



# MASSACHUSETTS CLEAN WATER TRUST

December 27, 2021

Mr. Michael D. Hurley  
Senate Clerk  
Commonwealth of Massachusetts  
Office of the Clerk of the Senate  
Massachusetts State House,  
24 Beacon Street, Room 335  
Boston, MA 02133

Dear Mr. Michael D. Hurley:

I am pleased to present to you the Massachusetts Clean Water Trust's (the Trust) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. The ACFR is prepared according to generally accepted accounting principles (GAAP) as defined for governments by the Governmental Accounting Standards Board (GASB). Further information on the financial results in this report is included in the Message from the Chair and Letter of Transmittal (pages 1-10 in the Introductory Section) and the Management's Discussion and Analysis (pages 3-13 in the Financial Section).

The Trust's ACFR for the previous fiscal year, 2020, has again been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA's Certificate is a prestigious national award recognizing conformity with the highest standards for state and local government reports. This award is the Trust's twenty-fourth consecutive citation.

Our financial statements reflect the overall fiscal health of the Trust. In fiscal year 2021, our net assets grew by \$87 million, to close at over \$2.7 billion. This growth of the State Revolving Fund net assets helps to maintain the Trust's AAA bond rating and provides for continuing investment incentives in Clean Water and Drinking Water projects by our customers, the cities, towns, and authorities of the Commonwealth. These vital projects enhance ground and surface water resources, ensure the safety of drinking water, protect public health, and develop resilient communities. In 2021, the Trust provided approximately \$402 million in commitments for low interest rate loans to cities and towns for these projects throughout the Commonwealth which will provide an estimated 2,413 construction and engineering jobs. Since its establishment, the Trust has financed approximately \$8.2 billion in projects for nearly three hundred borrowers, serving 97% of the Commonwealth's population.

Even in these difficult times, communities continue to recognize the value of investing in the water and wastewater infrastructure that protects our public health and our environment and supports our economy. The need for cost savings at the local and statewide level is as important as ever, and the Trust continues to do its part. Recent legislative changes have allowed the Trust to develop distinct loan programs to further various program or state goals by incentivizing projects to move forward by providing a higher rate of subsidy. The Trust provides additional subsidization in the form of loan forgiveness funded in part with federal capitalization grants and further augmented with contract assistance supplied by the Commonwealth. In fiscal year 2021, \$20.9 million in loan forgiveness was committed to the Trust's borrowers' projects while in fiscal year 2020, \$21.4 million in additional subsidy was dedicated to communities that would not otherwise be able to afford projects.

I am deeply thankful to the dedicated staff of the Trust and our program partners for their tireless work and commitment to the communities of the Commonwealth in these unprecedented times. The Trust has managed and is managing the hurdles of COVID-19 while remaining dedicated to their mission. We must also acknowledge the Chair and the Board of Trustees for the confidence they have put in us, the Governor and the Legislature, and the people of the Commonwealth of Massachusetts for their continued support and generosity. The impact of these investments may not always be visible to the public, but it is felt in every glass of water poured, in restored water bodies, and in homes and businesses that receive safe and reliable water. If you have any questions, please contact me at 617-367-3900.

Respectfully submitted,

Susan E. Perez  
Executive Director