



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

BVU Authority
A Political Subdivision of the Commonwealth of Virginia

Annual Comprehensive Financial Report

**For the Fiscal Year Ended
June 30, 2024**

Prepared by the Accounting Department

BVU AUTHORITY

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

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October 31, 2024

Board of Directors
BVU Authority
And Interested Parties

The Annual Comprehensive Financial Report (Annual Report) of the BVU Authority (BVUA) is submitted for the fiscal year ending June 30, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed financial data is accurate in all material respects and fairly presents the financial position, results of operations, and cash flows of BVUA.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Organization and Function

BVUA was created on July 1, 2010, under the BVU Authority Act, Codified as Chapter 15.2 Section 7200 of the *Code of Virginia* 1950 (as amended). The Commonwealth of Virginia amended the BVU Authority Act in April 2016. The amendment changed the Board composition and eliminated charitable donations, among other things. This Act grants BVUA the necessary and appropriate powers to provide electric, water, and wastewater services. The revenues of BVUA are based on consumption charges and fees from the system users. BVUA does not have taxing authority but does collect and remit taxes as required by law.

A five-member Board of Directors governs BVUA. One director is a citizen of the City of Bristol, Virginia, and is not a member of the Bristol City Council. This director is appointed by the Speaker of the House of Delegates. One director is a member of the Bristol City Council, appointed by the Bristol City Council. One director is a Washington County citizen and is not a member of the Washington County Board of Supervisors. The Senate Committee on Rules appoints this director. One director is a Washington County Board of Supervisors member appointed by the Washington County Board of Supervisors. One director must be a citizen of the City of Bristol, Virginia, engaged in business, and not a member of the Bristol City Council. The BVUA Board appoints this director. Each Board member serves a four-year term. The Board hires the President and CEO, who manages BVUA's operations. The Board also appoints an outside general counsel annually and selects an audit firm. The general counsel cannot concurrently serve as the general counsel of either the City of Bristol, Virginia, or Washington County, Virginia.

BVUA operates the electric distribution system inside the City of Bristol, Virginia, and portions of Washington and Scott Counties, Virginia, and Sullivan County, Tennessee. BVUA purchases power from the Tennessee Valley Authority (TVA) through a long-term purchase power agreement. TVA provides power through two delivery points at 138 kilovolts (kV). BVUA distributes this power to approximately 16,402 customers through a combination of 9 distribution substations connected by 27 miles of 69kV transmission lines between the substations. BVUA also owns 577 miles of distribution circuit lines at 13.2kV. The distribution circuits are broken into 34 feeder breakers. These breakers are automated and integrated outside the substation from a network of 87 S&C IntelliRupters®. BVUA plans to add 16 additional S&C IntelliRupters® in the next fiscal year. The system has 13,257 poles owned by BVUA, 2,567 poles leased from third parties, and 6,175 transformers. BVUA leases attachment spaces on its poles to third parties such as communication companies. BVUA has also deployed 225 Trip Savers® throughout the system.

BVUA operates the water distribution system inside the City of Bristol, Virginia, and a portion of Washington County, Virginia. Since 1952, BVUA has drawn raw water from South Holston Lake under permission from TVA. It is then pumped to BVUA's treatment plant, approximately two miles from the water intake. After treatment, BVUA distributes the water to about 7,906 customers through a distribution system that consists of 5 water tanks and 161 miles of distribution lines. The distribution system is currently comprised of 3 zones. BVUA plans to divide the existing 3 zones into 13 separate zones through future construction projects involving the installation of additional pressure reducing stations. The water system is permitted and regulated by the Virginia Department of Health. The permit authorizes BVUA to make 10 million gallons of water per day for resale to our customers. We are currently utilizing less than 30% of the system's capacity.

BVUA also provides wastewater service inside the City of Bristol, Virginia, and a portion of Washington County, Virginia. BVUA collects wastewater from approximately 7,716 customers through 141 miles of collection lines. The Virginia Department of Environmental Quality (DEQ) regulates the collection system. The system has 4 distinct collection zones monitored by separate flow meters. The wastewater is transported to the Joint Sewerage System (JSS) in Bluff City, Tennessee, for treatment. The JSS is a jointly owned system between BVUA and the City of Bristol, Tennessee. After treatment, the water is discharged into Boone Lake under a discharge permit issued by the Tennessee Department of Environment and Conservation. For FY2024, BVUA provided forty-one percent of the plant flow, down from fifty-two percent in FY2023. BVUA has reduced flow through various rehabilitation projects.

Local Economy

BVUA's service area is in the southwestern part of Virginia. It is also a part of the Kingsport-Bristol-Bristol, TN-VA Metropolitan Statistical Area (MSA). The most recent population figures for the areas serviced by BVUA (source: University of Virginia Weldon Cooper Center for Public Service) are as follows:

City of Bristol, VA	16,738
Scott County, VA	21,304
Washington County, VA	53,608

Community profile reports prepared by the Virginia Employment Commission report unemployment rates for each of the localities served by BVUA as follows:

City of Bristol, VA	3.8%
Scott County, VA	3.4%
Washington County, VA	3.2%
Statewide	3.0%

Long-Term Financial Planning

BVUA prepares an annual repair and replacement budget for each division. Part of this process is to identify each division's long-term needs and determine the best way to address them. Funding for these projects comes from either the revenue received by BVUA's customers for their utility services or long-term debt.

Relevant Financial Policies

The President and Finance Director prepare a budget for each fiscal year and submit it to the Board for approval. Each of the three operating divisions has a separate budget prepared for them. Budgetary compliance is monitored throughout the year and reported quarterly to the Board by the President and Finance Director. Projections of both revenues and expenses are understood to reflect anticipated service levels and incorporate various economic, climatic, and demographic forecasts.

BVUA's accounting records are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when incurred without regard to receipt or payment of cash. The Electric division follows the accounting guidelines issued by the Federal Energy Regulatory Commission and is regulated by TVA. BVUA files both monthly and annual reports with TVA on its financial performance.

Internal controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management. Internal control is maintained by the segregation of duties and data security systems in all areas of record-keeping, disbursements, and purchasing authority. All these control systems are reviewed regularly by staff. External auditors also evaluate the control systems as part of their annual audit procedures.

The Commonwealth of Virginia requires an annual audit of the financial records and transactions of BVUA by independent certified public accountants selected by the Board. The independent accountants conduct the audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards, and Commissions*, published by the Auditor of Public Accounts of the Commonwealth of Virginia. The independent auditor's report is presented in the Financial Section of this report.

Major Initiatives and Accomplishments

BVUA’s Electric division spent \$4.32 million in right-of-way maintenance in FY 2024 to improve system reliability, related primarily to vegetation management. This is shown by an improvement in BVUA’s system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI). SAIDI measures the total number of minutes of customer outages, while SAIFI measures how often a customer experiences an outage. The chart below shows the improvement in these scores since 2019.

<u>Fiscal Year</u>	<u>SAIDI (Minutes)</u>	<u>SAIFI</u>	<u>System Reliability</u>
2019	275.00	2.800	99.948%
2024	37.63	0.339	99.993%
Virginia Average	342.30	1.838	99.935%
National Average	131.10	1.09	99.975%

(Source: Internal records and the Energy Information Administration)

Since 2019, BVUA has spent \$12.61 million on vegetation management. During that time, the average outage time (SAIDI) improved by 237.37 minutes, and the average number of outages per year (SAIFI) dropped by 2.461. Thanks to these investments, BVUA is now well below the state and national averages for both SAIDI and SAIFI. BVUA plans to continue investing in vegetation management to meet the goals of a SAIDI score of 45 and a SAIFI score of 0.75.

On November 17, 2023, BVUA closed a \$0.71 million loan from the Virginia Resources Authority (VRA) for the Pressure-Reducing Valves Improvement Project. This project is expected to be completed in FY 2025.

On May 23, 2024, BVUA closed a \$3.15 million loan from the Virginia Resources Authority (VRA) for the Beaver Creek BC 1568 Sewer Shed Improvements Project. This project is expected to be completed in FY 2025.

BVUA continues to invest in the maintenance of all its divisions. The Electric division reconnected 2,542 feet of lines, the Water division replaced 4,200 feet of lines, and the Sewer division replaced or rehabilitated 19,500 feet of lines.

In addition, several capital improvement projects were completed at the JSS. Funding for these projects came from existing JSS reserves. The JSS is a separate reporting entity, so they are excluded from the scope of this audit.

Future Capital Improvements to Wastewater Collection System

On December 11, 2018, BVUA executed a consent decree with the DEQ regarding upgrades to its wastewater system. Under this decree, BVUA agreed to address inflow and infiltration issues regarding the wastewater system by either repairing or replacing lines. Under the amended consent decree, these projects must be completed by December 1, 2030, unless extended by the DEQ. The estimated cost of the improvement is over \$32.00 million. Most of these projects will be funded by issuing bonds to the Virginia Resources Authority (VRA). Revenue bonds issued to the VRA funded the project's first three phases. BVUA is on schedule to complete all projects before the deadline.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to BVUA for its Annual Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparing state and local government financial reports. This is the fifth time that BVUA has received this award.

A Certificate of Achievement is valid for one year only. We believe that the current Annual Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The entire accounting department's hard work and dedication were essential in preparing this report. We would also like to thank all the departments that contributed information. We would also like to thank the Board for its continued involvement and support in planning and conducting BVUA's financial operations responsibly and professionally.

Respectfully submitted,



Donald L. Bowman, PE
President and CEO



Matthew T. Boothe, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

BVU Authority
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

**BVU AUTHORITY
BACKGROUND INFORMATION
June 30, 2024**

On July 29, 1943, the City of Bristol, VA (City), executed a purchase power contract with the Tennessee Valley Authority (TVA). The original term of this contract was for twenty years. It would expire on June 30, 1965, or twenty years from the date that power was first delivered to the City by TVA. At that time, East Tennessee Light and Power served the residents of BVU Authority's (BVUA) service area. The contract was signed in anticipation of TVA's future expansion into this area.

On April 24, 1945, and May 8, 1945, the Council of the City of Bristol, VA, adopted an ordinance outlined in the minutes of the Council's meetings authorizing the issuance of bonds for \$1.25 million, subject to the later-obtained consent of the qualified voters of the City. The bond proceeds were used to purchase the electric distribution system from TVA. The City sold these bonds on June 28, 1945. These bonds were paid from funds collected through ratepayers' monthly invoices, not from City general tax revenue.

On June 12, 1945, the City created a new department known as the Power Board to manage the new electric distribution system when it was acquired. The Power Board was governed by a five-member board of directors.

On June 29, 1945, the City executed a contract with TVA to purchase the electric distribution system in Bristol, VA, and portions of Scott and Washington Counties, VA. The net purchase price was \$1.05 million. TVA previously purchased this system from East Tennessee Light and Power. TVA sold that system to seven different entities: Bristol, VA; Bristol, TN; Elizabethton, TN; Greeneville Light and Power System; Johnson City, TN; Mountain Electric Cooperative; and Erwin, TN.

In 1950, the City of Bristol, VA, and the City of Bristol, TN, formed a joint venture called the Joint Sewerage System. This joint venture currently operates under an agreement executed in May 1996. This agreement was reaffirmed by the JSS governing board in 2024.

On November 13, 1951, the City created the Bristol Virginia Utilities Board (BVUB) to manage the electric, water, and wastewater systems. This Board replaced the Power Board on January 1, 1952. A five-member board of directors governed the Utilities Board.

In 1952, BVUB began constructing a five-million-gallon Water Treatment Plant at 22479 Watauga Road in Abingdon, VA. It became operational in 1954.

On February 13, 1997, BVUB executed a seven-year purchase power contract with Cinergy Companies. This contract became effective on January 1, 1998. This was the first time BVUB purchased power from an entity other than TVA.

On December 31, 1997, BVUB ceased buying power from TVA and began buying power from Cinergy.

On July 1, 2000, the BVUB Board of Directors voted to create a fiber-optic services fund. This fund operated under the trade name "BVU OptiNet." It initially provided internet and telephone services in part of BVUB's service area.

In 2002, BVUB moved its headquarters from its previous location in downtown Bristol at 300 Lee Street to its current location in Washington County at 15022 Lee Highway.

**BVU AUTHORITY
BACKGROUND INFORMATION
June 30, 2024**

In 2003, the Virginia legislature allowed BVUB to offer cable television services. BVUB became the first electric utility in Virginia to sell cable television services.

On September 2, 2004, BVUB executed a three-year purchase power contract with American Electric Power Service Corporation (AEP). This contract became effective on January 1, 2005.

On December 31, 2004, BVUB ceased buying power from Cinergy Companies and started buying power from AEP.

On September 29, 2006, BVUB executed a twenty-year power contract with TVA. This contract became effective on January 1, 2008. Under the original term, the agreement would expire in 2026 with five years' advance notice.

On December 31, 2007, BVUB ceased buying power from AEP and started buying from TVA.

On July 1, 2010, the Virginia General Assembly passed the BVU Authority Act. This Act created BVUA as an independent entity. The Authority replaced the BVUB. A nine-member board governed the Authority. For the first time, Washington County, VA, was granted a single director on the board.

In 2015, BVUA added electrical generators at its Water Intake facility and at the Water Treatment Plant. These two generators can supply all electrical requirements during power outages from Appalachian Power.

On July 1, 2016, the General Assembly amended the BVU Authority Act. One part of this amendment reduced the Board of Directors from nine to seven members. This amendment also required separate legal counsel and ended donations made by BVUA.

On August 2, 2018, BVUA sold the assets of the OptiNet division to Sunset Digital. The proceeds from the sale were used to defease the 2010 revenue bonds related to the OptiNet division. In addition, the electric and water divisions used their existing cash to defease their respective portions of the 2010 revenue bond. The terms of the 2010 bond did not require full repayment until 2034. Upon the sale of the OptiNet assets, BVUA's Board of Directors decreased from seven members to five members.

On December 11, 2018, BVUA entered a consent decree with the Virginia Department of Environmental Quality (DEQ) regarding upgrades to its wastewater collection system. This order addressed legacy issues related to the 1974 City annexation in Washington County, VA. It also addressed other matters related to closing the industrial park wastewater treatment plant and expansion to the City-owned golf course and landfill in the mid-1990s.

In September 2019, BVUA executed an amended wholesale power agreement with TVA, extending the agreement's term to 20 years. Under this agreement, BVUA received a reduction in wholesale purchased power expenses of 3.10%, known as the long-term partnership credit. The contract is a rolling contract with a 20-year notice to terminate.

BVU AUTHORITY
BACKGROUND INFORMATION
June 30, 2024

In 2019, BVUA completed a multi-year project to upgrade the electrical system and pumps at the water treatment plant. This project replaced pumps initially installed in the 1970s and electrical equipment dating to the 1950s. It was paid for out of BVUA cash reserves. The facility is now run on 480-volt-rated equipment. The pumps are variable-frequency drives, which have reduced the plant's power consumption.

In February 2021, BVUA completed the Basin Area 1107 Sewer Replacement project with the City of Bristol, VA. The project cost \$3.2 million. It was built with funds borrowed from the Virginia Resources Authority (VRA). This was part of the DEQ consent decree.

In April 2022, BVUA installed a new 69 kV substation transformer at the West Substation. This is part of BVUA's long-term electric system improvement plan. It will support the recently opened casino and the proposed commercial development around Interstate 81 Exit 1.

In 2022, BVUA began the multi-year installation of S&C IntelliRupters®. This equipment has improved system reliability and benefits all BVUA customers. To date, 87 of the planned 103 units have been installed.

In 2022, BVUA began the multi-year installation of S&C TripSavers®. This equipment will improve reliability and benefit all BVUA's customers. To date, 225 have been installed.

In 2022, BVUA installed a new 69 kV substation transformer at the King Ridge Substation as part of its long-term electric system improvement plan. This transformer will serve customers in the Bristol-Washington County Industrial Park.

In 2023, BVUA received the American Public Power Association (APPA) Reliable Public Power Award (RP3). BVUA received the Diamond level award, which is the highest award category. This is BVUA's second RP3 award and its first Diamond level. The RP3 designation, which lasts for three years, recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity. Two hundred fifty-four public power utilities hold the RP3 designation. BVUA is the only electric utility in Virginia to receive the Diamond Level.

In 2023, BVUA installed a new 69 kV substation transformer at the Valley Substation as part of its long-term electric system improvement plan. It will support the northern section of our system and provide backup support for the North Bristol and West substations.

In May 2023, BVUA completed the Little Creek Interceptor and Sewer Basin Project, which cost \$7.5 million and was constructed with funds borrowed from the VRA as part of the DEQ consent decree.

In June 2023, BVUA closed on an \$8.6 million bond from the VRA. The proceeds will be used for the Beaver Creek Interceptor Rehabilitation Project, part of the DEQ consent decree.

BVU AUTHORITY
BACKGROUND INFORMATION
June 30, 2024

In November 2023, BVUA closed on a \$0.7 million bond from the VRA. The proceeds will be used for the Pressure Reducing Valves Improvement Project and zone metering. This project improves the reliability of the water system and helps identify areas of high water loss.

In 2024, the Government Finance Officers Association (GFOA) awarded BVUA the Certificate of Achievement for Excellence in Financial Reporting (COA). This award recognizes state and local governments that go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. This is the fifth consecutive year that BVUA has received this award.

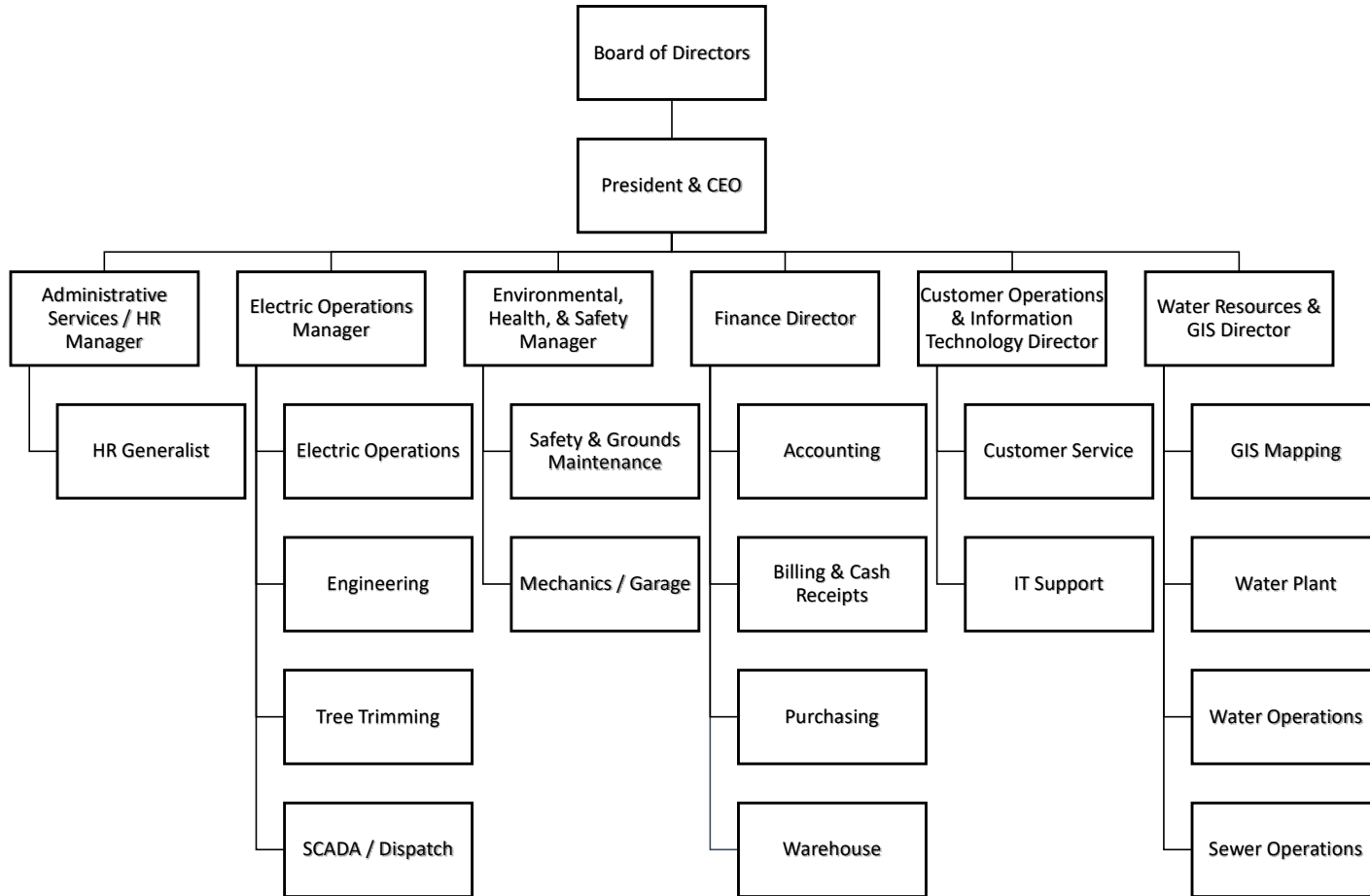
In 2024, the Virginia Department of Health Office of Drinking Water awarded BVUA the Gold Award for Excellence in Clarification, Filtration, and Backwash. BVUA has received this award numerous times since its inception and has received the highest honors for the last eight years.

In 2024, BVUA received the Certificate of Excellence in Reliability Award from the APPA. This award recognizes utilities with average SAIDI in the top quartile of SAIDI based on EIA data. BVUA utilizes its advanced metering infrastructure (AMI) and its MILSOFT® outage management system (OMS) to maintain detailed records on reliability performance. BVUA voluntarily provides this information to the APPA through their eReliability Tracker.

