

**Blue Ridge Electric Members Foundation, Inc.**  
**Financial Statements**  
**December 31, 2009 and 2008**

# Contents

## Financial Statements

Independent Auditors' Report .....	Page	1
Statements of Financial Position.....		2
Statements of Activities .....		3
Statements of Cash Flows.....		4
Notes to Financial Statements.....		5 - 6



**Independent Auditors' Report**

The Board of Directors  
Blue Ridge Electric Members Foundation, Inc.  
Lenoir, North Carolina

We have audited the accompanying statements of financial position of Blue Ridge Electric Members Foundation, Inc. (a nonprofit organization) as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Blue Ridge Electric Members Foundation, Inc. as of December 31, 2008, and for the year then ended were compiled by us, report dated March 7, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue Ridge Electric Members Foundation, Inc. as of December 31, 2009, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Adams, Jenkins & Cheatham*

Richmond, Virginia  
March 12, 2010

## Statements of Financial Position

### Blue Ridge Electric Members Foundation, Inc.

	<u>December 31,</u>	
	<u>2009</u>	<u>Unaudited 2008</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	<u>\$ 97,536</u>	<u>\$ 60,752</u>
<b>Liability and Net Assets</b>		
Current Liability		
Due to related party	\$ 38,964	\$
Net Assets		
Unrestricted	<u>58,572</u>	<u>60,752</u>
	<u>\$ 97,536</u>	<u>\$ 60,752</u>

See Independent Auditors' Report and Notes to Financial Statements

## Statements of Activities

### Blue Ridge Electric Members Foundation, Inc.

	<u>Year Ended December 31,</u>	
	<u>2009</u>	<u>Unaudited 2008</u>
Revenue		
General public contributions	\$ 210,576	\$ 153,324
Interest	<u>385</u>	<u>541</u>
	210,961	153,865
Functional expenses		
Assistance provided	<u>213,141</u>	<u>137,941</u>
	Change in Unrestricted Net Assets	
	(2,180)	15,924
Unrestricted net assets - beginning of year	<u>60,752</u>	<u>44,828</u>
	Unrestricted Net Assets - End of Year	
	<u>\$ 58,572</u>	<u>\$ 60,752</u>

See Independent Auditors' Report and Notes to Financial Statements

## Statements of Cash Flows

### Blue Ridge Electric Members Foundation, Inc.

	<u>Year Ended December 31,</u>	
	<u>2009</u>	<u>Unaudited 2008</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from donations	\$ 210,576	\$ 153,324
Interest received	385	541
Cash disbursed for assistance	<u>(174,177)</u>	<u>(137,941)</u>
Net Increase in Cash	36,784	15,924
Cash and cash equivalents - beginning of year	<u>60,752</u>	<u>44,828</u>
Cash and Cash Equivalents - End of Year	<u>\$ 97,536</u>	<u>\$ 60,752</u>

See Independent Auditors' Report and Notes to Financial Statements

## Notes to Financial Statements

### Blue Ridge Electric Members Foundation, Inc.

#### December 31, 2009 and 2008

##### Note A - Organization

Blue Ridge Electric Members Foundation, Inc. (the "Foundation") was organized as a nonprofit corporation without capital stock under the laws of the state of North Carolina. The Foundation was organized to receive donations from the general public for assistance to needy families and financial support for nonprofit community organizations that meet educational, healthcare, and economic and community development needs in the counties of Watauga, Caldwell, Wilkes, Alexander, Avery, Ashe and Alleghany, North Carolina. Assistance is provided in the form of payments to those in need to defray the cost of electric utility bills, fuel costs and the weatherization of homes. Recipients and the amount of assistance are determined by various social service agencies for the counties mentioned above. Financial support for community organization projects are reviewed and recommended by a committee comprised of Foundation advisory members and approved by the Foundation Board of Directors.

##### Note B - Summary of Significant Accounting Policies

###### Basis of Presentation

The financial statements and accounting records of the Foundation are maintained on the accrual basis of accounting. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The Foundation does not recognize support or expenses related to the donation of facilities or services, since such amounts are not readily determinable.

###### Newly Adopted Accounting Standards

Effective year ending December 31, 2009, the Foundation has adopted the provisions of the FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB No. 109*. This interpretation requires that income tax positions recognized in an entity's tax returns have a more-likely-than-not chance of being sustained prior to recording the related tax benefit in the financial statements. There was no impact on the Foundation's financial statements as a result of the adoption of FIN 48.

Effective year ending December 31, 2009, the Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 165, *Subsequent Events*. SFAS 165 requires disclosure of the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. There was no impact on the Foundation's financial statements as a result of the adoption of SFAS 165. Subsequent events have been evaluated through March 12, 2010, which is the date the financial statements were issued.

## **Notes to Financial Statements**

### **Blue Ridge Electric Members Foundation, Inc.**

#### **December 31, 2009 and 2008**

##### **Note C - Income Taxes**

Blue Ridge Electric Members Foundation, Inc. was granted exemption from income taxes for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code (IRC).

##### **Note D - Related Parties**

The directors of the Foundation are the same as the directors of Blue Ridge Electric Membership Corporation (BREMC), an organization exempt from taxation under Section 501(c)(12) of the IRC. BREMC provides the Foundation with operational support and office space at no charge. Amount payable to BREMC as of December 31, 2009 was \$38,964. The Foundation received \$25,000 from Blue Ridge Energies, a wholly owned subsidiary of BREMC.

##### **Note E - Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. As of December 31, 2009 and 2008, the Foundation had not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

##### **Note F - Concentration of Credit Risk**

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. All depository accounts of the Foundation are in institutions insured by the Federal Deposit Insurance Corporation.