

BRYN MAWR FILM INSTITUTE

FINANCIAL STATEMENTS

(AND INDEPENDENT AUDITOR'S REPORT)

YEARS ENDED DECEMBER 31, 2021 AND 2020



Independent Auditor's Report

To the Board of Directors of
Bryn Mawr Film Institute
Bryn Mawr, Pennsylvania

Opinion

We have audited the accompanying financial statements of Bryn Mawr Film Institute (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bryn Mawr Film Institute as of December 31, 2021 and 2020, and the changes in its net assets 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 Bryn Mawr Film Institute 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 Bryn Mawr Film Institute's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 Bryn Mawr Film Institute's internal control. Accordingly, no such opinion is 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bryn Mawr Film Institute'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.



Bala Cynwyd, Pennsylvania

August 24, 2022

BRYN MAWR FILM INSTITUTE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
Current assets:		
Cash and cash equivalents	\$ 1,610,751	\$ 1,494,434
Contributions and grants receivable, current	212,084	88,740
Prepaid expenses and other	46,825	38,637
Total current assets	1,869,660	1,621,811
Property and equipment, net	7,096,060	7,405,753
Contributions and grants receivable, noncurrent	31,000	42,000
Investments, at fair value	3,712,624	2,429,709
Total assets	\$ 12,709,344	\$ 11,499,273

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 78,716	\$ 52,116
Deferred revenue	306,092	435,485
Refundable advance	248,106	-
Note payable	-	500,000
Total current liabilities	632,914	987,601
EIDL loan payable	-	150,000
PPP loan payable	236,647	246,800
Total liabilities	869,561	1,384,401
Net assets:		
Without donor restrictions:		
Board designated for endowment	3,712,624	2,429,709
Undesignated	7,998,823	7,564,734
	11,711,447	9,994,443
With donor restrictions	128,336	120,429
	11,839,783	10,114,872
Total liabilities and net assets	\$ 12,709,344	\$ 11,499,273

