



COPE FOUNDATION, INC.

**Financial Statements for the
Year Ended December 31, 2020
And Independent Accountants' Review Report**

COPE FOUNDATION, INC.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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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, 2020, 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 (collectively referred to as 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.

Wei Wei & Co. LLP

Flushing, New York
November 5, 2021

COPE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2020

ASSETS

Current assets:

Cash and cash equivalents (<i>Note 2</i>)	\$ 210,280
Investments (<i>Note 2 and 5</i>)	166,264
Prepaid expenses	4,563

Total current assets 381,107

Fixed Assets, net (*Notes 2 and 3*) 31,761

TOTAL ASSETS **\$ 412,868**

LIABILITIES AND NET ASSETS

Current liabilities:

Accrued expenses	\$ 17,666
PPP loan payable	50,000

Total current liabilities 67,666

Net assets without donor restrictions **345,202**

TOTAL LIABILITIES AND NET ASSETS **\$ 412,868**

See accompanying notes to financial statements.

COPE FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020

SUPPORT AND REVENUE:

Foundation and corporate grants	\$ 78,643
Contributions	109,006
Fundraising events, net of expenses	66,182
Investment income	5,927

TOTAL SUPPORT AND REVENUE	259,758
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EXPENSES:

Program services	205,988
Fundraising	36,300
Management and administrative	27,212

TOTAL EXPENSES	269,500
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CHANGE IN NET ASSETS	(9,742)
NET ASSETS, BEGINNING OF YEAR	354,944

NET ASSETS, END OF YEAR	\$ 345,202
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See accompanying notes to financial statements.

COPE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and Administrative	Fundraising	Total
Officer salaries	\$ 65,500	\$ 8,188	\$ 8,187	\$ 81,875
Salaries	53,279	15,342	12,728	81,349
Support group facilitators	34,150	-	-	34,150
Payroll taxes/fringe benefits	15,096	2,323	2,064	19,483
Website	14,182	-	-	14,182
Camp Erin	2,456	-	-	2,456
Occupancy	8,100	-	-	8,100
Insurance	4,404	793	-	5,197
Office and supplies	693	1,629	346	2,668
Telephone	1,716	214	215	2,145
Shipping and postage	238	-	237	475
Advertising	1,957	-	269	2,226
Payroll processing	713	110	98	921
Bank and credit card fees	-	150	3,025	3,175
Travel	14	-	43	57
Taxes	-	125	-	125
Professional fees	-	7,426	-	7,426
Total expenses before depreciation	202,498	36,300	27,212	266,010
Depreciation	3,490	-	-	3,490
TOTAL EXPENSES	\$ 205,988	\$ 36,300	\$ 27,212	\$ 269,500

See accompanying notes to financial statements.

COPE FOUNDATION, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (9,742)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	3,490
Gain on investments	(1,492)
Changes in operating assets and liabilities:	
(Increase) in prepaid expenses	(331)
(Decrease) in accrued expenses	(2,042)
<hr/>	
Net cash (used in) operating activities	(10,117)

CASH FLOWS FROM INVESTING ACTIVITIES:

Sale of investments	113,908
Purchase of investments	(111,549)
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Net cash provided by investing activities	2,359

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from PPP loan	50,000
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Net cash provided by financing activities	50,000
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NET CHANGE IN CASH	42,242
CASH – BEGINNING OF YEAR	168,038
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CASH – END OF YEAR	\$ 210,280

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:	
Interest expense	\$ -
Income taxes	\$ -

See accompanying notes to financial statements.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020

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, 2020.

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

Grants and contributions that are nonreciprocal are recognized as revenue when the cash or securities are received. Revenues and other support are reported as increases in net assets without donor restrictions 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 net assets without donor restrictions 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 without donor restrictions.

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, 2020

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 its 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 in the statement of functional expenses. Accordingly, certain costs require allocation on a reasonable basis that is consistently applied. Directly identifiable expenses are charged to programs and supporting services. Management and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of COPE. The allocated expenses include certain salaries, payroll taxes and office expenses which are allocated on the basis of estimates of time and usage.

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 2016, 2017 and 2018 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 STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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 2020, COPE adopted The Financial Accounting Standards Board, Accounting Standards Update No. 2014-09 (Topic 606): *Revenue from Contracts with Customers*. This Standard clarifies the principles for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for those goods or services. There was no impact on net assets or to changes in net assets and no significant changes in the way the Foundation recognizes revenue from this implementation.

3. FIXED ASSETS

At December 31, 2020 fixed assets consisted of the following:

Furniture and equipment	\$ 3,440
Labyrinth Memorial	54,823
	<u>58,263</u>
Less: accumulated depreciation	(26,502)
	<u>\$ 31,761</u>

Depreciation expense for the year ended December 31, 2020 was \$3,490.

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 \$8,100 for the year ended December 31, 2020 under this agreement.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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 COPE 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.

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, COPE 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, 2020.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

5. FAIR VALUE MEASUREMENTS (CONTINUED)

Investments consist of the following at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 137,708	\$ -	\$ -	\$ 137,708
Exchange traded products	7,212	-	-	7,212
Stocks	21,344	-	-	21,344
Total investments	\$ 166,264	\$ -	\$ -	\$ 166,264

The fair value of the above securities have 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, 2020 of \$5,927, was comprised of dividend and interest income of \$6,048 and a net loss on investments of \$121.

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, 2020, COPE did not have a cash balance in excess of federally insured limits.

Market Value Risk

COPE invests funds in a professionally managed portfolio that contains various mutual funds and equity investments. Such investments are exposed to fluctuations in market value and credit risk. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

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.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

7. LIQUIDITY AND AVAILABLE RESOURCES (CONTINUED)

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 received a loan of \$42,035 under the Coronavirus Aid, Relief and Economic Security Act in 2021 (See Note 9) and anticipates collecting sufficient funds to cover the remaining general expenditures.

Financial assets available for use within one year from December 31, 2020 to meet general expenditures are as follows:

Cash and cash equivalents	\$ 210,280
Mutual funds	137,708
Exchange traded products	7,212
Stocks	21,344
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Total assets available	\$ 376,544

8. PPP LOAN PAYABLE

On May 5, 2020, COPE received loan proceeds in the amount of \$50,000 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities and maintains its payroll levels. The full amount of the loan was forgiven in March 2021.

Additionally, COPE received a grant under the Economic Injury Disaster Loan Advance program of \$10,000 on April 27, 2020. The grant does not have to be repaid.

9. SUBSEQUENT EVENTS

COPE has performed subsequent events procedures through November 5, 2021 which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures except as stated herein and as follows.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

9. SUBSEQUENT EVENTS (CONTINUED)

The COVID-19 outbreak in the United States and around the world has caused business disruption due to mandatory containment and mitigation directives issued in most states to slow down the spread of the virus. COPE is monitoring developments and the directives of state and local officials and has implemented certain changes in its operations and fundraising efforts to protect its employees and the families and communities it serves. The situation remains uncertain regarding further outbreaks of new strains of COVID-19 and as such, it is difficult for COPE to estimate any impact it may have on its operations. In addition, based upon the recent volatility in the financial markets due to the coronavirus, the value of our investments could be negatively impacted.

On February 10, 2021, COPE received additional loan proceeds in the amount of \$42,035 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities and maintains its payroll levels. The unforgiven portion of the loan, if any, is payable over five years at an interest rate of 1%. COPE believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan.