



**TRUST FOR CULTURAL RESOURCES**  
335 MONTGOMERY STREET, FLOOR 2M, SYRACUSE, NY 13202  
PHONE: 315.435.3770 • FAX: 315.435.3669 • SYRACUSECENTRAL.COM

**Regular Meeting Agenda  
January 22, 2024**

**8:30 A.M. Regular Meeting Call to Order**

- A. Approval of Minutes-October 11, 2023
- B. Treasurer's Report
- C. Payment of Bills
- D. Conflict of Interest Disclosure

**1. CNY Arts, Inc. Application for program support for the Onondaga County culturally significant festivals.**

**Board Action Requested:**

- a. Approval in the amount of \$20,000 to support the Festival Fund for Onondaga County Festivals.

**Representative:** CNY Arts Representative

**2. Issue Audit Services RFP**

**The Agency is proposing to issue a request for proposals for audit services.**

**Board Action Requested**

- a. A resolution of the Board to authorize the issuance of a request for proposals for audit services.

**Representative:** Robert Petrovich, Trust, Executive Director

**3. Issue Legal Services RFP**

**The Agency is proposing to issue a request for proposals for legal services.**

**Board Action Requested**

- a. A resolution of the Board to authorize the issuance of a request for proposals for legal services.

**Representative:** Robert Petrovich, Trust, Executive Director

**Adjourn**

**TRUST FOR CULTURAL RESOURCES OF  
THE COUNTY OF ONONDAGA  
Regular Meeting  
October 11, 2023**

A regular meeting of the Trust for Cultural Resources of the County of Onondaga was held on Wednesday, October 11, 2023 at 335 Montgomery Street, Floor 2M, Syracuse, NY 13202 8:40 AM with the following:

**PRESENT:**

Robert Petrovich  
Ryan Smith  
Leslie Garcea  
Regina McArthur

**ABSENT:**

Greg Lancette

**ALSO PRESENT:**

Robert Petrovich, Executive Director  
Nancy Lowery, Secretary  
Nathaniel Stevens, Treasurer  
Alexis Rodriguez, Assistant Treasurer  
Karen Doster, Recording Secretary  
Len Rauch, Office of Economic Development  
Christopher Andreucci, Barclay Damon  
Mike Lisson, Grossman St. Amour, CPA  
Brianah Lane, Grossman St. Amour, CPA

**APPROVAL OF REGULAR MEETING MINUTES – JUNE 13, 2023**

Upon a motion by Leslie Garcea, seconded by Ryan Smith, the CRT Board approved the regular meeting minutes of June 13, 2023. Motion was carried unanimously.

**TREASURER’S REPORT**

Alexis Rodriguez gave a brief review of the Treasurer’s Report for the month ending September 2023.

Upon a motion by Leslie Garcea, seconded by Regina McArthur, the Board approved the Treasurer’s Report for the month ending September 2023. Motion was carried unanimously.

## PAYMENT OF BILLS

Alexis Rodriguez gave a brief review of the Payment of Bills, Schedule #57.

Upon a motion by Ryan Smith, seconded by Regina McArthur, the CRT Board approved the Payment of Bills Schedule #57 with General Expenses being \$38,966.00. Motion was carried unanimously.

## CONFLICT OF INTEREST DISCLOSURE

A conflict of interest is not necessary based upon agenda items.

## REVIEW AND APPROVE THE 2024 DRAFT TRUST FOR CULTURAL RESOURCES BUDGET

Upon a motion by Ryan Smith, seconded by Regina McArthur, the CRT Board approved the 2024 draft trust for Cultural Resources budget. Motion was carried unanimously.

## ADJOURN

Upon a motion by Regina McArthur, seconded by Ryan Smith, the CRT Board adjourned the meeting at 8:44 am.

