

COPLAND HOUSE, INC.



REVIEWED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

COPLAND HOUSE, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees
Copland House, Inc.
Cortlandt Manor, NY

We have reviewed the accompanying statement of financial position of Copland House, Inc. (a nonprofit organization) as of December 31, 2021, and the related statements of activities, functional expenses, and changes in net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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.

Accountant's 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.

We are required to be independent of Copland House, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2021 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



New York, NY
December 19, 2022

COPLAND HOUSE, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

A S S E T S

Current assets:

| | |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 158,815 |
| Prepaid expenses | <u>1,716</u> |
| Total current assets | 160,531 |

Property and equipment-net of accumulated depreciation

54,067

Investments

| | |
|---|----------------|
| Investments, at market value | 176,295 |
| Investments (Board designated), at market value | <u>336,237</u> |
| Total investments | <u>512,532</u> |

| | |
|--------------|--------------------------|
| Total assets | <u><u>\$ 727,130</u></u> |
|--------------|--------------------------|

LIABILITIES AND NET ASSETS

Current liabilities:

| | |
|--|---------------|
| Accounts payable and accrued expenses | \$ 23,570 |
| Paycheck Protection Program loan payable | 38,060 |
| Security deposits | <u>1,000</u> |
| Total liabilities | <u>62,630</u> |

Net assets:

| | |
|---|----------------|
| Without donor restrictions | 83,513 |
| Without donor restrictions - Board designated | 336,237 |
| With donor restrictions | <u>244,750</u> |

| | |
|------------------|----------------|
| Total net assets | <u>664,500</u> |
|------------------|----------------|

| | |
|----------------------------------|--------------------------|
| Total liabilities and net assets | <u><u>\$ 727,130</u></u> |
|----------------------------------|--------------------------|

See accountants' review report.
The accompanying notes are an integral
part of the financial statements.

COPLAND HOUSE, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

| | Without donor restrictions | With donor restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|-------------------|
| Operating revenue and support: | | | |
| Donations | | | |
| Foundations, corporations, government | \$ 36,369 | \$ 100,729 | \$ 137,098 |
| Individuals | 175,968 | - | 175,968 |
| Capital revenue | - | 125,500 | 125,500 |
| Concerts and other program revenue | 82,375 | - | 82,375 |
| | <u>294,712</u> | <u>226,229</u> | <u>520,941</u> |
| Net assets released from restrictions | <u>50,975</u> | <u>(50,975)</u> | <u>-</u> |
| Total operating revenue and support | <u>345,687</u> | <u>175,254</u> | <u>520,941</u> |
| Operating expenses | | | |
| Program services | 405,063 | - | 405,063 |
| Management and general | 27,973 | - | 27,973 |
| Fundraising | 59,200 | - | 59,200 |
| | <u>492,236</u> | <u>-</u> | <u>492,236</u> |
| Total operating expenses | <u>492,236</u> | <u>-</u> | <u>492,236</u> |
| Changes in net assets from operations | (146,549) | 175,254 | 28,705 |
| Non-operating Revenue / (Expenses) | | | |
| Investment income, net of fees | <u>22,462</u> | <u>-</u> | <u>22,462</u> |
| Changes in net assets | (124,087) | 175,254 | 51,167 |
| Net assets, beginning of year | <u>543,837</u> | <u>69,496</u> | <u>613,333</u> |
| Net assets, end of year | <u>\$ 419,750</u> | <u>\$ 244,750</u> | <u>\$ 664,500</u> |

See accountants' review report.
The accompanying notes are an integral
part of the financial statements.

