

CAPE LIGHT COMPACT JPE
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

CAPE LIGHT COMPACT JPE
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	10
STATEMENT OF NET POSITION	10
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	11
STATEMENT OF CASH FLOWS	12
STATEMENT OF FIDUCIARY NET POSITION	13
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	14
NOTES TO FINANCIAL STATEMENTS	15
REQUIRED SUPPLEMENTARY INFORMATION	
PENSION PLAN SCHEDULES	33
OTHER POSTEMPLOYMENT BENEFIT SCHEDULES	34
SUPPLEMENTARY INFORMATION	
COMBINING STATEMENT OF NET POSITION BY PROGRAM	35
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION BY PROGRAM	36
RECONCILIATION OF AUDITED ENERGY EFFICIENCY GAAP EXPENSES TO DEPARTMENT OF PUBLIC UTILITIES (DPU) REPORT	37



INDEPENDENT AUDITORS' REPORT

Board of Directors
Cape Light Compact JPE
South Yarmouth, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Cape Light Compact JPE (Compact), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Compact's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Compact as of December 31, 2024, 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. 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 Compact 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 Compact'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 Compact'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 Compact'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 postemployment benefit information 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 Compact's basic financial statements. The combining statements and reconciliation of audited energy efficiency GAAP expenses to Department of Public Utilities Report (collectively the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025, on our consideration of the Compact'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 Compact'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 Compact's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
December 31, 2025

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

As management of the Cape Light Compact JPE (Compact), we offer readers of these financial statements this narrative overview and analysis of the Compact's financial activities for the calendar year ended December 31, 2024.

The management's discussion and analysis (MD&A) is presented in the following sections:

1. Background
2. Overview of the Financial Statements
3. Financial Statement Analysis

Please refer to the audited *Financial Statements* when reading the MD&A.

Cape Light Compact Joint Powers Entity:

The Compact's mission is to serve our over 207,000 customers through the delivery of proven energy efficiency programs, effective consumer advocacy, and renewable competitive electricity supply. The Compact is a Joint Powers Entity (JPE) pursuant to Massachusetts General Law Chapter 40, Section 4A ½, consisting of the 21 towns on Cape Cod and Martha's Vineyard, and Dukes County.

The Compact as Energy Efficiency Program Administrator and the 2024 Energy Efficiency Term Report:

The Cape Light Compact JPE ("Compact" or "CLC") is pleased with the results for the 2022–2024 Three-Year Energy Efficiency Plan ("2022–2024 Three-Year Plan"), the fifth of such plans envisioned by the Green Communities Act and approved by the Department of Public Utilities ("Department" or "DPU"). The Compact and the other Massachusetts Energy Efficiency Program Administrators ("Program Administrators" or "PAs") successfully delivered on very ambitious energy savings goals for the 2022–2024 term, while maintaining budgetary control and complying with the directive of the Green Communities Act to seek all available cost-effective energy efficiency opportunities. Significantly, with the passage of the Climate Act in 2021, the 2022–2024 Plan was the first three-year plan to be constructed to attain the greenhouse gas ("GHG") emissions reduction goal established by the EEA Secretary.

The Compact and other PAs also continued their pursuit of critical long-term goals, especially in the equitable provision of energy efficiency services by increasing engagement of previously underserved customer groups, developing and deploying new strategies to equitably distribute energy efficiency benefits and fostering a capable and diverse workforce. Each PA has worked to drive greater uptake in Hard-to-Reach ("HTR") communities by supporting more robust channels for customer engagement and education, such as the Community First Partnership Program, "Main Streets" community events and Community Education Grants.

The Compact also successfully completed its Cape & Vineyard Electrification Offering (CVEO) during the 2022–2024 plan. Through CVEO the Compact decarbonized 55 residential structures by removing participants' fossil fuel or electric resistance heating system and installing cold climate heat pumps paired with solar PV. CVEO participants reduced their overall energy bill by 59%.

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

In the 2022-2024 Term, the Compact achieved:

- cost-effective programs with a benefit-cost ratio (“BCR”) of 1.55,
- net benefits of \$119 million,
- avoided CO₂e emission reductions of over 27,000 metric tons in 2030,
- annual net electric savings of 30 gigawatt hours (“GWh”),
- lifetime net electric savings of 297 GWh,
- total benefits of \$333 million, and
- program costs of \$197 million.

The Compact is committed to energy education outreach within its community and continues to be a regionally and nationally recognized leader in the design and implementation of its energy education programs. As a municipal aggregator with a unique service territory, the Compact supports the community’s efforts to develop a deeper and broader knowledge of energy efficiency technology and practices, moving towards an energy-literate society.

The Compact’s Electricity Supply Program:

During calendar year 2024, the Compact’s power supplier for all residential, commercial, and industrial customers was NextEra Energy Services of Massachusetts (NextEra). The Compact is pleased that our residential and commercial power supply price in 2024 remained below the utility’s basic service residential and commercial price while also being 100% renewable.

The Compact has been a green aggregation since January 2017, meaning 100% of Compact’s electricity supply customers’ annual electricity usage is met with renewable energy certificates (RECs). Because NextEra retires RECs to match the Compact’s customers’ usage, Compact customers are financially supporting renewable energy resources, including resources located in New England and on Cape Cod. In addition, NextEra deposits all premiums paid for voluntary RECs, plus their supplier and retail fees (expected to total over \$3 million per year), into a trust fund to be used solely for the development of new renewable energy resources. The Compact has a long-term power purchase agreement (PPA) for both energy and RECs from a solar facility in Farmington, Maine which supplies a small percentage of the Compact’s load. By purchasing electricity through the Compact, all Compact electricity supply customers are supporting renewable energy to combat climate change.

In March 2019, the Compact launched two new power supply options, CLC Local Green 50 and CLC Local Green 100. The CLC Local Green program gives customers an option to support local renewable energy development by paying a small premium on their monthly electric bill. The Compact uses this premium to purchase and retire Massachusetts Class 1 RECs to match either 50% or 100% of customers’ annual electricity usage, in addition to the voluntary RECs retired as part of the Compact’s standard electricity supply product. These Class 1 RECs are sourced from renewable energy projects in New England, including several solar installations on Cape Cod. By participating in CLC Local Green, customers are driving the market to bring new renewable energy resources to New England.

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

The Compact as Consumer Advocate:

Since 1997, Cape Light Compact has advocated for the ratepayers of Cape Cod and Martha's Vineyard at the local and state level.

