



**FINANCIAL REPORT
(Reviewed)**

June 30, 2022

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REVIEW
REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors
Blue Ridge Power Agency
Salem, Virginia

We have reviewed the accompanying financial statements of Blue Ridge Power Agency (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Blue Ridge Power Agency to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The June 30, 2022 supplementary information as listed in the table of contents 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 financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Report on June 30, 2021 Financial Statements and Summarized Comparative Information

The June 30, 2021 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated January 21, 2022. In addition, the June 30, 2021 supplementary information contained in the supplementary information was subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole. We have not performed any auditing procedures on either the financial statements or on the supplementary information since January 21, 2022.

Harris Harvey Neal & Co. LLP

Danville, Virginia
February 15, 2023

BLUE RIDGE POWER AGENCY

STATEMENT OF FINANCIAL POSITION

June 30, 2022

(With Comparative Totals for June 30, 2021)

See Independent Accountants' Review Report

	<u>Reviewed</u>	<u>Audited</u>
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 355,112	\$ 351,633
Accounts and members' receivables	94,808	167,065
Deferred charges - APPA member dues	-	47,215
Prepaid expenses	4,736	5,008
Total current assets	<u>454,656</u>	<u>570,921</u>
NON CURRENT ASSETS		
Capital assets, net	4,075	11,496
Total non current assets	<u>4,075</u>	<u>11,496</u>
Total assets	<u>\$ 458,731</u>	<u>\$ 582,417</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable - projects	\$ 83,433	\$ 77,639
Accounts payable - other	1,736	5,761
Accounts payable - APPA member dues	-	47,215
Accounts payable - SeFPC member dues	1,017	957
Payroll taxes, benefits and other accruals	12,404	22,934
Deferred members' support	-	47,215
Total current liabilities	<u>98,590</u>	<u>201,721</u>
Total liabilities	<u>98,590</u>	<u>201,721</u>
NET ASSETS		
Without donor restrictions		
General	298,403	331,012
Board designated - members' future support	41,617	30,563
Board designated - capital assets replacement/expenditure	20,121	19,121
Total net assets	<u>360,141</u>	<u>380,696</u>
Total liabilities and net assets	<u>\$ 458,731</u>	<u>\$ 582,417</u>

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

BLUE RIDGE POWER AGENCY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2022

(With Comparative Totals for the Year Ended June 30, 2021)

See Independent Accountants' Review Report

	Reviewed			Audited	
	Without donor restrictions				
	General	Members' Future Support	Capital Assets	TOTALS	
			Replacement/ Expenditure	2022	2021
Revenues, gains, losses, and other support:					
Projects revenues	\$ 889,973	\$ -	\$ -	\$ 889,973	\$ 756,737
Dues and support	266,343	-	-	266,343	216,919
Interest income	520	-	-	520	1,728
Miscellaneous income	489	-	-	489	8,692
	<u>1,157,325</u>	<u>-</u>	<u>-</u>	<u>1,157,325</u>	<u>984,076</u>
Net assets released from Designation	<u>30,563</u>	<u>(30,563)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains, losses, and other support	<u>1,187,888</u>	<u>(30,563)</u>	<u>-</u>	<u>1,157,325</u>	<u>984,076</u>
Expenses:					
Program costs	<u>889,973</u>	<u>-</u>	<u>-</u>	<u>889,973</u>	<u>756,737</u>
Total program costs	<u>889,973</u>	<u>-</u>	<u>-</u>	<u>889,973</u>	<u>756,737</u>
Supporting services					
Administrative and general	<u>245,300</u>	<u>-</u>	<u>-</u>	<u>245,300</u>	<u>248,866</u>
Total supporting services	<u>245,300</u>	<u>-</u>	<u>-</u>	<u>245,300</u>	<u>248,866</u>
Total expenses	<u>1,135,273</u>	<u>-</u>	<u>-</u>	<u>1,135,273</u>	<u>1,005,603</u>
Excess (deficit) of revenues, gains, losses, and other support over (under) expenses	52,615	(30,563)	-	22,052	(21,527)
Other changes in net assets					
Board designation for					
Capital assets replacement	(1,000)	-	1,000	-	-
Members' future support	(41,617)	41,617	-	-	-
Changes in net assets	9,998	11,054	1,000	22,052	(21,527)
Net assets, beginning of year	331,012	30,563	19,121	380,696	359,617
Prior period adjustment	(42,607)	-	-	(42,607)	42,606
Net assets, end of year	<u>\$ 298,403</u>	<u>\$ 41,617</u>	<u>\$ 20,121</u>	<u>\$ 360,141</u>	<u>\$ 380,696</u>