In 2024, BVUA received the Safety Award of Excellence from the APPA. This award recognizes utilities with the lowest safety rate within their groups. BVUA is part of Group D, with 60,000 to 109,999 worker hours of exposure. One hundred forty-five utilities earned the Safety Award of Excellence in 2023.

In May 2024, BVUA closed on a \$3.2 million bond from the VRA. The proceeds will be used for the Beaver Creek Sewer Shed Improvements Project, part of the DEQ consent decree.

**BVU AUTHORITY
ORGANIZATIONAL CHART
June 30, 2024**



BVU AUTHORITY
LIST OF BOARD MEMBERS AND MANAGERS
June 30, 2024

DIRECTORS

Anthony M. Farnum, Chair

Gary A. Bagnall

Saul A. Hernandez

Richard H. Kiser

PRESIDENT and CEO

Donald L. Bowman, P.E.

DEPARTMENT DIRECTORS AND MANAGERS

Richard Adkins, P.E.	Electric Department
Donna Biggs, SHRM	Human Resources/Administrative Services
Matthew Boothe, CPA	Accounting/Purchasing/Billing & Cash Receipts
Brad Griswold, SSEM	Environmental, Health, & Safety/Fleet Management/Building & Grounds
Chris Hall, MBA	Key Accounts/Customer Service/Information Technology
Will Witcher, P.E.	Water/Wastewater/GIS

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
BVU Authority
Bristol, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of BVU Authority (BVUA), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise BVUA's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the business-type activities of BVUA, as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Joint Sewerage System, which represent 4.59% of the assets of BVU Authority, as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Joint Sewerage System, are based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BVUA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BVUA'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BVUA'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 BVUA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to the net pension asset and net OPEB liabilities, as listed in the table of contents, on pages 5-16 and 66-73 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 and other auditors 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 an opinion on the financial statements that collectively comprise BVUA's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of BVUA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BVUA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BVUA's internal control over financial reporting and compliance.



BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

October 31, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

1. Purpose

The Management's Discussion and Analysis focuses on BVU Authority's (BVUA) fiscal year ending June 30, 2024, resulting changes, and currently known facts. The discussion and analysis section is designed to assist the reader in focusing on BVUA's (a) significant financial issues, (b) provide an overview of financial activity, (c) identify significant changes in financial position, and (d) identify any financial concerns. The reader should read this discussion and analysis in conjunction with the basic audited financial statements.

2. Background

In 2010, the Virginia General Assembly created BVUA as a political subdivision of the Commonwealth of Virginia. The Act that created BVUA was amended in 2016 to reduce the size of the Board and address other changes in roles and authority. A five-member Board of Directors governs BVUA. BVUA is comprised of three operating divisions: Electric, Water, and Wastewater. Through these operating divisions, BVUA provides services to just over 32,000 accounts throughout the City of Bristol, Virginia, portions of Washington and Scott Counties, Virginia, and a portion of Sullivan County, Tennessee. A summary of BVUA's utility services is listed below.

2.1. Electric

BVUA provides electric services inside the City of Bristol, Virginia, portions of Washington and Scott Counties, Virginia, and a portion of Sullivan County, Tennessee. The Tennessee Valley Authority (TVA) sells electricity to BVUA under a twenty-year wholesale power contract. This contract contains a twenty-year termination notice. BVUA receives power from TVA at two delivery points. The electric system has 27 miles of 69kV transmission lines that connect nine substations to the two delivery points. The distribution system has 577 miles of conductors operated at 13.2kV.

2.2. Water

BVUA provides water services inside the City of Bristol, Virginia, and a portion of Washington County, Virginia. Water is drawn from South Holston Lake and treated at BVUA's Washington County, Virginia water treatment plant. The plant has a rated capacity of ten million gallons per day (MGD). After treatment, water is transported to customers. Water plant operations are permitted and regulated by the Virginia Department of Health. The water intake located at the lake has two 750 horsepower (HP) motors capable of transporting 10 MGD. The treatment plant is approximately 2 miles away from the water intake. The treatment plant has a rapid flash mixer, two flocculators, two sedimentation basins, four rapid sand filters, a fluoridation and chlorination system, a backwash system, a one-million-gallon clearwell, and three 450 HP motors. Located throughout the system are five storage tanks that hold the treated water. The system has six pressure-reducing valves and three pressure zones. Approximately 161 miles of water lines comprise the water distribution system.

BVUA AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

2.3. Wastewater

BVUA provides wastewater collection services inside the City of Bristol, Virginia, and a portion of Washington County, Virginia. The system contains approximately 141 miles of collection lines and 3,772 manholes. The Virginia Department of Environmental Quality (DEQ) permits and regulates the system. After collection, the wastewater is transported to the Joint Sewerage System (JSS) in Bluff City, Tennessee, where it is treated. BVUA and the City of Bristol, Tennessee, jointly own the JSS. Constructed in 1973, the JSS has a rated capacity of 15 MGD. It also has a five-million-gallon surge basin. The JSS is licensed and permitted by the Tennessee Department of Environment and Conservation (TDEC). InfraMark®, a third-party contractor, conducts the daily operations of the Joint Sewer System.

3. System Highlights

3.1. Total Accounts

On June 30, 2024, BVUA served 32,024 accounts across all three operating divisions, a gain of 26 accounts or 0.08% compared to June 30, 2023.

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Change</u>	<u>%</u>
Total Accounts	<u>32,024</u>	<u>31,998</u>	<u>26</u>	<u>0.08%</u>

3.2. Electric

The Electric system serviced 16,402 accounts as of June 30, 2024. This is an increase of 13 accounts, or 0.08%, from June 30, 2023. The Electric system sold 438,164,900 kilowatt-hours (kWh) of electricity. This represents a decrease of 3,473,651 kWh, or 0.79%, from the fiscal year 2023. Large industrial volumes decreased by 2,260,632 kWh or 1.09%. Residential consumption decreased by 1,433,687 kWh or 0.74%. Commercial and small industrial consumption increased by 82,858 kWh or 0.24%. Outdoor lighting increased by 137,810 kWh or 2.32%.

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Change</u>	<u>%</u>
Residential	192,028,873	193,462,560	(1,433,687)	-0.74%
Commercial and Industrial	35,294,164	35,211,306	82,858	0.24%
Large Industrial	204,771,825	207,032,457	(2,260,632)	-1.09%
Outdoor Lighting	<u>6,070,038</u>	<u>5,932,228</u>	<u>137,810</u>	<u>2.32%</u>
Total kWh Sold	<u>438,164,900</u>	<u>441,638,551</u>	<u>(3,473,651)</u>	<u>-0.79%</u>
Total Accounts	<u>16,402</u>	<u>16,389</u>	<u>13</u>	<u>0.08%</u>

**BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

3.3. Water

The Water system serviced 7,906 accounts as of June 30, 2024. This is an increase of 6 accounts, or 0.08%, from June 30, 2023. The Water system sold 600,418,000 gallons of water. This represents an increase of 558,600 gallons or 0.09% from the previous year. Residential consumption increased by 392,600 gallons, or 0.15%, from the prior year. The commercial and industrial rate class experienced an increase of 166,000 gallons or 0.05%.

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Change</u>	<u>%</u>
Residential	263,628,900	263,236,300	392,600	0.15%
Commercial and Industrial	336,789,100	336,623,100	166,000	0.05%
Total Gallons Sold	<u>600,418,000</u>	<u>599,859,400</u>	<u>558,600</u>	<u>0.09%</u>
Total Accounts	<u>7,906</u>	<u>7,900</u>	<u>6</u>	<u>0.08%</u>

3.4. Wastewater

The Wastewater system serviced 7,716 accounts as of June 30, 2024. This is an increase of 7 accounts, or 0.09%, from June 30, 2023. Wastewater volumes billed were 960,854,100 gallons. This represents an increase of 92,651,300 gallons, or 10.67%, from the previous year. Residential volumes decreased by 2,016,200 gallons, or 0.72%. Commercial and industrial volumes grew by 102,145,900 gallons, or 18.12%, from the prior year. Volumes at the Industrial Park decreased by 7,478,400 gallons or 32.13%.

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Change</u>	<u>%</u>
Residential	279,328,700	281,344,900	(2,016,200)	-0.72%
Commercial and Industrial	665,731,400	563,585,500	102,145,900	18.12%
Industrial Park	15,794,000	23,272,400	(7,478,400)	-32.13%
Total Gallons Sold	<u>960,854,100</u>	<u>868,202,800</u>	<u>92,651,300</u>	<u>10.67%</u>
Total Accounts	<u>7,716</u>	<u>7,709</u>	<u>7</u>	<u>0.09%</u>

4. Overview of the Annual Comprehensive Financial Report (Annual Report)

The Annual Report is presented in four sections: introductory, financial, statistical, and internal control and compliance.

4.1. Introductory Section

The introductory section includes a letter of transmittal submitted by BVUA's President and CEO and Finance Director, a listing of background information, an organizational chart, and a listing of Board Members and management as of June 30, 2024.

BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

4.2. Financial Section

The financial section consists of the Independent Auditor's Report, Management's Discussion and Analysis, and BVUA's basic financial statements, including notes to the financial statements and required supplementary information, discussed below.

4.2.1. Statement of Net Position

The Statement of Net Position reports BVUA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This statement provides information about the nature and amounts of investments in resources (assets), consumption of net position applicable to future periods (deferred outflows), obligations to creditors (liabilities), and acquisition of net position applicable to future periods (deferred inflows). The reader can use this statement to evaluate the capital structure, liquidity, and financial flexibility of BVUA.

4.2.2. Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position reflects BVUA's revenue and expense activity for the fiscal year. This statement allows the reader to measure BVUA's profitability and creditworthiness by its operations' financial performance and determine whether BVUA has successfully recovered its operating costs through rates, fees, and other charges.

4.2.3. Statement of Cash Flows

The Statement of Cash Flows presents BVUA's inflows and outflows of cash during the financial reporting period by reporting cash receipts, cash payments, and net changes in cash. Cash flows are categorized by operating, capital and related financing, and investing activities.

4.2.4 Notes to the Financial Statements and the Required Supplementary Information

The notes to the financial statements and the required supplementary information provide necessary disclosures, which are essential to a complete understanding of the data in the basic financial statements.

4.3. Statistical Section

The statistical section includes selected financial trends, revenue, debt, demographic, and economic information presented on a multi-year basis.

4.4. Internal Control and Compliance Section

The internal control and compliance section contains the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and the Schedule of Findings and Responses.

BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

5. Condensed Financial Statements

The following financial statements are in condensed form. Full statements are in the audit report.

5.1. Statement of Net Position

The following table reflects the condensed Statement of Net Position for BVUA compared to the prior fiscal year.

Statements of Net Position		
June 30, 2024 and 2023		
(in thousands of dollars)		
	2024	2023
Assets		
Current Assets	\$ 14,932	\$ 18,357
Non-Current Assets	60,544	57,906
Capital Assets, Net	77,637	68,675
Total Assets	153,113	144,938
Deferred Outflows of Resources	628	416
Liabilities		
Current Liabilities	12,237	10,147
Non-Current Liabilities	12,664	8,789
Total Liabilities	24,901	18,936
Deferred Inflows of Resources	3,070	4,364
Net Position		
Net Investment in Capital Assets	64,042	60,681
Restricted - Net Pension Asset	3,854	4,403
Unrestricted	57,874	56,970
	\$ 125,770	\$ 122,054

5.1.1. Assets

Total assets increased by \$8.18 million or 5.64%.

BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

5.1.2. Current Assets

Current assets decreased by \$3.43 million or 18.66%. Cash and investments decreased by \$4.59 million or 45.71%. These decreases are due to spending on capital projects, vegetation management, and transferring cash and investments into restricted reserves per the Board approved Cash Reserve Policy.

5.1.3. Non-Current Assets

Non-current assets increased by \$2.64 million or 4.56%. Restricted cash and investments increased by \$3.48 million or 8.02%. This is due to the transfer of cash and investments from current assets to reserves per the Board-approved Cash Reserve Policy.

5.1.4. Capital Assets, Net

Capital assets, net, increased by \$8.96 million, or 13.05%. This increase is due to work in process on consent order projects in the Wastewater division. Additional information related to capital assets can be found in Note 6 to the Financial Statements.

5.1.5. Deferred Outflows of Resources

Deferred outflows of resources increased by \$0.21 million or 50.96%. This change is due to current-year activity related to other post-employment benefits.

5.1.6. Liabilities

Total liabilities increased by \$5.97 million or 31.50%.

5.1.7. Current Liabilities

In the fiscal year, current and other liabilities increased by \$2.09 million, or 20.60%. This is partially due to an increase in payables and retainage related to consent order projects. There was also an increase in customers prepaying for construction projects to deliver services to their homes or businesses.

**BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

5.1.8. Non-current Liabilities

Non-current liabilities increased by \$3.88 million, or 44.09%. Notes payable increased by \$3.80 million or 56.25%. This increase is due to loans for consent order related projects. Note 7 to the Financial Statements contains additional details related to long-term debt.

5.1.9. Deferred Inflows of Resources

Deferred inflows of resources decreased by \$1.29 million or 29.65%. This change is due to current-year activity related to other post-employment benefits and lease receivables.

5.1.10. Change in Net Position

Net position increased by \$3.72 million for the fiscal year, with an ending net position of \$125.77 million compared to the fiscal year 2023 net position of \$122.05 million. This increase is due to the current year's earnings from operations.

5.2. Statement of Revenues, Expenses, and Changes in Net Position

The following table reflects the condensed statement of Revenues, Expenses, and Changes in Net Position for BVUA compared to the prior year.

BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Statements of Revenues, Expenses, and Changes in Net Position
June 30, 2024 and 2023
(in thousands)

	2024	2023
Operating Revenues		
Charges for Services	\$ 56,843	\$ 57,058
Rent From Property	949	872
Forfeited Discounts and Penalties	448	431
Connections and Transfers	537	416
Lease Revenue	369	369
Other	432	502
Total Operating Revenues	59,578	59,648
Operating Expenses		
Electric Wholesale Power	36,771	38,509
Electric Operations and Maintenance	6,879	5,378
Water Operations and Maintenance	1,952	1,377
Wastewater Operations and Maintenance	2,054	1,952
Billing and Collection	1,374	1,400
General and Administrative	4,959	3,465
Depreciation	4,211	4,333
Total Operating Expenses	58,200	56,414
Operating Income	1,378	3,234
Non-Operating Expenses		
Other Income (Deductions)	2,379	(1,331)
Interest Expense	(41)	(32)
Total Non-Operating Expenses	2,338	(1,363)
Change in Net Position	3,716	1,871
Net Position at July 1	122,054	120,183
Net Position at June 30	\$ 125,770	\$ 122,054

BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

5.2.1. Operating Revenues

BVUA's total operating revenue was \$59.58 million, a decrease of \$0.70 million or 0.12%. This decrease is due to a slight drop in Charges for Services. An increase in Water and Wastewater revenues was offset by a decrease in TVA's fuel cost adjustment (FCA). The FCA is passed through to the customer with no markup.

5.2.2. Operating Expenses

BVUA's total operating expenses were \$58.20 million, a \$1.79 million or 3.17% increase. Electric Operations and Maintenance increased by \$1.50 million or 27.91%. This increase is due in part to increased spending on vegetation management to improve electric system reliability.

5.2.3. Operating Income

BVUA's operating income was \$1.38 million, a decrease of \$1.86 million or 57.39%. Increased operations and maintenance expenses in the Electric Division contributed to this decline.

5.2.4. Non-Operating Revenue (Expenses)

Total non-operating revenue (expenses) was \$2.34 million, an increase of \$3.70 million or 271.54%. Interest and investment income was \$2.29 million in FY 2024 compared to \$1.21 million in FY 2023. A one-time charge for a legal settlement with the City of Bristol, VA, for \$2.10 million was recognized in FY 2023. This charge was related to the sale of the OptiNet division's assets.

5.2.5. Change in Net Position

BVUA's net position increased by \$3.72 million for the year ending June 30, 2024. This increase is due to the results of the current year's operations.

BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

5.3. Statement of Cash Flows

The following table reflects the condensed Statement of Cash Flows for BVUA compared to the prior year.

Statements of Cash Flows		
June 30, 2024 and 2023		
(thousands of dollars)		
	2024	2023
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 60,840	\$ 60,354
Payments of Customer Deposits	67	(15)
Payments to Employees	(5,801)	(6,880)
Payments to Suppliers	(49,147)	(47,299)
Net Cash Provided By Operating Activities	5,959	6,160
Cash Flows from Capital & Related Financing Activities		
Proceeds from Issuance of Debt	4,802	347
Capital Contributions and Grants	496	-
Proceeds from Sale of Equipment	77	22
Interest Paid on Capital Debt	(33)	(33)
Principal Paid on Capital Debt and Subscription Liability	(1,115)	(681)
Acquisition and Construction of Capital Assets	(13,300)	(8,620)
Net Cash Used For Capital & Related Financing Activities	(9,073)	(8,965)
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	4,002	-
Interest and Dividends Received	2,294	1,206
Fines and Penalties Received	37	-
Investment in CSA	(32)	(103)
Capital Contribution to Joint Sewer System	(300)	(275)
Purchase of Investments	(6,206)	(13,537)
Net Cash Used For Investing Activities	(205)	(12,709)
Net Increase in Cash and Cash Equivalents	(3,319)	(15,514)
Cash and Cash Equivalents, Beginning of the Year	13,812	29,326
Cash and Cash Equivalents, End of the Year	\$ 10,493	\$ 13,812

**BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

5.3.1. Cash Flows from Operating Activities

BVUA's annual cash flow from operating activities was \$5.96 million in FY 2024 compared to \$6.16 million in FY 2023. There was an increase in payments to suppliers, especially vegetation management contractors.

5.3.2. Cash Flows from Capital and Related Financing Activities

Cash used for capital and financing activities was \$9.07 million in FY 2024 compared to \$8.97 million in FY 2023. The driver of this change was an increase in capital spending in all divisions.

5.3.3. Cash Flows from Investing Activities

Cash flows used for investing activities were \$0.21 million in FY 2024 compared to \$12.71 million in FY 2023. In FY 2023, BVUA transferred \$13.54 million to fund reserves per the Board approved Cash Reserve policy.

6. Other Matters of Significance

6.1. Auditor of Public Accounts report

The APA audited BVUA because of changes to the BVU Authority Act. This audit examined all areas of BVUA and contained 56 recommendations. The APA's report was issued in October 2016. Both BVUA management and the Board take these recommendations seriously and are working to implement them. The final report is located at <http://www.apa.virginia.gov/reports/12634>. The status is as follows:

- 53 are fully implemented,
- 2 are nearing completion or partially implemented, and
- 1 is a continuing or ongoing generic recommendation.

Management anticipates that all the findings that don't require third-party action will be fully addressed by June 30, 2025.

6.2. Inter-Department Debt

In FY 2019, BVUA defeased its 2010 VRA Refunding Bond Debt. To accomplish this, the board approved a loan of \$1.70 million between the Water and Wastewater divisions. The note was fully repaid in FY 2024. This resulted in a decrease in the Water division cash and an increase in the Wastewater division cash. Going forward, the annual cash flows for the Water division will increase, and the Wastewater division will decrease now that the debt has been defeased.

BVU AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

6.3. Long-Term Debt

In November 2023, BVUA issued a \$0.71 million revenue bond to the Virginia Resources Authority (VRA). These funds are for the Water division's Pressure Reducing Valve Improvements Project and zone metering project.

In May 2024, BVUA issued a \$3.15 million revenue bond to the VRA. The proceeds will go toward the Beaver Creek Sewer Shed Improvements Project.

6.4. Consent Order on the Sewer Division

In December 2018, BVUA executed a corrective action plan, also known as a Consent Order, with the Virginia Department of Environmental Quality (DEQ) to correct overflow events along a portion of two sewer zones. Preliminary estimates are that the actions will take approximately eight years to complete at an estimated cost of \$32.00 million to \$40.00 million. BVUA intends to use its existing cash reserves, annual free cash flow, and loans to complete the projects within the time frames established by DEQ. The last project must be completed by December 1, 2030. BVUA is on schedule to complete all required projects before the deadline.

6.5. Pending Long Term Debt

In July 2020, BVUA received a commitment letter from the VRA for \$7.29 million. This amount includes \$1.83 million in principal forgiveness, resulting in a net payable amount of \$5.46 million. These funds are for the second phase of sewer projects related to the DEQ Consent Order.

In October 2023, BVUA received an award letter from the Virginia Department of Health for \$4.24 million. This amount includes \$3.18 million in principal forgiveness, resulting in a net payable of \$1.06 million. These funds are for the first phase of the Water division's Cast Iron Lead Joint and Galvanized Waterline Replacement project.

6.6. City Lawsuit and BVUA Counterclaim

In July 2020, BVUA was sued by the City of Bristol, VA (City), for \$6.50 million in Bristol, Virginia Circuit Court. The City claimed this amount was due to them from the sale of OptiNet in 2018. In August 2020, BVUA filed a counterclaim against the City for the return of properties in and around 300 Lee Street and rent. BVUA purchased the properties prior to City occupancy. The case was removed to the Federal District Court located in Abingdon, Virginia. The parties entered into a settlement. As part of this settlement, BVU paid the City \$2.10 million in FY 2024. The City agreed that the annual Payment In Lieu of Tax (PILOT) payments would be based upon the formulas used by the Virginia State Corporation Commission instead of an artificially high fixed amount.

