

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
CUMMING, GEORGIA**

**FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2014 AND 2013 AND
INDEPENDENT AUDITOR'S REPORT**

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

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MCNAIR, MCLEMORE, MIDDLEBROOKS & Co., LLC

CERTIFIED PUBLIC ACCOUNTANTS

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March 5, 2015

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Sawnee Electric Membership Foundation, Inc.

We have audited the accompanying financial statements of **Sawnee Electric Membership Foundation, Inc.** (the Foundation), which comprise the statements of financial position as of December 31, 2014 and 2013 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sawnee Electric Membership Foundation, Inc. as of December 31, 2014 and 2013 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

McNair, McLemore, Middlebrooks & Co., LLC

MCNAIR, MCLEMORE, MIDDLEBROOKS & CO., LLC

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31

ASSETS

	<u>2014</u>	<u>2013</u>
Cash	\$ 273,372	\$ 112,503
Contributions Receivable	<u>11,542</u>	<u>11,165</u>
Total Assets	<u>\$ 284,914</u>	<u>\$ 123,668</u>

NET ASSETS

Unrestricted Net Assets	\$ 174,866	\$ 65,120
Temporarily Restricted Net Assets	<u>110,048</u>	<u>58,548</u>
Total Net Assets	<u>\$ 284,914</u>	<u>\$ 123,668</u>

See accompanying notes which are an integral part of these financial statements.

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31

	2014	2013
Changes in Unrestricted Net Assets		
Support		
Contributions - Unrestricted	\$ 227,430	\$ 131,484
Net Assets Released from Restrictions		
Scholarship Funds Released	52,000	42,000
	279,430	173,484
Program Service Expense		
Community Assistance	117,645	125,669
Scholarships	52,000	42,000
Other	39	6
	169,684	167,675
	109,746	5,809
Changes in Temporarily Restricted Net Assets		
Contributions	100,000	44,495
Scholarship Returned	3,500	-
Net Assets Released from Restrictions	(52,000)	(42,000)
	51,500	2,495
Increase in Net Assets	161,246	8,304
Net Assets, Beginning	123,668	115,364
Net Assets, Ending	\$ 284,914	\$ 123,668

See accompanying notes which are an integral part of these financial statements.

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31**

	2014	2013
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 161,246	\$ 8,304
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Change In		
Contributions Receivable	(377)	(367)
Net Increase In Cash	160,869	7,937
Cash, Beginning	112,503	104,566
Cash, Ending	\$ 273,372	\$ 112,503

See accompanying notes which are an integral part of these financial statements.

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Organization

Sawnee Electric Membership Foundation, Inc. (the Foundation) is a nonprofit corporation organized under the laws of the state of Georgia.

Purpose

The purpose of Sawnee Electric Membership Foundation, Inc. is to accumulate and disburse funds for charitable purposes in the service area of the Sawnee Electric Membership Corporation, Inc., an electric membership corporation.

Accounting Policies

Accounting records are maintained in accordance with accounting principles and standards generally accepted in the United States (U.S. GAAP).

Basis of Presentation

U.S. GAAP requires the Trust to report its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

- Unrestricted - Net assets that are not restricted.
- Temporarily Restricted - Net assets subject to donor-imposed stipulations that will be met either by the Trust and/or the passage of time.
- Permanently Restricted - Net assets subject to permanent donor-imposed stipulations.

The Foundation had no permanently restricted net assets at December 31, 2014 and 2013.

Income Taxes

The Foundation operates under the Internal Revenue Code Section 501(c)(3) as a tax-exempt organization. Currently, the Corporation's federal information returns for the years ended December 31, 2011 and after are subject to examination by the Internal Revenue Service.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 5, 2014, the date the financial statements were available to be issued.

(2) Contributions

The majority of contributions are provided by the members of Sawnee Electric Membership Corporation.

Unrestricted contributions are available for support of the Foundation's organizational purposes.

Temporarily restricted contributions are available for scholarships and educational purposes. Restrictions can be met by action of the Foundation.

Contributions receivable were received in total by the Foundation in January of the following year.

(3) Retention of Funds

The bylaws of the Foundation require a reasonable level of funds be maintained for operations and to provide for unexpected catastrophic needs. The required reserve shall be the greater of five percent of the previous year's total unrestricted income from contributions or \$5,000, and in no case shall the reserve be greater than \$7,500. In accordance with the above requirements, the reserve was \$7,500 and \$6,928 at December 31, 2014 and 2013, respectively.

