

# CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.

## Financial Statements

June 30, 2013

# CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.

## Table of Contents

	<u>Page</u>
Report of Independent Accountants	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Supplemental Information:	
Schedule of Activities by Program	14
Schedule of Expenditures of Federal Awards	15
Report of Independent Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16
Report of Independent Accountants on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	18
Summary Schedule of Prior Audit Findings	20
Schedule of Findings and Questioned Costs	21
Corrective Action Plan	22

## REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors  
Capital Area Partnership Uplifting People, Inc.  
Richmond, Virginia

### Report on the Financial Statements

We have audited the accompanying financial statements of Capital Area Partnership Uplifting People, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year 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; 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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 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 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 Capital Area Partnership Uplifting People, Inc. as of June, 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

## Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of activities by program is presented for purposes of additional analysis and is not a required part of the basic financial statements. Additionally, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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. The information has been subjected to the auditing procedures applied in the audit 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. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2013 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



December 11, 2013  
Glen Allen, Virginia

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Statement of Financial Position  
June 30, 2013

Assets

Current assets:

Cash and cash equivalents	\$ 70,374
Grants receivable	524,399
Prepaid expenses	<u>1,766</u>

Total current assets 596,539

Investments	55,593
Certificate of deposit	50,756
Property and equipment, net	<u>492,420</u>

\$ 1,195,308

Liabilities and Net Assets

Current liabilities:

Current maturities of long-term debt	\$ 32,745
Accounts payable and accrued expenses	<u>273,842</u>

Total current liabilities 306,587

Long-term liabilities:

Long-term debt	<u>62,838</u>
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Total liabilities 369,425

Net assets:

Unrestricted net assets	708,131
Temporarily restricted net assets	<u>117,752</u>

Total net assets 825,883

\$ 1,195,308

See accompanying notes to financial statements.

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Statement of Activities  
Year Ended June 30, 2013

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Revenue:			
Federal revenue	\$ 741,602	\$ -	\$ 741,602
Federal revenue - USDA	819,327	-	819,327
State revenue	218,731	-	218,731
Private grant revenue	171,168	-	171,168
In-kind revenue	547,733	-	547,733
Other revenue	<u>374,352</u>	<u>-</u>	<u>374,352</u>
Total revenue	<u>2,872,913</u>	<u>-</u>	<u>2,872,913</u>
Expenditures:			
Program services	2,648,309	-	2,648,309
Support services	227,686	-	227,686
Fundraising	<u>47,324</u>	<u>-</u>	<u>47,324</u>
Total expenditures	<u>2,923,319</u>	<u>-</u>	<u>2,923,319</u>
Change in net assets	(50,406)	-	(50,406)
Net assets, beginning of year	<u>758,537</u>	<u>117,752</u>	<u>876,289</u>
Net assets, end of year	<u>\$ 708,131</u>	<u>\$ 117,752</u>	<u>\$ 825,883</u>

See accompanying notes to financial statements.

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Statement of Functional Expenses  
Year Ended June 30, 2013

	<u>Program</u>	<u>Support</u>		
	<u>Services</u>	<u>Services</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 785,792	\$ 69,848	\$ 17,462	\$ 873,102
Fringes	171,416	26,217	4,033	201,666
Consultants	32,540	4,977	766	38,283
Travel	83,736	12,807	1,970	98,513
Occupancy	111,469	7,270	2,423	121,162
Food & supplies	799,991	16,667	16,667	833,325
Equipment	35,386	2,308	769	38,463
Interest	-	9,414	-	9,414
Depreciation	1,595	76,539	1,595	79,729
Other	78,651	1,639	1,639	81,929
In-kind	<u>547,733</u>	<u>-</u>	<u>-</u>	<u>547,733</u>
	<u>\$ 2,648,309</u>	<u>\$ 227,686</u>	<u>\$ 47,324</u>	<u>\$ 2,923,319</u>

See accompanying notes to financial statements.

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Statement of Cash Flows  
Year Ended June 30, 2013

Cash flows from operating activities:	
Change in net assets	\$ (50,406)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	79,729
Gain on disposal of property and equipment	(12,695)
Investment income reinvested	(144)
Changes in operating assets and liabilities:	
Grants receivable	(143,950)
Prepaid expenses	3,995
Accounts payable and accrued expenses	<u>(7,732)</u>
Net cash used in operating activities	<u>(131,204)</u>
Cash flows from investing activities:	
Proceeds from disposal of property and equipment	12,695
Purchase of property and equipment	<u>(15,305)</u>
Net cash used in investing activities	<u>(2,609)</u>
Cash flows from financing activities:	
Repayment of long-term debt	<u>(30,246)</u>
Net cash used in financing activities	<u>(30,246)</u>
Net change in cash and cash equivalents	(164,059)
Cash and cash equivalents, beginning of year	<u>234,433</u>
Cash and cash equivalents, end of year	<u>\$ 70,374</u>
Supplemental disclosure of cash flow information:	
Cash paid for interest	<u>\$ 9,414</u>

See accompanying notes to financial statements.

## CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.

### Notes to Financial Statements

#### 1. Summary of Significant Accounting Policies:

**Nature of Business:** Capital Area Partnership Uplifting People, Inc. (the "Organization"), formerly Richmond Community Action Program, Inc., is a non-profit, non-stock, tax-exempt corporation organized under the Economic Opportunity Act of 1964 to combat problems associated with poverty in the Richmond Metropolitan Area. The Organization is governed by a Board of Directors, one-third of whom are public officials or their representatives; one-third elected representatives of the poverty areas served, and one-third are representatives of business and industry and civic organizations. The Organization's programs are generally funded by grants from federal, state, and local sources.

**Basis of Accounting:** The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

**Cash and Cash Equivalents:** The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Investments:** The Organization invests in certificates of deposit with a financial institution. The investments are made to protect against cash flow deficiencies due to potential reimbursement delays and may be used for the general operations of the Organization.

**Grants Receivable:** Grants receivable represents amounts due from grant revenues earned, billed and unbilled, but not yet received. The Organization uses the reserve method of accounting for doubtful accounts. The amount of doubtful accounts was considered immaterial at June 30, 2013, and no reserve was considered necessary.

**Credit Risk:** The Organization maintains its cash in financial institutions with balances that periodically exceed federally insured limits.

The Organization's grants receivable are primarily due from governmental agencies for reimbursement of program expenses.

**Property and Equipment:** Property and equipment are stated at cost. Major repairs and betterments are capitalized and normal maintenance and repairs are charged to expense as incurred. Depreciation is computed by the straight-line method over the estimated useful lives of the related assets, which range from three to 27.5 years. Upon retirement or sale of an asset, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

## CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.

### Notes to Financial Statements, Continued

#### 1. Summary of Significant Accounting Policies, Continued:

**Basis of Presentation:** The Organization reports 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. The financial statements report amounts separately by class of net asset, when applicable, as follows:

Unrestricted net assets – Unrestricted net assets are those currently available at the discretion of the Organization's Board of Directors for use in the Organization's operations.

Temporarily restricted net assets – Temporarily restricted net assets are those which are stipulated by donors for a specific operating purpose or for the acquisition of property and equipment. When a donor 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.

Permanently restricted net assets – Permanently restricted net assets are restricted to investments in perpetuity, the income from which is expendable in accordance with the conditions of each specific donation. The Organization has no permanently restricted net assets.

**Revenue Recognition – Federal Revenue:** Federal revenue is recognized as services are performed and expenditures are incurred as amounts become earned and collectable at that time.

**In-kind Revenue:** The value of contributed materials and the value of contributed services that either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, and was provided by individuals possessing those skills, and are of a type that would have been purchased if not contributed are recognized in the financial statements as in-kind revenue. In-kind revenue is recognized upon donation and consists mainly of donated non-perishable items for the food buying club valued at approximately \$3.00 per pound. All non-perishable food items, donated or purchased, are immediately distributed and as such, there are no amounts recorded in inventory at June 30, 2013.

**Tax Status:** The Organization qualifies as a tax-exempt, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and will be taxed only to the extent it has taxable income unrelated to its exempt purpose.

Management has evaluated the effect of guidance surrounding uncertain income tax positions and concluded that the Organization has no significant financial statement exposure to uncertain income tax positions at June 30, 2013. The Organization's informational returns for years since 2010 remain open for examination by tax authorities. The Organization is not currently under audit by any tax jurisdiction.

## CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.

### Notes to Financial Statements, Continued

#### 1. Summary of Significant Accounting Policies, Continued:

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates.

**Subsequent Events:** Management has evaluated subsequent events through December 11, 2013, the date the financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying financial statements.

#### 2. Investments:

At June 30, 2013, investments of \$55,593 consisted of certificates of deposit paying interest at rates ranging from .25% to .50% and maturing from October 2013 to April 2014. Investment income amounted to \$144 for 2013. Management estimates that the carrying value of principal plus accumulated interest approximates the fair value of the investments.

