The Strand Center for the Arts

Financial Statements

December 31, 2020

Alexander Edwards and Company, CPAs, P.C.

Certified Public Accountants and Business Consultants

The Strand Center for the Arts

Table of Contents

The Strand Center for the Arts December 2020 report.doc
12B/1ub

Alexander Edwards and Company, CPA, P.C.
Certified Public Accountants and Business Consultants
www.aecocpas.com

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
The Strand Center for the Arts

We have reviewed the accompanying financial statements of The Strand Center for the Arts (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity 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.

Accountant's Conclusion

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

November 11, 2021 — *Alexander Edwards and Company*

47 Dock Street • Plattsburgh, New York 12901-3049 • 518.563.1600 fax: 518.563.7625 • e-mail: mail@aecocpas.com

The Strand Center for the Arts
Statement of Financial Position
As of December 31, 2020

ASSETS

Current Assets	
Cash	$ 17,730
DRI Grant Receivable (See Note 4)	118,514
Deposits on Events	12,750
Prepaid Expenses	1,675
TOTAL CURRENT ASSETS	150,669
Property, Plant, and Equipment, at cost	
Building and Improvements	4,336,321
DRI Building Improvements In Process	40,263
Furniture and Equipment	62,171
	4,438,755
Less: Accumulated Depreciation	(886,424)
NET PROPERTY, PLANT AND EQUIPMENT	3,552,331
TOTAL ASSETS	$3,703,000

See accompanying notes and independent Accountant's Review report.

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	$ 101,413
Line-of-credit Advance (Note 6)	146,021
Note Payable, Short-term portion (Note 6)	36,244
Gift Certificates Payable	8,019
Sales Tax Payable	2,990
Payroll Taxes Payable	5,573
Deferred Revenue	22,132
TOTAL CURRENT LIABILITIES	322,392
Long-Term Liabilities	
Note Payable, Long-Term Portion (Note 6)	604,452
TOTAL LIABILITIES	926,844
Net Assets	
Without Donor Restrictions	2,776,156
With Donor Restrictions	-0-
TOTAL NET ASSETS	2,776,156
TOTAL LIABILITIES AND NET ASSETS	$3,703,000

See accompanying notes and independent Accountant's Review report.

The Strand Center for the Arts
Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING			
Support and Revenues			
Contributions	$ 64,247	$ -0-	$ 64,247
Non-Cash Contributions	109,200	-0-	109,200
Grants	47,973	-0-	47,973
Box Office Fees and Admissions	37,117	-0-	37,117
Concessions	6,385	-0-	6,385
Membership Dues	15,849	-0-	15,849
Program and Workshop Fees	22,406	-0-	22,406
Fundraising (Note 5)	12,324	-0-	12,324
Gallery Income	10,012	-0-	10,012
Miscellaneous Income	2,921	-0-	2,921
Total Support and Revenues Before Released from Restrictions	328,434	-0-	328,434
Net Assets Released from Restrictions	-0-	-0-	-0-
Total Support and Revenues	328,434	-0-	328,434
Investment Revenues			
Gain/(Loss) on Investments	-0-	-0-	-0-
Total Investment Income/(Expense)	-0-	-0-	-0-
Total Support, Revenues and Investment Income	328,434	-0-	328,434
Functional Expenses (Page 6)			
Program Services	454,335	-0-	454,335
Management and General	81,359	-0-	81,359
Fundraising	25,038	-0-	25,038
Total Functional Expenses	560,732	-0-	560,732
Change in Net Assets	(232,298)	-0-	(232,298)
NET ASSETS, BEGINNING OF YEAR	3,008,454	-0-	3,008,454
NET ASSETS, END OF YEAR	$2,776,156	$ -0-	$2,776,156

See accompanying notes and independent Accountant's Review report.

