Consolidated Financial Statements
August 31, 2022 and 2021

Utah Film Center

Independent Auditor's Report

To the Board of Directors
Utah Film Center
Salt Lake City, Utah

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Utah Film Center, which comprise the consolidated statements of financial position as of August 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Utah Film Center as of August 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of Utah Film Center 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Utah Film

Center's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities of the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Utah Film Center'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Utah Film Center'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.

Eide Bailly LLP

Salt Lake City, Utah
January 25, 2023

	2022	2021
Assets		
Current Assets		
Cash	$ 1,009,314	$ 927,920
Restricted cash - fiscal sponsorship	1,366,814	679,969
Contributions receivable, net	51,646	50,736
Prepaid expenses	10,787	6,987
Total current assets	2,438,561	1,665,612
Property and Equipment, Net	133,402	73,934
Investments	1,040,883	644,571
	$ 3,612,846	$ 2,384,117
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 36,298	$ 43,924
Grants payable	1,229,784	694,490
Other current liabilities	55,770	81,116
Total current liabilities	1,321,852	819,530
Net Assets		
Without donor restrictions	1,028,295	774,459
With donor restrictions	1,262,699	790,128
Total net assets	2,290,994	1,564,587
	$ 3,612,846	$ 2,384,117

	2022	2021
Change in Net Assets without Donor Restrictions		
Public support and revenue		
Contributions	$ 10,562,260	$ 10,627,848
In-kind contributions	72,614	57,665
Government grants and contracts	622,293	559,914
Program fees	14,222	32,799
Net investment return	432,846	167,768
Interest	455	315
Other	10,711	13,507
Loan forgiveness revenue	-	288,526
Gross special events revenue	19,067	-
Less cost of direct benefits to donors	(41,739)	-
Net special events revenue (expense)	(22,672)	-
Net assets released from donor restrictions	630,629	793,230
Total public support and revenue	12,323,358	12,541,572
Program service expenses		
Core Programming	320,736	358,572
Festivals	200,399	192,422
Fiscal Sponsorship	10,617,309	10,556,764
Artist Foundry	25,578	35,192
Education	297,164	372,643
Total program service expenses	11,461,186	11,515,593
Supporting service expenses		
Management and general	481,429	433,570
Fundraising	126,907	131,789
Total supporting service expenses	608,336	565,359
Total expenses	12,069,522	12,080,952
Change in Net Assets without Donor Restrictions	253,836	460,620
Change in Net Assets with Donor Restrictions		
Contributions	1,103,200	910,521
Net assets released from restrictions	(630,629)	(793,230)
Change in Net Assets with Donor Restrictions	472,571	117,291
Change in Net Assets	726,407	577,911
Net Assets, Beginning of Year	1,564,587	986,676
Net Assets, End of Year	$ 2,290,994	$ 1,564,587

	Program Service Expenses						Supporting Service Expenses			
	Core Programming	Festivals	Fiscal Sponsorship	Artist Foundry	Education	Total	Management and General	Fundraising	Total	Total Expenses
Accounting and legal	$ 3,961	$ -	$ 2,737	$ 350	$ 7,135	$ 14,183	$ 92,390	$ 7,431	$ 99,821	$ 114,004
Conferences, conventions, meetings	-	-	-	-	-	-	14	-	14	14
Depreciation and amortization	-	-	-	-	-	-	34,933	-	34,933	34,933
Development	-	-	-	-	87	87	389	782	1,171	1,258
Education expenses	194	-	-	-	63,357	63,551	-	-	-	63,551
Event expenses	36,093	28,691	-	4	16,488	81,276	535	34,853	35,388	116,664
Facilities and equipment	2,375	125	-	20	23,888	26,408	55,844	-	55,844	82,252
Grantee activity	-	-	10,533,209	-	-	10,533,209	-	-	-	10,533,209
Guest expenses	-	-	-	-	1,567	1,567	-	-	-	1,567
Honoraria	4,100	-	-	-	750	4,850	-	-	-	4,850
Insurance	-	-	-	-	3,220	3,220	8,111	-	8,111	11,331
Marketing	121,506	17,149	-	1,000	32,154	171,809	889	8,819	9,708	181,517
Office expense	1,435	847	45	2,056	3,767	8,150	42,318	662	42,980	51,130
Other expense	4,283	824	-	2,519	1,010	8,636	2,766	657	3,423	12,059
Payroll and related	143,883	152,763	81,318	19,618	140,334	537,916	243,100	115,241	358,341	896,257
Reference materials	518	-	-	11	-	529	140	170	310	839
Staff travel	2,388	-	-	-	3,407	5,795	-	31	31	5,826
	320,736	200,399	10,617,309	25,578	297,164	11,461,186	481,429	168,646	650,075	12,111,261
Less expenses included with revenues on the statement of activities										
Cost of direct benefits to donors	-	-	-	-	-	-	-	(41,739)	(41,739)	(41,739)
Total expenses included in the expense section on the statement of activities	$ 320,736	$ 200,399	$ 10,617,309	$ 25,578	$ 297,164	$ 11,461,186	$ 481,429	$ 126,907	$ 608,336	$ 12,069,522

