

RISING TIDE CAPITAL, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2013 AND 2012

RIISING TIDE CAPITAL, INC.

DECEMBER 31, 2013 AND 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Rising Tide Capital, Inc.
Jersey City, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Rising Tide Capital, Inc. ("Organization"), a New Jersey nonprofit corporation, which comprises the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 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 misstatements, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 assessments, the auditors' consider internal control relevant to the Organization'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 Organization'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 Rising Tide Capital, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Rising Tide Capital, Inc. as a whole. The accompanying schedule of expenditures of federal and state awards on page 14 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 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 of America. 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 April 7, 2014, on our consideration of Rising Tide Capital, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Rising Tide Capital, Inc.'s internal control over financial reporting and compliance.


Certified Public Accountants

Livingston, New Jersey
April 7, 2014

RISEING TIDE CAPITAL, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2013	2012
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,354,223	\$ 870,675
Grants and contributions receivable	1,273,897	586,372
Prepaid insurance	15,917	12,352
Total Current Assets	<u>2,644,037</u>	<u>1,469,399</u>
PROPERTY AND EQUIPMENT, Net	10,157	5,834
OTHER ASSETS:		
Security deposits	<u>2,500</u>	<u>2,500</u>
	<u>\$ 2,656,694</u>	<u>\$ 1,477,733</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 83,293	\$ 71,374
Deferred revenue	7,500	25,000
Total Current Liabilities	<u>90,793</u>	<u>96,374</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Unrestricted	401,945	397,359
Temporarily restricted	2,163,956	984,000
Total Net Assets	<u>2,565,901</u>	<u>1,381,359</u>
	<u>\$ 2,656,694</u>	<u>\$ 1,477,733</u>

RIISING TIDE CAPITAL, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended December 31, 2013			Year Ended December 31, 2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT, REVENUE AND OTHER:						
Program fees	\$ 34,970	\$ -	\$ 34,970	\$ 31,816	\$ -	\$ 31,816
Grants and fees from governmental agencies	402,589	-	402,589	406,063	-	406,063
Contributions	164,014	2,154,093	2,318,107	328,233	1,179,000	1,507,233
Donated services	239,768	-	239,768	114,217	-	114,217
Special events income	63,074	-	63,074	242,865	-	242,865
Interest income	1,539	-	1,539	828	-	828
Other revenue	-	-	-	2,696	-	2,696
Total Revenue	905,954	2,154,093	3,060,047	1,126,718	1,179,000	2,305,718
Net assets released from donor and grantor restrictions	974,137	(974,137)	-	481,346	(481,346)	-
Total Public Support, Revenue and Other	1,880,091	1,179,956	3,060,047	1,608,064	697,654	2,305,718
EXPENSES:						
Program services	1,468,109	-	1,468,109	1,046,508	-	1,046,508
Fundraising	218,222	-	218,222	212,349	-	212,349
Management and general	189,174	-	189,174	153,857	-	153,857
Total Expenses	1,875,505	-	1,875,505	1,412,714	-	1,412,714
CHANGES IN NET ASSETS						
	4,586	1,179,956	1,184,542	195,350	697,654	893,004
Net Assets, Beginning of year	397,359	984,000	1,381,359	202,009	286,346	488,355
Net Assets, End of year	\$ 401,945	\$ 2,163,956	\$ 2,565,901	\$ 397,359	\$ 984,000	\$ 1,381,359

The accompanying notes are an integral part of these financial statements.

RISEING TIDE CAPITAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	Program Services	Fund Raising	Management and General	Total Expenses
Salaries	\$ 614,761	\$ 105,156	\$ 88,979	\$ 808,896
Payroll taxes	45,025	7,702	6,517	59,244
Employee benefits	50,224	8,591	7,269	66,084
Subtotal	710,010	121,449	102,765	934,224
Professional fees	\$ 430,587	\$ 10,131	\$ 65,854	506,573
Occupancy	40,975	7,102	6,556	54,633
Office expenses	2,949	1,392	3,850	8,191
Equipment, software and supplies	31,226	4,404	4,404	40,033
Program seminar and events	167,217	-	-	167,217
Program marketing and outreach	14,865	-	-	14,865
Printing and postage	18,890	644	1,932	21,466
Travel and meetings	10,247	4,658	621	15,526
Staff training and professional development	22,253	2,250	500	25,003
Repairs and maintenance	10,389	1,599	1,332	13,321
Insurance	5,587	968	894	7,449
Depreciation	2,914	505	466	3,885
Fundraising costs	-	63,120	-	63,120
	<u>\$ 1,468,109</u>	<u>\$ 218,222</u>	<u>\$ 189,174</u>	<u>\$ 1,875,505</u>

