BLUE RIDGE CORRIDOR ALLIANCE, INC.

FINANCIAL STATEMENTS

For the years ended June 30, 2019 and 2018

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, 2019 and 2018 and the related statements of activities, functional expenses, and cash flows for the years ended June 30, 2019 and 2018, 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, 2019 and 2018 and the changes in its net assets and its cash flows for the years ended June 30, 2019 and 2018 in accordance with accounting principles generally accepted in the United States of America.

Neal, Bradsher & Taylor

CERTIFIED PUBLIC ACCOUNTANTS
Durham, North Carolina

December 12, 2019

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

ASSETS

	2019	2018
CURRENT ASSETS:		
Cash	$ 85 881	$ 75 526
Accounts Receivable	7 322	10 000
Total Assets	$ 93 203	$ 85 526

LIABILITIES AND NET ASSETS

	2019	2018
CURRENT LIABILITIES:		
Accounts payable	$ 4 685	$ 100
NET ASSETS:		
Without donor restrictions	88 518	85 426
With donor restrictions	-	-
Total Net Assets	88 518	85 426
Total Liabilities and Net Assets	$ 93 203	$ 85 526

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2019 and 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Contributions	$ 91 525	$ -	$ 91 525
Program service revenues	5 610	-	5 610
Total Support and Revenues	97 135	-	97 135
EXPENSES:			
Development services	20 789	-	20 789
General and administrative	69 306	-	69 306
Fundraising	3 948	-	3 948
Total Expenses	94 043	-	94 043
CHANGE IN NET ASSETS	3 092	-	3 092
NET ASSETS AT BEGINNING OF YEAR	85 426	-	85 426
NET ASSETS AT END OF YEAR	$ 88 518	$ -	$ 88 518

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENTS OF ACTIVITIES (Continued)
For the Years Ended June 30, 2019 and 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Contributions	$ 77 475	$ -	$ 77 475
Program service revenues	6 150	-	6 150
Total Support and Revenues	83 625	-	83 625
EXPENSES:			
Development services	17 542	-	17 542
General and administrative	56 435	-	56 435
Fundraising	3 124	-	3 124
Total Expenses	77 101	-	77 101
CHANGE IN NET ASSETS	6 524	-	6 524
NET ASSETS AT BEGINNING OF YEAR	78 902	-	78 902
NET ASSETS AT END OF YEAR	$ 85 426	$ -	$ 85 426

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grants and contributions	$ 94 203	$ 67 475
Cash received from program services	5 610	6 150
Cash paid to employees and suppliers	(89 458)	(77 001)
Net Cash Provided (Used) by Operating Activities	10 355	(3 376)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10 355	(3 376)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	75 526	78 902
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 85 881	$ 75 526
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Change in net assets	$ 3 092	$ 6 524
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in Operating Assets:		
Accounts receivable	2 678	(10 000)
Increase in Operating Liabilities:		
Accounts payable	4 585	100
Net Cash Provided (Used) by Operating Activities	$ 10 355	$ (3 376)

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2019 and 2018

	2019				
	Development	Total Program	Management And General	Fund-Raising	Total
Legal and accounting	$ -	$ -	$ 12 012	$ -	$ 12 012
Insurance	-	-	2 028	-	2 028
Program expenses	1 050	1 050	-	-	1 050
Administration	17 166	17 166	48 063	3 433	68 662
Operations - miscellaneous	2 573	2 573	7 203	515	10 291
	$ 20 789	$ 20 789	$ 69 306	$ 3 948	$ 94 043

See Notes to Financial Statements.

BLUE RIDGE CORRIDOR ALLIANCE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES (Continued)
For the Years Ended June 30, 2019 and 2018

	2018				
	Development	Total Program	Management And General	Fund-Raising	Total
Legal and accounting	$ -	$ -	$ 10 567	$ -	$ 10 567
Insurance	-	-	2 131	-	2 131
Program expenses	1 922	1 922	-	-	1 922
Administration	13 950	13 950	39 060	2 790	55 800
Operations - miscellaneous	1 670	1 670	4 677	334	6 681
	$ 17 542	$ 17 542	$ 56 435	$ 3 124	$ 77 101

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

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investment and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor-restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FINANCIAL STATEMENT PRESENTATION (Continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

NEW ACCOUNTING PRONOUNCEMENT

During the year ended June 30, 2019, the organization elected to adopt the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 - Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 3). The accompanying information from the 2018 financial statements has been restated to conform to the 2019 presentation and disclosure requirements of ASU 2016-14.

3. LIQUIDITY:

The below reflects Blue Ridge Corridor Alliance, Inc.'s financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at June 30, 2019	$ 93 203
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	-
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 93 203

4. 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 $97,000 and $83,000, respectively or 100% of the Organization's support for the periods ended June 30, 2019 and June 30, 2018. Loss of any one of these sources could have a detrimental impact on the finances of the Organization.

5. 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).

6. 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, 2019 and 2018 totaled $68,663 and $55,800, respectively.

7. SUBSEQUENT EVENT:

The Organization evaluated the effect subsequent events would have on the financial statements through the date of the report, December 12, 2019, which is the date the financial statements were available to be issued.