	594,900	286,550	443,432	97,882
2031-2035	2,449,900	1,053,500	2,365,981	352,464
2036-2040	1,800,000	570,000	2,084,708	105,356
2041-2045	1,770,000	211,400	--	--
	$ 9,034,400	$ 3,526,400	$ 6,575,512	$ 1,032,204

(1) The principal and interest debt service schedule for the MCWT interim loan has been excluded from the above future debt service requirements because the permanent schedule provided by MCWT is currently based on the loan total of $15,550,000. Once the MCWT reissues a permanent debt service schedule reflecting final loan amount drawn, the corresponding principal and interest debt service requirements will be included.

CHANGES IN GENERAL LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Bonds and loans payable:						
General obligation bonds	$ 9,224,300	$ 8,525,000	$ (8,714,900)	$ 9,034,400	$ (614,900)	$ 8,419,500
Direct borrowings	6,973,746	760,173	(398,234)	7,335,685	(1,167,063)	6,168,622
Bond premium	78,697	656,378	(85,667)	649,408	(32,819)	616,589
Subtotal	16,276,743	9,941,551	(9,198,801)	17,019,493	(1,814,782)	15,204,711
Net pension liability	4,421,990	(751,034)	--	3,670,956	--	3,670,956
Net OPEB liability	101,484	(101,484)	--	--	--	--
Compensated absences liability	141,641	--	34,801	176,442	(176,442)	--
	$ 20,941,858	$ 9,089,033	$ (9,164,000)	$ 20,866,891	$ (1,991,224)	$ 18,875,667

Change in compensated absence liability is presented net in the schedule above.

NOTE 13 - DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent the acquisition of net assets by the District that is applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes. Deferred inflows related to leases, in accordance with GASB Statement No. 87, have been recognized in fiscal year 2025, and are offset with leases receivable.

NOTE 14 - UNRESTRICTED NET POSITION

Included in the unrestricted net position of $8,755,631 as of 2025 is a board-designated stabilization fund of $1,800,000.

NOTE 15 - NORFOLK COUNTY RETIREMENT SYSTEM (GASB 68)

The District follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* with respect to employees' retirement funds.

PLAN DESCRIPTION

Substantially all employees of the District are members of the Norfolk County Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The System provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publicly available from the System located at 480 Neponset Street, Building #15, Canton, Massachusetts 02021.

NOTE 15 - NORFOLK COUNTY RETIREMENT SYSTEM (GASB 68) (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

Participant Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the System. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of $30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering the System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80–85% pension and 15-20% annuity.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest 5-year average annual rate of regular compensation for those first becoming members of the System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

NOTE 15 - NORFOLK COUNTY RETIREMENT SYSTEM (GASB 68) (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

Participant Retirement Benefits (Continued)

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left District employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member’s death.

NOTE 15 - NORFOLK COUNTY RETIREMENT SYSTEM (GASB 68) (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

Methods of Payment (Continued)

- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member—provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The District's contribution to the System for the year ended 2025 was $578,331, which was equal to its annual required contribution.

NOTE 15 - NORFOLK COUNTY RETIREMENT SYSTEM (GASB 68) (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 benefit terms. Investments are reported at fair value.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

As of 2025, the District reported a liability of $3,670,956 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. 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 employers, actuarially determined. As of December 31, 2025, the District's proportion was 0.5718%, which was an decrease of 0.0642% from its proportion measured as of December 31, 2024.

For the year ended 2025, the District recognized pension expense of $599,754. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 178,597	$ --
Changes of assumptions	498,867	--
Net difference between projected and actual investment earnings	316,864	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	534	474,015
Contributions subsequent to the measurement date	559,214	--
	$ 1,554,076	$ 474,015

NOTE 15 - NORFOLK COUNTY RETIREMENT SYSTEM (GASB 68) (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

The amount reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net pension liability in the year ending December 31, 2025. Contributions subsequent to the measurement date of $559,214 are cash contributions to the System based on the actuarial valuation and the approved funding schedules. The financial statement pension expense of $578,099 is based on the System's GASB 68 report which differs from the actuarial valuation. One of the principal differences is that the financial statement expense has been reduced by the amortization of deferred inflows of resources (i.e., prior favorable investment returns).

