

NATIONAL FILM PRESERVATION FOUNDATION

FINANCIAL STATEMENTS

For The Years Ended December 31, 2023 and 2022

with

INDEPENDENT AUDITOR'S REPORT

**NATIONAL FILM PRESERVATION FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2023 and 2022**

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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 statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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

I conducted my audits 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, 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
June 11, 2024

NATIONAL FILM PRESERVATION FOUNDATION

Statements of Financial Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 2,810,576	\$ 2,705,960
Bill.com Clearing Account	-	9,325
Investments	391,685	362,554
Accounts receivable	45,104	2,851
Inventory	42,776	42,835
Prepaid expenses	5,607	6,465
Total current assets	<u>3,295,747</u>	<u>3,129,990</u>
Other assets		
Equipment, furniture, and software, net of accumulated depreciation	-	-
Deposits, rent, and equipment	500	500
Right of Use	6,390	8,080
Total Other Assets	<u>6,890</u>	<u>8,580</u>
Total assets	<u><u>\$ 3,302,637</u></u>	<u><u>\$ 3,138,569</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 55,895	\$ 99,098
Grants payable	1,120,315	897,678
Accrued compensation	8,932	12,710
Accrued expenses	-	163
Total current liabilities	<u>1,185,142</u>	<u>1,009,649</u>
Long-term liabilities		
Lease Liability	6,390	8,080
Total long-term liabilities	<u>6,390</u>	<u>8,080</u>
Total Liabilities	<u>1,191,531</u>	<u>1,017,728</u>
Net assets		
Without donor restrictions	20,132	61,298
With donor restrictions	2,090,974	2,059,543
Total net assets	<u>2,111,106</u>	<u>2,120,841</u>
Total liabilities and net assets	<u><u>\$ 3,302,637</u></u>	<u><u>\$ 3,138,569</u></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, 2023 and 2022

	2023			2022		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Grants and contributions	\$ 94,417	\$ 1,200,000	\$ 1,294,417	\$ 312,066	\$ 1,200,000	\$ 1,512,066
Federal contract income	-	57,070	\$ 57,070	-	-	-
DVD sales	811	-	811	1,084	-	1,084
Grant savings from under-budget projects	50,000	-	50,000	-	-	-
Investment income	14,351	-	14,351	12,255	-	12,255
Licensing and other fees	9,709	-	9,709	1,451	-	1,451
Unrealized gains (loss) on investments	24,727	-	24,727	(46,465)	-	(46,465)
Realized loss on investments	(27)	-	(27)	(26,999)	-	(26,999)
Net assets released from restriction	1,225,638	(1,225,638)	-	802,599	(802,599)	-
Total support and revenue	1,419,626	31,432	1,451,058	1,055,991	397,401	1,453,392
Expenses						
Programs	1,375,910	-	1,375,910	962,908	-	962,908
Management and general	76,705	-	76,705	70,596	-	70,596
Fundraising	8,179	-	8,179	10,500	-	10,500
Total expenses	\$ 1,460,793	-	1,460,793	\$ 1,044,004	-	1,044,004
Other Revenue - PPP loan forgiven	\$ -	-	-	\$ -	-	-
Change in net assets	(41,167)	31,432	(9,735)	11,987	397,401	409,388
Net assets-beginning	61,297	2,059,543	2,120,841	49,310	1,662,142	1,711,453
Net assets-ending	\$ 20,130	\$ 2,090,975	\$ 2,111,106	\$ 61,297	\$ 2,059,543	\$ 2,120,841

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

NATIONAL FILM PRESERVATION FOUNDATION
Statement of Functional Expenses
December 31, 2023