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Nancy Lowery, Secretary



**TRUST FOR CULTURAL RESOURCES OF THE COUNTY OF ONONDAGA**  
 335 MONTGOMERY STREET, FLOOR 2M, SYRACUSE, NY 13202  
 PHONE: 315.435.3770 • FAX: 315.435.3669

**Treasurer's Report Overview**  
**December 31, 2023**

Revenue / Expense / Income	Current Period	Current Year	2023 Budget Amount	Current YTD Change to Budget
Operating/Non-Op Revenue	1,477	10,854	169,218	(158,364)
Administrative Expense	21,905	90,978	76,500	14,478
Operating/Program Expense		71,905	92,718	(20,813)
Net Ordinary Income	(20,428)	(152,028)	-	(152,028)

Current Assets	Current YTD	Prior YTD
Total Cash	435,391	593,967
Less Pass Through Received	-	-
Available Cash	435,391	593,967
Receivables (less pass through rec.)	-	-
Other	-	-
Total	435,391	593,967

# Trust for Cultural Resources of the County of Onondaga

## Profit and Loss

December 2023

	TOTAL
Income	
45000 Non-Operating Revenue	
45030 Interest	1,477.49
<b>Total 45000 Non-Operating Revenue</b>	<b>1,477.49</b>
<b>Total Income</b>	<b>\$1,477.49</b>
GROSS PROFIT	<b>\$1,477.49</b>
Expenses	
65000 Operating Expenses	
62000 Contractual Expenses	
63000 Administrative Expense	21,905.49
<b>Total 62000 Contractual Expenses</b>	<b>21,905.49</b>
<b>Total 65000 Operating Expenses</b>	<b>21,905.49</b>
<b>Total Expenses</b>	<b>\$21,905.49</b>
NET OPERATING INCOME	<b>\$ -20,428.00</b>
NET INCOME	<b>\$ -20,428.00</b>

# Trust for Cultural Resources of the County of Onondaga

## Balance Sheet

As of December 31, 2023

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
100 Trust for Cultural Resources fo	54,543.03
105 M&T Savings	380,826.46
110 Petty Cash	21.49
<b>Total Bank Accounts</b>	<b>\$435,390.98</b>
<b>Total Current Assets</b>	<b>\$435,390.98</b>
<b>TOTAL ASSETS</b>	<b>\$435,390.98</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
600 Accounts Payable	0.00
600.2 Mileage Reimbursement	48.66
600.3 OED Contract	90,977.49
<b>Total 600 Accounts Payable</b>	<b>91,026.15</b>
<b>Total Accounts Payable</b>	<b>\$91,026.15</b>
<b>Total Current Liabilities</b>	<b>\$91,026.15</b>
<b>Total Liabilities</b>	<b>\$91,026.15</b>
Equity	
31500 Reserved for Contracts	101,605.00
31600 Equity - Unreserved	-101,605.00
32000 Unrestricted Net Assets	496,392.93
Net Income	-152,028.10
<b>Total Equity</b>	<b>\$344,364.83</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$435,390.98</b>

**THE TRUST FOR CULTURAL RESOURCES OF  
THE COUNTY OF ONONDAGA  
PAYMENT OF BILLS - SCHEDULE #58  
January 22, 2024**

**GENERAL EXPENSES**

1. <u>BROWN &amp; BROWN OF NEW YORK, INC.*</u>	\$	3,125.55
Policy #PO 3550009B		
<b>TOTAL</b>	<b>\$</b>	<b>3,125.55</b>

\*Ratification of Check dated November 27, 2023



# Trust for Cultural for Cultural Resources of the County of Onondaga

c/o Onondaga County Department of Economic Development

*Program Support Application*



# **Program Support Guidelines**

## **MISSION AND PURPOSE**

### **1.1 Mission of the Cultural Resource Trust**

As set forth in Article 20 and 22 of the Arts and Cultural Affairs Law of the State of New York, the mission of the Trust for Cultural Resources (Trust) is to support, promote and protect the major cultural institutions that provide cultural, educational and recreational opportunities to the people of Onondaga County and New York State, and improve the viability and growth of these organizations.

### **1.2 Purpose**

**Program support awarded by the Trust is intended to be used to support major cultural organizations by:**

- Developing and improving cultural facilities.
- Assisting projects that will bring regional, national or international recognition to our arts and cultural community or otherwise deemed significant cultural events.

## **DEFINITIONS**

### **2.1 The term “cultural organization” means:**

- An entity that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code; and
- Exists primarily for the purpose of producing, promoting or presenting the arts, heritage and humanities to the public or organized primarily for identifying, documenting, interpreting and preserving cultural resources.

### **2.2 A “major” cultural organization is an organization that exhibits or has more than one of these attributes:**

- Wide breadth of support
- Established community presence
- Fiscal soundness
- Recognized regionally, nationally, or internationally as a significant cultural asset
- Is the primary or premiere organization in the County offering this cultural resource or asset

## **SUPPORT PROGRAMS**

### **3.1 Program Descriptions**

Eligible major cultural organizations can apply for the following:

#### **a. Capital Project Support**

- Capital Project grants are intended for use in constructing, rehabilitating, restoring, stabilizing, renovating improving, expanding, or purchasing new or existing buildings, structures or equipment utilized by organizations.

