

The Blue Ridge Energy Members Foundation
Financial Statements
December 31, 2024 and 2023

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Financial Statements

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ADAMS, JENKINS AND CHEATHAM
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS

Independent Auditor's Report

The Board of Directors
The Blue Ridge Energy Members Foundation
Lenoir, North Carolina

Opinion

We have audited the accompanying statements of financial position of The Blue Ridge Energy Members Foundation (the "Foundation"), a nonprofit organization, as of December 31, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Blue Ridge Energy Members Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 the Foundation'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 Foundation'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.

Richmond, Virginia
March 10, 2025

Adams, Jenkins & Cheatham

Statements of Financial Position

The Blue Ridge Energy Members Foundation

		December 31,	
		2024	2023
Assets			
Cash and cash equivalents		\$ 139,379	\$ 102,393
Total Assets		<u>\$ 139,379</u>	<u>\$ 102,393</u>
Net Assets			
Without donor restrictions (Note B)		\$ 139,379	\$ 102,393
Total Liabilities and Net Assets		<u>\$ 139,379</u>	<u>\$ 102,393</u>

See Independent Auditor's Report and Notes to Financial Statements

Statements of Activities

The Blue Ridge Energy Members Foundation

	Year Ended December 31,	
	2024	2023
Operating Activities		
Round up contributions	\$ 176,976	\$ 173,144
Capital credit retirement contributions	77,584	65,303
Related party contributions	65,000	50,000
General public contributions	36,171	26,350
Value of contributed services	30,798	30,217
Total Revenue and Support	386,529	345,014
Expenses		
Program Services		
Community assistance	318,745	366,073
Supporting Services		
Administrative and general	30,798	30,217
Total Expenses	349,543	396,290
Change in Net Assets from Operating Activities	36,986	(51,276)
Net Assets Without Donor Restrictions - Beginning of Year	102,393	153,669
Net Assets Without Donor Restrictions - End of Year	\$ 139,379	\$ 102,393

See Independent Auditor's Report and Notes to Financial Statements

Statements of Cash Flows

The Blue Ridge Energy Members Foundation

	Year Ended December 31,	
	2024	2023
Cash Flows Provided (Used) Operating Activities		
Change in net assets without donor restrictions	<u>\$ 36,986</u>	<u>\$ (51,276)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	36,986	(51,276)
Cash and Cash Equivalents - Beginning of Year	<u>102,393</u>	<u>153,669</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 139,379</u></u>	<u><u>\$ 102,393</u></u>

Supplemental Disclosure

Blue Ridge Energy Members Foundation paid no income taxes or interest expense for the years ended December 31, 2024 and 2023.

Notes to Financial Statements

The Blue Ridge Energy Members Foundation

December 31, 2024 and 2023

Note A - Nature of Organization

The Blue Ridge Energy Members Foundation (the “Foundation”) was organized as a nonprofit organization without capital stock under the laws of the state of North Carolina. The Foundation was organized to accumulate and disburse funds for charitable purposes to families in need and financial support for nonprofit community organizations that meet educational, healthcare, 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’s Board of Directors.

Note B - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The financial statement’s presentation follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

As of December 31, 2024, the Foundation had no net assets with donor restrictions.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Liquidity and Availability

As of December 31, 2024 and 2023, financial assets available for general expenditure without donor or other restrictions consisted of \$139,379 and \$102,393, respectively. General expenses include all payments made by the Foundation including community assistance. The Foundation’s funds are maintained in a checking account and are available as needed.

Notes to Financial Statements

The Blue Ridge Energy Members Foundation

December 31, 2024 and 2023

Note B - Summary of Significant Accounting Policies - Continued

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

Contributed Services

Contributions of services that create or enhance non-financial assets or those that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. These services are recorded at their fair value in the period received. Blue Ridge EMC (BREMC), an affiliate of the Foundation, provided various services, including rent, professional and other minor services, that met these criteria to the Foundation.

Subsequent Events

Subsequent events have been evaluated through March, 10 2025, which is the date the financial statements were available to be issued.

Functional Allocation of Expenses

Costs are allocated between fundraising, management, and general, or the appropriate program based on evaluations of related benefits. Management and general expenses included those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. There were no such expenses incurred for the years ended December 31, 2024 and 2023.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs and other activities considered to be of a more unusual or nonrecurring nature. As of December 31, 2024 and 2023, there were no non-operating activities.

Revenue and Expense Recognition

The Foundation's primary source of revenue is reported as an increase in net assets without donor restrictions unless use of the related asset is limited by donor-imposed time or purpose restrictions. The Foundation recognizes revenue as these restrictions are released or when assets without donor restrictions are received, which complies with the requirements of ASC 606. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed restrictions on net assets that are subject to the passage of time (that is, the stipulated time period has elapsed or the cash has been collected) are reported as net assets released from restrictions.

Notes to Financial Statements

The Blue Ridge Energy Members Foundation

December 31, 2024 and 2023

Note B - Summary of Significant Accounting Policies - Continued

Income Taxes

The Foundation was granted exemption from income taxes for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and will be taxed only to the extent it has taxable trade or business income unrelated to its exempt purpose.