The Compact's consumer advocacy efforts focused on the following Department of Public Utilities (DPU) regulatory proceedings:

- Grid modernization (DPU Docket 21-80):
 - The Compact's participation in this docket focused on ensuring that customers on the Cape and Vineyard are able to benefit from Eversource's proposed grid modernization and advanced metering infrastructure (AMI) investments. The Compact's key concern is that municipal aggregations and their competitive suppliers be able to access the data available through smart meters in order to design and offer time varying electric rates (TVR) to their customers.
 - In FY24, the Compact participated in DPU led technical sessions and submitted comments to the DPU led technical sessions and submitted comments to the DPU as part of ongoing discussion around TVR and data access for municipal aggregators and their competitive suppliers.
- Eversource Electric Sector Modernization Plan (DPU Docket 24-10)
 - Eversource filed its Electric Sector Modernization Plan (ESMP) with the DPU in January 2024. The Compact participated in this docket advocating for a number of items including ensuring a timely process for the implementation of TVR, approving the Cape Cod CIP, and directing Eversource to report on the impacts of the ESMP on double poles.
 - In FY24, the DPU issued an Order approving Eversource's ESMP. Many of the issues of interest to the Compact are being addressed through Phase II of the proceeding which began in January 2025 and is ongoing.
- Energy Burden Investigation (DPU Docket 24-15)
 - The Compact participated in the DPU's investigation into Energy Burden by bringing together a group of stakeholders to discuss the issue. The Compact submitted two rounds of comments focusing on energy affordability issues faced by Cape and Vineyard customers to the DPU based on its stakeholder session.
 - The Compact is participating in working group meetings as part of this ongoing proceeding.
- Pole Attachments and Conduit Access on Public Rights of Way (DPU Docket 25-10/DTC Docket 25-1)
 - The Compact's participation in this docket has focused on double poles, a key concern for the towns within the Compact's service territory. The Compact required feedback in the form of a survey from the towns regarding their priorities in this docket and submitted comments and a presentation to the DPU based on feedback.
 - The proceeding is ongoing.
- Residential Seasonal Heat-Pump Rate (DPU Docket 25-55)
 - The Compact participated in this docket to ensure that customers who install heat pumps through the Compact's energy efficiency program are made aware of and are automatically enrolled in Eversource's seasonal heat pump rate.
 - The seasonal heat pump rate is on the delivery side of the electric bill. It will take effect on November 1, 2025.

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Overview

This discussion and analysis (required supplementary information) is intended to serve as an introduction to the financial statements, which consists of the following two components:

1. Financial statements
2. Notes to the financial statements

This report also contains additional pension and other postemployment benefits required supplementary information and additional information that supplements the financial statements.

Financial Statements

The Compact's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). The financial statements are presented on the accrual basis of accounting and include the following three basic financial statements: (1) the Statement of Net Position, (2) the Statement of Revenues, Expenses and Change in Net Position, and (3) the Statement of Cash Flows.

The financial statements can be found on pages 10 – 14 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The accounting used for fiduciary funds is similar that used for proprietary funds.

The other postemployment benefits trust fund and custodial funds are reported in the fiduciary funds financial statements under the captions "other postemployment benefits trust fund" and "custodial funds", respectively. The basic fiduciary fund financial statements can be found on pages 13 through 14 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 15 – 30 of this report.

Required Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information are certain pension and other postemployment benefits information, which can be found on pages 31 – 32.

Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents supplementary information. Presented in this information are combining statements of net position and revenues, expenses and change in net position, as well as a reconciliation of audited energy efficiency GAAP expenses to the amounts reported to the DPU. The additional information can be found on pages 33 – 35.

CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Financial Statement Analysis

The following tables present current and prior year data on the financial statements.

Net Position

The Compact's assets and deferred outflows exceeded liabilities and deferred inflows by \$2,749,138 at the close of the calendar year and are summarized as follows:

	2024	2023	Change (\$)	Change (%)
Assets				
Current Assets	\$ 22,563,685	\$ 37,742,622	\$ (15,178,937)	-40.2%
Noncurrent Assets	1,125,083	601,410	523,673	87.1%
Total Assets	23,688,768	38,344,032	(14,655,264)	-38.2%
Deferred Outflows of Resources	2,212,259	2,159,765	52,494	2.4%
Liabilities				
Current Liabilities	15,035,467	11,539,304	3,496,163	30.3%
Noncurrent Liabilities	6,023,253	6,901,073	(877,820)	-12.7%
Total Liabilities	21,058,720	18,440,377	2,618,343	14.2%
Deferred Inflows of Resources	2,093,169	1,152,073	941,096	81.7%
Net Position				
Net Investment in Capital Assets	(14,037)	556	(14,593)	-2624.6%
Restricted	817,013	80,249	736,764	918.1%
Unrestricted	1,946,162	20,830,542	(18,884,380)	-90.7%
Total Net Position	\$ 2,749,138	\$ 20,911,347	\$ (18,162,209)	-86.9%

The Compact's assets consist primarily of cash and cash equivalents, accounts receivable and prepaid expenses, and net OPEB asset. The decrease in the Compact's current assets primarily is a result of decrease in energy efficiency program revenues which reduced the receivables outstanding at year end.

Liabilities primarily consist of accounts payable, net pension liability, notes payable, lease and SBITA liabilities. The decrease in noncurrent liabilities is primarily due to the Compact establishing an OPEB Trust Fund in fiscal year 2024 that moved the presentation of a net OPEB liability in 2023 to a net OPEB asset in 2024.

CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Changes in Net Position

The Compact's net position decreased by \$18,162,209 for the year ended December 31, 2024 and is summarized as follows:

	2024	2023	Change (\$)	Change (%)
Operating Revenues	\$ 61,326,375	\$ 54,206,312	\$ 7,120,063	13.1%
Operating Expenses	<u>82,887,839</u>	<u>66,853,244</u>	<u>16,034,595</u>	24.0%
Operating Income (Loss)	(21,561,464)	(12,646,932)	(8,914,532)	70.5%
Nonoperating Revenues (Expenses), Net	<u>3,399,255</u>	<u>4,715,992</u>	<u>(1,316,737)</u>	-27.9%
Change in Net Position	(18,162,209)	(7,930,940)	(10,231,269)	129.0%
Net Position - Beginning of Year	<u>20,911,347</u>	<u>28,842,287</u>	<u>(7,930,940)</u>	27.5%
NET POSITION - END OF YEAR	<u>\$ 2,749,138</u>	<u>\$ 20,911,347</u>	<u>\$ (18,162,209)</u>	<u>-86.9%</u>

Operating revenues primarily consist of mandatory energy efficiency charges \$4,862,238 and energy efficiency reconciliation factor charges \$45,655,616. The increase in operating revenues primarily reflects the budgeted increase in energy efficiency funds in 2024.

Approximately 92% (or \$76,465,782) of the Compact's operating expenses relate directly to energy efficiency programs. This compares to approximately 92% in 2023.

Requests for Information

This financial report is designed to provide a general overview of the Compact's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report should be addressed to the Compact Administrator, 261 Whites Path, Unit 4, South Yarmouth, Massachusetts, 02664.

