



**FINANCIAL REPORT  
(Reviewed)**

**June 30, 2023**

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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, 2023, 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, 2023 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.

### **Summarized Comparative Information**

We previously reviewed Blue Ridge Power Agency's June 30, 2022 financial statements and in our conclusion dated February 15, 2023, stated that based on our review, we were not aware of any material modifications that should be made to the June 30, 2022 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2022, for it to be consistent with the reviewed financial statements from which it has been derived.

*Harris Harvey Neal & Co. LLP*

Danville, Virginia  
November 8, 2023

BLUE RIDGE POWER AGENCY

STATEMENT OF FINANCIAL POSITION

June 30, 2023

(With Comparative Totals for June 30, 2022)

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 373,774	\$ 355,112
Accounts and members' receivables	188,521	94,808
Prepaid expenses	5,506	4,736
Total current assets	567,801	454,656
<b>NON CURRENT ASSETS</b>		
Capital assets, net	650	4,075
Total non current assets	650	4,075
Total assets	\$ 568,451	\$ 458,731
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable - projects	\$ 172,033	\$ 83,433
Accounts payable - other	3,530	1,736
Accounts payable - SeFPC member dues	668	1,017
Payroll taxes, benefits and other accruals	13,422	12,404
Total current liabilities	189,653	98,590
Total liabilities	189,653	98,590
<b>NET ASSETS</b>		
Without donor restrictions		
General	300,592	298,403
Board designated - members' future support	57,085	41,617
Board designated - capital assets replacement/expenditure	21,121	20,121
Total net assets	378,798	360,141
Total liabilities and net assets	\$ 568,451	\$ 458,731

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, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	Without donor restrictions			TOTALS	
	General	Members' Future Support	Capital Assets	2023	2022
			Replacement/ Expenditure		
Revenues, gains, losses, and other support:					
Projects revenues	\$ 1,078,094	\$ -	\$ -	\$ 1,078,094	\$ 889,973
Dues and support	272,603	-	-	272,603	266,343
Interest income	2,712	-	-	2,712	520
Miscellaneous income	393	-	-	393	489
	<u>1,353,802</u>	<u>-</u>	<u>-</u>	<u>1,353,802</u>	<u>1,157,325</u>
Net assets released from Designation	41,617	(41,617)	-	-	-
Total revenues, gains, losses, and other support	<u>1,395,419</u>	<u>(41,617)</u>	<u>-</u>	<u>1,353,802</u>	<u>1,157,325</u>
Expenses:					
Program costs	1,078,094	-	-	1,078,094	889,973
Total program costs	<u>1,078,094</u>	<u>-</u>	<u>-</u>	<u>1,078,094</u>	<u>889,973</u>
Supporting services					
Administrative and general	257,051	-	-	257,051	245,300
Total supporting services	<u>257,051</u>	<u>-</u>	<u>-</u>	<u>257,051</u>	<u>245,300</u>
Total expenses	<u>1,335,145</u>	<u>-</u>	<u>-</u>	<u>1,335,145</u>	<u>1,135,273</u>
Excess (deficit) of revenues, gains, losses, and other support over (under) expenses	60,274	(41,617)	-	18,657	22,052
Other changes in net assets					
Board designation for					
Capital assets replacement	(1,000)	-	1,000	-	-
Members' future support	<u>(57,085)</u>	<u>57,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	2,189	15,468	1,000	18,657	22,052
Net assets, beginning of year	298,403	41,617	20,121	360,141	380,696
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,607)</u>
Net assets, end of year	<u>\$ 300,592</u>	<u>\$ 57,085</u>	<u>\$ 21,121</u>	<u>\$ 378,798</u>	<u>\$ 360,141</u>

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

BLUE RIDGE POWER AGENCY

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 18,657	\$ 22,052
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	3,425	7,421
Changes in		
Accounts and members' receivables	(93,713)	72,257
Prepaid expenses and deferred charges	(770)	47,487
Accounts payable and accruals	91,063	(98,523)
Deferred members' support	-	(47,215)
Net cash provided by operating activities	<u>18,662</u>	<u>3,479</u>
Net increase in cash and cash equivalents	18,662	3,479
Cash and Cash Equivalents:		
Beginning of year	<u>355,112</u>	<u>351,633</u>
End of year	<u><u>\$ 373,774</u></u>	<u><u>\$ 355,112</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, 2023 and 2022.

