

CNY ARTS, INC.
SYRACUSE, NEW YORK
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Financial Statements	7

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
CNY Arts, Inc.
Syracuse, New York

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of CNY Arts, Inc. and affiliate, which comprise the consolidated statement of financial position as of June 30, 2020 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, 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 consolidated financial statements in accordance with U. S. generally accepted accounting principles; 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 audit. We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CNY Arts Inc. as of June 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with U. S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited the CNY Arts Inc. 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2019. In our opinion, the summarized information presented herein as of and for the year ended June 30, 2019 is consistent in all material respects, with the audited financial statements from which it has been derived.

Evans and Bennett, LLP
Certified Public Accountants
Syracuse, NY

September 16, 2020

CNY ARTS, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30,

ASSETS

	2020	2019
Current assets:		
Cash	38,658	\$ 78,124
Restricted cash and cash equivalents	760,326	2,620,250
Accounts receivable	-	1,416
Grants receivable	223,317	371,806
Prepaid expenses	3,681	6,190
Total current assets	<u>1,025,982</u>	<u>3,077,786</u>
Property and equipment - net	74,689	83,440
Intangible assets - net	35,343	39,270
Investments	<u>1,936,596</u>	<u>860,131</u>
	<u>\$ 3,072,610</u>	<u>\$ 4,060,627</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 62,460	\$ 50,725
Custodial account liabilities	212,206	-
Refundable advances	1,683,226	2,918,672
Accrued expenses	40,432	23,668
Loan payable- current portion	38,300	74,513
Total current liabilities	<u>2,036,624</u>	<u>3,067,578</u>
Long-term debt	<u>92,921</u>	<u>-</u>
Total liabilities	<u>2,129,545</u>	<u>3,067,578</u>
Net assets:		
Net assets without donor restrictions	871,797	915,601
Net assets with donor restrictions	71,268	77,448
Total net assets	<u>943,065</u>	<u>993,049</u>
	<u>\$ 3,072,610</u>	<u>\$ 4,060,627</u>

The accompanying notes are an integral part of these financial statements

CNY ARTS, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2019

	Without donor restrictions	With donor restrictions	2020 Totals	2019 Totals
Revenues and Other Support				
Government contract income	\$ 2,934,565	\$ -	\$ 2,934,565	\$ 1,883,215
Program income	54,394	-	54,394	147,543
Foundation support, program contributions	38,109	-	38,109	30,780
Investment income	45,373	-	45,373	69,628
PPP loan forgiveness	37,761	-	37,761	-
In-kind contribution income	80,121	-	80,121	90,599
Net assets released from restriction	6,180	(6,180)	-	-
Total revenues and other support	<u>3,196,503</u>	<u>(6,180)</u>	<u>3,190,323</u>	<u>2,221,765</u>
Expenses:				
Program services	3,057,002	-	3,057,002	2,027,010
General and administrative	123,494	-	123,494	109,150
Fundraising	59,811	-	59,811	46,325
Total expenses	<u>3,240,307</u>	<u>-</u>	<u>3,240,307</u>	<u>2,182,485</u>
Increase (decrease) in net assets	(43,804)	(6,180)	(49,984)	39,280
Net assets - beginning of year	<u>915,601</u>	<u>77,448</u>	<u>993,049</u>	<u>953,769</u>
Net assets - end of year	<u>\$ 871,797</u>	<u>\$ 71,268</u>	<u>\$ 943,065</u>	<u>\$ 993,049</u>