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

BLUE RIDGE POWER AGENCY

STATEMENT OF CASH FLOWS

Year Ended June 30, 2022

(With Comparative Totals for the Year Ended June 30, 2021)

See Independent Accountants' Review Report

	Reviewed 2022	Audited 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 22,052	\$ (21,527)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	7,421	6,832
Changes in		
Accounts and members' receivables	72,257	(10,687)
Prepaid expenses and deferred charges	47,487	44,624
Accounts payable and accruals	(98,523)	(21,749)
Deferred members' support	(47,215)	2,476
Net cash provided by (used in) operating activities	<u>3,479</u>	<u>(31)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	<u>-</u>	<u>(2,526)</u>
Net cash (used in) investing activities	<u>-</u>	<u>(2,526)</u>
Net increase (decrease) in cash and cash equivalents	3,479	(2,557)
Cash and Cash Equivalents:		
Beginning of year	<u>351,633</u>	<u>354,190</u>
End of year	<u><u>\$ 355,112</u></u>	<u><u>\$ 351,633</u></u>

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

BLUE RIDGE POWER AGENCY
NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Nature of Activities

Blue Ridge Power Agency (the Agency) is a cooperative effort of six (6) municipalities, two (2) cooperatives, and one (1) state agency. The Agency is engaged in projects and initiatives relating to the planning for and securing of wholesale electric power and transmission services and related advocacy activities within the utility industry as well as federal and state legislatures including applicable regulatory agencies of the federal and state governments. The Agency is a nonprofit organization exempt from federal income taxes under Section 501(c)(12) of the *Internal Revenue Code* and has been classified as an organization that is not a private foundation under Section 509(a)(2) of the *Internal Revenue Code*. However, contributions are not deductible by donors under Section 170(c) (2) of the Code.

Note 2. Summary of Significant Accounting Policies

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and substantially in conformity with the Federal Energy Regulatory Commission's Uniform System of Accounts.

The Agency prepares its financial statements in accordance with the Financial Accounting Standards Board (FASB), *Accounting Standards Codification (ASC) Topic 958 Not-For-Profit Entities*. The Agency reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions net assets and with donor restriction net assets. A description of net asset categories follows:

Without Donor Restrictions Net Assets - Represent resources that are not subject to any donor-imposed restrictions and which the Agency's Board of Directors has discretionary control in using to carry out operations of the Agency in accordance with its bylaws. An increase in net assets without donor restrictions represents the excess of total revenue without donor restrictions, gains, and other support over program and administrative expenses; whereas a decrease in net assets without donor restrictions represents the excess of program and administrative expenses over revenue without donor restrictions, gains, and other support.

With Donor Restrictions Net Assets - Represent resources that are subject to donor-imposed restrictions that can be met either by actions of the Agency and/or the passage of time. There are no net assets with donor restrictions for the years ended June 30, 2022 and 2021.

Use of estimates:

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

BLUE RIDGE POWER AGENCY
NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents:

For purposes of the Statements of Cash Flows, the Agency considers all highly liquid investments which are readily convertible into cash to be cash equivalents.

