

# Sundance Institute

---

## FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

*For the Years Ended August 31, 2022 and 2021*



# Sundance Institute

## CONTENTS

	<u>Page</u>
<b>Independent Auditor's Report</b> .....	1
<b>Financial Statements:</b>	
Statements of Financial Position .....	4
Statement of Activities 2022 .....	5
Statement of Activities 2021 .....	6
Statements of Functional Expenses.....	7-8
Statements of Cash Flows .....	9
<b>Notes to Financial Statements</b> .....	10-35



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Sundance Institute

### *Opinion*

We have audited the accompanying financial statements of **Sundance Institute (the "Institute")** (a nonprofit organization), which comprise the statement of financial position as of August 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of August 31, 2022 and 2021, and the changes in 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*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Salt Lake City, Utah  
November 17, 2022

## FINANCIAL STATEMENTS

**Sundance Institute**  
Statements of Financial Position  
August 31, 2022 and 2021

<u>ASSETS</u>	2022	2021
Cash and cash equivalents	\$ 19,434,520	\$ 18,301,330
Investments	28,273,565	32,274,322
Short-term promises to give, net	24,631,747	15,178,948
Accounts receivable, net	7,969	1,287
Prepaid expenses	640,778	1,728,406
Property and equipment, net	2,966,718	2,446,524
Long-term promises to give, net	2,290,237	2,729,466
Other assets	819,797	1,829,877
<b>Total assets</b>	<b>79,065,331</b>	<b>74,490,160</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 5,536,812	\$ 6,090,458
Deferred revenue	1,636,522	1,495,941
Refundable advance from Paycheck Protection Program	-	2,000,000
<b>Total liabilities</b>	<b>\$ 7,173,334</b>	<b>\$ 9,586,399</b>
<b>Without donor restrictions</b>		
Operations	12,308,364	12,231,502
Board designated endowment funds	1,956,844	2,283,304
<b>Total without donor restrictions</b>	<b>\$ 14,265,208</b>	<b>\$ 14,514,806</b>
<b>With donor restrictions</b>		
Operations	19,236,680	9,495,695
Core (General) endowment	9,821,259	11,809,572
Core (Ford) endowment	3,810,874	4,653,458
Theatre (Duke) endowment	6,174,628	7,532,125
Documentary (Engelhard) endowment	2,142,516	2,610,619
Innovation fund	955,679	949,637
Capital campaign	15,485,153	13,337,849
<b>Total with donor restrictions</b>	<b>\$ 57,626,788</b>	<b>\$ 50,388,955</b>
<b>Total net assets</b>	<b>\$ 71,891,997</b>	<b>\$ 64,903,761</b>
<b>Total liabilities and net assets</b>	<b>\$ 79,065,331</b>	<b>\$ 74,490,160</b>