The accompanying notes are an integral part of these financial statements

CNY ARTS, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2019

	Program Services	General and Administrative	Fundraising	2020 Totals	2019 Totals
Salaries	\$ 193,387	\$ 65,011	\$ 17,332	\$ 275,730	\$ 286,747
Employee benefits	27,794	9,343	2,491	39,628	32,127
Payroll taxes	15,100	5,076	1,353	21,529	22,574
Regrants	2,582,329	-	-	2,582,329	1,456,074
Artists, project expense	188,160	-	-	188,160	231,567
Insurance	5,957	1,588	397	7,942	8,185
Conferences & meetings	1,717	-	-	1,717	3,591
Depreciation expense	7,350	1,313	88	8,751	9,357
Printing and publications	4,089	730	49	4,868	4,096
Equipment and office rent	22,570	4,500	3,000	30,070	30,404
Accounting	-	9,340	-	9,340	17,045
Professional	-	20,589	-	20,589	42,680
Consultants	-	-	35,000	35,000	20,000
Miscellaneous	-	1,983	-	1,983	4,014
Office expense	2,383	426	28	2,837	3,759
Interest expense	-	2,494	-	2,494	2,428
Telephone	6,166	1,101	73	7,340	7,837
Total functional expenses	<u>\$ 3,057,002</u>	<u>\$ 123,494</u>	<u>\$ 59,811</u>	<u>\$ 3,240,307</u>	<u>\$ 2,182,485</u>

The accompanying notes are an integral part of these financial statements

CNY ARTS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30,

	2020	2019
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (49,984)	\$ 39,280
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	12,678	13,284
PPP loan funds spent	(37,761)	-
Gains on investments	(34,445)	(57,157)
Changes in operating assets and liabilities:		
Grants and accounts receivable	149,905	(83,619)
Prepaid expenses	2,509	(771)
Accounts payable	11,735	(28,133)
Refundable advances	(1,023,240)	2,411,682
Accrued expenses	16,764	9,076
Net cash provided by (used for) operating activities	<u>(951,839)</u>	<u>2,303,642</u>
Cash flows from investing activities:		
Purchase of property and equipment	-	(2,800)
Purchase of investments	(1,301,057)	(42,348)
Sale of investments	259,037	72,217
Net cash provided by (used for) investing activities	<u>(1,042,020)</u>	<u>27,069</u>
Cash flows from financing activities:		
Proceeds from loans payable	168,982	74,513
Payments on loans payable	(74,513)	-
Net cash provided by financing activities	<u>94,469</u>	<u>74,513</u>
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents	(1,899,390)	2,405,224
Cash and cash equivalents and restricted cash and cash equivalents - beginning of year	<u>2,698,374</u>	<u>293,150</u>
Cash and cash equivalents and restricted cash and cash equivalents - end of year	<u>\$ 798,984</u>	<u>\$ 2,698,374</u>
Supplemental cash flow disclosures:		
Cash paid during the year:		
Interest	\$ 2,494	\$ 2,428

The accompanying notes are an integral part of these financial statements

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies

Nature of Operations

CNY Arts, Inc. is a not-for-profit IRC 501(c)(3) Corporation organized to provide services to individuals, organizations and the general public that ensure the vitality and diversity of culture in Central New York. Toward this end, the Organization shall provide leadership through advocacy, collaborative ventures, communications, development and distribution of grants, education and training, management of cultural resources, presentation of cultural forums otherwise unavailable, research, referral and consultation, and technical assistance. Revenue sources available to accomplish the Organization's mission include mainly grant revenues, but also consist of program fees and outside contributions.

Principles of Consolidation

The consolidated financial statements include the accounts of CNY Arts, Inc and its affiliate. The affiliate (Innovation Group of CNY Arts, LLC) is consolidated since CNY Arts has both an economic interest in the affiliate and control of the affiliate through a majority voting interest in its governing board. All material intra-entity transactions have been eliminated.

Basis of Presentation and Net Assets

Assets and liabilities are accounted for on the accrual basis of accounting.

The Organization follows the Generally Accepted Accounting Principles (GAAP) standard, Accounting for Contributions Received and Contributions Made Financial Statements of Not-For-Profit Corporations. In accordance with this standard, contributions and grants receivable are recognized as revenue and assets in the year the Organization receives notification that they have been given an irrevocable interest in the contributions. All grants receivable are expected to be realized in the next fiscal year. The Organization records grants as income without donor restrictions if the restrictions expire in the same period.