BASIC FINANCIAL STATEMENTS

BVU AUTHORITY
STATEMENT OF NET POSITION
June 30, 2024

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 5,175,967
Investments	277,632
Accounts Receivable, Net of Allowance	6,734,194
Notes Receivable	11,276
Other Receivables	412,217
Due from Other Governmental Entities	12,414
Prepays	692,265
Inventories	1,565,995
Other Current Assets	49,812
Total Current Assets	<u>14,931,772</u>

Noncurrent Assets

Restricted Cash - Customer Deposits	1,876,531
Cash - Reserves	3,441,032
Investments - Reserves	40,369,916
Restricted Investments	1,128,947
Leases Receivable	2,712,285
Investment in Joint Sewerage System	7,026,610
Investment in CSA	134,604
Net Pension Asset	3,854,385
Capital Assets, Net	77,637,101
Total Noncurrent Assets	<u>138,181,411</u>

TOTAL ASSETS

153,113,183

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows Related to OPEB	213,632
Deferred Outflows Related to Pension	414,730
	<u>628,362</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES

628,362

(Continued)

BVU AUTHORITY
STATEMENT OF NET POSITION
June 30, 2024

LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	4,175,388
Accrued Interest Payable	15,721
Accrued Payroll and Related Liabilities	92,076
Capital Accounts Payable	1,431,009
Retainages Payable	331,284
Customer Security Deposits	1,876,531
Due to Other Governmental Entities	1,081,211
Unearned Revenue	1,979,196
Notes Payable	552,977
Subscription Liability	156,283
Compensated Absences	545,661
Total Current Liabilities	<u>12,237,337</u>
Noncurrent Liabilities	
Notes Payable	10,563,688
Subscription Liability	560,458
Compensated Absences	673,954
Net OPEB Liabilities	866,021
Total Noncurrent Liabilities	<u>12,664,121</u>
TOTAL LIABILITIES	<u>24,901,458</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to OPEB	201,504
Deferred Inflows Related to Pension	258,296
Deferred Inflows Related to Leases	2,610,375
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,070,175</u>
NET POSITION	
Net Investment in Capital Assets	64,041,402
Restricted - Net Pension Asset	3,854,385
Unrestricted	57,874,125
TOTAL NET POSITION	<u><u>\$ 125,769,912</u></u>

See accompanying notes to the financial statements.

BVU AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2024

<hr/>	
OPERATING REVENUES	
Charges for Services	\$ 56,842,665
Rent from Property	948,618
Forfeited Discounts and Penalties	448,501
Connections and Transfers	537,168
Lease Revenue	368,524
Other	<u>432,519</u>
 TOTAL OPERATING REVENUES	 <u>59,577,995</u>
OPERATING EXPENSES	
Electric Wholesale Power	36,771,245
Electric Operations and Maintenance	6,878,782
Water Operations and Maintenance	1,952,385
Wastewater Operations and Maintenance	2,053,951
Billing and Collection	1,373,679
General and Administrative	4,959,484
Depreciation	<u>4,210,509</u>
 TOTAL OPERATING EXPENSES	 <u>58,200,035</u>
 OPERATING INCOME	 <u>1,377,960</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Income	185,259
Interest Expense	(41,142)
Grant Revenue	496,008
Other Income	37,000
Loss on Investment in Joint Sewerage System	(279,099)
Investment Income	2,108,517
Loss on Disposal of Assets	<u>(168,761)</u>
 TOTAL NONOPERATING REVENUES (EXPENSES)	 <u>2,337,782</u>
 Change in Net Position	 3,715,742
 NET POSITION, JULY 1, 2023	 <u>122,054,170</u>
 NET POSITION, JUNE 30, 2024	 <u><u>\$ 125,769,912</u></u>

See accompanying notes to the financial statements.

BVU AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 60,840,323
Receipts of Customer Deposits	67,176
Payments to Suppliers	(49,146,713)
Payments to Employees	<u>(5,801,308)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,959,478</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Sale of Equipment	77,110
Capital Contributions and Grants	496,008
Acquisition and Construction of Capital Assets	(13,299,959)
Proceeds from Debt	4,801,791
Principal Paid on Capital Debt and Subscription Liability	(1,115,117)
Interest Paid on Capital Debt	<u>(32,834)</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(9,073,001)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Capital Contribution to Joint Sewerage System	(300,000)
Fines and Penalties Received	37,000
Investment in CSA	(31,852)
Purchase of Investments	(6,205,927)
Proceeds from Sale of Investments	4,001,880
Interest and Dividends Received	<u>2,293,776</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(205,123)</u>
Net Decrease in Cash and Cash Equivalents	(3,318,646)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>13,812,176</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 10,493,530</u></u>
 RECONCILIATION TO THE STATEMENT OF NET POSITION	
Cash and Cash Equivalents	\$ 5,175,967
Restricted Cash - Customer Deposits	1,876,531
Cash - Reserves	3,441,032
	<u><u>\$ 10,493,530</u></u>

(Continued)

BVU AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

RECONCILIATION OF OPERATING INCOME TO NET	
CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 1,377,960
Adjustments to Reconcile Operating Income	
to Net Cash Provided by Operating Activities:	
Depreciation Expense	4,210,509
Amortization Expense	133,875
(Increase) Decrease in Assets	
Net Accounts Receivable	(901,661)
Notes Receivable	12,831
Other Receivables	(98,172)
Lease Receivables	342,119
Due from Other Governmental Entities	(2,031,290)
Prepays	(105,441)
Inventories	(215,880)
Other Current Assets	(26,380)
Net Pension Asset	548,490
(Increase) Decrease in Deferred Outflows of Resources	(212,090)
Increase (Decrease) in Liabilities	
Accounts Payable and Accrued Liabilities	1,770,569
Accrued Payroll and Related Liabilities	29,760
Customer Security Deposits	67,176
Due to Other Governmental Entities	282,669
Unearned Revenue	1,950,736
Net OPEB Liabilities	(34,065)
Compensated Absences	151,345
Increase (Decrease) in Deferred Inflows of Resources	<u>(1,293,582)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 5,959,478</u>
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Intangible ROU Asset	<u>\$ 152,179</u>

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As of July 1, 2010, BVU Authority (BVUA) was created from the separately managed and financed division of the City of Bristol, Virginia (the City), formerly known as Bristol Virginia Utilities, by an act of the General Assembly of the Commonwealth of Virginia. BVUA was governed by a Board of Directors consisting of seven members. Once the sale of the OptiNet division assets occurred on August 2, 2018, the Board of Directors was reduced from seven to five members. The Board of Directors consists of a chairman, vice chairman, and three other Board members.

BVUA has three operating divisions consisting of Electric, Water, and Wastewater. BVUA has one discontinued division, OptiNet, as a result of the sale in August 2018.

The basic financial statements of BVUA have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Joint Venture

BVUA, along with the City of Bristol, Tennessee, established a jointly-owned wastewater facility located in Bluff City, Tennessee. The two are joint equitable owners of the facility. A six-member Sewer Oversight Committee has advisory authority with respect to the facility. Each equitable owner appoints three members to the Oversight Committee. BVUA has an ongoing financial interest in this joint venture and has recorded this as an investment. Separate financial statements of the Joint Sewerage System are available and may be obtained by writing to BVU Authority at P.O. Box 8100, Bristol, Virginia 24203.

BVUA has a receivable of \$12,414 from the Joint Sewerage System as of June 30, 2024. Condensed financial information for the Joint Sewerage System as of June 30, 2024 is as follows:

Revenues	\$ 4,073,536
Expenses	<u>(4,031,735)</u>
Change in Net Position	41,801
Net Position - Beginning	14,888,775
Net Position - Ending	<u><u>\$ 14,930,576</u></u>
Assets	\$ 15,399,812
Liabilities	<u>(469,236)</u>
Net Position	<u><u>\$ 14,930,576</u></u>

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting

BVUA's financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

BVUA distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with BVUA's principal ongoing operations. The principal operating revenues of BVUA are charges to customers for sales and services. BVUA also recognizes as operating revenue the portion of available charges intended to recover the cost of connecting new customers to the system. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is BVUA's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Joint Administration

BVUA utilizes a joint administrative department for the Electric, Water, and Wastewater operations, which includes accounting, administration, billings, and collections. The shared administration, customer service, and other general expenses are allocated monthly based on the number of customers serviced by each division, operating revenues of each division, and plant in service of each division. For the year ended June 30, 2024, the expenses of this department were allocated 62.72% to the electric system, 18.71% to the water system, and 18.57% to the wastewater system.

D. Cash and Cash Equivalents

BVUA considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

E. Investments

Investments in the Virginia Investment Pool (VIP) are carried at amortized cost, which approximates fair value. BVUA's investment practices are governed by its formal investment policy.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Accounts Receivable

Billings for services rendered by the electric, water, and wastewater systems are handled by Central Service Association (CSA). CSA provides separate revenue billings for each system, but is unable to render separate detailing of accounts receivable. As a result, the electric division “purchases” the accounts receivable from the water and wastewater divisions monthly. Accounts deemed uncollectible attributable to the water or wastewater systems are charged back against those systems as bad debt expense.

G. Allowance for Uncollectible Accounts

BVUA provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The estimate is based on historical collection data and specific account analysis. It is reasonably possible that the estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$442,269 at June 30, 2024.

H. Inventories

Inventories, consisting of materials and supplies, are valued at the average unit acquisition price.

I. Capital Assets

Capital assets are defined by BVUA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years except for certain Electric division assets where capitalization is determined by TVA. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method either by individual asset or the composite method for assets such as electric poles over the following estimated useful lives:

Utility Systems	10 – 50 years
Buildings	8 – 50 years
Equipment, Machinery and Vehicles	3 – 20 years

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

BVUA has policies which allow for the accumulation and vesting of limited amounts of vacation and sick leave until termination or retirement. Amounts of such absences are accrued when incurred.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. BVUA has items that qualify for reporting in this category. The items include pension and other post-employment benefits (OPEB) changes in experience, assumptions, investment earnings, and contributions to the pension and OPEB plans subsequent to the respective measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. BVUA has items which are required to be reported as deferred inflows for the year ended June 30, 2024 which include the pension and OPEB changes in experience, proportions, and assumptions and deferred amounts related to leases.

L. Pension

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of BVUA's Retirement Plan and the additions to/deductions from BVUA's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. OPEB - Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to § 51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB Liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Leases

BVUA is a lessor for a noncancellable lease of a data center, office space, and warehouse buildings. BVUA recognizes a lease receivable and a deferred inflow of resources in the statement of net position. At the commencement of a lease, BVUA initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how BVUA determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- BVUA uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and the renewal period of five years. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

O. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

All cash and certificates of deposit of BVUA are maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. Seq. of the *Code of Virginia* or covered by federal depository insurance.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, BVUA's deposits may not be returned to it. BVUA's policy for custodial credit rate risk on deposits is to follow state statutes.

At year-end, BVUA had \$1,500 of cash on hand, which has been included in cash and cash equivalents. BVUA's carrying amount of deposits, including restricted cash, was \$10,492,030. The entire bank balance was collateralized in accordance with the Virginia Security for Public Deposits Act or covered by the Federal Deposit Insurance Corporation (FDIC).

Investments

The Board has adopted an investment policy that sets forth the guidelines for BVUA's investment of funds. These guidelines are in accordance in Virginia statutes governing public funds. The statutes authorize BVUA to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP), and the VIP.

BVUA invested funds in the VIP Stable NAV Liquidity Pool which is rated AAAM by Standard's & Poor (S&P). VML/VACo Finance is the administrator of VIP and Public Trust Advisors, LLC (PTA) serves as the Investment Manager. The investments are measured at the net asset value (NAV). The investments are reported on the statement of net position as follows:

Investments	\$ 277,632
Investments - Reserves	40,369,916
Restricted Investments	<u>1,128,947</u>
Total Investments	<u>\$ 41,776,495</u>

Restricted Assets

Restricted assets consist primarily of customer deposits and reserve accounts related to the Virginia Resource Authority loans payable (see note 7).

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 3 - NOTES RECEIVABLE

BVUA had a program whereby qualifying homeowners could obtain interest-bearing loans to pay for energy conservation measures in their homes. The customer repays the loan over a period of up to ten years at a stated interest rate of up to 9.25%. Payments are made with the customers' regular monthly bills. Loans are secured by the related real property. The balance of the energy conservation loans as of June 30, 2024 was \$11,276. Beginning in September 2015, TVA began administering all new loans. BVUA continues to administer the loans that were in place as of this date.

NOTE 4 - DUE TO OTHER GOVERNMENTAL ENTITIES

BVUA is required to collect taxes for other entities on electric and water utility sales. These tax rates are verified annually by BVUA and included on a customer's bill when processed. In the course of payment, BVUA may receive the funds before or after when due. BVUA is entitled to an administrative fee for processing these fees. BVUA deducts its fees from its remittance to the Treasurer of each jurisdiction. Payments are remitted monthly. Any funds not collected after 90 days are deducted from future payments.

Electric Utility Taxes

Electric sales include the regulatory taxes for the Virginia States Corporation Commission (SCC), consumption taxes for the Commonwealth of Virginia, Washington and Scott Counties, Virginia, and the City of Bristol, Virginia.

Water Utility Taxes

BVUA is required to collect the City of Bristol, Virginia's water consumption tax.

In Lieu of Tax Payments (Electric Division)

BVUA is required to make in lieu of tax payments for its electric division under the terms of the TVA Power Contract. BVUA is not required to make in lieu of tax payments for either its water or wastewater divisions. This payment comes from BVUA's electric revenue. Under the terms of the TVA Power Contract, the in lieu of tax payment is reduced by the amount of the consumption tax each jurisdiction taxed during the year.

Third Party Trash Collection Billing Agent

BVUA currently acts as the billing agent for the City of Bristol's residential trash collection fee under the terms of the Third-Party Sanitation Billing Agreement. The Bristol City Council establishes a residential trash fee for non-exempt residences designated by the City. BVUA issues a separate monthly bill for the trash collection fee. BVUA is entitled to an administrative fee for processing this fee. BVUA deducts its fees from its remittance to the City Treasurer. Remittances are based on amounts collected and are submitted monthly.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 4 - DUE TO OTHER GOVERNMENTAL ENTITIES (CONTINUED)

The following are the total taxes and fees payable to each entity at June 30, 2024:

City of Bristol, Virginia	\$ 911,031
Washington County, Virginia	95,556
State Corporation Commission	62,910
Scott County, Virginia	3,854
Bristol, Tennessee	6,874
Sullivan County, Tennessee	657
Other Governmental Entities	<u>329</u>
Total Due to Other Governmental Entities	<u>\$ 1,081,211</u>

NOTE 5 - LESSOR AGREEMENTS

BVUA follows GASB Statement No. 87, *Leases*, which enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources.

On August 1, 2021, BVUA, as a lessor, entered into an agreement with Point Broadband Fiber Holding, LLC (the "tenant"), the lessee, to rent the data center, office, and warehouse buildings located on the BVUA Network Center premises. The lease calls for an initial term of five years commencing August 1, 2021. The lease includes options for renewing the lease for one additional five-year term. The lessee may terminate the lease at the end of a renewal term with 90 days written notice to the lessor. BVUA is reasonably certain that the lessee will renew this lease for the additional term. In accordance with the provisions of GASB Statement No. 87, *Leases*, the lease was measured as of August 1, 2021 with a lease term of ten years and an interest rate of 0.25%, BVUA's incremental borrowing rate.

Rent is payable monthly in advance of the first day of each month. The rent will increase on an annual basis by 2.50% with the payment due on or before August 1st of each year. For the July 1 payment, the amount due was \$28,460 and increased to \$29,172 each month thereafter during the fiscal year. BVUA recognized \$368,524 as lease revenue and \$7,233 as lease interest revenue for the year ended June 30, 2024.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 - CAPITAL ASSETS

BVUA follows GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, by recognizing a subscription-based information technology arrangements (SBITA) liability and an intangible right-of-use (ROU) asset. The software amortization expense is included on the Statement of Revenues, Expenses and Changes in Net Position related to BVUA's intangible asset of three software systems. These are reported in the capital asset schedule below as Intangible ROU Software Arrangements.

The System has an arrangement for the access and use of software for financial management, customer management, billing, and collections. These services are provided in a 7-year term ending on August 31, 2026. The subscription will automatically renew for another 7-year term, extending the total term through August 31, 2033. The System has three other arrangements with different companies for the access and use of software. The first has a term ending May 1, 2025 while the second has a term ending May 17, 2026. The System has imputed a 4.75% discount rate for these two arrangements based on the Prime Rate in effect on July 1, 2022, the date of the standard implementation. The third arrangement was initiated during the year with a term ending June 20, 2028 and a discount rate of 8.50%. These discount rates were used to determine the present value of the intangible ROU asset and SBITA liability.

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Capital Assets, Not Depreciated					
Land	\$ 2,248,996	33,641	-	-	2,282,637
Construction in Progress	11,838,327	10,985,173	(6,295,135)	-	16,528,365
Total Capital Assets, Not Depreciated	<u>14,087,323</u>	<u>11,018,814</u>	<u>(6,295,135)</u>	<u>-</u>	<u>18,811,002</u>
Capital Assets, Being Depreciated or Amortized					
Distribution System	62,022,068	2,931,223	(278,792)	5,735	64,680,234
General Plant	51,538,422	4,838,599	(331,940)	1,398	56,046,479
Buildings	11,239,933	5,700	-	-	11,245,633
Equipment, Furniture and Fixtures	7,506,800	352,003	(123,141)	(7,133)	7,728,529
Transportation Equipment	5,549,812	448,813	(178,178)	-	5,820,447
Intangible ROU Software Arrangements	836,624	152,179	-	-	988,803
Total Capital Assets, Being Depreciated or Amortized	<u>138,693,659</u>	<u>8,728,517</u>	<u>(912,051)</u>	<u>-</u>	<u>146,510,125</u>
Less Accumulated Depreciation and Amortization For					
Distribution System	(36,559,345)	(1,896,377)	188,240	-	(38,267,482)
General Plant	(31,707,888)	(1,350,726)	293,764	-	(32,764,850)
Buildings	(5,115,434)	(304,528)	-	-	(5,419,962)
Equipment, Furniture and Fixtures	(6,414,863)	(309,537)	123,141	15,637	(6,585,622)
Transportation Equipment	(4,170,048)	(349,341)	160,978	(15,637)	(4,374,048)
Intangible ROU Software Arrangements	(138,186)	(133,876)	-	-	(272,062)
Total Accumulated Depreciation and Amortization	<u>(84,105,764)</u>	<u>(4,344,385)</u>	<u>766,123</u>	<u>-</u>	<u>(87,684,026)</u>
Total Capital Assets Being Depreciated, Net	<u>54,587,895</u>	<u>4,384,132</u>	<u>(145,928)</u>	<u>-</u>	<u>58,826,099</u>
Capital Assets, Net	<u>\$ 68,675,218</u>	<u>15,402,946</u>	<u>(6,441,063)</u>	<u>-</u>	<u>77,637,101</u>

Depreciation expense for the year ended June 30, 2024 was \$4,210,509. Amortization expense of \$133,875 is included in Electric Operations and Maintenance.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 - CAPITAL ASSETS (CONTINUED)

BVUA received contributions in aid of construction of \$840,350 for fiscal year 2024. This amount is reported as a reduction in costs of the related assets. Idle property in the amount of \$24,175 was held at June 30, 2024.

NOTE 7 - LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Loan Forgiveness	Ending Balance	Due Within One Year
VRA Loans:						
Hassan Heights Water Tank	\$ 442,118	-	(67,964)	-	374,154	70,157
Bristol View Connector	484,563	-	(74,489)	-	410,074	76,892
PRV Improvements	-	493,110	-	-	493,110	13,149
Little Creek Interceptor	6,262,691	236,123	(392,779)	-	6,106,035	392,779
Beaver Creek Basin	106,743	3,929,499	-	(392,950)	3,643,292	-
King Mill Pike Sewer	-	143,059	(53,059)	-	90,000	-
Compensated Absences	1,068,270	621,129	(469,784)	-	1,219,615	545,661
Subscription Liability	698,438	152,179	(133,876)	-	716,741	156,283
Totals	<u>\$ 9,062,823</u>	<u>5,575,099</u>	<u>(1,191,951)</u>	<u>(392,950)</u>	<u>13,053,021</u>	<u>1,254,921</u>

Subscription-Based Information Technology Arrangements

Intangible ROU software arrangements of \$988,803 have been recorded in capital assets. Due to GASB Statement No. 96, these arrangements for software met the criteria of a SBITA; thus, requiring it to be recorded by the System as intangible assets and a SBITA liability. See Note 6 for additional details regarding these subscription arrangements. In addition to the SBITA liability, additional payments are made to CSA throughout the year for variable charges based on monthly usage. These are not considered to be part of the SBITA liability and are expensed as incurred.

A summary of the principal and interest amounts to maturity on the SBITA arrangements as of June 30, 2024 is as follows:

Year Ended June 30	Principal	Interest	Total
2025	\$ 156,283	32,093	188,376
2026	112,720	26,307	139,027
2027	102,550	19,708	122,258
2028	105,588	13,316	118,904
2029	66,164	9,952	76,116
2030-2034	173,436	15,296	188,732
	<u>\$ 716,741</u>	<u>116,672</u>	<u>833,413</u>

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Virginia Resources Authority Loans Payable

In September 2008, BVUA entered into two separate agreements with the Virginia Resources Authority (VRA). Money for these agreements is provided by the Drinking Water State Revolving Funds.

The Bristol View Connector Revolving Loan Fund (RLF) loan was issued in the amount of \$1,289,511, of which \$410,074 was outstanding as of June 30, 2024. The Hassan Heights Water Tank RLF loan was issued in the amount of \$1,176,557, of which \$374,154 was outstanding as of June 30, 2024. Each note has a 20-year term and a 3.20% interest rate with principal and interest payments through April 2029.

In January 2020, the Little Creek Interceptor Revolving Loan Fund loan was issued in the amount of \$7,855,589, of which \$7,480,762 was drawn. The note has a 20-year term and a 0.00% interest rate with principal payments beginning in April 2021 and maturing October 2040. The balance outstanding as of June 30, 2024 was \$6,106,035.