Capital assets:

Acquisitions of capital assets in excess of \$500 are capitalized. Capital assets are recorded at cost. Depreciation, for financial reporting purposes, is computed principally using the straight-line method over the estimated useful lives of the assets as determined by management. At the discretion of the Agency's Board of Directors, funds may be designated up to the amount of the current year's depreciation expense to provide funding for future capital asset acquisitions and replacements. For the fiscal year June 30, 2022, \$1,000 was designated by the Board of Directors. For the fiscal year June 30, 2021, \$1,000 was designated and \$2,558 was paid out.

Income tax status:

The Agency is exempt from federal income taxes under Section 501(c)(12) of the *Internal Revenue Code*. There is no unrelated business income which would be subject to taxation; and therefore there is no provision for income taxes. The Agency believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Agency's Federal Exempt Organization Tax Returns (Form 990) for fiscal years ended in 2021, 2020, and 2019 are open to examination by the IRS and generally remain open for three years after they are filed. However, the Agency is not currently under audit nor has the Agency been contacted by any jurisdiction.

Comparative financial information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassification of prior year presentation:

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

BLUE RIDGE POWER AGENCY
NOTES TO FINANCIAL STATEMENTS

Note 3. Concentration of Credit Risk

As of June 30, 2022 and 2021, the Agency had cash deposits on hand in various financial institutions of \$355,112 and \$351,633, respectively. There were no balances held in excess of U.S. Federal Deposit Insurance Corporation (FDIC) coverage as of June 30, 2022 and 2021.

Note 4. Accounts and Members' Receivables

The majority of all significant accounts receivable are due from medium sized municipalities, a state institution, and cooperatives. Due to the low credit risk associated with these entities, management believes all accounts receivable are fully collectable. Accounts receivable at June 30, 2022 and 2021 consisted of the following:

	2022	2021
Accounts receivable - members projects	\$ 84,915	\$ 115,183
Accounts receivable - nonmembers projects	3,345	4,384
Accounts receivable - other	5,531	-
Accounts receivable - APPA dues	-	47,215
Accounts receivable - SeFPC dues	1,017	283
	\$ 94,808	\$ 167,065

Note 5. Capital Assets

Capital assets as of June 30, 2022 and 2021, on the statement of financial position at cost less accumulated depreciation, included the following major classifications:

	2022	2021
Office furniture and fixtures	\$ 9,907	\$ 10,650
Office equipment	6,786	6,786
Computer equipment	9,663	9,663
Vehicle	23,663	23,663
Safety demo equipment	4,497	4,497
Communication equipment	1,015	1,015
	55,531	56,274
Less accumulated depreciation	(51,456)	(44,778)
	\$ 4,075	\$ 11,496

Depreciation expense for the years ended June 30, 2022 and 2021 totaled \$7,421 and \$6,832, respectively.

BLUE RIDGE POWER AGENCY
NOTES TO FINANCIAL STATEMENTS

Note 6. Board Designated - Members' Future Support

The Board of Directors of the Agency adopted a financial policy in which a consultancy billing rate is applied to the Agency's General Manager's time spent on various projects for members of the Agency. The General Manager's consultancy rate multiplied by the time units spent on these projects as well as actual related travel and other expenses are billed monthly to the members during the fiscal year. The Board of Directors further directed that such funds should be designated as support for members' dues that may be incurred in the following fiscal year. For the years ended June 30, 2022 and 2021, the amount of time charges and actual expenses billed to the members and designated for future support was \$41,617 and \$30,563, respectively.

Note 7. Retirement Savings Plan

The Agency has a Defined Contribution Employee Benefit Plan and a Salary Reduction Retirement Plan under Section 401(k) of the Internal Revenue Code that is offered to all employees. The Board of Directors, at its discretion, may contribute a percentage of a participating employee's salary to the Plan. The contribution by the Board of Directors for the years ended June 30, 2022 and 2021 was approximately \$17,436 and \$16,691, respectively.

Note 8. Subsequent Events – Management Review

The Agency must disclose the date through which subsequent events have been evaluated in accordance with the requirements of the Financial Accounting Standards Board. In regard to these financial statements and the notes to these financial statements, the Agency has evaluated all subsequent events through February 15, 2023, the date the Agency's financial statements are available to be issued.

