

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
Financial Statements
December 31, 2025 and 2024

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
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GOULET, SALVIDIO
& ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
West Boylston Municipal Lighting Plant
West Boylston, Massachusetts 01583

Qualified Opinion

We have audited the accompanying financial statements of West Boylston Municipal Lighting Plant (the "Plant") as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Plant's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Plant as of December 31, 2025 and 2024, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion on the 2024 Financial Statements

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plant 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 qualified audit opinion on the 2024 financial statements.

The Plant has reported its December 31, 2024 portion of the Net Pension Liability (NPL) based on reports provided by the Worcester Regional Retirement System (WRRS) that are not in compliance with Governmental Accounting Standards Board (GASB) standards. Government accounting standards require that the NPL be reported using actuarial data that is no more than 30 months and one day old. The WRRS provided NPL information using data from an actuarial valuation dated January 1, 2022. The amount by which this departure would affect the assets, liabilities, net position, and revenues of the Plant has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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Responsibilities of Management for the Financial Statements (continued)

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 Plant'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 opinion. 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 generally accepted 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditors 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 Plant'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 Plant'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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the West Boylston Municipal Lighting Plant and do not purport to, and do not, present fairly the financial position of the Town of West Boylston, Massachusetts, as of December 31, 2025 and 2024, and the changes in financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Other Postemployment Benefits and Net Pension Liability information on pages four through nine and 44 through 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Boylston Municipal Lighting Plant's basic financial statements. The supplemental information presented on pages 48 and 49 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Goulet, Salvidio & Associates, P.C.

Goulet, Salvidio & Associates, P.C.

Worcester, Massachusetts

April 3, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

Within this section of the West Boylston Municipal Lighting Plant’s (WBMLP) annual financial report, management provides a narrative discussion and analysis of the financial activities of the Lighting Plant for the year ending December 31, 2025. The Lighting Plant’s performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

The Statements of Net Position are designed to indicate our financial position as of a specific point in time. As of December 31, 2025, it shows our net worth has increased by 5.4% over the year ended December 31, 2024.

The Statements of Revenues, Expenses and Changes in Net Position summarize our operating results and reveal how much of a profit was earned for the years presented. As discussed in more detail on the following pages, our net income for December 31, 2025 and 2024 was \$892,935 and \$427,116, respectively.

The Statements of Cash Flows provide information about the cash receipts and cash payments during the accounting period. The statement also provides information about the investing and financing activities for the same period.

Summary of Net Position

	<u>2025</u>	<u>2024</u>
Current Assets	\$ 6,058,723	\$ 6,538,876
Noncurrent Assets	<u>22,999,698</u>	<u>22,143,186</u>
Total Assets	<u>29,058,421</u>	<u>28,682,062</u>
Deferred Outflows of Resources	<u>1,209,608</u>	<u>1,252,159</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 30,267,489</u>	<u>\$ 29,934,221</u>
Current Liabilities	\$ 1,551,283	\$ 1,561,450
Noncurrent Liabilities	<u>6,023,127</u>	<u>6,656,641</u>
Total Liabilities	<u>7,574,410</u>	<u>8,218,091</u>
Deferred Inflows of Resources	<u>5,309,198</u>	<u>5,225,184</u>
Net Position:		
Net Investment in Capital Assets	13,841,538	13,422,868
Net Position Restricted for Depreciation	3,546,286	3,001,246
Unrestricted Net Position	<u>(3,943)</u>	<u>66,832</u>
Total Net Position	<u>17,383,881</u>	<u>16,490,946</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 30,267,489</u>	<u>\$ 29,934,221</u>

Summary of Changes in Net Position

	2025	2024
Operating Revenues	\$ 10,100,368	\$ 9,201,667
Operating Expenses	9,759,939	9,078,799
Operating Income	340,429	122,868
Non-operating Revenues	552,506	304,248
Income Before Contributions and Transfers	892,935	427,116
Beginning Net Position	16,490,946	16,063,830
Ending Net Position	\$ 17,383,881	\$ 16,490,946

Financial Highlights

Revenue and Kilowatt Hour Sales

The following charts represent total retail kilowatt-hour sales and total sales revenues by major account class for 2025 and 2024. In 2025 retail kilowatt-hour sales increased approximately 4% to 61,124,110 kilowatt-hours and electric revenues increased approximately 8.7% to \$9,661,662. The increase in kilowatt-hours sales is due to normal growth and electrification. The 8.7% increase in sales revenue is a result of higher energy costs and the use of our purchase power adjustment to cover those higher costs.



Customer Base

WBMLP provided electric service to 3,208 residents, 497 businesses and 80 municipal and government customers in 2025. Our revenues are not overly dependent on one industry or one significantly sized customer that could impact revenues in the event this customer leaves our service territory. Our largest customer, Worcester County Jail, has two electric services accounting for approximately 7.3% of our kilowatt-hour sales in 2025. Our 10 largest customers represent approximately 21% of our total kilowatt-hour sales, but individually, each account for only 1.2% - 4.4% of our kilowatt-hour sales and therefore do not pose a risk to revenues and budgets.

Financial Highlights (Continued)

Electricity Rates

WBMLP's electricity rates continue to remain lower than most municipal light plants and the electric distribution companies in Massachusetts. WBMLP will continue to charge a purchased power adjustment on all electricity bills to cover higher energy supply costs. Our residential electricity rate has remained the same since 2009 and all other rates haven't changed since 2014. In 2025, the average homeowner in West Boylston consumed approximately 846 kilowatt hours and spent approximately \$125 per month on that electricity. WBMLP continues to manage its operating budget and energy supply to minimize future rate increases.

Electricity rates are generally set to recover the cost of service from each rate class. Some rate classes subsidize other rate classes depending on a variety of factors and standard utility practices. Utility sponsored programs like early payment discounts, energy efficiency rebates, air source heat pump rebates, and solar system incentives are all funded with higher electricity rates. WBMLP's Board of Light Commissioners approve electricity rates and currently our strategy is to maintain the lowest possible electricity rates while still providing some discounts, rebates, and incentives.

Energy Supply and Environment

WBMLP continuously evaluates new sources of reliable, low-cost, clean, renewable, and non-greenhouse gas (GHG) emitting energy located throughout or directly interconnected to ISO-NE. West Boylston is transitioning away from fossil fuel energy generation and adopted a Greenhouse Gas Emission Standard (GGES) in 2020. The GGES became state law in 2021 and now applies to all municipal light plants in the Commonwealth. WBMLP will however continue to own balancing and capacity resources fueled by oil and natural gas. These balancing and capacity resources tend to operate very few hours a year and support the transition to cleaner and renewable sources.

Our GGESS goal is "Net Zero" greenhouse gas emissions by 2050 with interim goals of 50% and 75% by 2030 and 2040, respectively. **59.2% of WBMLPs energy supply did not emit greenhouse gas emissions (GHGs) in 2025.** By 2030, WBMLP already procured an energy supply that's at least 80% clean and renewable. Over time, WBMLP will continue to invest in additional renewable and clean energy to meet our 2050 net-zero GGES goal.

Energy supply and transmission expenses represent approximately 60-70% of WBMLP's annual budget. WBMLP purchased 90% of its 2025 annual energy supply through long-term contracts, power purchase agreements, hedges, and asset ownership. This strategy typically provides fixed volumes of energy, at fixed or known prices. The ability to own generation, transmission, and execute long-term energy supply contracts differentiate municipal light plants from electric distribution companies. Our long-term energy portfolio includes a mix of existing clean and renewable energy supply obligations that extend well beyond 2040. The charts on the following page itemize our 2025 energy supply by type of energy and individual component.

Financial Highlights (Continued)

Power Supply and Environment (continued)

West Boylston's 2025 Energy Supply	2025	
	MWh's Owned or Purchased	Percentage of Annual Supply
Wind	4,253	6.8%
Solar	3,954	6.3%
Hydro	10,408	16.5%
Nuclear	27,054	43.0%
Natural Gas	1,257	2.0%
Oil	355	0.6%
Hedged Energy	9,083	14.4%
Real Time ISO-NE Market	6,567	10.4%
Total 2025 Energy Purchased	62,931	100.0%

West Boylston's 2025 Energy Supply	2025	
	MWh's Owned or Purchased	Percentage of Annual Supply
Berkshire Wind, Massachusetts, RPS	2,218	3.5%
Hydro-Quebec Hydroelectricity, Canada, CES	2,188	3.5%
Brookfield Hydro & REC, New Hampshire	4,380	7.0%
NYPA Hydro, New York, CES	2,878	4.6%
Eagle Creek Hydro, New Hampshire	684	1.1%
Nuclear, Millstone 3, Connecticut, CES-E	7,259	11.5%
Nuclear, Seabrook, New Hampshire, CES-E	19,795	31.5%
West Boylston Solar, RPS	446	0.7%
WB Landfill Community Solar 1, RPS	2,258	3.6%
Net Meter Solar from Customer (N2 Solar)	25	0.0%
Solar Rebate Generation, RPS Class I	57	0.1%
Stony Brook Peaking, Oil, Ludlow	136	0.2%
Stony Brook Intermediate, Oil, Ludlow	219	0.3%
Stony Brook Intermediate, NG, Ludlow	1,257	2.0%
Real-Time, ISO-NE Market Mix	6,567	10.4%
Energy Hedges, ISO-NE Mix	9,083	14.4%
First Light Hydro and REC	278	0.4%
Princeton Wind	674	1.1%
WB Roof Top Community Solar 2, RPS, 55% SREC-II	1,168	1.9%
Hancock Wind, Maine	1,361	2.2%
Total 2025 Energy Purchased	62,931	100.0%

Financial Highlights (Continued)

Power Supply and Environment (continued)

Renewable and clean energy includes wind, solar, nuclear, geothermal, landfill-gas, hydroelectricity, digester-gas, and waste-to-energy. Renewable and clean energy generate environmental attributes called “Renewable Energy Credits (RECs)”, “Clean Energy Credits (CECs)” and “Emission-Free Energy Certificates (EFECs)”. In 2024, WBMLP sold the RECs from our Berkshire Wind Project and two out of three solar generation systems located in West Boylston. Because we sell these environmental attributes, we do not count that energy as renewable or towards our GGES. WBMLP will continue to sell RECs until we pay off the construction loans used to invest in renewable energy. Once we retire these RECs, we will include this energy in our quantities of renewable and clean energy supply. WBMLP does not purchase or own the environmental attributes from the hydroelectricity purchased from New Hampshire and the wind energy purchased from Princeton Wind and Hancock Wind.