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as increases (decreases) in pension expense as follows:

Year Ended December 31:	
2025	$ 212,811
2026	356,813
2027	22,709
2028	(71,486)
	$ 520,847

ACTUARIAL ASSUMPTIONS

The total pension liability in the last actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	January 1, 2024
Inflation	2.75%
Salary increases	3.50% -8.00%
Cost of living increases	3.00% of the first $20,000 of retirement income
Investment rate of return	7.625%
Mortality Table	Pub-2010 Public Retirement Plans Mortality Tables Report from the Society of Actuaries dated January 2019; amount-weighted and projected generationally with Scale

NOTE 15 - NORFOLK COUNTY RETIREMENT SYSTEM (GASB 68) (CONTINUED)

TARGET ALLOCATIONS

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table.

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	30.50%	7.30%
Fixed income	20.50%	4.90%
International equity	15.50%	8.00%
Real estate	9.50%	7.00%
Hedge funds	11.50%	8.60%
Private equity	10.00%	10.20%
Real assets	2.50%	8.90%
	100.00%	

NOTE 15 - NORFOLK COUNTY RETIREMENT SYSTEM (GASB 68) (CONTINUED)

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.625%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive 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.

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.625%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease (6.625%)	Current Discount Rate (7.625%)	1% Increase (8.625%)
$ 4,973,884	$ 3,670,956	$ 2,563,911

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in the System's separately issued financial report.

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 74 AND GASB 75)

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In May 2014, the District established a single-employer defined benefit OPEB fiduciary component unit to provide funding for future employee health care costs. The OPEB fiduciary component unit does not issue a stand-alone financial report.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for recognizing and measuring assets, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of December 31, 2025.

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description

The District provides post-employment healthcare benefits for retired employees through the District's plan. The District provides health insurance coverage through Tufts Medicare Preferred Supplement PDP Plan and Tufts Medicare Preferred HMD plans. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of Massachusetts General Laws. The Plan is closed to new entrants.

Benefits Provided

The District provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the District and meet the eligibility criteria will receive these benefits.

Funding Policy

The District's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are determined through annual budget authorizations.

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 74 AND GASB 75) (CONTINUED)

GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)

Plan Membership

As of December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	10
	19

INVESTMENTS

The OPEB fiduciary component unit's assets consist of equity and fixed income mutual funds.

Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ACTUARIAL ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Wage inflation	3.00%
Salary increases	3.00%, average, including inflation
Investment rate of return	5.75%, net of OPEB plan investment expense
Discount rate	5.75%
Healthcare cost trend rates	Non-Medicare: 8.00% decreasing by 0.25% for 14 years to an ultimate level of 4.50% per year. Medicare: 8.80% for one year, then 4.75% decreasing by 0.25% for 1 year to an ultimate level of 4.50% per year.

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 74 AND GASB 75) (CONTINUED)

ACTUARIAL ASSUMPTIONS (CONTINUED)

Pre-Retirement mortality rates were based on the RP-2014 Headcount-Weighted Employee Mortality Table projected generationally with Scale MP-2021. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.

TARGET ALLOCATIONS

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 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2025 are summarized in the following table.

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Domestic Equity - Large Cap	38.00%	9.02%
Domestic Equity - Small/Mid Cap	4.00%	9.94%
International Equity - Developed Market	6.00%	8.39%
International Equity - Emerging Market	2.00%	10.14%
Domestic - Fixed Income	35.00%	4.32%
High Yield Fixed Income	4.00%	6.89%
International Fixed Income	2.00%	4.69%
Alternatives	6.00%	6.82%
Real estate	2.00%	8.65%
Cash	1.00%	2.88%
	100.00%	

DISCOUNT RATE

The discount rate used to measure the net OPEB asset was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 74 AND GASB 75) (CONTINUED)

NET OPEB ASSET

The components of the net OPEB asset, measured as of December 31, 2025, were as follows:

Total OPEB liability	$ 1,473,410
Plan fiduciary net position	(1,613,596)
Net OPEB liability (asset)	$ (140,186)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	109.51%

The fiduciary net position has been determined on the same basis used by the OPEB plan. For this purpose, the plan recognizes benefit payments when due and payable.