#### **b. Highly Significant Project Support**

- Cultural opportunities deemed highly significant and desirable for the community.

#### **c. Critical Need Support**

- Critical need of a major cultural organization.

## PROGRAM ELIGIBILITY GUIDELINES

### 4.1 Organizations deemed to be major cultural institutions must satisfy the following program eligibility guidelines:

#### a. Capital Projects

- The project support funds must be for use in constructing, rehabilitating, restoring, stabilizing, renovating, improving, expanding, or purchasing new or existing buildings, structures or equipment utilized by organizations; and
- The organization must either own or have (or will purchase or receive with proceeds) a legal interest in the property; and
- The project must have potential for a significant or long-term beneficial impact on the community; and

#### b. Highly Significant Projects

- Must provide compelling evidence that establishes that the cultural opportunity will impart a significant benefit to the residents of the County and/or New York State.

#### c. Critical Need Projects

- The request for funding must support a critical need of a major cultural organization.
- The applicant should describe in detail how the lack of program support will adversely affect the organization.

## APPLICATION PROCESS

### 5.1 How to Apply

Applicants are strongly encouraged to discuss projects in advance of submission with Trust staff. Applications should only be submitted if there is a reasonable match between the applicant, its request, and the Trust's mission and eligibility requirements.

**To be considered for a grant, the Applicant must submit the formal grant application which should include:**

- Proof of IRS 501(c) (3) designation; and
- A project description of no more than three (3) pages (**see details below**); and
- The most recently approved Annual Report of the Organization; and
- For capital projects, organization must either own or have a legal interest (or will purchase or receive a legal interest with grant proceeds) in the property.

### 5.2 Application Project Description

In addition to satisfying the eligibility guidelines of section 4.1, each application should also include a project description that provides the Board with a thorough understanding of the project and its impact on the residents of the county/state.

**The required information on *all* project description applications must include:**

- Description of the project and its core activities and its goals.
- Number of persons and geographic distribution to be served directly by the project.
- How the project's goals align with the priorities of the IDEAS Collaborative.
- Detailed description of ***all*** sources and uses of funding required to complete the project and also identify the funds that have already been committed.

### 5.3 Evaluation of Applications

**Once deemed eligible, the application will be further evaluated based on:**

- **Access:** The likelihood of the project to increase the accessibility of cultural resources to the residents of the county/state.
- **Preservation:** The likelihood of the project to preserve the cultural heritage of the county/state by recovering, preserving or protecting historic assets.
- **Appreciation:** The likelihood of the project to broaden the public knowledge, understanding or appreciation of the arts and culture generally, and/or the county/state's cultural, educational and recreational assets.
- **Project Personnel:** The project personnel are qualified.

### 5.4 Application Period

Applicants' will receive written notice of the Board's decision within 60 days of application deadline.

### 5.5 Submission of Applications

- Applications and attachments may be submitted to the Trust by mail or by e-mail. To submit an application by mail, please send 1 copy of the grant application and attachments to:

The Cultural Resources Trust of Onondaga County  
Office of Economic Development  
335 Montgomery Street, 2nd Floor  
Syracuse, NY 13202

PDF documents of executed applications and attachments may be submitted electronically to:  
[nancylowery@ongov.net](mailto:nancylowery@ongov.net)

- Electronic submission of the Application and Annual Report is encouraged. Attachments other than the Annual Report of the organization are discouraged.
- A qualified organization may only submit one application per year.
- Please call the Trust at 315-435-3770, if you have questions about the application process or the availability of funding.

### OTHER CONSIDERATIONS

- 6.1 The Trust has a very limited pool of funds that it can dedicate. Applications may be returned to the Applicant and/or not considered by the Board solely due to the lack of available funding.
- 6.2 Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Trust (with certain limited exceptions) are open to public inspection and copying. If the Applicant feels that there are elements of the Project which are in the nature of trade secrets which, if disclosed to the public or otherwise widely disseminated, would cause substantial injury to the Applicant's competitive position, this Applicant may identify such elements in writing and request that such elements be kept confidential. In accordance with Article 6 of the Public Officers Law, the Trust may also redact personal, private, and/or proprietary information from publicly disseminated documents.
- 6.3 The Board of the Trust reserves the sole right to determine the eligibility of an organization.