	Program Service Expenses						Supporting Service Expenses			
	Core Programming	Festivals	Fiscal Sponsorship	Artist Foundry	Education	Total	Management and General	Fundraising	Total	Total Expenses
Accounting and legal	$ 6,500	$ -	$ 1,053	$ -	$ 4,980	$ 12,533	$ 67,485	$ 3,780	$ 71,265	$ 83,798
Conferences, conventions, meetings	-	-	-	-	875	875	-	-	-	875
Depreciation and amortization	-	-	-	-	-	-	34,089	-	34,089	34,089
Development	-	183	-	-	62	245	-	65	65	310
Education expenses	180	125	-	-	96,429	96,734	-	-	-	96,734
Event expenses	109,974	57,920	-	-	-	167,894	50	8,989	9,039	176,933
Facilities and equipment	-	114	-	14,217	15,543	29,874	62,025	-	62,025	91,899
Grantee activity	-	-	10,474,191	-	-	10,474,191	-	-	-	10,474,191
Guest expenses	-	1,451	-	-	-	1,451	-	-	-	1,451
Honoraria	31,786	500	-	-	-	32,286	-	-	-	32,286
Insurance	-	-	-	-	1,716	1,716	6,759	-	6,759	8,475
Marketing	76,014	32,701	40	-	41,893	150,648	5,903	18,145	24,048	174,696
Office expense	1,614	1,170	-	2,421	221	5,426	28,916	477	29,393	34,819
Other expense	150	830	-	65	692	1,737	6,256	842	7,098	8,835
Payroll and related	124,147	97,428	81,480	18,489	210,032	531,576	222,087	99,491	321,578	853,154
Reference materials	672	-	-	-	200	872	-	-	-	872
Staff travel	7,535	-	-	-	-	7,535	-	-	-	7,535
Total expenses included in the expense section on the statement of activities	$ 358,572	$ 192,422	$ 10,556,764	$ 35,192	$ 372,643	$ 11,515,593	$ 433,570	$ 131,789	$ 565,359	$ 12,080,952

	2022	2021
Operating Activities		
Change in net assets	$ 726,407	$ 577,911
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	34,933	34,089
Realized and unrealized gains/losses on operating investments	(396,312)	(137,500)
Loan forgiveness revenue	-	(288,526)
Changes in operating assets and liabilities		
Contributions receivable, net	(910)	73,133
Prepaid expenses	(3,800)	(1,000)
Accounts payable	(7,626)	4,451
Grants payable	535,294	(90,665)
Other current liabilities	(25,346)	34,076
Net Cash from Operating Activities	862,640	205,969
Investing Activities		
Purchase of property and equipment	(94,401)	(11,443)
Net Cash used for Investing Activities	(94,401)	(11,443)
Financing Activities		
Payments on capital lease obligations	-	(3,849)
Payments on notes payable	-	(15,186)
Proceeds from notes payable	-	127,012
Net Cash from Financing Activities	-	107,977
Net Change in Cash and Restricted Cash	768,239	302,503
Cash and Restricted Cash, Beginning of Year	1,607,889	1,305,386
Cash and Restricted Cash, End of Year	$ 2,376,128	$ 1,607,889
Cash	$ 1,009,314	$ 927,920
Restricted cash - fiscal sponsorship	1,366,814	679,969
Total cash and restricted cash	$ 2,376,128	$ 1,607,889

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Utah Film Center (UFC) is a nonprofit corporation organized to bring the world of film to local audiences through free community screenings and discussions, outreach programs, and visiting artists and professionals. UFC also acts as a fiscal sponsor for select film projects. UFC emphasizes social content and artistic excellence and presents documentary, independent, and dramatic cinema year-round. UFC collaborates with various educational and community organizations to promote a diversity of ideas, to provide forums for underrepresented groups, and to develop new audiences for film.

UFC currently operates the following programs:

- Core Programming – UFC's core programming includes regular screenings of the best independent and international films. Many screenings feature a post-screening discussion with the filmmaker, a topic expert or a panel of experts. Through its core programming, UFC encourages dialogue about current social, cultural and economic issues. Efforts are made to partner with and reach out to interested nonprofit, business, and community organizations to help build audiences for each screening.