	<u>Programs</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
Program grants				
Library of Congress	\$ 993,550	\$ -	\$ -	993,550
Avant-Garde Masters	52,450	-	-	52,450
NFPB	23,575	-	-	23,575
Repatriation projects	-	-	-	-
DVD production	11,765	-	-	11,765
Salaries	210,604	21,972	2,920	235,496
Payroll taxes	17,153	1,790	238	19,180
Pension plan contributions	4,280	446	59	4,785
Other employee benefits	28,291	2,952	392	31,635
Accounting services	-	6,175	-	6,175
Audit and information returns	-	16,600	-	16,600
Rent and utilities	17,126	1,787	237	19,150
Travel and conferences	3,254.35	4,977	16.16	8,247
Insurance	-	4,781	-	4,781
Consulting	750	7,298	-	8,048
Office expenses	491	1,963	4,192	6,646
Telephone and communications	-	943	-	943
Information technology	12,389	2,095	122	14,606
Royalties	-	-	-	-
Postage and delivery	232	13	2	246
Equipment rental and maintenance	-	2,913	-	2,913
Depreciation	-	-	-	-
Total expenses	<u>\$ 1,375,910</u>	<u>\$ 76,705</u>	<u>\$ 8,179</u>	<u>\$ 1,460,793</u>

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

NATIONAL FILM PRESERVATION FOUNDATION
Statement of Functional Expenses
December 31, 2022

	<u>Programs</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total</u>
Program grants				
Library of Congress	\$ 585,880	\$ -	\$ -	585,880
Avant-Garde Masters	62,570	-	-	62,570
DVD production	10,842	-	-	10,842
Salaries	214,848	24,415	4,883	244,146
Payroll taxes	16,896	1,920	384	19,200
Pension plan contributions	4,435	504	101	5,040
Other employee benefits	32,342	3,675	735	36,752
Accounting services	-	6,394	-	6,394
Audit and information returns	-	16,000	-	16,000
Rent and utilities	15,963	1,814	363	18,140
Travel and conferences	-	2,700	-	-
Insurance	-	4,507	-	4,507
Consulting	1,000	7,243	-	8,243
Office expenses	2,953	276	3,804	7,033
Telephone and communications	909	103	21	1,033
Information technology	11,958	785	157	12,900
Royalties	-	-	-	-
Postage and delivery	54	4	1	59
Equipment rental and maintenance	2,025	230	46	2,301
Depreciation	233	26	5	264
Total expenses	<u>\$ 962,908</u>	<u>\$ 70,596</u>	<u>\$ 10,500</u>	<u>\$ 1,044,004</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ (9,736)	\$ 409,388
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	-	265
Right of use	1,690	(8,080)
Unrealized (gains) losses on investments	(24,727)	46,465
(Increase) decrease in accounts receivable	(42,253)	200,406
(Increase) decrease in inventory	59	(287)
(Increase) decrease in prepaid expenses	859	(538)
Increase (decrease) in accounts payable	(43,366)	90,163
Increase (decrease) in grants payable	222,637	(236,435)
Increase (decrease) in accrued compensation	(3,779)	(7,790)
Net cash provided (used) by operating activities	<u>101,385</u>	<u>493,557</u>
Cash flows from investing activities		
Purchase of investments	<u>4,921</u>	<u>27,313</u>
Net cash provided (used) by investing activities	<u>4,921</u>	<u>27,313</u>
Cash flows from financing activities		
Lease liability	<u>(1,690)</u>	<u>8,080</u>
Net increase in cash and cash equivalents	<u>104,616</u>	<u>528,950</u>
Cash and cash equivalents - beginning of year	<u>2,705,960</u>	<u>2,177,010</u>
Cash and cash equivalents - end of year	<u><u>\$ 2,810,576</u></u>	<u><u>\$ 2,705,960</u></u>

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

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NOTES TO FINANCIAL STATEMENTS
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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 337 organizations across all 50 states, Puerto Rico, and D.C. and helped save more than 2,776 films.

Grants. In 2023, the NFPF awarded \$993,550 in film preservation and access grants to 31 institutions. Among the 60 titles slated for preservation are *Construction of the San Francisco—Oakland Bay Bridge* (1933-37), footage shot by Ken Allen, staff photographer of the Hills Bros. Coffee Company; *Mississippi Triangle* (1984), an examination of the intersections and power relations of racial communities in the Mississippi Delta region, using three film crews, each from a different ethnic community; *N/um Tchai: A Celebration of the Dance of the !Kung Bushmen* (1969), John Marshall's documentary of an all-night healing dance performed by the Ju/hoansi people of southern Africa; *The Ralph Stanley Story* (2000), Herb E. Smith's feature-length portrait of the bluegrass legend and his musical roots; William S. Hart shorts; *The Red Mark* (1928), a prison drama directed by James Cruze; *The Man Who Came Back* (1924); and titles by experimental filmmakers Sally Dixon and Ricardo Bloch, Tom Palazzolo, Natalka Voslakova, and Michael Wallin.