# Onondaga County Trust for Cultural Resources

## *Program Support Application*

**To apply applicants should submit:**

1. A signed application.
2. Proof of IRS 501(c)(3) designation.
3. A project description of no more than three (3) pages including:
  - a. Description of the project and its core activities and goals.
  - b. Number of persons and geographic distribution to be served directly by the project.
  - c. Detailed description of all sources and uses of funding required to complete the project as well as identifying funds that have already been committed.
4. The most recently approved Annual Report of the organization.
5. For capital projects, the organization must either own, have a legal interest in, or purchase/receive a legal interest with grant proceeds the property.

*\*Applicants may be required to submit additional information that the CRT deems necessary*

Organization Name: \_\_\_\_\_

Organization Website: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/State/ZIP: \_\_\_\_\_

Contact Person/ Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Executive Director/President: \_\_\_\_\_

Executive Director/President's Email: \_\_\_\_\_

Title of Proposed Project: \_\_\_\_\_

Estimated Project Start Date: \_\_\_\_\_

Estimated Project End Date: \_\_\_\_\_

Total Project Budget: \_\_\_\_\_

Funding Requested: \_\_\_\_\_

Use this page to describe the project and the specific nature of what the requested funds will be used for within the broader context of the project. Please write "See attached" and attach additional documentation if needed.

Primary Purpose of Proposed Project:

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Primary Purpose of Requested Funds:

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☐

I have read paragraph 6.2 of the instructions and understand that the applicant must identify in writing to CRT any information it deems proprietary and requests not be made publicly available.

☐

Please check here if you have marked information as confidential/proprietary.

I hereby certify that all the facts, figures, and representations made in this application, including all attachments, are true and correct to the best of my knowledge, and this application is made with the approval of my board of directors.

Executive Director Signature: \_\_\_\_\_

Date: \_\_\_\_\_



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

MAY 28 2013

In reply refer to: 0248467584  
May 28, 2013 LTR 4168C E0  
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BODC: TE

CNY ARTS INC  
421 MONTGOMERY ST  
SYRACUSE NY 13202-2923



016472

Employer Identification Number: 15-0625350  
Person to Contact: Mrs. Scheper  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your May 15, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in October 1961.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

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CNY ARTS INC  
421 MONTGOMERY ST  
SYRACUSE NY 13202-2923

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Richard McKee, Department Manager  
Accounts Management Operations

## INTRODUCTION

CNY Arts, is the regional arts council of Central New York. Our mission is to promote, support, and celebrate the arts, culture, history, and heritage. We collaborate with Onondaga County, New York State Council on the Arts, City of Syracuse, and the National Endowment for the Arts to administer over \$2.1 million in arts grants annually. Our other initiatives, such as an extensive online arts and entertainment calendar and a directory of artists and organizations, aim to connect both residents and visitors with diverse cultural opportunities.

## REQUEST OVERVIEW

We respectfully request \$20,000 from the Trust for Cultural Resources (CRT) to establish a targeted grant stream within our CNY Arts Festivals Fund. This funding request would be the final 27% of our \$75,000 project budget for the 2024 Festival Fund.

- Total Budget: \$75,000
- CRT Request: \$20,000 for non-Syracuse festivals
- Secured Funds: \$55,000 (NEA, Onondaga County)

## NEED FOR OUT-OF-SYRACUSE FESTIVAL FUND

The need for a targeted fund for festivals outside Syracuse is evident from the high volume of applications submitted and funded from within the city where they arguably have more resources to draw from such as the Downtown Committee fund. A dedicated funding stream from CRT would encourage these festivals to seek support to enhance their festival quality and reach while ensuring equitable cultural representation across the county. This funding is crucial to addressing the current imbalance and promoting diverse cultural experiences throughout Onondaga County.

## APPLICATION AND SELECTION PROCESS

CNY Arts ensures a transparent and equitable process, from application to panel selection. Prospective applicants receive comprehensive guidance through published guidelines, regular informational sessions, and one-on-one technical assistance. Our community panel, trained in fair and unbiased evaluation, reviews applications and meets all together to discuss each application and how applications meet panel criteria within the published guidelines as well as what is most relevant to their communities. Post-selection, we provide feedback to all applicants and manage contracts and audits to ensure project goals are met. Festival Fund Grants can cover expenses such as artist fees, marketing, rental and technical costs, supplies, and administrative expenses.



