

NATIONAL FILM PRESERVATION FOUNDATION

FINANCIAL STATEMENTS

For The Years Ended December 31, 2021 and 2020

with

INDEPENDENT AUDITOR'S REPORT

**NATIONAL FILM PRESERVATION FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020**

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Independent Auditor's Report

To the Board of Directors
National Film Preservation Foundation
San Francisco, California

Opinion

I have audited the accompanying financial statements of National Film Preservation Foundation, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Film Preservation Foundation as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the National Film Preservation Foundation and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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 the National Film Preservation Foundation'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

My 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 my 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 and Government 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 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 and Government Auditing Standards, I:

- 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 National Film Preservation Foundation'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 National Film Preservation Foundation's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Allan Liu

Certified Public Accountant
Millbrae, California
May 30, 2022

NATIONAL FILM PRESERVATION FOUNDATION
Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 2,177,010	\$ 1,716,964
Investments	445,657	404,164
Accounts receivable	203,257	209,517
Inventory	42,548	42,548
Prepaid expenses	5,927	7,623
Total current assets	<u>2,874,399</u>	<u>2,380,815</u>
Other assets		
Equipment, furniture, and software, net of accumulated depreciation	265	1,849
Deposits, rent, and equipment	500	500
	<u>765</u>	<u>2,349</u>
Total assets	<u>\$ 2,875,164</u>	<u>\$ 2,383,164</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 9,097	\$ 46,246
Grants payable	1,134,113	771,340
Accrued compensation	20,500	20,022
Accrued expenses	-	490
Total liabilities	<u>1,163,711</u>	<u>838,099</u>
Net assets		
Without donor restrictions	49,311	99,211
With donor restrictions	1,662,142	1,445,854
Total net assets	<u>1,711,453</u>	<u>1,545,065</u>
Total liabilities and net assets	<u>\$ 2,875,164</u>	<u>\$ 2,383,164</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL FILM PRESERVATION FOUNDATION
Statements of Activities
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>			<u>2020</u>		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Grants and contributions	\$ 83,320	\$ 1,200,000	\$ 1,283,320	\$ 101,710	\$ 1,220,783	\$ 1,322,493
Federal contract income	(1,767)	-	(1,767)	-	180	180
Grant savings from under-budget projects	-	-	-	66,752	-	66,752
Investment income	14,725	-	14,725	12,768	-	12,768
Licensing and other fees	3,048	-	3,048	1,406	-	1,406
Unrealized gains (loss) on investments	19,851	-	19,851	31,397	-	31,397
Realized loss on investments	-	-	-	(13,032)	-	(13,032)
Net assets released from restriction	983,712	(983,712)	-	957,879	(957,879)	-
Total support and revenue	<u>1,102,889</u>	<u>216,288</u>	<u>1,319,177</u>	<u>1,158,881</u>	<u>263,084</u>	<u>1,421,965</u>
Expenses						
Programs	1,131,661	-	1,131,661	1,120,967	-	1,120,967
Management and general	62,218	-	62,218	58,977	-	58,977
Fundraising	10,389	-	10,389	6,368	-	6,368
Total expenses	<u>\$ 1,204,268</u>	<u>-</u>	<u>1,204,268</u>	<u>\$ 1,186,312</u>	<u>-</u>	<u>1,186,312</u>
Other Revenue - PPP loan forgiven	<u>\$ 51,479</u>	<u>-</u>	<u>51,479</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>(49,900)</u>	<u>216,288</u>	<u>166,388</u>	<u>(27,431)</u>	<u>263,084</u>	<u>235,653</u>
Net assets-beginning	<u>99,210</u>	<u>1,445,854</u>	<u>1,545,065</u>	<u>126,641</u>	<u>1,182,770</u>	<u>1,309,412</u>
Net assets-ending	<u>\$ 49,310</u>	<u>\$ 1,662,142</u>	<u>\$ 1,711,453</u>	<u>\$ 99,210</u>	<u>\$ 1,445,854</u>	<u>\$ 1,545,065</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL FILM PRESERVATION FOUNDATION
Statement of Functional Expenses
December 31, 2021