CAPE LIGHT COMPACT JPE
STATEMENT OF NET POSITION
DECEMBER 31, 2024

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 11,010,168
Restricted Cash and Cash Equivalents	2,191,433
Restricted Investments	4,299,727
Receivables:	
Energy Efficiency	462,489
Energy Efficiency Reconciliation Factor	3,966,816
Mil-Adder	104,908
Green Program	2,181
Forward Capacity Market	116,916
Other	204,456
Due from Fiduciary Funds	8,332
Prepaid Expenses	196,259
Total Current Assets	<u>22,563,685</u>

Noncurrent Assets:	
Net OPEB Asset	732,857
Capital Assets, Net	392,226
Total Noncurrent Assets	<u>1,125,083</u>
Total Assets	<u>23,688,768</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to Pension	1,190,130
Related to OPEB	1,022,129
Total Deferred Outflows of Resources	<u>2,212,259</u>

LIABILITIES

Current Liabilities:	
Accounts Payable and Accrued Expenses	13,811,698
Due to Fiduciary Funds	613,637
Accrued Payroll	168,818
Compensated Absences, Current	13,898
Notes Payable, Current	221,849
SBITA Liability, Current	110,000
Lease Liability, Current	95,567
Total Current Liabilities	<u>15,035,467</u>

Noncurrent Liabilities:	
Compensated Absences, Net of Current	125,080
Notes Payable	1,978,151
Net Pension Liability	3,719,326
Lease Liability, Net of Current	200,696
Total Noncurrent Liabilities	<u>6,023,253</u>
Total Liabilities	<u>21,058,720</u>

DEFERRED INFLOWS OF RESOURCES

Related to Pension	316,486
Related to OPEB	1,776,683
Total Deferred Inflows of Resources	<u>2,093,169</u>

NET POSITION

Net Investment in Capital Assets	(14,037)
Restricted for:	
Financial Assurance Requirement	84,156
Employee Benefits	732,857
Unrestricted	1,946,162
Total Net Position	<u>\$ 2,749,138</u>

See accompanying Notes to Financial Statements.

CAPE LIGHT COMPACT JPE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUES

Energy Efficiency System Benefit Charge	\$ 4,862,238
Energy Efficiency Reconciliation Factor	45,655,616
Mil-Adder	1,000,237
Green Program	27,115
Intergovernmental	658,967
Intergovernmental (SMART)	13,828
Intergovernmental (RGGI)	9,062,185
Other	46,189
Total Operating Revenues	61,326,375

OPERATING EXPENSES

Salaries and Benefits (Excluding Pension and OPEB)	3,348,559
Pension and OPEB Adjustments	(109,032)
Energy Efficiency Programs:	
Residential Programs	36,597,312
Low Income Programs	20,727,304
Commercial and Industrial Programs	18,602,772
Other Programs	538,394
Legal and Related Consulting Services	1,301,077
Other Professional Services	99,047
Marketing	414,779
Other Operating	1,158,443
Depreciation and Amortization	209,184
Total Operating Expenses	82,887,839

OPERATING LOSS

(21,561,464)

NONOPERATING REVENUES AND EXPENSES

Forward Capacity Market	2,346,796
Renewable Energy Certificates, Net	(6,538)
Lease and SBITA Interest Expense	(18,909)
Investment Income	1,077,906
Total Nonoperating Revenues and Expenses	3,399,255

CHANGE IN NET POSITION

(18,162,209)

Net Position - Beginning of Year

20,911,347

NET POSITION - END OF YEAR

\$ 2,749,138

See accompanying Notes to Financial Statements.

CAPE LIGHT COMPACT JPE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers and Users	\$ 59,093,578
Payments to Vendors and Customers	(76,850,440)
Payments for Salaries and Benefits	(5,033,803)
Net Cash Used by Operating Activities	<u>(22,790,665)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from Sales of Renewable Energy Certificates	39,780
Purchase of Renewable Energy Certificates	(27,203)
Proceeds from Forward Capacity Market	<u>2,308,767</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,321,344</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal Paid on Leases	(92,515)
Interest Paid on Leases	(10,989)
Principal Paid on SBITAs	(102,076)
Interest Paid on SBITAs	(7,920)
Proceeds of Notes	<u>2,200,000</u>
Net Cash Provided by Capital and Related Financing Activities	<u>1,986,500</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	(3,141,572)
Net Cash Used by Investing Activities	<u>(3,141,572)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents - Beginning of Year	<u>34,825,994</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 13,201,601</u>

RECONCILIATION OF OPERATING LOSS TO NET CASH

USED BY OPERATING ACTIVITIES

Operating Loss	\$ (21,561,464)
Adjustments to Reconcile Operating Loss to Net	
Cash Used by Operating Activities:	
Amortization	209,184
Effect of Changes in Assets, Liabilities, Deferred Outflows and Inflows not Requiring Current Cash Flows:	
Net OPEB Liability/(Asset)	(3,074,738)
Deferred Outflows Related to OPEB	(296,229)
Deferred Inflows Related to OPEB	805,391
Net Pension Liability	(410,780)
Deferred Outflows Related to Pension	243,735
Deferred Inflows Related to Pension	135,705
Effect of Changes in Operating Assets and Liabilities:	
Accounts Receivable	(2,232,797)
Due From Other Funds	(8,332)
Prepaid Expenses	34,066
Accounts Payable and Accrued Expenses	2,562,954
Due to Other Funds	613,637
Accrued Payroll	75,385
Compensated Absences	113,618
Total Adjustments	<u>(1,229,201)</u>
Net Cash Used by Operating Activities	<u>\$ (22,790,665)</u>

See accompanying Notes to Financial Statements.

CAPE LIGHT COMPACT JPE
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024

	Other Postemployment Benefits Trust Fund	Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 45	\$ -
Investments:		
External Investment Pool	1,977,369	-
Accounts Receivables:		
Other	-	8,332
Due from Primary Government	<u>613,637</u>	<u>-</u>
Total Assets	2,591,051	8,332
LIABILITIES		
Due to Primary Government	<u>-</u>	<u>8,332</u>
Total Liabilities	-	8,332
NET POSITION		
Restricted For OPEB	<u>\$ 2,591,051</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

CAPE LIGHT COMPACT JPE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2024

	<u>Other Postemployment Benefits Trust Fund</u>	<u>Custodial Funds</u>
ADDITIONS		
Contributions:		
Employer	<u>\$ 2,550,966</u>	<u>\$ -</u>
Total Contributions	<u>2,550,966</u>	<u>-</u>
Net Investment Income:		
Net Appreciation in Fair Value of Investments	<u>107,862</u>	<u>202</u>
Total Investment Income	<u>107,862</u>	<u>202</u>
Less: Investment Expense	<u>(4,694)</u>	<u>-</u>
Net Investment Income	<u>103,168</u>	<u>202</u>
Fees Provided for Rate Payers	<u>-</u>	<u>167,900</u>
Total Additions	<u>2,654,134</u>	<u>168,102</u>
DEDUCTIONS		
Administration	<u>-</u>	<u>1,622</u>
Retirement Benefits and Refunds	<u>63,083</u>	<u>-</u>
Fees Remitted to Rate Payers	<u>-</u>	<u>166,480</u>
Total Deductions	<u>63,083</u>	<u>168,102</u>
CHANGE IN FIDUCIARY NET POSITION	<u>2,591,051</u>	<u>-</u>
Fiduciary Net Position - Beginning of Year	<u>-</u>	<u>-</u>
FIDUCIARY NET POSITION - END OF YEAR	<u><u>\$ 2,591,051</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 REPORTING ENTITY

The Cape Light Compact (the Compact) is a joint powers entity (JPE) pursuant to G.L. c. 40, §4A ½. The Compact was created for the purpose of providing competitive electric supply, green power options, energy efficiency programs, and consumer advocacy for the residents and businesses of Cape Cod and Martha's Vineyard.