- Festivals – UFC annually presents two specialty film festivals:

    - *Damn These Heels! LGBT Film Festival* - Damn These Heels! is a community event that illuminates LGBT issues, ideas, hopes and yearnings through the power of film.

    - *Tumbleweeds Film Festival for Children and Youth* - Tumbleweeds is the only festival of its kind in the intermountain west and provides children ages 4-14 with access to films from around the world.

- Education – UFC offers multiple development services and training of K-12 educators on how to integrate film making and the media arts into educational settings. UFC works closely with community partners to fund and offer its education programs.

- Artist Foundry – The Artist Foundry was created to fill a need and empower local independent filmmakers to create fresh cinematic stories through community, resources, and infrastructure.

- Fiscal Sponsorship – UFC acts as a fiscal sponsor for select film projects that are consistent with its mission, that emphasize social content and artistic excellence, including documentary, independent and dramatic films. Through the fiscal sponsorship program, UFC can ensure funding agencies and contributors that funds are well managed and spent according to their guidelines.

- Utah Film Support Foundation (the Foundation) is a separate nonprofit organization established solely to hold investments and to assist in funding UFC's operating rent costs. The Foundation is governed by a separate Board of Directors, the majority of which are appointed by UFC's Board of Directors. The Board of Directors of the Foundation authorizes supporting distributions to UFC or on behalf of UFC.

Principles of Consolidation

The consolidated financial statements include the accounts of Utah Film Center and Utah Film Support Foundation because the Utah Film Center has both control and an economic interest in the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as “the Center.”

Restricted Cash

Restricted cash is restricted by the UFC’s Board of Directors for use in the fiscal sponsorship program including the payment of grants payable (Note 7).

Contributions Receivable

The Center records contributions receivable expected to be collected within one year at net realizable value. Contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines an allowance for uncollectable contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable. At August 31, 2022 and 2021, the Center has not recorded an allowance. At August 31, 2022 and 2021, the Center’s contributions receivable are all expected to be collected within one year.

Property and Equipment

Property and equipment additions over $500 are recorded at cost or, if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Center reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended August 31, 2022 and 2021.

Investments

The Center records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the consolidated statements of financial position. Net investment return /(loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment, management, and custodial fees.

Grants Payable

Grant expenditures are recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. The Center has no conditional grants at August 31, 2022 and 2021.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Center recognizes program fee revenue from ticket sales at the time of admission. The Center records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Center's government contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at August 31, 2022 and 2021, conditional contributions approximating $0 and $120,000, respectively, for which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements.

Donated Services and In-Kind Contributions

In-kind contributions include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 10). The Center does not sell donated gifts-in-kind. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Advertising Costs

Advertising costs are expensed as incurred, and approximated $182,000 and $175,000, during the years ended August 31, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Center is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Center is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Center has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Center would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments of Credit Risk

The Center manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Center has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Center's mission. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Subsequent Events

Management has evaluated subsequent events through January 25, 2023, the date the consolidated financial statements were available to be issued.

Note 2 - Liquidity and Availability

The Center operates on a balanced budget and regularly monitors liquidity to meet its operating needs and other contractual commitments while also striving to maximize its mission. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	2022	2021
Cash	$ 1,009,314	$ 927,920
Contributions receivable, net	51,646	50,736
	1,060,960	978,656
Less: net assets with donor restrictions	(170,171)	(94,822)
	$ 890,789	$ 883,834

In addition, the Center has a line-of-credit available from a bank for up to $100,000 (Note 6).

Note 3 - Fair Value Measurements and Disclosures

The Center reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset 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, the Center 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.

At August 31, 2022 and 2021, investment assets are valued based on appraised values of the underlying assets invested in or values determined by management based on operating cash flows and an applied market based rate of capitalization expected to be used by a potential buyer of the investment and are classified within Level 3.

The following table presents assets measured at fair value on a recurring basis at August 31, 2022:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments				
Ownership interests in real estate limited liability companies	$ 1,040,883	$ -	$ -	$ 1,040,883

The following table presents assets measured at fair value on a recurring basis at August 31, 2021:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments				
Ownership interests in real estate limited liability companies	$ 644,571	$ -	$ -	$ 644,571

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended August 31, 2022:

	Fair Value Measurements at Report Date Using Significant Unobservable Inputs (Level 3) Ownership Interests
Balance, August 31, 2021	$ 644,571
Unrealized gains	396,312
Distributions from ownership interests in real estate limited liability companies	36,534
Withdrawals	(36,534)
Balance, August 31, 2022	$ 1,040,883

