

***Financial Statements***

**SUMMER CAMP OPPORTUNITIES  
PROMOTE EDUCATION, INC.**

**September 30, 2014**

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.  
FOR THE YEAR ENDED  
SEPTEMBER 30, 2014**

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**INDEPENDENT AUDITORS' REPORT**

**Summer Camp Opportunities Promote Education, Inc.  
To The Board of Directors**

**We have audited the accompanying statements of financial position of Summer Camp Opportunities Promote Education, Inc. as of September 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and functional expenses for the year ended September 30, 2014, 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 misstatement, 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.**

**An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.**

**Summer Camp Opportunities Promote Education, Inc.  
To The Board of Directors**

***Auditors' Responsibility (Continued)***

**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 Summer Camp Opportunities Promote Education, Inc. as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.**

***Report on Summarized Comparative Information***

**We have previously audited the statement of functional expenses of Summer Camp Opportunities Promote Education, Inc. for the year ended September 30, 2013, and our report dated January 8, 2014, expressed an unmodified opinion on that audited financial statement. In our opinion, the summarized comparative information presented herein for the year ended September 30, 2013, is consistent, in all material respects, with the audited financial statement from which it has been derived.**

***Leaf, Miele, Manganelli, Fortunato & Engel, PLLC***  
Certified Public Accountants

**New York, New York  
January 12, 2015**

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
AT**

	<b>SEPTEMBER 30,</b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>	<b>\$ 299,720</b>	<b>\$ 350,831</b>
<b>Investments</b>	<b>227,364</b>	<b>209,968</b>
<b>Unconditional promises to give</b>	<b>241,575</b>	<b>393,098</b>
<b>Prepaid expenses</b>	<b><u>71,597</u></b>	<b><u>51,016</u></b>
<b>Total Assets</b>	<b><u>\$ 840,256</u></b>	<b><u>\$ 1,004,913</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Program camp tuitions and workshops payable</b>	<b>\$ 335,000</b>	<b>\$ 528,500</b>
<b>Accrued expenses</b>	<b><u>16,453</u></b>	<b><u>19,700</u></b>
<b>Total Liabilities</b>	<b>351,453</b>	<b>548,200</b>
<b>Unrestricted Net Assets</b>	<b><u>488,803</u></b>	<b><u>456,713</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 840,256</u></b>	<b><u>\$ 1,004,913</u></b>

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED**

	<b>SEPTEMBER 30,</b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Revenue and Support</b>		
<b>Contributions</b>	<b>\$ 719,562</b>	<b>\$ 987,088</b>
<b>Special events</b>	<b>221,164</b>	<b>219,559</b>
<b>Dividend and interest income</b>	<b>5,210</b>	<b>6,235</b>
<b>Net unrealized and realized gains</b>	<b>28,161</b>	<b>14,928</b>
<b>Total Revenue and Support</b>	<b><u>974,097</u></b>	<b><u>1,227,810</u></b>
<b>Expenses</b>		
<b>Program Services:</b>		
<b>Camperships</b>	<b>436,935</b>	<b>613,783</b>
<b>Management and general</b>	<b>85,308</b>	<b>83,356</b>
<b>Fund-raising</b>	<b>290,587</b>	<b>312,548</b>
<b>Costs of direct benefit to donors</b>	<b>129,177</b>	<b>145,229</b>
<b>Total Expenses</b>	<b><u>942,007</u></b>	<b><u>1,154,916</u></b>
<b>Increase in unrestricted net assets</b>	<b>32,090</b>	<b>72,894</b>
<b>Unrestricted net assets - beginning</b>	<b><u>456,713</u></b>	<b><u>383,819</u></b>
<b>Unrestricted net assets - end</b>	<b><u>\$ 488,803</u></b>	<b><u>\$ 456,713</u></b>