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions			With Donor Restrictions	Total
	Operating	Board Designated	Total		
Revenues and support:					
Admissions	\$ 459,232	\$ -	\$ 459,232	\$ -	\$ 459,232
Concessions	90,810	-	90,810	-	90,810
Membership	333,896	-	333,896	-	333,896
Rentals	27,015	-	27,015	-	27,015
Sponsorships	20,731	-	20,731	-	20,731
Education programs	24,108	-	24,108	-	24,108
Contributions and grants	2,129,258	-	2,129,258	59,000	2,188,258
PPP loan forgiveness income	246,800	-	246,800	-	246,800
Investment income	288	45,463	45,751	-	45,751
Net unrealized gain on investments	-	322,920	322,920	-	322,920
Miscellaneous	7,102	-	7,102	-	7,102
Net assets released from restrictions	51,093	-	51,093	(51,093)	-
	<u>3,390,333</u>	<u>368,383</u>	<u>3,758,716</u>	<u>7,907</u>	<u>3,766,623</u>
Expenses:					
Program services	1,494,347	-	1,494,347	-	1,494,347
Management and general	423,987	-	423,987	-	423,987
Membership and fundraising	123,378	-	123,378	-	123,378
	<u>2,041,712</u>	<u>-</u>	<u>2,041,712</u>	<u>-</u>	<u>2,041,712</u>
Change in net assets	1,348,621	368,383	1,717,004	7,907	1,724,911
Interfund transfer	(914,532)	914,532	-	-	-
Net assets at beginning of year	<u>7,564,734</u>	<u>2,429,709</u>	<u>9,994,443</u>	<u>120,429</u>	<u>10,114,872</u>
Net assets at end of year	<u>\$ 7,998,823</u>	<u>\$ 3,712,624</u>	<u>\$ 11,711,447</u>	<u>\$ 128,336</u>	<u>\$ 11,839,783</u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions			With Donor Restrictions	Total
	Operating	Board Designated	Total		
Revenues and support:					
Admissions	\$ 397,533	\$ -	\$ 397,533	\$ -	\$ 397,533
Concessions	67,636	-	67,636	-	67,636
Membership	252,415	-	252,415	-	252,415
Rentals	22,450	-	22,450	-	22,450
Sponsorships	40,871	-	40,871	-	40,871
Education programs	35,716	-	35,716	-	35,716
Contributions and grants	518,350	-	518,350	11,000	529,350
Investment income	10,456	42,463	52,919	-	52,919
Net unrealized loss on investments	-	236,081	236,081	-	236,081
Donated services	526	-	526	-	526
Miscellaneous	11,763	-	11,763	-	11,763
Net assets released from restrictions	77,563	-	77,563	(77,563)	-
	<u>1,435,279</u>	<u>278,544</u>	<u>1,713,823</u>	<u>(66,563)</u>	<u>1,647,260</u>
Expenses:					
Program services	1,257,842	-	1,257,842	-	1,257,842
Management and general	384,984	-	384,984	-	384,984
Membership and fundraising	155,131	-	155,131	-	155,131
	<u>1,797,957</u>	<u>-</u>	<u>1,797,957</u>	<u>-</u>	<u>1,797,957</u>
Change in net assets	(362,678)	278,544	(84,134)	(66,563)	(150,697)
Interfund transfer	(577,096)	577,096	-	-	-
Net assets at beginning of year	<u>8,504,508</u>	<u>1,574,069</u>	<u>10,078,577</u>	<u>186,992</u>	<u>10,265,569</u>
Net assets at end of year	<u>\$ 7,564,734</u>	<u>\$ 2,429,709</u>	<u>\$ 9,994,443</u>	<u>\$ 120,429</u>	<u>\$ 10,114,872</u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	Program Services	Management and General	Membership and Fundraising	Total	Program Services	Management and General	Membership and Fundraising	Total
Payroll, taxes, and benefits	\$ 695,180	\$ 198,623	\$ 99,311	\$ 993,114	\$ 547,550	\$ 188,220	\$ 119,777	\$ 855,547
Accounting and audit	-	17,447	-	17,447	-	18,000	-	18,000
Advertising and promotion	216	649	-	865	972	2,916	-	3,888
Bank charges	28,944	-	1,523	30,467	31,840	-	1,675	33,515
Building maintenance	55,113	14,838	707	70,658	46,675	12,566	598	59,839
Concessions	30,650	11,649	-	42,299	28,327	10,656	-	38,983
Depreciation	275,565	74,190	3,533	353,288	278,215	74,904	3,567	356,686
Donated services	-	-	-	-	526	-	-	526
Faculty	5,524	-	-	5,524	9,338	-	1,991	11,329
Film rental	199,028	-	-	199,028	121,649	-	-	121,649
Insurance	29,453	7,930	378	37,761	27,952	7,526	358	35,836
Miscellaneous	3,599	17,801	-	21,400	2,745	460	873	4,078
Office	22,887	15,477	12,866	51,230	17,631	12,725	11,222	41,578
Postage and mailing	4,598	3,256	2,178	10,032	2,835	5,301	3,946	12,082
Printing	4,605	754	1,713	7,072	11,662	5,424	9,934	27,020
Professional fees	8,925	33,250	-	42,175	6,000	24,656	-	30,656
Real estate taxes	52,033	14,009	667	66,709	50,881	13,699	652	65,232
Ticket fees	40,145	-	-	40,145	40,548	-	-	40,548
Travel	404	-	21	425	3,039	-	160	3,199
Utilities	37,478	10,091	481	48,050	29,457	7,931	378	37,766
Mortgage interest	-	4,023	-	4,023	-	-	-	-
	<u>\$ 1,494,347</u>	<u>\$ 423,987</u>	<u>\$ 123,378</u>	<u>\$2,041,712</u>	<u>\$ 1,257,842</u>	<u>\$ 384,984</u>	<u>\$ 155,131</u>	<u>\$1,797,957</u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,724,911	\$ (150,697)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	353,288	356,686
Net unrealized gain on investments	(322,920)	(236,081)
Forgiveness of PPP loan payable	(246,800)	
Changes in operating assets and liabilities:		
Contributions and grants receivable	(112,344)	2,758
Prepaid expenses and other	(8,188)	11,451
Accounts payable and accrued expenses	26,600	(219,405)
Deferred revenue	(129,393)	12,467
Refundable advance	248,106	-
	<u>1,533,260</u>	<u>(222,821)</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	(43,595)	(36,653)
Purchase of investments	(959,995)	(619,559)
	<u>(1,003,590)</u>	<u>(656,212)</u>
Net cash used in investing activities		
Cash flows from financing activities:		
Repayment of note payable	(500,000)	-
Proceeds from EIDL loan payable	-	150,000
Repayment of EIDL loan payable	(150,000)	-
Proceeds from PPP loan payable	236,647	246,800
	<u>(413,353)</u>	<u>396,800</u>
Net cash (used in) provided by financing activities		
Net increase (decrease) in cash and cash equivalents	116,317	(482,233)
Cash and cash equivalents at beginning of year	<u>1,494,434</u>	<u>1,976,667</u>
Cash and cash equivalents at end of year	<u>\$ 1,610,751</u>	<u>\$ 1,494,434</u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

(1) ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Bryn Mawr Theatre Film Institute, d/b/a Bryn Mawr Film Institute (the “Institute”) is a Pennsylvania nonprofit corporation formed in 2002 for the purpose of purchasing and restoring the Bryn Mawr Theater, a nationally registered historical landmark located in Bryn Mawr, Pennsylvania, to create and operate a film institute to expose the film-going public to the best of world cinema, to expand audiences for films of historical, cultural, and artistic significance, and to educate the general public through discussion groups, workshops and seminars on the appreciation of films and filmmaking.