## TIMELINE

Our timeline for the Festival Fund is adaptable, commencing as soon as we receive funding confirmation. Our goal is to allow applicants a minimum of 30 days to prepare and submit their applications. While we aim to notify applicants by May 1, we are prepared to adjust and expedite various stages of our review process if necessary.

- February 1: Launch applications and guidelines, accompanied by hosting informational webinars and seminars to guide potential applicants.
- February to March: During this period, we will provide extensive one-on-one technical assistance and grant writing support, ensuring applicants are well-equipped to submit strong proposals.
- March 15: Application Deadline.
- March 15-20: Our staff will conduct a preliminary review of applications to ensure basic eligibility.
- Through April 10: Panel meetings will take place during this period, focusing on the careful evaluation of applications and the formulation of funding recommendations.
- April 15-May 1: We anticipate notifying successful applicants of their awards and proceeding with contract distribution within this window.

## ECONOMIC AND COMMUNITY IMPACT

In 2023, despite high demand with 27 applications in Onondaga county alone requesting over \$129,521, the fund could only support 15 of the 27 projects. This underscores the need for increased funding, especially considering the 52 festivals identified outside Syracuse.

The economic impact of these 15 festivals, however, was significant, drawing more than 163,900 individuals. Using the Le Moyne College Arts Economic Impact Study (2018) multiplier, these festival audiences alone generated an estimated \$3,227,120 in peripheral spending in Onondaga county. Additional funds through the festival fund will create economic activity, increasing sales tax, tourism, and room occupancy tax. The festivals are typically free and located in easily accessible areas, facilitating attendance and accessibility for the local community and residents of Onondaga County.

## ALIGNMENT WITH IDEAS COLLABORATIVE

The Festivals Fund initiative aligns seamlessly with the objectives of the IDEAS Collaborative, a project proudly championed by CNY Arts. This fund empowers artists and festival organizations that receive grants to promote and advertise their festivals to a broader audience, extending well beyond their local communities. It plays a pivotal role in drawing visitors from outside the city of Syracuse into the surrounding areas, thereby capitalizing on the benefits of arts tourism.

Reflecting the sentiments captured in the IDEAS Collaborative survey, the Festivals Fund contributes significantly to the community. According to the survey, a substantial majority of respondents believe that the work of artists and cultural organizations fosters a positive sense of community (89%), boosts the economic vitality of the region (78%), and reflects the rich diversity of cultures and people in Syracuse/Onondaga County (73%).

## STAFF QUALIFICATIONS AND TEAM STRUCTURE

At CNY Arts, our dynamic and skilled team consists of seven full-time staff members, three part-time program coordinators, and three arts leadership fellows. Each team member brings a diverse range of experience essential for the successful administration of our programs, including the Festivals Fund.

- **Stephen Butler, Executive Director:** Stephen brings over 30 years of executive experience to his role. With an MA in Public Administration and a BA in Theatre, he oversees the implementation of strategic goals and objectives as determined by the board of directors, ensuring the overall success of CNY Arts' initiatives.
- **Hannah Frieser, Director of Programs:** Hannah supervises day-to-day program operations, including eleven regrant programs. She leads the grants team, consisting of a full-time program manager and program officer who coordinate the daily grants program tasks.
- **Alexander Korman, Director of Communications and Marketing:** Alexander manages the PR, marketing, and communications for CNY Arts' grant opportunities. He also oversees the collaborative marketing information system (an IDEAS Collaborative initiative) and provides marketing technical assistance to artists and arts organizations.
- **Scott Jackoway, Administrative Manager:** Responsible for the daily administrative and program activities, Scott coordinates community-based programs and supports the regrant programs and collaborative marketing efforts.
- **Senior Finance Manager and Continuity Consultant:** The team is further supported by a Senior Finance Manager, who manages contracts, payments, and compliance, and a Continuity Consultant with over a decade of experience in grants management who provides continuity and training.

This team, with its diverse range of skills and experiences, is uniquely equipped to successfully administer the Festivals Fund, positioning CNY Arts as a leader in supporting and enhancing the arts community in Central New York.