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

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2013)**

	Total	Management and	Fund-Raising	Costs of Direct Benefit to	2014	2013
	Program Services (Camperships)	General	Donors	Donors	Total	Total
<b>Expenses</b>						
Staff compensation	\$ 68,613	\$ 46,559	\$ 129,875	\$ -	\$ 245,048	\$ 248,672
Employee benefits	7,802	5,294	14,768	-	27,864	22,186
Payroll taxes	6,015	4,082	11,386	-	21,483	21,535
Consultants	7,682	4,865	13,059	-	25,606	24,816
Professional fees	-	15,118	-	-	15,118	15,170
Office supplies & general expenses	5,038	3,418	9,536	-	17,992	13,241
Facility costs	-	-	6,686	129,177	135,863	152,873
Childrens' camp tuitions & workshops	335,000	-	-	-	335,000	528,500
Silent auction items	-	-	68,309	-	68,309	74,416
Camp site visits	5,575	-	-	-	5,575	4,967
Occupancy	1,210	821	2,290	-	4,320	4,200
Promotion	-	-	22,101	-	22,101	28,522
Investment fees	-	2,847	-	-	2,847	2,477
Credit card fees	-	-	12,527	-	12,527	11,216
Insurance	-	2,304	50	-	2,354	2,125
<b>Total Expenses</b>	<b>\$ 436,935</b>	<b>\$ 85,308</b>	<b>\$ 290,587</b>	<b>\$ 129,177</b>	<b>\$ 942,007</b>	<b>\$ 1,154,916</b>

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

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED**

	<u>SEPTEMBER 30,</u> <u>2014</u>	<u>2013</u>
<b>Cash Flows From Operating Activities</b>		
Increase in unrestricted net assets	\$ <u>32,090</u>	\$ <u>72,894</u>
<b>Adjustments to Reconcile Increase In Unrestricted Net Assets</b>		
<b>To Net Cash Used In Operating Activities</b>		
Net unrealized and realized gains	(28,161)	(14,928)
(Increase) Decrease in:		
Unconditional promises to give	151,523	(171,209)
Prepaid expenses	(20,581)	(34,599)
Increase (Decrease) in:		
Program camp tuitions and workshops payable	(193,500)	(20,265)
Accrued expenses	<u>(3,247)</u>	<u>(1,275)</u>
<b>Total Adjustments</b>	<u>(93,966)</u>	<u>(242,276)</u>
<b>Net Cash Used In Operating Activities</b>	<u>(61,876)</u>	<u>(169,382)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(14,723)	(47,154)
Proceeds from sale of investments	<u>25,487</u>	<u>40,211</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>10,764</u>	<u>(6,943)</u>
<b>Net decrease in cash and cash equivalents</b>	(51,111)	(176,325)
<b>Cash and cash equivalents - beginning of period</b>	<u>350,831</u>	<u>527,156</u>
<b>Cash and cash equivalents - end of period</b>	<u>\$ 299,720</u>	<u>\$ 350,831</u>
<b>Supplementary Information:</b>		
Interest paid during period	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
Income taxes paid during period	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

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



**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AT**  
**SEPTEMBER 30, 2014 AND 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Activities:***

Summer Camp Opportunities Promote Education, Inc. (“SCOPE” or the “Organization”) is a voluntary health and welfare non-profit corporation organized in the State of New York. SCOPE is dedicated to helping children in need by funding not-for-profit camps with “camperships” that offer an enriching summer camp experience. The camps supported by SCOPE are located nationwide, however, there is a concentration in the northeast.

***Basis of Accounting:***

The accounts of SCOPE are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

***Basis of Presentation:***

Financial statement presentation follows the provisions included in Financial Accounting Standards Board Accounting Standards Codification for “Not-For-Profit Entities”, which constitutes generally accepted accounting principles in the United States of America (“GAAP”) for non-profit entities such as SCOPE. GAAP requires SCOPE to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At September 30, 2014 and 2013, SCOPE had no temporarily restricted or permanently restricted net assets.

***Cash Equivalents:***

For purposes of the statements of cash flows, SCOPE considers all unrestricted highly liquid investments with initial maturities of three months or less or investments in money market mutual funds to be cash equivalents.