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

**Sundance Institute**  
Statement of Activities  
Year ended August 31, 2022

	2022		
	Without donor restrictions	With donor restrictions	Total
<b>Contribution revenue</b>			
Corporate	\$ 6,547,800	\$ 3,490,941	\$ 10,038,741
Foundation	2,881,402	8,658,347	11,539,749
Individual	7,094,907	1,297,135	8,392,042
Government	7,507,116	7,208,128	14,715,244
Special Events	58,687	-	58,687
Donated nonfinancial assets	2,513,561	-	2,513,561
	<u>\$ 26,603,473</u>	<u>\$ 20,654,550</u>	<u>\$ 47,258,023</u>
<b>Program Revenue</b>			
Box office and admissions	8,538,422	-	8,538,422
Merchandise	44,526	-	44,526
Submission	1,091,402	-	1,091,402
Collab	759,292	-	759,292
Conference	97,674	-	97,674
Contract services	900,000	-	900,000
	<u>\$ 11,431,316</u>	<u>\$ -</u>	<u>\$ 11,431,316</u>
<b>Other revenue, gains and losses</b>			
Interest and dividends	68,624	-	68,624
Rental	89,610	-	89,610
Other	313,986	-	313,986
	<u>\$ 472,220</u>	<u>\$ -</u>	<u>\$ 472,220</u>
Total support, revenue, gains and losses	<u>\$ 38,507,009</u>	<u>\$ 20,654,550</u>	<u>\$ 59,161,559</u>
Net assets released from restrictions	9,515,891	(9,515,891)	-
<b>Total support, revenue, gains and net assets released from restrictions</b>	<u>\$ 48,022,900</u>	<u>\$ 11,138,659</u>	<u>\$ 59,161,559</u>
<b>Expenditures:</b>			
<b>Program expenses:</b>			
Salaries and benefits	15,614,182	-	15,614,182
Operating expenses	17,455,081	-	17,455,081
Donated nonfinancial assets	2,116,431	-	2,116,431
<b>Total program expenses</b>	<u>\$ 35,185,693</u>	<u>\$ -</u>	<u>\$ 35,185,693</u>
<b>Supporting services expenses:</b>			
General and administrative	8,236,303	-	8,236,303
Fundraising	3,182,822	-	3,182,822
Donated services and materials	255,590	-	255,590
<b>Total supporting services</b>	<u>\$ 11,674,715</u>	<u>\$ -</u>	<u>\$ 11,674,715</u>
<b>Total expenses</b>	<u>\$ 46,860,408</u>	<u>\$ -</u>	<u>\$ 46,860,408</u>
<b>Total increase (decrease) in net assets</b>	<u>\$ 1,162,492</u>	<u>\$ 11,138,659</u>	<u>\$ 12,301,151</u>
<b>Non-operating income and (expense)</b>			
Interest and dividends	36,414	522,964	559,378
Realized and unrealized losses on long-term investments	(365,699)	(4,298,753)	(4,664,453)
Impairment of construction in progress	(1,082,805)	-	(1,082,805)
Net assets released from restrictions	149,562	(149,562)	-
Net appreciation in life insurance	-	24,527	24,527
Long-term investment management fees	(149,562)	-	(149,562)
<b>Total non-operating income</b>	<u>\$ (1,412,090)</u>	<u>\$ (3,900,825)</u>	<u>\$ (5,312,914)</u>
<b>Increase (decrease) in net assets</b>	<u>\$ (249,597)</u>	<u>\$ 7,237,834</u>	<u>\$ 6,988,237</u>
<b>Net assets at beginning of year</b>	<u>\$ 14,514,806</u>	<u>\$ 50,388,955</u>	<u>\$ 64,903,761</u>
<b>Net assets at end of year</b>	<u>\$ 14,265,209</u>	<u>\$ 57,626,789</u>	<u>\$ 71,891,998</u>

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

**Sundance Institute**  
Statement of Activities  
Year ended August 31, 2021

	2021		
	Without donor restrictions	With donor restrictions	Total
<b>Contribution revenue</b>			
Corporate	\$ 4,616,525	\$ 2,432,371	\$ 7,048,896
Foundation	3,643,752	1,481,081	5,124,833
Individual	6,094,348	1,332,595	7,426,943
Government	4,340,856	870,393	5,211,249
Special Events	42,610	-	42,610
Less: costs of direct benefit to donors	(1,178)	-	(1,178)
Donated nonfinancial assets	1,135,061	-	1,135,061
	<u>\$ 19,871,974</u>	<u>\$ 6,116,440</u>	<u>\$ 25,988,414</u>
<b>Program Revenue</b>			
Box office and admissions	6,229,708	-	6,229,708
Merchandise	174,019	-	174,019
Submission	1,038,541	-	1,038,541
Collab	793,199	-	793,199
Contract services	100,000	-	100,000
	<u>\$ 8,335,467</u>	<u>\$ -</u>	<u>\$ 8,335,467</u>
<b>Other revenue, gains and losses</b>			
Interest and dividends	23,607	-	23,607
Rental	10,400	-	10,400
Other	196,946	-	196,946
	<u>\$ 230,953</u>	<u>\$ -</u>	<u>\$ 230,953</u>
Total support, revenue, gains and losses	<u>\$ 28,438,394</u>	<u>\$ 6,116,440</u>	<u>\$ 34,554,834</u>
Net assets released from restrictions	13,405,754	(13,405,754)	-
<b>Total support, revenue, gains and net assets released from restrictions</b>	<u>\$ 41,844,148</u>	<u>\$ (7,289,314)</u>	<u>\$ 34,554,834</u>
<b>Expenditures:</b>			
<b>Program expenses:</b>			
Salaries and benefits	14,557,081	-	14,557,081
Operating expenses	14,999,359	-	14,999,359
Donated nonfinancial assets	835,847	-	835,847
<b>Total program expenses</b>	<u>\$ 30,392,287</u>	<u>\$ -</u>	<u>\$ 30,392,287</u>
<b>Supporting services expenses:</b>			
General and administrative	6,185,567	-	6,185,567
Fundraising	3,637,295	-	3,637,295
Donated services and materials	299,215	-	299,215
<b>Total supporting services</b>	<u>\$ 10,122,077</u>	<u>\$ -</u>	<u>\$ 10,122,077</u>
<b>Total expenses</b>	<u>\$ 40,514,364</u>	<u>\$ -</u>	<u>\$ 40,514,364</u>
<b>Total increase (decrease) in net assets</b>	<u>\$ 1,329,784</u>	<u>\$ (7,289,314)</u>	<u>\$ (5,959,530)</u>
<b>Non-operating income and (expense)</b>			
Interest and dividends	36,371	359,682	396,053
Realized and unrealized gains on long-term investments	396,636	4,842,932	5,239,568
Realized losses on fixed assets	(129,092)	-	(129,092)
Net assets released from restrictions	142,423	(142,423)	-
Net appreciation in life insurance	-	23,179	23,179
Long-term investment management fees	(142,423)	-	(142,423)
<b>Total non-operating income</b>	<u>\$ 303,915</u>	<u>\$ 5,083,370</u>	<u>\$ 5,387,285</u>
<b>Increase (decrease) in net assets</b>	<u>\$ 1,633,699</u>	<u>\$ (2,205,944)</u>	<u>\$ (572,245)</u>
<b>Net assets at beginning of year</b>	<u>\$ 12,881,107</u>	<u>\$ 52,594,899</u>	<u>\$ 65,476,006</u>
<b>Net assets at end of year</b>	<u>\$ 14,514,806</u>	<u>\$ 50,388,955</u>	<u>\$ 64,903,761</u>