Net Assets

Net assets, revenues and expenses are classified based on the existence or absence of donor imposed restrictions. The Organization reports information regarding their financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions - These net assets are available for general obligations of the Organization.

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Net Assets - continued

Net assets with donor restrictions - Assets subject to donor-imposed stipulations that may, or will, be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reported in the consolidated statement of activities as net assets released from restrictions. The donor restricted net assets are from a Syracuse based symphony. Net assets with donor restrictions totaled \$71,268 and \$77,448 at June 30, 2020 and 2019, respectively.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

In-Kind Donations

The value of donated unspecialized volunteer services is not reflected in the accompanying financial statements. The Organization does record donated services if specialized skills are required and the service would have to be purchased if not donated.

Donations of property and services are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are recorded as support with donor restrictions.

Functional Allocation of Expenses

The costs of providing the various activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs based on management's estimate of time spent, occupancy or utilization. Costs specifically identified to an activity are charged directly to that program. Employee wages and related costs are allocated by managements' estimated time.

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all short-term investments with a maturity of three months or less and money market funds to be cash equivalents.

Restricted Cash

Restricted cash are funds required by the grantors to be segregated in a separate bank accounts.

Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. This information should be read in conjunction with the Organization's financial statements for the year ended June 30 of the prior year, from which the summarized information was derived.

Grants Receivable

The Organization considers all the grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. The Organization did not incur bad debt expense for the years ended June 30, 2020 and 2019.

Investments

Investments are reported at their fair market value which is in accordance with generally accepted accounting principles (GAAP) for financial statement purposes or in the case of cash equivalents and money market funds, at cost which approximates market value. All securities valuations are from quoted market prices (unadjusted) and are considered Level 1 inputs in the fair value hierarchy established under GAAP. Realized and unrealized gains and losses are included in the consolidated statement of activities as revenue without donor restrictions.

Reclassification

Certain amounts from the prior year have been reclassified to conform to the current year's presentation.

Custodial account liabilities

The custodial account liability represents assets transferred to CNY Arts with an agreement to disburse those assets for specified beneficiaries or purposes. CNY Arts does not own these assets, but rather serves as custodian for the funds and has no discretion in determining the use of assets.

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Advertising

The Organization expenses advertising costs as they are incurred and they are included in project expenses. Advertising expenses were \$146,847 and \$148,317 for the years ended June 30, 2020 and 2019, respectively.

Compensated Absences

The Organization has not accrued for compensated absences. The Organization recognizes the compensation expense when it is paid to the employees.

Property and Accumulated Depreciation

Property and equipment are recorded at cost or fair market value, if donated. Renewals and betterments of property are accounted for as additions to asset accounts. Repairs and maintenance charges are expensed as incurred. Depreciation is computed using the straight-line method for financial reporting and income tax purposes. The estimated useful life is 3 to 5 years for office equipment and 10 to 30 years for instruments. It is the Organization's policy to capitalize expenditures for those items in excess of \$500.

Income Taxes

U.S. generally accepted accounting principles require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed its filing positions in all jurisdictions where it is required to file tax returns and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Intangible assets - net

The Organization designed and developed a holiday production called Dasher's Magical Gift. The \$58,879 of intangible assets include the costs of writing the choreography and blocking of the production. As of June 30, 2020 the balance of accumulated amortization was \$23,535. These assets will be amortized over their estimated life of 15 years. Amortization expense for 2020 and the next five years will be \$3,927 and is included in project expenses.

Refundable advances

Refundable advances are funds paid in advance for grants or services not yet paid or performed.

	2020	2019
A schedule of refundable advances is as follows:		
Innovation Group film grant	\$ 1,421,491	\$ 2,421,783
Onondaga County grants	131,324	169,736
New York State and misc grants	130,411	327,153
	<u>\$ 1,683,226</u>	<u>\$ 2,918,672</u>

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Accounting pronouncement ASU 2014-09 Revenue Recognition

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), effective January 1, 2019 using the full retrospective method. This standard implements a single framework for recognition of all revenue earned from customers ensuring that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied.