The following two charts show the total amount of clean and renewable energy supply we counted towards our GGES, and the amount of additional clean and renewable energy supply we will count in the future when we retire those environmental attributes.

2025 GGES Qualified Energy (Emits "0" GHG Emissions)	MWh's Owned or Purchased	Percentage of Supply	Environmental Attributes
Hydro-Quebec Hydroelectricity, Canada, CES	2,188	3.5%	Attestation
Brookfield Hydro & REC, New Hampshire	4,380	7.0%	REC
NYP&A Hydro, New York, CES	2,878	4.6%	Attestation
First Light Hydro and REC	278	0.4%	REC
Nuclear, Millstone 3, Connecticut, CES-E	7,259	11.5%	CES-E/EFEC
Nuclear, Seabrook, New Hampshire, CES-E	19,795	31.5%	CES-E/EFEC
West Boylston Solar, RPS	446	0.7%	REC
Solar Rebate Generation, RPS Class I	57	0.1%	REC
Total 2025 GGES Qualified Energy Purchased	37,281	59.3%	

2025 Environmental Attributes Sold by WBMLP & Future Retirement Date	MWh's Owned or Purchased	Percentage of Supply	Environmental Attributes
WB Landfill Community Solar 1, 2026	2,258	3.6%	SREC
WB Roof Top Community Solar 2, 2028 (55% SREC)	642	1.1%	SREC
Berkshire Wind, Massachusetts, RPS, 2030	2,218	3.5%	REC
Attributes to add to our GGES in future	5,118	8.2%	

Utility Plant

The Lighting Plant investment in utility plant assets, net of accumulated depreciation, as of December 31, 2025 and 2024 was \$15,658,996 and \$15,684,232 respectively. Plant and equipment replacement is part of an on-going capital improvement plan to keep the Lighting Plant in good operating condition.

Significant Balances and Transactions

Purchased Power Working Capital

Purchased power working capital funds held by the Massachusetts Municipal Wholesale Electric Company (MMWEC) equals approximately two months energy and transmission costs. MMWEC uses these funds to pay our weekly energy market obligations. Funds are replenished from our actual monthly invoice payments. Our average monthly energy and transmission cost is approximately \$550,000. The balance in this fund as of December 31, 2025 and 2024 was \$1,062,159 and \$1,041,364, respectively.

Significant Balances and Transactions (Continued)

Depreciation Fund

WBMLP maintains a depreciation fund to pay for large capital investments such as new vehicles, distribution system upgrades, and new construction. This fund is required by State statute and sets aside 3% of the cost of plant to be used for future capital improvements and additions. Our depreciation fund balance as of December 31, 2025 and 2024 was \$3,546,286 and \$3,001,246, respectively.

New Utility Vehicle Garage

In 2024, construction on our new 5-bay utility garage at 29 Prospect Street was completed. The new facility will store our larger, all-wheel drive utility vehicles that are too big for our existing garages built before 1960. The garage construction budget was approximately \$3.8M and funded with approximately \$1,810,000 from our depreciation account and \$2,000,000 borrowed from our rate stabilization fund. WBMLP will repay the \$2,000,000 over the next (10) years depositing approximately \$16,700 per month back into our rate stabilization fund.

Rate Stabilization Fund

WBMLP's rate stabilization fund, held by MMWEC, represents a reserve of approximately six months energy and transmission costs in the event of a national emergency, terrorism, war, fuel supply disruptions, transmission constraints, nuclear decommissioning expenses, new state and federal regulations related to clean energy, homeland security, climate change, and any other disruptions to the energy market and regional transmission system.

New England and Massachusetts in particular, is heavily dependent on reliable and cost-effective natural gas fuel supply for energy generation. The transportation and supply of natural gas is constrained due to a lack of multiple natural gas transmission pipelines into the Commonwealth. Demand for the supply of natural gas continues to increase as the Commonwealth and the ISO-NE region reduces and eliminates other fossil fuels from its sources of generation. ISO-NE market rates for energy are impacted by the lack of adequate natural gas pipeline infrastructure in Massachusetts. Our rate stabilization fund balance as of December 31, 2025 and 2024 was \$2,976,432 and \$2,643,376, respectively.

Other Postemployment Benefits (OPEB)

WBMLP's Plan Fiduciary Net Position was \$1,770,520 and the total liability was \$2,306,250 at the end of 2025. WBMLP's OPEB funded ratio is 76.77%. WBMLP's Board of Light Commissioners authorized additional annual payments to fully fund our OPEB liability.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

OPERATING FUND

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2025	2024
CURRENT ASSETS:		
Funds on Deposit with Town Treasurer		
Operating Cash	\$ 2,183,761	\$ 3,202,011
Petty Cash	1,800	1,800
Customer Accounts Receivable, Net	1,062,044	865,897
Accounts Receivable - Other	685,377	510,639
Interest Receivable	48,070	31,779
Materials and Supplies	966,343	830,917
Prepaid Expenses	26,103	32,674
Prepaid Purchased Power	23,066	21,795
Purchased Power Working Capital	1,062,159	1,041,364
TOTAL CURRENT ASSETS	6,058,723	6,538,876
NONCURRENT ASSETS:		
Funds on Deposit with Town Treasurer		
Customer Deposits	156,535	152,883
Depreciation Fund	3,546,286	3,001,246
Funds on Deposit with MMWEC		
Pooled Financing	410,941	410,941
Investments	18,535	18,535
Preliminary Surveys	231,973	231,973
Rate Stabilization Fund	2,976,432	2,643,376
Utility Plant Assets, Net	15,658,996	15,684,232
TOTAL NONCURRENT ASSETS	22,999,698	22,143,186
TOTAL ASSETS	29,058,421	28,682,062
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources Related to Pensions	826,693	755,236
Deferred Outflows of Resources Related to OPEB	276,434	496,923
Purchased Power Adjustment	105,941	0
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,209,068	1,252,159
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 30,267,489	\$ 29,934,221

See Accompanying Notes to the Financial Statements

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

OPERATING FUND

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	2025	2024
CURRENT LIABILITIES:		
Accounts Payable	\$ 1,093,352	\$ 1,070,573
Accrued Expenses	14,026	46,972
Pooled Financing Loan, Current Portion	312,007	312,007
Bond Payable, Current Portion	131,898	131,898
TOTAL CURRENT LIABILITIES	1,551,283	1,561,450
NONCURRENT LIABILITIES:		
Customer Deposits	152,682	155,608
Net Pension Liability	3,550,221	3,483,959
Net Other Postemployment Benefit Liability	535,730	788,674
Pooled Financing Loan, Net of Current Portion	1,653,539	1,965,547
Bond Payable, Net of Current Portion	130,955	262,853
TOTAL NONCURRENT LIABILITIES	6,023,127	6,656,641
TOTAL LIABILITIES	7,574,410	8,218,091
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources Related to Pensions	182,436	256,976
Deferred Inflows of Resources Related to OPEB	300,878	241,929
Contribution in Aid of Construction, Net	137,724	73,783
Reserve for Rate Stabilization	4,688,160	4,501,365
Deferred Revenue	0	151,131
TOTAL DEFERRED INFLOWS OF RESOURCES	5,309,198	5,225,184
NET POSITION:		
Net Investment in Capital Assets	13,841,538	13,422,868
Net Position Restricted for Depreciation	3,546,286	3,001,246
Unrestricted Net Position	(3,943)	66,832
TOTAL NET POSITION	17,383,881	16,490,946
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 30,267,489	\$ 29,934,221

See Accompanying Notes to the Financial Statements

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
 STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

OPERATING FUND

	2025	2024
OPERATING REVENUES:		
Sales of Electricity	\$ 9,661,662	\$ 8,889,317
Other Operating Revenues	438,706	312,350
TOTAL OPERATING REVENUES	10,100,368	9,201,667
OPERATING EXPENSES:		
Operations and Maintenance	8,951,420	8,415,249
Depreciation, Net of Amortization	808,519	663,550
TOTAL OPERATING EXPENSES	9,759,939	9,078,799
OPERATING INCOME	340,429	122,868
NONOPERATING REVENUES (EXPENSES):		
Grant Income	151,131	0
Investment Income	463,301	376,215
Interest Expense	(86,034)	(98,670)
Amortization of Bond Premium	1,898	1,903
Gain on Sale of Assets	22,210	24,800
TOTAL NONOPERATING REVENUES (EXPENSES)	552,506	304,248
Income Before Contributions and Transfers	892,935	427,116
NET POSITION - JANUARY 1	16,490,946	16,063,830
NET POSITION - DECEMBER 31	\$ 17,383,881	\$ 16,490,946

See Accompanying Notes to the Financial Statements

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

OPERATING FUND

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 9,616,964	\$ 9,486,601
Cash Paid to Suppliers	(6,740,789)	(6,708,776)
Cash Paid to Employees	(1,418,489)	(1,362,149)
Cash Paid for Benefits	(797,417)	(815,787)
Net Cash Provided by Operating Activities	660,269	599,889
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Interest Expense	(3,670)	(9,558)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Grant Income	0	151,131
Additions to Plant Assets	(785,496)	(1,625,590)
Customer Advances for Construction	0	(5,000)
Contribution in Aid of Construction	66,154	0
Repayments on Long Term Debt	(442,007)	(419,744)
Net Transfers from Depreciation Fund	(392,732)	(613,548)
Net Proceeds from Sale of Assets	22,210	24,800
Interest Expense	(80,175)	(89,112)
Net Cash Used in Capital and Related Financing Activities	(1,612,046)	(2,577,063)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Income	68,680	100,723
Transfers (to) from Rate Stabilization	(200,000)	1,300,000
Purchase of Investments	(522,368)	(342,014)
Proceeds from Sales and Maturities of Investments	1,060,043	275,000
Net Cash Provided in Investing Activities	406,355	1,333,709
NET DECREASE IN CASH AND CASH EQUIVALENTS	(549,092)	(653,023)
CASH AND CASH EQUIVALENTS - JANUARY 1	834,111	1,487,134
CASH AND CASH EQUIVALENTS - DECEMBER 31	\$ 285,019	\$ 834,111

See Accompanying Notes to the Financial Statements

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

OPERATING FUND

	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 340,429	\$ 122,868
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation, Net of Amortization	808,519	663,550
Rate Stabilization Reserve	186,795	164,093
Pension Expense	331,339	358,517
OPEB Expense	189,714	278,186
Changes in Assets and Liabilities		
(Increase) Decrease in:		
Accounts Receivable - Customers	(196,147)	(63,004)
Accounts Receivable - Other	(174,738)	340,236
Materials and Supplies	(135,426)	(206,840)
Prepaid Expenses	6,571	(18,917)
Prepaid Purchased Power	(1,271)	7,773
Deferred Outflows of Resources Related to Pensions	(411,073)	(328,555)
Purchase Power Adjustment	(105,941)	0
Increase (Decrease) in:		
Accounts Payable	24,242	(612,600)
Accrued Expenses	(32,946)	(17,559)
Net Other Postemployment Benefit Liability	(163,220)	(95,561)
Customer Deposits	(6,578)	7,702
Net Cash Provided by Operating Activities	\$ 660,269	\$ 599,889