CHANGES IN THE NET OPEB LIABILITY (ASSET)

The following summarizes the changes in the net OPEB liability (asset) for the past year:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balances, beginning of year	$ 1,568,520	$ 1,467,036	$ 101,484
Changes for the year:			
Service cost	41,987	--	41,987
Interest	91,970	--	91,970
Contributions - employer	--	22,386	(22,386)
Net investment income	--	146,560	(146,560)
Changes of benefit terms	(255,628)	--	(255,628)
Differences between expected and actual experience	(73,558)	--	(73,558)
Changes in assumptions	122,505	--	122,505
Benefit payments	(22,386)	(22,386)	--
Net Changes	(95,110)	146,560	(241,670)
Balances, end of year	$ 1,473,410	$ 1,613,596	$ (140,186)

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 74 AND GASB 75) (CONTINUED)

SENSITIVITY OF THE NET OPEB ASSET TO CHANGES IN THE DISCOUNT RATE

The following presents the net OPEB (asset) liability, as well as what the net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
$ 72,501	$ (140,186)	$ (315,385)

SENSITIVITY OF THE NET OPEB ASSET TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the net OPEB (asset) liability, as well as what the net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
$ (344,790)	$ (140,186)	$ 111,745

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (GASB 74 AND GASB 75) (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended 2025, the District recognized an OPEB expense of negative $211,271. As of December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ --	$ 97,579
Change in assumptions	168,955	31,935
Net difference between projected and actual earnings on OPEB Trust Fund investments	--	63,921
	$ 168,955	$ 193,435

Amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	
2026	$ 26,914
2027	(27,140)
2028	(11,813)
2029	(12,441)
	$ (24,480)

NOTE 17 - COMMITMENTS AND CONTINGENCIES

OUTSTANDING LEGAL ISSUES

On an ongoing basis, there are typically pending legal issues in which the is involved. The 's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

NOTE 18 – RELATED PARTY TRANSACTIONS

The District has entered into a contract for water storage tank inspection, maintenance, repair and modification with a contractor whose employee is a member of the Board of Commissioners. The 15-year contract began April 2023 and has a total price of $3,641,163.

NOTE 19 - LITIGATION SETTLEMENT PROCEEDS

In February 2023, the District initiated litigation against 3M Company, E.I. DuPont de Nemours, Inc., and other manufacturers of aqueous film-forming foam (AFFF) in connection with alleged contamination of groundwater supplies within the District's service area by per- and polyfluoroalkyl substances (PFAS).

In September 2025, the District reached a settlement agreement with 3M Company, pursuant to which the District will receive total proceeds of approximately $4.9 million, net of legal and administration fees of approximately $1.3 million. The settlement includes an initial payment of approximately $984,000, additional payments totaling approximately $2.24 million through the end of 2025, and the remaining balance to be received in annual installments through 2033. As of December 31, 2025, the settlement proceeds recognized by the District amount to $3,649,991.

In December 2025, the District reached a settlement agreement with E.I. DuPont de Nemours, Inc., pursuant to which the District will receive total proceeds of $565,872, net of legal and administration fees of $100,689. As of December 31, 2025, the settlement proceeds recognized by the District amount to $465,183.

NOTE 20 - SUBSEQUENT EVENTS

Management has evaluated events through June 17, 2026, which is the date the financial statements were available to be issued.

DEDHAM-WESTWOOD WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS

Norfolk County Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
December 31, 2025	December 31, 2024	0.5718%	$ 3,670,956	$ 2,745,294	133.72%	70.2%
December 31, 2024	December 31, 2023	0.6360%	$ 4,421,990	$ 2,703,391	163.57%	66.6%
December 31, 2023	December 31, 2022	0.7296%	$ 4,219,218	$ 2,546,237	165.70%	68.6%
December 31, 2022	December 31, 2021	0.7291%	$ 2,687,048	$ 2,460,132	109.22%	79.4%
December 31, 2021	December 31, 2020	0.7350%	$ 3,754,046	$ 2,448,101	153.35%	70.2%
December 31, 2020	December 31, 2019	0.7338%	$ 4,308,238	$ 2,365,315	182.14%	64.6%
December 31, 2019	December 31, 2018	0.8517%	$ 5,544,059	$ 2,281,564	242.99%	58.3%
December 31, 2018	December 31, 2017	0.8499%	$ 4,699,984	$ 2,204,410	213.21%	63.5%
December 31, 2017	December 31, 2016	0.8678%	$ 4,530,112	$ 2,419,805	187.21%	61.6%
December 31, 2016	December 31, 2015	0.8678%	$ 4,714,223	$ 2,363,328	199.47%	58.6%

See notes to the District's financial statements for summary of significant actuarial methods and assumptions.

