

**COPLAND HOUSE, INC.**

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**REVIEWED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2022

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, 2022, 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 2022 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 12, 2023

## COPLAND HOUSE, INC.

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

## A S S E T S

Current assets:	
Cash and cash equivalents	\$ 34,075
Prepaid expenses	<u>1,749</u>
Total current assets	35,824
Property and equipment-net of accumulated depreciation	48,309
Investments	
Investments, at market value	<u>628,091</u>
Total investments	<u>628,091</u>
Total assets	<u><u>\$ 712,224</u></u>

## LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 24,418
Security deposits	<u>1,000</u>
Total liabilities	<u>25,418</u>
Net assets:	
Without donor restrictions	210,556
With donor restrictions	<u>476,250</u>
Total net assets	<u>686,806</u>
Total liabilities and net assets	<u><u>\$ 712,224</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	\$ 71,818	\$ 130,250	\$ 202,068
Individuals	181,094	-	181,094
Capital revenue	-	182,500	182,500
Concerts and other program revenue	89,592	-	89,592
	<u>342,504</u>	<u>312,750</u>	<u>655,254</u>
Net assets released from restrictions	81,250	(81,250)	-
	<u>423,754</u>	<u>231,500</u>	<u>655,254</u>
Operating expenses			
Program services	469,248	-	469,248
Management and general	31,121	-	31,121
Fundraising	70,377	-	70,377
	<u>570,746</u>	<u>-</u>	<u>570,746</u>
Total operating expenses			
	<u>570,746</u>	<u>-</u>	<u>570,746</u>
Changes in net assets from operations	(146,992)	231,500	84,508
Non-operating Revenue / (Expenses)			
Investment loss, net	(62,202)	-	(62,202)
	<u>(62,202)</u>	<u>-</u>	<u>(62,202)</u>
Changes in net assets	(209,194)	231,500	22,306
Net assets, beginning of year	419,750	\$ 244,750	664,500
	<u>419,750</u>	<u>\$ 244,750</u>	<u>664,500</u>
Net assets, end of year	\$ 210,556	\$ 476,250	\$ 686,806
	<u>\$ 210,556</u>	<u>\$ 476,250</u>	<u>\$ 686,806</u>

See accountants' review report.  
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part of the financial statements.

## COPLAND HOUSE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management & General	Fundraising	Total Expenses
Salaries	\$ 116,126	\$ 18,258	\$ 48,192	\$ 182,576
Payroll taxes	11,843	1,480	1,480	14,803
Employee benefits	28,237	3,530	3,530	35,297
Artist fees	211,060	-	-	211,060
Artist travel	22,172	-	-	22,172
Musical instrument expenses	23,866	-	-	23,866
Space rental	8,943	1,118	1,118	11,179
Promotion	1,433	179	179	1,791
Catering	-	-	10,181	10,181
Dues and subscriptions	1,902	238	238	2,378
Equipment rental	5,813	727	727	7,267
Insurance	18,498	2,312	2,312	23,122
Postage	2,352	294	294	2,940
Printing	3,312	414	414	4,140
Repair and maintenance	4,926	616	616	6,158
Telecommunication	4,159	520	520	5,199
Depreciation	4,606	576	576	5,758
Bank charges and fee	-	859	-	859
Total expenses	<u>\$ 469,248</u>	<u>\$ 31,121</u>	<u>\$ 70,377</u>	<u>\$ 570,746</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, 2022

Cash flows from operating activities:	
Changes in net assets	\$ 22,306
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	5,758
Net realized and unrealized loss on investments	66,408
Increase (Decrease) in current liabilities:	
Accounts payable and accrued expenses	<u>848</u>
Net cash provided by operating activities	95,320
Cash flows from investing activities:	
Purchase of investment	(994,841)
Proceeds from sale of investment	<u>812,841</u>
Net cash used in investing activities	<u>(182,000)</u>
Cash flows from financing activities:	
Forgiven of Paycheck Protection Program loan payable	<u>(38,060)</u>
Net cash used in financing activities	<u>(38,060)</u>
Net decrease in cash balance	(124,740)
Cash, beginning of year	<u>158,815</u>
Cash, end of year	<u><u>\$ 34,075</u></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, 2022

**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, 2022

**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, 2022

**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 Organization 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. In 2022, the \$38,060 was also forgiven by the Bank and the SBA. Consequently, it was recognized as grant revenue in 2022.

**Recent Accounting Pronouncement** - 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 should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Accordingly, the Organization adopted this ASU for its year ended December 31, 2022 on a retrospective basis. Analysis of the various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue, and therefore, no changes to the previously issued financial statements were required on a retrospective basis.

## COPLAND HOUSE, INC.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Subsequent events* – Copland House has evaluated subsequent events through, December 12, 2023, 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.

**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment consist as follows:

Improvement	\$	9,725
Furniture and fixture		6,650
Pianos		80,600
Automobile		5,400
Total cost of assets placed in service		<u>102,375</u>
Less accumulated depreciation		<u>54,066</u>
Net book value	\$	<u><u>48,309</u></u>

Depreciation expense for the year ended December 31, 2022 was \$5,758.

**NOTE 4 – INVESTMENTS**

As of December 31, 2022, investments consisted of the following:

	<u>Fair Value</u>	<u>Cost</u>
Money Market Fund	\$ 51,923	\$ 51,923
Equities	259,552	305,443
Fixed Income	<u>316,616</u>	<u>302,156</u>
Total	<u><u>\$ 628,091</u></u>	<u><u>\$ 659,522</u></u>

Net investment loss consisted of the following:

Dividend and interest income	11,567
Net realized loss	(19,677)
Net unrealized loss	(46,731)
Investment fees	<u>(7,361)</u>
Total net investment loss	<u><u>\$ (62,202)</u></u>

COPLAND HOUSE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 4 – INVESTMENTS (Continued)**

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.

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 Copland House'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	\$ 51,923	\$ -	\$ 51,923
Equities	259,552	-	259,552
Fixed Income	<u>-</u>	<u>316,616</u>	<u>316,616</u>
Total	<u>\$ 311,475</u>	<u>\$ 316,616</u>	<u>\$ 628,091</u>

The investment advisory fee paid for the year 2022 was \$7,361.

**NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS**

Net assets with donor restrictions were available for the following as of December 31, 2022

Time restricted for 2023 programs	\$ 168,250
New property capital fund	308,000
Total temporarily restricted net assets	<u>\$ 476,250</u>

COPLAND HOUSE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 6 – AVAILABILITY AND LIQUIDITY**

The Organization’s financial assets available for general expenditures within one year of the 2022 statement of financial position date are as follows:

Cash	\$ 34,075
Investments	<u>628,091</u>
Total financial assets	662,166
Less amount restricted for 2023 programs	(168,250)
Less amount restricted for New Property Capital Fund	<u>(308,000)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 185,916</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.