

BLUE RIDGE CORRIDOR ALLIANCE, INC.

FINANCIAL STATEMENTS

For the years ended June 30, 2018 and 2017

BLUE RIDGE CORRIDOR ALLIANCE, INC.

TABLE OF CONTENTS

June 30, 2018

	PAGE
INDEPENDENT AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8-10



Neal, Bradsher & Taylor, P.A.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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MEMBERS

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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, 2018 and 2017 and the related statements of activities, functional expenses, and cash flows for the years ended June 30, 2018 and 2017, 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 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 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, 2018 and 2017 and the changes in its net assets and its cash flows for the years ended June 30, 2018 and 2017 in accordance with accounting principles generally accepted in the United States of America.



CERTIFIED PUBLIC ACCOUNTANTS
Durham, North Carolina

December 19, 2018

BLUE RIDGE CORRIDOR ALLIANCE, INC.
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2018 and 2017

	ASSETS	
	2018	2017
CURRENT ASSETS:		
Cash	\$ 75 526	\$ 78 902
Accounts Receivable	10 000	-
Total Assets	\$ 85 526	\$ 78 902

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 100	\$ -
 NET ASSETS:		
Unrestricted	85 426	78 902
Total Liabilities and Net Assets	\$ 85 526	\$ 78 902

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
 STATEMENTS OF ACTIVITIES
 For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
	<u>UNRESTRICTED</u>	<u>UNRESTRICTED</u>
SUPPORT AND REVENUES:		
Contributions	\$ 77 475	\$ 49 270
Program service revenue	<u>6 150</u>	<u>-</u>
Total Support and Revenue	<u>83 625</u>	<u>49 270</u>
EXPENSES:		
Program	17 542	28 288
Management and general	56 435	41 509
Fundraising	<u>3 124</u>	<u>2 148</u>
Total Expenses	<u>77 101</u>	<u>71 945</u>
CHANGE IN NET ASSETS	6 524	(22 675)
NET ASSETS AT BEGINNING OF YEAR	<u>78 902</u>	<u>101 577</u>
NET ASSETS AT END OF YEAR	<u>\$ 85 426</u>	<u>\$ 78 902</u>

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the Years Ended June 30, 2018 and 2017

	2018			2017			
	PROGRAM	MANAGEMENT AND GENERAL	FUND-RAISING TOTAL	PROGRAM	MANAGEMENT AND GENERAL	FUND-RAISING TOTAL	
Legal and accounting	\$ -	\$ 10 567	\$ -	\$ -	\$ 9 080	\$ -	\$ 9 080
Insurance	-	2 131	-	-	2 363	-	2 363
Program expenses	1 922	-	-	17 550	-	-	17 550
Administration	13 950	39 060	2 790	9 700	27 160	1 940	38 800
Operations - Miscellaneous	1 670	4 677	334	1 038	2 906	208	4 152
	<u>\$ 17 542</u>	<u>\$ 56 435</u>	<u>\$ 3 124</u>	<u>\$ 28 288</u>	<u>\$ 41 509</u>	<u>\$ 2 148</u>	<u>\$ 71 945</u>

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grants and contributions	\$ 67 475	\$ 56 270
Cash received from program services	6 150	-
Cash paid to employees and suppliers	(77 001)	(71 945)
Net Cash Used by Operating Activities	(3 376)	(15 675)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3 376)	(15 675)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	78 902	94 577
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 75 526	\$ 78 902
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Change in net assets	\$ 6 524	\$ (22 675)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in Operating Assets:		
Accounts receivable	(10 000)	7 000
Increase (decrease) in Operating Liabilities:		
Accounts payable	100	-
Net Cash Used by Operating Activities	\$ (3 376)	\$ (15 675)

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

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 Years Ended June 30, 2018 and 2017

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 Years Ended June 30, 2018 and 2017

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 \$83,625 and \$49,270, respectively or 100% of the Organization's support for the periods ended June 30, 2018 and June 30, 2017. 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 years ended June 30, 2018 and 2017 totaled \$55,800 and \$38,800, respectively.

6. SUBSEQUENT EVENT:

The Organization evaluated the effect subsequent events would have on the financial statements through the date of the report, December 19, 2018, which is the date the financial statements were available to be issued.