

BRYN MAWR FILM INSTITUTE

FINANCIAL STATEMENTS

(AND INDEPENDENT AUDITOR'S REPORT)

YEARS ENDED DECEMBER 31, 2022 AND 2021





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, 2022 and 2021, 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, 2022 and 2021, 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.

Isdaner + Company LLC

Bala Cynwyd, Pennsylvania

June 15, 2023

BRYN MAWR FILM INSTITUTE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
Current assets:		
Cash and cash equivalents	\$ 1,248,534	\$ 1,610,751
Contributions and grants receivable, current	37,000	212,084
Prepaid expenses and other	50,055	46,825
Total current assets	1,335,589	1,869,660
Property and equipment, net	6,855,467	7,096,060
Contributions and grants receivable, noncurrent	9,000	31,000
Investments, at fair value	3,216,578	3,712,624
Total assets	\$ 11,416,634	\$ 12,709,344

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 92,502	\$ 78,716
Deferred revenue	364,685	306,092
Refundable advance	-	248,106
PPP loan payable	-	236,647
Total current liabilities	457,187	869,561
Net assets:		
Without donor restrictions:		
Board designated for endowment	3,216,578	3,712,624
Undesignated	7,676,013	7,998,823
	10,892,591	11,711,447
With donor restrictions	66,856	128,336
	10,959,447	11,839,783
Total liabilities and net assets	\$ 11,416,634	\$ 12,709,344

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Operating</u>	<u>Board Designated</u>	<u>Total</u>		
Revenues and support:					
Admissions	\$ 806,096	\$ -	\$ 806,096	\$ -	\$ 806,096
Concessions	186,463	-	186,463	-	186,463
Membership	344,387	-	344,387	-	344,387
Rentals	32,863	-	32,863	-	32,863
Sponsorships	49,900	-	49,900	-	49,900
Education programs	77,514	-	77,514	-	77,514
Contributions and grants	607,604	-	607,604	33,000	640,604
PPP loan forgiveness income	236,647	-	236,647	-	236,647
Investment income	4,366	53,541	57,907	-	57,907
Net unrealized loss on investments	-	(564,181)	(564,181)	-	(564,181)
Miscellaneous	9,931	-	9,931	-	9,931
Net assets released from restrictions	94,480	-	94,480	(94,480)	-
	<u>2,450,251</u>	<u>(510,640)</u>	<u>1,939,611</u>	<u>(61,480)</u>	<u>1,878,131</u>
Expenses:					
Program services	2,096,418	-	2,096,418	-	2,096,418
Management and general	493,068	-	493,068	-	493,068
Membership and fundraising	168,981	-	168,981	-	168,981
	<u>2,758,467</u>	<u>-</u>	<u>2,758,467</u>	<u>-</u>	<u>2,758,467</u>
Change in net assets	(308,216)	(510,640)	(818,856)	(61,480)	(880,336)
Interfund transfer	(14,594)	14,594	-	-	-
Net assets at beginning 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>
Net assets at end of year	<u>\$ 7,676,013</u>	<u>\$ 3,216,578</u>	<u>\$ 10,892,591</u>	<u>\$ 66,856</u>	<u>\$ 10,959,447</u>

The accompanying notes are an integral part of these statements.