In June 2023, BVUA was awarded a funding package of \$9,532,000 for the Beaver Creek Interceptor Rehabilitation Project consisting of \$8,578,800 of principal repayment and \$953,200 of principal forgiveness. As of June 30, 2024, \$4,048,102 was drawn on the loan with \$5,483,898 still available to draw. Forgiveness of principal in the amount of \$392,950 was recognized as grant revenue for the year ended June 30, 2024. The balance outstanding as of June 30, 2024 was \$3,643,292. The note has a 30-year term and a 0.50% interest rate with principal payments beginning in June 2025 and maturing June 2053, therefore there is no future maturities schedule.

In November 2023, the Pressure-Reducing Valves (PRV) Improvement Project loan was issued in the amount of \$711,780, of which \$493,110 was drawn as of June 30, 2024. There is \$218,670 that is still available to draw. The note has a 20-year term and a 3.30% interest rate with principal payments beginning in April 2025 and maturing April 2044. The balance outstanding as of June 30, 2024 was \$493,110.

In May 2024, BVUA was awarded a funding package of \$5,010,575 for the King Mill Pike Sewer Shed Improvements Project consisting of \$3,152,220 of principal repayment and \$1,858,355 of principal forgiveness. As of June 30, 2024, \$143,059 was drawn on the loan with \$4,867,516 still available to draw. Forgiveness of principal in the amount of \$53,059 was recognized as grant revenue for the year ended June 30, 2024. The note has a 30-year term and a 0.00% interest rate with principal payments beginning September 2025 and maturing March 2054. The balance outstanding as of June 30, 2024 was \$90,000.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Virginia Resources Authority Loans Payable

The debt service requirements for BVUA's notes are as follows:

Year Ended June 30	VRA - Bristol View		VRA - Hassan Heights		VRA - Little Creek		PRV Improvements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 76,892	12,512	70,157	11,416	392,779	-	13,149	11,744
2026	79,372	10,032	72,419	9,153	392,779	-	26,953	22,834
2027	81,932	7,472	74,755	6,817	392,779	-	27,850	21,938
2028	84,575	4,829	77,167	4,406	392,779	-	28,776	21,011
2029	87,303	2,101	79,656	1,917	392,779	-	29,734	20,053
2030-2034	-	-	-	-	1,963,897	-	164,185	65,689
2035-2039	-	-	-	-	1,963,897	-	193,376	55,562
2040-2041	-	-	-	-	214,346	-	9,087	-
	<u>\$ 410,074</u>	<u>36,946</u>	<u>374,154</u>	<u>33,709</u>	<u>6,106,035</u>	<u>-</u>	<u>493,110</u>	<u>218,831</u>

Details of long-term indebtedness are as follows:

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Amount Outstanding
VRA RLF Loan - Bristol View Connector	3.20%	09-08	04-29	\$ 1,289,511	\$ 410,074
VRA RLF Loan - Hassan Heights Water Tank	3.20%	09-08	04-29	1,176,557	374,154
VRA RLF Loan - Little Creek Interceptor	0.00%	01-20	10-40	7,855,589	6,106,035
VRA RLF Loan - Beaver Creek Basin	0.50%	06-23	06-53	8,578,800	3,643,292
VRA RLF Loan - PRV Improvement	3.30%	11-23	04-44	711,780	493,110
VRA RLF Loan - King Mill Pike	0.00%	05-24	03-54	3,152,220	90,000
					<u>\$ 11,116,665</u>

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN

Plan Description

All full-time, salaried permanent employees of BVUA are automatically covered by a VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>	<p>About Plan 2 Same as Plan 1.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member’s age, service credit and average final compensation at retirement using a formula. The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

**BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer.</p>

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
<p>Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p>Defined Contribution Component: Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p>Defined Contribution Component: Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p>

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distributions not required, except as governed by law until age 73.</p>
<p>Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit Defined Benefit Component: See definition under Plan 1.</p> <p>Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>

**BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p>	<p>Service Retirement Multiplier Defined Benefit Component: VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>Defined Contribution Component: Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p>	<p>Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.</p>	<p>Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of service credit.</p>	<p>Earliest Reduced Retirement Eligibility Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p>Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p>Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p>Eligibility: Same as Plan 1.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p> <p>Eligibility: Same as Plan 1 and Plan 2.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.</p>

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 		
<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p>

**BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

NOTE 8 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		Hybrid plan members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one- year waiting period before becoming eligible for non-work- related disability benefits.
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. <p>Defined Contribution Component: Not applicable.</p>

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	39
Inactive members:	
Vested inactive members	41
Non-vested inactive members	41
Inactive members active elsewhere in VRS	5
Total inactive members	87
Active members	60
Total Covered Employees	186

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

BVUA’s contractually required employer contribution rate for the year ended June 30, 2024 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from BVUA were \$0 and \$0 for the years ended June 30, 2024, and June 30, 2023, respectively.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Net Pension Liability (Asset)

The net pension Liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For BVUA, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in BVUA's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

All Other (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related:

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for male; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females forward 2 years

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; Set separate rates based on experience for Plan 2/Hybrid; change final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System 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. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return (Continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

** The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50 %.*

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater. From July 1, 2023, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

Discount Rate (Continued)

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at June 30, 2022	\$ 9,499,046	13,901,921	(4,402,875)
Changes for the Year:			
Service Cost	427,055	-	427,055
Interest	660,795	-	660,795
Differences Between Expected and Actual Experience	553,253	-	553,253
Contributions - Employer	-	-	-
Contributions - Employee	-	198,180	(198,180)
Net Investment Income	-	904,743	(904,743)
Benefit Payments, Including Refunds of Employee Contributions	(273,101)	(273,101)	-
Pension Plan Administrative Expense	-	(8,890)	8,890
Other Changes	-	(1,420)	1,420
Net Changes	1,368,002	819,512	548,490
Balance at June 30, 2023	\$ 10,867,048	14,721,433	(3,854,385)

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

The following presents the net pension asset of BVUA using the discount rate of 6.75%, as well as what BVUA's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
BVUA's Net Pension Asset	\$ (1,932,848)	(3,854,385)	(5,392,468)

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2024, BVUA recognized negative pension expense of \$(149,108). At June 30, 2024, BVUA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 335,626	48,096
Changes of assumptions	79,104	-
Net difference between projected and actual earnings on pension plan investments	-	210,200
Total	\$ 414,730	258,296

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2025	\$ 83,512
2026	(131,490)
2027	198,260
2028	6,152
2029	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Single-Employer Plan

Plan Description

BVUA has adopted a plan that provides post-employment medical insurance for retirees and their spouses. The plan is closed to employees hired after July 1, 2018. The OPEB plan is a single-employer defined benefit OPEB plan administered by BVUA who has the authority to amend the plan. The plan is funded on a pay-as-you-go basis. BVUA has reserved assets equal to the total potential liability of the plan. The account that holds these assets does not meet the definition of a trust as laid out in GASB Statement Number 75, paragraph 4.

Employees are eligible to participate in the plan if they were hired before July 1, 2018, retire with at least 25 years of service, and are at least 60 years of age. The plan allows eligible individuals to continue to participate in the employer's group medical plan upon their retirement. BVUA will also pay 80% of the insurance premium (employer's portion) based on the employee's years of service. If the employee has 30 years of service, BVUA will pay 100% of the employer's portion. If the employee has 29 years of service, the amount paid by BVUA will be reduced by 6%. This reduction continues until the employee has 25 years of service, at which time BVUA will pay 70% of the employer's portion.

The maximum monthly amount that BVUA will pay under this plan is \$1,197 for dual coverage and \$647 for single coverage. Employees are allowed to remain on the plan until they turn the age of 65. If the employee has a spouse on the plan, the spouse can remain on the plan until either the employee or the spouse reaches the age of 65.

Until June 30, 2021, employees were also allowed to participate in a Medicare Supplement Plan offered by BVUA. This plan was amended in May 2020 to prevent any new retirees from enrolling in the Medicare Supplement Plan. As of July 1, 2022, the Medicare Supplement Plan ended for all current enrollees.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Single-Employer Plan (Continued)

Employees Covered by Benefit Terms

As of the July 1, 2023 actuarial valuation date, the following employees were covered by benefit terms:

Active employees	51
Inactive employees or beneficiaries currently receiving benefits	13
	64
	64

Net OPEB Liability

BVUA’s net OPEB liability of \$657,100 is based on a measurement date of July 1, 2023 and the corresponding measurement period of July 1, 2022 to July 1, 2023. The measurement of the total OPEB liability is based on a valuation date of July 1, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	3.86% (represents the Municipal GO AA 20-year yield curve rates)
Salary Scale	3.00%
Healthcare Cost Trend Rates	6.50% for fiscal year end 2024, decreasing 0.50% per year to an ultimate rate of 5.00%
Mortality	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021
Actuarial Cost Method	Entry Age Actuarial Cost Method

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Single-Employer Plan (Continued)

Changes in the Net OPEB Liability

Changes in the net OPEB Liability were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balance at 7/1/2023	\$ 692,500	-	692,500
Changes for the year:			
Service Cost	3,100	-	3,100
Interest	22,900	-	22,900
Differences Between Expected and Actual Experience	94,500	-	94,500
Assumption Changes	(2,200)	-	(2,200)
Contributions - Employer	-	153,700	(153,700)
Benefit Payments	(153,700)	(153,700)	-
Net Changes	(35,400)	-	(35,400)
Balance at 6/30/2024*	\$ 657,100	-	657,100

*Measurement date is July 1, 2023

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

The following presents the net OPEB liability of BVUA as of the measurement date calculated using the discount rate, as well as what BVUA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1.00% Decrease (2.86%)	Current Discount Rate (3.86%)	1.00% Increase (4.86%)
Net OPEB Liability	\$ 692,000	657,100	625,600

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Single-Employer Plan (Continued)

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

The following presents the net OPEB liability of BVUA as of the measurement date calculated using the trend rate, as well as what BVUA's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1.00% Decrease (5.50%)	Current Trend Rate (6.50%)	1.00% Increase (7.50%)
Net OPEB Liability	\$ 640,400	657,100	676,000

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

For the year ended June 30, 2024, BVUA recognized negative OPEB expense of \$(238,500). At June 30, 2024, BVUA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 70,500	33,000
Changes of Assumptions	6,500	50,100
Employer Contributions Subsequent to the Measurement Date	85,950	-
Total	\$ 162,950	83,100

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

<u>Year ended June 30</u>		
2025	\$	(51,600)
2026		23,400
2027		22,100

**BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing Employer Plan – Group Life Insurance Plan

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves, as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none">• City of Richmond• City of Portsmouth• City of Roanoke• City of Norfolk• Roanoke City School Board <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>

**BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing Employer Plan – Group Life Insurance Plan (Continued)

Plan Description (Continued)

Benefit Amounts

The benefits payable under the Group Life Insurance Program have several components.

- **Natural Death Benefit** – The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits under specific circumstances. These include:
 - Accidental dismemberment benefit
 - Seatbelt benefit
 - Repatriation benefit
 - Felonious assault benefit
 - Accelerated death benefit option

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing Employer Plan – Group Life Insurance Plan (Continued)

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were \$23,396 and \$33,021 for the years ended June 30, 2024, and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. Our proportionate share is reflected in net OPEB liabilities of our financial statements.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2024, the entity reported a liability of \$208,921 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.01742% as compared to 0.01724% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense (gain) of \$(52,790). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing Employer Plan – Group Life Insurance Plan (Continued)

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 20,866	6,342
Net Difference Between Projected and Actual Earnings on GLI OPEB		
Program Investments	-	8,396
Change in Assumptions	4,466	14,475
Change in Proportion	1,954	89,191
Employer Contributions Subsequent to the Measurement Date	23,396	-
Total	\$ 50,682	118,404

\$23,396 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year ended June 30		
2025	\$	(55,848)
2026		(34,221)
2027		(2,797)
2028		(689)
2029		2,437

**BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing Employer Plan – Group Life Insurance Plan (Continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation - Locality - General employees	3.50% - 5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

**BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing Employer Plan – Group Life Insurance Plan (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the Measurement Date of June 30, 2023, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

Total GLI OPEB Liability	\$ 3,907,052
Plan Fiduciary Net Position	(2,707,739)
Employers' Net GLI OPEB Liability	<u>\$ 1,199,313</u>

Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%
--	--------

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing Employer Plan – Group Life Insurance Plan (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's 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. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing Employer Plan – Group Life Insurance Plan (Continued)

Discount Rate (Continued)

Through the fiscal year ending June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Employer's Proportionate Share of the GLI Program Net OPEB Liability	\$ 309,685	208,921	127,451

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

The aggregate OPEB amounts for both plans are as follows as of June 30, 2024:

	OPEB - Medical	OPEB - GLI	Total
OPEB Liability	\$ (657,100)	(208,921)	(866,021)
Deferred Outflow of Resources	162,950	50,682	213,632
Deferred Inflow of Resources	(83,100)	(118,404)	(201,504)
OPEB Expense (Gain)	(238,500)	(52,790)	(291,290)

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 - SERVICE CONTRACTS

In September 2006, BVUA entered into an agreement with the Tennessee Valley Authority (TVA) for the purchase of wholesale electric power. The original contract period was for January 1, 2008 through December 31, 2027; however, on September 30, 2019, BVUA signed an updated contract with TVA which extended the duration of this service contract through September 2039. For the year ended June 30, 2024, \$36,788,245 was expensed under this contract. Of this total, \$17,000 is included in billing and collections.

NOTE 11 - RISK MANAGEMENT

BVUA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; injuries to employees and natural disasters. The risk management programs utilized by BVUA are as follows:

Workmens' Compensation Insurance

Insurance is provided through VACORP, which is a Commonwealth of Virginia pooled plan. Benefits are those afforded through the Commonwealth of Virginia, as outlined in the *Code of Virginia* Section 65.2-100; premiums are based upon covered payroll, job rates and claims experience.

General Liability and Other

BVUA maintains general liability and other insurance coverage through VACORP, which is a Commonwealth of Virginia pooled plan.

Healthcare

Healthcare insurance coverage is provided to BVUA's employees through a policy with Local Choice/Anthem, which is a Commonwealth of Virginia pooled plan. Partial premiums are withheld from the employee's earnings and remaining premiums are paid by BVUA. Dependents of employees and qualified retired employees are also covered by the program provided they pay the applicable premium.

There were no significant reductions in insurance coverage from the prior year and no settlements that exceeded the amount of insurance coverage during the last three years.

NOTE 12 - INTERDIVISION TRANSACTIONS

Interdivision Receivables and Payables

During the course of operations, transactions occur between the individual divisions that may result in amounts owed between divisions. For the purpose of the statement of net position, these amounts have been eliminated.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 12 - INTERDIVISION TRANSACTIONS (CONTINUED)

Interdivision Receivables and Payables (Continued)

The amounts due between the individual divisions as of June 30, 2024 are as follows:

<u>Receivable Division</u>	<u>Payable Division</u>	<u>Amount</u>
Electric	OptiNet	\$ 5,497
Electric	Wastewater	1,237,374
Electric	Water	1,825
Water	Electric	20,681
Wastewater	Electric	35,917

During the year ended June 30, 2024, charges for services revenue of \$183,464 and \$1,379 were received by the Electric and Water divisions, respectively. These revenues were paid by the following divisions: Electric - \$166,188, Water - \$14,429, and Wastewater - \$4,226.

The Electric division received rent from property of \$135,372 from: Water - \$67,940 and Wastewater - \$67,432 for the year ended June 30, 2024.

Interdivision Notes Payable

An intercompany loan agreement was entered into in August 2018 between the Water division and Wastewater division for an amount up to \$2,500,000 with an interest rate of 2.30% and maturity date of 20 years from the effective date. In November 2018, \$1,700,000 was borrowed and the balance was paid off during the fiscal year and the balance as of June 30, 2024 was \$0. This amount is eliminated in the basic financial statements.

Total interest expense for the intercompany notes payable was \$10,385 for the year ended June 30, 2024. This amount is eliminated in the basic financial statements.

BVU AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 - COMMITMENTS AND CONTINGENCIES

BVUA is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of BVUA.

In December 2018, BVUA entered into a corrective action plan, also known as a Consent Order, with the Virginia Department of Environmental Quality (DEQ) to correct overflow events along a portion of two sewer zones. The final project is to be completed by December 2030. The total cost of all projects is estimated to be between \$32 million and \$40 million dollars.

BVUA has entered into construction contracts for sewer improvement projects which were not completed at fiscal year-end. At June 30, 2024, remaining construction commitments are \$6,043,015.

REQUIRED SUPPLEMENTARY INFORMATION

BVU AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN BVUA'S NET PENSION ASSET
AND RELATED RATIOS
For the Plan Years Ended June 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability										
Service Cost	\$ 427,055	380,162	424,451	441,152	761,034	753,335	822,504	871,916	934,815	944,947
Interest	660,795	620,733	535,052	600,228	530,485	465,275	403,565	349,213	280,294	206,470
Differences between Expected and Actual Experience	553,253	(178,088)	(53,401)	(1,782,026)	12,360	75,776	191,654	(138,688)	(873)	-
Changes in Assumptions	-	-	256,622	-	350,019	-	(286,779)	-	-	-
Benefit Payments, including Refunds of										
Employee Contributions	(273,101)	(279,288)	(267,788)	(182,067)	(497,913)	(227,704)	(271,049)	(340,915)	(118,449)	(75,133)
Net Change in Total Pension Liability	<u>1,368,002</u>	<u>543,519</u>	<u>894,936</u>	<u>(922,713)</u>	<u>1,155,985</u>	<u>1,066,682</u>	<u>859,895</u>	<u>741,526</u>	<u>1,095,787</u>	<u>1,076,284</u>
Total Pension Liability - Beginning	<u>9,499,046</u>	<u>8,955,527</u>	<u>8,060,591</u>	<u>8,983,304</u>	<u>7,827,319</u>	<u>6,760,637</u>	<u>5,900,742</u>	<u>5,159,216</u>	<u>4,063,429</u>	<u>2,987,145</u>
Total Pension Liability - Ending (a)	<u>\$ 10,867,048</u>	<u>9,499,046</u>	<u>8,955,527</u>	<u>8,060,591</u>	<u>8,983,304</u>	<u>7,827,319</u>	<u>6,760,637</u>	<u>5,900,742</u>	<u>5,159,216</u>	<u>4,063,429</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ -	37,559	93,038	131,663	152,136	333,762	353,523	439,461	443,009	762,024
Contributions - Employees	198,180	195,015	178,426	193,858	225,543	361,712	378,856	391,387	387,783	399,374
Net Investment Income	904,743	(19,023)	3,025,156	204,915	675,237	675,540	956,184	140,294	294,159	728,746
Benefit Payments, including Refunds of										
Employee Contributions	(273,101)	(279,288)	(267,788)	(182,067)	(497,913)	(227,704)	(271,049)	(340,915)	(118,449)	(75,133)
Administrative Expense	(8,890)	(8,639)	(7,327)	(6,711)	(6,584)	(5,334)	(4,985)	(4,070)	(3,651)	(2,960)
Other Changes	(1,420)	327	287	(186)	(484)	(842)	(634)	369	(64)	(32)
Net Change in Plan Fiduciary Net Position	<u>819,512</u>	<u>(74,049)</u>	<u>3,021,792</u>	<u>341,472</u>	<u>547,935</u>	<u>1,137,134</u>	<u>1,411,895</u>	<u>626,526</u>	<u>1,002,787</u>	<u>1,812,019</u>
Plan Fiduciary Net Position - Beginning	<u>13,901,921</u>	<u>13,975,970</u>	<u>10,954,178</u>	<u>10,612,706</u>	<u>10,064,771</u>	<u>8,927,637</u>	<u>7,515,742</u>	<u>6,889,216</u>	<u>5,886,429</u>	<u>4,074,410</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,721,433</u>	<u>13,901,921</u>	<u>\$ 13,975,970</u>	<u>10,954,178</u>	<u>10,612,706</u>	<u>10,064,771</u>	<u>8,927,637</u>	<u>7,515,742</u>	<u>6,889,216</u>	<u>5,886,429</u>
BVUA's Net Pension Asset - Ending (a) - (b)	<u>\$ (3,854,385)</u>	<u>(4,402,875)</u>	<u>(5,020,443)</u>	<u>(2,893,587)</u>	<u>(1,629,402)</u>	<u>(2,237,452)</u>	<u>(2,167,000)</u>	<u>(1,615,000)</u>	<u>(1,730,000)</u>	<u>(1,823,000)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	135.47%	146.35%	156.06%	135.90%	118.14%	128.59%	132.05%	127.37%	133.53%	144.86%
Covered Payroll	\$ 4,103,948	3,750,403	3,694,999	3,954,855	4,444,208	7,260,790	7,542,969	7,814,346	7,740,429	7,873,956
BVUA's Net Pension Asset as a Percentage of Covered Payroll	-93.92%	-117.40%	-135.87%	-73.17%	-36.66%	-30.82%	-28.73%	-20.67%	-22.35%	-23.15%

See Independent Auditors' Report.

BVU AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Years Ended June 30

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	\$ -	\$ -	\$ -	\$ 4,332,491	0.00%
2023	-	-	-	4,103,948	0.00%
2022	38,943	38,943	-	3,750,403	1.22%
2021	94,527	94,527	-	3,694,999	1.22%
2020	133,452	133,452	-	3,954,855	3.85%
2019	144,138	144,138	-	4,444,208	3.85%
2018	334,000	334,000	-	7,260,790	4.91%
2017	353,512	353,512	-	7,542,969	4.91%
2016	497,444	497,444	-	7,814,346	5.76%
2015	565,450	565,450	-	7,740,429	5.76%

See Independent Auditors' Report.