Coronavirus

On March 11, 2020, the World Health Organization declared the outbreak of a novel strain of coronavirus (“COVID-19”) a global pandemic. COVID-19 is currently impacting countries, communities, supply chains and markets around the world.

In response to the health and safety concerns caused by COVID-19, the Institute postponed all future in-person presentations on March 13, 2020 and began hosting online presentations. The Institute re-opened on April 9, 2021 and implemented plans, protocols, and precautions to ensure the health and safety of both staff and patrons. Management is actively monitoring the global situation on its financial condition, liquidity, and availability of resources. The Institute is unable to estimate the effect of the pandemic at this time on the Institute’s future financial condition and results of operations.

As a result of the COVID-19 outbreak, the Institute has obtained forgivable loans through the Paycheck Protection Program (“PPP”) (Note 6), refundable payroll tax credits (“ERC”) (Note 7), a non-forgivable loan through the Economic Injury Disaster Loan program (“EIDL”) (Note 8) and Shuttered Venue Operations Grants (“SVOG”) (Note 9). The Institute also extended all memberships by one year as further described herein.

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 those estimates.

Basis of Presentation

Accounting principles generally accepted in the United States of America require classification of a nonprofit organization’s net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for general operations.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

(1) ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Continued

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Institute did not have any net assets to be held in perpetuity as of December 31, 2021 or 2020.

Revenue Recognition

In accordance with Accounting Standards Codification (“ASC”) Topic 606, BMFI recognizes earned revenues primarily via admissions, concessions sales, and memberships.

Admissions and Concessions Revenue

Earned revenues are generated principally through admissions and concessions sales with proceeds received in cash or via credit card at the point of sale. Admissions and concessions are recognized as revenues in the period earned as the related films are presented.

Membership and Deferred Revenue

Membership revenue is recognized as substantive benefits are available to members, which is measured as a single performance obligation satisfied over time. In response to the Institute being closed for most of 2020 due to the COVID-19 pandemic, the Institute extended all memberships by one year during 2020. Amounts received but not yet earned by the end of the year are recorded as a contract liability (deferred revenue). At December 31, 2021 and 2020, respectively, deferred membership revenues totaled \$223,416 and \$363,552. The remaining deferred revenue shown on the statements of financial position primarily consists of amounts received in advance for sponsorships and gift certificates that have been purchased but not yet redeemed as of the end of the year.

Contributions and Grants

Contributions and grants received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. The Institute has elected to report as without donor restrictions, donor-restricted contributions whose restrictions are met in the same reporting period. Unconditional promises to give are recorded at fair value. No allowance for uncollectible receivables was considered necessary at December 31, 2021 or 2020.

Cash and Cash Equivalents

The Institute considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents are primarily held in operating accounts at major financial institutions and also in money market mutual funds, in which the Institute is exposed to market and credit risk. The Institute’s uninsured cash balances total \$1,376,543 and \$1,242,108 at December 31, 2021 and 2020, respectively. No losses have been incurred to date.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

(1) ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

The costs of providing the various program and supporting services activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Certain expenses applicable to more than one program or activity have been allocated among the programs and supporting services based on activities of personnel and the usage of materials and services.

Donated Property and Services

In-kind contributions are recognized in the financial statements if the services or goods received enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no such contributions for the years ended December 31, 2021 or 2020.

Contributed securities and other non-cash donations are recorded at their fair values at the date of donation.

Advertising

Advertising and promotion costs are expensed as incurred. Advertising and promotion expense totaled \$865 and \$3,888 for the years ended December 31, 2021 and 2020, respectively.

Property and Equipment

Property and equipment are stated at cost. Major renewals and improvements are capitalized, while maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. Depreciation is provided by the straight-line method over estimated useful lives of the assets as follows:

Building and improvements	5-40 years
Furniture, equipment and software	5-15 years

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

Fair Value Measurements

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Changes in unrealized gains and losses resulting from changes in fair value are reflected in the statements of activities. Dividends and interest are reported as investment income as they are earned. See Note 3 for a summary of inputs used to value the Institute's investments reported at fair value.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

(1) ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

The Institute is a public charity that has obtained an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for federal or state income taxes. The Institute is subject, however, to federal income taxes on unrelated business taxable income.