The Compact's current membership consists of 21 towns and Dukes County and is governed by a 22-member board of directors appointed by each of the member towns and county.

Fiduciary Fund Component Unit

The Cape Light Compact Irrevocable OPEB Trust (OPEB Trust) is a single employer other post employment benefits (OPEB) plan, for the purpose of accumulating and investing assets to fund certain post-retirement medical and life insurance for retirees of the Compact. The Trustee of the fund is the Treasurer. The OPEB Trust is presented using the accrual basis of accounting and is reported in the fiduciary funds financial statement. The OPEB Trust's year-end is June 30th.

The Compact also reports a custodial fund. This fund is used to account for monies held for the Vineyard Power Development and disbursed to low-income rate payers in accordance with the Vineyard Power Development.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The Compact accounts for its operations as an enterprise fund. The significant accounting policies are described herein.

A. Measurement Focus, Basis of Accounting, and Basis of Presentation

The Compact's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred, regardless of the timing of related cash flows.

The Compact distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

B. Implementation of New Accounting Principle

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, *Compensated Absences*. GASB 101 updates the recognition and measurement guidance for compensated absences. The Compact adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Deposits and Investments

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

D. Accounts Receivable

Accounts receivable are recorded at the time of the underlying event. The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis. At December 31, 2024, all amounts are considered 100% collectible.

E. Prepaid Expenses

Payments related to Solar Renewable Energy Credits (SREC) and Solar Massachusetts Renewable Target (SMART) programs reflect costs applicable to future accounting periods and are recorded as prepaid items.

F. Capital Assets

Capital assets are recorded at historical cost. All individual purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

G. Compensated Absences

Employees are granted vacation and sick leave. Accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenue Recognition

Energy efficiency revenues are derived from the Massachusetts Department of Public Utilities (DPU) mandatory charge of 2.5 mills (\$0.0025) per kilowatt hour to fund energy efficiency programs. These charges are initially collected by the electric distribution company and subsequently provided to the Compact. The Compact recognizes the energy efficiency charge as operating revenue on the accrual basis of accounting.

In addition to the mandatory charge, the Compact, and all Massachusetts energy efficiency program administrators, have an “Energy Efficiency Reconciliation Factor Charge” (EERF). The EERF is a fully reconciling funding mechanism designed to recover costs associated with energy efficiency programs by reconciling energy efficiency revenue amounts collected in electric rates with the total expense amounts incurred for energy efficiency programs, as approved by the DPU. These charges are initially collected by the electric distribution company and subsequently provided to the Compact. The Compact recognizes the EERF charge as operating revenue on the accrual basis of accounting.

Operational-adder revenues are derived from a 1 mil (\$0.001) per kilowatt hour surcharge used to fund the Compact’s nonenergy efficiency operational expenses as provided in the Compact’s form of competitive electric supply agreement (CESA) approved by the Massachusetts Department of Telecommunications and Energy, now the Department of Public Utilities. These funds are collected by the Compact’s contracted electric supply company on behalf of the Compact as part of the Compact’s electric rates and are subsequently remitted to the Compact. The Compact’s governing board appropriates these funds through the annual budget process; in addition, funds are disbursed by the Compact’s administrator based on contractual and regulatory obligations. Operational-adder charges are recognized as operating revenue on the accrual basis of accounting.

Green Program revenues are derived from a \$.013 and \$.027 per kilowatt hour premiums to support efforts to encourage new renewable energy project development in New England. These funds are collected by the Compact’s contracted electric supply company on behalf of the Compact as part of the Compact’s electric rates and are subsequently remitted to the Compact. Green Program charges are recognized as operating revenue on the accrual basis of accounting.

Various other grants are applied for and received annually. For nonexpense driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expense driven grants, revenue is recognized when the qualifying expenses are incurred, and all other grant requirements are met.

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Forward Capacity Market

The Compact participates in ISO New England's forward capacity market. The Compact recognizes proceeds from the forward capacity market as nonoperating revenue on the accrual basis. These funds are used for energy efficiency projects.

J. Deferred Outflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

Deferred outflows of resources related to pension and OPEB are reported by the Compact.

K. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows of resources related to pension and OPEB are reported by the Compact.

L. Pensions

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

M. Other Postemployment Benefits

In addition to providing pension benefits, the Compact provides health and life insurance coverage for current and future retirees and their spouses as more fully described in Note 7.

N. Net Position

Net position is reported in three categories: net investment in capital assets, restricted, and unrestricted. Restricted net position represents restrictions by parties outside of the Compact. The Compact reported restrictions of net position at December 31, 2024 of \$817,013.

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Use of Estimates

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

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits are governed by the Massachusetts General Laws (MGL) and the Compact's bylaws.

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Compact's deposits may not be recovered. The Compact does not have a policy for custodial credit risk of deposits. As of December 31, 2024, none of the Compact's bank balance of \$8,623,166 was exposed to custodial credit risk.

Investments Summary

The Compact's investments at December 31, 2024, consisted of investments with an external investment pool with a maturity of less than one year in the amount of \$6,277,096.

Investments – Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Compact does not have a policy for interest rate risk of debt securities.

Investments – Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Compact will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Compact does not have a policy for custodial credit risk of investments. As of December 31, 2024, the Compact was not exposed to custodial credit risk.

Investments – Fair Value Measurements

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

As of December 31, 2024, the investment in external investment pool was measured at Level 1 under the fair value hierarchy.

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance
Right-to-Use Lease Assets:				
Building	\$ 565,039	\$ -	\$ -	\$ 565,039
Less Accumulated Amortization:				
Building	<u>(190,999)</u>	<u>(95,499)</u>	<u>-</u>	<u>(286,498)</u>
Total Right-to-Use Lease Assets, Net	374,040	(95,499)	-	278,541
Subscription Based Information Technology Arrangement Assets (SBITA Asset):				
SBITA Asset	341,054	-	-	341,054
Less Accumulated Amortization:				
SBITA Asset	<u>(113,685)</u>	<u>(113,684)</u>	<u>-</u>	<u>(227,369)</u>
Total SBITA Asset, Net	<u>227,369</u>	<u>(113,684)</u>	<u>-</u>	<u>113,685</u>
Total Capital Assets, Net	<u><u>\$ 601,409</u></u>	<u><u>\$ (209,183)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 392,226</u></u>

NOTE 5 LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term obligations during the year ended December 31, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Compensated Absences	\$ 25,359	\$ 113,619	\$ -	\$ 138,978	\$ 13,898
Notes Payable	-	2,200,000	-	2,200,000	221,849
SBITA Liabilities	212,076	-	(102,076)	110,000	110,000
Lease Liabilities	388,778	-	(92,515)	296,263	95,567
Total	<u>\$ 626,213</u>	<u>\$ 2,313,619</u>	<u>\$ (194,591)</u>	<u>\$ 2,745,241</u>	<u>\$ 441,314</u>