The Strand Center for the Arts
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries	$ 80,828	$ 8,691	$ 8,690	$ 98,209
Health Insurance	2,780	-0-	-0-	2,780
Payroll Taxes and Insurances	4,582	493	492	5,567
Total Salaries and Related Expenses	88,190	9,184	9,182	106,556
Advertising	19,408	4,159	4,158	27,725
Bank and Credit Card Charges	3,076	1,678	838	5,592
Box Office Expense	47,840	-0-	-0-	47,840
Building Repair and Maintenance	5,535	615	-0-	6,150
Professional Services	5,697	6,963	-0-	12,660
Equipment Repair and Maintenance	2,470	130	-0-	2,600
Gallery and Reception Expense	4,513	-0-	-0-	4,513
Fundraising Expenses	-0-	-0-	4,798	4,798
Concession Expenses	2,455	-0-	-0-	2,455
Insurance	19,205	3,388	-0-	22,593
Professional Fees - DRI Related	4,062	-0-	-0-	4,062
Interest Expense	7,647	14,020	3,823	25,490
Office Supplies	5,475	2,987	1,494	9,956
Program Expenses	11,292	-0-	-0-	11,292
Dues and Subscriptions	1,394	246	-0-	1,640
Rent Expense	92,820	16,380	-0-	109,200
Telephone and Internet	1,526	204	305	2,035
Fees and Permits	7,457	877	440	8,774
Utilities/Occupancy	21,452	2,383	-0-	23,835
NYS Filing Fee	234	41	-0-	275
Subtotal	263,558	54,071	15,856	333,485
Total Expense Before Depreciation	351,748	63,255	25,038	440,041
Depreciation	102,587	18,104	-0-	120,691
Total Expense	$ 454,335	$ 81,359	$ 25,038	$ 560,732

See accompanying notes and independent Accountant's Review report.

The Strand Center for the Arts
Statement of Cash Flows - Indirect Method
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in Net Assets	$ (232,298)
Adjustments to Reconcile Increase/(Decrease) in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	120,691
Amortization in Interest Expense	787
Non-Cash Contributions	(109,200)
Non-Cash Expenses	109,200
Accrued Interest	1,718
(Increase) Decrease in Assets	
DRI Grant Receivable	(28,973)
Grant Receivable - NYSCA	16,500
Prepaid Expenses	(10)
Inventory	127
Deposits on Events	(12,750)
Increase (Decrease) in Liabilities	
Accounts Payable	(12,526)
Deferred Revenue	15,618
Gift Certificates Payable	1,164
Sales Tax Payable	(4,455)
Payroll Taxes Payable	(29,870)
NET CASH USED BY OPERATING ACTIVITIES	(164,277)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Building Improvements	(31,720)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(31,720)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net Proceeds (Repayments) on line-of credit	23,978
Repayments on Note Payable	(5,388)
Proceeds from PPP and EIDL (Note 6)	175,100
NET CASH PROVIDED BY FINANCING ACTIVITIES	193,690
NET DECREASE IN CASH	(2,307)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	20,037
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 17,730

Supplemental Disclosure of Cash Flow Information:

Other Disclosures:

Taxes Paid	$ -0-
Interest Paid	$17,663

See accompanying notes and independent Accountant's Review report.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities - The Strand Center for the Arts (The Strand), is a community based not-for-profit organization established for the purpose of supporting and promoting the arts in the North Country by providing a wide variety of artistic experiences and programs through showings, performances and by sponsoring art related workshops and classes.

Basis of Accounting - The financial statements of The Strand Center for the Arts have been prepared on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when incurred.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations - Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments, accounts receivable and pledges receivable. The Organization maintains its cash balances in two financial institutions. All accounts are insured up to $250,000 by the Federal Deposit Insurance Corporation. At December 31, 2020, the Organization had no uninsured deposits.

The Organization extends credit to members and donors which include businesses and individuals. The Organization does not feel that it is exposed to any significant credit risk in connection with the extension of credit. Historically, the Organization's bad debt expense has been extremely low.

When the Organization has pledges receivable they are recognized when a donor makes a promise to give to the Organization. The Organization evaluates the pledges individually to determine if it is exposed to any significant credit risk in connection with donors' pledges to be collected. Uncollectible pledges are determined on an individual basis.

Concentrations of revenue consist of major grant funding coming primarily from New York State. The loss of these various NYS grants would have an impact on the revenue of the Organization. The remaining donations and program revenues come primarily from the local community the Organization serves. Materials, labor and services are purchased primarily from the local community.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give - Contributions are recognized when the donor makes a promise to give to 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 expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There were no pledges at December 31, 2020. No pledges were written off during December 2020.

Accounts Receivable - Trade receivables are carried at their estimated collectible amounts. Trade credit is generally on a short-term basis; these trade receivables do not bear interest. There were no receivables at December 31, 2020.

Bad debts are written off under the direct write-off method. Recoveries are reflected in income when received. Management does not have a reserve for bad debts at this time. Bad debt expense for the year is zero.

Inventory - Inventory is valued at lower of cost or net realizable value. It consists of Strand merchandise for sale in the gallery and concessions at the theatre. There was no inventory at December 31, 2020.