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

The following amounts are considered to be cash or cash equivalents for the statements of cash flows:

	2025	2024
Petty Cash	\$ 1,800	\$ 1,800
Operating Cash	111,708	644,661
Operating Money Market	14,976	34,767
Customer Deposits	156,535	152,883
	\$ 285,019	\$ 834,111

See Accompanying Notes to the Financial Statements

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
 STATEMENTS OF FIDUCIARY NET POSITION
 DECEMBER 31, 2025 AND 2024

OPEB TRUST FUND

ASSETS

	2025	2024
Funds on Deposit with MMWEC Cash and Cash Equivalents	\$ 1,770,520	\$ 1,529,006

NET POSITION

FIDUCIARY NET POSITION - Restricted	\$ 1,770,520	\$ 1,529,006
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WEST BOYLSTON MUNICIPAL LIGHTING PLANT
 STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

OPEB TRUST FUND

	2025	2024
Employer Contributions	\$ 60,000	\$ 0
Net Investment Income	181,514	151,809
CHANGE IN FIDUCIARY NET POSISTION	241,514	151,809
FIDUCIARY NET POSITION - JANUARY 1	1,529,006	1,377,197
FIDUCIARY NET POSITION - DECEMBER 31	\$ 1,770,520	\$ 1,529,006

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies of West Boylston Municipal Lighting Plant are as follows:

Reporting Entity

The West Boylston Municipal Lighting Plant is a component unit of the Town of West Boylston, Massachusetts. The Board of Commissioners appoints the manager of the Lighting Plant who shall be responsible for operation and management of the Lighting Plant. The Lighting Plant purchases power from various sources and sells it to the ultimate consumers at rates on file with the Massachusetts Department of Public Utilities (DPU).

Regulation and Basis of Accounting

The Lighting Plant's financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Under Massachusetts law, electric rates of the Lighting Plant are set by the Municipal Lighting Board and may be changed not more than once every three months. Rate schedules are filed with the Massachusetts Department of Public Utilities. While the DPU exercises general supervisory authority over the Lighting Plant, the Lighting Plant's rates are not subject to DPU approval.

Depreciation

The general laws of Massachusetts allow utility plant in service to be depreciated at an annual rate of 3%. In order to change this rate, approval must be obtained from the Department of Public Utilities. Changes in annual depreciation rates may be made for financial factors relating to cash flow rather than for engineering factors relating to estimates of useful lives. The Lighting Plant used a depreciation rate of 3% for the years ended December 31, 2025 and 2024.

The Lighting Plant charges maintenance and repairs to operations when incurred. Replacements and betterments are charged to utility plant.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Lighting Plant considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Town of West Boylston maintains and controls major cash and investment pools in which the primary government and component units share.

Reclassification

Certain prior year amounts have, with no effect on previously stated net income, been reclassified to conform to the 2025 presentation.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Contribution in Aid of Construction

Contribution in Aid of Construction represents non-refundable payments received from consumers and developers for extension of electric services for assets owned and maintained by the Lighting Plant. These amounts are recorded as a deferred inflow of resources net of amortization.

Revenue Recognition

The Lighting Plant owns and maintains an electric distribution network serving the Town of West Boylston, Massachusetts. Distribution revenues are primarily from the sale of electricity to residential, commercial, and industrial customers within the Town of West Boylston. The rates are designed to recover the costs incurred by the Plant for products and services provided along with a return on investment.

The performance obligation for electricity sales is to provide electricity to the customer on demand. The electricity supplied represents a single performance obligation as it is a series of distinct goods and services that are substantially the same. The performance obligation is satisfied immediately as the customer simultaneously receives and consumes the electricity as the Plant provides this service. The Plant records revenues related to electricity sales based upon the effective rates and the volume delivered to the customers, which corresponds with the amount the Plant has the right to invoice.

The Lighting Plant has a purchased power adjustment clause pursuant to which increased purchased power costs (costs in excess of amounts recovered through base rates) are billable to customers. The Lighting Plant records estimated unbilled purchased power adjustment charge revenue at the end of accounting periods, which is reflected as a deferred inflow or outflow of resources in the accompanying statements of net position.

Operating expenses are the costs of providing electricity and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Materials and Supplies

Materials and supplies are valued using the average cost method.

Sales Tax

The Lighting Plant collects sales tax. The amount received is credited to a liability account and as payments are made, this account is charged. At any point in time, this account represents the net amount owed to the taxing authority for amounts collected but not yet remitted.

Compensated Absences

In accordance with the Lighting Plant policies, employees are allowed to accumulate sick days, up to a maximum of 120 days. Upon termination and after 10 years of service of employment with the Lighting Plant, the employee will be paid a maximum of 30 days of accumulated sick time. Employees are eligible to carry over 5 days of vacation time from one year to the next. Upon termination of employment with the Lighting Plant, the employee will be paid for unused vacation time based on the employee's base rate of pay at the time of termination.

Taxes

The Lighting Plant is exempt from federal income taxes, as well as property taxes.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Pensions

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

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and deferred inflows of resources. These separate financial statement elements, deferred outflows and inflows of resources, represent a consumption of net position that applies to a future period and so will not be recognized as an outflow/inflow of resources (expense/expenditure) until then.

Other Postemployment Benefits (OPEB)

For purposes of measuring the Plant's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plant's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 2 - CASH AND INVESTMENTS:

The Plant owns shares of Hydro Quebec Phase II stock. The securities are stated at cost. Fair market value approximates stated value.

Custodial Credit Risk – Deposits

The Lighting Plant's deposits with the Town Treasurer are invested with various financial institutions. It is not practical to disclose the related bank balance and credit risk of such cash deposits for the Lighting Plant. Funds on deposit with financial institutions are subject to the insurance coverage limits imposed by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The amount of insurance coverage for the Plant deposits are not determinable because the limits of insurance are completed on a town-wide basis.

Custodial Credit Risk – Investments

Investment custodial risk is the risk that, in the event of a failure by the counterparty, the Lighting Plant will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. As of December 31, 2025 and 2024, The Lighting Plant does not have custodial risk exposure in their investments in U.S. Treasury/Agency Securities, Certificate of Deposits, Mutual Funds and Money Market accounts. The Lighting Plant's accounts are protected in accordance with the SIPC up to \$500,000 including cash claims up to \$250,000.

Interest Rate Risk

The Lighting Plant invests in term securities out to a maximum of five years to help limit the amount of exposure to fair value losses.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued):

Operating and Depreciation Fund Investments

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Lighting Plant has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

- Corporate Bonds, Mutual Funds and U.S. Government Securities:
Valued at closing price as reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuations methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table on the following page sets forth, by level within the fair value hierarchy, the Lighting Plant investments in the Operating and Depreciation Fund at fair value as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, the Lighting Plant did not have any investments that were measured using Level 2 or Level 3 inputs.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 - CASH AND INVESTMENTS (Continued):

Operating and Depreciation Fund Investments (continued)

	<u>December 31, 2025</u> Quoted Prices in Active Markets for Identical Assets (All Level 1)	<u>December 31, 2024</u> Quoted Prices in Active Markets for Identical Assets (All Level 1)
<u>FMV Investments:</u>		
Corporate Bonds:		
Credit Rating		
AAA	\$ 225,020	\$ 265,794
A+	343,468	292,470
A	1,031,708	937,588
A-	868,927	642,638
BBB+	0	230,499
BBB	689,099	659,958
Mutual Funds	56,596	146,417
U.S. Government Securities	<u>2,070,910</u>	<u>2,256,235</u>
Total FMV Investments	<u>5,285,728</u>	<u>5,431,599</u>
 <u>Other Securities:</u>		
Money Markets	<u>332,611</u>	<u>127,031</u>
 Total Investments	 <u>\$ 5,618,339</u>	 <u>\$ 5,558,630</u>

The following accounts were considered investments as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating Fund	\$ 2,072,053	\$ 2,557,384
Depreciation Fund	<u>3,546,286</u>	<u>3,001,246</u>
Total Investments	<u>\$ 5,618,339</u>	<u>\$ 5,558,630</u>

As of December 31, 2025, investments in any one issuer (other than U.S. Treasury securities and mutual funds) that represented 5% or more of total investments are listed below.

<u>Investment Issuer</u>	<u>Amount</u>	<u>% of total Investments</u>
Bank of America Corp	\$ 336,534	5.9%
Bristol-Myers Squibb	\$ 343,699	6.1%
AT&T	\$ 350,441	6.2%
Emerson Elec Co	\$ 352,001	6.3%
HP Inc.	\$ 338,658	6.0%
Merck & Co Inc	\$ 343,486	6.1%
Pfizer Inc.	\$ 336,008	5.9%
Union PAC Corp	\$ 330,693	5.9%

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 - CUSTOMER ACCOUNTS RECEIVABLE:

The Lighting Plant carries its accounts receivable at cost less an allowance. The Lighting Plant can place a lien against a property if payment is not made. For non-owners, the company requires a deposit that can be applied to any unpaid amounts. In addition, the Lighting Plant has the right to shut off service to customers during the months of April through October if the customer is not making payments. Once a customer's bill has become 2 months outstanding a 10-day shut off letter is sent out. If there is no response to the first letter within 5 days, a 5-day shut off letter is sent out and if there is still no response from the customer, the customer is shut off. On a periodic basis, the Lighting Plant evaluates its accounts receivable to determine if any write-offs are necessary.