#### 3. Grants Receivable:

Grants receivable consisted of the following at June 30, 2013:

10: Community Services Block Grant (CSBG)	\$ 293,128
14: City of Richmond	37,971
17: Child Care Food Program	135,037
51: Project Discovery, Richmond	29,703
61: Virginia Cares	22,906
Other	<u>5,654</u>
	<u>\$ 524,399</u>

## CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.

### Notes to Financial Statements, Continued

#### 4. Certificate of Deposit:

At June 30, 2013, the Organization owns a certificate of deposit in the amount of \$50,756, which serves as collateral for its "Cars to Work" program. Individuals purchase vehicles from the Organization with the assistance of loans from third party financial institutions. The Organization is required to keep the amount as collateral against default by the borrower. As the program continues to operate and management has designated the amount as restricted to the program, the amount has been classified as a long-term asset in the accompanying statement of financial position.

#### 5. Property and Equipment:

Property and equipment consisted of following at June 30, 2013:

Land	\$ 219,000
Buildings	266,000
Building improvements	344,020
Vehicles	327,483
Computers and copiers	64,019
Equipment	<u>64,862</u>
	1,285,384
Less accumulated depreciation	<u>(792,964)</u>
	<u>\$ 492,420</u>

Depreciation expense amounted to \$79,729 for 2013.

#### 6. Long-Term Debt:

The Organization's long-term debt consisted of the following at June 30, 2013:

Mortgage loan payable of \$3,300 monthly, including interest at 8.5% until final maturity in February 2016. Collateralized by a first deed of trust on land and buildings.	\$ 95,583
Less current maturities	<u>32,745</u>
	<u>\$ 62,838</u>

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Notes to Financial Statements, Continued

**6. Long-Term Debt, Continued:**

Aggregate long-term maturities required on long-term debt at June 30, 2013 are due in future years as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2015	\$ 35,617
2016	<u>27,221</u>
	<u>\$ 62,838</u>

**7. Temporarily Restricted Net Assets:**

Temporarily restricted net assets consisted of the following at June 30, 2013:

<u>Purpose</u>	<u>Amount</u>
Funding for building additions, repairs, & maintenance	\$ 57,752
Collateral for loans outstanding related to the "Cars to Work" program	50,000
Funding to cover future sales expenses of donated property	<u>10,000</u>
	<u>\$ 117,752</u>

**8. Other Revenue:**

Other revenue consisted of the following at June 30, 2013:

<u>Source</u>	<u>Amount</u>
Transportation income	\$ 239,382
Sale of food club units	53,399
Sale of vehicles under "Cars to Work" program	2,700
Donation income	42,202
Local revenue	18,623
Gain on sale of asset	12,696
Other	<u>5,350</u>
	<u>\$ 374,352</u>

## CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.

### Notes to Financial Statements, Continued

#### 9. Commitments and Contingencies:

The Organization leases office and warehouse space under various lease agreements. These lease terms expire over the next year, and certain leases contain renewal and/or month to month rental options. Under certain leases the Organization pays taxes, insurance, and other expenses.

The approximate minimum commitments for the rental of office and warehouse space are \$7,800 for 2014. Office and warehouse lease expense amounted to \$16,159 for 2013.

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. Such audits could also result in the grantor prohibiting future funding of such grant. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date or any impact from the revocation of future grant funds.

#### 10. Contingencies:

The Organization may be involved in various legal actions from time to time arising in the normal course of activities. In the opinion of management, there are no matters outstanding that would have a material adverse effect on the financial position of the Organization.

#### 11. Employee Retirement Plan:

The Organization maintains a 403(b) plan for all employees who have met the applicable eligibility requirements. The plan allows employees to make contributions based upon a percentage of compensation. The employer matches participants' contributions to the plan according to years of participation in the plan as follows:

0 to 5 years	5%
5 to 10 years	6%
10 to 15 years	7%
15 to 20 years	8%
20 to 25 years	9%
Over 25 years	10%

Both employee and employer contributions are subject to Internal Revenue Service maximum limits. Employer contribution expense was \$32,000 for 2013.

## **CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

### Notes to Financial Statements, Continued

#### **12. Guarantees:**

Pursuant to its Articles of Incorporation, the Organization has certain obligations to indemnify its officers and directors for certain events or occurrences that happen by reason of the fact that the officer or director is, was, or has agreed to serve as an officer or director of the Organization. The term of the indemnification period is for the officer's or director's lifetime. The maximum liability under these obligations is limited by the Code of Virginia. Further, the Organization's insurance policies serve to limit its exposure.