BVU AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

Changes of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of Assumptions

The actuarial assumptions used in the June 30, 2022, valuations were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others - Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; Set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

See Independent Auditors' Report.

BVU AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB LIABILITY
AND RELATED RATIOS - RETIREE HEALTH INSURANCE
For the Fiscal Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 3,100	11,600	10,400	43,600	171,700	172,500	164,300
Interest	22,900	19,200	26,900	74,000	111,500	170,200	168,700
Changes in Benefit Terms	-	-	-	(1,009,200)	(281,100)	-	-
Differences Between Expected and Actual Experience	94,500	(88,500)	(32,800)	(248,800)	(490,900)	(2,085,500)	-
Changes in Assumptions	(2,200)	(166,900)	29,300	41,800	(75,900)	96,400	-
Benefit Payments, Including Refunds of Employee Contributions	(153,700)	(138,000)	(133,200)	(133,200)	(127,600)	(112,000)	(141,700)
Net Change in Total OPEB Liability	(35,400)	(362,600)	(99,400)	(1,231,800)	(692,300)	(1,758,400)	191,300
Total OPEB Liability - Beginning	692,500	1,055,100	1,154,500	2,386,300	3,078,600	4,837,000	4,645,700
Total OPEB Liability - Ending	\$ 657,100	692,500	1,055,100	1,154,500	2,386,300	3,078,600	4,837,000
Plan Fiduciary Net Position							
Contributions - Employer	\$ 153,700	138,000	133,200	133,200	127,600	112,000	141,700
Benefit Payments, Including Refunds of Employee Contributions	(153,700)	(138,000)	(133,200)	(133,200)	(127,600)	(112,000)	(141,700)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	-	-	-	-	-	-	-
Employer's Net OPEB Liability	\$ 657,100	692,500	1,055,100	1,154,500	2,386,300	3,078,600	4,837,000
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 3,795,100	3,719,800	3,492,700	3,492,700	3,792,600	3,856,300	7,548,200
BVUA's Net OPEB Liability as a Percentage of Covered-Employee Payroll	17.31%	18.62%	30.21%	33.05%	62.92%	79.83%	64.08%

This is a 10-Year Schedule; however, the information in this Schedule is not required to be presented retroactively. Years will be added to this Schedule in future years until 10 years of information is available.

There are no assets accumulated in a trust that meets the criteria of GASB Codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

See Independent Auditors' Report.

BVU AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS - RETIREE HEALTH INSURANCE
For the Years Ended June 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 153,700	138,000	133,200	133,200	127,600	112,000	141,700
Contributions in Relation to Actuarially Determined Contribution	153,700	138,000	133,200	133,200	127,600	112,000	141,700
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expected Covered-Employee Payroll	3,795,100	3,719,800	3,492,700	3,492,700	3,792,600	3,856,300	7,548,200
Contributions as a % of Covered-Employee Payroll	4.05%	3.71%	3.81%	3.81%	3.36%	2.90%	1.88%

This is a 10-Year Schedule; however, the information in this Schedule is not required to be presented retroactively. Years will be added to this Schedule in future years until 10 years of information is available.

See Independent Auditors' Report.

BVU AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF THE NET OPEB LIABILITY
GROUP LIFE INSURANCE PROGRAM
For the Measurement Dates of June 30, 2017 through 2023

	2023	2022	2021	2020	2019	2018	2017
BVUA's Proportion of the Net GLI OPEB Liability	0.01742%	0.01724%	0.01790%	0.01922%	0.02267%	0.03819%	0.04089%
BVUA's Proportionate Share of the Net GLI OPEB Liability	\$ 208,921	\$ 207,586	\$ 208,405	\$ 320,749	\$ 368,901	\$ 580,000	\$ 615,000
BVUA's Covered Payroll	\$ 4,103,948	\$ 3,750,403	\$ 3,694,999	\$ 3,954,855	\$ 4,444,208	\$ 7,260,790	\$ 7,542,969
BVUA's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	5.09%	5.54%	5.64%	8.11%	8.30%	7.99%	8.15%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, there are only seven years available. However, additional years will be included as they become available.

See Independent Auditors' Report.

BVU AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE PROGRAM
For the Years Ended June 30*

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	\$ 23,396	\$ 23,396	-	\$ 4,332,491	0.54%
2023	33,021	33,021	-	4,103,948	0.80%
2022	50,266	50,266	-	3,750,403	1.34%
2021	49,514	49,514	-	3,694,999	1.34%
2020	51,808	51,808	-	3,954,855	1.31%
2019	54,896	54,896	-	4,444,208	1.24%
2018	95,116	95,116	-	7,260,790	1.31%
2017	39,223	39,223	-	7,542,969	0.52%

* The amounts presented have a measurement date of the previous fiscal year end.

This is a 10-Year Schedule; however, the information in this Schedule is not required to be presented retroactively. Years will be added to this Schedule in future years until 10 years of information is available.

Notes to Schedule

Changes of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

(Continued)

**BVU AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 GROUP LIFE INSURANCE PROGRAM
 For the Years Ended June 30***

Changes of Assumptions

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

See Independent Auditors' Report.

COMBINING FINANCIAL SCHEDULES

BVU AUTHORITY
COMBINING SCHEDULE OF NET POSITION
June 30, 2024

	Electric	Water	Wastewater	BVU OptiNet	Totals	Eliminating Entries	Combined Total
ASSETS							
Current Assets							
Cash and Cash Equivalents	\$ 458,935	299,463	3,322,258	1,095,311	5,175,967	-	5,175,967
Investments	-	-	-	277,632	277,632	-	277,632
Accounts Receivable, Net of Allowance	5,972,411	357,959	403,824	-	6,734,194	-	6,734,194
Notes Receivable	11,276	-	-	-	11,276	-	11,276
Other Receivables	364,653	10,003	37,561	-	412,217	-	412,217
Due from Other Governmental Entities	-	-	12,414	-	12,414	-	12,414
Internal Balances	1,244,696	20,681	35,917	-	1,301,294	(1,301,294)	-
Prepays	573,667	65,639	52,959	-	692,265	-	692,265
Inventories	932,384	568,780	64,831	-	1,565,995	-	1,565,995
Other Current Assets	30,880	6,305	12,627	-	49,812	-	49,812
Total Current Assets	9,588,902	1,328,830	3,942,391	1,372,943	16,233,066	(1,301,294)	14,931,772
Noncurrent Assets							
Restricted Cash - Customer Deposits	1,876,531	-	-	-	1,876,531	-	1,876,531
Cash - Reserves	-	1,832,150	1,608,882	-	3,441,032	-	3,441,032
Investments - Reserves	25,333,068	3,235,207	11,801,641	-	40,369,916	-	40,369,916
Restricted Investments	-	241,376	887,571	-	1,128,947	-	1,128,947
Leases Receivable	2,712,285	-	-	-	2,712,285	-	2,712,285
Investment in Joint Sewerage System	-	-	7,026,610	-	7,026,610	-	7,026,610
Investment in CSA	134,604	-	-	-	134,604	-	134,604
Net Pension Asset	2,417,470	721,156	715,759	-	3,854,385	-	3,854,385
Capital Assets, Net	42,312,334	14,010,159	21,314,608	-	77,637,101	-	77,637,101
Total Noncurrent Assets	74,786,292	20,040,048	43,355,071	-	138,181,411	-	138,181,411
TOTAL ASSETS	84,375,194	21,368,878	47,297,462	1,372,943	154,414,477	(1,301,294)	153,113,183
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows Related to OPEB	133,990	39,970	39,672	-	213,632	-	213,632
Deferred Outflows Related to Pension	260,119	77,596	77,015	-	414,730	-	414,730
TOTAL DEFERRED OUTFLOWS OF RESOURCES	394,109	117,566	116,687	-	628,362	-	628,362

(Continued)

BVU AUTHORITY
COMBINING SCHEDULE OF NET POSITION
June 30, 2024

	Electric	Water	Wastewater	BVU OptiNet	Totals	Eliminating Entries	Combined Total
LIABILITIES							
Current Liabilities							
Accounts Payable and Accrued Liabilities	3,312,433	395,707	467,248	-	4,175,388	-	4,175,388
Accrued Interest Payable	-	12,146	3,575	-	15,721	-	15,721
Accrued Payroll and Related Liabilities	56,921	20,085	15,070	-	92,076	-	92,076
Capital Accounts Payable	1,431,009	-	-	-	1,431,009	-	1,431,009
Retainages Payable	331,284	-	-	-	331,284	-	331,284
Customer Security Deposits	1,876,531	-	-	-	1,876,531	-	1,876,531
Due to Other Governmental Entities	1,061,223	19,988	-	-	1,081,211	-	1,081,211
Internal Balances	56,598	1,825	1,237,374	5,497	1,301,294	(1,301,294)	-
Unearned Revenue	754,066	101,500	1,123,630	-	1,979,196	-	1,979,196
Notes Payable	-	160,198	392,779	-	552,977	-	552,977
Subscription Liability	156,283	-	-	-	156,283	-	156,283
Compensated Absences	348,369	97,573	99,719	-	545,661	-	545,661
Total Current Liabilities	9,384,717	809,022	3,339,395	5,497	13,538,631	(1,301,294)	12,237,337
Noncurrent Liabilities							
Notes Payable	-	1,117,140	9,446,548	-	10,563,688	-	10,563,688
Subscription Liability	560,458	-	-	-	560,458	-	560,458
Compensated Absences	482,113	131,438	60,403	-	673,954	-	673,954
Net OPEB Liabilities	543,169	162,032	160,820	-	866,021	-	866,021
Total Noncurrent Liabilities	1,585,740	1,410,610	9,667,771	-	12,664,121	-	12,664,121
TOTAL LIABILITIES	10,970,457	2,219,632	13,007,166	5,497	26,202,752	(1,301,294)	24,901,458

(Continued)

BVU AUTHORITY
COMBINING SCHEDULE OF NET POSITION
June 30, 2024

	Electric	Water	Wastewater	BVU OptiNet	Totals	Eliminating Entries	Combined Total
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows Related to OPEB	126,383	37,701	37,420	-	201,504	-	201,504
Deferred Inflows Related to Pension	162,003	48,328	47,965	-	258,296	-	258,296
Deferred Inflows Related to Leases	2,610,375	-	-	-	2,610,375	-	2,610,375
TOTAL DEFERRED INFLOWS OF RESOURCES	2,898,761	86,029	85,385	-	3,070,175	-	3,070,175
NET POSITION							
Net Investment in Capital Assets	39,833,300	12,732,821	11,475,281	-	64,041,402	-	64,041,402
Restricted - Net Pension Asset	2,417,470	721,156	715,759	-	3,854,385	-	3,854,385
Unrestricted	28,649,315	5,726,806	22,130,558	1,367,446	57,874,125	-	57,874,125
TOTAL NET POSITION	\$ 70,900,085	19,180,783	34,321,598	1,367,446	125,769,912	-	125,769,912

See Independent Auditors' Report.

BVU AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2024

	Electric	Water	Wastewater	BVU OptiNet	Totals	Eliminating Entries	Combined Total
OPERATING REVENUES							
Charges for Services	\$ 45,554,178	4,594,319	6,879,011	-	57,027,508	(184,843)	56,842,665
Rent from Property	972,971	111,019	-	-	1,083,990	(135,372)	948,618
Forfeited Discounts and Penalties	372,694	37,089	38,718	-	448,501	-	448,501
Connections and Transfers	386,035	93,214	57,919	-	537,168	-	537,168
Lease Revenue	368,524	-	-	-	368,524	-	368,524
Other	384,838	-	47,681	-	432,519	-	432,519
TOTAL OPERATING REVENUES	48,039,240	4,835,641	7,023,329	-	59,898,210	(320,215)	59,577,995
OPERATING EXPENSES							
Electric Wholesale Power	36,771,245	-	-	-	36,771,245	-	36,771,245
Electric Operations and Maintenance	6,901,914	-	-	-	6,901,914	(23,132)	6,878,782
Water Operations and Maintenance	-	1,965,388	-	-	1,965,388	(13,003)	1,952,385
Wastewater Operations and Maintenance	-	-	2,059,645	-	2,059,645	(5,694)	2,053,951
Billing and Collection	852,165	259,088	262,426	-	1,373,679	-	1,373,679
General and Administrative	3,217,562	1,053,043	957,791	9,474	5,237,870	(278,386)	4,959,484
Depreciation	2,635,850	962,271	612,388	-	4,210,509	-	4,210,509
TOTAL OPERATING EXPENSES	50,378,736	4,239,790	3,892,250	9,474	58,520,250	(320,215)	58,200,035
Operating Income (Loss)	(2,339,496)	595,851	3,131,079	(9,474)	1,377,960	-	1,377,960

(Continued)

BVU AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2024

	Electric	Water	Wastewater	BVU OptiNet	Totals	Eliminating Entries	Combined Total
NONOPERATING REVENUES (EXPENSES)							
Interest Income	8,094	-	10,385	177,165	195,644	(10,385)	185,259
Interest Expense	(4,293)	(43,659)	(3,575)	-	(51,527)	10,385	(41,142)
Grant Revenue	-	-	496,008	-	496,008	-	496,008
Other Income	-	-	37,000	-	37,000	-	37,000
Loss on Investment in JSS	-	-	(279,099)	-	(279,099)	-	(279,099)
Investment Income	1,293,280	187,604	627,633	-	2,108,517	-	2,108,517
Loss on Disposal of Assets	(117,893)	(827)	(50,041)	-	(168,761)	-	(168,761)
TOTAL NONOPERATING REVENUES (EXPENSES)	1,179,188	143,118	838,311	177,165	2,337,782	-	2,337,782
Income (Loss) Before Capital Contributions and Transfers	(1,160,308)	738,969	3,969,390	167,691	3,715,742	-	3,715,742
TRANSFERS IN (OUT)	2,100,000	1,000,000	1,000,000	(4,100,000)	-	-	-
Change in Net Position	939,692	1,738,969	4,969,390	(3,932,309)	3,715,742	-	3,715,742
NET POSITION, JULY 1, 2023	69,960,393	17,441,814	29,352,208	5,299,755	122,054,170	-	122,054,170
NET POSITION, JUNE 30, 2024	\$ 70,900,085	19,180,783	34,321,598	1,367,446	125,769,912	-	125,769,912

See Independent Auditors' Report.

BVU AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2024

	Electric	Water	Wastewater	BVU OptiNet	Totals	Eliminating Entries	Combined Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Customers and Users	\$ 46,818,048	4,859,614	9,448,565	34,311	61,160,538	(320,215)	60,840,323
Receipt (Payment) of Customer Deposits	67,176	-	-	-	67,176	-	67,176
Payments to Suppliers	(43,054,434)	(1,964,355)	(2,338,665)	(2,109,474)	(49,466,928)	320,215	(49,146,713)
Payments to Employees	(3,728,272)	(1,216,542)	(856,494)	-	(5,801,308)	-	(5,801,308)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	102,518	1,678,717	6,253,406	(2,075,163)	5,959,478	-	5,959,478
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers (to) from Other Divisions	2,100,000	1,000,000	1,000,000	(4,100,000)	-	-	-
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	2,100,000	1,000,000	1,000,000	(4,100,000)	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from Sale of Equipment	39,852	37,258	-	-	77,110	-	77,110
Capital Contributions and Grants	-	-	496,008	-	496,008	-	496,008
Acquisition and Construction of Capital Assets	(4,505,941)	(1,534,983)	(7,259,035)	-	(13,299,959)	-	(13,299,959)
Payments Received on Notes Receivable	-	-	1,363,936	-	1,363,936	(1,363,936)	-
Proceeds from Debt	-	493,110	4,308,681	-	4,801,791	-	4,801,791
Principal Paid on Capital Debt and Subscription Liability	(133,876)	(1,506,389)	(838,788)	-	(2,479,053)	1,363,936	(1,115,117)
Interest Paid on Capital Debt	(4,293)	(38,926)	-	-	(43,219)	10,385	(32,834)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(4,604,258)	(2,549,930)	(1,929,198)	-	(9,083,386)	10,385	(9,073,001)

(Continued)

BVU AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2024

	Electric	Water	Wastewater	BVU OptiNet	Totals	Eliminating Entries	Combined Total
CASH FLOWS FROM INVESTING ACTIVITIES							
Capital Contribution to Joint Sewerage System	-	-	(300,000)	-	(300,000)	-	(300,000)
Fines and Penalties Received	-	-	37,000	-	37,000	-	37,000
Investment in CSA	(31,852)	-	-	-	(31,852)	-	(31,852)
Purchase of Investments	(3,391,647)	151,828	(2,966,108)	-	(6,205,927)	-	(6,205,927)
Proceeds from Sale of Investments	-	-	-	4,001,880	4,001,880	-	4,001,880
Interest and Dividends Received	1,301,374	187,604	638,018	177,165	2,304,161	(10,385)	2,293,776
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(2,122,125)	339,432	(2,591,090)	4,179,045	(194,738)	(10,385)	(205,123)
Net Increase (Decrease) in Cash and Cash Equivalents	(4,523,865)	468,219	2,733,118	(1,996,118)	(3,318,646)	-	(3,318,646)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,859,331	1,663,394	2,198,022	3,091,429	13,812,176	-	13,812,176
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,335,466	2,131,613	4,931,140	1,095,311	10,493,530	-	10,493,530
RECONCILIATION TO THE STATEMENT OF NET POSITION							
Cash and Cash Equivalents	\$ 458,935	299,463	3,322,258	1,095,311	5,175,967	-	5,175,967
Restricted Cash - Customer Deposits	1,876,531	-	-	-	1,876,531	-	1,876,531
Cash - Reserves	-	1,832,150	1,608,882	-	3,441,032	-	3,441,032
	\$ 2,335,466	2,131,613	4,931,140	1,095,311	10,493,530	-	10,493,530

(Continued)

BVU AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2024

	Electric	Water	Wastewater	BVU OptiNet	Totals	Eliminating Entries	Combined Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Operating Income	\$ (2,339,496)	595,851	3,131,079	(9,474)	1,377,960	-	1,377,960
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation Expense	2,635,850	962,271	612,388	-	4,210,509	-	4,210,509
Amortization Expense	133,875	-	-	-	133,875	-	133,875
(Increase) Decrease in Assets							
Net Accounts Receivable	(962,354)	(33,215)	93,908	-	(901,661)	-	(901,661)
Notes Receivable	12,831	-	-	-	12,831	-	12,831
Other Receivables	(50,608)	(10,003)	(37,561)	-	(98,172)	-	(98,172)
Lease Receivables	342,119	-	-	-	342,119	-	342,119
Due from Other Governmental Entities	-	-	68,710	(2,100,000)	(2,031,290)	-	(2,031,290)
Internal Balances	(1,105,422)	(20,681)	(35,917)	181,788	(980,232)	980,232	-
Prepays	(99,122)	653	(6,972)	-	(105,441)	-	(105,441)
Inventories	(163,736)	(23,899)	(28,245)	-	(215,880)	-	(215,880)
Other Current Assets	(18,980)	948	(8,348)	-	(26,380)	-	(26,380)
Net Pension Asset	514,844	56,727	(23,081)	-	548,490	-	548,490
(Increase) Decrease in Deferred Outflows of Resources	(112,013)	(46,129)	(53,948)	-	(212,090)	-	(212,090)
Increase (Decrease) in Liabilities							
Accounts Payable and Accrued Liabilities	1,268,785	224,978	276,806	-	1,770,569	-	1,770,569
Accrued Payroll and Related Liabilities	17,611	5,067	7,082	-	29,760	-	29,760
Customer Security Deposits	67,176	-	-	-	67,176	-	67,176
Due to Other Governmental Entities	280,227	2,442	-	-	282,669	-	282,669
Internal Balances	(76,087)	(17,018)	1,220,814	(147,477)	980,232	(980,232)	-
Unearned Revenue	725,606	101,500	1,123,630	-	1,950,736	-	1,950,736
Net OPEB Liabilities	(73,633)	13,833	25,735	-	(34,065)	-	(34,065)
Compensated Absences	120,748	16,381	14,216	-	151,345	-	151,345
Increase (Decrease) in Deferred Inflows of Resources	(1,015,703)	(150,989)	(126,890)	-	(1,293,582)	-	(1,293,582)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 102,518	1,678,717	6,253,406	(2,075,163)	5,959,478	-	5,959,478
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of Intangible ROU Asset	\$ 152,179	-	-	-	152,179	-	152,179

See Independent Auditors' Report.

STATISTICAL SECTION

(UNAUDITED)

STATISTICAL SECTION (Unaudited)

This section of BVUA's Annual Report presents detailed information to provide a context for understanding what the information in the financial statements, notes to financial statements and required supplementary information says about BVUA's overall financial health.

Contents:	<u>Page</u>
Financial Trends <i>Financial trend information is intended to assist users in understanding how BVUA's financial position has changed over time. The tables which follow disclose ten years of financial data.</i>	82
Revenue Capacity <i>Revenue capacity information is provided to assist users in understanding the factors affecting BVUA's ability to generate sources of revenue. In setting rates, BVUA's general practice has been to cover projected operating costs and current capital projects and to cover a portion of future major capital projects. This practice generally allows BVUA to maintain and modernize its systems. The tables below set forth fees for over the last ten years. A summary of current rates and fees can be found at www.bvua.com.</i>	84
Debt Capacity <i>Debt capacity information is intended to assist users in understanding BVUA's debt burden and ability to issue additional debt. Rates are designed to recover the cost of debt associated with capital projects.</i>	99
Demographic and Economic Information <i>Demographic and economic information is intended to assist users in understanding the socio-economic environment within which BVUA operates and to provide information that facilitates comparisons of financial statement information over time.</i>	101

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

BVU AUTHORITY
NET POSITION BY COMPONENT
Last Ten Fiscal Years

Table 1

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net Investment in Capital Assets	\$ 113,129,629	118,453,883	110,940,595	99,827,738	55,064,481	55,097,955	53,682,266	56,239,343	60,680,666	64,041,402
Restricted	-	1,730,000	1,615,000	2,167,000	2,237,452	1,629,402	2,893,587	5,020,443	4,402,875	3,854,385
Unrestricted	28,443,885	29,837,005	38,257,839	50,456,001	53,159,536	56,493,847	60,222,715	58,923,848	56,970,629	57,874,125
Total net position	<u>\$ 141,573,514</u>	<u>150,020,888</u>	<u>150,813,434</u>	<u>152,450,739</u>	<u>110,461,469</u>	<u>113,221,204</u>	<u>116,798,568</u>	<u>120,183,634</u>	<u>122,054,170</u>	<u>125,769,912</u>

Source: Internal Records

See Independent Auditors' Report.