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 NOTE PAYABLE

Details related to outstanding indebtedness at December 31, 2024, and the debt service requirements, are as follows:

Original Issue	Project	Maturity Date	Interest Rate %	Outstanding at December 31, 2023	Issued	Redeemed	Outstanding at December 31, 2024
2,200,000	RUS Loan	12/26/2034	0.00%	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000

Debt service requirements for principal and interest for notes payable in future years are as follows:

Ending December 31,	Fiscal Year		
	Principal	Interest	Total
2025	\$ 221,849	\$ -	\$ 221,849
2026	221,849	-	221,849
2027	221,849	-	221,849
2028	221,849	-	221,849
2029	221,849	-	221,849
2030	221,849	-	221,849
2031	221,849	-	221,849
2032	221,849	-	221,849
2033	221,849	-	221,849
2034	203,359	-	203,359
Total	<u>\$ 2,200,000</u>	<u>\$ -</u>	<u>\$ 2,200,000</u>

NOTE 7 PENSION PLAN

Plan Description

Effective January 1, 2018, the Compact became a member of the Barnstable County Contributory Retirement Association (BCRA), a cost-sharing multiemployer defined benefit pension plan covering eligible employees of the 59 member units.

The BCRA is administered by five board members on behalf of all current employees and retirees. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.barnstablecounty.org/retirement/association/>.

The Compact has established a reserve fund for the advance accumulation of funding for pension benefits. However, this is not considered a qualifying trust for reporting purposes under GASB No. 67 and 68 and therefore is not reported as a reduction of the liability. The reserve balance at December 31, 2024, amounted to \$3,602,092 and is reported in the Compact's net position at December 31, 2024.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 PENSION PLAN (CONTINUED)

Benefits Provided

The BCRA provides retirement, disability, survivor, and death benefits to plan members and beneficiaries. Massachusetts contributory retirement system benefits are, with certain minor exceptions, uniform from system to system. The systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after 10 years of creditable service.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the BCRA a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. Contributions to the BCRA totaled \$440,585 for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, the Compact reported a liability of \$3,719,326 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The Compact's proportion of the net pension liability was based on a projection of the Compact's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2023, the measurement date, the Compact's proportion was 0.461%. At December 31, 2022, the Compact's proportion was 0.498%.

Pension Expense

For the year ended December 31, 2024, the Compact recognized pension expense of \$916,905.

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 PENSION PLAN (CONTINUED)

Pension Expense (Continued)

The balances of deferred outflows and inflows at December 31, 2024, consist of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 232,941	\$ -
Changes in Assumptions	132,946	-
Differences Between Expected and Actual Experience	109,011	8,378
Changes in Proportion	274,647	308,108
Contributions Made Subsequent to the Measurement Date	440,585	-
Total	<u>\$ 1,190,130</u>	<u>\$ 316,486</u>

Deferred outflows of resources totaling \$440,585 related to contributions made subsequent to the measurement date will be recognized as a reduction to the net pension liability in 2025. The remaining net deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 119,312
2026	91,284
2027	262,698
2028	(19,200)
2029	(21,035)
Total	<u>\$ 433,059</u>

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 PENSION PLAN (CONTINUED)

Actuarial Method and Assumptions

The total pension liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date of December 31, 2023:

Valuation Date	January 1, 2024
Actuarial Cost Method	Entry Age Normal Cost Method
Investment Rate of Return	6.90%, net of pension plan investment expense, including inflation
Projected Salary Increases	3.25%
Cost of Living Adjustments	3.0% of the first \$18,000
Mortality Rates:	Pre-Retirement: The RP-2014 Blue Collar Mortality Table projected generationally with a Scale MP-2021
	Healthy Retiree: The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with a Scale MP-2021
	Disabled Retiree: The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with a Scale MP-2021

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 PENSION PLAN (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.00%	6.29%
International Developed Markets Equity	9.50%	6.39%
International Emerging Markets Equity	4.50%	7.63%
Core Fixed Income	15.00%	1.72%
High Yield Fixed Income	9.00%	3.43%
Real Estate	10.00%	3.24%
Commodities	4.00%	3.72%
Hedge Fund, GTAA, Risk parity	10.00%	2.87%
Private Equity	16.00%	9.43%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate for the measurement date December 31, 2021 was 6.90%.

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

The following presents the net pension liability, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	\$ 5,017,369	\$ 3,719,326	\$ 2,628,172

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Compact's defined benefit OPEB plan provides health, dental, and life insurance coverage for its retirees and their survivors (hereinafter referred to as the Plan) as a single employer defined benefit Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Compact and the employees. The Plan does not issue a publicly available financial report.

The Plan is administered by the Compact Treasurer as having been duly designated as the Trustee of the Plan trust agreement.

Benefits Provided

The Compact provides health, dental, and life insurance coverage for its retirees and their survivors. The Compact contributes 75% of the cost of current-year health, dental, and life insurance premiums for eligible retired plan members and their dependents. Plan members receiving benefits contribute the remaining 25% percent of their premium costs. The required contribution is based on a pay-as-you-go financing requirement. For 2023, the Compact paid benefits of \$56,913 through the plan. The costs of administering the Plan are paid by the Compact.

Contributions

The contribution requirements of Plan members and the Compact are established and may be amended by the Compact. The required health insurance contribution rates of Plan members and the Compact are 25% and 75%, respectively.

For the year ended December 31, 2024, employer contributions totaled \$2,550,966. The Plan did not receive contributions from any other sources.

Plan Investments

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

For the year ended December 31, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 6.82%. The money-weighted rate of return expresses investment performance, net of investment expense.

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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class include in the target asset allocation as of December 31, 2024 are summarized in the following table:

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Investments (Continued)

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.82%
International developed markets equity	5.91
International emerging markets equity	7.06
Core fixed income	1.81
High-yield fixed income	3.34
Real estate	3.34
Timber	3.82
Hedge fund, GTAA, Risk parity	2.77
Private equity	9.20

Employees Covered by Benefit Terms

The number of covered participants in the Plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation:

Active Employees	15
Retirees and Survivors	11
Total	26

Net OPEB Liability (Asset)

Changes in the total OPEB liability (asset) are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at December 31, 2023	\$ 2,341,881	\$ -	\$ 2,341,881
Changes for the Year:			
Service Cost	93,682	-	93,682
Interest	78,379	-	78,379
Differences Between Expected and Actual Experience	498,095	-	498,095
Changes in Assumptions	(1,090,760)	-	(1,090,760)
Employer Contributions	-	2,550,966	(2,550,966)
Net Investment Income	-	103,168	(103,168)
Benefit Payments	(63,083)	(63,083)	-
Net Changes	(483,687)	2,591,051	(3,074,738)
Balance at December 31, 2024	\$ 1,858,194	\$ 2,591,051	\$ (732,857)

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability (Asset) (Continued)

The OPEB trust fund reported in the fiduciary funds financial statements is reported using the flow of economic resources measurement focus and uses the accrual basis of accounting. Contributions are recognized as additions in the period where they have become due pursuant to formal commitments, statutory or contractual requirements. Benefits and refunds are recognized as deductions when incurred.