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

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Operating</u>	<u>Board Designated</u>	<u>Total</u>		
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
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	Program Services	Management and General	Membership and Fundraising	Total	Program Services	Management and General	Membership and Fundraising	Total
Payroll, taxes, and benefits	\$ 955,195	\$ 273,067	\$ 136,534	\$ 1,364,796	\$ 695,180	\$ 198,623	\$ 99,311	\$ 993,114
Accounting and audit	-	19,000	-	19,000	-	17,447	-	17,447
Advertising and promotion	2,203	6,611	-	8,814	216	649	-	865
Bank charges	48,303	-	2,542	50,845	28,944	-	1,523	30,467
Building maintenance	61,499	15,778	751	78,028	55,113	14,838	707	70,658
Concessions	60,466	16,074	-	76,540	30,650	11,649	-	42,299
Depreciation	267,076	71,463	3,403	341,942	275,565	74,190	3,533	353,288
Faculty	21,252	-	-	21,252	5,524	-	-	5,524
Film rental	398,564	-	-	398,564	199,028	-	-	199,028
Insurance	34,263	9,494	452	44,209	29,453	7,930	378	37,761
Miscellaneous	5,850	2,500	166	8,516	3,599	17,801	-	21,400
Office	29,390	18,492	15,499	63,381	22,887	15,477	12,866	51,230
Postage and mailing	11,645	5,674	4,954	22,273	4,598	3,256	2,178	10,032
Printing	10,997	1,051	2,896	14,944	4,605	754	1,713	7,072
Professional fees	19,500	25,150	-	44,650	8,925	33,250	-	42,175
Real estate taxes	50,441	13,680	651	64,772	52,033	14,009	667	66,709
Ticket fees	55,499	-	-	55,499	40,145	-	-	40,145
Travel	8,434	-	417	8,851	404	-	21	425
Utilities	55,841	15,034	716	71,591	37,478	10,091	481	48,050
Mortgage interest	-	-	-	-	-	4,023	-	4,023
	<u>\$ 2,096,418</u>	<u>\$ 493,068</u>	<u>\$ 168,981</u>	<u>\$ 2,758,467</u>	<u>\$ 1,494,347</u>	<u>\$ 423,987</u>	<u>\$ 123,378</u>	<u>\$ 2,041,712</u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (880,336)	\$ 1,724,911
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	341,942	353,288
Net unrealized loss (gain) on investments	564,181	(322,920)
Forgiveness of PPP loan payable	(236,647)	(246,800)
Changes in operating assets and liabilities:		
Contributions and grants receivable	197,084	(112,344)
Prepaid expenses and other	(3,230)	(8,188)
Accounts payable and accrued expenses	13,786	26,600
Deferred revenue	58,593	(129,393)
Refundable advance	<u>(248,106)</u>	<u>248,106</u>
Net cash (used in) provided by operating activities	<u>(192,733)</u>	<u>1,533,260</u>
Cash flows from investing activities:		
Purchase of property and equipment	(101,349)	(43,595)
Purchase of investments	<u>(68,135)</u>	<u>(959,995)</u>
Net cash used in investing activities	<u>(169,484)</u>	<u>(1,003,590)</u>
Cash flows from financing activities:		
Repayment of note payable	-	(500,000)
Repayment of BIDL loan payable	-	(150,000)
Proceeds from PPP loan payable	<u>-</u>	<u>236,647</u>
Net cash used in financing activities	<u>-</u>	<u>(413,353)</u>
Net (decrease) increase in cash and cash equivalents	(362,217)	116,317
Cash and cash equivalents at beginning of year	<u>1,610,751</u>	<u>1,494,434</u>
Cash and cash equivalents at end of year	<u>\$ 1,248,534</u>	<u>\$ 1,610,751</u>

The accompanying notes are an integral part of these statements.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(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.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as described in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. Accordingly, the Institute distinguishes between net assets with donor restrictions and net assets without donor restrictions, based upon the existence or absence of donor-imposed restrictions, 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.

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, 2022 or 2021.

Coronavirus

In March 2020, the World Health Organization declared the outbreak of a novel strain of Coronavirus (“COVID-19”) a global pandemic.

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.

As a result of the COVID-19 outbreak, the Institute obtained forgivable loans through the Paycheck Protection Program (“PPP”) (Note 6), refundable payroll tax credits through the Employee Retention Credits (“ERC”) (Note 7) and Shuttered Venue Operations Grants (“SVOG”) (Note 8).

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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.

Adoption of New Accounting Pronouncement

Effective in 2022, the Institute adopted Accounting Standards Update (“ASU”) 2016-02, *Leases*, and all subsequent ASUs that modified Topic 842 (“ASC 842”). FASB ASC 842 requires lessees to recognize a right-of-use asset and related liability for all leases with terms in excess of twelve months as either an operating lease or a finance lease in the financial statements. The new guidance requires lessors to account for leases using an approach that is substantially similar to the prior guidance for sales-type, direct financing leases and operating leases. The Institute determines if an arrangement is a lease at inception. The Institute has elected the practical expedient to apply the short-term lease exception for lease terms less than twelve months to all of its classes of underlying assets. The Institute does not have any right-of-use assets or related liabilities that required recognition in the 2022 financial statements; therefore, the adoption of ASU 2016-02 had no material impact on the Institute’s balance sheet or statement of revenues and expenses in 2022.

Revenue Recognition

In accordance with 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

Amounts received but not yet earned by the end of the year are recorded as a contract liability (deferred revenue). At December 31, 2022 and 2021, respectively, deferred membership revenues totaled \$241,553 and \$223,416. 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, 2022 or 2021.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

Cash, Cash Equivalents and Concentration of Credit Risk

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 \$1,012,142 and \$1,376,543 at December 31, 2022 and 2021, respectively. No losses have been incurred to date.

