

Financial Statements

SUMMER CAMP OPPORTUNITIES
PROMOTE EDUCATION, INC.

September 30, 2015

**SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.
FOR THE YEAR ENDED
SEPTEMBER 30, 2015**

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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, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and functional expenses for the year ended September 30, 2015, 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, 2015 and 2014, 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, 2014, and our report dated January 12, 2015, expressed an unmodified opinion on that audited financial statement. In our opinion, the summarized comparative information presented herein for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statement from which it has been derived.

Leaf, Miele, Manganello, Fortunato & Engel, PLLC
Certified Public Accountants

**New York, New York
January 25, 2016**

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

	SEPTEMBER 30,	
	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 185,323	\$ 299,720
Investments	215,851	227,364
Unconditional promises to give	175,261	241,575
Prepaid expenses	17,948	15,000
Security deposit	<u>2,500</u>	<u>-</u>
Total Assets	<u>\$ 596,883</u>	<u>\$ 783,659</u>
LIABILITIES AND NET ASSETS		
Program camp tuitions and workshops payable	\$ 338,150	\$ 335,000
Accrued expenses	<u>3,525</u>	<u>16,453</u>
Total Liabilities	341,675	351,453
Unrestricted Net Assets	<u>255,208</u>	<u>432,206</u>
Total Liabilities and Net Assets	<u>\$ 596,883</u>	<u>\$ 783,659</u>

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

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

	SEPTEMBER 30,	
	<u>2015</u>	<u>2014</u>
Revenue and Support		
Contributions	\$ 569,625	\$ 719,562
Special events	179,792	221,164
Dividend and interest income	6,013	5,210
Net unrealized and realized gains (losses)	<u>(5,618)</u>	<u>28,161</u>
Total Revenue and Support	<u>749,812</u>	<u>974,097</u>
Expenses		
Program Services:		
Camperships	448,661	436,935
Management and general	91,358	85,308
Fundraising	264,875	329,787
Costs of direct benefit to donors	<u>121,916</u>	<u>129,177</u>
Total Expenses	<u>926,810</u>	<u>981,207</u>
Decrease in unrestricted net assets	(176,998)	(7,110)
Unrestricted net assets - beginning (2014 restated)	<u>432,206</u>	<u>439,316</u>
Unrestricted net assets - end (2014 restated)	<u>\$ 255,208</u>	<u>\$ 432,206</u>

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, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2014)

	Total	Management	Costs of Direct	September 30,
	Program	and	Benefit to	2015
	Services	General	Donors	Total
Expenses	(Camperships)	Fundraising	Total	Total
Staff compensation	\$ 72,559	\$ 49,237	\$ -	\$ 259,140
Employee benefits	11,741	7,967	-	41,933
Payroll taxes	6,483	4,399	-	23,152
Consultants	5,671	3,592	-	18,904
Professional fees	-	16,988	-	16,988
Office supplies & general expenses	4,804	3,260	-	17,156
Facility costs	-	-	121,916	128,056
Childrens' camp tuitions & workshops	338,150	-	-	338,150
Silent auction items	-	-	-	34,414
Camp site visits	8,010	-	-	8,010
Occupancy	1,243	844	-	4,440
Promotion	-	-	-	21,768
Investment fees	-	2,773	-	2,773
Credit card fees	-	-	-	9,577
Insurance	-	2,299	-	2,349
Total Expenses	\$ 448,661	\$ 91,358	\$ 121,916	\$ 926,810
				\$ 981,207

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>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Decrease in unrestricted net assets	\$ (176,998)	\$ (7,110)
Adjustments to Reconcile Decrease In Unrestricted Net Assets		
To Net Cash Used In Operating Activities		
Net unrealized and realized (gains) losses	5,618	(28,161)
(Increase) Decrease in:		
Unconditional promises to give	66,314	151,523
Prepaid expenses	(2,948)	18,619
Security deposit	(2,500)	-
Increase (Decrease) in:		
Program camp tuitions and workshops payable	3,150	(193,500)
Accrued expenses	(12,928)	(3,247)
Total Adjustments	<u>56,706</u>	<u>(54,766)</u>
Net Cash Used In Operating Activities	<u>(120,292)</u>	<u>(61,876)</u>
Cash Flows From Investing Activities		
Purchase of investments	(39,549)	(14,723)
Proceeds from sale of investments	<u>45,444</u>	<u>25,487</u>
Net Cash Provided By Investing Activities	<u>5,895</u>	<u>10,764</u>
Net decrease in cash and cash equivalents	(114,397)	(51,111)
Cash and cash equivalents - beginning of period	<u>299,720</u>	<u>350,831</u>
Cash and cash equivalents - end of period	<u>\$ 185,323</u>	<u>\$ 299,720</u>
Supplementary Information:		
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, 2015 AND 2014

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, 2015 and 2014, 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 stocks, exchange traded funds (“ETF’s”), and mutual funds. All gains and investment income arising from the investments in marketable securities are unrestricted.