Pursuant to Financial Accounting Standards Board (“FASB”) ASC Topic 740, *Income Taxes*, the Institute recognizes tax benefits only if it is more likely than not that a tax position will be sustained upon examination. No liability for uncertain tax positions was recorded as of December 31, 2021 or 2020.

New Lease Standard Considerations

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases*, which once implemented will result in the recognition of most leased assets and corresponding lease liabilities on the balance sheets. The standard is effective for years beginning after December 15, 2021 and early adoption is permitted. Management does not expect a significant impact on the financial statements once the new lease standard is adopted.

Subsequent Events

Management has evaluated subsequent events through August 24, 2022, which is the date the Institute’s financial statements were available to be issued.

Reclassifications

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

(2) CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable as of December 31, 2021 and 2020 are expected to be collected as follows:

	2021	2020
Within one year	\$212,084	\$ 88,740
One to five years	31,000	42,000
	\$243,084	\$130,740

(3) FAIR VALUE MEASUREMENTS

The Institute has adopted authoritative accounting guidance related to fair value measurements. The guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal market or, in the absence of a principal market, the most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date. This guidance also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

(3) FAIR VALUE MEASUREMENTS - Continued

The following tables present the fair value hierarchy for those assets measured at fair value on a recurring basis at December 31, 2021 and 2020:

December 31, 2021	Total	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual and exchange-traded funds	\$3,712,624	\$3,712,624	\$ -	\$ -
<hr/>				
December 31, 2020				
Mutual and exchange-traded funds	\$2,429,709	\$2,429,709	\$ -	\$ -

(4) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2021 and 2020:

	2021	2020
Land	\$ 459,375	\$ 459,375
Buildings and improvements	9,659,893	9,623,392
Furniture, equipment, and software	1,038,485	1,031,391
	11,157,753	11,114,158
Less accumulated depreciation	4,061,693	3,708,405
	<u>\$7,096,060</u>	<u>\$7,405,753</u>

(5) NOTE PAYABLE

The Institute had a \$500,000 non-interest-bearing note payable to the Township of Lower Merion, which was due and paid in full on October 17, 2021. The loan was obtained under the Commonwealth of Pennsylvania Anchor Building Grant Program, which was designed to provide interest-free loans for the rehabilitation of commercial properties considered significant for revitalization within commercial areas.

(6) PAYCHECK PROTECTION PROGRAM LOAN

In connection with the COVID-19 outbreak described in Note 1, on June 24, 2020, the Institute received a forgivable loan in the amount of \$246,800 under the terms of the Paycheck Protection Program (“PPP”) bearing interest at 1% with a maturity of five years. The PPP was established as part of the Coronavirus Aid, Relief, and Economic Security Act (“Program”) and is administered by the United States Small Business Administration through an eligible lender. Under the terms of the PPP, loan recipients can apply for and be granted forgiveness for all or a portion of the loan proceeds received. Such forgiveness is determined, subject to limitations, based on the use of loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and the maintenance of the Institute’s payroll levels.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

(6) PAYCHECK PROTECTION PROGRAM LOAN - Continued

The Institute applied for forgiveness and was notified on July 29, 2021 that full forgiveness of the PPP loan was granted by the Small Business Administration. As such, the extinguishment of debt totaling \$246,800 was recognized as PPP loan forgiveness income on the statement of activities during the year ended December 31, 2021.

The PPP allows certain eligible borrowers that previously received a PPP loan to apply for a Second Draw PPP Loan with the same general loan terms as their first PPP Loan. On April 8, 2021, the Institute was approved for a Second Draw PPP loan for \$236,647. Subsequent to the fiscal year ended December 31, 2021, the Institute applied for forgiveness and was notified on March 2, 2022 that full forgiveness of the PPP loan was granted by the Small Business Administration. The extinguishment of debt will be recognized as income in the subsequent fiscal year.

(7) EMPLOYEE RETENTION CREDITS

The ERC is a refundable payroll tax credit designed to encourage employers to keep employees on their payroll despite experiencing economic hardship due to the COVID-19 pandemic. The credit is equal to a percentage of qualified wages paid to employees after March 12, 2020 and before September 30, 2021, as extended. The Taxpayer Certainty and Disaster Tax Relief Act (“TCDTR Act”) of 2020, as enacted on December 27, 2020, resulted in certain retroactive changes to the ERC program allowing employers to claim the ERC for qualified wages that were not treated as payroll costs in obtaining forgiveness of the PPP loan.