The Compact's net OPEB liability (asset) was measured as of June 30, 2024. The total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability (asset) in the June 30, 2024 actuarial valuation and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	7.00% (20-Year Municipal Bond Index Rate), 3.26% as of December 31, 2023.
Wage Inflation	3.25%.
Salary Increases	7.00%.
Health Care Trend Rates	Medicare: 7.00% for one year, then 7.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year. Non-Medicare: 6.50% for one year, then 8.25% decreased by 0.25% each year to an ultimate level of 4.5% per year.
Mortality Rates:	Pre-Retirement: The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 Postretirement: Healthy: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021; Disabled: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021

Discount Rate

The discount rate used to measure the total OPEB liability (asset) was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from the Compact will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB Plan's fiduciary net position is projected to be sufficient to make all projected future benefit payments of current plan members.

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability (Asset)	\$ (468,462)	\$ (732,857)	\$ (949,130)

Sensitivity of the Total OPEB Liability (Asset) to Changes in the Health care Cost Trend Rates

The following presents the total OPEB liability (asset), calculated using the healthcare cost trend rates, as well as what the total OPEB liability (asset) would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current health care cost trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability (Asset)	\$ (973,176)	\$ (732,857)	\$ (432,988)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Compact recognized OPEB expense of \$(14,610).

At December 31, 2024, the Compact reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 415,282	\$ 1,734,479
Differences Between Expected and Actual Experience	606,847	29,332
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	12,872
Total	\$ 1,022,129	\$ 1,776,683

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ (99,590)
2026	(97,927)
2027	(88,738)
2028	(142,038)
2029	(164,907)
Thereafter	<u>(161,354)</u>
Total	<u>\$ (754,554)</u>

NOTE 9 RELATED PARTY TRANSACTIONS

Cape and Vineyard Electric Cooperative (CVEC)

The Compact is a Member of CVEC, whose purpose is to develop and/or own renewable electric generation facilities and procure and/or sell long-term electric supply or other energy-related goods or services at competitive prices to its Members and consumers within its Member communities.

Renewable Energy Certificates

RECs purchased by CVEC are sold to the Compact for an amount equal to CVEC's cost for the Compact's Green Power Supply Program. Purchases for the year ended December 31, 2024, totaled \$27,203.

NOTE 10 LEASES

The Compact leases office space under a five-year, noncancelable lease agreement. The lease expires December 31, 2027.

Total future principal and interest payments under lease agreements are as follows:

<u>Fiscal Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 95,567	\$ 7,933
2026	98,720	4,780
2027	101,976	1,524
Total	<u>\$ 296,263</u>	<u>\$ 14,237</u>

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 LEASES (CONTINUED)

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

Buildings	\$ 565,039
Less: Accumulated Amortization	<u>(286,498)</u>
Total	<u><u>\$ 278,541</u></u>

NOTE 11 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Compact has entered into subscription-based information technology arrangements (SBITAs) for database software with annual installments of approximately \$110,000 plus interest at 7.25%. The SBITA arrangement expires on December 31, 2025.

Total principal and interest requirements under SBITA agreements are as follows:

<u>Fiscal Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 110,000	\$ -
Total	<u><u>\$ 110,000</u></u>	<u><u>\$ -</u></u>

SBITA assets acquired through arrangements are shown below.

SBITA Asset	\$ 341,054
Less: Accumulated Amortization	<u>(227,369)</u>
Total	<u><u>\$ 113,685</u></u>

NOTE 12 COMMITMENTS

The Compact participates in ISO New England's forward capacity market and has made commitments to deliver specified units of energy efficiency at a fixed price per unit. If the Compact fails to deliver its capacity supply obligation, it is subject to penalties determined by the rules of the forward capacity market. On December 17, 2021, the Compact entered into a security agreement to meet the financial assurance requirements of ISO New England (secured party), of which the secured party has continuing security interest in the investment collateral.

On November 20, 2018, the Compact entered into a Power Purchase Agreement (PPA) with Farmington Solar, LLC, to purchase 5 megawatts of energy and RECs generated by a photovoltaic solar electric energy generating facility to be constructed and owned by Farmington Solar, LLC.

CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 12 COMMITMENTS (CONTINUED)

The term of the PPA is 20 years following and including the commercial operation date (as defined in the PPA). All energy delivered to the Compact under the PPA will be at a fixed contract price. To support the Compact's obligations under the PPA, the Compact must provide a letter of credit (ranging from \$4,978,000 in the first year of operation to \$218,000 in the last year of operation) in accordance with the terms of the PPA.

On July 12, 2021, the Compact obtained a \$5,000,000 letter of credit to meet the financial assurance requirements of Farmington Solar, LLC, which is secured by cash balances.

**CAPE LIGHT COMPACT JPE
PENSION PLAN SCHEDULES**

**SCHEDULE OF THE COMPACT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (1)(2)**
Last Ten Measurement Periods

	2024	2023	2022	2021	2020	2019	2018	2017
Compact's Proportion of the Net Pension Liability	0.461%	0.498%	0.448%	0.468%	0.478%	0.434%	0.471%	0.493%
Compact's Proportionate Share of the Net Pension Liability	\$ 3,719,326	\$ 4,130,106	\$ 2,462,840	\$ 3,235,493	\$ 3,587,855	\$ 3,429,747	\$ 3,202,074	\$ 3,467,247
Compact's Employee Payroll	\$ 1,667,968	\$ 1,668,943	\$ 1,446,565	\$ 1,501,375	\$ 1,468,732	\$ 1,217,527	\$ 1,423,681	\$ 1,340,875
Compact's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	44.85%	40.41%	58.74%	46.40%	40.94%	35.50%	44.46%	38.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.58%	63.77%	75.07%	66.82%	62.34%	57.63%	61.86%	57.28%

(1) Data is being accumulated annually to present 10 years of the reported information.
 (2) Measurement date is December 31 of the prior year.

Notes to Schedule:

Changes of assumptions:

December 31, 2022 – Discount rate decreased to 6.90% from 7.15%, mortality improvement scale was updated from Scale MP-2017 to Scale MP-2021.

December 31, 2020 – Discount rate decreased to 7.15% from 7.375%.

SCHEDULE OF THE COMPACT'S CONTRIBUTIONS (1)
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Required Contribution	\$ 440,585	\$ 379,301	\$ 387,776	\$ 329,882	\$ 325,793	\$ 315,737	\$ 337,761	\$ 277,827	\$ 293,912
Contributions in Relation to the Actuarially Required Contribution	<u>(440,585)</u>	<u>(379,301)</u>	<u>(387,776)</u>	<u>(329,882)</u>	<u>(325,793)</u>	<u>(315,737)</u>	<u>(337,761)</u>	<u>(277,827)</u>	<u>(293,912)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>								
Compact's Covered Payroll	\$ 1,667,968	\$ 1,668,943	\$ 1,446,565	\$ 1,501,375	\$ 1,468,732	\$ 1,217,527	\$ 1,423,681	\$ 1,340,875	\$ 1,340,875
Contributions as a Percentage of Covered Payroll	26.41%	22.73%	26.81%	21.97%	22.18%	25.93%	23.72%	20.72%	21.92%

(1) Data is being accumulated annually to present 10 years of the reported information.