Note 9. Liquidity and Availability of Financial Assets

The following reflects the Agency's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or Board-imposed restrictions within one year of such date. Board-restricted amounts that are available for use within one year for general purposes include the Board designation of members' support for future periods.

	<u>2022</u>	<u>2021</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 355,112	\$ 351,633
Accounts and member receivables	<u>94,808</u>	<u>167,065</u>
	449,920	518,698
Less those unavailable for general expenditures within one year, due to:		
Board-designated capital assets replacement/expenditure	<u>20,121</u>	<u>19,121</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 429,799</u>	<u>\$ 499,577</u>

BLUE RIDGE POWER AGENCY

SCHEDULE OF PROJECTS REVENUES AND COSTS
OF PROJECTS REVENUES

Year Ended June 30, 2022

(With Comparative Totals for June 30, 2021)

See Independent Accountants' Review Report

	2022	2021
Projects revenues		
Project 48.00 - TAPS Advocacy Services	\$ 3,950	\$ 3,500
Project 60.05 - PJM Annual Membership Dues	5,000	5,000
Project 61.00 - PJM Public Power Coalition (CES)	10,164	9,432
Project 69.01 - APCo 20-year PSAs - Bill/Invoice Verification	7,051	9,941
Project 69.02 - APCo 20-year PSAs - Annual True-Up, Verify/Audit	8,017	3,662
Project 70.02 - AMP MSAs/PSAs	186,510	181,078
Project 86.00 - AEP-Blue Ridge ILDSA Support Services	4,305	-
Project 91.00 - PJM Market and/or Rate Issues	18,622	2,302
Project 104.00 - AEP East-OPCo & APCo-TRANSCo Formula Rate Issues	49,270	12,700
Project 104.20 - AEP-Algonquin Transaction	17,225	-
Project 110.00 - APCo Formula Rate Contract Evaluation	175,417	319,513
Project 116.00 - FERC NOPR Comments	-	86
Project 118.00 - PJM NRBTMG Services	-	147
Project 125.00 - REC Sales	-	385
Project 130.00 - Pole Attachment Contract	-	5,675
Project 135.00 - Battery RFP	211,056	-
Project 901.00 - Bedford - Small/One-Time Project	158	980
Project 901.06 - Bedford - Small/One-Time Project - Hydro Issues	193	-
Project 906.00 - Martinsville - Small/One-Time Project	245	8,749
Project 906.02 - Martinsville - Cost of Service & Retail Rate Study	16,883	-
Project 906.09 - Martinsville - Solar Project	35,379	78,151
Project 906.10 - Martinsville - Battery Project	14,313	17,378
Project 906.11 - Martinsville - Comcast Agreement	-	200
Project 907.00 - Radford - Small and/or One-Time Projects	7,917	10,463
Project 907.10 - Radford - Small/One-Time Project: Power Supply	26,092	-
Project 908.00 - Richlands - Small/One-Time Project	4,040	4,067
Project 908.03 - Richlands - Attend Town Council meeting for power supply briefing	-	3,925
Project 908.05 - Richlands - Cost of Service & Retail Rate Study	5,843	36,540
Project 910.00 - VA Tech - Small and/or One-Time Project	6,471	12,300
Project 910.04 - VA Tech - Cost of Service & Retail Rate Study	34,235	-
Subtotal - project revenues - outside services	848,356	726,174
General manager's consultancy fees	41,617	30,563
Total projects revenues	889,973	756,737
Cost of projects revenues		
Engineering consultant	(697,913)	(620,364)
Legal fees	(131,329)	(87,878)
TAPS	(3,950)	(3,500)
PJM annual dues	(5,000)	(5,000)
PJM public power coalition	(10,164)	(9,432)
Subtotal - costs of projects revenues	(848,356)	(726,174)
General manager's consultancy fees	(41,617)	(30,563)
Total costs of projects revenues	(889,973)	(756,737)
Net projects revenues in excess of costs of projects revenues	\$ -	\$ -