Customer Accounts Receivable consists of the following:

	2025	2024
Accounts Receivable	\$ 1,073,572	\$ 877,425
Less: Allowance for Accrued Losses	(11,528)	(11,528)
Accounts Receivable, Net	\$ 1,062,044	\$ 865,897

NOTE 4 - ACCOUNTS RECEIVABLE - OTHER:

Accounts Receivable – Other consists of the following:

	2025	2024
Merchandise and Jobbing	\$ 271,373	\$ 124,174
Solar Renewable Energy Credits Receivable	299,688	294,585
Berkshire Wind Renewable Energy Credits Receivable	96,788	72,412
Liens Receivable	17,528	19,468
Total Other Accounts Receivable	\$ 685,377	\$ 510,639

NOTE 5 - FUNDS HELD AT MMWEC:

Purchased Power Working Capital

The purchased power working capital is an amount held by Massachusetts Municipal Wholesale Electric Company (MMWEC), the Lighting Plant's power supply agent. The implementation of the Working Capital Program began August 1, 1985. MMWEC participants approved certain working capital amendments to the various power purchase agreements. MMWEC requires that the Lighting Plant hold a set amount of capital from which it may pay power obligations when they are due. MMWEC replenishes the fund as needed from the monthly invoice payments. The income earned allocated to the Lighting Plant is applied as a credit to MMWEC Power Sales Billing. The balance in the Fund as of December 31, 2025 and 2024 is \$1,062,159 and \$1,041,364, respectively. These funds are commingled and deposited in investment pools. The total amount of these investment pools as of December 31, 2025 and 2024 was \$29,525,750 and \$40,691,922, respectively, of which West Boylston Municipal Lighting Plant's ownership was approximately 3.60% and 2.56%, respectively.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 - FUNDS HELD AT MMWEC (Continued):

Prepaid PASNY Fund

The Power Authority of the State of New York (PASNY) is a New York State public-benefit corporation. It is commonly referred to as New York Power Authority (NYPA). The electricity generated from the NYPA hydro-facilities in New York provides a reduced rate for electricity specifically for residential customers in New York and New England. This is another account maintained by MMWEC from which they may pay the Lighting Plant's power obligation for the delivery of power and other obligations associated with NYPA's hydro projects. The NYPA fund balance as of December 31, 2025 and 2024 was \$33,742. These funds are commingled and deposited in investment pools. The total amount of these investment pools as of December 31, 2025 and 2024 was \$4,540,980 and \$3,684,902, respectively, of which West Boylston Municipal Lighting Plant's ownership was approximately 0.74% and 0.92%, respectively.

Rate Stabilization Fund

The Rate Stabilization Fund is held by MMWEC and was created as an aftermath of the Massachusetts Electricity Restructuring Act of 1997. These funds are for unexpected escalation in costs, such as the decommissioning of nuclear power plants before the end of their operating license, unusual price spikes in fuel prices and transmission cost increases. The Rate Stabilization Fund balance as of December 31, 2025 and 2024 was \$2,976,432 and \$2,643,376, respectively. The balance in the Fund is offset by a corresponding deferred inflow of resources for the accumulated provision for rate refund.

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Lighting Plant has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to valuation methodology are unobservable and significant to the fair value measurement.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 - FUNDS HELD AT MMWEC (Continued):

Rate Stabilization Fund (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

- Level 1 - U.S. Government Securities:
Valued at closing price as reported on the active market on which the individual securities are traded.
- Level 2 - Municipal Bonds and U.S. Government Securities:
Investments in debt securities are valued using interest rate curves and credit spreads applied to the terms of the debt instrument along with counterparty credit rating.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Lighting Plant management believes its valuations methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below sets forth, by level within the fair value hierarchy, the Lighting Plant's rate stabilization investments at fair value as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, the Lighting Plant did not have any investments that were measured using Level 3 inputs.

December 31, 2025			
Description	Level 1 Fair Value	Level 2 Fair Value	Total
<u>FMV Investments:</u>			
Municipal Bonds			
AA	\$ 0	\$ 98,398	\$ 98,398
AA-	0	75,415	75,415
A+	0	27,962	27,962
US Government Securities	<u>367,906</u>	<u>2,215,141</u>	<u>2,583,047</u>
Total FMV Investments	<u>367,906</u>	<u>2,416,916</u>	<u>2,784,822</u>
<u>Other Securities</u>			
Money Market	<u>191,610</u>	<u>0</u>	<u>191,610</u>
Total	<u>\$ 559,516</u>	<u>\$ 2,416,916</u>	<u>\$ 2,976,432</u>

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 - FUNDS HELD AT MMWEC (Continued):

Rate Stabilization Fund (continued)

December 31, 2024			
Description	Level 1 Fair Value	Level 2 Fair Value	Total
<u>FMV Investments:</u>			
Municipal Bonds			
AAA	\$ 0	\$ 41,088	\$ 41,088
AA	0	93,743	93,743
AA-	0	86,967	86,967
A+	0	26,670	26,670
US Government Securities	435,737	1,917,766	2,353,503
Total FMV Investments	435,737	2,166,234	2,601,971
 <u>Other Securities</u>			
Money Market	41,405	0	41,405
 Total	 \$ 477,142	 \$ 2,166,234	 \$ 2,643,376

As of December 31, 2025, there were no investments in any one issuer (other than U.S. Treasury securities and mutual funds) that represented 5% or more of total investments.

NOTE 6 - DEPRECIATION FUND:

Pursuant to provisions of the Commonwealth’s General Laws, cash in an amount equivalent to the annual depreciation expense is transferred from unrestricted funds to the depreciation fund. Interest earned on the balance of the fund must also remain in the fund. Such cash may be used for the cost of plant, nuclear decommissioning costs, the costs of contractual commitments, and future costs related to such commitments, which the Municipal Lighting Board determines are above market value.

NOTE 7 - RISK MANAGEMENT:

Self-Insurance Trust

West Boylston Lighting Plant participates in Massachusetts Municipal Self-Insurance Trust Fund (the Trust) with 17 other municipalities for the purpose of sharing excess liability and officers’ liability risks. General liability coverage provides for \$500,000 per occurrence, with a \$50,000 deductible that would be paid by the Plant. Environmental insurance coverage provides for \$1,500,000 per occurrence, with a \$100,000 deductible that would be paid by the Plant and the Trust Fund. Each participating municipality contributes an annual premium to the Trust based on frequency and severity of claims and share of the group’s total kilowatt-hour sales. Payments for claims over the deductible limit are funded by trust assets or, if required, additional contributions from the participants.

Generally accepted accounting principles require that liabilities for self-insured claims be reported if it is probable that a loss has been incurred and the amount can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. As of December 31, 2025 and 2024, the Lighting Plant considers its pro rata share of these losses to be immaterial to its financial statements.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 - POOLED FINANCING LOAN:

In August 2016, WBMLP entered into a Pooled Loan Program Agreement with the Massachusetts Municipal Wholesale Electric Company (MMWEC) for the purpose of financing the construction of a solar facility. Interest only was due monthly at a fixed interest rate of 1.75% per annum. On March 21, 2017, the Plant terminated the Pooled Financing Loan Agreement through MMWEC. Principal and Interest are payable monthly. The interest rate is fixed at 3.15% and the loan matures February 2032. The outstanding principal balance as of December 31, 2025 and 2024 was \$1,965,546 and \$2,277,554, respectively. Interest expense relating to this loan was \$71,400 and \$78,874 for the years ended December 31, 2025 and 2024, respectively.

	2025	2024
Note Payable with Pooled Loan with MMWEC payable in monthly installments including a fixed interest rate of 3.15%. Due March 2032.	\$ 1,965,546	\$ 2,277,554
Less: Current Maturities	(312,007)	(312,007)
Long-Term Notes Payable, Less Current Portion	\$ 1,653,539	\$ 1,965,547

Future maturities of the note payable are as follows:

For the year ended December 31,	2026	\$	312,007
	2027		312,007
	2028		312,007
	2029		312,007
	2030		312,007
	Thereafter		405,511
	Total	\$	1,965,546

At the inception of the loan, MMWEC was required to collect 10% of the initial borrowing amount to be deposited into a Reserve Requirement Account to serve as collateral for the bank. MMWEC is also required to collect 10% of the amount of interest due monthly from each Pooled Loan Participant to further fund the Reserve Requirement Account. These funds will either be returned to WBMLP or used as the final loan payments at the end of the amortization period. The balance in the Pooled Financing Account, which includes both the required reserve amount as well as any available funds to be spent as of December 31, 2025 and 2024 was \$410,941.

NOTE 9 - LEASE COMMITMENT:

During 2016, West Boylston Municipal Lighting Plant entered into a twenty-five-year lease to lease land from the Town of West Boylston. The amount the Lighting Plant is required to pay is \$10,000 per year and is due the first of the year. Rent expense related to this lease for 2025 and 2024 was \$10,000.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 - LEASE COMMITMENT (Continued):

Future minimum payments are as follows:

For the year ended December 31,	2026	\$	10,000
	2027		10,000
	2028		10,000
	2029		10,000
	2030		10,000
	Thereafter		<u>110,000</u>
	Total	\$	<u>160,000</u>

NOTE 10 - BOND PAYABLE:

On March 21, 2013 the Town issued \$4,300,000 of general obligation bonds, of which \$2,000,000 was allocated to the Lighting Plant. The proceeds for the advances were to be used to pay for capital additions related to a new Temple Street Substation Project. The bond has a 15-year life. The interest rates range from 1.00% to 2.25% over the term of the bond.

As of December 31, 2025 and 2024, the principal amount outstanding was \$260,000 and \$390,000, respectively. Interest expense relating to this bond was \$7,313 and \$10,238 for the years ended December 31, 2025 and 2024, respectively.

Maturities of the bonds are shown as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For Years Ending December 31,	2026	\$ 130,000	\$ 4,388	\$ 134,388
	2027	<u>130,000</u>	<u>1,463</u>	<u>131,463</u>
	Total	260,000	<u>\$ 5,851</u>	<u>\$ 265,851</u>
Plus: Unamortized Net Premiums		2,853		
Less: Current Maturities of Long Term Debt		<u>(131,898)</u>		
		<u>\$ 130,955</u>		

NOTE 11 - RELATED PARTY TRANSACTIONS:

In the ordinary course of business, the Lighting Plant sells electricity to various Town departments. During the years ended December 31, 2025 and 2024, sales to these departments totaled \$447,062 and \$418,159, respectively. As of December 31, 2025 and 2024, the amounts due from these departments were \$53,391 and \$39,824, respectively.

During the years ended December 31, 2025 and 2024, the Lighting Plant reimbursed the Town \$783,190 and \$641,790, respectively. As of December 31, 2025 and 2024, amounts payable to the Town were \$62,116 and \$22,129, respectively.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 12 - GRANT REVENUE:

During 2024, the Lighting Plant received a grant from the Commonwealth of Massachusetts as part of the Community Compact Municipal Fiber grant program. The Plant will use these funds towards the installation of fiber to connect all Town departments in West Boylston. The Plant received the full grant of \$151,131 during 2024, and recognized as deferred revenue. During 2025, the project requirements were met and the \$151,131 was recognized as grant revenue.