Contributions

The Foundation's primary source of revenue is from the members of BREMC who elect to participate in the Round Up Program (the "Program"). The Program allows members to round their monthly electric bills up to the nearest whole dollar. The additional amount is remitted to the Foundation by BREMC, who acts as the collection agent for the Foundation. Although not required by the Program, BREMC absorbs most of the cost of the Foundation's administration.

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. During the years ended December 31, 2024 and 2023, the Foundation had not received any contributions with donor-imposed restrictions.

Advertising Cost

The Foundation expenses advertising costs as incurred. For the years ended December 31, 2024 and 2023, the Foundation had no material advertising expense.

Note C - Related Parties

The directors of the Foundation are the same as the directors of BREMC, an organization exempt from taxation under Section 501(c)(12) of the IRC. BREMC provides the Foundation with various services, including rent, professional and other minor services. The total amount received during the years ended December 31, 2024 and 2023 was \$30,798, and \$30,217, respectively. These amounts were recorded as contribution revenue and charged to the related expense account.

Notes to Financial Statements

The Blue Ridge Energy Members Foundation

December 31, 2024 and 2023

Note C - Related Parties - Continued

The Foundation receives contributions from members and employees of BREMC. Total amounts received were approximately \$290,000 and \$264,000 as of December 31, 2024 and 2023, respectively.

The Foundation received donations from the profits of Blue Ridge Energies, LLC and RidgeLink, LLC, wholly owned subsidiaries of BREMC. Total amounts received were \$65,000 and \$50,000 as of December 31, 2024 and 2023, respectively.

Note D - Concentration of Credit Risk

The Foundation places its cash on deposit with financial institutions located in the United States of America, which are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC provides insurance coverage for up to \$250,000 of cash held by the Foundation, in each separate FDIC insured bank and savings institution. From time to time, the Foundation may have amounts on deposit in excess of the insured limits. As of December 31, 2024, the Foundation had no deposits that exceed the insured limits.

Note E - Functional Expenses

Functional expenses were as follows for the years ended December 31:

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Community Assistance</u>	<u>Administrative and General</u>	<u>Total</u>
<u>2024</u>			
Grants	\$ 318,745	\$	\$ 318,745
Accounting and Support		28,798	28,798
Use of facilities		2,000	2,000
Total Expenses by Function	<u>\$ 318,745</u>	<u>\$ 30,798</u>	<u>\$ 349,543</u>
<u>2023</u>			
Grants	\$ 366,073	\$	\$ 366,073
Accounting and Support		28,217	28,217
Use of facilities		2,000	2,000
Total Expenses by Function	<u>\$ 366,073</u>	<u>\$ 30,217</u>	<u>\$ 396,290</u>

There were no allocations of expenses to functional categories.

March 10, 2025

Adams, Jenkins & Cheatham
231 Wylderose Drive
Midlothian, VA 23113

This representation letter is provided in connection with your audit of the financial statements of Blue Ridge Energy Membership Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the disclosures (collectively the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 10, 2025 the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 10, 2025, including our responsibility for the preparation and fair presentation of the financial statements.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP.
- 10) Material concentrations have been properly disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Foundation is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

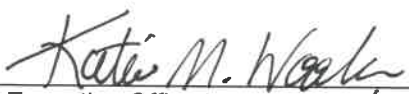
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- 12) We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 13) Blue Ridge Energy Members Foundation, is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Foundation's tax exempt status, and all activities subject to tax and unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.
- 14) We understand that you have assisted in the preparation of the financial statements in conformity with U.S. generally accepted accounting principles based on the information we provided.
- 15) We have read the audited financial statements and the related notes to the financial statements and believe that the numbers present fairly in all material respects, the financial position of the Foundation and results of its activities and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. We have also read the notes associated with the financial statements and confirm that we understand the nature of the notes and agree that the numbers are fairly presented.
- 16) We have assumed all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services you provided; we oversaw those services by designating an individual from senior management, with suitable skill, knowledge, or experience to evaluate the adequacy and results of those services; and accept responsibility for them.

Information Provided

- 17) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Foundation from whom you determined it necessary to obtain audit evidence.
- 18) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 19) There are no estimates that may be subject to a material change in the *near term* that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Foundation vulnerable to the risk of near-term severe impact that have not been properly disclosed in the financial statements. We have also review the requirements of *FASB Accounting Standards Codification 740-10* (ASC 740-10) and confirm that we have identified no tax positions that would be required to be disclosed under the provisions of ASC 740-10.
- 20) We have no knowledge of any fraud or suspected fraud that affects the Foundation and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 21) We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundation's financial statements communicated by employees, former employees, analysts, regulators, or others.
- 22) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 23) We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 24) We have disclosed to you the identity of the Foundation's related parties and all the related party relationships and transactions of which we are aware.
- 25) The Foundation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

- 26) In regards to the preparation of the Foundation's IRS Form 990 tax return and the preparation of the financial statements performed by you, we have:
- a) Made all management decisions and performed all management functions.
 - b) Designated an individual with suitable skills, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services.
- 27) We are responsible for compliance with laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct material effect on the determination of the financial statement amounts or other financial data significant to the audit objectives.


(Chief Executive Officer) 4/4/25


(Senior Vice President) 4/9/25