January 13, 2016

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

We have audited the financial statements of Blue Ridge Corridor Alliance, Inc. for the period from July 22, 2014 (date of inception) to June 30, 2015, and have issued our report thereon dated January 13, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 2, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Blue Ridge Corridor Alliance, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management’s allocation of functional expenses are based on historical data and professional accounting guidelines. We evaluated the key factors and assumptions used to develop the allocation in determining that they are reasonable in relation to the financial statements taken as a whole.
Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The concentration of revenue sources at June 30, 2015 in Note 3 to the financial statements is based on the review of the primary sources of support.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 13, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors of Blue Ridge Corridor Alliance, Inc, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

[Signature]

CERTIFIED PUBLIC ACCOUNTANTS
Durham, North Carolina
BLUE RIDGE CORRIDOR ALLIANCE, INC.

FINANCIAL STATEMENTS

From July 22, 2014 (Date of Inception) to June 30, 2015
# Table of Contents

June 30, 2015

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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, 2015 and the related statements of activities, functional expenses, and cash flows for the period from July 22, 2014 (Date of Inception) to June 30, 2015, 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, 2015 and the changes in its net assets and its cash flows for the period from July 22, 2014 (Date of Inception) to June 30, 2015 in accordance with accounting principles generally accepted in the United States of America.

Neal, Bradsher & Taylor

CERTIFIED PUBLIC ACCOUNTANTS
Durham, North Carolina

January 13, 2016
## BLUE RIDGE CORRIDOR ALLIANCE, INC.
### STATEMENT OF FINANCIAL POSITION
June 30, 2015

### ASSETS

<table>
<thead>
<tr>
<th>CURRENT ASSETS:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$40,242</td>
</tr>
</tbody>
</table>

Total Assets

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>NET ASSETS:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$40,242</td>
</tr>
</tbody>
</table>

Total Liabilities and Net Assets

---

See Notes to Financial Statements.
BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENT OF ACTIVITIES
For the Period from July 22, 2014 (Date of Inception) to June 30, 2015

<table>
<thead>
<tr>
<th>SUPPORT AND REVENUES:</th>
<th>UNRESTRICTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$ 57,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td>4,961</td>
</tr>
<tr>
<td>Management and general</td>
<td>12,198</td>
</tr>
<tr>
<td>Fundraising</td>
<td>99</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>17,258</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40,242</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS AT BEGINNING OF YEAR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| NET ASSETS AT END OF YEAR       | $ 40,242     |

See Notes to Financial Statements.
BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Period from July 22, 2014 (Date of Inception) to June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Program</th>
<th>Management and General</th>
<th>Fund-Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal and accounting</td>
<td>$</td>
<td>$ 3,319</td>
<td>$</td>
<td>$ 3,319</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>$ 1,500</td>
<td></td>
<td>$ 1,500</td>
</tr>
<tr>
<td>Program expenses</td>
<td>2,600</td>
<td></td>
<td></td>
<td>2,600</td>
</tr>
<tr>
<td>Administration</td>
<td>2,160</td>
<td>6,750</td>
<td>90</td>
<td>9,000</td>
</tr>
<tr>
<td>Operations - Miscellaneous</td>
<td>201</td>
<td>629</td>
<td>9</td>
<td>839</td>
</tr>
<tr>
<td></td>
<td>$ 4,961</td>
<td>$ 12,198</td>
<td>$ 99</td>
<td>$ 17,258</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENT OF CASH FLOWS
For the Period from July 22, 2014 (Date of Inception) to June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:
Cash received from grants and contributions $ 57,500
Cash paid to employees and suppliers (17,258)

Net Cash Provided by Operating Activities 40,242

NET INCREASE IN CASH AND CASH EQUIVALENTS 42,242

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

CASH AND CASH EQUIVALENTS AT END OF PERIOD $ 42,242

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:
Change in net assets $ 42,242
Adjustments to reconcile change in net assets to net cash provided by operating activities:
(Increase) decrease in Operating Assets:
Increase (decrease) in Operating Liabilities:

Net Cash Provided by Operating Activities $ 42,242

See Notes to Financial Statements.
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.
2. **SIGNIFICANT ACCOUNTING POLICIES**: (Continued)

**PROMISES TO GIVE**

Unconditional promises to give are recognized as revenues or gains in the period 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 Period from July 22, 2014 (Date of Inception) to June 30, 2015

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 $58,000 or 100% of the Organization's support for the period ended June 30, 2015. 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 period ended June 30, 2015 totaled $9,000.

6. SUBSEQUENT EVENT:

The Organization evaluated the effect subsequent events would have on the financial statements through the date of the report, January 13, 2016, which is the date the financial statements were available to be issued.