***See independent auditors' report*.**

DEDHAM-WESTWOOD WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

Norfolk County Retirement System

Fiscal Year	Measurement Date	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2025	December 31, 2024	$ 578,331	$ 578,331	-	$ 2,745,294	21.07%
December 31, 2024	December 31, 2023	$ 617,570	$ 617,570	-	$ 2,703,391	22.84%
December 31, 2023	December 31, 2022	$ 670,418	$ 670,418	-	$ 2,546,237	26.33%
December 31, 2022	December 31, 2021	$ 624,629	$ 624,629	-	$ 2,460,132	25.39%
December 31, 2021	December 31, 2020	$ 588,665	$ 588,665	-	$ 2,448,101	24.05%
December 31, 2020	December 31, 2019	$ 549,590	$ 549,590	-	$ 2,365,315	23.24%
December 31, 2019	December 31, 2018	$ 595,803	$ 595,803	-	$ 2,281,564	26.11%
December 31, 2018	December 31, 2017	$ 544,023	$ 544,023	-	$ 2,204,410	24.68%
December 31, 2017	December 31, 2016	$ 484,009	$ 484,009	-	$ 2,419,805	20.00%
December 31, 2016	December 31, 2015	$ 438,887	$ 438,887	-	$ 2,363,328	18.57%

See notes to the District's financial statements for summary of significant actuarial methods and assumptions.

See independent auditors' report.

DEDHAM-WESTWOOD WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB (ASSET) LIABILITY
LAST NINE FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 41,987	$ 44,398	$ 43,842	$ 45,584	$ 42,917	$ 51,786	$ 52,902	$ 58,897	$ 65,584
Interest	91,970	83,401	82,725	77,022	71,973	66,381	72,817	66,769	60,944
Changes of benefit terms	(255,628)	--	(10,028)	--	(30,660)	--	--	--	--
Differences between expected and actual experience	(73,558)	--	(15,117)	--	(209,093)	--	(33,253)	--	--
Changes in assumptions	122,505	50,485	(63,871)	--	280,714	--	(88,642)	--	--
Benefit payments, including refunds of member contributions	(22,386)	(31,196)	(21,652)	(21,696)	(15,503)	(16,669)	(16,809)	(35,870)	(24,767)
Net Change in Total OPEB Liability	(95,110)	147,088	15,899	100,910	140,348	101,498	(12,985)	89,796	101,761
Total OPEB Liability - Beginning	1,568,520	1,421,432	1,405,533	1,304,623	1,164,275	1,062,777	1,075,762	985,966	884,205
Total OPEB Liability - Ending (a)	$ 1,473,410	$ 1,568,520	$ 1,421,432	$ 1,405,533	$ 1,304,623	$ 1,164,275	$ 1,062,777	$ 1,075,762	$ 985,966
Plan Fiduciary Net Position									
Contributions - employer	$ 22,386	$ 31,196	$ 21,652	$ 21,696	$ 15,503	$ 16,669	$ 81,809	$ 160,870	$ 149,767
Net investment income (loss)	146,560	120,145	145,704	(133,820)	145,137	102,074	146,756	(37,028)	54,348
Benefit payments, including refunds of member contributions	(22,386)	(31,196)	(21,652)	(21,696)	(15,503)	(16,669)	(16,809)	(35,870)	(24,767)
Net Change in Plan Fiduciary Net Position	146,560	120,145	145,704	(133,820)	145,137	102,074	211,756	87,972	179,348
Plan Fiduciary Net Position - Beginning	1,467,036	1,346,891	1,201,187	1,335,007	1,189,870	1,087,796	876,040	788,068	608,720
Plan Fiduciary Net Position - Ending (b)	1,613,596	1,467,036	1,346,891	1,201,187	1,335,007	1,189,870	1,087,796	876,040	788,068
Net OPEB (Asset) Liability - Ending (a-b)	$ (140,186)	$ 101,484	$ 74,541	$ 204,346	$ (30,384)	$ (25,595)	$ (25,019)	$ 199,722	$ 197,898

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to the District's financial statements for summary of significant actuarial methods and assumptions.

See independent auditors' report.