**CAPE LIGHT COMPACT JPE
OTHER POSTEMPLOYMENT BENEFIT SCHEDULE**

SCHEDULE OF CHANGES IN THE COMPACT'S TOTAL OPEB LIABILITY (1)(2)
Last Ten Measurement Periods

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 93,682	\$ 79,749	\$ 114,144	\$ 144,745	\$ 118,817	\$ 80,400	\$ 103,165
Interest	78,379	79,181	60,002	60,993	68,061	76,203	64,339
Differences Between Expected and Actual Experience	498,095	-	105,495	176,687	-	-	(176,002)
Changes in Assumptions	(1,090,760)	162,905	(971,652)	(256,662)	234,786	479,684	145,966
Benefit Payments	(63,083)	(56,913)	(58,887)	(60,083)	(48,930)	(49,611)	(29,366)
Net Change in Total OPEB Liability	(483,687)	264,922	(750,989)	65,680	372,734	586,676	108,102
Total OPEB Liability - Beginning	<u>2,341,881</u>	<u>2,076,959</u>	<u>2,827,857</u>	<u>2,762,177</u>	<u>2,389,443</u>	<u>1,802,767</u>	<u>1,708,578</u>
Total OPEB Liability - Ending	<u>\$ 1,858,194</u>	<u>\$ 2,341,881</u>	<u>\$ 2,076,959</u>	<u>\$ 2,827,857</u>	<u>\$ 2,762,177</u>	<u>\$ 2,389,443</u>	<u>\$ 1,816,680</u>
Plan Fiduciary Net Position							
Contributions - Employer	2,550,966	-	-	-	-	-	-
Net Investment Income	103,168	-	-	-	-	-	-
Benefit Payments	(63,083)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	2,591,051	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	2,591,051	-	-	-	-	-	-
Net OPEB Liability (Asset) - Ending	(732,857)	2,341,881	2,076,959	2,827,857	2,762,177	2,389,443	1,816,680
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	139%	0%	0%	0%	0%	0%	0%
Covered-Employee Payroll	\$ 1,907,786	\$ 1,907,786	\$ 1,815,915	\$ 1,854,932	\$ 1,762,238	\$ 1,217,527	\$ 1,423,681
Net OPEB Liability as a Percentage of Covered-Employee Payroll	97.40%	122.75%	114.38%	152.45%	156.74%	196.25%	127.60%

(1) Data is being accumulated annually to present 10 years of the reported information.
 (2) Measurement date is December 31, with the exception of 2018 which was a measurement date of June 30, 2018. It was not practical to restate the 2018 amounts as the rollforward was performed for 6 months to bring to the new measurement date.

Notes to Schedule:

Changes of assumptions:

December 31, 2024 – Discount rate increased to 7.00% from 3.26%.

December 31, 2023 – Discount rate decreased to 3.26% from 3.72%.

December 31, 2022 – Discount rate increased to 3.72% from 2.06%, mortality assumptions were updated.

December 31, 2021 – Discount rate decreased to 2.06% from 2.12%.

December 31, 2020 – Discount rate decreased to 2.12% from 2.74%.

CAPE LIGHT COMPACT JPE
COMBINING STATEMENT OF NET POSITION BY PROGRAM
DECEMBER 31 2024

ASSETS	Energy	Power	OPEB/Pension	Power	Green/Solar	Grant	Power Supply	RUS Loan	Eliminations	Total
	Efficiency	Supply	Reserve	Operating	Programs	Funds	Contingency	Program		
Current Assets:										
Cash and Cash Equivalents	\$ 8,172,287	\$ 2,102,254	\$ 158	\$ 71,007	\$ 253,335	\$ 140,532	\$ 270,595	\$ -	\$ -	\$ 11,010,168
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	\$ 2,191,433	-	\$ 2,191,433
Restricted Investments	84,156	-	4,215,571	-	-	-	-	-	-	4,299,727
Receivables:										
Energy Efficiency	462,489	-	-	-	-	-	-	-	-	462,489
Energy Efficiency Reconciliation	-	-	-	-	-	-	-	-	-	-
Energy Efficiency Reconciliation Factor	3,966,816	-	-	-	-	-	-	-	-	3,966,816
Mil-Adder	-	104,908	-	-	-	-	-	-	-	104,908
Green Program	-	-	-	-	2,181	-	-	-	-	2,181
Forward Capacity Market	116,916	-	-	-	-	-	-	-	-	116,916
Other	51,992	-	-	91	8,316	144,057	-	-	-	204,456
Due from Fiduciary Funds	8,332	-	-	-	-	-	-	-	-	8,332
Prepaid Expenses	-	-	-	-	196,259	-	-	-	-	196,259
Total Current Assets	12,862,988	2,207,162	4,215,729	71,098	460,091	284,589	270,595	2,191,433	-	22,563,685
Noncurrent Assets:										
Net OPEB Asset	688,887	-	-	43,970	-	-	-	-	-	732,857
Capital Assets, Net	375,514	-	-	16,712	-	-	-	-	-	392,226
Total Noncurrent Assets	1,064,401	-	-	60,682	-	-	-	-	-	1,125,083
Total Assets	13,927,389	2,207,162	4,215,729	131,780	460,091	284,589	270,595	2,191,433	-	23,688,768
DEFERRED OUTFLOWS OF RESOURCES										
Related to Pension	1,118,724	-	-	71,406	-	-	-	-	-	1,190,130
Related to OPEB	960,803	-	-	61,326	-	-	-	-	-	1,022,129
Total Deferred Outflows of Resources	2,079,527	-	-	132,732	-	-	-	-	-	2,212,259
LIABILITIES										
Current Liabilities:										
Accounts Payable and Accrued Expenses	13,711,644	-	-	43,589	-	56,465	-	-	-	13,811,698
Due to Fiduciary Funds	-	-	613,637	-	-	-	-	-	-	613,637
Accrued Payroll	131,854	-	-	30,346	-	6,618	-	-	-	168,818
Compensated Absences, Current	13,064	-	-	834	-	-	-	-	-	13,898
Notes Payable, Current	-	-	-	-	-	-	-	221,849	-	221,849
SBITA Liability, Current	110,000	-	-	-	-	-	-	-	-	110,000
Lease Liability, Current	89,833	-	-	5,734	-	-	-	-	-	95,567
Total Current Liabilities	14,056,395	-	613,637	80,503	-	63,083	-	221,849	-	15,035,467
Noncurrent Liabilities:										
Compensated Absences, Net of Current	117,575	-	-	7,505	-	-	-	-	-	125,080
Notes Payable	-	-	-	-	-	-	-	1,978,151	-	1,978,151
Net Pension Liability	3,496,172	-	-	223,154	-	-	-	-	-	3,719,326
Lease Liability, Net of Current	188,654	-	-	12,042	-	-	-	-	-	200,696
Total Noncurrent Liabilities	3,802,401	-	-	242,701	-	-	-	1,978,151	-	6,023,253
Total Liabilities	17,858,796	-	613,637	323,204	-	63,083	-	2,200,000	-	21,058,720
DEFERRED INFLOWS OF RESOURCES										
Related to Pension	297,497	-	-	18,989	-	-	-	-	-	316,486
Related to OPEB	1,670,085	-	-	106,598	-	-	-	-	-	1,776,683
Total Deferred Inflows of Resources	1,967,582	-	-	125,587	-	-	-	-	-	2,093,169
NET POSITION										
Investment in Capital Assets	(12,973)	-	-	(1,064)	-	-	-	-	-	(14,037)
Restricted:										
Financial Assurance Requirement	84,156	-	-	-	-	-	-	-	-	84,156
Employee Benefits	688,887	-	-	43,970	-	-	-	-	-	732,857
Unrestricted	(4,579,532)	2,207,162	3,602,092	(227,185)	460,091	221,506	270,595	(8,567)	-	1,946,162
Total Net Position	\$ (3,819,462)	\$ 2,207,162	\$ 3,602,092	\$ (184,279)	\$ 460,091	\$ 221,506	\$ 270,595	\$ (8,567)	\$ -	\$ 2,749,138

