
COPE FOUNDATION, INC.

**Financial Statements for the
Year Ended December 31, 2018
And Independent Accountants' Review Report**

COPE FOUNDATION, INC.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
COPE Foundation, Inc.

We have reviewed the accompanying financial statements of COPE Foundation, Inc. (a not-for-profit organization) (the "Foundation") which comprise the statement of financial position as of December 31, 2018, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Foundation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Flushing, New York
October 18, 2019

COPE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2018

ASSETS

Current assets:

Cash and cash equivalents (<i>Note 2</i>)	\$ 51,869
Investments (<i>Note 2 and 5</i>)	267,022
Prepaid expenses	2,143

Total current assets 321,034

Fixed Assets, net (*Notes 2 and 3*) 39,330

TOTAL ASSETS \$ 360,364

LIABILITIES AND NET ASSETS

Current liabilities:

Accrued expenses \$ 23,655

Net assets without donor restrictions 336,709

TOTAL LIABILITIES AND NET ASSETS \$ 360,364

See accompanying notes to financial statements.

COPE FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2018

SUPPORT AND REVENUE:

Foundation and corporate grants	\$ 35,800
Contributions	62,604
Fundraising events, net of expenses	128,926
Investment income, net of unrealized loss	(5,438)

TOTAL SUPPORT AND REVENUE	221,892
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EXPENSES:

Program services	244,381
Fundraising	22,903
Management and general	38,419

TOTAL EXPENSES	305,703
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CHANGE IN NET ASSETS	(83,811)
NET ASSETS, BEGINNING OF YEAR	420,520

NET ASSETS, END OF YEAR	\$ 336,709
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See accompanying notes to financial statements.

COPE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Management and Administrative	Fundraising	Total
Officer salaries	\$ 42,028	\$ 5,604	\$ 8,406	\$ 56,038
Salaries	112,476	19,044	9,569	141,089
Payroll taxes/fringe benefits	17,698	2,427	1,770	21,895
Support group facilitators	25,225	-	-	25,225
Camp Erin	14,107	-	-	14,107
Occupancy	8,800	-	-	8,800
Insurance	4,571	828	-	5,399
Office and supplies	2,169	1,085	1,084	4,338
Telephone	2,262	283	282	2,827
Shipping and postage	573	-	573	1,146
Advertising	765	-	85	850
Printing and publications	347	23	93	463
Bank and credit card fees	-	44	693	737
Travel	116	-	348	464
Dues and subscriptions	-	274	-	274
Website	8,536	-	-	8,536
Professional fees	-	8,807	-	8,807
Total expenses before depreciation	239,673	38,419	22,903	300,995
Depreciation	4,708	-	-	4,708
TOTAL EXPENSES	\$ 244,381	\$ 38,419	\$ 22,903	\$ 305,703

See accompanying notes to financial statements.

COPE FOUNDATION, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (83,811)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	4,708
Donated securities included in contributions	(4,040)
Unrealized loss on investments	13,794
Changes in operating assets and liabilities:	
Decrease in prepaid expenses	1,839
Increase in accrued expenses	9,108
<hr/>	
Net cash used in operating activities	<hr/> (58,402)

CASH FLOWS FROM INVESTING ACTIVITIES:

Sale of investments	309,844
Purchase of investments	(283,209)
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Net cash provided by financing activities	26,635
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NET CHANGE IN CASH	(31,767)
CASH – BEGINNING OF YEAR	83,636
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CASH – END OF YEAR	<hr/> \$ 51,869

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:	
Interest expense	\$ -
Income taxes	\$ -
<hr/>	

See accompanying notes to financial statements.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

1. ORGANIZATION

COPE Foundation, Inc. (“COPE”), a not-for-profit organization incorporated in 1999 in the State of New York, is a grief and healing organization helping parents and families living with the loss of a child. Started by bereaved parents, COPE now offers professionally led support groups in Suffolk and Nassau Counties on Long Island, and in Manhattan in New York City, a grief support phone line, and monthly healing workshops including yoga, meditation, art, movement, music, and writing.

Founded in 1999, COPE has grown to now support children and teens who have lost a loved one, particularly through COPE’s Camp Erin® NYC, a free summer weekend therapeutic experience for children and parents who are grieving.

We have enhanced our bereavement services to youth and professionals in low-resourced communities. Our train-the-trainer model and child and youth focused coping skills groups provide needed care to families living in high risk neighborhoods. Professional training and consultation for clergy, funeral homes, mental health professionals and school personnel are offered throughout the Long Island Region.

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.

Basis of presentation

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Section 958-205, *Presentation of Financial Statements*. Under FASB ASC 958-205, net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, COPE’s net assets and changes therein are classified and reported as follows:

Without donor restrictions: Net assets that are not subject to donor restrictions or the donor-imposed restrictions have expired.

With donor restrictions: Net assets that are subject to donor-imposed restrictions. These include net assets that are subject to time or purpose restrictions and donor restricted endowments. Assets with time or purpose restrictions are satisfied either by the passage of time or by actions of COPE.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation (continued)

Under applicable accounting standards, the net assets of COPE are considered to be without donor restrictions as of December 31, 2018.

Cash and cash equivalents

For the purposes of the statement of cash flows, COPE considers all demand deposits, money market funds on deposit with brokerage firms and highly liquid investments with original maturities of three months or less to be cash equivalents.

Capitalization policy and depreciation

Fixed assets are stated at cost, or if donated, at the approximate fair value at the date of the donation. Expenditures for repairs and maintenance are expensed when incurred. When fixed assets are sold or retired, the related costs and accumulated depreciation are eliminated from the accounts and any gains or losses are included in the statement of activities.