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, 2022 or 2021.

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 \$8,814 and \$865 for the years ended December 31, 2022 and 2021, 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.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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.

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 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, 2022 or 2021.

Reclassifications

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

Subsequent Events

Management has evaluated subsequent events through June 15, 2023, which is the date the Institute's financial statements were available to be issued.

(2) CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable as of December 31, 2022 and 2021 are expected to be collected as follows:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 37,000	\$ 212,084
One to five years	<u>9,000</u>	<u>31,000</u>
	<u>\$ 46,000</u>	<u>\$ 243,084</u>

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(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.

The following tables present the fair value hierarchy for those assets measured at fair value on a recurring basis at December 31, 2022 and 2021:

<u>December 31, 2022</u>	<u>Total</u>	<u>Quoted Prices In Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual and exchange-traded funds	<u>\$3,216,578</u>	<u>\$3,216,578</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2021</u>				
Mutual and exchange-traded funds	<u>\$3,712,624</u>	<u>\$3,712,624</u>	<u>\$ -</u>	<u>\$ -</u>

(4) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land	<u>\$ 459,375</u>	<u>\$ 459,375</u>
Buildings and improvements	<u>9,753,737</u>	<u>9,659,893</u>
Furniture, equipment, and software	<u>1,045,990</u>	<u>1,038,485</u>
	<u>11,259,102</u>	<u>11,157,753</u>
Less accumulated depreciation	<u>4,403,635</u>	<u>4,061,693</u>
	<u>\$6,855,467</u>	<u>\$7,096,060</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.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(6) PAYCHECK PROTECTION PROGRAM LOAN

On June 24, 2020, the Institute received a forgivable loan in the amount of \$246,800 under the terms of the PPP, bearing interest at 1%. The PPP was established as part of the CARES Act and was administered by the United States Small Business Administration (“SBA”) through an eligible lender. 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.

On April 8, 2021, the Institute was approved for a Second Draw PPP loan for \$236,647. 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. As such, the extinguishment of debt totaling \$236,647 was recognized as PPP loan forgiveness income on the statement of activities during the year ended December 31, 2022.

(7) EMPLOYEE RETENTION CREDITS

The ERC is a refundable payroll tax credit designed to encourage employers to keep employees on 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.

During 2021, the Institute applied for employee retention credits in the amount of \$283,143 based on qualifying expenditures incurred during the period from March 13, 2020 to September 30, 2021. The Institute concluded that the ERC represented, in substance, a conditional government grant. Accordingly, the credits totaling \$283,143 were included as contributions and grants revenue in the statement of activities for the year ended December 31, 2021. Of that amount, \$103,059 was collected during 2021 and \$180,084 was collected during 2022.

(8) SHUTTERED VENUE OPERATIONS GRANTS

In connection with the COVID-19 outbreak described in Note 1, the Institute received two SVOGs 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 could 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 were included as contributions and grants revenue in the statement of activities for the year ended December 31, 2021.

The Institute incurred the remaining \$248,106 of allowable costs during the year ended December 31, 2022. Accordingly, the allowable credits totaling \$248,106 were included as contributions and grants revenue in the statement of activities for the year ended December 31, 2022.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(9) 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 \$14,837 and \$10,852 for the years ended December 31, 2022 and 2021, respectively, which is included in payroll, taxes, and benefits on the statements of functional expenses.

(10) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2022 and 2021 consisted of:

	2022	2021
Maintenance of projection booth	\$ 8,114	\$ 14,594
Computers	12,742	12,742
Subsequent years operations	46,000	101,000
	\$66,856	\$128,336

Subsequent years operations of net assets with donor restrictions as of December 31, 2022 are as follows:

2023	\$37,000
2024	6,000
2025	3,000
	\$46,000

(11) 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.

BRYN MAWR FILM INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

Changes in the board-designated endowment fund for the years ended December 31, 2022 and 2021 were as follows:

Balance, January 1, 2021		\$ 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		3,712,624
Interfund transfer		14,594
Investment return:		
Investment income	53,541	
Net unrealized loss	<u>(564,181)</u>	<u>(510,640)</u>
Balance, December 31, 2022		<u>\$3,216,578</u>

(12) 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 \$1,285,534 at December 31, 2022. 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 \$3,216,578 at December 31, 2022 as endowment assets which may be drawn upon to meet liquidity needs.