NOTE 13 - UTILITY PLANT ASSETS:

Capital Asset activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Increases	Decreases	Balance December 31, 2025
Capital Assets Not Being Depreciated:				
Land	\$ 895,922	\$ 0	\$ 0	\$ 895,922
Construction in Progress	<u>32,965</u>	<u>179,419</u>	<u>0</u>	<u>212,384</u>
Total Capital Assets Not Being Depreciated	<u>928,887</u>	<u>179,419</u>	<u>0</u>	<u>1,108,306</u>
Capital Assets Being Depreciated:				
Distribution Plant	12,052,973	595,808	(72,924)	12,575,857
General Plant	8,615,888	10,269	(36,106)	8,590,051
Generation Plant	<u>6,355,529</u>	<u>0</u>	<u>0</u>	<u>6,355,529</u>
Total Capital Assets Being Depreciated	<u>27,024,390</u>	<u>606,077</u>	<u>(109,030)</u>	<u>27,521,437</u>
Less Accumulated Depreciation for:				
Distribution Plant	(7,986,073)	(331,476)	72,924	(8,244,625)
General Plant	(2,129,071)	(258,492)	36,106	(2,351,457)
Generation Plant	<u>(2,153,901)</u>	<u>(220,764)</u>	<u>0</u>	<u>(2,374,665)</u>
Total Accumulated Depreciation	<u>(12,269,045)</u>	<u>(810,732)</u>	<u>109,030</u>	<u>(12,970,747)</u>
Capital Assets Being Depreciated, Net	<u>14,755,345</u>	<u>(204,655)</u>	<u>0</u>	<u>14,550,690</u>
Utility Plant Assets, Net	<u>\$ 15,684,232</u>	<u>\$ (25,236)</u>	<u>\$ 0</u>	<u>\$ 15,658,996</u>

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 13 - UTILITY PLANT ASSETS (Continued):

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

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024
Capital Assets Not Being Depreciated:				
Land	\$ 895,922	\$ 0	\$ 0	\$ 895,922
Construction in Progress	<u>3,285,209</u>	<u>850,504</u>	<u>(4,102,748)</u>	<u>32,965</u>
Total Capital Assets Not Being Depreciated	<u>4,181,131</u>	<u>850,504</u>	<u>(4,102,748)</u>	<u>928,887</u>
Capital Assets Being Depreciated:				
Distribution Plant	11,808,043	325,842	(80,912)	12,052,973
General Plant	4,030,844	4,598,644	(13,600)	8,615,888
Generation Plant	<u>6,355,529</u>	<u>0</u>	<u>0</u>	<u>6,355,529</u>
Total Capital Assets Being Depreciated	<u>22,194,416</u>	<u>4,924,486</u>	<u>(94,512)</u>	<u>27,024,390</u>
Less Accumulated Depreciation for:				
Distribution Plant	(7,666,096)	(354,237)	34,260	(7,986,073)
General Plant	(2,021,744)	(120,927)	13,600	(2,129,071)
Generation Plant	<u>(1,963,233)</u>	<u>(190,668)</u>	<u>0</u>	<u>(2,153,901)</u>
Total Accumulated Depreciation	<u>(11,651,073)</u>	<u>(665,832)</u>	<u>47,860</u>	<u>(12,269,045)</u>
Capital Assets Being Depreciated, Net	<u>10,543,343</u>	<u>4,258,654</u>	<u>(46,652)</u>	<u>14,755,345</u>
Utility Plant Assets, Net	<u>\$ 14,724,474</u>	<u>\$ 5,109,158</u>	<u>\$ (4,149,400)</u>	<u>\$ 15,684,232</u>

Depreciation for the years ended December 31, 2025 and 2024 was \$810,732 and \$665,832 respectively. Depreciation expense reported on the Statements of Revenues, Expenses and Changes in Net Position is net of amortization of \$2,213 and \$2,282 related to contribution in aid of construction for the years ended December 31, 2025 and 2024, respectively.

NOTE 14 - NET INVESTMENT IN CAPITAL ASSETS:

	<u>2025</u>	<u>2024</u>
Cost of Capital Assets Acquired	\$ 28,629,743	\$ 27,953,277
Less: Accumulated Depreciation	(12,970,747)	(12,269,045)
Less: Outstanding Debt Related to Capital Assets	(2,228,399)	(2,672,305)
Add: Pooled Financing Reserve Cash	<u>410,941</u>	<u>410,941</u>
Net Investment in Capital Assets	<u>\$ 13,941,538</u>	<u>\$ 13,422,868</u>

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 15 - NET PENSION LIABILITY:

Plan Description

The Lighting Plant, through the Town of West Boylston, is a member of the Worcester Regional Retirement System which, in turn, is a member of the Massachusetts Contributory Retirement System which is governed by M.G.L. c.32 of the Massachusetts General Laws. Membership in the plan is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

The Plan is a cost-sharing multiple-employer contributory defined benefit plan for all county employees and employees of participating towns and districts except those employees who are covered by teachers' retirement board. The Plan's separately issued financial statements can be obtained by contacting Worcester Regional Retirement System at 23 Midstate Drive, Suite 106, Auburn, Massachusetts 01501.

Benefits Provided

The System provides retirement, disability and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of member's highest three-year average annual rate of regular compensation. For members 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. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are three classes of membership in the retirement system: Group 1, Group 2, and Group 4. Group 1 consists of general employees which includes clerical and administrative positions. Group 2 consists of positions that have been specified as hazardous. Lastly, Group 4 consists of police officers, firefighters, and other hazardous positions.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service if hired after 1978 and if classified in group 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching the age of 60 with 10 years of service if in group 1, 55 years of age with 10 years of service if in group 2, and 55 years of age if classified in group 4 or hired prior to 1978. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions normal retirement is at age 55).

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors: including whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veterans' status, and group classification.

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

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

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 15 - NET PENSION LIABILITY (Continued):

Contributions

Active members are required to contribute at rates from 5-9% of their gross regular compensation. The percentage rate is keyed to the date upon which an employee’s membership commences. Members hired after 1978 contribute an additional 2% of annual pay above \$30,000. The Plant is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the member units based on the actuarial study. The actuarially determined Plant contribution is an amount, when combined with employee contributions, is expected to finance the cost of benefits earned by the employees during the year, with an additional amount to finance the unfunded liability. The Plant’s required contribution to the System for the years ended December 31, 2025 and 2024 were \$328,555 and \$297,633, respectively, which were paid during calendar years 2024 and 2023, respectively.

Pension Liabilities

As of December 31, 2025 and 2024, the Lighting Plant reported a liability of \$3,550,221 and \$3,483,959, respectively for its proportionate share of the net pension liability. The 2025 and 2024 net pension liability were measured as of December 31, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 and January 1, 2022, respectively. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating member units. At the measured date of December 31, 2024 and 2023, the Town’s proportion was 1.99% and 2.01%, respectively. The Plant’s portion of the net pension liability was based on the percentage of the Plant’s contributions to the total Town’s contributions as of the measured date of December 31, 2024 and 2023. At the measured date of December 31, 2024 and 2023, the Lighting Plant’s portion was 16.78% and 16.58%, respectively, of the Town’s total contributions.

Pension Expense

For the years ended December 31, 2025 and 2024, the Plant recognized a pension expense of \$331,339 and \$358,517, respectively. As of December 31, 2025 and 2024, the Plant reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources Related to Pension</u>	<u>2025</u>	<u>2024</u>
Changes of assumptions	\$ 133,069	\$ 209,983
Differences between expected and actual experience	155,412	27,866
Net difference between projected and actual earnings on pension plan investments	69,548	138,943
Changes in proportion and differences between employer contributions and Plant proportionate share	57,591	49,889
Plant contributions subsequent to the measurement date	<u>411,073</u>	<u>328,555</u>
Total	<u>\$ 826,693</u>	<u>\$ 755,236</u>

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 15 - NET PENSION LIABILITY (Continued):

Pension Expense (continued)

<u>Deferred Inflows of Resources Related to Pension</u>	<u>2025</u>	<u>2024</u>
Differences between expected and actual experience	\$ 45,649	\$ 73,145
Changes in proportion and differences between employer contributions and Plant proportionate share	<u>136,787</u>	<u>183,831</u>
Total	<u>\$ 182,436</u>	<u>\$ 256,976</u>

Of the total amount reported as deferred outflows of resources related to pension, \$411,073 resulting from Plant contributions paid 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 ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in the Plant's pension expense as follows:

<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
Year Ended December 31:			Year Ended December 31:		
2026	\$	92,771	2026	\$	62,760
2027		85,693	2027		30,885
2028		85,692	2028		30,884
2029		79,859	2029		28,954
2030		<u>71,605</u>	2030		<u>28,953</u>
Total	\$	<u>415,620</u>	Total	\$	<u>182,436</u>

Actuarial Assumptions

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

Valuation Date	January 1, 2024
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.125%, net of pension plan investment expense, including inflation
Asset Valuation Method	The Actuarial Value of Assets is the market value of assets as of the valuation date reduced by the sum of: <ul style="list-style-type: none"> a. 80% of gains and losses of the prior year, b. 60% of gains and losses of the second prior year, c. 40% of gains and losses of the third prior year and d. 20% of gains and losses of the fourth prior year

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2025 AND 2024

NOTE 15 - NET PENSION LIABILITY (Continued):

Actuarial Assumptions (continued)

Amortization Method	<p><i>Unfunded Actuarial Accrued Liability (UAAL):</i> Increasing dollar amount at 4% to reduce the Unfunded Actuarial Accrued Liability to zero on or before June 30, 2036. The annual increase in appropriation is further limited to 9.95%.</p> <p><i>Early Retirement Incentive Programs (ERI) for 2002 and 2003:</i> Increasing dollar amount at 4.5% to reduce the 2002 and 2003 ERI Actuarial Accrued Liability to zero on or before June 30, 2028.</p>
Inflation Rate	2.5% per year
Projected Salary Increases	Group 1: 4.25%-6.00%, based on service Group 4: 4.75%-7.00%, based on service
Cost of Living Allowance	Assumed to be 3% of the first \$16,000 of the annual retirement allowance.
Mortality Rates:	
Healthy Retirees	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2021.
Disabled Retirees	RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2021.
Rates of Retirement	Varies based upon age for general employees, police and fire employees.
Investment Rate of Return	7.125%, net of pension plan investment expense, including inflation

Investment Policy

The Plan's asset allocation policies are established by Public Reserve Investment Trust (PRIT). Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major category 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 pensions plan's target asset allocation as of the measured date of December 31, 2024 are summarized in the table on the following page.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 15 - NET PENSION LIABILITY (Continued):

Investment Policy (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	36%	4.61%
Core Fixed Income	15%	2.60%
Value-Added Fixed Income	9%	5.30%
Private Equity	16%	7.80%
Real Estate	10%	4.10%
Timber	4%	4.10%
Portfolio Completion Strategies	10%	3.10%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.125% for measured date of December 31, 2024 and 2023, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that member employer contributions will be made in accordance with Sections 22D and 22F of Chapter 32 of the Massachusetts General Laws. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected 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.