***Investments:***

Investments in marketable securities are stated at fair value. SCOPE’s marketable securities consist entirely of exchange traded funds (“ETF’s”) and mutual funds. All gains and investment income arising from the investments in marketable securities are unrestricted.

ETF’s are valued at the last quoted market price on the last business day of SCOPE’s fiscal year and shares of mutual funds are valued at the net asset value of shares held by SCOPE at the fiscal year end. All realized and unrealized gains and losses are included in the statements of activities. Investments in marketable securities that are donated are recorded at fair value on the date of donation.

***Fair Value Measurements:***

The provisions included in GAAP concerning “Fair Value Measurements and Disclosures”, define fair value, establish a framework for measuring fair value and expand disclosures about fair value measurements. These provisions apply to SCOPE’s investments, which are presented at fair value.

SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
AT  
SEPTEMBER 30, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Revenue and Support Recognition:*

Contributions received with donor stipulations that limit the use of donated assets are reported as restricted support. When a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are classified as unrestricted contributions.

Unconditional promises to give which occurred before year-end are recorded as receivables and are recognized as support in the statements of activities on a net realizable value basis. Grants receivable are recorded and recognized as revenue upon the satisfaction of grantor conditions; at September 30, 2014 and 2013, the Organization had no grants receivable.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At September 30, 2014 and 2013, no allowance has been recognized based on management's determination.

*Income Taxes:*

SCOPE is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the charitable contribution deduction.

SCOPE accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management has determined that there were no tax uncertainties that met the recognition threshold at the statement of financial position dates and no interest and penalties related to unrecognized tax benefits have been recognized in SCOPE's financial statements.

SCOPE timely files Form 990 annually in the U.S. federal jurisdiction and believes it fulfills its legal obligation to submit annual state registrations in various states, as required. SCOPE has no open filing years prior to September 30, 2011. No returns or registrations are presently under examination by the relevant authorities. In addition, SCOPE's policy is to classify, if any, interest accrued on unrecognized tax benefits with interest expense, and penalties within management and general expenses.

*Donated Services:*

Donated services are recognized as contributions in accordance with GAAP, if the services (a) create or enhance non-financial assets or (b) require specialized skills, performed by people with those skills, and would otherwise be purchased by SCOPE. A substantial number of volunteers donate significant amounts of their time in SCOPE's program activities; however, these donated services have not been recognized in the financial statements because they did not meet the criteria prescribed by GAAP, and no objective basis is available to measure the value of such services.

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AT**  
**SEPTEMBER 30, 2014 AND 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Donated Materials:***

Donated materials are recognized at fair value as of the date donated and are included in contributions.

***Use of Estimates:***

The preparation of financial statements in accordance with GAAP requires an organization to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the dates of the financial statements, and reported amounts of revenues and expenses during the reporting periods. Accordingly, actual results could differ from those estimates.

***Comparative Data:***

The September 30, 2013 statement of functional expenses is presented to provide a basis of comparison with the September 30, 2014 financial statements. Accordingly, the September 30, 2013 statement of functional expenses is not intended to present all information necessary for a fair presentation in conformity with GAAP. Such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2013, from which the summarized information was derived.

***Reclassification:***

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

***Capitalization Policy:***

The Organization capitalizes fixed assets equaling or exceeding \$1,000.

***Date of Management's Review:***

SCOPE has evaluated all subsequent events through January 12, 2015, the date the financial statements were available to be issued.

**NOTE 2 – SIGNIFICANT CONCENTRATIONS OF CREDIT RISK**

SCOPE maintains cash and cash equivalent balances at commercial banks and with a brokerage institution. Cash balances held by SCOPE at commercial banks are insured up to \$250,000 in total by the Federal Deposit Insurance Corporation ("FDIC"). Investments in money market mutual funds are not insured by the FDIC. At September 30, 2014 and 2013, the balance of cash and cash equivalents exceeded insured limits by approximately \$-0- and \$1,500, respectively.