Depreciation is computed primarily using a method approximating the straight-line method based on the estimated useful lives of the related assets. Furniture and equipment are depreciated over five (5) years and the Labyrinth Memorial over fifteen (15) years.

Revenue recognition

Revenues and other support are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e., the donor-purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor-imposed restrictions that are met in the same period they are received are recorded as unrestricted revenue.

Contributions

COPE complies with FASB ASC 958-25, "Contributions Received." Accordingly, COPE records contributions of cash and other assets when an unconditional promise to give is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as net assets without donor restrictions or net assets with donor restrictions depending on whether the donor has imposed restrictions on the use of the asset.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (continued)

COPE reports gifts of cash or other assets as net assets with donor restrictions if they are received with donor imposed restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction or purpose restriction ends or is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from restrictions.

Contributed services

COPE receives donated services from unpaid volunteers who assist in running the organization's activities and programs. No amounts have been recognized in the statement of activities since the criteria for recognition under FASB ASC 958-605, Revenue Recognition, have not been satisfied.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization. Fundraising expenses include allocated salaries and related expenses, marketing, promotion and travel.

Income tax status

COPE is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. COPE follows the provisions of FASB ASC 740-10-25. The provisions prescribe a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns and require that uncertain tax positions are evaluated in a two-step process. COPE does not believe that it has any material uncertain tax positions and the provisions of FASB ASC 740-10-25 resulted in no material liability for unrecognized tax benefits. COPE has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

COPE files Internal Revenue Service Form 990, Return of Organization Exempt from Income Tax, as required. Currently, the 2015, 2016 and 2017 tax years are open and subject to examination by the taxing authorities. However, COPE is not currently under audit nor has the organization been contacted by any of the taxing authorities.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New accounting pronouncements

During 2018, COPE adopted Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The Standard requires the classification of net assets into two categories – net assets without donor-imposed restrictions and net assets with donor-imposed restrictions. In addition, the guidance expands the quantitative and qualitative disclosures regarding liquidity and availability of resources, requires investment return to be presented net of external and direct internal investment expenses and requires expenses to be reported by both their natural and functional classification in one location. There was no impact on net assets or to changes in net assets from these changes.

The Financial Accounting Standards Board (“FASB”) issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. This Standard is intended to clarify and improve the scope and accounting for contributions received and made. The ASU is effective for the year ending December 31, 2019.

3. FIXED ASSETS

At December 31, 2018 fixed assets consisted of the following:

Furniture and equipment	\$ 3,440
Labyrinth Memorial	54,823
	<hr/> 58,263
Less: accumulated depreciation	(18,933)
	<hr/>
Fixed assets, net	\$ 39,330

Depreciation expense for the year ended December 31, 2018 was \$4,708.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

4. PERMIT AGREEMENT

On October 31, 2017, COPE entered into a permit agreement with the County of Nassau to use and occupy county owned property known as Cedarmere, located in Roslyn, New York. The base fee of \$900 per month includes utilities. The property is to be used solely for administrative and general purposes including support group programs. The agreement which commenced on January 1, 2018, is on a month to month basis and may be terminated by either party providing 30 days' written notice of termination. The Foundation paid \$10,800 for the year ended December 31, 2018 under this agreement.

5. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

- Level 1 Inputs: Unadjusted quoted market prices for identical assets and liabilities in an active market that the Center has the ability to access.
- Level 2 Inputs: Inputs other than the quoted prices in level 1 that are observable either directly or indirectly.
- Level 3 Inputs: Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is based on the lowest level input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

5. FAIR VALUE MEASUREMENTS (CONTINUED)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Carrying values of non-derivative financial instruments, including cash and cash equivalents and accrued expenses, approximated their fair values due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the year ended December 31, 2018.

Investments consist of the following at December 31, 2018:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 59,695	\$ -	\$ -	\$ 59,695
Exchange traded products	31,346	-	-	31,346
Fixed income	153,535			153,535
Stocks	22,446	-	-	22,446
Total investments	\$ 267,022	\$ -	\$ -	\$ 267,022

The fair value of the equity securities has been measured on a recurring basis using Level 1 inputs, which is based on unadjusted quoted market prices within active markets. There have been no changes in valuation techniques or related inputs.

The net investment income during the year ended December 31, 2018 of (\$5,438), was comprised of dividend and interest income of \$8,356 and a net unrealized loss of (\$13,794).

6. CONCENTRATION OF CREDIT RISK

Credit Risk

COPE maintains its cash account at a commercial bank. The cash account at the bank is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2018, COPE did not have a cash balance in excess of federally insured limits.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

7. LIQUIDITY AND AVAILABLE RESOURCES

COPE regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds. COPE has various sources of liquidity at its disposal that are not subject to donor or other contractual restrictions, including cash and investments.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, COPE considers all expenditures related to its ongoing activities of providing grief counseling and support to families, as well as the conduct of activities to support those services to be general expenditures. In addition to the financial assets available to meet general expenditures over the next twelve months, COPE anticipates collecting sufficient funds to cover general expenditures.

Financial assets available for use within one year from December 31, 2018 to meet general expenditures are as follows:

Cash and cash equivalents	\$ 51,869
Mutual funds	59,695
Exchange traded products	31,346
Fixed income	153,535
Stocks	22,446

Total assets available	\$ 318,891
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8. SUBSEQUENT EVENTS

COPE has performed subsequent events procedures through October 18, 2019 which is the date the financial statements were available to be issued and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.