Stocks and 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, 2015 AND 2014

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, 2015 and 2014, 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, 2015 and 2014, 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, 2012. 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, 2015 AND 2014

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, 2014 statement of functional expenses is presented to provide a basis of comparison with the September 30, 2015 financial statements. Accordingly, the September 30, 2014 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, 2014, from which the summarized information was derived.

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 25, 2016, 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, 2015 and 2014, the balance of cash and cash equivalents did not exceed federally insured limits.

SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
AT
SEPTEMBER 30, 2015 AND 2014

NOTE 3 - INVESTMENTS

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

<u>2015</u>	<u>Cost</u>	<u>FMV</u>	<u>Accumulated Unrealized Gain (Loss)</u>
Stocks	\$ 18,387	\$ 20,020	\$ 1,633
Exchange traded funds	83,510	132,380	48,870
Mutual funds	<u>66,001</u>	<u>63,451</u>	<u>(2,550)</u>
	<u>\$ 167,898</u>	<u>\$ 215,851</u>	<u>\$ 47,953</u>
<u>2014</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>

NOTE 4 – FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis at September 30, 2015 and 2014 consist of the following:

<u>2015</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>
Investments:				
Stocks	\$ 20,020	\$ 20,020		
Exchange traded funds	132,380	132,380	\$ -	\$ -
Mutual funds	<u>63,451</u>	<u>63,451</u>	<u>-</u>	<u>-</u>
	<u>\$ 215,851</u>	<u>\$ 215,851</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2014</u>				
Investments:				
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>

There were no transfers between levels during the years ended September 30, 2015 and 2014. 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, 2015 AND 2014

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 stocks, 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, 2015 and 2014 consist entirely of amounts due in less than one year. Also, at September 30, 2015 and 2014, \$150,000 of the balance is pledged from an entity related to a member of SCOPE's Board of Directors.

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 year ended September 30, 2015, contributions include \$168,125 donated from nine members, or entities they control, of the Organization's Board of Directors. During the year ended September 30, 2014, contributions include \$200,000 donated from two members, or entities related to them, 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, 2015 and 2014 totaled \$2,349 and \$2,354, respectively.

NOTE 8 – CONCENTRATION OF DONORS

Contributions from two donors, one unrelated to SCOPE and one a board member of SCOPE, accounted for 27% of the Organization's total revenues for the year ended September 30, 2015. For the year ended September 30, 2014, contributions from two donors, one unrelated to SCOPE and one a board member of SCOPE, accounted for approximately 28% of the Organization's total revenue.

NOTE 9 – RENT EXPENSE

SCOPE leases office space on a month-to-month basis presently at \$370 per month. Rent expense for the years ended September 30, 2015 and 2014 amounted to \$4,440 and \$4,320, respectively.

NOTE 10 – ADVERTISING EXPENSE

Advertising is expensed as incurred and approximated \$22,000 for each of the years ended September 30, 2015 and 2014.

SUMMER CAMP OPPORTUNITIES PROMOTE EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
AT
SEPTEMBER 30, 2015 AND 2014

NOTE 11 – RISKS AND UNCERTAINTIES – INVESTMENTS

SCOPE invests in investment securities (stocks, 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

NOTE 12 – RESTATEMENT OF SEPTEMBER 30, 2014 FINANCIAL STATEMENTS

During the current period, SCOPE discovered that the Organization had overstated prepaid expenses by \$56,597 at September 30, 2014 and by \$17,397 at September 30, 2013. As a result of adjusting prepaid expenses to the proper amount for the appropriate period, fundraising expense increased by \$39,200 for the year ended September 30, 2014 from \$290,587 to \$329,787, and the balance of the beginning unrestricted net assets at October 1, 2013 was reduced by the remaining \$17,397 from \$456,713 to \$439,316. No income tax was applicable to the restatement.

The effect of the aforementioned restatement on the change in unrestricted net assets and financial position as of and for the year ended September 30, 2014 is as follows:

	<u>As previously reported</u>	<u>Restated</u>
Prepaid expenses	\$ 71,597	\$ 15,000
Fundraising expense	290,587	329,787
Increase (decrease) in unrestricted net assets	32,090	(7,110)
Unrestricted net assets - beginning	456,713	439,316
Unrestricted net assets - end	488,803	432,206