## CNY Arts Festivals Fund Budget

### INCOME

<i>Trust for Cultural Resources</i>	\$	<i>20,000</i>	<i>Requested</i>
National Endowment for the Arts (NEA)	\$	25,000	Secured
Onondaga County	\$	30,000	Secured
<b>Total</b>	<b>\$</b>	<b>75,000</b>	

### EXPENSES

Festival Fund Grants	\$	46,750	
<i>Grants for Non-Syracuse Festivals</i>	<i>\$</i>	<i>17,000</i>	<i>CRT Support</i>
<i>CNY Arts Administration* (15%)</i>	<i>\$</i>	<i>11,250</i>	<i>CRT Support (\$3,000)</i>
<b>Total</b>	<b>\$</b>	<b>75,000</b>	
Surplus/Deficit	\$	-	

\*CNY Arts administration includes cost of staff to administer the program, technical software, IT support, portion of audit/legal review, promotion/advertising of the program, printing and postage

**CNY ARTS, INC.**  
**SYRACUSE, NEW YORK**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

## 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

*Evans and Bennett, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

2112 Erie Blvd. East, Suite 100

Syracuse, NY 13224

(315) 474-3986

FAX: (315) 474-0716

INDEPENDENT AUDITORS' REPORT

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

***Opinion***

We have audited the accompanying financial statements of CNY Arts, Inc., which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activity, the consolidated statement of functional expenses and consolidated cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of June 30, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CNY Arts, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CNY Art Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CNY Art Inc.'s internal control. Accordingly, no such opinion expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about CNY Art Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### Report on Summarized Comparative Information

We have previously audited the CNY Arts, Inc. 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 1, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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, New York

CNY ARTS, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30,

ASSETS

	2022	2021
Current assets:		
Cash	\$ 408,382	\$ 173,717
Restricted cash and cash equivalents	1,962,524	1,388,544
Grants receivable	281,396	99,318
Prepaid expenses	3,253	3,083
Total current assets	<u>2,655,555</u>	<u>1,664,662</u>
Property and equipment - net	64,537	66,441
Intangible assets - net	27,489	31,416
Investments	<u>892,409</u>	<u>1,028,973</u>
	<u>\$ 3,639,990</u>	<u>\$ 2,791,492</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 207,776	\$ 66,648
Custodial account liabilities	113,116	129,673
Refundable advances	2,078,051	1,160,111
Accrued expenses	30,561	79,437
Loan payable- current portion	-	35,184
Total current liabilities	<u>2,429,504</u>	<u>1,471,053</u>
Long-term debt	<u>133,600</u>	<u>130,999</u>
Total liabilities	<u>2,563,104</u>	<u>1,602,052</u>
Net assets:		
Net assets without donor restrictions	1,017,978	1,124,352
Net assets with donor restrictions	58,908	65,088
Total net assets	<u>1,076,886</u>	<u>1,189,440</u>
	<u>\$ 3,639,990</u>	<u>\$ 2,791,492</u>

The accompanying notes are an integral part of these financial statements



CNY ARTS, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

WITH SUMMARIZED TOTALS FOR YEAR ENDED JUNE 30, 2021

	Without donor restrictions	With donor restrictions	2022 Totals	2021 Totals
Revenues and Other Support				
Government contract income	\$ 3,966,235	\$ -	\$ 3,966,235	\$ 1,610,275
Program income	173,117	-	173,117	278,631
Foundation support, program contributions	30,448	-	30,448	12,368
Investment income (Loss)	(118,120)	-	(118,120)	232,669
PPP grant, Employee retention credit	79,798	-	79,798	148,101
In-kind contribution income	65,762	-	65,762	197,002
Net assets released from restriction	6,180	(6,180)	-	-
Total revenues and other support	<u>4,203,420</u>	<u>(6,180)</u>	<u>4,197,240</u>	<u>2,479,046</u>
Expenses:				
Program services	4,147,525	-	4,147,525	2,106,603
General and administrative	128,680	-	128,680	102,310
Fundraising	33,589	-	33,589	23,758
Total expenses	<u>4,309,794</u>	<u>-</u>	<u>4,309,794</u>	<u>2,232,671</u>
Increase (decrease) in net assets	(106,374)	(6,180)	(112,554)	246,375
Net assets - beginning of year	<u>1,124,352</u>	<u>65,088</u>	<u>1,189,440</u>	<u>943,065</u>
Net assets - end of year	<u>\$ 1,017,978</u>	<u>\$ 58,908</u>	<u>\$ 1,076,886</u>	<u>\$ 1,189,440</u>