In September 2021, the Institute applied for employee retention credits in the amount of \$103,059 based on qualifying expenditures incurred during the third quarter of the fiscal year ended December 31, 2021. In November 2021, the Institute received a refund for the credits totaling \$103,059. The Institute concluded that the ERC represented, in substance, a conditional government grant. Accordingly, the credits are included as contributions and grants revenue in the statement of activities for the year ended December 31, 2021.

In addition, in February 2022, the Institute applied for employee retention credits in the amount of \$180,084 based on qualifying expenditures incurred during the first and second quarter of the fiscal year ended December 31, 2021 and during the first, second and fourth quarter of the fiscal year ended December 31, 2020. The Institute concluded that these ERC credits represented, in substance, a conditional government grant where the conditions were met during 2020 and 2021, and that filing the ERC forms during 2022 was an administrative task and not a barrier to revenue recognition as of December 31, 2021. Accordingly, the credits are included in contributions and grants receivable in the statements of financial position as of December 31, 2021 and as contributions and grants revenue in the statement of activities for the year ended December 31, 2021.

(8) ECONOMIC INJURY DISASTER LOAN

In connection with the COVID-19 outbreak described in Note 1, the Institute received loan proceeds of \$150,000 under the SBA’s EIDL program to be used for working capital purposes. The loan proceeds were received on July 28, 2020 with interest at 2.75% over a 30-year term. The loan was paid off in full on July 16, 2021.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

(9) SHUTTERED VENUE OPERATIONS GRANTS

In connection with the COVID-19 outbreak described in Note 1, the Institute received two shuttered venue operations grants (“SVOG”) totaling \$1,626,127 during fiscal year 2021 under the SBA’s SVOG program to support the ongoing operations of the Institute during the uncertain economic conditions caused by the COVID-19 pandemic. The funds can be used to cover allowable costs during the period March 1, 2020 to June 30, 2022. The Institute incurred \$669,197 and \$708,824 of allowable costs for the years ended December 31, 2021 and 2020, respectively. The Institute concluded that the SVOG funds represented, in substance, a conditional government grant. Accordingly, the allowable credits totaling \$1,378,021 are included as contributions and grants revenue in the statement of activities for the year ended December 31, 2021.

As of December 31, 2021, the remaining \$248,106 of SVOG funds are available to the Institute to be used for allowable costs through June 30, 2022. The balance is included as a refundable advance on the statements of financial position as of December 31, 2021.

(10) RETIREMENT PLAN

The Institute offers a SIMPLE IRA retirement plan for substantially all employees. The Institute presently matches employee contributions to a maximum of 3% of each participant’s compensation. Retirement plan expense was \$10,852 and \$11,316 for the years ended December 31, 2021 and 2020, respectively, which is included in payroll, taxes, and benefits on the statements of functional expenses.

(11) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2021 and 2020 consisted of:

	2021	2020
Maintenance of projection booth	\$ 14,594	\$ 21,687
Computers	12,742	12,742
Subsequent year operations	101,000	86,000
	\$128,336	\$120,429

(12) BOARD-DESIGNATED ENDOWMENT FUND

The board of directors has established an endowment fund and has adopted investment and spending policies for endowment assets that attempt to both preserve capital and achieve long-term growth, while providing a predictable stream of funding to support the Institute’s operations and programs. The Institute targets a diversified asset allocation of fixed income and equity investments.

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(12) BOARD-DESIGNATED ENDOWMENT FUND - Continued

Changes in the board-designated endowment fund for the years ended December 31, 2021 and 2020 were as follows:

Balance, January 1, 2020		\$ 1,574,069
Interfund transfer		577,096
Investment return:		
Investment income	\$ 42,463	
Net unrealized gain	<u>236,081</u>	<u>278,544</u>
Balance, December 31, 2020		2,429,709
Interfund transfer		914,532
Investment return:		
Investment income	45,463	
Net unrealized gain	<u>322,920</u>	<u>368,383</u>
Balance, December 31, 2021		<u>\$3,712,624</u>

(13) LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, include cash and cash equivalents and contributions and grants receivable in the amount of \$1,795,544 at December 31, 2021. As part of their liquidity management plan, the Institute has a goal to maintain financial assets, which consist of cash and cash equivalents and contributions and grants receivable, on hand to meet normal operating expenses. In addition, the board of directors have designated a portion of net assets without donor restrictions totaling \$3,712,624 at December 31, 2021 as endowment assets which may be drawn upon to meet liquidity needs.