**BVU AUTHORITY
CHANGES IN NET POSITION
Last Ten Fiscal Years**

Table 2

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021 *	2022 **	2023	2024
OPERATING REVENUES										
Charges for services	\$ 79,548,565	84,275,758	84,021,323	82,580,342	56,997,844	50,672,016	50,231,585	54,033,830	57,057,767	56,842,665
Management and consulting fees	142,219	153,441	167,873	-	-	-	-	-	-	-
OptiNet backhaul fees	-	-	-	173,502	15,462	-	-	-	-	-
Rent from property	359,748	363,302	365,037	366,219	879,364	1,160,266	1,119,289	834,809	872,246	948,618
Forfeited discounts and penalties	521,319	528,163	556,020	557,976	440,329	288,101	68,992	412,481	431,486	448,501
Connections and transfers	238,495	244,972	268,764	241,541	284,344	281,836	244,825	536,797	416,384	537,168
Lease Revenue	-	-	-	-	-	-	-	364,902	368,524	368,524
Income from CPC Operations	2,019,780	-	-	-	-	-	-	-	-	-
Other	422,767	273,926	344,704	347,972	163,763	302,398	427,664	354,700	501,600	432,519
TOTAL OPERATING REVENUES	83,252,893	85,839,562	85,723,721	84,267,552	58,781,106	52,704,617	52,092,355	56,537,519	59,648,007	59,577,995
OPERATING EXPENSES										
Electric Wholesale Power	40,695,776	38,583,259	41,410,889	37,848,680	36,927,142	33,496,989	32,410,046	35,529,430	38,508,351	36,771,245
Electric Operations and Maintenance	-	-	-	-	-	-	4,033,610	4,585,170	5,378,230	6,878,782
Water Operations and Maintenance	-	-	-	-	-	-	1,058,798	1,263,453	1,376,998	1,952,385
Wastewater Operations and Maintenance	-	-	-	-	-	-	1,673,049	1,926,503	1,952,141	2,053,951
Power and pumping	1,505,748	1,706,911	1,624,118	1,738,854	1,790,223	1,658,581	-	-	-	-
Purification and collection system	690,180	676,057	702,955	706,056	701,762	676,980	-	-	-	-
Transmission and distribution	2,229,767	2,139,208	2,061,893	2,185,113	3,411,866	3,743,868	-	-	-	-
Telephone, broadband, and CATV	9,070,919	11,639,364	10,185,055	11,479,223	11,066,421	-	-	-	-	-
Billing and collection	5,132,043	5,985,459	5,180,156	4,758,234	2,443,130	2,120,431	2,161,535	2,135,280	1,399,871	1,373,679
Sales promotion	389,409	145,453	-	-	-	-	-	-	-	-
General and Administrative	9,095,690	9,126,869	8,364,721	7,678,109	5,230,293	4,593,913	2,929,048	3,266,013	3,465,907	4,959,484
Depreciation	11,176,532	13,096,513	13,150,430	12,507,809	4,523,409	3,921,047	4,045,918	3,985,854	4,333,053	4,210,509
Distribution of CPC operations	-	438,580	445,630	482,470	42,581	-	-	-	-	-
TOTAL OPERATING EXPENSES	79,986,064	83,537,673	83,125,847	79,384,548	56,176,827	50,211,809	48,312,004	52,691,703	56,414,551	58,200,035
OPERATING INCOME	3,266,829	2,301,889	2,597,874	4,883,004	2,604,279	2,492,808	3,780,351	3,845,816	3,233,456	1,377,960
NONOPERATING REVENUES (EXPENSES)										
Amortization	(245,127)	(245,127)	(245,127)	(245,127)	(2,788,816)	-	-	-	-	-
Interest income	91,563	56,193	46,587	34,062	277,147	567,009	55,590	25,492	65,790	185,259
Interest expense	(1,519,855)	(1,412,327)	(1,485,679)	(1,431,411)	(2,095,445)	(46,404)	(40,605)	(36,403)	(32,058)	(41,142)
Grant Revenue	-	-	-	-	-	-	-	-	-	496,008
Other Income	-	-	-	-	-	-	-	-	-	37,000
Loss on investment in Joint Sewer System	-	-	-	(228,311)	(394,178)	(179,931)	(286,569)	(424,148)	(418,393)	(279,099)
Loss on sale of OptiNet	-	-	-	-	(39,988,630)	-	-	-	-	-
Investment Income (Loss)	-	-	-	-	-	-	-	(14,215)	1,140,010	2,108,517
Legal Settlement	-	-	-	-	-	-	-	-	(2,100,000)	-
Gain (loss) on disposal of assets	(49,335)	87,639	(121,109)	(150,266)	386,104	(73,747)	68,597	(11,476)	(18,269)	(168,761)
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,722,754)	(1,513,622)	(1,805,328)	(2,021,053)	(44,603,818)	266,927	(202,987)	(460,750)	(1,362,920)	2,337,782
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,544,075	788,267	792,546	2,861,951	(41,999,539)	2,759,735	3,577,364	3,385,066	1,870,536	3,715,742
Capital contributions	381,314	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ 1,925,389	788,267	792,546	2,861,951	(41,999,539)	2,759,735	3,577,364	3,385,066	1,870,536	3,715,742

Source: Internal records

* 2021 Operating Expenses classifications were changed to improve classifications of expenses.

** 2022 Operating Revenues classifications were changed for new lease reporting requirements (GASB 87).

See Independent Auditors' Report.

**BVU AUTHORITY
REVENUES BY SOURCE
Last Ten Fiscal Years**

Table 3

	Fiscal year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Electric Services	\$ 52,047,845	51,218,637	51,102,456	49,828,892	46,957,893	42,288,130	41,800,128	45,030,293	47,043,176	45,370,252
Water Services	3,254,408	3,417,689	3,432,990	3,466,484	3,462,139	3,578,690	3,631,161	3,766,482	4,055,149	4,593,402
Wastewater Services	4,101,543	4,681,347	4,612,551	4,602,639	4,609,702	4,805,196	4,800,296	5,237,055	5,959,442	6,879,011
OptiNet Services	20,144,769	19,529,752	19,596,857	19,061,228	1,810,419	-	-	-	-	-
CPC Services	-	5,428,333	5,276,469	5,621,099	157,691	-	-	-	-	-
OptiNet backhaul fees	142,219	153,441	167,873	173,502	15,462	-	-	-	-	-
Rent from property	359,748	363,302	365,037	366,219	879,364	1,160,266	1,119,289	834,809	872,246	948,618
Forfeited discounts and penalties	521,319	528,163	556,020	557,976	440,329	288,101	68,992	412,481	431,486	448,501
Connections and transfers	238,495	244,972	268,764	241,541	284,344	281,836	244,825	536,797	416,384	537,168
Lease Revenue	-	-	-	-	-	-	-	364,902	368,524	368,524
Income from CPC Operations	2,019,780	-	-	-	-	-	-	-	-	-
Other	422,767	273,926	344,704	347,972	163,763	302,398	427,664	248,402	501,600	469,519
Interest Income	91,563	56,193	46,587	34,062	277,147	567,009	55,590	106,298	65,790	185,259
Investment Income	-	-	-	-	-	-	-	-	1,140,010	2,108,517
Grants and Contributions	381,314	-	-	-	-	-	-	-	-	496,008
Total Revenues by Source	\$ 83,725,770	85,895,755	85,770,308	84,301,614	59,058,253	53,271,626	52,147,945	56,537,519	60,853,807	62,404,779

NOTE: Prior to FY2016, only the net income from CPC Operations was recorded by BVU Authority. Beginning in FY2016, the results of CPC Operations were recorded in their gross amount.

Source: Internal records

See Independent Auditors' Report.

BVU AUTHORITY
LARGEST INDIVIDUAL CUSTOMER ACCOUNTS
Current Year and Nine Years Prior

Table 4

Electric	2024 Rank	2015 Rank
Universal Fibers Systems, LLC (**481)	1	1
HR Bristol, LLC (**920)	2	-
Strongwell (**104)	3	4
Snack Alliance (**403)	4	-
Wal-Mart Stores East Inc (**503)	5	5
Snack Alliance (**402)	6	-
Sam's Wholesale (**108)	7	9
Green Valley Poultry (**553)	8	-
KVAT Food Stores 821 (**073)	9	10
Aerus, LLC (**482)	10	6
Bristol Compressors International (**483)	-	2
Ball Metal Beverage (**409)	-	3
Sandvik Management, LLC (**480)	-	7
Hirschfeld Industries Birdge, LLC (**583)	-	8
Water	2024 Rank	2015 Rank
Snack Alliance (**402)	1	1
American Merchant, Inc (**206)	2	-
Bristol Housing Authority (**379)	3	-
Ridgecrest Town Apts, LLC (**730)	4	6
Hulsing Hotels Virginia, Inc (**285)	5	3
Carriage Hills Condos (**231)	6	-
Associated Asphalted Bristol, LLC (**091)	7	8
Trushine, LLC (**932)	8	-
Leisure Park Towers (**005)	9	-
City of Bristol, VA (**465)	10	-
City of Bristol, VA (**001)	-	2
United Parcel Service (**303)	-	4
Bristol Courtyard by Marriot (**672)	-	5
Bristol VA School Board (**056)	-	7
Highlands Union Bank (**137)	-	9
Cheddar's Franchise, LLC 2151 (**327)	-	10

Source: Internal billing records.

(Continued)

BVU AUTHORITY
LARGEST INDIVIDUAL CUSTOMER ACCOUNTS
Current Year and Nine Years Prior

Table 4

Wastewater	2024 Rank	2015 Rank
City of Bristol, VA (**219)	1	1
Snack Alliance (**402)	2	2
Washington County Service Authority (**580)	3	7
Washington County Service Authority (**520)	4	5
Universal Fibers Systems, LLC (**587)	5	4
American Merchant, Inc (**206)	6	-
Bristol Housing Authority (**379)	7	-
Ridgecrest Town Apts., LLC (**730)	8	-
Hulsing Hotels Virginia, Inc (**285)	9	9
Carriage Hill Condos (**231)	10	-
Bristol Compressors International (**582)	-	3
Washington County Service Authority (**530)	-	6
City of Bristol, VA (**001)	-	8
United Parcel Service (**303)	-	10

Source: Internal billing records.

See Independent Auditors' Report.

**BVU AUTHORITY
SCHEDULE OF ELECTRIC SYSTEM RATES
Last Ten Fiscal Years**

	Fiscal Year										Table 5
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Residential-Schedule RS (Rate Class 22)											
Customer Charge	\$ 10.10	\$ 10.60	\$ 12.20	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 20.00	\$ 20.00	\$ 27.00	
Customer Charge-Three Phase Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30.00	
TVA Hydro-Allocation Credit	\$ -	\$ -	\$ (1.60)	\$ (1.60)	\$ (1.60)	\$ (1.60)	\$ (1.60)	\$ (1.60)	\$ (1.60)	\$ (1.54)	
Energy Charge:											
Summer (Jun, Jul, Aug, and Sep)	\$ 0.07904	\$ 0.08534	\$ 0.08690	\$ 0.07868	\$ 0.07894	\$ 0.07283	\$ 0.07113	\$ 0.06817	\$ 0.06884	\$ 0.06788	
Winter (Dec, Jan, Feb, and Mar)	\$ 0.07606	\$ 0.08226	\$ 0.08374	\$ 0.07545	\$ 0.07562	\$ 0.06958	\$ 0.06796	\$ 0.06500	\$ 0.06564	\$ 0.06448	
Transition (Apr, May, Oct, and Nov)	\$ 0.07421	\$ 0.08035	\$ 0.08179	\$ 0.07345	\$ 0.07357	\$ 0.06758	\$ 0.06601	\$ 0.06305	\$ 0.06367	\$ 0.06239	
General Power-Schedule GSA1 (Rate Class 40) (demand up to 50 kW and usage up to 15,000 kWh)											
Customer Charge	\$ 15.20	\$ 15.84	\$ 15.84	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 20.00	\$ 20.00	\$ 27.00	
Customer Charge-Three Phase Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30.00	
Energy Charge:											
Summer (Jun, Jul, Aug, and Sep)	\$ 0.09069	\$ 0.09765	\$ 0.09933	\$ 0.09387	\$ 0.09458	\$ 0.08774	\$ 0.08590	\$ 0.08308	\$ 0.08380	\$ 0.08343	
Winter (Dec, Jan, Feb, and Mar)	\$ 0.08773	\$ 0.09460	\$ 0.09621	\$ 0.09068	\$ 0.09131	\$ 0.08453	\$ 0.08277	\$ 0.07995	\$ 0.08064	\$ 0.08008	
Transition (Apr, May, Oct, and Nov)	\$ 0.08587	\$ 0.09268	\$ 0.09424	\$ 0.08866	\$ 0.08923	\$ 0.08250	\$ 0.08079	\$ 0.07797	\$ 0.07864	\$ 0.07795	
General Power-Schedule GSA2 (Rate Class 50) (demand of 50 kW to 1,000 kW or demand of less than 50 kW but usage in excess of 15,000 kWh)											
Customer Charge	\$ 60.00	\$ 62.54	\$ 62.54	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 80.00	
Demand Charge:											
First 50 kW											
Summer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Winter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Excess of 50 kW											
Summer	\$ 14.69	\$ 15.70	\$ 16.01	\$ 16.32	\$ 16.37	\$ 15.41	\$ 15.07	\$ 15.07	\$ 15.20	\$ 16.13	
Winter	\$ 13.79	\$ 14.77	\$ 15.06	\$ 15.35	\$ 15.38	\$ 14.44	\$ 14.13	\$ 14.13	\$ 14.25	\$ 15.12	
Transition	\$ 13.79	\$ 14.77	\$ 15.06	\$ 15.35	\$ 15.38	\$ 14.44	\$ 14.13	\$ 14.13	\$ 14.25	\$ 15.12	
Energy Charge:											
First 15,000 kWh											
Summer	\$ 0.08825	\$ 0.09510	\$ 0.09678	\$ 0.09341	\$ 0.09413	\$ 0.08773	\$ 0.08589	\$ 0.08584	\$ 0.08657	\$ 0.09147	
Winter	\$ 0.08529	\$ 0.09204	\$ 0.09365	\$ 0.09020	\$ 0.09083	\$ 0.08450	\$ 0.08274	\$ 0.08269	\$ 0.08338	\$ 0.08810	
Transition	\$ 0.08342	\$ 0.09012	\$ 0.09168	\$ 0.08819	\$ 0.08876	\$ 0.08247	\$ 0.08076	\$ 0.08071	\$ 0.08138	\$ 0.08598	
Additional kWh											
Summer	\$ 0.04227	\$ 0.04598	\$ 0.04675	\$ 0.04246	\$ 0.04305	\$ 0.03983	\$ 0.03899	\$ 0.03894	\$ 0.03927	\$ 0.04142	
Winter	\$ 0.03931	\$ 0.04293	\$ 0.04362	\$ 0.03925	\$ 0.03976	\$ 0.03661	\$ 0.03585	\$ 0.03580	\$ 0.03610	\$ 0.03805	
Transition	\$ 0.03803	\$ 0.04161	\$ 0.04227	\$ 0.03787	\$ 0.03834	\$ 0.03523	\$ 0.03451	\$ 0.03446	\$ 0.03474	\$ 0.03661	

(Continued)

**BVU AUTHORITY
SCHEDULE OF ELECTRIC SYSTEM RATES
Last Ten Fiscal Years**

	Fiscal Year										Table 5
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
General Power-Schedule GSA3 (Rate Class 54) (demand of greater than 1,000 kW but less than 2,500 kW)											
Customer Charge	\$ 230.00	\$ 239.73	\$ 239.73	\$ 239.73	\$ 239.73	\$ 239.73	\$ 239.73	\$ 239.73	\$ 239.73	\$ 239.73	\$ 250.00
Demand Charge:											
First 1,000 kW											
Summer	\$ 15.37	\$ 16.42	\$ 16.74	\$ 17.06	\$ 17.12	\$ 16.12	\$ 15.77	\$ 15.77	\$ 15.91	\$ 16.87	
Winter	\$ 14.47	\$ 15.49	\$ 15.79	\$ 16.09	\$ 16.12	\$ 15.15	\$ 14.82	\$ 14.82	\$ 14.95	\$ 15.86	
Transition	\$ 14.47	\$ 15.49	\$ 15.79	\$ 16.09	\$ 16.12	\$ 15.15	\$ 14.82	\$ 14.82	\$ 14.95	\$ 15.86	
Excess of 1,000 kW											
Summer	\$ 15.85	\$ 17.01	\$ 17.39	\$ 17.77	\$ 17.83	\$ 16.73	\$ 16.31	\$ 16.31	\$ 16.47	\$ 17.63	
Winter	\$ 14.95	\$ 16.07	\$ 16.43	\$ 16.79	\$ 16.82	\$ 15.74	\$ 15.35	\$ 15.35	\$ 15.51	\$ 16.60	
Transition	\$ 14.95	\$ 16.07	\$ 16.43	\$ 16.79	\$ 16.82	\$ 15.74	\$ 15.35	\$ 15.35	\$ 15.51	\$ 16.60	
Energy Charge:											
Summer	\$ 0.04227	\$ 0.04598	\$ 0.04675	\$ 0.04752	\$ 0.04812	\$ 0.04469	\$ 0.04385	\$ 0.04384	\$ 0.04417	\$ 0.04643	
Winter	\$ 0.03931	\$ 0.04293	\$ 0.04362	\$ 0.04431	\$ 0.04483	\$ 0.04147	\$ 0.04071	\$ 0.04070	\$ 0.04100	\$ 0.04307	
Transition	\$ 0.03803	\$ 0.04161	\$ 0.04227	\$ 0.04293	\$ 0.04341	\$ 0.04009	\$ 0.03937	\$ 0.03936	\$ 0.03964	\$ 0.04163	
General Power-Schedule GSA3 (Rate Class 55) (demand of greater than 2,500 kW but less than 5,000 kW)											
Customer Charge	\$ 230.00	\$ 239.73	\$ 239.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Demand Charge:											
First 1,000 kW											
Summer	\$ 15.37	\$ 16.42	\$ 16.74	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Winter	\$ 14.47	\$ 15.49	\$ 15.79	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transition	\$ 14.47	\$ 15.49	\$ 15.79	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Excess of 1,000 kW											
Summer	\$ 15.85	\$ 17.01	\$ 17.39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Winter	\$ 14.95	\$ 16.07	\$ 16.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transition	\$ 14.95	\$ 16.07	\$ 16.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Additional kW above contract demand											
Summer	\$ 15.85	\$ 17.01	\$ 17.39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Winter	\$ 14.95	\$ 16.07	\$ 16.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transition	\$ 14.95	\$ 16.07	\$ 16.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Energy Charge:											
Summer	\$ 0.04227	\$ 0.04598	\$ 0.04675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Winter	\$ 0.03931	\$ 0.04293	\$ 0.04362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transition	\$ 0.03803	\$ 0.04161	\$ 0.04227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

(Continued)

BVU AUTHORITY
SCHEDULE OF ELECTRIC SYSTEM RATES
Last Ten Fiscal Years

Table 5

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Power-Schedule GSB (Rate Class 36)										
(demand of greater than 5,000 kW and less than 15,000 kW)										
Customer Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Charge	\$ 350.00	\$ 350.00	\$ 350.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charge (per kW):										
Summer										
On Peak kW	\$ 17.84	\$ 10.09	\$ 10.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Off Peak kW	\$ 4.78	\$ 5.56	\$ 5.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional kW above contract demand	\$ 17.84	\$ 10.09	\$ 10.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Winter										
On Peak kW	\$ 10.39	\$ 9.20	\$ 9.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Off Peak kW	\$ 4.78	\$ 5.56	\$ 5.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional kW above contract demand	\$ 10.39	\$ 9.20	\$ 9.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition										
On Peak Billing kW	\$ 4.78	\$ 9.20	\$ 9.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
On Peak Transition Max kW	\$ -	\$ 5.56	\$ 5.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional kW above contract demand	\$ 4.78	\$ 9.20	\$ 9.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Charge (per kWh):										
Summer										
On Peak kWh	\$ 0.08236	\$ 0.07553	\$ 0.07722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Off Peak										
First 425/200 hours use of demand	\$ 0.04594	\$ 0.05236	\$ 0.05350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Next 195/200 hours use of demand	\$ 0.02633	\$ 0.00930	\$ 0.00941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over 620/400 hours use of demand	\$ 0.00970	\$ 0.00613	\$ 0.00615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Winter										
On Peak kWh	\$ 0.05016	\$ 0.06495	\$ 0.06639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Off Peak										
First 425/200 hours use of demand	\$ 0.04594	\$ 0.05442	\$ 0.05560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Next 195/200 hours use of demand	\$ 0.02633	\$ 0.00930	\$ 0.00941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over 620/400 hours use of demand	\$ 0.00970	\$ 0.00613	\$ 0.00615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition										
On Peak kWh	\$ -	\$ 0.05206	\$ 0.05319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Off Peak										
First 425 hours use of demand	\$ 0.04594	\$ 0.05206	\$ 0.05319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Next 195 hours use of demand	\$ 0.02633	\$ 0.00930	\$ 0.00941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over 620 hours use of demand	\$ 0.00970	\$ 0.00613	\$ 0.00615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**BVU AUTHORITY
SCHEDULE OF ELECTRIC SYSTEM RATES
Last Ten Fiscal Years**