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

The following presents the net pension liability calculated using the discount rate of 7.125%, as well as what the net pension liability would be if it were calculated using a discount rate 1-percentage point lower (6.125%) or 1-percentage point higher (8.125%) than the current rate:

	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
Proportionate share of the Net Pension Liability	\$ 4,408,092	\$ 3,550,221	\$ 2,825,806

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Worcester Regional Retirement System financial report.

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS TRUST FUND:

The Other Postemployment Benefits Liability Trust Fund was established by vote of the Board of Light Commissioners. The Board voted to accept the provisions of MGL Chapter 32B, Section 20 which establishes a separate Fund and a funding schedule for the Fund.

The schedule and any future updates shall be designed, consistent with standards issued by the Government Accounting Standards Boards, to reduce the unfunded actuarial liability of health care and other postemployment benefits to zero as of an actuarially acceptable period of years and to meet the normal cost of all future benefits for which the government unit is obligated. The Fund is held under the custodianship of the Treasurer of the Massachusetts Municipal Wholesale Electric Company (MMWEC). The balance in the Trust as of December 31, 2025 and 2024 was \$1,770,520 and \$1,529,006, respectively.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS TRUST FUND (Continued):

The Trust implemented Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, which provides a definition of fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plant has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used as of December 31, 2025 and 2024.

- Mutual Funds and U.S. Government Securities:
Valued at closing price as reported on the active market on which the individual funds are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plant's management believes its valuations methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS TRUST FUND (Continued):

The following sets forth, by level within the fair value hierarchy, the Trust’s investments at fair value as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, the Trust did not have any investments that were measured using Level 2 or Level 3 inputs.

	December 31, 2025 Quoted Prices in Active Markets for Identical Assets <u>(All Level 1)</u>	December 31, 2024 Quoted Prices in Active Markets for Identical Assets <u>(All Level 1)</u>
<u>FMV Investments:</u>		
Mutual Funds	\$ 884,555	\$ 1,293,508
U.S. Government Securities	<u>824,722</u>	<u>0</u>
Total FMV Investments	1,709,277	1,293,508
 <u>Other Securities:</u>		
Money Market	<u>61,243</u>	<u>235,498</u>
 Total	 <u>\$ 1,770,520</u>	 <u>\$ 1,529,006</u>

As of December 31, 2025 and 2024, there were no investments in any one issuer (other than U.S. Treasury securities and mutual funds) that represented 5% or more of total investments.

Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, provides an actuarial cost method and discount rate as well as disclosures and methodologies for reporting plan liabilities and OPEB expenses.

Plan Administration

The Town of West Boylston administers the retiree health care benefits program-a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees.

Plan Membership

At the measurement date of December 31, 2025, OPEB plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	14
Active plan members	<u>12</u>
Total Number of Participants	<u><u>26</u></u>

Benefits Provided

The Town provides health care and life insurance benefits for retirees and their dependents. Benefits are provided through Blue Cross Blue Shield (BCBS) of MA, BCBS Managed Blue, and BCBS Medex 2 and the full cost of benefits is shared between the Town and retirees.

Contributions

The Town annually contributes an actuarially determined contribution based on the results of the most recent actuarial valuation.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2025 AND 2024

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS TRUST FUND (Continued):

Investment Policy

The OPEB plan's investment policy in regard to the allocation of invested assets is established by MMWEC and may be amended at any time. It is the policy of MMWEC to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of OPEB plan investments by the proportion of time they are available to earn a return during that period. The rate of return is then calculated by solving, through an iterative process, for the rate that equates the sum of the weighted external cash flows into and out of the OPEB plan investments to the ending fair value of OPEB plan investments.

Net OPEB Liability of the Plan

The components of the net OPEB liability, for the measured date of December 31, 2025 and 2024, were as follows:

	2025	2024
Total OPEB Liability	\$ 2,306,250	\$ 2,317,680
Fiduciary Net Position	(1,770,520)	(1,529,006)
Net OPEB Liability	\$ 535,730	\$ 788,674

Fiduciary net position as a percentage of the total OPEB liability was 76.77% and 65.97% as of December 31, 2025 and 2024, respectively.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following assumptions, applied to all periods included in the measurement:

Asset-Valuation Method	Market value of assets as of the measurement date, December 31, 2025.
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.5%
Investment rate of return	5.85%, net of investment expense, including inflation.
Annual Compensation Increase	3.0% annually.
Healthcare Cost Trend Rate	Assumed medical costs increase according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 4.96% increase in 2025 and an ultimate rate of 3.63% in 2060.
Municipal Bond Rate	4.43% as of December 31, 2025 (source: S&P Municipal Bond 20-Year High Grade Index)

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS TRUST FUND (Continued):

Actuarial Assumptions (continued)

Pre-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021, set forward 1 year for females.
Post-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females.
Disabled Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for males and 2 years for females.

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 included in the target asset allocation as of December 31, 2025 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity – Large Cap	32.75%	4.60%
Domestic Equity – Small/Mid Cap	16.75%	4.98%
International Equity – Developed Market	0.00%	4.95%
International Equity – Emerging Market	0.00%	5.51%
Domestic Fixed Income	46.50%	2.70%
International Fixed Income	0.00%	2.36%
Alternatives	0.00%	6.10%
Real Estate	0.00%	3.98%
Cash	4.00%	0.00%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 5.85% as of December 31, 2025 and 5.51% as of December 31, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from the Town will be made in accordance with the Plan’s funding policy. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to be sufficient to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2025 AND 2024

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS TRUST FUND (Continued):

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

The following presents the net OPEB liability for the Department calculated using the discount rate of 5.85%, as well as what the net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (4.85%) or 1-percentage point higher (6.85%) than the current rate:

	1% Decrease (4.85%)	Current Discount Rate (5.85%)	1% Increase (6.85%)
Net OPEB Liability	\$ 840,632	\$ 535,730	\$ 288,121

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability calculated using current healthcare cost trend rates as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (3.96% year 1 decreasing to 2.65%) or 1-percentage point higher (5.96% year 1 decreasing to 4.63%) than the current healthcare cost trend rates:

	1% Decrease 3.96% Year 1 Decreasing to 2.65%	Current Healthcare Cost Trend Rates 4.96% Year 1 Decreasing to 3.63%	1% Increase 5.96% Year 1 Decreasing to 4.63%
Net OPEB Liability	\$ 262,064	\$ 535,730	\$ 872,644

NOTE 17 - NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY:

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, provides an actuarial cost method and discount rate as well as disclosures and methodologies for reporting employer liabilities and OPEB expenses.

Plan Description

The Town of West Boylston administers the retiree health care benefits program—a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees.

Contributions

The Lighting Plant’s Actuarial Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which represents a level of funding that, if paid on an ongoing basis, is projected to cover the service cost each year and amortize any unfunded actuarial liabilities (or funding excess). The contribution requirements of plan members and the Lighting Plant are established and may be amended through Plant ordinances. For the years ending on and the measurement dates of December 31, 2025 and 2024, total premiums plus implicit costs for the retiree medical program were \$116,220 and \$95,561, respectively.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 17 - NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued):

OPEB Liabilities

As of December 31, 2025 and 2024 the Lighting Plant reported a liability of \$535,730 and \$788,674, respectively, for its net OPEB liability. The 2025 and 2024 net OPEB liability was measured as of December 31, 2025 and 2024, and was determined by an actuarial valuation as of January 1, 2024.

OPEB Expense

The Lighting Plant recognized OPEB expense of \$189,714 and \$278,186 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the Lighting Plant reported deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Outflows of Resources Related to OPEB</u>	<u>2025</u>	<u>2024</u>
Differences between expected and actual experience	\$ 126,482	\$ 183,227
Changes of Assumptions	97,096	207,985
Net difference between projected and actual earnings on OPEB plan investments	<u>52,856</u>	<u>105,711</u>
Total Deferred Outflows of Resources Related to OPEB	<u>\$ 276,434</u>	<u>\$ 496,923</u>
 <u>Deferred Inflows of Resources Related to OPEB</u>	 <u>2025</u>	 <u>2024</u>
Changes of Assumptions	\$ 146,447	\$ 113,218
Net difference between projected and actual earnings on OPEB plan investments	<u>154,431</u>	<u>128,711</u>
Total Deferred Inflows of Resources Related to OPEB	<u>\$ 300,878</u>	<u>\$ 241,929</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in the Lighting Plant's OPEB expense as follows:

<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
Year Ended December 31:		Year Ended December 31:	
2026	\$ 188,680	2026	\$ 106,563
2027	43,875	2027	106,569
2028	43,879	2028	50,904
2029	<u>0</u>	2029	<u>36,842</u>
Total	<u>\$ 276,434</u>	Total	<u>\$ 300,878</u>

GASB 75 requires the disclosure of actuarial assumptions, the discount rate, plan membership, and sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. Refer to the previous note "Other Postemployment Benefit Trust Fund" for these disclosures.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 18 - CONTINGENCIES AND LIABILITIES:

Legal and Environmental Matters

The Lighting Plant is not party to any pending legal proceedings. The Lighting Plant is subject, like other electric utilities, to evolving standards administered by federal, state and local authorities relating to the quality of the environment. These standards affect the citing of electric property, ambient air and water quality, plant safety and other environmental factors. These standards have had an impact on the Lighting Plant's operations in the past and they will continue to have an impact on future operations, capital costs and construction.

Berkshire Wind Cooperative Corporation Contingencies and Liabilities

The West Boylston Municipal Light Plant (Plant) is a Member of the Berkshire Wind Cooperative Corporation (Cooperative).

The Cooperative is organized under Chapters 157 and 164: Section 47C of the State of Massachusetts Statutes and constitutes a municipal lighting plant cooperative. The Cooperative was formed by Massachusetts Municipal Wholesale Electric Company (MMWEC) and 16 Municipal Light Departments (Members) for the purpose of financing, owning, constructing and operating wind generation facilities located on Brodie Mountain in the towns of Hancock and Lanesborough, Massachusetts (Berkshire Wind Facility).