COPLAND HOUSE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

| | Program Services | Management & General | Fundraising | Total Expenses |
|-----------------------------|---------------------|-------------------------|------------------|-------------------|
| Salaries | \$ 112,285 | \$ 17,490 | \$ 45,119 | \$ 174,894 |
| Payroll taxes | 11,298 | 1,412 | 1,412 | 14,122 |
| Employee benefits | 24,794 | 3,099 | 3,099 | 30,992 |
| Artist fees | 173,064 | - | - | 173,064 |
| Artist travel | 26,120 | - | - | 26,120 |
| Musical instrument expenses | 15,341 | - | - | 15,341 |
| Space rental | 5,850 | 731 | 731 | 7,312 |
| Promotion | 953 | 119 | 119 | 1,191 |
| Catering | - | - | 4,300 | 4,300 |
| Dues and subscriptions | 1,801 | 225 | 225 | 2,251 |
| Equipment rental | 1,253 | 157 | 157 | 1,567 |
| Insurance | 14,802 | 1,850 | 1,850 | 18,502 |
| Postage | 245 | 31 | 31 | 307 |
| Repair and maintenance | 8,569 | 1,070 | 1,071 | 10,710 |
| Telecommunication | 4,082 | 510 | 510 | 5,102 |
| Depreciation | 4,606 | 576 | 576 | 5,758 |
| Miscellaneous | - | 303 | - | 303 |
| Bank charges and fee | - | 400 | - | 400 |
| Total expenses | <u>\$ 405,063</u> | <u>\$ 27,973</u> | <u>\$ 59,200</u> | <u>\$ 492,236</u> |

See accountants' review report.
The accompanying notes are an integral
part of the financial statements.

COPLAND HOUSE, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

| | |
|--|-------------------|
| Cash flows from operating activities: | |
| Changes in net assets | \$ 51,167 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | |
| Depreciation | 5,758 |
| Net realized and unrealized gain on investments | (21,954) |
| Decrease (Increase) in current assets: | |
| Donations receivable | 62,625 |
| Increase (Decrease) in current liabilities: | |
| Accounts payable and accrued expenses | 14,959 |
| Security deposits | (800) |
| | <hr/> |
| Net cash provided by operating activities | 111,755 |
| Cash flows from investing activities: | |
| Purchase of investment | (394,298) |
| Proceeds from sale of investment | 293,880 |
| | <hr/> |
| Net cash used in investing activities | (100,418) |
| | <hr/> |
| Cash flows from financing activities: | |
| Proceeds from Paycheck Protection Program loan payable | 38,060 |
| | <hr/> |
| Net cash provided by financing activities | 38,060 |
| | <hr/> |
| Net increase in cash balance | 49,397 |
| Cash, beginning of year | 109,418 |
| | <hr/> |
| Cash, end of year | \$ <u>158,815</u> |

See accountants' review report.
The accompanying notes are an integral
part of the financial statements.

COPLAND HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - NATURE OF ORGANIZATION

Copland House, Inc. ("Copland House") was formed in 1995 as a not-for-profit corporation, originally named "The Copland Heritage Association of Cortlandt, Inc." The name was officially changed to Copland House, Inc. in 2001. In 2002, Copland House accepted title to Mr. Copland's residence as a gift from the Aaron Copland Fund for Music, Inc. ("CFM"), a not-for-profit corporation established pursuant to Aaron Copland's will. [See Note 8(b), Aaron Copland Residence below]

Copland House creates, develops, and presents musical, educational, public, informational, and electronic-media programs offsite throughout North America and at the former home of the late Aaron Copland, one of America's foremost composers. Copland House confers three-to-eight week residencies and various post-residency awards to gifted American composers; sponsors a touring, resident chamber music ensemble; produces public, community, and scholarly presentations; and organizes educational activities — all of which champion America's musical heritage, including the works of Aaron Copland.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The organization prepares its financial statements in accordance with generally accepted accounting principles which involve the application of accrual accounting. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

Cash and cash equivalents - The Organization maintains its cash accounts in a commercial institution. Cash balances located in the bank are insured by the Federal Deposit Insurance Organization (FDIC) up to \$250,000.

Fair Value Measurement - The Organization reports a fair value measurement of all applicable financial assets and liabilities.