	<u>Programs</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
Program grants				
Library of Congress	\$ 771,396	\$ -	\$ -	771,396
Avant-Garde Masters	50,520	-	-	50,520
DVD production	13,178	-	-	13,178
Salaries	217,466	16,728	4,779	238,974
Payroll taxes	16,550	1,273	364	18,187
Pension plan contributions	4,438	341	98	4,877
Other employee benefits	30,381	2,337	668	33,386
Accounting services	-	6,836	-	6,836
Audit and information returns	-	15,000	-	15,000
Rent and utilities	16,516	1,270	363	18,149
Travel and conferences	-	-	-	-
Insurance	-	4,532	-	4,532
Consulting	1,450	7,315	15	8,780
Office expenses	1,210	826	4,003	6,039
Telephone and communications	962	74	21	1,057
Information technology	1,053	5,153	-	6,205
Royalties	3,000	-	-	3,000
Postage and delivery	16	261.60	-	278
Equipment rental and maintenance	2,083	160	46	2,289
Depreciation	1,441	111	32	1,584
Total expenses	<u>\$ 1,131,661</u>	<u>\$ 62,218</u>	<u>\$ 10,389</u>	<u>\$ 1,204,268</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL FILM PRESERVATION FOUNDATION
Statement of Functional Expenses
December 31, 2020

	<u>Programs</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
Program grants				
Library of Congress	\$ 734,290	\$ -	\$ -	\$ 734,290
Avant-Garde Masters	65,960	-	-	65,960
DVD production	5,310	-	-	5,310
Salaries	231,177	20,309	2,539	254,025
Payroll taxes	16,111	1,416	177	17,704
Pension plan contributions	4,438	390	49	4,877
Other employee benefits	30,210	2,656	332	33,198
Accounting services	-	9,382	-	9,382
Audit and information returns	-	14,500	-	14,500
Rent and utilities	16,283	1,431	179	17,893
Travel and conferences	216	1	-	217
Insurance	3,779	332	42	4,153
Consulting	1,000	7,552	-	8,552
Office expenses	1,592	165	1,745	3,502
Telephone and communications	1,228	108	13	1,349
Information technology	5,634	416	1,252	7,302
Postage and delivery	112	-	-	112
Equipment rental and maintenance	2,186	192	24	2,402
Depreciation	1,441	127	16	1,584
Total expenses	<u>\$ 1,120,967</u>	<u>\$ 58,977</u>	<u>\$ 6,368</u>	<u>\$ 1,186,312</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL FILM PRESERVATION FOUNDATION
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 166,388	\$ 235,654
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,584	1,584
Unrealized (gains) losses on investments	(19,851)	(31,397)
(Increase) decrease in accounts receivable	6,261	(3,517)
(Increase) decrease in prepaid expenses	1,696	(1,927)
Increase (decrease) in accounts payable	(37,640)	39,096
Increase (decrease) in grants payable	362,773	153,518
Increase (decrease) in accrued compensation	478	10,157
Net cash provided (used) by operating activities	481,688	403,168
Cash flows from investing activities		
Purchase of investments	(21,643)	20,243
Purchase of equipment and software	-	-
Net cash provided (used) by investing activities	(21,643)	20,243
Net increase in cash and cash equivalents	460,046	423,409
Cash and cash equivalents - beginning of year	1,716,964	1,293,555
Cash and cash equivalents - end of year	\$ 2,177,010	\$ 1,716,964

The accompanying notes are an integral part of these financial statements.

NATIONAL FILM PRESERVATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Note 1: Organization

The National Film Preservation Foundation (www.filmpreservation.org) is a nonprofit organization established in the District of Columbia resulting from an Act of Congress in order to preserve and make publicly accessible our nation's film heritage. The foundation's programs preserve American films that would be unlikely to survive without public support, improve film access for education and exhibition, and encourage public commitment to preserving film as an art form, historical record, and cultural resource.

The NFPF (1) gives film preservation and access grants to archives, historical societies, libraries, museums, and universities, and (2) develops, secures funding for, and manages collaborative projects that promote the preservation and public availability of American film. Since starting operations in 1997, the NFPF has provided preservation support to 323 organizations across all 50 states, Puerto Rico, and D.C. and helped save more than 2,630 films.

Grants. In 2021, the NFPF awarded \$821,916 in film preservation grants to 33 institutions. Among the 75 titles slated for preservation are *The Oath of the Sword* (1914), a silent drama by the Japanese American Film Company, featuring an all-Japanese leading cast; *Negro Durham Marches On* (1948), a portrait of the African American community of Durham, North Carolina, including the Hayti business district later destroyed by urban renewal; *The Millionaire Vagrant* (1917), a silent feature about a millionaire who decides to live on six dollars a week, starring Charles Ray, Sylvia Breamer, and John Gilbert; *A Matter of Respect* (1980), an educational film on dealing with teenage pregnancy, produced by Blackside Inc. for the Dept. of Health, Education and Welfare; *End of the Art World* (1971), an experimental documentary by Alexis Krasilovsky featuring Andy Warhol and Robert Rauschenberg, the first undergraduate student film made by a woman at Yale University; *Santa* (1932), a melodrama directed by Spanish-American silent star Antonio Moreno, one of the first features produced in Mexico with recorded dialogue; *The Heart of Cleveland* (1924), a sponsored film produced by the Rothacker Film Manufacturing Company for the Cleveland Illuminating Company, to encourage mass rural electrification; *The Lost Art of the Tlingit of Alaska* (1957), documentation of uncommon basket-weaving techniques, as demonstrated by a female Tlingit elder; *The Innerview* (1972), a psychedelic avant-garde feature directed by and starring Richard Beymer; and titles by experimental filmmakers Craig Baldwin, Jordan Belson, Cathy Cook, Ken Jacobs, Roger Jacoby, Heather McAdams, Toney W. Merritt, Raphael Montañez Ortiz, and Ron Rice.