The Cooperative provides wind energy to MMWEC pursuant to the Berkshire Wind Power Purchase Agreement dated May 21, 2008 between MMWEC and the Cooperative. Under this agreement, MMWEC entered into a Power Sales Contract with the Cooperative pursuant to which MMWEC has agreed to purchase 100% of the capacity and energy output and, to the extent uncommitted to any third party under existing agreements, associated environmental energy attributes of a wind power generating facility to be owned, constructed and operated by the Cooperative at the Berkshire Wind Facility.

The Berkshire Wind Facility is comprised of two Phases. Phase 1 is comprised of ten 1.5-megawatt wind turbines which have been commercially operating since 2011, and Phase 2 is comprised of two 2.3-megawatt wind turbines which began commercial operations in November 2019.

MMWEC sells all of the capability of the Berkshire Wind Facility (Capability) to the Members of the Cooperative (Members) under Power Purchase Agreements (PPAs). Among other things, the PPAs require each Cooperative Member to pay its pro rata share of the costs related to the Berkshire Wind Facility, which costs include debt service on the bonds issued by the Cooperative to finance the Berkshire Wind Facility and its pro rata share of the Operation and Maintenance (O&M) costs of the Berkshire Wind Facility. In addition, should a Cooperative Member fail to make any payment when due, other Cooperative Members may be required to increase (step-up) their payments and correspondingly their share of the Capability to an additional amount. Additionally, each Participant is unconditionally obligated to make all payments due to the Berkshire Wind Cooperative Corporation, whether or not the Berkshire Wind Facility is completed or operating, and notwithstanding the suspension or interruption of the output of the Berkshire Wind Facility.

The total capital expenditures, debt service and operation and maintenance (O&M) costs associated with the Plant's pro rata share of the Phases in which it participates for the years ended December 31, 2025 and 2024, respectively are listed in the table on the following page.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 18 - CONTINGENCIES AND LIABILITIES (Continued):

Berkshire Wind Cooperative Corporation Contingencies and Liabilities (continued)

Phase	Percentage Share	Total Capital Investment Inception Through 2025	Debt Service Billed 2025	Debt Service Billed 2024	Operations and Maintenance Billed 2025	Operations and Maintenance Billed 2024
Berkshire Phase 1	5.375%	\$ 2,990,947	\$ 260,264	\$ 260,264	\$ 187,322	\$ 221,046
Berkshire Phase 2	5.374%	877,701	44,545	44,545	47,671	48,055
Total		<u>\$ 3,868,648</u>	<u>\$ 304,809</u>	<u>\$ 304,809</u>	<u>\$ 234,993</u>	<u>\$ 269,101</u>

In addition, the estimated aggregate amount of the required payments for future years for the Plant's pro rata share of the Phases in which it participates is shown below.

Percentage Share		Total Phase 1 Debt Service 5.375%	Total Phase 2 Debt Service 5.30%	Total Berkshire Debt Service
For Years Ending December 31,	2026	\$ 260,318	\$ 44,545	\$ 304,863
	2027	260,210	44,545	304,755
	2028	260,123	44,545	304,668
	2029	260,163	44,545	304,708
	2030	130,088	44,545	174,633
	2031-2033	<u>0</u>	<u>311,636</u>	<u>311,636</u>
	Total	<u>\$ 1,170,902</u>	<u>\$ 534,361</u>	<u>\$ 1,705,263</u>

Other Power Supply

The Lighting Plant has entered into a Service Agreement with MMWEC, under which MMWEC performs bulk power supply services to the Lighting Plant, including services related to owned generation, purchased power contracts or other power supply arrangements.

Under the terms of the Service Agreement, the Lighting Plant is committed to purchasing additional power through MMWEC in future years for the amounts listed in the table below.

For the year ended December 31,	2026	\$ 1,018,891
	2027	301,991
	2028	298,217
	2029	297,402
	2030	1,484,732
	2031-2034	5,912,569
	2035-2039	6,920,428
	2040-2044	7,720,409
	2045-2049	<u>8,488,945</u>
	Total	<u>\$ 32,443,584</u>

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 18 - CONTINGENCIES AND LIABILITIES (Continued):

MMWEC Contingencies and Liabilities

Town of West Boylston acting through its Light Plant is a Participant in certain Projects of the Massachusetts Municipal Wholesale Electric Company (MMWEC).

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts, created as a means to develop a bulk power supply for its Members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance, electric facilities (Projects). MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC operates the Stony Brook Intermediate Project and the Stony Brook Peaking Project, both fossil-fueled power plants. MMWEC has the Nuclear Mix No 1 Project, Nuclear Project Three, Nuclear Project Four, Nuclear Project Five and Project Six, which comprise an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook, LLC and a 4.8% ownership interest in the Millstone Unit 3 nuclear unit, operated by Dominion Nuclear Connecticut, Inc. The operating license for Seabrook Station extends to March 15, 2050. The operating license for the Millstone Unit 3 nuclear unit extends to November 25, 2045.

The Light Department is also a Participant in the Northeast Reliability Center (formerly known as Project 2015A), a capacity reliability resource in Peabody, Massachusetts, which began commercial operations effective June 29, 2024. As of December 31, 2025, the Light Department has contributed \$256,676 for design and construction costs for the Northeast Reliability Center.

MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other utilities (Project Participants) under Power Sales Agreements (PSAs). The Light Department has entered into PSAs with MMWEC. Under the PSAs the Department is required to make certain payments to MMWEC payable solely from Municipal Light Department revenues. Among other things, the PSAs require each Project Participant to pay its pro rata share of MMWEC's costs related to the Project, which costs include debt service on the revenue bonds issued by MMWEC to finance the Project. In addition, should a Project Participant fail to make any payment when due, other Project Participants of that Project may be required to increase (step-up) their payments and correspondingly their Participant's share of that Project's Project Capability. Project Participants have covenanted to fix, revise and collect rates at least sufficient to meet their obligations under the PSAs. Each Participant is unconditionally obligated to make payments due to MMWEC whether or not the Project(s) is completed or operating and notwithstanding the suspension or interruption of the output of the Project(s).

Pursuant to the PSAs, the MMWEC Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which are funded through monthly Project billings, as needed. Also, the Millstone and Seabrook Project Participants are liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act (Act). Originally enacted in 1957, the Act has been renewed several times. In July 2005, as part of the Energy Policy Act of 2005, Congress extended the Act until the end of 2025.

MMWEC is involved in various legal actions. In the opinion of management, the outcome of such litigation or claims will not have a material adverse effect on the financial position of the company.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 18 - CONTINGENCIES AND LIABILITIES (Continued):

MMWEC Contingencies and Liabilities (continued)

The total capital expenditures and annual capacity, fuel and transmission costs (which include debt service and decommissioning expenses as discussed above), and amount of required debt service payments (if applicable) under the PSAs associated with the Department's Project Capability of the Projects in which it participates for the years ended December 31, 2025 and 2024, respectively are listed in the tables below.

<u>Projects</u>	<u>Percentage Share</u>	<u>Total Capital Investment Inception Through 2025</u>	<u>Capacity, Fuel, Transmission & Capital Cost Billed 2025</u>	<u>Capacity, Fuel, Transmission & Capital Cost Billed 2024</u>
Stony Brook Peaking	2.3041%	\$ 1,472,630	\$ 162,931	\$ 164,171
Stony Brook Int.	1.4135%	2,601,031	272,500	227,911
Nuclear Mix 1-SBK	1.3587%	145,143	8,609	7,105
Nuclear Mix 1-MLS	1.3587%	899,344	92,083	93,770
Nuclear Project 3-MLS	1.7956%	2,860,479	242,783	246,080
Nuclear Project 4-SBK	2.9080%	9,150,113	500,069	399,457
Nuclear Project 5-SBK	0.7204%	612,090	31,408	25,567
Project No. 6-SBK	0.7552%	4,364,255	179,491	144,129
Northeast Reliability Ctr	2.6290%	<u>2,260,287</u>	<u>283,330</u>	<u>234,696</u>
		<u>\$ 24,365,372</u>	<u>\$ 1,773,204</u>	<u>\$ 1,542,886</u>

<u>Year(s) Ended</u>	<u>Total Northeast Reliability Ctr Debt Service Share 3.06%</u>
2026	\$ 112,279
2027	112,255
2028	112,112
2029	111,986
2030	111,910
2031-2035	559,181
2036-2040	559,151
2041-2045	557,410
2046-2050	555,769
2051	<u>110,959</u>
Total	<u>\$ 2,903,012</u>

WEST BOYLSTON MUNICIPAL LIGHTING PLANT AND SUBSIDIARY
REQUIRED SUPPLEMENTARY INFORMATION
NET PENSION LIABILITY

OPERATING FUND

For the Year Ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarial Valuation Date	1/1/2024	1/1/2022	1/1/2022	1/1/2020	1/1/2020	1/1/2018	1/1/2018	1/1/2016	1/1/2016	1/1/2014
Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Schedule of the Department's Proportionate Share of the Net Pension Liability (NPL):										
Department's Portion of the NPL	0.3341%	0.3328%	0.3389%	0.3366%	0.3678%	0.3652%	0.3360%	0.3310%	0.3320%	0.3856%
Department's Proportionate Share of the NPL	\$ 3,550,221	\$ 3,483,959	\$ 3,484,433	\$ 2,833,812	\$ 3,267,911	\$ 3,250,391	\$ 3,046,520	\$ 2,699,151	\$ 3,271,998	\$ 2,737,718
Department's Total Employee Payroll	\$ 1,418,489	\$ 1,362,149	\$ 1,325,306	\$ 1,179,475	\$ 1,112,419	\$ 1,000,274	\$ 925,929	\$ 822,921	\$ 822,437	\$ 782,817
NPL as a Percentage of Total Employee Payroll	250.28%	255.77%	262.92%	240.26%	293.77%	324.95%	329.02%	328.00%	397.84%	349.73%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	52.70%	50.40%	48.19%	56.19%	50.30%	47.36%	43.05%	46.40%	42.00%	44.52%
Schedule of Contributions:										
Actuarially Determined Contributions	\$ 328,555	\$ 297,633	\$ 275,526	\$ 248,869	\$ 247,444	\$ 222,338	\$ 187,054	\$ 167,489	\$ 189,754	\$ 173,511
Contributions in Relation to the Actuarially Determined Contribution	328,555	297,633	275,526	248,869	247,444	222,338	187,054	167,489	189,754	173,511
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Department's Total Employee Payroll	\$ 1,418,489	\$ 1,362,149	\$ 1,325,306	\$ 1,179,475	\$ 1,112,419	\$ 1,000,274	\$ 925,929	\$ 822,921	\$ 822,437	\$ 782,817
Contributions as a Percentage of the Department's Total Employee Payroll	23.16%	21.85%	20.79%	21.10%	22.24%	22.23%	20.20%	20.35%	23.07%	22.16%