Investments - Investment transactions are recorded on a trade-date basis. Realized and unrealized gains and losses on investments are determined by a comparison of specific costs of investments at acquisition to the proceeds at the time of disposal, or to their fair values at year-end, and are reflected in the accompanying statement of activities. The earnings from dividends and interest are recognized when earned. Dividends and interest income and investment fees are net to the Investment Income in the statement of activities.

COPLAND HOUSE, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - Property and equipment are recorded at cost or fair value at the date of acquisition / donation, less accumulated depreciation. Depreciation of property and equipment is provided for by using the straight-line method over the estimated useful lives of the respective assets. Improvements are capitalized, while repairs and maintenance costs are charged to operations as incurred.

Contributions - Contributions are recognized when cash or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Net assets - Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets available for use in general operations are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that will be met by actions of the Organization and/or the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Collections - Copland House's collections consist of musical instruments, recordings, papers and other items of memorabilia that have been donated to the organization. Copland House's policy is to not capitalize donated collection items. To date, Copland House has not purchased or disposed of any collection item. If it were to dispose of a collection item in the future, upon any sale, it would recognize income and set aside the proceeds for other collection acquisitions or for the collection's care and preservation. Any purchased acquisitions would be treated as an expense.

Income taxes - The organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, no provision for federal or state income taxes has been made. The Internal Revenue Service has determined that the Organization is a not-for-profit organization and not a private Organization, under section 509(a) of the Internal Revenue Code.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Accounting estimates used include depreciation, revenue and cost allocations.

COPLAND HOUSE, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Allocation - The costs of providing program services and supporting services are summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

PPP Loan and Forgiveness - On March 27, 2020, Congress enacted the Coronavirus Aid Relief, and Economic Security ("CARES") Act. The Paycheck Protection Program ("PPP") established by the CARES Act, implemented by the U.S. Small Business Administration ("SBA"), provides businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak.

There are two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities can elect to treat the funds as a loan or as a conditional contribution. The Foundation has elected to record the PPP funds as a loan under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 470. The first round of the PPP Loan of \$41,874 was received on May 1, 2020 and was formally forgiven by the Bank and the SBA in May 2021. The Organization also applied and received the second round of PPP Loan of \$38,060 in March 2021. As of December 31, 2021, the \$38,060 was recognized as loan payable.

Upcoming Accounting Principles - Accounting Updates to Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. For each category of contributed nonfinancial assets recognized, not-for-profit organization will need to disclose: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period, if utilized, a description of the programs or other activities in which those assets were used; (ii) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; (iv) the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, Fair Value Measurement, at initial recognition; and (v) the principal market (or most advantageous market) used to arrive at a fair value measure, if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The amendments in this ASU will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Management is in the process of assessing the impact of this ASU on the financial statements.

Subsequent events - Copland House has evaluated subsequent events through, December 19, 2022, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

COPLAND HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist as follows:

| | |
|--|-------------------------|
| Improvement | \$ 9,725 |
| Furniture and fixture | 6,650 |
| Pianos | 80,600 |
| Automobile | <u>5,400</u> |
| Total cost of assets placed in service | 102,375 |
| Less accumulated depreciation | <u>48,308</u> |
| Net book value | <u><u>\$ 54,067</u></u> |

Depreciation expense for the year ended December 31, 2021 was \$5,758.

NOTE 4 – INVESTMENTS

As of December 31, 2021, investments consisted of the following:

| | <u>Fair Value</u> | <u>Cost</u> |
|-------------------|--------------------------|--------------------------|
| Money Market Fund | \$ 191,038 | \$ 191,038 |
| Equities | 213,954 | 198,742 |
| Fixed Income | <u>107,540</u> | <u>107,453</u> |
| Total | <u><u>\$ 512,532</u></u> | <u><u>\$ 497,233</u></u> |

Net investment income consisted of the following:

| | |
|------------------------------|-------------------------|
| Dividend and interest income | 5,680 |
| Net realized loss | 64,158 |
| Net unrealized gain | (42,204) |
| Investment fees | <u>(5,172)</u> |
| Total net investment income | <u><u>\$ 22,462</u></u> |

Fair-value measurement as defined in ASC 820-10-05 prescribes three levels of fair-value measurement as follows:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical assets and liabilities at the reporting date. The types of investments and other assets included in Level 1 consist of exchange-traded equity securities and debt, short-term money-market funds, and actively traded obligations issued by the U.S. government and government agencies.