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended August 31, 2021:

	Fair Value Measurements at Report Date Using Significant Unobservable Inputs (Level 3) Ownership Interests
Balance, August 31, 2020	$ 507,071
Unrealized gains	137,500
Distributions from ownership interest in real estate limited liability companies	30,268
Withdrawals	(30,268)
Balance, August 31, 2021	$ 644,571

Note 4 - Net Investment Return

Net investment return consists of the following for the years ended August 31, 2022 and 2021:

	2022	2021
Operating investments		
Distributions from ownership interests in real estate limited liability companies	$ 36,534	$ 30,268
Net realized and unrealized gains (losses)	396,312	137,500
	$ 432,846	$ 167,768

Note 5 - Property and Equipment

Property and equipment consists of the following at August 31, 2022 and 2021:

	2022	2021
Equipment	$ 223,542	$ 129,141
Furniture and fixtures	15,360	15,360
Leasehold improvements	63,419	63,419
	302,321	207,920
Less accumulated depreciation	(168,919)	(133,986)
	$ 133,402	$ 73,934

Note 6 - Line of Credit

The Center has a $100,000 revolving line of credit with Zions Bank, secured by accounts receivable. The line of credit balance as of August 31, 2022 and 2021 totals $0, bearing interest at a variable interest rate. The agreement requires the Center to comply with certain financial and non-financial covenants.

Note 7 - Grants Payable

Grants payable consists of amounts payable under the Fiscal Sponsorship Program as follows for the years ended August 31, 2022 and 2021:

	2022	2021
Another Body-6	$ 662,700	$ -
Goddessey-6	141,000	-
Emile Weaver- 6	84,600	-
Feline- 6	63,920	-
Chewed Gum-6	47,000	-
Real Lava	46,989	-
Phoebe Snow Foundation - TBD	30,376	123,984
Saving Grace -6	25,000	-
Gonzo Girl-6	23,970	-
Jane Doe Project	-	285,000
Lincoln Project	-	57,174
Truffle Hunters	-	52,900
African P&C Project	-	40,645
Other	104,229	134,787
	$ 1,229,784	$ 694,490

Note 8 - Leases

The Center leases office space under an operating lease expiring in 2023.

Future minimum lease payments are as follows:

Years Ending August 31,	Operating Leases
2023	$ 74,081
Total minimum lease payments	$ 74,081

Rent expense for all of the Center's operating leases for the years ended August 31, 2022 and 2021, was $73,703 and $76,501, respectively.

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2022	2021
Subject to Expenditure for Specified Purpose		
Office rent	$ 1,040,883	$ 644,571
Core programming	170,171	94,822
	1,211,054	739,393
Subject to the Passage of Time (proceeds are not restricted by donors)		
Other contributions receivable	51,645	50,735
	51,645	50,735
	$ 1,262,699	$ 790,128

Note 10 - Donated Professional Services, Materials, and Facilities

The Center received donated professional services, materials, and facilities as follows for the year ended August 31, 2022:

	Program Services	Management and General	Fundraising and Development	Total
Event expenses - venue	$ 494	$ 16	$ 1,044	$ 3,495
Other	211	578	137	2,519
Marketing	11,798	326	3,236	66,600
	$ 12,503	$ 920	$ 4,417	$ 72,614

The Center received donated professional services, materials, and facilities as follows for the year ended August 31, 2021:

	Program Services	Management and General	Fundraising and Development	Total
Honoraria	$ 24,750	$ -	$ -	$ 24,750
Other	101	365	49	515
Marketing	27,940	1,095	3,365	32,400
	$ 52,791	$ 1,460	$ 3,414	$ 57,665

Contributed honororia services are provided by specially trained film experts or film celebrities who assist in making film presentations at the Center's film showings or similar activities. Contributed honoraria services are generally used in program services and are recognized at fair value based on current rates for paid honoraria services.

Contributed marketing services are provided by local radio stations or publications who provide publicity for the Center's activities. Contributed marketing services are used in program services and are recognized at fair value based on current rates for similar marketing services.

All gifts-in-kind received during the years ended August 31, 2022 and 2021 were unrestricted.

Note 11 - Related Party Transactions

During the years ended August 31, 2022 and 2021, the Center leased office space from an entity that is affiliated with certain members of the Board of Directors of the Foundation (see Note 8). Rent expense relating to this lease for the years ended August 31, 2022 and 2021, totals $73,703 and $69,800, respectively. The Center's investments totaling $1,040,883 and $644,571 at August 31, 2022 and 2021, respectively, represent equity interests in companies also affiliated with certain members of the Board of Directors of the Foundation.