	Fiscal Year										Table 5
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
General Power-Schedule GSB (Rate Class 36)											
(Continued)											
Facility Charge (per kW): (delivery voltage level)											
First 10,000 kW											
<46kV	\$ 0.93	\$ 0.93	\$ 0.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46kV - 161 kV	\$ 0.36	\$ 0.36	\$ 0.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
> 161 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over 10,000 kW											
<46kV	\$ 0.73	\$ 0.73	\$ 0.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46kV - 161 kV	\$ 0.36	\$ 0.36	\$ 0.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
> 161 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reactive Charge (per kVAR):											
Leading (per kVAR)	\$ 1.14	\$ 1.14	\$ 1.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lagging (per kVAR)	\$ 1.46	\$ 1.46	\$ 1.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Manufacturing Service Rate-Schedule MSB (Rate Class 26)											
(demand of greater than 5,000 kW and less than 15,000 kW)											
Customer Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Administrative Charge	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Demand Charge (per kW):											
Summer											
On Peak kW	\$ 17.19	\$ 9.50	\$ 9.72	\$ 9.95	\$ 10.22	\$ 10.22	\$ 10.22	\$ 10.22	\$ 10.22	\$ 10.22	\$ 10.68
Off Peak kW	\$ 4.12	\$ 2.15	\$ 2.17	\$ 2.19	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.30
Additional kW above contract demand	\$ 17.19	\$ 9.50	\$ 9.72	\$ 9.95	\$ 10.22	\$ 10.22	\$ 10.22	\$ 10.22	\$ 10.22	\$ 10.22	\$ 10.68
Winter											
On Peak kW	\$ 9.74	\$ 8.60	\$ 8.80	\$ 9.01	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.67
Off Peak kW	\$ 4.12	\$ 2.15	\$ 2.17	\$ 2.19	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.30
Additional kW above contract demand	\$ 9.74	\$ 8.60	\$ 8.80	\$ 9.01	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.67
Transition											
Billing kW	\$ 4.12	\$ 8.60	\$ 8.80	\$ 9.01	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.67
Transition Max kW	\$ -	\$ 2.15	\$ 2.17	\$ 2.19	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.30
Additional kW above contract demand	\$ 4.12	\$ 8.60	\$ 8.80	\$ 9.01	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.67

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**BVU AUTHORITY
SCHEDULE OF ELECTRIC SYSTEM RATES
Last Ten Fiscal Years**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Table 5										
Manufacturing Service Rate-Schedule MSB (Rate Class 26) (Continued)										
Energy Charge (per kWh):										
Summer										
On Peak kWh	\$ 0.06427	\$ 0.05758	\$ 0.05885	\$ 0.06011	\$ 0.06173	\$ 0.06173	\$ 0.06173	\$ 0.06173	\$ 0.06173	\$ 0.06427
Off Peak										
First 425/200 hours use of demand	\$ 0.02824	\$ 0.03443	\$ 0.03514	\$ 0.03585	\$ 0.03679	\$ 0.03679	\$ 0.03679	\$ 0.03679	\$ 0.03679	\$ 0.03821
Next 195/200 hours use of demand	\$ 0.00863	\$ 0.00690	\$ 0.00694	\$ 0.00698	\$ 0.00717	\$ 0.00717	\$ 0.00717	\$ 0.00717	\$ 0.00717	\$ 0.00726
Over 620/400 hours use of demand	\$ (0.00800)	\$ 0.00454	\$ 0.00453	\$ 0.00452	\$ 0.00464	\$ 0.00464	\$ 0.00464	\$ 0.00464	\$ 0.00464	\$ 0.00462
Winter										
On Peak kWh	\$ 0.03272	\$ 0.04703	\$ 0.04803	\$ 0.04905	\$ 0.05035	\$ 0.05035	\$ 0.05035	\$ 0.05035	\$ 0.05035	\$ 0.05238
Off Peak										
First 425/200 hours use of demand	\$ 0.02824	\$ 0.03649	\$ 0.03725	\$ 0.03801	\$ 0.03902	\$ 0.03902	\$ 0.03902	\$ 0.03902	\$ 0.03902	\$ 0.04054
Next 195/200 hours use of demand	\$ 0.00863	\$ 0.00690	\$ 0.00694	\$ 0.00698	\$ 0.00717	\$ 0.00717	\$ 0.00717	\$ 0.00717	\$ 0.00717	\$ 0.00726
Over 620/400 hours use of demand	\$ (0.00800)	\$ 0.00454	\$ 0.00453	\$ 0.00452	\$ 0.00464	\$ 0.00464	\$ 0.00464	\$ 0.00464	\$ 0.00464	\$ 0.00462
Transition										
On Peak kWh	\$ -	\$ 0.03730	\$ 0.03807	\$ 0.03885	\$ 0.03988	\$ 0.03988	\$ 0.03988	\$ 0.03988	\$ 0.03988	\$ 0.04144
Off Peak										
First 425/200 hours use of demand	\$ 0.02824	\$ 0.03730	\$ 0.03807	\$ 0.03885	\$ 0.03988	\$ 0.03988	\$ 0.03988	\$ 0.03988	\$ 0.03988	\$ 0.04144
Next 195/200 hours use of demand	\$ 0.00863	\$ 0.00690	\$ 0.00694	\$ 0.00698	\$ 0.00717	\$ 0.00717	\$ 0.00717	\$ 0.00717	\$ 0.00717	\$ 0.00726
Over 620/400 hours use of demand	\$ (0.00800)	\$ 0.00454	\$ 0.00453	\$ 0.00452	\$ 0.00464	\$ 0.00464	\$ 0.00464	\$ 0.00464	\$ 0.00464	\$ 0.00462
Facility Charge (per kW):(delivery voltage level)										
First 10,000 kW										
<46kV	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93
46kV - 161 kV	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36
> 161 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over 10,000 kW										
<46kV	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73
46kV - 161 kV	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36
> 161 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reactive Charge (per kVAR):										
Leading (per kVAR)	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14
Lagging (per kVAR)	\$ 1.46	\$ 1.46	\$ 1.46	\$ 1.46	\$ 1.46	\$ 1.46	\$ 1.46	\$ 1.46	\$ 1.46	\$ 1.46
Electric Vehicle Charging (Class 93)										
Customer Charge #1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ 100.00
All kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.24054	\$ 0.23218

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BVU AUTHORITY
SCHEDULE OF ELECTRIC SYSTEM RATES
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Table 5										
Seasonal General Service Rate-Schedule SGSB										
(Rate Class 56)										
(demand of greater than 5,000 kW and less than 15,000 kW)										
Customer Charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Charge	\$ 350.00	\$ 350.00	\$ 350.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charge (per kW):										
Summer										
Billing kW	\$ 23.30	\$ 20.07	\$ 20.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional kW above contract demand	\$ 23.30	\$ 20.07	\$ 20.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Winter										
Billing kW	\$ 16.65	\$ 17.01	\$ 17.37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional kW above contract demand	\$ 16.65	\$ 17.01	\$ 17.37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition										
Billing kW	\$ 11.66	\$ 13.95	\$ 14.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional kW above contract demand	\$ 11.66	\$ 13.95	\$ 14.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Charge (per kWh):										
Summer	\$ 0.03288	\$ 0.03351	\$ 0.03420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Winter	\$ 0.02857	\$ 0.02911	\$ 0.02968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition	\$ 0.02760	\$ 0.02189	\$ 0.02866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facility Charge (per kW):										
(delivery voltage level)										
First 10,000 kW										
<46kV	\$ 0.93	\$ 0.93	\$ 0.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46kV - 161 kV	\$ 0.36	\$ 0.36	\$ 0.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
> 161 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over 10,000 kW										
<46kV	\$ 0.73	\$ 0.73	\$ 0.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46kV - 161 kV	\$ 0.36	\$ 0.36	\$ 0.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
> 161 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reactive Charge (per kVAR):										
Leading (per kVAR)	\$ 1.14	\$ 1.14	\$ 1.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lagging (per kVAR)	\$ 1.46	\$ 1.46	\$ 1.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**BVU AUTHORITY
SCHEDULE OF ELECTRIC SYSTEM RATES
Last Ten Fiscal Years**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Table 5										
Seasonal Manufacturing Service Rate-Schedule										
SMSB (Rate Class 02)										
(demand of greater than 5,000 kW and less than 15,000 kW)										
Customer Charge	\$ 1,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Charge	\$ 350.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charge (per kW):										
Summer										
Billing kW	\$ 19.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional kW above contract demand	\$ 19.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Winter										
Billing kW	\$ 12.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional kW above contract demand	\$ 12.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition										
Billing kW	\$ 7.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional kW above contract demand	\$ 7.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Charge (per kWh):										
Summer	\$ 0.02267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Winter	\$ 0.01779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition	\$ 0.01666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facility Charge (per kW):										
(delivery voltage level)										
First 10,000 kW										
<46kV	\$ 0.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46kV - 161 kV	\$ 0.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
> 161 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over 10,000 kW										
<46kV	\$ 0.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46kV - 161 kV	\$ 0.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
> 161 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reactive Charge (per kVAR):										
Leading (per kVAR)	\$ 1.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lagging (per kVAR)	\$ 1.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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BVU AUTHORITY
SCHEDULE OF ELECTRIC SYSTEM RATES
Last Ten Fiscal Years

Table 5

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Outdoor Lighting (Schedule LS - Part A)										
(street/park lighting, traffic signals, and athletic field lighting)										
Customer Charge	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Energy Charge:										
Summer	\$ 0.07894	\$ 0.08415	\$ 0.08488	\$ 0.085610	\$ 0.08318	\$ 0.08125	\$ 0.08045	\$ 0.08045	\$ 0.08076	\$ 0.08190
Winter	\$ 0.07597	\$ 0.08107	\$ 0.08173	\$ 0.08239	\$ 0.07988	\$ 0.07801	\$ 0.07729	\$ 0.07729	\$ 0.07757	\$ 0.07852
Transition	\$ 0.07411	\$ 0.07916	\$ 0.07977	\$ 0.08038	\$ 0.07781	\$ 0.07600	\$ 0.07533	\$ 0.07533	\$ 0.07559	\$ 0.07642
Facility Charge (per month)	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Outdoor Lighting (Schedule LS - Part B)										
(outdoor lighting for individual customers)										
Energy Charge (per kWh):										
Summer	\$ 0.07894	\$ 0.08415	\$ 0.08488	\$ 0.085610	\$ 0.08318	\$ 0.08125	\$ 0.08045	\$ 0.08045	\$ 0.08076	\$ 0.08190
Winter	\$ 0.07597	\$ 0.08107	\$ 0.08173	\$ 0.08239	\$ 0.07988	\$ 0.07801	\$ 0.07729	\$ 0.07729	\$ 0.07757	\$ 0.07852
Transition	\$ 0.07411	\$ 0.07916	\$ 0.07977	\$ 0.08038	\$ 0.07781	\$ 0.07600	\$ 0.07533	\$ 0.07533	\$ 0.07559	\$ 0.07642
Facility Charge (per month):										
Mercury Vapor/Incandescent (175 Watts)	\$ 1.72	\$ 1.72	\$ 1.72	\$ 1.72	\$ 1.72	\$ 1.72	\$ 1.72	\$ 1.72	\$ 1.72	\$ 1.72
Mercury Vapor/Incandescent (400 Watts)	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46	\$ 0.46
Mercury Vapor Flood (400 Watts)	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96
Mercury Vapor Flood (1,000 Watts)	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31
High Pressure Sodium (100 Watts)	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53
High Pressure Sodium (150 Watts)	\$ 4.89	\$ 4.89	\$ 4.89	\$ 4.89	\$ 4.89	\$ 4.89	\$ 4.89	\$ 4.89	\$ 4.89	\$ 4.89
High Pressure Sodium (200 Watts)	\$ 4.59	\$ 4.59	\$ 4.59	\$ 4.59	\$ 4.59	\$ 4.59	\$ 4.59	\$ 4.59	\$ 4.59	\$ 4.59
High Pressure Sodium (400 Watts)	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30
High Pressure Sodium Flood (400 Watts)	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.14
High Pressure Sodium Flood (1,000 Watts)	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75
Metal Halide Flood (400 Watts)	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20
Metal Halide Flood (1,000 Watts)	\$ 6.33	\$ 6.33	\$ 6.33	\$ 6.33	\$ 6.33	\$ 6.33	\$ 6.33	\$ 6.33	\$ 6.33	\$ 6.33
LED (100 Watts)	\$ -	\$ -	\$ -	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53	\$ 3.53
Pole Rental Charge (per month):										
Wood	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Post Top	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00
Aluminum	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
Installation Charge (one time fee):										
Existing Pole	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
New Pole	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 650.00

(Continued)

**BVU AUTHORITY
SCHEDULE OF ELECTRIC SYSTEM RATES
Last Ten Fiscal Years**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Table 5										
TVA Fuel Cost Adjustment										
Residential (Schedule RS)										
Energy Charge										
First 1,000 kWh	\$ 0.02212	\$ 0.01924	\$ 0.02118	\$ 0.01970	\$ 0.01830	\$ 0.01495	\$ 0.01815	\$ 0.02715	\$ 0.02557	\$ 0.02038
Additional kWh	\$ 0.02212	\$ 0.01924	\$ 0.02118	\$ 0.01970	\$ 0.01830	\$ 0.01495	\$ 0.01815	\$ 0.02715	\$ 0.02557	\$ 0.02038
General Power (Schedule GSA1)										
Energy Charge	\$ 0.02212	\$ 0.01924	\$ 0.02118	\$ 0.01970	\$ 0.01830	\$ 0.01495	\$ 0.01815	\$ 0.02715	\$ 0.02557	\$ 0.02038
General Power (Schedule GSA2)										
Energy Charge										
First 15,000 kWh	\$ 0.02212	\$ 0.01924	\$ 0.02118	\$ 0.01970	\$ 0.01830	\$ 0.01495	\$ 0.01815	\$ 0.02715	\$ 0.02557	\$ 0.02038
Additional kWh	\$ 0.02212	\$ 0.01924	\$ 0.02118	\$ 0.01970	\$ 0.01830	\$ 0.01495	\$ 0.01815	\$ 0.02715	\$ 0.02557	\$ 0.02038
General Power (Schedule GSA3)										
Energy Charge	\$ 0.02212	\$ 0.01924	\$ 0.02118	\$ 0.01970	\$ 0.01830	\$ 0.01495	\$ 0.01815	\$ 0.02715	\$ 0.02557	\$ 0.02038
Manufacturing Service Rate (Schedule MSB)										
Energy Charge										
First 620 hours of use demand	\$ 0.02170	\$ 0.01780	\$ 0.01916	\$ 0.01750	\$ 0.01666	\$ 0.01234	\$ 0.01620	\$ 0.02625	\$ 0.02354	\$ 0.01811
Additional kWh	\$ 0.02170	\$ 0.01780	\$ 0.01916	\$ 0.01750	\$ 0.01666	\$ 0.01234	\$ 0.01620	\$ 0.02625	\$ 0.02354	\$ 0.01811
Outdoor Lighting (Schedule LS - Part A and Part B)										
Energy Charge	\$ 0.02212	\$ 0.01924	\$ 0.02118	\$ 0.01970	\$ 0.01830	\$ 0.01495	\$ 0.01815	\$ 0.02715	\$ 0.02557	\$ 0.02038

See Independent Auditors' Report.

**BVU AUTHORITY
SCHEDULE OF WATER SYSTEM RATES
Last Ten Fiscal Years**

Table 6

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Monthly Billing										
Customer Charge										
Residential	11.53	12.11	12.11	12.11	12.11	13.11	13.11	14.11	16.11	20.00
Non-Residential	23.34	24.51	24.51	24.51	24.51	26.51	26.51	28.51	32.51	40.00
Usage Charge Standard Rate Class(per 1,000 gallons)										
0 - 100,000 gallons per month	3.49	3.66	3.66	3.66	3.66	3.66	3.66	3.70	N/A	N/A
100,001 - 3,250,000 gallons per month	2.87	3.01	3.01	3.01	3.01	3.01	3.01	3.04	N/A	N/A
3,250,001 - over gallons per month	1.57	1.65	1.65	1.65	1.65	1.65	1.65	3.04	N/A	N/A
0 - 125,000 gallons per month	-	-	-	-	-	-	-	-	3.77	N/A
125,001 - over gallons per month	-	-	-	-	-	-	-	-	3.10	N/A
0 - 150,000 gallons per month	-	-	-	-	-	-	-	-	-	3.85
Next 3,850,000 gallons	-	-	-	-	-	-	-	-	-	3.15
Over 4,000,000 gallons	-	-	-	-	-	-	-	-	-	2.00
Usage Charge Industry Rate Class (per 1,000 gallons)										
0 - 100,000 gallons per month	3.32	3.49	3.49	3.49	3.49	3.49	3.49	3.50	N/A	N/A
100,001 - 3,250,000 gallons per month	2.73	2.87	2.87	2.87	2.87	2.87	2.87	2.85	N/A	N/A
3,250,001 - over per month	1.49	1.56	1.56	1.56	1.56	1.56	1.56	1.75	N/A	N/A
0 - 125,000 gallons per month	-	-	-	-	-	-	-	-	3.77	N/A
125,001 - 3,500,000 gallons per month	-	-	-	-	-	-	-	-	3.10	N/A
3,500,001 - over gallons per month	-	-	-	-	-	-	-	-	1.85	N/A
Meter Service Charge										
5/8" x 3/4"	-	-	-	-	-	-	-	-	-	-
1"	11.20	11.76	11.76	11.76	11.76	11.76	11.76	11.76	11.76	15.00
1-1/2 "	26.85	28.19	28.19	28.19	28.19	28.19	28.19	28.19	28.19	30.00
2"	44.50	46.73	46.73	46.73	46.73	46.73	46.73	46.73	46.73	50.00
3"	106.10	111.41	111.41	111.41	111.41	111.41	111.41	111.41	111.41	120.00
4"	168.30	176.72	176.72	176.72	176.72	176.72	176.72	176.72	176.72	190.00
6"	247.55	259.93	259.93	259.93	259.93	259.93	259.93	259.93	259.93	275.00
Fire Line Charges										
4"	35.00	36.75	36.75	36.75	36.75	36.75	36.75	36.75	36.75	40.00
6"	70.00	73.50	73.50	73.50	73.50	73.50	73.50	73.50	73.50	80.00
8"	106.00	111.30	111.30	111.30	111.30	111.30	111.30	111.30	111.30	120.00
10"	141.00	148.05	148.05	148.05	148.05	148.05	148.05	148.05	148.05	160.00
Hydrant Rental	26.85	28.19	28.19	28.19	28.19	28.19	28.19	28.19	28.19	30.00
Connection Fees/System Fees										
Water Meter										
5/8" x 3/4"	990.00	990.00	990.00	990.00	990.00	990.00	990.00	990.00	990.00	N/A
1"	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	N/A
2"	4,685.00	4,685.00	4,685.00	4,685.00	4,685.00	4,685.00	4,685.00	4,685.00	4,685.00	N/A
2" & under	-	-	-	-	-	-	-	-	-	2,500.00
Over 2"	-	-	-	-	-	-	-	-	-	Actual Cost
4"	17,095.00	17,095.00	17,095.00	17,095.00	17,095.00	17,095.00	17,095.00	17,095.00	17,095.00	N/A
6"	19,480.00	19,480.00	19,480.00	19,480.00	19,480.00	19,480.00	19,480.00	19,480.00	19,480.00	N/A

(Continued)

**BVU AUTHORITY
SCHEDULE OF WATER SYSTEM RATES
Last Ten Fiscal Years**

	Table 6									
	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire Line										
Meter Size										
4"	17,095.00	17,950.00	17,950.00	17,950.00	17,950.00	17,950.00	17,950.00	17,950.00	17,950.00	20,000.00
6"	19,480.00	20,454.00	20,454.00	20,454.00	20,454.00	20,454.00	20,454.00	20,454.00	20,454.00	22,000.00
Non Metered										
4" line	8,540.00	8,967.00	8,967.00	8,967.00	8,967.00	8,967.00	8,967.00	N/A	N/A	N/A
6" line	9,735.00	10,222.00	10,222.00	10,222.00	10,222.00	10,222.00	10,222.00	N/A	N/A	N/A

Customers residing outside the City of Bristol, VA shall be charged one and one-half (1-1/2) times the computed bill.

Source: Internal Records

See Independent Auditors' Report.