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 2025.

Online Access. The NFPF website's online component of *The Field Guide to Sponsored Films* (2006) hosts 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 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. Additionally, work continues 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.

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 2023, the NFPF received \$1,000,000 in federal funds authorized

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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 an 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, 2023, 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.

The NFPF has an Investment Advisory Account with Morgan Stanley. The quoted market value of all funds was \$391,685 at the end of 2023 and \$362,554 at the end of 2022.

- (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 2023.

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- (g) *Federal Contract Revenue.* Reported here are contract funds from federal entities. In 2023, the NFPF received \$57,070 from the Library of Congress (including an administration fee of \$9,920) to assist in implementing selected recommendations found in the National Recording and National Film Preservation Plans. The NFPF's role is to write and manage the agreements with third parties and process payments to those parties.
- (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 2023, \$624,080 was awarded as preservation grants and \$375,920 was temporarily restricted for future use. An additional \$369,470 from the 2014-2017 funding years was awarded as access and Roger Mayer Legacy grants for a total of \$993,500 in Library funds awarded. In 2022, \$585,880 was awarded as preservation grants and \$414,120 was temporarily restricted for future use.
- (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, 2023, equipment, furniture, and software had a net book value of \$0 (basis of \$21,806 less accumulated depreciation of \$21,806).
- (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 obligations come due. The Organization invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

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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, \$243,466. 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	\$2,810,576
Grants and contracts receivable	<u>45,104</u>
Financial assets, at year ended December 31, 2023	\$2,855,680

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	(2,090,974)

Financial assets available to meet cash needs for general expenditures within one year	<u>\$764,706</u>
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Note 4: Accounts and Pledges Receivable

Current accounts receivable as of December 31, 2023, is \$45,104. There are no long-term pledges receivable.

Note 5: 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

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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 6: Net Assets with Donor Restrictions

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

Support for 2023, 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>2,048,129</u>
	<u>\$2,090,974</u>

Note 7: 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 8: Related Party Transactions

Contributions from organizations to which board members are related were \$240,000 in 2023 and \$210,000 in 2022.

Note 9: Copier Lease

The Organization recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. A contract contains a lease if there is an identified asset and the Organization has the right to control the asset. Lease terms include options to extend the lease when it is reasonably certain those options will be exercised. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index rate. The Organization has elected to use the risk-free rate in lieu of determining an incremental borrowing rate as its discount rate for all leases which is the Treasury constant maturity rate as of the lease commencement date for yield-curve-rates of similar length to the lease term. The ROU asset is subsequently measured throughout

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the lease term at the present value of remaining lease payments, plus any unamortized initial direct costs. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of twelve-months or less at lease commencement. The lease cost associated with short-term leases are recognized on a straight-line basis over the lease term. Assets and liabilities related to a lease are capitalized if they exceed \$10,000 at inception.

NFPF leases a copier in its administrative office. This lease starts on February 2022 and is for 63 months with monthly payments of \$160.

Future minimum lease payments for the operating lease as of December 31, 2023, are as follows:

2024	\$ 1,920
2025	1,920
2026	1,920
2027	<u>640</u>
Total minimum lease payments	6,400
Less interest	<u>(10)</u>
Present value of lease liabilities	<u>\$6,390</u>

Maturities of lease liabilities under noncancellable operating lease as of December 31, 2023, are as follows:

2024	\$ 1,738
2025	1,787
2026	1,838
2027	<u>1,027</u>
Total lease liabilities	<u>\$6,390</u>

Note 10: Commitments, Contingencies and Concentrations

The NFPF office lease has been on a month-to-month lease since March 2021. The total annual payments were \$12,510 for 2022 and \$12,510 for 2023. 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

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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.

Subsequent events evaluated through May 31, 2024 have been determined to have no material impact on the presentation of these financial statements.