Property, Furniture and Equipment - Property, furniture and equipment are stated at cost, except for donated assets, which are stated at the fair market value at the date of receipt. Donations of property and equipment are recorded as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization capitalizes expenditures for property, furniture and equipment in excess of $500, lesser amounts are expensed. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Office Furniture	7 Years
Equipment	5 Years
Buildings and Improvements	40 Years

Maintenance, repairs and minor betterments are charged to operations as incurred while major additions and improvements are capitalized. When assets are sold, retired or otherwise disposed of, the applicable costs and accumulated depreciation are removed from the books and any resulting gain or loss is recognized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Collections - No collections have been received or capitalized.

Donated Materials, Facilities and Assets - Donated materials, facilities and assets, when received, are reflected as contributions in the accompanying financial statements at their estimated fair market values at date of receipt. They are recorded as without donor restrictions, unless a donor-imposed restriction exists.

Donated Service - The Organization receives a significant amount of donated services from a number of volunteers for fundraising and other program assistance. It is not practical to value all of the donated services received, and only readily determinable revenue for donated services is recorded in these financial statements. The revenue recognized was $0 for 2020.

Revenue and Public Support - Grant income and public support are recorded as support in the year received. All grant income and contributions are available for unrestricted use unless specifically restricted by the donor.

Grantor and donor restricted income are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the income is received.

Revenues are recognized when the performance obligations have been satisfied and completed within the period of service. There are no costs incurred with obtaining a contract.

In accordance with ASC 606-10-50-13, the Organization is required to include disclosure on its remaining performance obligations as of the end of the current reporting period.

The amount of revenue recognized in December 31, 2020 from the prior year is $6,514 from satisfying performance obligations. As of December 31, 2020, $22,132 of revenue is expected to be recognized from remaining performance obligations for future events. The Organization expects to recognize revenue on all of these remaining performance obligations within the next fiscal year.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited in accordance with managements analysis. Items that are directly related to a function are classified to that related category of program, management and general or fundraising. Other expense items that serve more than one category and are allocated out as percentage of the total based on management's analysis of their use and benefits.

Contributions - In accordance with FASB ASC 958 the Organization records contributions received as without donor restrictions, or with donor restrictions, depending on the existence of any donor-imposed restrictions.

Net Asset Classifications - The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provision of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and charges therein are classified as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Advertising - Advertising costs are charged to operations as incurred. Advertising costs for the year ended December 31, 2020 was $27,725. No advertising was capitalized.

Income Taxes - The Strand Center for the Arts is exempt from income taxes as a not-for-profit corporation under tax section 501(c)(3) as determined
by the Internal Revenue Service. Accordingly, these financial statements do not reflect a provision for income taxes.

The Internal Revenue Service has determined and informed the Board of Directors by a letter dated November 20, 2000, that the Organization is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Board of Directors believes that the Organization is designed and is currently being operated in compliance with applicable requirements of the IRC. It is classified as a public charity.

Management had determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements and related disclosures.

No income, excise taxes or penalties were paid during December 31, 2020.

The Organization is no longer subject to income tax examinations by tax authorities for tax years before December 31, 2017.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements - On June 21, 2018 FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. It also provides a framework for determining whether a contribution is conditional or unconditional which will impact the timing of revenue recognition.

The Strand Center for the Arts has applied this ASU on a modified prospective basis and has determined that there is no significant change in how the revenue from contributions have been reported.

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standards effective January 1, 2020, the first day of their year using the modified retrospective approach.

As part of the adoption of the ASU, The Organization elected the following transition practical expedients: (1) to reflect the aggregate of all contract modifications that occurred prior to the date of the initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (2) to apply the standard only to contracts not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact, as a result of electing these practical expedients.

The adoption resulted in no change to beginning net assets as of January 1, 2020. There was no impact of applying this ASU for the year ended December 31, 2020.

NOTE 2 - INVESTMENTS

The Organization typically does not carry investments, unless they are donations held for sale. No stocks were donated at December 31, 2020. The following details their policies for valuing items.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investments income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Debt instruments, if any, are classified as short or long-term based on their maturity date.