The adoption of this ASU did not have a significant impact on the Organization's financial statements. The majority of the Organization's revenue arrangements are accounted for under ASU 2018-08. The revenue accounted for under ASU 2014-09 (Dasher) consists of a single performance obligation to transfer promised goods or services. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of this accounting policy.

Revenue Recognition Policy - Practical Expedients

As part of the adoption of the ASU, CNY Arts elected to use the following practical expedients: completed contracts that begin and end in the same annual reporting period have not been restated; CNY Arts used the known transaction price for completed contracts; Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year.

Receivables and Contract Balances

Contract assets represents CNY Art's right to goods expected to be returned. Contract liabilities include payments received in advance of performance obligations and refund liabilities. CNY Arts had no receivables, contract assets and liabilities as of June 30, 2020, 2019 and 2018 for which ASU 606 applied.

ASU 2018-08 and Accounting for Contributions

The Organization adopted ASU 2018-08 in 2019 which clarified the accounting for contributions received. The ASU has been applied on a modified prospective basis.

Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period. All other donor restricted contributions are reported as increases in net assets with donor restrictions.

Note 2. Subsequent events

In the fiscal year, an outbreak of a novel strain of coronavirus (COVID-19) occurred in the U.S. In March 2020, the World Health Organization characterized COVID-19 as a pandemic. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work and impairment of our ability to perform services. The future effects of these issues are unknown. CNY Arts has received notification of reduced funding from its' government grantors. See note 3.

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 3. Concentration of Grant Income

The Organization receives the majority of its grant income from the New York State agencies and Onondaga County. The loss or reduction of these grants would materially affect the operations and programs of the Organization.

Onondaga County reduced the calendar 2020 grant by \$480,000, which will significantly reduce the amount of funds available for granting to local art organizations.

The New York State Council on the Arts (NYSCA) is a significant source of grants to the Organization. NYSCA has not given CNY Arts the contract for July 2020 - June 2021. CNY Arts is anticipating a significant reduction in its grant.

Note 4. Investments

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at June 30:

	2020		2019	
	Level 1	Total	Level 1	Total
Stocks				
Domestic common stocks	\$ 628,293	\$ 628,293	\$ 628,135	\$ 628,135
Bonds				
Corporate bonds	119,459	119,459	76,123	76,123
Government and agency	95,158	95,158	121,558	121,558
Mutual funds				
Bond funds	-	-	6,075	6,075
Government money market	1,050,012	1,050,012	-	-
Exchange traded funds	43,674	43,674	28,240	28,240
Total investments	<u>\$ 1,936,596</u>	<u>\$ 1,936,596</u>	<u>\$ 860,131</u>	<u>\$ 860,131</u>

The Government money market funds listed above are restricted to be used solely for film grants in the Innovation LLC.

The following schedule summarizes the investment return and its classification in the consolidated statement of activities for the years ended June 30:

	2020	2019
Without donor restrictions		
Interest and dividend income	\$ 17,442	\$ 19,611
Net investment gain	34,445	57,157
Investment expenses	(6,514)	(7,140)
Total net investment income	<u>\$ 45,373</u>	<u>\$ 69,628</u>

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 5. Property and Equipment - Net

A schedule of property and equipment at June 30, is as follows:

	2020	2019
Furniture and office equipment	\$ 19,118	\$ 19,118
Musical instruments and related equipment (restricted use)	123,797	123,797
	<u>142,915</u>	<u>142,915</u>
Accumulated depreciation	<u>(68,226)</u>	<u>(59,475)</u>
Property and equipment - net	<u>\$ 74,689</u>	<u>\$ 83,440</u>

Depreciation expense was \$8,751 and \$9,357 for the years ended June 30, 2020 and 2019, respectively. The instruments were donated to the Organization with permanent donor restrictions as to their use.

Note 6. Lines of Credit

The Organization has a \$100,000 line of credit with M & T Bank. This loan is secured by the Organization's assets and interest is charged at 4.75 %. The balance on this line was \$0 at June 30, 2020 and 2019.