Repatriation. Continued working on the partnership with the EYE Filmmuseum Netherlands to preserve and make available more than 50 American films that have been unseen for decades. 22 films from the project are currently available to stream.

Publications. The foundation produces DVD sets in the *Treasures from American Film Archives* series and books that advance national film preservation efforts. With support from the Andy Warhol Foundation for the Visual Arts and the National Endowment for the Arts, the NFPF continues production on *Treasures 6: Next Wave Avant-Garde Film*, a 5-hour DVD box set surveying 28 experimental filmmakers—from Abigail Child to Phil Solomon—who rose to prominence after 1965. The set's release is planned for 2023.

Online Access. As the NFPF website's online component of *The Field Guide to Sponsored Films* (2006), there are 160 films free to stream from 13 organizations. In addition, the NFPF funded three access projects in 2021 to George Eastman Museum, Northeast Historic Film, and UCLA to create 4K scans of

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past grant projects. Once digitized, these will join 107 films preserved through NFPF programs already available in the online screening room as part of the launch of the NFPF's new streaming app.

The foundation is the charitable affiliate of the National Film Preservation Board of the Library of Congress.

The foundation generates revenues largely through contributions from individuals, corporations, foundations and government funding. In 2021, the NFPF received \$1,000,000 in federal funds authorized through *The Library of Congress Sound Recording and Film Preservation Programs Reauthorization Act of 2016* (Public Law No: 114-217) and secured through the Library of Congress for use in national preservation programs.

Note 2: Summary of Significant Accounting Policies and Practices

- (a) *Accrual Basis*. The financial statements have been prepared on the accrual basis.
- (b) *Basis of Presentation*. In accordance with U.S. Generally Accepted Accounting Principles, net assets and revenues, expenses, gains and losses are classified 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 (or certain grantor) restrictions.
- Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) 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.
- (c) *Allocation of Expenses*. Salaries and non-salary administrative costs are allocated to program and supporting services through percentages derived from a staff time sampling taken over the course of the year.
- (d) *Cash and Cash Equivalents*. The foundation considers as cash equivalents all highly liquid investments with maturities of three months or less that may be broken without penalty. As of December 31, 2021, cash and cash equivalents were primarily in checking and money market accounts at the Bank of America and Wells Fargo Bank. These are insured up to the limit guaranteed by the FDIC. Additionally, funds are held at Morgan Stanley Bank, N.A.
- (e) *Investments*. The purpose of the NFPF investment policy is to provide a reliable source of funds for current and future use. Investments are recorded at fair market value. The value of marketable securities is determined using quoted prices in active markets for identical assets (defined as "Level 1" under current accounting standards). Unrealized gains and losses are reported in unrestricted net assets.

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The NFPF has an Investment Advisory Account with Morgan Stanley. The quoted market value of all funds was \$445,657 at the end of 2021 and \$404,164 at the end of 2020.

- (f) *Inventory.* The NFPF's inventory consists of assembled DVD sets in the *Treasures from American Film Archives* series. The inventory value of the DVD sets is based on the lesser of manufacturing cost or net realizable value. No new sets were manufactured in 2021.
- (g) *Federal Contract Revenue.* Reported here are project funds from federal entities.
- (h) *Licensing and Other Fees.* Funds received through Internet transactions, licensing fees, screenings and administrative reimbursements.
- (i) *Program Grants.* Resources awarded through the foundation's grants to other nonprofit and public institutions. Of the \$1,000,000 in federal monies received by contract from the Library of Congress for use in 2021, \$725,936 was awarded as preservation grants and \$274,064 was temporarily restricted for future use. An additional \$45,460 from the 2013 and 2014 funding years was awarded as an access grant for a total of \$771,396 in Library funds awarded. In 2020, \$736,498 was awarded as grants and \$263,502 was temporarily restricted.
- (j) *Equipment, Furniture, and Software.* Equipment, furniture, and software are stated at cost if purchased and at fair value if acquired through donation. Depreciation is calculated using the straight-line depreciation method and is applied over the estimated useful lives of the assets. As of December 31, 2021, equipment, furniture, and software had a net book value of \$265 (basis of \$21,806 less accumulated depreciation of \$21,541).
- (k) *Estimates.* The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.
- (l) *Income Tax Status.* The NFPF is a nonprofit organization under section 501(c)(3) of the Internal Revenue Code. As a public charity, the NFPF is exempt from federal and state income tax under laws and regulations whereby only any unrelated business income is subject to tax. Management believes that all revenues received by the NFPF are in keeping with the organization's exempt purposes and that the NFPF continues to qualify and to operate as a tax-exempt organization. Accordingly, no provision of income taxes is included in these financial statements. Generally, the annual information returns are subject to examination for three years after they are filed.