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Schedule of Activities by Program  
Year Ended June 30, 2013

	10	12	14	17	32	50	61		
	Federal	Virginia	City of	Child Care		Project	Virginia	Other	Total
	CSBG	Funds	Richmond	Food	Transportation	Discovery	Cares	Programs	
<b>Revenue:</b>									
Federal revenue - general	\$ 730,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,822	\$ -	\$ 741,602
Federal revenue - USDA	-	-	-	819,327	-	-	-	-	819,327
State revenue	-	33,533	-	-	-	110,328	74,870	-	218,731
Private grant revenue	-	115	164,840	-	-	-	-	6,213	171,168
In-kind revenue	-	-	460,764	-	-	86,969	-	-	547,733
Other revenue	135	-	-	-	197,600	5,000	-	171,617	374,352
Total revenue	<u>730,915</u>	<u>33,648</u>	<u>625,604</u>	<u>819,327</u>	<u>197,600</u>	<u>202,297</u>	<u>85,692</u>	<u>177,830</u>	<u>2,872,913</u>
<b>Expenditures:</b>									
Salaries	461,932	25,176	96,674	50,874	106,706	58,365	59,976	13,399	873,102
Fringes	106,037	7,295	22,997	12,397	22,026	14,348	13,807	2,759	201,666
Consultants	17,226	-	-	1,500	-	2,888	300	16,369	38,283
Travel	22,720	-	9,880	2,299	37,541	2,758	1,338	21,977	98,513
Occupancy	48,038	1,177	21,906	11,115	10,572	13,172	11,771	3,411	121,162
Food and supplies	19,291	-	10,517	737,323	471	2,659	714	62,350	833,325
Equipment and maintenance	12,763	-	2,860	629	13,048	504	-	8,659	38,463
In-kind and other	42,908	-	460,764	75	-	92,715	1,551	120,792	718,805
Total expenditures	<u>730,915</u>	<u>33,648</u>	<u>625,598</u>	<u>816,212</u>	<u>190,364</u>	<u>187,409</u>	<u>89,457</u>	<u>249,716</u>	<u>2,923,319</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 3,115</u>	<u>\$ 7,236</u>	<u>\$ 14,888</u>	<u>\$ (3,765)</u>	<u>\$ (71,886)</u>	<u>\$ (50,406)</u>

See report of independent accountants.

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor	Grant Name	CFDA #	Expenditures
Department of Agriculture, Food and Nutrition	Child & Adult Care Food Program	10.558	\$ 819,327
Department of Health & Human Services: Commonwealth of Virginia Department of Health & Human Services	Community Services Block Grant	93.569	<u>741,602</u>
			<u>\$ 1,560,929</u>

**1. Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Capital Area Partnership Uplifting People, Inc. (the "Organization") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

See report of independent accountants.

**REPORT OF INDEPENDENT ACCOUNTANTS ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Capital Area Partnership Uplifting People, Inc.  
Richmond, Virginia:

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Capital Area Partnership Uplifting People, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Keita", with a stylized flourish at the end.

December 11, 2013  
Glen Allen, Virginia

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of  
Capital Area Partnership Uplifting People, Inc.  
Richmond, Virginia:

Report on Compliance for Each Major Federal Program

We have audited Capital Area Partnership Uplifting People, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. The Organization's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

## Opinion on Each Major Federal Program

In our opinion, the Organization compiled, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



December 11, 2013  
Glen Allen, Virginia

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2013

Not Applicable

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013

A. SUMMARY OF AUDIT RESULTS

- (1) The auditors' report expresses an unmodified opinion on the financial statements of Capital Area Partnership Uplifting People, Inc.
- (2) No material weaknesses or significant deficiencies in internal control were disclosed during the audit.
- (3) No instances of noncompliance, material to the financial statements of Capital Area Partnership Uplifting People, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- (4) No material weakness relating to the audit of the major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.
- (5) The auditors' report on compliance for the major federal award programs for Capital Area Partnership Uplifting People, Inc. expresses an unmodified opinion.
- (6) There were no audit findings relative to the major federal award programs for Capital Area Partnership Uplifting People, Inc.
- (7) The program tested as a major program included:  
  
Department of Agriculture, Food and Nutrition:  
Child & Adult Care Food Program, CFDA No. 10.558 - \$819,327
- (8) The threshold used for distinguishing between Type A and B programs was \$300,000.
- (9) Capital Area Partnership Uplifting People, Inc. was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**CAPITAL AREA PARTNERSHIP UPLIFTING PEOPLE, INC.**

Corrective Action Plan  
Year Ended June 30, 2013

Not Applicable