BVU AUTHORITY
SCHEDULE OF WASTEWATER SYSTEM RATES
Last Ten Fiscal Years

Table 7

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Monthly Billing										
Customer Charge										
Residential	11.43	13.14	13.14	13.14	13.14	14.14	14.14	15.14	17.14	20.00
Non-Residential	26.62	30.61	30.61	30.61	30.61	32.61	32.61	34.61	38.61	40.00
FOG (Fat, Oil, & Grease)	-	-	-	-	-	-	-	-	60.00	75.00
Industrial Monitoring	-	-	-	-	-	-	-	-	80.00	100.00
Treatment Charge (per 1,000 gallons)										
Standard Class - All volumes	3.25	3.74	3.74	3.74	3.74	3.74	3.74	3.78	3.86	3.98
Industry Rate Class (per 1,000 gallons)										
All volumes	2.87	3.30	3.30	3.30	3.30	3.30	3.30	3.33	3.40	3.98
Meter Service Charge										
1"	13.25	15.24	15.24	15.24	15.24	15.24	15.24	15.24	15.24	16.00
1-1/2"	32.15	36.97	36.97	36.97	36.97	36.97	36.97	36.97	36.97	38.00
2"	53.90	61.99	61.99	61.99	61.99	61.99	61.99	61.99	61.99	65.00
3"	121.85	140.13	140.13	140.13	140.13	140.13	140.13	140.13	140.13	150.00
4"	193.35	222.35	222.35	222.35	222.35	222.35	222.35	222.35	222.35	235.00
6"	479.20	551.08	551.08	551.08	551.08	551.08	551.08	551.08	551.08	575.00
Over 6"	-	-	-	-	-	-	-	-	-	Actual Cost
Strong Waste Surcharge (per pound)										
Biological Oxygen Demand (BOD-5)										
0 - 300	-	-	-	-	-	-	-	-	-	-
301 - over	0.06	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.08
Total Suspended Solids (TSS)										
0 - 300	-	-	-	-	-	-	-	-	-	-
301 - over	0.12	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.15
Connection Fees/System Fees										
Line Size										
6"	1,405.00	1,616.00	1,616.00	1,616.00	1,616.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00
All Other	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
FOG (Fats, Oil, & Grease)	-	-	-	-	-	-	-	-	250.00	275.00
Industrial Monitoring	-	-	-	-	-	-	-	-	Actual Cost	Actual Cost

Customers residing outside the City of Bristol, VA shall be charged one and one-half (1-1/2) times the computed bill.

Source: Internal Records

See Independent Auditors' Report.

**BVU AUTHORITY
OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2010 Revenue and Refunding Bonds	\$ 39,610,000	38,235,000	36,790,000	35,275,000	-	-	-	-	-	-
Southeast Rural Community Assistance Project (SERCAP)	214,826	-	-	-	-	-	-	-	-	-
Subscription Based Information Technology Arrangements	-	-	-	-	-	-	-	-	698,438	716,741
VRA Revolving Loan Funds - Hassen Heights Water Tank	914,698	861,977	807,556	751,379	693,391	633,531	571,742	507,958	442,118	374,154
VRA Revolving Loan Funds - Bristol View Connector	1,002,512	944,730	885,084	823,514	759,959	694,353	626,631	556,724	484,563	410,074
VRA Revolving Loan Funds - Little Creek Interceptor and Sewer Basin Project	-	-	-	-	-	1,760,903	6,511,972	6,426,588	6,262,691	6,106,035
VRA Revolving Loan Funds - Beaver Creek Basin	-	-	-	-	-	-	-	-	106,743	3,643,292
VRA Notes Payable - PRV Improvements	-	-	-	-	-	-	-	-	-	493,110
VRA Notes Payable - King Mill Pike Sewer Shed	-	-	-	-	-	-	-	-	-	90,000
Total Outstanding Debt	\$ 41,742,036	40,041,707	38,482,640	36,849,893	1,453,349	3,088,787	7,710,345	7,491,271	7,994,553	11,833,406
Outstanding Debt Per Customer (by Department)										
Electric	\$ 893	863	832	792	-	-	-	-	43	44
Water	572	548	522	493	184	169	152	134	117	162
Sewer	28	-	-	-	-	230	844	830	826	1,275
OptiNet	1,796	1,713	1,661	1,615	-	-	-	-	-	-

Source: Internal Records

See Independent Auditors' Report.

BVU AUTHORITY
REVENUE BOND COVERAGE
Last Ten Fiscal Years

Table 9

Fiscal Year	Gross Revenues	Operating Expenses (1)	Net Available	Debt Service Requirements (2)			Coverage
				Principal	Interest	Total	
Electric							
2015	53,690,719	49,122,216	4,568,503	480,000	624,310	1,104,310	4.14
2016	53,152,408	46,782,178	6,370,230	505,000	600,793	1,105,793	5.76
2017	53,552,196	49,384,256	4,167,940	530,000	576,533	1,106,533	3.77
2018	52,259,747	45,607,913	6,651,834	560,000	549,635	1,109,635	5.99
2019	49,387,236	46,491,770	2,895,466	-	-	-	-
2020	44,875,543	41,699,522	3,176,021	-	-	-	-
2021	43,444,741	39,941,634	3,503,107	-	-	-	-
2022	47,220,589	44,159,885	3,060,704	-	-	-	-
2023	49,255,108	47,036,054	2,219,055	-	-	-	-
2024	47,720,401	47,576,699	143,702	-	-	-	-
Water							
2015	3,506,449	2,590,455	915,994	197,050	175,836	372,886	2.46
2016	3,606,976	2,561,690	1,045,286	200,503	168,084	368,587	2.84
2017	3,638,490	2,458,512	1,179,978	209,067	160,160	369,227	3.20
2018	3,647,363	2,345,605	1,301,758	217,747	151,658	369,404	3.52
2019	3,630,730	2,526,263	1,104,467	121,557	49,437	170,995	6.46
2020	3,790,844	2,129,017	1,661,827	125,478	45,516	170,995	9.72
2021	3,763,499	1,825,961	1,937,538	129,512	41,464	170,976	11.33
2022	3,927,271	2,209,072	1,718,199	133,690	37,287	170,976	10.05
2023	4,247,477	3,195,149	1,052,328	138,002	32,975	170,976	6.15
2024	4,834,266	2,288,233	2,546,033	142,468	28,526	170,995	14.89
Sewer							
2015	4,142,224	2,803,659	1,338,565	7,947	7,977	15,924	84.06
2016	4,728,757	3,001,951	1,726,806	-	-	-	-
2017	4,667,993	2,797,133	1,870,860	-	-	-	-
2018	4,640,570	3,084,857	1,555,713	-	-	-	-
2019	4,733,250	2,946,194	1,787,056	-	-	-	-
2020	4,910,277	2,581,771	2,328,506	-	-	-	-
2021	4,884,115	2,363,439	2,520,676	196,390	-	196,390	12.84
2022	5,389,658	2,673,775	2,715,883	392,779	-	392,779	6.91
2023	6,145,421	2,734,180	3,411,241	392,779	-	392,779	8.68
2024	7,023,329	3,208,204	3,815,125	392,779	-	392,779	9.71
OptiNet							
2015	23,069,018	15,602,283	7,466,735	750,000	962,492	1,712,492	4.36
2016	24,530,309	18,463,163	6,067,146	780,000	925,944	1,705,944	3.56
2017	24,768,880	16,022,255	8,746,625	820,000	888,344	1,708,344	5.12
2018	24,486,249	16,391,298	8,094,951	855,000	846,977	1,701,977	4.76
2019	1,862,461	2,558,343	(695,882)	-	-	-	-
2020	442,801	170,906	271,895	-	-	-	-
2021	-	132,887	(132,887)	-	-	-	-
2022	-	(336,884)	336,884	-	-	-	-
2023	-	23,031	(23,031)	-	-	-	-
2024	-	9,474	(9,474)	-	-	-	-

(1) Total operating expenses less depreciation.

(2) Includes principal and interest on revenue bonds and VRA Revolving Loan Fund debt.

Source: Internal records

See Independent Auditors' Report.

**BVU AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Table 10

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Unemployment Rate										
City of Bristol	5.40%	5.10%	4.50%	3.70%	3.90%	9.80%	5.70%	3.60%	3.60%	3.80%
Scott County	5.20%	4.90%	4.00%	3.20%	3.20%	6.40%	4.30%	3.20%	3.20%	3.40%
Washington County	4.80%	4.60%	4.10%	3.40%	3.40%	7.70%	4.20%	3.10%	3.00%	3.20%
Virginia	4.50%	4.10%	3.70%	3.00%	2.80%	8.10%	4.50%	2.80%	2.80%	3.00%
Population										
City of Bristol	17,625	17,669	17,160	16,877	17,018	17,165	17,231	16,975	16,738	N/A
Scott County	22,759	22,733	22,377	22,121	21,892	21,995	21,534	21,476	21,304	N/A
Washington County	54,130	53,410	53,789	53,992	53,417	53,559	54,079	53,958	53,608	N/A
Virginia	8,382,993	8,411,808	8,470,020	8,517,685	8,535,519	8,586,967	8,655,608	8,662,021	8,729,032	N/A
Personal Income (Thousands of Dollars)										
Washington County + City of Bristol	2,686,904	2,591,795	2,791,654	2,899,980	2,926,742	3,039,568	3,344,277	3,312,977	N/A	N/A
Scott County	690,471	695,417	714,652	727,191	745,943	776,097	847,825	850,549	N/A	N/A
Virginia	440,823,733	448,683,501	466,743,276	492,312,666	509,201,256	545,523,000	552,429,000	599,041,951	640,586,300	N/A
Per Capita Personal Income (Dollars)										
Washington County + City of Bristol	37,650	36,420	39,221	40,912	41,513	42,796	47,310	46,706	N/A	N/A
Scott County	31,024	31,570	32,685	33,769	34,589	35,882	39,583	39,605	N/A	N/A
Virginia	52,687	53,323	55,105	57,799	59,657	61,958	64,942	68,985	73,841	N/A

Source:

United States Department of Labor, Bureau of Labor Statistics
Weldon Cooper Center for Public Service
Bureau of Economic Analysis
United States Census Bureau
Federal Reserve Bank St. Louis

N/A - Information was not available when schedules were prepared

See Independent Auditors' Report.

**BVU AUTHORITY
PRINCIPAL EMPLOYERS
Current Year and Nine Years Prior**

Table 11

	2024		2015	
	Employees (1)	Rank	Employees (1)	Rank
City of Bristol				
Hard Rock Bristol	500 to 999 employees	1	-	-
Bristol City Public Schools	250 to 499 employees	2	250 to 499 employees	3
Electro Mechanical Corporation	250 to 499 employees	3	250 to 499 employees	1
Univeral Fiber Systems	250 to 499 employees	4	-	-
Highlands Community Services Board	250 to 499 employees	5	250 to 499 employees	5
City of Bristol	250 to 499 employees	6	250 to 499 employees	2
U.P.S.	250 to 499 employees	7	250 to 499 employees	8
Strongwell	250 to 499 employees	8	250 to 499 employees	7
Food City (KVAT Food Stores)	100 to 249 employees	9	100 to 249 employees	6
VDOT	100 to 249 employees	10	-	-
Snack Alliance Inc	-	-	250 to 499 employees	4
Office Depot Inc	-	-	100 to 249 employees	9
Ball Metal Beverage Conta Corp	-	-	100 to 249 employees	10
Washington County				
2024				
	Employees (1)	Rank		
2015				
	Employees (1)	Rank		
Food City (KVAT Food Stores)	1000 and over employees	1	1000 and over employees	2
Washington County Schools	1000 and over employees	2	1000 and over employees	1
Wal Mart Associates Inc	500 to 999 employees	3	-	-
Mountain States Health Alliance	500 to 999 employees	4	500 to 999 employees	3
Paramont Manufacturing	500 to 999 employees	5	250 to 499 employees	7
Utility Trailer Manufacturing	250 to 499 employees	6	500 to 999 employees	5
Washington County	250 to 499 employees	7	250 to 499 employees	10
Emory and Henry College	250 to 499 employees	8	250 to 499 employees	9
Kearney National, Inc.	250 to 499 employees	9	250 to 499 employees	8
Virginia Highlands Community College	100 to 299 employees	10	-	-
Bristol Compressors International	-	-	500 to 999 employees	4
Camac Corportation	-	-	250 to 499 employees	6
Scott County				
2024				
	Employees (1)	Rank		
2015				
	Employees (1)	Rank		
Scott County School Board	500 to 999 employees	1	500 to 999 employees	1
Tempur Production	500 to 999 employees	2	100 to 249 employees	3
VFP Inc.	250 to 499 employees	3	100 to 249 employees	4
Joy Technologies	100 to 249 employees	4	250 to 499 employees	2
County of Scott	100 to 249 employees	5	100 to 249 employees	8
Food City (KVAT Food Stores)	100 to 249 employees	6	100 to 249 employees	5
Ridgecrest Manor Nursing & Rehabilitation	100 to 249 employees	7	100 to 249 employees	6
SW Virginia Regional Jail Auth	100 to 249 employees	8	100 to 249 employees	7
TTEC Healthcare Solutions Inc	50 to 99 employees	9	-	-
Nova Health & Rehabilitaion Center	50 to 99 employees	10	100 to 249 employees	9
Mountain Region Personal Care	-	-	50 to 99 employees	10

Source: Virginia Works, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW),
2nd Quarter (April, May, June) 2024 Largest Employers

See Independent Auditors' Report.

**BVU AUTHORITY
CLIMATOLOGICAL DATA
Last Ten Fiscal Years**

Table 12

Fiscal Year	Tri-Cities Airport, Tennessee		Abingdon, Virginia	
	Heating Degree Days *	Cooling Degree Days *	Heating Degree Days *	Cooling Degree Days *
2024	3519	1284	N/A	N/A
2023	3627	1071	N/A	N/A
2022	3692	1326	N/A	N/A
2021	3931	1260	4321	1033
2020	3718	1313	4137	1040
2019	3811	1459	4269	1133
2018	4094	1277	4623	902
2017	3347	1391	3921	969
2016	3587	1178	4224	740
2015	4418	1149	5007	715

Source: U.S. Department of Commerce, National Oceanic and Atmospheric Administration, Tri-Cities Regional Airport, Blountville, Tennessee, Elevation 1,519 feet (Bristol, VA, within city limits, Elevation 1,662 to 2,124 feet)

Source: U.S. Department of Commerce, National Oceanic and Atmospheric Administration, Abingdon, Virginia, Elevation 1,925 feet (Bristol, VA, within city limits, Elevation 1,662 to 2,124 feet)
Recording of Heating and Cooling Degree Days ceased in 2021.

* Degree Day is the measurement of the departure, on a single day, of the daily mean temperature from a standard temperature (65 degrees Fahrenheit). Heating Degree Day is a measurement designed to quantify the demand for energy needed to heat a building. Cooling Degree Day is a measurement designed to quantify the demand for energy needed to cool a building.

See Independent Auditors' Report.

**BVU AUTHORITY
ELECTRIC SALES INFORMATION
Last Ten Fiscal Years**

Table 13

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Purchased Power (kWh)	559,840,691	539,503,555	514,938,200	519,494,701	492,770,724	454,425,227	459,835,333	469,272,051	456,235,944	462,156,614
Consumption (kWh)										
Residential	207,969,958	191,675,969	188,244,626	200,775,221	198,934,677	193,323,865	200,052,498	198,946,026	193,462,560	192,028,873
Commercial	37,231,807	34,537,543	34,061,091	35,451,776	35,626,834	34,579,213	34,690,975	36,100,459	35,211,306	35,294,164
Large Commercial and Industrial	286,970,054	289,730,297	269,085,894	254,088,620	233,433,790	201,978,170	196,844,541	205,794,486	207,032,457	204,771,825
Street and Outdoor Lighting	5,717,871	5,762,394	5,738,744	5,673,241	5,755,556	5,813,774	5,808,546	5,895,092	5,932,228	6,070,038
Total Consumption	<u>537,889,690</u>	<u>521,706,203</u>	<u>497,130,355</u>	<u>495,988,858</u>	<u>473,750,857</u>	<u>435,695,022</u>	<u>437,396,560</u>	<u>446,736,063</u>	<u>441,638,551</u>	<u>438,164,900</u>
Line Losses (kWh)	21,951,001	17,797,352	17,807,845	23,505,843	19,019,867	18,730,205	22,438,773	22,535,988	14,597,393	23,991,714
Line Losses as a percentage of purchased power	3.92%	3.30%	3.46%	4.52%	3.86%	4.12%	4.88%	4.80%	3.20%	5.19%
Customer Count										
Residential	13,632	13,605	13,574	13,665	13,597	13,583	13,662	13,662	13,559	13,565
Commercial	2,220	2,230	2,237	2,262	2,274	2,294	2,322	2,352	2,379	2,388
Large Commercial and Industrial	326	322	308	304	314	310	304	309	307	306
Street and Outdoor Lighting	137	138	142	142	144	144	143	144	144	143
Total Customer Count	<u>16,315</u>	<u>16,295</u>	<u>16,261</u>	<u>16,373</u>	<u>16,329</u>	<u>16,331</u>	<u>16,431</u>	<u>16,467</u>	<u>16,389</u>	<u>16,402</u>

Note: Customer counts are as of June 30.

Source: Internal statistics reports.

See Independent Auditors' Report.

**BVU AUTHORITY
WATER SALES INFORMATION
Last Ten Fiscal Years**

Table 14

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Production (000's)										
Total gallons pumped	813,624	805,108	850,545	876,953	885,047	993,099	945,448	932,915	852,303	892,599
Gallons used in operations	9,514	8,161	8,248	9,133	9,707	10,680	10,239	10,311	8,998	9,564
Gallons Available For Sale	<u>804,110</u>	<u>796,947</u>	<u>842,297</u>	<u>867,820</u>	<u>875,340</u>	<u>982,419</u>	<u>935,209</u>	<u>922,604</u>	<u>843,305</u>	<u>883,035</u>
Consumption (000's)										
Residential	290,302	283,256	276,619	275,081	274,283	276,993	272,574	264,189	263,236	263,629
Commercial and Industrial	270,345	277,781	301,811	307,244	296,352	303,563	313,655	334,609	336,623	336,789
Other Water Authorities	-	-	-	-	-	-	-	-	-	-
Total Consumption	<u>560,647</u>	<u>561,037</u>	<u>578,430</u>	<u>582,325</u>	<u>570,635</u>	<u>580,556</u>	<u>586,229</u>	<u>598,798</u>	<u>599,859</u>	<u>600,418</u>
Gallons Losses (000's)	243,463	235,910	263,867	285,495	304,705	401,863	348,980	323,806	243,446	282,617
Losses as a percentage of gallons pumped	29.92%	29.30%	31.02%	32.56%	34.43%	40.47%	36.91%	34.71%	28.56%	31.66%
Customer Count										
Residential	6,845	6,832	6,827	6,862	6,830	6,815	6,838	6,858	6,822	6,824
Commercial and Industrial	1,059	1,056	1,049	1,039	1,060	1,059	1,066	1,075	1,077	1,081
Other Water Authorities	-	-	-	-	-	-	-	1	1	1
Total Customer Count	<u>7,904</u>	<u>7,888</u>	<u>7,876</u>	<u>7,901</u>	<u>7,890</u>	<u>7,874</u>	<u>7,904</u>	<u>7,934</u>	<u>7,900</u>	<u>7,906</u>

Note: Customer count is as of June 30.

Source: Internal statistics reports.

See Independent Auditors' Report.

**BVU AUTHORITY
WASTEWATER SALES INFORMATION
Last Ten Fiscal Years**

Table 15

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gallons Transported (000's)										
Residential	297,356	289,329	291,908	298,172	289,392	297,891	286,494	280,086	281,345	279,329
Commercial and Industrial	423,265	430,416	403,663	411,638	426,992	441,985	443,867	500,018	586,858	681,525
Total Gallons Transported (000's)	<u>720,621</u>	<u>719,745</u>	<u>695,571</u>	<u>709,810</u>	<u>716,384</u>	<u>739,876</u>	<u>730,361</u>	<u>780,104</u>	<u>868,203</u>	<u>960,854</u>
Customer Count										
Residential	6,702	6,691	6,688	6,730	6,701	6,690	6,727	6,747	6,709	6,710
Commercial and Industrial	985	977	967	945	972	977	993	1,000	1,000	1,006
Total Customer Count	<u>7,687</u>	<u>7,668</u>	<u>7,655</u>	<u>7,675</u>	<u>7,673</u>	<u>7,667</u>	<u>7,720</u>	<u>7,747</u>	<u>7,709</u>	<u>7,716</u>

Note: Customer counts are as of June 30.

Source: Internal statistics reports.

See Independent Auditors' Report.

**BVU AUTHORITY
DEMAND FOR SERVICES AND CAPITAL INDICATORS
June 30, 2024**

Table 16

Electric System		
Delivery Points From TVA	2	
Number of Substations	9	
Miles of Transmission Lines	27	
Miles of Overhead Circuit Lines	577	
Number of Owned Poles	13,257	
Number of Leased Poles	2,567	
Number of Transformers	6,175	
Number of IntelliRuptors	87	
Number of Feeder Breakers	34	
Number of Truip Savers	225	
Water System		
Daily Capacity of Water Plant	10,000,000	Gallons per Day
Average Daily Consumption	1,645,000	Gallons per Day
Number of Water Tanks	5	
Storage Capacity	6,800,000	Gallons
Miles of Water Lines	161	
Sewer System		
Total Daily Capacity of Treatment Plant	15,000,000	Gallons per Day
BVU Daily Capacity of Treatment Plant	6,750,000	Gallons per Day
Average Daily Customer Usage	2,632,500	Gallons per Day
Miles of Sewer Lines	141	
Number of Employees		
Full Time	65	
Part Time	-	
Total	<u>65</u>	

Source: Internal Records

See Independent Auditors' Report.

INTERNAL CONTROL AND COMPLIANCE SECTION

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
BVU Authority
Bristol, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of BVU Authority (BVUA), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise BVUA's basic financial statements, and have issued our report thereon dated October 31, 2024. Our report includes a reference to other auditors who audited the financial statements of the Joint Sewerage System, as described in our report on BVUA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered BVUA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BVUA's internal control. Accordingly, we do not express an opinion on the effectiveness of BVUA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify and deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether BVUA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

October 31, 2024

**BVU AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2024**

SECTION I - FINANCIAL STATEMENT AUDIT FINDINGS

None Noted