RISEING TIDE CAPITAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

	Program Services	Fund Raising	Management and General	Total Expenses
Salaries	\$ 544,976	\$ 89,680	\$ 55,187	\$ 689,843
Payroll taxes	40,097	6,598	4,060	50,755
Employee benefits	30,899	6,349	5,080	42,328
Subtotal	615,972	102,627	64,327	782,926
Professional fees	161,475	8,729	48,006	218,210
Occupancy	34,774	7,245	6,278	48,297
Office expenses	4,051	844	731	5,626
Equipment, software and supplies	29,414	24,223	4,037	57,674
Program seminar and events	157,061	-	-	157,061
Program marketing and outreach	11,816	-	-	11,816
Printing and postage	3,464	1,646	568	5,678
Travel and meetings	5,808	5,556	1,263	12,627
Staff training and professional development	-	1,564	24,504	26,068
Repairs and maintenance	11,721	2,442	2,116	16,279
Insurance	5,067	1,054	915	7,036
Depreciation	5,885	956	1,112	7,953
Fundraising costs	-	55,463	-	55,463
	\$ 1,046,507	\$ 212,349	\$ 153,858	\$ 1,412,714

RISEING TIDE CAPITAL, INC.
STATEMENTS OF CASH FLOW

	Year Ended December 31,	
	2013	2012
CASH FLOWS PROVIDED BY (USED FOR) :		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 1,184,542	\$ 893,004
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	3,885	7,953
Changes in certain assets and liabilities:		
Grants and contributions receivable	(687,525)	(485,511)
Prepaid insurance	(3,565)	(6,487)
Accounts payable and accrued expenses	11,918	25,737
Deferred revenue	(17,500)	25,000
Net Cash Provided by Operating Activities	491,755	459,696
<u>INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	(8,207)	-
NET INCREASE IN CASH	483,548	459,696
CASH		
Beginning of year	870,675	410,979
End of year	\$ 1,354,223	\$ 870,675

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:

Cash paid during the year for interest	\$ -	\$ -
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RIISING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - NATURE OF ORGANIZATION:

Rising Tide Capital, Inc. ("Organization") is a corporation organized to facilitate economic development through entrepreneurship. The Organization's mission is to assist struggling entrepreneurs and distressed communities through the development of strong businesses that transform lives, strengthen families and create thriving, sustainable neighborhoods. The Organization's vision is to build a replicable model for high-quality, entrepreneurial development services that can be locally adopted in other low-income communities to be used for social and economic empowerment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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 of America.

Financial Statement Presentation:

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations and are currently available for use by the Organization's Board of Trustees.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. 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.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

The Organization does not currently have any permanently restricted net assets.

RISEING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Grants and Contributions Receivable:

Grants and contributions receivable are stated at the amount management expects to collect from outstanding balances, based on historical trends. The Organization charges uncollectible accounts receivable to operations when determined to be uncollectible. At December 31, 2013 and 2012, an allowance was not deemed necessary.

Property and Equipment:

Fixed assets are recorded at cost on the date of acquisition, or at the fair value of the asset at the date of gift, for donated assets. Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from 3 to 7 years. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred; significant renewals or maintenance and repairs that are greater than \$2,500 are capitalized when they increase the useful life of the asset.

Contributions:

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions with restrictions that are met in the same reporting period as they are received, are reported as unrestricted support.

Donated Property, Goods and Services:

Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation. Donated property, goods and services are recorded as contributions at their estimated fair value at the date of donation.

Functional Allocation of Expenses:

Program services, management and general, and fundraising expenses have been recorded in the statements of activities and changes in net assets and on the statements of functional expenses based on both a direct costing method for those expenses directly attributable to a particular program or on an allocation basis based on the salary percentage of each program to total salaries for joint costs attributable to all functions. The Organization's management allocated general and administrative expenses based upon management's best estimates.

RIISING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes:

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during the years ended 2013 and 2012. The tax years subject to audit by federal and state jurisdictions are the years ended December 31, 2010, and forward. At December 31, 2013 and 2012, there are no significant income tax uncertainties.

Use of Estimates:

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition:

Funds received from various federal, and state agencies represent grants awarded to Rising Tide Capital, Inc. to provide program services. Revenue with respect to these awards is recognized to the extent of expenses incurred under the award terms. Upon completion or expiration of a grant, unexpended funds are not available to Rising Tide Capital, Inc. and must be returned to the awarding agency.

Reclassifications:

Certain amounts have been reclassified in the 2012 financial statements to conform to the 2013 presentation.

Subsequent Events:

The Organization has evaluated events subsequent to the statement of financial position date as of December 31, 2013 through April 7, 2014, the date that the financial statements were available to be issued.

RIISING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and Equipment consists of the following:

	December 31,	
	2013	2012
Leasehold improvements	\$ 3,300	\$ 3,300
Furniture and fixtures	1,800	1,800
Computer software and hardware	50,877	42,670
	55,977	47,770
Less: Accumulated depreciation	45,820	41,936
Property and Equipment, Net	\$ 10,157	\$ 5,834

NOTE 4 - NONCASH DONATIONS:

During the years ended December 31, 2013 and 2012, the Organization received noncash donations of property, goods and services and free use of facilities that have been reflected in the accompanying financial statements.

The amount of donated facilities, goods and services for the years ended December 31, 2013 and 2012, was \$239,768 and \$114,217, respectively, which included \$222,543 and \$75,423 of in-kind contributions of professional services. Amounts have been recorded in the accompanying financial statements for the fair value of the donated facilities for various program and administrative functions, which amounted to \$17,225 and \$38,794 for the years ended December 31, 2013 and 2012, respectively.

The Organization also regularly receives services from volunteers who are not acting in a professional capacity; such volunteer services do not meet the criteria for financial statement recognition and are not included in the financial statements.

RIISING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 5 - LEASE COMMITMENT:

Effective October 18, 2011, the Organization entered into an operating lease agreement for office space. The lease is a five-year agreement which is due to expire on October 17, 2016. Rent is payable in monthly installments of \$2,500 through October 2012. The rent is increased during each subsequent twelve-month period of the term by 4%.

Rent expense was \$31,455 and \$32,245 for the years ended December 31, 2013 and 2012, respectively.

The Organization is obligated for future minimum lease payments as follows:

<u>Year Ended December 31,</u>	
2014	\$ 32,713
2015	34,022
2016	27,926
Total	<u>\$ 94,661</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS:

At December 31, 2013 and 2012, the Organization has \$2,163,956 and \$984,000, respectively, in temporarily restricted net assets comprised of contributions restricted by time.

NOTE 7 - RETIREMENT PLAN:

The Organization established a 401(k) retirement plan that covers substantially all employees meeting the Plan's eligibility requirements. Employees' contributions to the Plan are via payroll deduction and the Organization does not match employee contributions.

RISEING TIDE CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 8 - CONCENTRATIONS OF RISK:

Support and Revenue:

The Organization received a substantial portion of its revenues from federal and state programs. The Organization received approximately 21% and 25% for the years ended December 31, 2013 and 2012, respectively, from government grants. A material reduction of such support could have a significant impact on the Organization's operations. Management, however, does not expect that its support will be materially reduced. The Organization is also subject to audits by certain state and federal agencies which may result in findings based on various issues. Anticipation of potential audit results is currently not determinable. Accordingly, no accruals have been recorded in the financial statements for any adjustments that might be required based on potential future audits.

Cash:

The Organization maintains cash balances at various financial institutions, which at times, may be in excess of federally insured limits.

NOTE 9 - TAX RETURNS:

At December 31, 2013, all required tax returns have been filed.

RIISING TIDE CAPITAL, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Grant ID Number	Program Award Amount	Current Year Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed through Community Development Agencies:					
Block Grants:					
Jersey City	14.218	9/1/12-8/31/13	N/A	\$ 125,000	\$ 92,410
Jersey City (Job Creation Through Micro-Enterprise)	14.218	4/1/13-3/31/14	N/A	225,000	168,802
Enterprise and Economic Development Initiative	14.514	1/1/13-9/30/13	N/A	80,000	80,000
U.S. SMALL BUSINESS ADMINISTRATION					
Program for Investment in Microentrepreneurs Act of 1999 ("PRIME")	59.05	9/30/12-9/29/13	SBAHQ-09-Y-0115/003	40,400	26,377
Total Federal Awards				470,400	367,589
JERSEY CITY ECONOMIC DEVELOPMENT CORPORATION					
Jersey City Redevelopment	N/A	9/13/12-9/12/13	N/A	25,000	25,000
NJ CENTER FOR HISPANIC POLICY					
Center for Hispanic Policy and Research Development 2014	N/A	7/1/13-6/30/14	CHPRD14-028	15,000	-
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
AmeriCorps Vista Project	N/A	7/29/12-7/27/13	11VSANJ002	10,000	10,000
AmeriCorps Vista Project	N/A	7/28/13-8/9/14	11VSANJ002	10,000	
Total Federal and State Awards				\$ 530,400	\$ 402,589

See independent auditors' report.

RISEING TIDE CAPITAL, INC.
NOTE TO THE SCHEDULE OF
EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey OMB Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation, of the financial statements.

INDEPENDENT AUDITORS' REPORT 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 Trustees
Rising Tide Capital, Inc.
Jersey City, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of Rising Tide Capital, Inc. ("Organization"), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, 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 April 7, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 an 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 Organization'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 of 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 over financial reporting and on compliance and other matters, and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting 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 over financial reporting and compliance, and other matters. Accordingly, this communication is not suitable for any other purpose.


Certified Public Accountants

Livingston, New Jersey
April 7, 2014

RISEING TIDE CAPITAL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

I. Summary of Auditors' Results

Financial Statements

The auditors' report issued on the basic financial statements of Rising Tide Capital, Inc. was an unmodified opinion.

Internal control over financial reporting:

- | | | |
|--|-----------|-------------------|
| • Material weaknesses identified? | _____ Yes | _____ <u>X</u> No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | _____ Yes | _____ <u>X</u> No |
| • Noncompliance material to financial statements noted? | _____ Yes | _____ <u>X</u> No |