See Independent Auditors' Report

WEST BOYLSTON MUNICIPAL LIGHTING PLANT AND SUBSIDIARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY

OPERATING FUND & OPEB TRUST FUND

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:									
Service Cost	\$ 52,696	\$ 42,805	\$ 49,031	\$ 47,324	\$ 36,531	\$ 34,202	\$ 13,317	\$ 12,744	\$ 16,317
Interest	127,802	119,986	108,838	97,242	97,244	82,512	78,728	93,715	91,592
Changes in Benefit Terms	0	0	0	(228,384)	0	0	0	0	0
Differences between Expected and Actual Experience	0	174,340	0	109,386	0	(16,123)	0	(241,256)	0
Changes of Assumptions	(88,708)	45,039	(188,694)	350,351	159,068	480,134	0	0	0
Benefit Payments	(103,220)	(95,561)	(79,077)	(78,704)	(65,624)	(59,230)	(65,599)	(65,599)	(86,095)
Net Change in Total OPEB Liability	(11,430)	286,609	(109,902)	297,215	227,219	521,495	26,446	(200,396)	21,814
Total OPEB Liability - Beginning	2,317,680	2,031,071	2,140,973	1,843,758	1,616,539	1,095,044	1,068,598	1,268,994	1,247,180
Total OPEB Liability - Ending	<u>\$ 2,306,250</u>	<u>\$ 2,317,680</u>	<u>\$ 2,031,071</u>	<u>\$ 2,140,973</u>	<u>\$ 1,843,758</u>	<u>\$ 1,616,539</u>	<u>\$ 1,095,044</u>	<u>\$ 1,068,598</u>	<u>\$ 1,268,994</u>
Plan Fiduciary Net Position:									
Contributions-Employer	\$ 163,220	\$ 95,561	\$ 79,077	\$ 138,704	\$ 125,624	\$ 119,230	\$ 122,823	\$ 62,755	\$ 81,222
Net Investment Income	181,514	151,809	151,676	(191,581)	154,757	195,479	47,784	63,705	75,047
Benefit Payments	(103,220)	(95,561)	(79,077)	(78,704)	(65,624)	(59,230)	(61,262)	(61,262)	(79,889)
Administrative Expenses	0	0	0	0	0	0	(1,562)	(1,493)	(1,333)
Net Change in Plan Fiduciary Net Position	241,514	151,809	151,676	(131,581)	214,757	255,479	107,783	63,705	75,047
Plan Fiduciary Net Position - Beginning	1,529,006	1,377,197	1,225,521	1,357,102	1,142,345	886,866	779,083	715,378	640,331
Plan Fiduciary Net Position - Ending	<u>\$ 1,770,520</u>	<u>\$ 1,529,006</u>	<u>\$ 1,377,197</u>	<u>\$ 1,225,521</u>	<u>\$ 1,357,102</u>	<u>\$ 1,142,345</u>	<u>\$ 886,866</u>	<u>\$ 779,083</u>	<u>\$ 715,378</u>
Net OPEB Liability - Ending	<u>\$ 535,730</u>	<u>\$ 788,674</u>	<u>\$ 653,874</u>	<u>\$ 915,452</u>	<u>\$ 486,656</u>	<u>\$ 474,194</u>	<u>\$ 208,178</u>	<u>\$ 289,515</u>	<u>\$ 553,616</u>

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, OPEB plans should present information for those years for which information is available.

See Independent Auditors' Report

WEST BOYLSTON MUNICIPAL LIGHTING PLANT AND SUBSIDIARY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF NET OPEB LIABILITY, EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS

OPERATING FUND & OPEB TRUST FUND

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Schedules of Net OPEB Liability:									
Total OPEB Liability	\$ 2,306,250	\$ 2,317,680	\$ 2,031,071	\$ 2,140,973	\$ 1,843,758	\$ 1,616,539	\$ 1,095,044	\$ 1,068,598	\$ 1,268,994
Plan Fiduciary Net Position	<u>1,770,520</u>	<u>1,529,006</u>	<u>1,377,197</u>	<u>1,225,521</u>	<u>1,357,102</u>	<u>1,142,345</u>	<u>886,866</u>	<u>779,083</u>	<u>715,378</u>
Net OPEB Liability	<u>\$ 535,730</u>	<u>\$ 788,674</u>	<u>\$ 653,874</u>	<u>\$ 915,452</u>	<u>\$ 486,656</u>	<u>\$ 474,194</u>	<u>\$ 208,178</u>	<u>\$ 289,515</u>	<u>\$ 553,616</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	76.77%	65.97%	67.81%	57.24%	73.61%	70.67%	80.99%	72.91%	56.37%
Covered Payroll	\$ 1,387,735	\$ 1,347,316	\$ 1,065,303	\$ 1,034,275	\$ 1,024,683	\$ 994,838	\$ 851,724	\$ 822,921	\$ 822,437
Net OPEB Liability as a Percentage of Covered Payroll	38.60%	58.54%	61.38%	88.51%	47.49%	47.67%	24.44%	35.18%	67.31%
Schedules of Employer Contributions:									
Actuarially Determined Contributions	\$ 78,498	\$ 79,281	\$ 80,783	\$ 87,397	\$ 58,339	\$ 57,446	\$ 62,824	\$ 62,755	\$ 81,222
Contributions in relation to the actuarially determined contribution	<u>(163,220)</u>	<u>(95,561)</u>	<u>(79,077)</u>	<u>(138,704)</u>	<u>(125,624)</u>	<u>(119,230)</u>	<u>(127,161)</u>	<u>(67,092)</u>	<u>(87,428)</u>
Contribution Deficiency (Excess)	<u>\$ (84,722)</u>	<u>\$ (16,280)</u>	<u>\$ 1,706</u>	<u>\$ (51,307)</u>	<u>\$ (67,285)</u>	<u>\$ (61,784)</u>	<u>\$ (64,337)</u>	<u>\$ (4,337)</u>	<u>\$ (6,206)</u>
Covered Payroll	\$ 1,387,735	\$ 1,347,316	\$ 1,065,303	\$ 1,034,275	\$ 1,024,683	\$ 994,838	\$ 851,724	\$ 822,921	\$ 822,437
Contributions as a percentage of covered payroll	11.76%	7.09%	7.42%	13.41%	12.26%	11.98%	14.93%	8.15%	10.63%
Schedules of Investment Returns:									
Annual Money-Weighted rate of Return, net of investment expenses	11.50%	11.02%	12.38%	-13.70%	12.98%	21.00%	18.59%	-4.38%	14.66%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, OPEB plans should present information for those years for which information is available.

See Independent Auditors' Report

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025 AND 2024

OPERATING FUND & OPEB TRUST FUND

NOTE A - NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY:

Changes in Assumptions

The discount rate was increased from 5.51% for the year ended December 31, 2024 to 5.85% for the year ended December 31, 2025.

NOTE B - NET PENSION LIABILITY:

Changes in Assumptions

All Actuarial Assumptions and Methods used in these disclosures are the same as the last measurement date.

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
SCHEDULES OF ELECTRIC OPERATING AND MAINTENANCE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

OPERATING FUND

	2025	2024
POWER PRODUCTION EXPENSES:		
Purchased Power	\$ 4,238,357	\$ 3,797,669
Transmission and Other Purchased Power Charges	1,884,360	1,537,464
TOTAL POWER PRODUCTION EXPENSES	6,122,717	5,335,133
DISTRIBUTION EXPENSES:		
Operation Labor	68,613	64,611
Miscellaneous Distribution Expense	7,132	11,511
Line Expenses	269,589	213,000
Maintenance Expense	596,082	636,380
Supplies Expense	12,463	38,447
TOTAL DISTRIBUTION EXPENSES	953,879	963,949
CUSTOMER ACCOUNTS:		
Customer Accounting and Collection	227,824	223,492
Meter Reading Expenses	15,225	15,998
Uncollectible Accounts	3,951	2,746
TOTAL CUSTOMER ACCOUNTS	247,000	242,236
GENERAL AND ADMINISTRATIVE EXPENSES:		
Administrative and General Salaries	260,188	395,514
Office Supplies and Expenses	96,071	109,257
Outside Services Employed	132,964	143,916
Injury and Damage Insurance	116,440	86,279
Employees Pensions and Benefits	744,177	815,787
Dues, Meetings, and Other General Expenses	277,984	323,178
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	1,627,824	1,873,931
TOTAL OPERATING AND MAINTENANCE EXPENSES	\$ 8,951,420	\$ 8,415,249

See Independent Auditors' Report

WEST BOYLSTON MUNICIPAL LIGHTING PLANT
SCHEDULES OF SALES OF ELECTRICITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

OPERATING FUND

	Net Revenues			Kilowatt Hours Sold			Net Revenue Per Kilowatt Hours Sold	
	2025	2024	Increases (Decreases)	2025	2024	Increases (Decreases)	2025	2024
Sales of Electricity								
Residential Sales	\$ 4,427,268	\$ 3,927,024	\$ 500,244	29,372,499	27,987,799	1,384,700	\$ 0.1507	\$ 0.1403
Commercial Sales	3,479,952	3,271,873	208,079	20,809,786	20,029,472	780,314	0.1672	0.1634
Industrial Sales	1,231,968	1,197,035	34,933	8,070,683	7,884,162	186,521	0.1526	0.1518
Private Lighting	75,412	75,226	186	220,300	221,147	(847)	0.3423	0.3402
Total Private Customers	<u>9,214,600</u>	<u>8,471,158</u>	<u>743,442</u>	<u>58,473,268</u>	<u>56,122,580</u>	<u>2,350,688</u>	<u>0.1576</u>	<u>0.1509</u>
Municipal Sales								
Street Lighting	33,264	28,278	4,986	235,794	239,180	(3,386)	0.1411	0.1182
Municipal Buildings	413,798	389,881	23,917	2,415,048	2,317,469	97,579	0.1713	0.1682
Total Municipal Sales	<u>447,062</u>	<u>418,159</u>	<u>28,903</u>	<u>2,650,842</u>	<u>2,556,649</u>	<u>94,193</u>	<u>0.1686</u>	<u>0.1636</u>
Total Sales of Electricity	<u>\$ 9,661,662</u>	<u>\$ 8,889,317</u>	<u>\$ 772,345</u>	<u>61,124,110</u>	<u>58,679,229</u>	<u>2,444,881</u>	<u>\$ 0.1581</u>	<u>\$ 0.1515</u>

See Independent Auditors' Report