The accompanying notes are an integral part of these financial statements

CNY ARTS, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2022

WITH SUMMARIZED TOTALS FOR YEAR ENDED JUNE 30, 2021

	Program Services	General and Administrative	Fundraising	2022 Totals	2021 Totals
Salaries	\$ 240,494	\$ 88,417	\$ 24,757	\$ 353,668	\$ 264,489
Employee benefits	31,936	11,741	3,287	46,964	23,425
Payroll taxes	20,039	7,367	2,063	29,469	20,326
Regrants	3,729,246	-	-	3,729,246	1,622,295
Artists, project expense	28,910	-	-	28,910	198,517
Insurance	4,549	1,213	303	6,065	6,051
Conferences & meetings	2,782	-	-	2,782	250
Depreciation expense	6,021	1,075	72	7,168	8,248
Printing and publications	2,329	416	28	2,773	2,557
Equipment and office rent	22,500	4,500	3,000	30,000	30,000
Accounting	-	8,500	-	8,500	8,500
Professional	48,295	-	-	48,295	28,336
Miscellaneous	3,793	-	-	3,793	3,682
Office expense	-	575	-	575	891
Interest expense	-	3,692	-	3,692	7,213
Telephone	6,631	1,184	79	7,894	7,891
Total functional expenses	<u>\$ 4,147,525</u>	<u>\$ 128,680</u>	<u>\$ 33,589</u>	<u>\$ 4,309,794</u>	<u>\$ 2,232,671</u>

The accompanying notes are an integral part of these financial statements

CNY ARTS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30,

	2022	2021
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (112,554)	\$ 246,375
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	11,095	12,175
PPP loan funds spent	(32,583)	(36,399)
Gains on investments	128,657	(223,116)
Changes in operating assets and liabilities:		
Grants receivable	(182,070)	123,999
Prepaid expenses	(170)	598
Accounts payable	141,128	4,188
Refundable advances, Custodial liabilities	901,383	(605,638)
Accrued expenses	(48,876)	39,005
Net cash provided by (used for) operating activities	<u>806,010</u>	<u>(438,813)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(5,264)	-
Purchase of investments	248,463	(304,876)
Sale of investments	(240,564)	1,435,615
Net cash provided by investing activities	<u>2,635</u>	<u>1,130,739</u>
Cash flows from financing activities:		
Proceeds from loans payable	-	202,582
Payments on loans payable	-	(131,231)
Net cash provided by financing activities	<u>-</u>	<u>71,351</u>
Net increase in cash and cash equivalents and restricted cash and cash equivalents	808,645	763,277
Cash and cash equivalents and restricted cash and cash equivalents - beginning of year	<u>1,562,261</u>	<u>798,984</u>
Cash and cash equivalents and restricted cash and cash equivalents - end of year	<u>\$ 2,370,906</u>	<u>\$ 1,562,261</u>
Supplemental cash flow disclosures:		
Cash paid during the year:		
Interest	\$ 3,692	\$ 7,213

The accompanying notes are an integral part of these financial statements

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**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, 2022

**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 \$58,908 and \$65,088 at June 30, 2022 and 2021, 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, 2022

**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 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, 2022 and 2021.

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, 2022

**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 \$14,417 and \$164,648 for the years ended June 30, 2022 and 2021, 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, 2022 the balance of accumulated amortization was \$31,389. These assets will be amortized over their estimated life of 15 years. Amortization expense for 2022 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.

	2022	2021
A schedule of refundable advances is as follows:		
Innovation Group film grant	\$ 1,087,412	\$ 354,087
Onondaga County grants	192,305	323,827
City of Syracuse	635,880	-
New York State and misc grants	162,454	482,197
	<u>\$ 2,078,051</u>	<u>\$ 1,160,111</u>

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**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, 2022, 2021 and 2020 for which ASU 606 applied.

Contributions revenue recognition

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. Risks and Uncertainties**

An outbreak of a novel strain of coronavirus (COVID-19) occurred in the U.S. which was characterized 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.

The pandemic has reduced the ability of local, state and national government agencies to fund art organizations. The future effects of this issue on CNY Arts is unknown.



CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**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 significantly reduced the calendar 2021 grants funds available for granting to local art organizations.

