



CERTIFIED PUBLIC ACCOUNTANTS

COPE FOUNDATION, INC.

**Financial Statements for the
Year Ended December 31, 2017
And Independent Accountants' Review Report**

COPE FOUNDATION, INC.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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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, 2017, and the related statements of activities and changes in net assets 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.



Supplementary Information

The schedule of functional expenses on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Wei Wei & Co., LLP

Flushing, New York

October 3, 2018

COPE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION **DECEMBER 31, 2017**

ASSETS

Current assets:

Cash and cash equivalents (<i>Note 2</i>)	\$ 83,636
Investments (<i>Note 2 and 5</i>)	303,411
Prepaid expenses	3,982
 Total current assets	 391,029
 Fixed Assets, net (<i>Notes 2 and 3</i>)	 44,038
 TOTAL ASSETS	 \$ 435,067

LIABILITIES AND NET ASSETS

Current liabilities:

Accrued expenses	\$ 14,547
 Net assets - unrestricted	 420,520
 TOTAL LIABILITIES AND NET ASSETS	 \$ 435,067

See accompanying notes to financial statements.

COPE FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017

SUPPORT AND REVENUE:

Foundation and corporate grants	\$ 58,825
Contributions	54,294
Fundraising events, net of expenses	139,135
Investment income	29,274
 TOTAL SUPPORT AND REVENUE	 281,528

EXPENSES:

Program services	200,870
Fundraising	21,976
Management and general	28,193
 TOTAL EXPENSES	 251,039
 CHANGE IN NET ASSETS	 30,489
NET ASSETS, BEGINNING OF YEAR	390,031
 NET ASSETS, END OF YEAR	 \$ 420,520

See accompanying notes to financial statements.

COPE FOUNDATION, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 30,489
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	5,185
Donated securities included in contributions	(5,156)
Unrealized gain on investments	(21,032)
Changes in operating assets and liabilities:	
(Acrease) in prepaid expenses	(964)
Increase in accrued expenses	6,684
 Net cash provided by operating activities	 15,206

CASH FLOWS FROM INVESTING ACTIVITIES:

Sale of investments	111,666
Purchase of investments	(124,564)
 Net cash used in financing activities	 (12,898)
 NET CHANGE IN CASH	 2,308
CASH – BEGINNING OF YEAR	81,328
 CASH – END OF YEAR	 \$ 83,636

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, 2017

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 dedicated to helping parents and families living with the loss of a child. COPE connects individuals who have experienced similar losses by offering ongoing emotional, therapeutic and spiritual programs, as well as appropriate resources and referrals. These include:

- Small group support for parents and siblings led by licensed social workers and professional therapists.
- Specialized group support or workshops for loss of an only child, loss to suicide, grandparents’ groups, men’s group and others.
- Peer support for parents and siblings (buddy system).
- Integrative healing workshops led by professional healers and therapists.
- Camp Erin, a bereavement camp for children ages six to seventeen.
- A directory of grief counselors, social workers and psychologists who have personally assisted COPE members.
- A library of books, CDs, tapes and DVDs compiled by COPE members.
- Monthly newsletters and other personal communication for COPE members.

In addition to assisting local families on Long Island, New York, the COPE Line (a grief hotline) and the COPE website enable the organization to provide grieving individuals on a national basis with immediate support, resources and referrals.

Dedicated to the spirits of our children who have passed, COPE helps us to Connect Our Paths Eternally, sustaining and building upon the bonds of love and energy that connect us with our children.

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, COPE

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation (continued)

is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets: Net assets which have no donor restrictions, and are therefore, available for use in carrying out the operations of COPE. In addition, the Board of Directors can designate, at their discretion, certain assets for long-term investments and a subsidy for annual operations.

Temporarily restricted net assets: Net assets limited by donor imposed restrictions that will either expire with the passage of time or be removed by the actions of the organization.

Permanently restricted net assets: Assets for which use by COPE is limited by donor-imposed stipulations that require that the net assets be maintained in perpetuity, but permit the utilization of earnings from such funds for unrestricted purposes.

COPE had no temporarily or permanently restricted net assets as of December 31, 2017.

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, which range from five (5) to fifteen (15) years.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 either unrestricted, temporarily restricted or permanently restricted depending on whether the donor has imposed restrictions on the use of the asset.

COPE reports gifts of cash or other assets as restricted support 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, temporarily restricted net assets are reclassified to unrestricted net assets, 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 activities. 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.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2014, 2015 and 2016 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.

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.

3. FIXED ASSETS

At December 31, 2017 fixed assets consisted of the following:

Furniture and equipment	\$ 3,440
Labyrinth Memorial	<u>54,823</u>
	58,263
Less: accumulated depreciation	(14,225)
Fixed assets, net	<u>\$ 44,038</u>

Depreciation expense for the year ended December 31, 2017 was \$5,185.

COPE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017 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, 2017

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, 2017.

Investments consist of the following at December 31, 2017:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 150,696	\$ -	\$ -	\$ 150,696
Exchange traded products	131,676	-	-	131,676
Stocks	21,039	-	-	21,039
Total investments	\$ 303,411	\$ -	\$ -	\$ 303,411

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 investment income during the year ended December 31, 2017 of \$29,274, was comprised of dividend and interest income of \$8,242 and a net unrealized gain of \$21,032.

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, 2017, 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, 2017

7. SUBSEQUENT EVENTS

COPE has performed subsequent events procedures through October 3, 2018 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.

SUPPLEMENTARY INFORMATION

COPE FOUNDATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services	Management and Administrative	Fundraising	Total
Officer salaries	\$ 38,335	\$ 5,111	\$ 7,667	\$ 51,113
Salaries	59,870	12,760	7,744	80,374
Payroll taxes	13,696	1,877	1,618	17,191
Support group facilitators	32,200	-	-	32,200
Camp Erin	13,603	-	-	13,603
Occupancy	18,000	-	-	18,000
Insurance	2,163	215	-	2,378
Office and supplies	1,933	1,433	967	4,333
Telephone	2,530	317	316	3,163
Shipping and postage	444	-	444	888
Advertising	583	-	65	648
Printing and publications	679	45	181	905
Bank and credit card fees	-	50	2,857	2,907
Travel	39	-	117	156
Dues and subscriptions	-	125	-	125
Website	6,660	-	-	6,660
Professional fees	4,950	6,260	-	11,210
 Total expenses before depreciation	 195,685	 28,193	 21,976	 245,854
Depreciation	5,185	-	-	5,185
 TOTAL EXPENSES	 \$ 200,870	 \$ 28,193	 \$ 21,976	 \$ 251,039

See independent accountants' review report.