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March 5, 2015

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

The Board of Directors
Sawnee Electric Membership Foundation, Inc.

We have audited the financial statements of **Sawnee Electric Membership Foundation, Inc.** as of and for the years ended December 31, 2014 and 2013 and our report thereon dated March 5, 2015, which expressed an unmodified opinion on the financial statements, appears on page 1. Those audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 8 through 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McNair, McLemore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Act Together Ministries	\$ 2,400
Aleksis Soto	500
American Legion Post 307	3,200
Angel House of Georgia	1,200
Blacks Mill Elementary School	4,208
Blessings in a Backpack	5,000
CASA for Children, Inc.	5,400
CASA for Forsyth County	5,984
Chaeho Chung	500
Challenged Child and Friends	1,000
Cherokee County Ferst Foundation	2,100
Chestatee Elementary School	1,491
Coal Mountain Elementary School	1,495
Connet Ability	1,700
Dan Baskette	500
Dawson County High School	1,500
Douglas Collett	500
Elizabeth Hardin	500
Families of Children Under Stress, Inc.	1,000
Forsyth County Family Haven	6,000
G. Cecil Pruett Community Center	1,000
Girl Scouts of Historic Georgia	2,011
Good Shepherd Clinic	2,419
Harley Ostis	500
Hillside Elementary School	1,300
Holcomb Bridge Middle School	1,500
Holly Springs Elementary School	1,473
Holly Springs E S Teem Academy	290
Hoon G. Choi	500
Indian Knoll Elementary School	1,463
Jean Stamboni	500
Jessica Morse	500
Johns Creek Elemenatary School	1,091
Joseph Evans	500
Joseph Pollage	500
Juan Turrubiartes	500
Kay Woods	500
Kelly Mill Elementary School	1,495
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Balance-Carried Forward	\$ 64,221

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance-Brought Forward	\$ 64,221
Lamar Pruitt	500
Liberty Middle School	1,487
Lynn Knox	500
Malon D. Mimms Boys & Girls Club	900
Margaret Hamill	500
Margret Wallner	500
Melissa Yashinsky	500
Mentor Me - North Georgia	1,000
Michael Hurst	500
Mike Kingcaid	500
Mill Springs Academy	721
MUST Ministries, Inc.	2,500
North Fulton Community Charities	2,000
North Metro Miracle League	1,000
Phu Tran	500
Piney Grove Middle School	4,149
Qin Tongquing	500
Rachel's Gift	1,000
Rainbow Childrens Home, Inc.	2,340
Reading Association of Dawson County	1,000
Renee Fitts	500
Ronald Richards	500
Ryan Lee Holland Cancer Foundation	3,000
Sala Shierling	500
Samatha Doyle	500
Sawnee Woman's Club	500
South Forsyth High School	1,490
St. Vincent de Paul Christ Redeemer	1,000
St. Vincent de Paul Good Shepherd	1,650
St. Vincent de Paul Society	1,000
Stand up for Kids-North Fulton County	1,000
Supporting Adoption & Foster Families	4,940
The HOPE Center	2,100
The Lionheart School	1,447
The Place of Forsyth County	2,700
Thomas Race	500
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Balance-Carried Forward	\$ 110,144

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance-Brought Forward	\$ 110,144
Timothy Guest	500
Tommy Hulsey	500
TurningPoint Breast Cancer Rehabilitation	900
West Forsyth High School	1,200
Whitlow Elementary School	4,401
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	\$ 117,645
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SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF SCHOLARSHIPS
FOR THE YEAR ENDED DECEMBER 31, 2014

Amanda Saulnier - University of Georgia	\$ 4,000
Cole Simmons - Stanford University	4,000
David Kim - Columbia University	4,000
Jason Bick - Georgia Tech	4,000
Kaitlin Karschner - University of Georgia	4,000
Lacey Brown -University of South Carolina	4,000
Lindsey LeQuier - Auburn University	4,000
Mia Austin - University of North Georgia	4,000
Miranda Abe - University of Georgia	4,000
Priscilla Kim - University of Pennsylvania	4,000
Riley Jenkins - University of Georgia	4,000
Ryan Carr - Georgia Tech	4,000
Sathvik Namburar - John Hopkins University	4,000
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	\$ 52,000
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