

BLUE RIDGE CORRIDOR ALLIANCE, INC.

FINANCIAL STATEMENTS

For the year ended June 30, 2016

BLUE RIDGE CORRIDOR ALLIANCE, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Blue Ridge Corridor Alliance, Inc.
Raleigh, North Carolina

We have audited the accompanying financial statements of Blue Ridge Corridor Alliance, Inc. (a North Carolina non-profit organization) which comprise the statements of financial position as of June 30, 2016 and the related statements of activities, functional expenses, and cash flows for the year ended June 30, 2016, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 audit 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 auditors' 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 entity'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 entity'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 Blue Ridge Corridor Alliance, Inc. as of June 30, 2016 and the changes in its net assets and its cash flows for the year ended June 30, 2016 in accordance with accounting principles generally accepted in the United States of America.



CERTIFIED PUBLIC ACCOUNTANTS
Durham, North Carolina

January 17, 2017

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2016

ASSETS

	<u>Amount</u>
CURRENT ASSETS:	
Cash	\$ 94 577
Accounts Receivable	<u>7 000</u>
Total Assets	<u>\$ 101 577</u>

LIABILITIES AND NET ASSETS

NET ASSETS:	
Unrestricted	<u>\$ 101 577</u>
Total Liabilities and Net Assets	<u>\$ 101 577</u>

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

	<u>UNRESTRICTED</u>
SUPPORT AND REVENUES:	
Contributions	\$ <u>109 234</u>
EXPENSES:	
Program	16 983
Management and general	30 623
Fundraising	<u>293</u>
Total Expenses	<u>47 899</u>
CHANGE IN NET ASSETS	61 335
NET ASSETS AT BEGINNING OF YEAR	<u>40 242</u>
NET ASSETS AT END OF YEAR	<u>\$ 101 577</u>

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from grants and contributions	\$ 102 234
Cash paid to employees and suppliers	<u>(47 899)</u>
Net Cash Provided by Operating Activities	<u>54 335</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 54 335

CASH AND CASH EQUIVALENTS AT
BEGINNING OF YEAR 40 242

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 94 577

RECONCILIATION OF CHANGE IN NET ASSETS TO NET
CASH PROVIDED BY OPERATING ACTIVITIES:

Change in net assets	\$ 61 335
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in Operating Assets:	
Accounts Receivable	<u>(7 000)</u>
Increase (decrease) in Operating Liabilities	<u>-</u>
Net Cash Provided by Operating Activities	<u>\$ 54 335</u>

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended June 30, 2016

	PROGRAM	MANAGEMENT AND GENERAL	FUND- RAISING	TOTAL
Legal and accounting	\$ -	\$ 7 120	\$ -	\$ 7 120
Insurance	-	1 500	-	1 500
Program expenses	9 942	-	-	9 942
Administration	6 912	21 600	288	28 800
Operations - Miscellaneous	<u>129</u>	<u>403</u>	<u>5</u>	<u>537</u>
	<u>\$ 16 983</u>	<u>\$ 30 623</u>	<u>\$ 293</u>	<u>\$ 47 899</u>

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1. NATURE OF ACTIVITIES:

The Blue Ridge Corridor Alliance, Inc. (the Organization) is an independent, not for profit, organization created to coordinate public and private investment connecting the major institutional assets of the Blue Ridge Corridor with complete streets infrastructure and mixed-use developments, focused on creating jobs, a pedestrian-friendly environment, increased property value, and a vibrant destination.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The Organization's policy is to prepare its financial statements on the accrual basis of accounting and, accordingly reflect all significant receivables, payables, and other liabilities.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Accordingly, the Organization 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.

CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

CONTRIBUTED SERVICES

Contributed services requiring expertise are recorded as in-kind donations at their estimated fair values at the date of receipt.

Many other individuals volunteer their time and perform a variety of tasks that assist the Organization. No amounts have been reflected on the financial statements for these services.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at unpaid balances. The management of the Organization believes that all receivables will be collected. Therefore, no allowance for uncollectible accounts is considered necessary. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROMISES TO GIVE

Unconditional promises to give are recognized as revenues or gains in the year received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

EXPENSE ALLOCATION

The cost of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited.

RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

INCOME TAX STATUS

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contributions deduction under Section 170(b)(1)(A) and has been classified as an Organization that is not a private foundation under Section 509(a)(2).

Management has considered the tax positions taken in its tax returns and believes that all of the positions taken by the Organization in its federal exempt organization tax returns are more likely than not to be sustained upon examination.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

INCOME TAX STATUS (Continued)

Generally, the Organization's tax returns remain open for three years for examination by taxing authorities. The Organization does not believe there are any material uncertain tax positions and, accordingly, it did not recognize any liability for unrecognized tax benefits.

ADVERTISING

The Organization expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

3. CONCENTRATIONS:

The Organization is largely dependent on sources of support in the immediate vicinity along the Blue Ridge Road corridor in Raleigh, North Carolina. These sources of support approximated \$109,000 or 100% of the Organization's support for the year ended June 30, 2016. Loss of any one of these sources could have a detrimental impact on the finances of the Organization.

4. CONCENTRATION OF CREDIT RISK:

The Organization maintains a bank account at a high quality financial institution which the balance did not exceed the aggregate insured amounts of \$250,000 provided by the Federal Deposit Insurance Organization (FDIC).

5. RELATED PARTY:

The Organization has entered into a management contract with another non-profit organization in which the executive director of that organization is also the executive director of Blue Ridge Corridor Alliance, Inc.

Amounts paid during the year ended June 30, 2016 totaled \$28,800.

6. SUBSEQUENT EVENT:

The Organization evaluated the effect subsequent events would have on the financial statements through the date of the report, January 17, 2017, which is the date the financial statements were available to be issued.