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AT**  
**SEPTEMBER 30, 2014 AND 2013**

**NOTE 3 - INVESTMENTS**

Investments at fair value are comprised of the following at September 30:

<u>2014</u>	<u>Cost</u>	<u>FMV</u>	<u>Accumulated Unrealized Gain</u>
Exchange traded funds	\$ 83,715	\$ 134,878	\$ 51,163
Mutual funds	<u>90,436</u>	<u>92,486</u>	<u>2,050</u>
	<u>\$ 174,151</u>	<u>\$ 227,364</u>	<u>\$ 53,213</u>
 <u>2013</u>			
Exchange traded funds	\$ 107,683	\$ 143,895	\$ 36,212
Mutual funds	<u>65,621</u>	<u>66,073</u>	<u>452</u>
	<u>\$ 173,304</u>	<u>\$ 209,968</u>	<u>\$ 36,664</u>

**NOTE 4 – FAIR VALUE MEASUREMENTS**

Fair value of assets measured on a recurring basis at September 30, 2014 and 2013 consist of the following:

<u>2014</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Investments:</b>				
Exchange traded funds	\$ 134,878	\$ 134,878	\$ -	\$ -
Mutual funds	<u>92,486</u>	<u>92,486</u>	<u>-</u>	<u>-</u>
	<u>\$ 227,364</u>	<u>\$ 227,364</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>2013</u>				
<b>Investments:</b>				
Exchange traded funds	\$ 143,895	\$ 143,895	\$ -	\$ -
Mutual funds	<u>66,073</u>	<u>66,073</u>	<u>-</u>	<u>-</u>
	<u>\$ 209,968</u>	<u>\$ 209,968</u>	<u>\$ -</u>	<u>\$ -</u>

There were no transfers between levels during the years ended September 30, 2014 and 2013. In addition, transfers, if any, would be recognized at the end of the reporting period.

GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets and Level 3 inputs have the lowest priority. SCOPE uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AT**  
**SEPTEMBER 30, 2014 AND 2013**

**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

When available, SCOPE measures fair value using Level 1 inputs, because they generally provide the most reliable evidence of fair value. The fair value of SCOPE's investments, consisting of investments in exchange traded funds and in mutual funds, is measured entirely by using Level 1 inputs - the market price (or net asset value) at year-end.

**NOTE 5 – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at September 30, 2014 and 2013 consist entirely of amounts due in less than one year. Also, at September 30, 2014, \$150,000 of the balance is pledged from a member of SCOPE's Board of Directors, and at September 30, 2013, \$100,000 of the balance was pledged from a member of the Board.

**NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

During the years ended September 30, 2014 and 2013, contributions include \$200,000 and \$300,000, respectively, donated from two members of the Organization's Board of Directors.

In addition, a current board member provides insurance broker services to SCOPE. The cost of the insurance for the years ended September 30, 2014 and 2013 totaled \$2,354 and \$2,125, respectively.

**NOTE 8 – CONCENTRATION OF DONORS**

Contributions from two donors, one unrelated to SCOPE and one a board member of SCOPE, accounted for 28% of the Organization's total revenues for the year ended September 30, 2014. For the year ended September 30, 2013, contributions from three donors, two unrelated to SCOPE and one a board member of SCOPE, accounted for approximately 40% of the Organization's total revenue.

**NOTE 9 – RENT EXPENSE**

SCOPE leases office space on a month-to-month basis presently at \$360 per month. Rent expense for the years ended September 30, 2014 and 2013 amounted to \$4,320 and \$4,200, respectively.

**NOTE 10 – ADVERTISING EXPENSE**

Advertising is expensed as incurred and approximated \$22,000 and \$29,000 for the years ended September 30, 2014 and 2013, respectively.

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AT**  
**SEPTEMBER 30, 2014 AND 2013**

**NOTE 11 – RISKS AND UNCERTAINTIES – INVESTMENTS**

**SCOPE invests in investment securities (ETF's and mutual funds). Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect SCOPE's total net assets**