The Organization utilizes fair value measurements to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based on quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The Organization uses a three-tier fair value hierarchy which maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Level one inputs have quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access. Level 2 inputs are significant other observable inputs other than Level one prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active other inputs that are observable or can be corroborated by observable market data. Level three inputs are significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

Investment securities are exposed to various risks, such as interest rate, custodial and market credit risks. Due to the level of risk associated with certain investments securities, it is possible that changes in the values of investment securities will occur in the near term, and that such changes could significantly affect the amounts reported in the financial statements. Complete losses of investments would equal the amount of money invested at the time of loss.

There were no investment fees for the money market and mutual fund accounts for December 31, 2020.

NOTE 3 - PROMISES TO GIVE

There were no unconditional promises to give as of December 31, 2020.

The Organization was given the right to occupy the Federal Building located in Plattsburgh, New York by the United States Government. The Organization is not required to pay rent or obtain a mortgage on the building but is responsible to provide all required maintenance. If the Organization continues to operate within their mission statement, on July 15, 2039 it will receive a deed to the building and obtain ownership. A non-cash contribution of $109,200 has been assigned as the value of this contribution for the year ended December 31, 2020 for an accumulated total of $928,200.

NOTE 4 - GRANTS

There is a grant that is in conjunction with an award to the City of Plattsburgh from New York State as part of the state's Downtown Revitalization Initiative (DRI). The Strand Center for the Arts will receive and spend their allocated funds. There is an award of $495,000 to construct a studio space in the building at 23 Brinkerhoff Street, as well as purchase equipment for that "maker" space. There is also a grant of $260,000 for the Strand Theatre renovations, marketing and branding. This grant is in the early stages.

The DRI Receivable for the theatre is composed of allotments for theatre renovation and marketing. As of December 31, 2020, the only receivable is for marketing for $75,689.

The DRI Receivable for the Arts Center is composed of allotments for renovations and equipment. As of December 31, 2020, the receivable balance of $42,825 relates to the Arts Center Renovation.

Total DRI related receivables at December 31, 2020 were $118,514 and revenues were $28,973.

NOTE 5 - FUNDRAISING

During the year ended December 31, 2020, the Organization held a few fundraising events. The revenues and associated costs are as follows:

Event	Revenue	Direct Expense	Gain/Loss
Annual Appeal	$ 10,329	$ 2,177	$ 8,152
Farmer's Market	1,995	2,621	(626)
	$ 12,324	$ 4,798	$ 7,526

NOTE 6 - LINE OF CREDIT AND NOTES PAYABLE

Line of Credit- DRI - The Organization has a $300,000 line-of-credit with Glens Falls National Bank and Trust Company. Interest is floating at the Wall Street Prime (currently 3.25%), adjusted monthly and is a simple, on demand, with a maturity of no later than November 30, 2021, with extension measures in process. As collateral, there a second mortgage on the 25 Brinkerhoff Street building. It is further collateralized by interest in all business assets, building leases and assignment of the DRI grant income. At December 31, 2020 there was $146,021 in outstanding advances on this line-of-credit. The bank allowed the line to be used in excess of the amount of receivable at December 31, 2020.

Notes Payable - The Organization adopted the requirements in FASB ASC 835-30 to present debt issuance costs as a reduction of the carrying amount of the debt rather than as an asset. Amortization of the debt issuance cost is reported as interest expense in the Statement of Functional Expenses.

	Current	Long-Term	Total Debt
Glens Falls National Bank Monthly Principal and Interest Payments of $2,631.14 for 56 months, then adjusted to Federal Home Loan Bank of New York Plus 2.75% evaluated every 5 years starting 11/1/23. Maturing October 2038.	$ 12,950	$346,533	$359,483
Marilyn Kretser Monthly Payments of $278 With Fixed Interest of 4.75% Maturing in April 2022, Unsecured Loan.	3,294	1,100	4,394
Clinton County Capital Resources Corporation. No interest Loan for Performers. It can Be used for 3 years starting in 2017, then pay 20% balance back in years 4 through 8, Unsecured Loan.	20,000	80,000	100,000

NOTE 6 - LINE OF CREDIT AND NOTES PAYABLE (CONTINUED)

	Current	Long-Term	Total Debt
SBA - Paycheck Protection Program (PPP) Should funds be used for payroll and other qualifying expenses the loan will be forgiven. If not forgiven, 17 payments of $1,413 will be made with 1% interest.	-0-	25,100	25,100
SBA - Economic Injury Disaster Loan **(EIDL)** Starting July 2021, monthly principal and interest payments of $641 for 360 months with interest at 2.75% secured by all assets of the Organization. Interest accrues on the loan amount only	-0-	151,719	151,719
	$ 36,244	$604,452	$640,696

During 2020, Glens Falls National Bank offered mortgage payment forbearance due to the Coronavirus pandemic. Interest will continue to accrue and be added to the loan.