**Note 4. Investments**

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

	2022		2021	
	Level 1	Total	Level 1	Total
<b>Stocks</b>				
Common stocks	\$ 678,985	\$ 678,985	\$ 762,002	\$ 762,002
<b>Bonds</b>				
Corporate bonds	77,783	77,783	102,354	102,354
Government and agency	120,342	120,342	114,977	114,977
<b>Mutual funds</b>				
Exchange traded funds	15,299	15,299	49,640	49,640
<b>Total investments</b>	<u>\$ 892,409</u>	<u>\$ 892,409</u>	<u>\$ 1,028,973</u>	<u>\$ 1,028,973</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:

	2022	2021
<b>Without donor restrictions</b>		
Interest and dividend income	18,442	16,927
Net investment gain (loss)	(128,657)	223,116
Investment expenses	(7,905)	(7,374)
<b>Total net investment income</b>	<u>\$ (118,120)</u>	<u>\$ 232,669</u>

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**Note 5. Property and Equipment - Net**

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

	2022	2021
Furniture and office equipment	\$ 24,382	\$ 19,118
Musical instruments and related equipment (restricted use)	123,797	123,797
	<u>148,179</u>	<u>142,915</u>
Accumulated depreciation	<u>(83,642)</u>	<u>(76,474)</u>
Property and equipment - net	<u>\$ 64,537</u>	<u>\$ 66,441</u>

Depreciation expense was \$7,168 and \$8,248 for the years ended June 30, 2022 and 2021, 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 5.5 %. The balance on this line was \$0 at June 30, 2022 and 2021.

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 4 %. The balance on this line was \$0 at June 30, 2022 and 2021.

**Note 7. In-Kind Donations**

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

	2022	2021
Marketing/Advertising	\$ 10,322	\$ 131,051
Equipment/Office rent	30,000	30,000
Consultants	-	9,950
Administrative employees	19,200	19,200
Telephone	6,240	6,240
Printing/Misc	<u>-</u>	<u>561</u>
Total	<u>\$ 65,762</u>	<u>\$ 197,002</u>

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**Note 7. In-Kind Donations (continued)**

The Organization has a 3 year lease ending in May 2024 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 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,

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	\$ 408,382	\$ 173,717
Restricted cash	1,962,524	1,388,544
Grants and Accounts receivable - net	281,396	99,318
Total financial assets	<u>\$ 2,652,302</u>	<u>\$ 1,661,579</u>
Less amounts not available to be used for general expenditures:		
Restricted cash and cash equivalents	<u>(1,962,524)</u>	<u>(1,388,544)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 689,778</u>	<u>\$ 273,035</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 in the 2021 fiscal year under the Paycheck Protection Program created as part of the relief efforts related to COVID-19. This 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 (\$32,583 and \$36,399 in fiscal 2022 and 2021 respectively) 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, 2022

**Note 11. Loans Payable**

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

	2022	2021
Note payable to the SBA (EIDL) in monthly installments of \$571 (starting 2021), including interest at 2.75% through 2050, secured by business assets. The SBA deferred payments on this loan until 2023	\$ 133,600	\$ 133,600
Paycheck protection loan- M&T Bank	-	32,583
	<u>-</u>	<u>-</u>
Total	133,600	166,183
Less: current portion	-	(35,184)
Long-term debt	<u>\$ 133,600</u>	<u>\$ 130,999</u>

Maturities of long-term debt are as follows:

2023	\$ -
2024	-
2025	-
2026	1,299
2027	3,254
Thereafter	129,047
Total	<u>\$ 133,600</u>

Interest expense was \$3,692 and \$7,213 for the years ended June 30, 2022 and 2021, respectively. The SBA loan is paying accrued interest from the deferral period until 2026.

**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.

	2022	2021
Cash and cash equivalents	\$ 408,382	\$ 173,717
Restricted cash and cash equivalents	<u>1,962,524</u>	<u>1,388,544</u>
Cash and cash equivalents and restricted cash and cash equivalents shown in the statement of cash flows	<u>\$ 2,370,906</u>	<u>\$ 1,562,261</u>

CNY ARTS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**Note 13. Retirement Plan**

The Organization has a retirement plan for all eligible employees. The Organization's retirement expense was \$10,850 and \$5,836 for the years ended June 30, 2022 and 2021, respectively.

**Note 14. Subsequent Events**

Management has evaluated subsequent events through September 22, 2022 the date which the financial statements were available to be issued.