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 to provide funding for future capital asset acquisitions and replacements. For each of the fiscal years June 30, 2023 and 2022, \$1,000 was designated by the Board of Directors.

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 2022, 2021, and 2020 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, 2022, from which the summarized information was derived.

Note 3. Concentration of Credit Risk

As of June 30, 2023 and 2022, the Agency had cash deposits on hand in various financial institutions of \$373,774 and \$355,112, respectively. There were no balances held in excess of U.S. Federal Deposit Insurance Corporation (FDIC) coverage as of June 30, 2023 and 2022.

BLUE RIDGE POWER AGENCY  
NOTES TO FINANCIAL STATEMENTS

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, 2023 and 2022 consisted of the following:

	2023	2022
Accounts receivable - members projects	\$ 168,469	\$ 84,915
Accounts receivable - nonmembers projects	8,955	3,345
Accounts receivable - other	424	5,531
Accounts receivable - members dues	10,005	-
Accounts receivable - SeFPC dues	668	1,017
	\$ 188,521	\$ 94,808

Note 5. Capital Assets

Capital assets as of June 30, 2023 and 2022, on the statement of financial position at cost less accumulated depreciation, included the following major classifications:

	2023	2022
Office furniture and fixtures	\$ 9,907	\$ 9,907
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	55,531
Less accumulated depreciation	(54,881)	(51,456)
	\$ 650	\$ 4,075

Depreciation expense for the years ended June 30, 2023 and 2022 totaled \$3,425 and \$7,421, 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, 2023 and 2022, the amount of time charges and actual expenses billed to the members and designated for future support was \$57,085 and \$41,617, 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, 2023 and 2022 was approximately \$16,949 and \$17,436, 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 November 8, 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>2023</u>	<u>2022</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 373,774	\$ 355,112
Accounts and member receivables	<u>188,521</u>	<u>94,808</u>
	562,295	449,920
Less those unavailable for general expenditures within one year, due to:		
Board-designated capital assets replacement/expenditure	<u>21,121</u>	<u>20,121</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 541,174</u>	<u>\$ 429,799</u>

BLUE RIDGE POWER AGENCY

SCHEDULE OF PROJECTS REVENUES AND COSTS  
OF PROJECTS REVENUES  
Year Ended June 30, 2023  
(With Comparative Totals for the Year Ended June 30, 2022)

	2023	2022
Projects revenues		
Project 48.00 - TAPS Advocacy Services	\$ 4,400	\$ 3,950
Project 60.01 - PJM Transmission Service Agreement	1,628	-
Project 60.05 - PJM Annual Membership Dues	5,000	5,000
Project 61.00 - PJM Public Power Coalition (CES)	11,080	10,164
Project 69.01 - APCo 20-year PSAs - Bill/Invoice Verification	3,516	7,051
Project 69.02 - APCo 20-year PSAs - Annual True-Up, Verify/Audit	30,082	8,017
Project 70.02 - AMP MSAs/PSAs	96,828	186,510
Project 86.00 - AEP-Blue Ridge ILDSA Support Services	630	4,305
Project 91.00 - PJM Market and/or Rate Issues	7,928	18,622
Project 104.00 - AEP East-OPCo & APCo-TRANSCo Formula Rate Issues	81,942	49,270
Project 104.20 - AEP-Algonquin Transaction	7,811	17,225
Project 110.00 - APCo Formula Rate Contract Evaluation	24,289	175,417
Project 135.00 - Battery RFP	314,555	211,056
Project 140.00 - Power Supply Planning Services	224,577	-
Project 145.00 - APCO Mock Bill Development	4,185	-
Project 150.00 - Battery Order Defense	13,928	-
Project 901.00 - Bedford - Small and/or One-Time Projects	193	158
Project 901.06 - Bedford - Small and/or One-Time Projects - Hydro Issues	-	193
Project 901.07 - Bedford - Small and/or One-Time Projects (SCE)	1,433	-
Project 906.00 - Martinsville - Small/One-Time Project	105	245
Project 906.02 - Martinsville - Cost of Service & Retail Rate Study	630	16,883
Project 906.09 - Martinsville - Solar Project	7,726	35,379
Project 906.10 - Martinsville - Battery Project	12,254	14,313
Project 907.00 - Radford - Small and/or One-Time Projects	4,506	7,917
Project 907.10 - Radford - Small/One-Time Project: Power Supply	42,516	26,092
Project 908.00 - Richlands - Small/One-Time Project	2,740	4,040
Project 908.05 - Richlands - Cost of Service & Retail Rate Study	-	5,843
Project 908.07 - Richlands - Solar Tariff	4,500	-
Project 908.08 - Richlands - Interconnection Procedures	6,175	-
Project 909.00 - Salem - Small and/or One-Time Projects	2,662	-
Project 910.00 - VA Tech - Small and/or One-Time Project	72,586	6,471
Project 910.04 - VA Tech - Cost of Service & Retail Rate Study	22,023	34,235
Project 911.00 - CBEC - Small/One-Time Projects	8,581	-
Subtotal - project revenues - outside services	1,021,009	848,356
General manager's consultancy fees	57,085	41,617
Total projects revenues	1,078,094	889,973
Cost of projects revenues		
Engineering consultant	(796,586)	(697,913)
Legal fees	(203,943)	(131,329)
TAPS	(4,400)	(3,950)
PJM annual dues	(5,000)	(5,000)
PJM public power coalition	(11,080)	(10,164)
Subtotal - costs of projects revenues	(1,021,009)	(848,356)
General manager's consultancy fees	(57,085)	(41,617)
Total costs of projects revenues	(1,078,094)	(889,973)
Net projects revenues in excess of costs of projects revenues	\$ -	\$ -