BLUE RIDGE POWER AGENCY

SCHEDULE OF DUES AND SUPPORT

Year Ended June 30, 2022

(With Comparative Totals for June 30, 2021)

See Independent Accountants' Review Report

	<u>2022</u>	<u>2021</u>
Dues - Bedford	\$ 25,853	\$ 21,012
Dues - CBEC	18,241	7,374
Dues - Central Virginia Electric Co-op	64,280	53,128
Dues - Front Royal	23,832	20,704
Dues - Martinsville	23,577	20,137
Dues - Radford	23,778	20,805
Dues - Richlands	16,063	13,773
Dues - Salem	37,416	31,484
Dues - Virginia Polytechnic Institute and State University	<u>33,303</u>	<u>28,502</u>
Total dues and support	<u>\$ 266,343</u>	<u>\$ 216,919</u>

BLUE RIDGE POWER AGENCY

SCHEDULE OF ADMINISTRATIVE AND GENERAL EXPENSES

Year Ended June 30, 2022

(With Comparative Totals for June 30, 2021)

See Independent Accountants' Review Report

	2022	2021
Accounting and auditing	\$ 21,375	\$ 9,520
Administrative and general salaries	162,718	179,501
Agency meeting expenses/seminars	2,408	726
Bank charges	396	396
Bond, theft insurance	440	609
Books and subscriptions	467	327
Computer software expense	885	326
Depreciation expense	7,421	6,832
Dues and assessments	700	950
Employee benefits	45,477	44,693
Engineering consultant	1,293	-
Insurance	1,847	1,676
Legal consultant	2,433	315
Lobbying - GM	1,772	202
Miscellaneous general expense	650	31
Office equipment < \$500	201	-
Office supplies	1,183	968
Other consultant	75	-
Other office expense	612	967
Other services - bookkeeping	6,338	7,091
Other services - cloud service	1,717	1,611
Payroll taxes	12,655	12,624
Postage, printing, copy	951	1,277
Project related communications	8	141
Regulatory commission expenses	25	25
Repairs and maintenance - equipment	25	-
Telephone, fax, internet	1,594	3,124
Travel - admin. assistant	404	-
Travel - GM	6,180	2,076
Travel project related - GM	1,110	672
Vehicles expenses	3,557	2,749
	<hr/>	<hr/>
Total administrative and general expenses before allocation of expenses to general manager's consultancy fees - projects	286,917	279,429
Salaries and travel expenses allocated to general manager's consultancy fees	(41,617)	(30,563)
	<hr/>	<hr/>
	\$ 245,300	\$ 248,866
	<hr/>	<hr/>

BLUE RIDGE POWER AGENCY

SCHEDULE OF CHANGES IN NET ASSETS - BOARD DESIGNATED
MEMBERS' FUTURE SUPPORT

Years Ended June 30, 2022 and 2021
See Independent Accountants' Review Report

Beginning Balance - July 1, 2020	\$ 44,381
Board designation of without donor restrictions net assets for members' future support	30,563
Transfer of funds from board designated capital assets to general funds	<u>(44,381)</u>
Ending Balance - June 30, 2021	30,563
Board designation of without donor restrictions net assets for members' future support	41,617
Transfer of funds from board designated capital assets to general funds	<u>(30,563)</u>
Ending Balance - June 30, 2022	<u>\$ 41,617</u>

BLUE RIDGE POWER AGENCY

SCHEDULE OF CHANGES IN NET ASSETS - BOARD DESIGNATED
CAPITAL ASSETS REPLACEMENT/EXPENDITURE

Years Ended June 30, 2022 and 2021
See Independent Accountants' Review Report

Beginning Balance - July 1, 2020	\$	20,679
Board designation of net assets for capital assets replacement/expenditure		<u>(1,558)</u>
Ending Balance - June 30, 2021		19,121
Board designation of net assets for capital assets replacement/expenditure		<u>1,000</u>
Ending Balance - June 30, 2022	\$	<u><u>20,121</u></u>