CAPE LIGHT COMPACT JPE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGE IN NET POSITION BY PROGRAM
YEAR ENDED DECEMBER 31 2024

	Energy Efficiency	Power Supply Reserve	OPEB/Pension Reserve Fund	Power Supply Operating	Green/Solar Programs	Grants Funds	Power Supply Contingency Reserve Fund	RUS Loan Program	Eliminations	Total
OPERATING REVENUES										
Energy Efficiency System Benefit Charge	\$ 4,862,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,862,238
Energy Efficiency Reconciliation Factor	45,655,616	-	-	-	-	-	-	-	-	45,655,616
Mil-Adder	-	1,000,237	-	-	-	-	-	-	-	1,000,237
Green Program	-	-	-	-	27,115	-	-	-	-	27,115
Intergovernmental	-	-	-	-	-	658,967	-	-	-	658,967
Intergovernmental (SMART)	-	-	-	-	13,828	-	-	-	-	13,828
Intergovernmental (RGGI)	9,062,185	-	-	-	-	-	-	-	-	9,062,185
Other	2,396	22,500	-	-	-	21,293	-	-	-	46,189
Total Operating Revenues	<u>59,582,435</u>	<u>1,022,737</u>	-	-	<u>40,943</u>	<u>680,260</u>	-	-	-	<u>61,326,375</u>
OPERATING EXPENSES										
Salaries and Benefits (Excluding Pension and OPEB)	2,892,904	-	205,445	184,654	-	65,556	-	-	-	3,348,559
Pension and OPEB	(2,132,222)	-	2,159,291	(136,101)	-	-	-	-	-	(109,032)
Energy Efficiency Programs:										
Residential Programs	36,597,312	-	-	-	-	-	-	-	-	36,597,312
Low Income Programs	20,727,304	-	-	-	-	-	-	-	-	20,727,304
Commercial and Industrial Programs	18,602,772	-	-	-	-	-	-	-	-	18,602,772
Other Programs	538,394	-	-	-	-	-	-	-	-	538,394
Legal and Related Consulting Services	903,190	-	-	397,887	-	-	-	-	-	1,301,077
Other Professional Services	93,104	-	-	5,943	-	-	-	-	-	99,047
Marketing	379,392	-	-	35,387	-	-	-	-	-	414,779
Other Operating	446,193	45,000	-	205,829	44,743	406,778	-	9,900	-	1,158,443
Depreciation and Amortization	203,454	-	-	5,730	-	-	-	-	-	209,184
Total Operating Expenses	<u>79,251,797</u>	<u>45,000</u>	<u>2,364,736</u>	<u>699,329</u>	<u>44,743</u>	<u>472,334</u>	-	<u>9,900</u>	-	<u>82,887,839</u>
OPERATING INCOME (LOSS)	(19,669,362)	977,737	(2,364,736)	(699,329)	(3,800)	207,926	-	(9,900)	-	(21,561,464)
NONOPERATING REVENUES (EXPENSES)										
Forward Capacity Market	2,346,796	-	-	-	-	-	-	-	-	2,346,796
Renewable Energy Certificates, Net	-	-	-	-	(6,538)	-	-	-	-	(6,538)
Lease Interest Expense	(18,250)	-	-	(659)	-	-	-	-	-	(18,909)
Investment Income	666,685	84,815	314,965	-	-	-	10,108	1,333	-	1,077,906
Total Nonoperating Revenues (Expenses), Net	<u>2,995,231</u>	<u>84,815</u>	<u>314,965</u>	<u>(659)</u>	<u>(6,538)</u>	-	<u>10,108</u>	<u>1,333</u>	-	<u>3,399,255</u>
INCOME (LOSS) BEFORE TRANSFERS	(16,674,131)	1,062,552	(2,049,771)	(699,988)	(10,338)	207,926	10,108	(8,567)	-	(18,162,209)
TRANSFERS										
Transfers In	-	-	-	845,971	-	-	-	-	(845,971)	-
Transfers Out	-	(845,971)	-	-	-	-	-	-	845,971	-
Total Transfers	-	<u>(845,971)</u>	-	<u>845,971</u>	-	-	-	-	-	-
CHANGE IN NET POSITION	(16,674,131)	216,581	(2,049,771)	145,983	(10,338)	207,926	10,108	(8,567)	-	(18,162,209)
Net Position - Beginning of Year	<u>12,854,669</u>	<u>1,990,581</u>	<u>5,651,863</u>	<u>(330,262)</u>	<u>470,429</u>	<u>13,580</u>	<u>260,487</u>	-	-	<u>20,911,347</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (3,819,462)</u>	<u>\$ 2,207,162</u>	<u>\$ 3,602,092</u>	<u>\$ (184,279)</u>	<u>\$ 460,091</u>	<u>\$ 221,506</u>	<u>\$ 270,595</u>	<u>\$ (8,567)</u>	<u>\$ -</u>	<u>\$ 2,749,138</u>

CAPE LIGHT COMPACT JPE
RECONCILIATION OF AUDITED ENERGY EFFICIENCY GAAP
EXPENSES TO DEPARTMENT OF PUBLIC UTILITIES (DPU) REPORT
YEAR ENDED DECEMBER 31 2024

Energy Efficiency Operating Fund Expenses Reported on 2023 Combining Statement of Revenues, Expenses and Change in Net Position by Program (Page 32) \$ 79,251,797

Reconciling Items:

To Record Net Change in Accrued Expenses	18,255
To Record Net Pension Liability, Net of Deferred Outflows and Inflows	29,456
To Record Total OPEB Liability, Net of Deferred Outflows and Inflows	2,411,643
To Record Net Change in Accrued Compensated Absences	(106,801)
To Record SBITA Liability Activity	189,040
Amortization of Lease and SBITA Assets	<u>(203,454)</u>
Total Reconciling Items	<u>2,338,139</u>
2024 Energy Efficiency Expenses Reported on the 2024 Term Report	<u>\$ 81,589,936</u>

(A) This amount is reported on the modified accrual basis of accounting and reviewed annually by the DPU.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.