DEDHAM-WESTWOOD WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF NET OPEB (ASSET) LIABILITY, CONTRIBUTIONS, AND INVESTMENT RETURNS
LAST NINE FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Schedule of Net OPEB (Asset) Liability									
Total OPEB liability	$ 1,473,410	$ 1,568,520	$ 1,421,432	$ 1,405,533	$ 1,304,623	$ 1,164,275	$ 1,062,777	$ 1,075,762	$ 985,966
Plan fiduciary net position	(1,613,596)	(1,467,036)	(1,346,891)	(1,201,187)	(1,335,007)	(1,189,870)	(1,087,796)	(876,040)	(788,068)
Net OPEB (Asset) Liability	$ (140,186)	$ 101,484	$ 74,541	$ 204,346	$ (30,384)	$ (25,595)	$ (25,019)	$ 199,722	$ 197,898
Plan fiduciary net position as a percentage of the total OPEB (asset)/liability	109.51%	93.53%	94.76%	85.46%	102.33%	102.20%	102.35%	81.43%	79.93%

	2025	2024	2023	2021	2021	2020	2019	2018	2017
Schedule of Contributions									
Actuarially determined contribution	$ 42,893	$ 66,643	$ 63,618	$ 54,741	$ 56,097	$ 47,851	$ 103,968	$ 132,595	$ 142,358
Contributions in relation to the actuarially determined contribution	(22,386)	(31,196)	(21,652)	(21,696)	(15,503)	(16,669)	(81,809)	(160,870)	(149,767)
Contribution Deficiency (Excess)	$ 20,507	$ 35,447	$ 41,966	$ 33,045	$ 40,594	$ 31,182	$ 22,159	$ (28,275)	$ (7,409)

	2025	2024	2023	2021	2021	2020	2019	2018	2017
Schedule of Investment Returns									
Annual money weighted rate of return, net of investment expense	9.99%	8.92%	12.12%	-8.24%	12.36%	9.52%	17.77%	-5.27%	Unavailable

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to the District's financial statements for summary of significant actuarial methods and assumptions.

***See independent auditors' report*.**

CBIZ CPAs P.C.

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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
Dedham-Westwood Water District

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 the aggregate discretely presented component unit of Dedham-Westwood Water District (the "District"), as of and for the year ended December 31, 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 June 17, 2026.

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.

CBIZ CPAs P.C.

Providence, RI
June 17, 2026

CBIZ CPAs P.C.

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Independent Auditors' Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance

To the Board of Commissioners
Dedham-Westwood Water District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Dedham-Westwood Water District (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended December 31, 2025. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

CBIZ CPAs P.C.

Providence, RI
June 17, 2026

DEDHAM-WESTWOOD WATER DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures Incurred
U.S. Environmental Protection Agency				
Passed through the Massachusetts Clean Water Trust				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWL-23-51	$ --	$ 284,673
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWEC-24-53	--	777,500
Total U.S. Environmental Protection Agency			--	1,062,173
Total Schedule of Expenditures of Federal Awards			$ --	$ 1,062,173

See notes to schedule of expenditures of federal awards.

DEDHAM-WESTWOOD WATER DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal award activity of the District under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - INDIRECT COST RATE

The District has elected not to use the 15-percent de Minimis indirect cost rate.

NOTE 4 – CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS

The United States Environmental Protection Agency provides grants to reimburse eligible costs related to assist with financing the construction, improvement, and repair of public drinking water systems. The federal government awards funding to the State of Massachusetts' Massachusetts Clean Water Trust, who provides reimbursements to local governments under this program for some of these project costs incurred.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified Opinion*
Internal control over financial reporting:	
Material weakness(es) identified?	______ Yes __X__ No
Significant deficiency(ies) identified?	______ Yes __X__ None reported
Noncompliance material to financial statements noted?	______ Yes __X__ No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	______ Yes __X__ No
Significant deficiency(ies) identified?	______ Yes __X__ None reported
Type of auditors' report issued on compliance for major federal programs:	*Unmodified Opinion*
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______ Yes __X__ No

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and B programs:	$1,000,000
Auditee qualified as low-risk auditee?	______ Yes __X__ No

SECTION II FINDINGS – RELATED TO AUDIT OF FINANCIAL STATEMENTS

CURRENT YEAR FINDINGS:

None reported.

SECTION III FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

CURRENT YEAR FINDINGS:

None reported.