COPLAND HOUSE, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 – INVESTMENTS (Continued)

Level 2: Valuations are based on (i) quoted prices for similar assets or liabilities in active markets, or (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include other U.S. government and agency securities and corporate debt securities that are redeemable at or near the balance sheet date, and for which a model was derived for valuation.

Level 3: Fair value is determined based on pricing inputs that are unobservable and includes situations where there is little, if any, market activity for the asset or liability. Level 3 assets include securities in privately held companies, secured notes, private corporate bonds, and limited partnerships, the underlying investments of which could not be independently valued, or cannot be immediately redeemed at or near the fiscal year-end. Copland House does not have any Level 3 investment.

The following tables summarize the fair values of the Fund's financial assets at each year-end, in accordance with the ASC 820-10-05 valuation levels:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
|-------------------|-------------------|-------------------|-------------------|
| Money Market Fund | \$ 191,038 | \$ - | \$ 191,038 |
| Equities | 213,954 | - | 213,954 |
| Fixed Income | <u>-</u> | <u>107,540</u> | <u>107,540</u> |
| Total | <u>\$ 404,992</u> | <u>\$ 107,540</u> | <u>\$ 512,532</u> |

The investment advisory fee paid for year 2021 was \$5,172.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Net assets with donor restrictions were available for the following as of December 31, 2021

| | |
|---|-------------------|
| Time restricted | \$ 119,250 |
| New property fund | 125,500 |
| Total temporarily restricted net assets | <u>\$ 244,750</u> |

NOTE 6 – BOARD DESIGNATED NET ASSETS

The Board of Trustees of Copland House has designated the Beglarian Fund as a reserve to provide long-term financial stability. At December 31, 2021 the fund balance was \$336,237.

COPLAND HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 – AVAILABILITY AND LIQUIDITY

The Organization’s financial assets available for general expenditures within one year of the 2021 statement of financial position date are as follows:

| | |
|---|-------------------------|
| Cash | \$ 158,815 |
| Investments | <u>512,532</u> |
| Total financial assets | 671,347 |
| Less amount restricted as Board designated investment | (336,237) |
| Less amount restricted for 2021 activities | <u>(244,750)</u> |
| Total financial assets available to meet cash needs for general expenditures within one year | <u><u>\$ 90,360</u></u> |

The Organization’s liquidity policy is to ensure that the Organization operates with an adequate level of liquidity to minimize the risk associated with temporary, unforeseen liquidity needs. As part of its liquidity management, the Organization puts its excess cash in an investment account.

NOTE 8 – DONATED GOODS AND SERVICES

(a) Copland House, like many not-for-profit organizations, benefits from the donation of services by unpaid volunteers. In addition, in connection with the House renovations in earlier years, the organization received donations of furnishings. These donations of goods and services, whose values are difficult to measure, are not reflected in the financial statements.

(b) Aaron Copland Residence - In November 2002, Aaron Copland Fund for Music, Inc. (“CFM”) conveyed title to Aaron Copland's residence to Copland House. Under the terms of conveyance, Copland House's title would revert to CFM if the residence were not used to support American music. Because of these restrictions, it is not feasible to determine the fair value of the donated use of the property. Therefore, it is not reflected in the financial statements.

NOTE 9 – FINANCIAL IMPACTS OF THE COVID-19 PANDEMIC

The extent of the impact of the COVID-19 outbreak is not expected to have a significant impact on the Organization. Management has determined that there is no material uncertainty that cast doubt on the entity’s ability to continue as a going concern.