The Organization has a \$100,000 line of credit with NBT Bank. This loan is secured by the Organization's assets and interest is charged at prime rate, currently 5.50 %. The balance on this line was \$0 at June 30, 2020 and 2019.

Note 7. In-Kind Donations

A schedule of the in-kind donations received for the years ended June 30, are as follows:

	2020	2019
Marketing/Advertising	\$ 22,032	\$ 26,917
Equipment/Office rent	30,000	30,000
Event rent	-	1,912
Administrative employees	19,200	19,200
Telephone	6,240	6,240
Printing	<u>2,649</u>	<u>6,330</u>
Total	<u>\$ 80,121</u>	<u>\$ 90,599</u>

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 6. In-Kind Donations (continued)

The Organization has a 3 year lease ending in May 2021 for its office location with Onondaga County. The agreement includes office space, furniture, utilities and maintenance for a yearly rent of \$1. The Organization includes the donated rent in income annually.

Note 7. Retirement Plan

The Organization has a retirement plan for all eligible employees. The Organization's retirement expense was \$7,627 and \$7,361 for the years ended June 30, 2020 and 2019, respectively.

Note 8. Stewardship of Symphony's Instruments and Mailing List

The Organization was given the instruments and mailing list of a local Symphony. These items were then loaned to an unrelated entity at no cost on an annual basis. This entity will provide for the insurance and upkeep of the instruments. These assets make up all of the donor restricted net assets.

Note 9. Liquidity and Availability of Resources

The following represents CNY Arts, Inc. financial assets available within one year of the statement of financial position, June 30,

	2019	2018
Financial assets at year end:		
Cash and cash equivalents	\$ 38,658	\$ 78,124
Restricted cash	760,326	2,620,250
Grants and Accounts receivable - net	223,317	373,222
Total financial assets	<u>\$ 1,022,301</u>	<u>\$ 3,071,596</u>
Less amounts not available to be used for general expenditures:		
Restricted cash and cash equivalents	<u>(760,326)</u>	<u>(2,620,250)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 261,975</u>	<u>\$ 451,346</u>

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's management and Board of Directors monitors liquidity on a frequent basis and determines the effect of capital expenditures on the Organization's financial position.

Note 10. Note Payable - Paycheck Protection Program

The Organization applied for and was approved for a \$68,982 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government. This forgivable loan is being recorded as revenue (\$37,761 in fiscal 2019-20) as the funds are spent. Management has stated that the amounts recorded as revenue were spent on expenses that were classified as forgivable.

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 11. Loans Payable

Long-term debt at December 31, consist of the following:

	2020	2019
Loan payable to Syracuse Economic Development Corporation at 3.% interest, secured by a second lien position on business assets	\$ -	\$ 74,513
Paycheck protection loan- M&T Bank	31,221	-
Loan payable to M&T Bank in 60 monthly installments of \$1,939 including interest at 6.05% through 2026, interest only until February 2021, secured by bank accounts	<u>100,000</u>	<u>-</u>
Total	131,221	74,513
Less: current portion	<u>(38,300)</u>	<u>(74,513)</u>
Long-term debt	<u>\$ 92,921</u>	<u>\$ -</u>

Maturities of long-term debt are as follows:

2021	\$ 38,300
2022	18,149
2023	19,277
2024	20,477
2025	21,750
Thereafter	<u>13,268</u>
Total	<u>\$ 131,221</u>

Interest expense was \$2,494 and \$2,428 for the years ended June 30, 2020 and 2019, respectively.

Note 12. Cash and Cash Equivalents

The following provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	2020	2019
Cash and cash equivalents	\$ 38,658	\$ 78,124
Restricted cash and cash equivalents	<u>760,326</u>	<u>2,620,250</u>
Cash and cash equivalents and restricted cash and cash equivalents shown in the statement of cash flows	<u>\$ 798,984</u>	<u>\$ 2,698,374</u>