Note 3: Liquidity and Availability

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other

NATIONAL FILM PRESERVATION FOUNDATION
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obligations come due. The Organization invests cash in excess of daily requirements in short-term investments, equities and money market funds.

The Organization has a goal to maintain cash and cash equivalents on hand to meet sixty days of normal operating expenses, which are, on average, \$200,711. Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$2,177,010
Grants and contracts receivable	3,257
Promises to give	<u>200,000</u>
Financial assets, at year ended December 31, 2021	2,380,267

Less those unavailable for general expenditures within one year due to:

Contractual or donor-imposed restrictions (see Note 4):	
Restricted by donor with time or purpose restrictions	(1,662,142)

Financial assets available to meet cash needs for general expenditures within one year	<u>\$718,125</u>
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Note 4: Accounts and Pledges Receivable

Current accounts receivable as of December 31, 2021, is \$203,257. There are no long-term pledges receivable.

Note 5: Recent Accounting Guidance

The Financial Accounting Standards Board (FASB) issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The change in accounting principle was adopted on a retrospective prospective basis in 2019. There was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of January 1, 2018.

In February 2016, the FASB issued ASU 2016-02, Leases (ASU 2016-02). ASU 2016-02 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the

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earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. NFPF is currently evaluating the impact of adopting this new guidance on its financial statement.

Note 6: Fair Value Measurements

The Organization reports certain assets and liabilities at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows: Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date. Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs. Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances. In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability. A significant portion of our investment assets are classified within Level 1 because they comprise open end mutual funds and equities with readily determinable fair values based on daily redemption values.

Note 7: Net Assets with Donor Restrictions

Net Assets with Donor Restrictions are available for the following purposes:

Support for 2021, net of allowances	
Andy Warhol Foundation for the Visual Arts, <i>Treasures 6</i>	30,480
CLIR, music and notes for EYE fiction films	12,365
Federal funds, grant and repatriation projects	<u>1,619,297</u>
	<u>\$1,662,142</u>

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Note 8: Retirement Plan

The NFPF participates in a SEP IRA plan for employees (1) that are paid \$450 or more during the year, (2) are at least 21 years old, and (3) have worked at the NFPF for at least 12 months. Employer contributions are based on a percentage of employee salary approved annually by the Board. The current percentage is 2%.

Note 9: Related Party Transactions

Contributions from organizations to which board members are related were \$240,000 in 2021 and \$210,000 in 2020.

Note 10: Commitments, Contingencies and Concentrations

The NFPF office lease expired in March 2021; month-to-month payments through year end were \$1,042.50. The total annual payments were \$12,510 for 2020 and \$12,510 for 2021. The rent deposit is \$500.

The foundation has a \$160 security deposit on a multifunction copy machine.

The National Film Preservation Foundation continues to seek to broaden its base of program support. Receivables are subject to credit risk. The NFPF incurs various contractual obligations in the course of delivering grant programs and executing special projects supported by outside funders. The foundation makes every effort to meet these obligations.

In 2016, the NFPF received federal funds authorized through *The Library of Congress Sound Recording and Film Preservation Programs Reauthorization Act of 2016* (Public Law 114-217) and appropriated through the Library of Congress. The monies are set aside “to promote and ensure the preservation and public accessibility of the nation’s film heritage.” Under the terms of this legislation, the funds are made available “to match any private contributions (whether in currency, services or property) made to the corporation by private persons and State and local governments.” The *Act*, signed into law on July 29, 2016, renewed the NFPF’s authorization through federal fiscal year 2026.

In 2021, the NFPF received a loan from Bank of America in the amount of \$51,479 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated 4/2/21. The NFPF applied for and has been notified that \$51,479 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected as Other Income in the accompanying statement of activities. There is no remaining loan balance.

Note 11: Subsequent Events

In preparing these financial statements, NFPF has evaluated events and transactions for potential recognition or disclosure through May 30, 2022, the date the financial statements were available to be issued.