BLUE RIDGE POWER AGENCY

SCHEDULE OF DUES AND SUPPORT

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Dues - Bedford	\$ 23,058	\$ 25,853
Dues - Craig-Botetourt Electric Co-op	18,041	18,241
Dues - Central Virginia Electric Co-op	64,904	64,280
Dues - Front Royal	24,798	23,832
Dues - Martinsville	24,329	23,577
Dues - Radford	25,697	23,778
Dues - Richlands	16,623	16,063
Dues - Salem	39,116	37,416
Dues - Virginia Polytechnic Institute and State University	<u>36,037</u>	<u>33,303</u>
Total dues and support	<u>\$ 272,603</u>	<u>\$ 266,343</u>

BLUE RIDGE POWER AGENCY

SCHEDULE OF ADMINISTRATIVE AND GENERAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Accounting and auditing	\$ 5,400	\$ 21,375
Administrative and general salaries	181,086	162,718
Agency meeting expenses/seminars	5,512	2,408
Bank charges	360	396
Bond, theft insurance	625	440
Books and subscriptions	337	467
Computer software expense	1,557	885
Depreciation expense	3,425	7,421
Dues and assessments	700	700
Employee benefits	46,352	45,477
Engineering consultant	2,345	1,293
Insurance	1,588	1,847
Legal consultant	7,770	2,433
Lobbying - GM	2,626	1,772
Miscellaneous general expense	3,136	650
Office equipment < \$500	-	201
Office supplies	1,131	1,183
Other consultant	14,659	75
Other office expense	302	612
Other services - bookkeeping	5,373	6,338
Other services - cloud service	1,634	1,717
Payroll taxes	13,206	12,655
Postage, printing, copy	577	951
Project related communications	14	8
Regulatory commission expenses	25	25
Repairs and maintenance - equipment	37	25
Telephone, fax, internet	1,759	1,594
Travel - admin. assistant	1,234	404
Travel - GM	6,686	6,180
Travel project related - GM	2,895	1,110
Vehicles expenses	<u>1,785</u>	<u>3,557</u>
Total administrative and general expenses before allocation of expenses to general manager's consultancy fees - projects	314,136	286,917
Salaries and travel expenses allocated to general manager's consultancy fees	<u>(57,085)</u>	<u>(41,617)</u>
	<u>\$ 257,051</u>	<u>\$ 245,300</u>

BLUE RIDGE POWER AGENCY

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

Years Ended June 30, 2023 and June 30, 2022

Beginning Balance - July 1, 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		41,617
Board designation of without donor restrictions net assets for members' future support		57,085
Transfer of funds from board designated capital assets to general funds		<u>(41,617)</u>
Ending Balance - June 30, 2023	\$	<u><u>57,085</u></u>

BLUE RIDGE POWER AGENCY

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

Years Ended June 30, 2023 and June 30, 2022

Beginning Balance - July 1, 2021	\$ 19,121
Board designation of net assets for capital assets replacement/expenditure	<u>1,000</u>
Ending Balance - June 30, 2022	20,121
Board designation of net assets for capital assets replacement/expenditure	<u>1,000</u>
Ending Balance - June 30, 2023	<u><u>\$ 21,121</u></u>