The long-term value of the obligations for the Glens Falls National Bank loan is shown net of total unamortized loan origination costs of $13,978 for 2020.

The Clinton County Capital Resources Corporation loan has no interest rate stated. Future value of the current loan balance was imputed at a 4.75% interest rate and the value was deemed immaterial to amortize. No interest has been accrued on this value.

The carrying amount of the building and equipment at December 31, 2020 was $3,512,070.

Estimated annual principal reduction of note payable over the next five years are as follows:

2021	$ 36,244
2022	36,250
2023	37,950
2024	38,550
2025	39,500
Beyond	452,202
	$640,696

NOTE 7 - COMMITMENTS AND CONCENTRATIONS

Lease - The Organization is obligated under a five-year operating lease beginning November 7, 2018 for the use of a copier. Monthly rentals are $178.61. Equipment rent charged to operations under this lease was $2,143.

Future minimum rental payments are as follows:

2021	2,143
2022	2,143
2023	1,965
2024	-0-

Funding - The Organization receives a substantial amount of its support from the United States Department of the Interior and New York State. The local individual and business support also provide a substantial amount of revenue to the Organization. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

NOTE 8- LIQUIDITY AND AVAILABILITY OF RESOURCES

The Strand Center for the Arts ASU 2016-14, Not-for-Profit Entities adopted (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, and it had no impact on prior net assets. It is applied to these, and future financial statements.

The Strand Center for the Arts financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2020
Cash and Cash Equivalents	$ 17,730
Grants Receivable	118,514
	$136,244

The current short term liabilities to be paid in the near term are:

Accounts Payable	$101,413
Line of Credit	146,021
Notes Payable - Current	36,244
Sales Tax Liability	2,990
Payroll Tax Liability	5,573
	$292,241

NOTE 8- LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The cash and cash equivalents are not subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The amounts represented as grants receivable are expected to be collected within one year and intended to cover the line of credit advancement. The Organization also has an available line of credit for DRI use of $153,979 as referenced in Note 6.

The amount of cash and current assets currently available, without the grants receivable, is $17,730. The grants receivable of $118,514 will be used to pay the related DRI draw from the Line of Credit listed in the current liabilities above. This makes current liabilities, without the Line of Credit, $173,727. There is a shortage of current assets to current liabilities, which is a liquidity problem for the organization.

NOTE 9- GOING CONCERN

Throughout the engagement, cash flow problems and reporting compliance issues were apparent to the board of directors as well as the accountants. Restructuring issues and governance development are still in process, but have been developing.

Due to these conditions subsequent to year-end, and the liquidity problem discussed in Note 8, concerns about The Strand's ability to continue operations within one year from the date of these statements had been raised. Going concern considerations are based on the entity's ability to meet obligations and continue operations. We discussed these concerns with the board of directors, who evaluated relevant conditions known and anticipated, and determined The Strand Center for the Arts will continue in operations beyond a year from the date of issue for these financial statements. The plan the board of directors developed includes both quantitative and qualitative information about how they will raise additional funds, control costs, allocate resources, pay obligations and provide a responsible oversight by both management and the board of directors. The plan presented includes their course of action for the potential reopening, as well as debt negotiations in process. Their plan includes better budgeting; controls and oversight on programming; collaborating with other local arts organizations; aggressively pursuing grants; fundraising events and local sponsors; more informed and responsible management and board of director's duties. The board will continue to evaluate finances in 2021 and continuously monitor at their regular meetings. The plan has been updated to reflect the changing environment due to the continued Coronavirus pandemic. Their plan and progress has eliminated the going concern consideration for a year from the date of issue of these financial statements.

NOTE 10- SUBSEQUENT EVENTS

The Strand has evaluated events and transactions that occurred between January 1, 2021 and November 11, 2021, which is the date the financial statements were available to be issued, for the possible disclosure and recognition in the financial statements.

During 2020, the Coronavirus pandemic had massive impacts on businesses and individuals. The Strand was shut down for theatre and arts operations in March of 2020. As of these financial statements, most activities have resumed, and the theatre has reopened. The Strand was able to take advantage of the Small Business Administrations Paycheck Protection Program for $25,100 and it was forgiven in 2021. The Strand also had mortgage forbearance granted during 2020 and has resumed payments in 2021.