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



**Sundance Institute**  
Statement of Functional Expenses  
Year ended August 31, 2022

	Program Services	Management and General	Fundraising and Development	Cost of Goods Sold	2022 Total
Salaries and benefits	\$ 13,146,349	\$ 3,190,405	\$ 2,238,789	-	\$ 18,575,543
Payroll taxes	1,005,065	221,872	184,064	-	1,411,001
Employee benefits	1,462,768	381,430	239,366	-	2,083,564
Accounting fees	-	98,833	-	-	98,833
Legal fees	-	78,294	-	-	78,294
Professional services	6,999,006	1,496,767	225,005	-	8,720,778
Grants and other assistance	3,756,618	-	-	-	3,756,618
Advertising and promotion	703,830	190,254	2,208	-	896,293
Occupancy	1,492,444	679,840	113,360	-	2,285,644
Information technology	131,689	1,094,863	-	-	1,226,551
Travel	3,126,076	199,550	55,035	-	3,380,661
Conferences, conventions and meetings	75,846	2,281	4,469	-	82,597
Office expenses	881,382	368,791	9,127	-	1,259,300
Bad debt expense	-	200	50,000	-	50,200
Depreciation and amortization	889,504	201,562	-	-	1,091,066
Interest	19,434	95	-	-	19,529
Insurance	276,816	99,962	7,689	-	384,467
Other	1,218,868	182,276	58,325	-	1,459,469
Cost of goods sold	-	-	-	268,448	268,448
Total expenses by function	35,185,693	8,487,275	3,187,439	268,448	47,128,855
Less expenses included with revenues on the statement of activities					
Cost of goods sold	-	-	-	(268,448)	(268,448)
Total expenses included in the expense section on the statement of activities	<u>\$ 35,185,693</u>	<u>\$ 8,487,275</u>	<u>\$ 3,187,439</u>	<u>-</u>	<u>\$ 46,860,408</u>

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

**Sundance Institute**  
Statement of Functional Expenses  
Year ended August 31, 2021

	Program Services	Management and General	Fundraising and Development	Cost of Goods Sold	2021 Total
Salaries and benefits	\$ 12,293,109	\$ 1,643,131	\$ 2,802,610	-	\$ 16,738,850
Payroll taxes	908,802	120,351	204,868	-	1,234,021
Employee benefits	1,355,170	165,805	273,163	-	1,794,138
Accounting fees	-	83,374	-	-	83,374
Legal fees	-	288,211	-	-	288,211
Professional services	7,286,584	1,374,135	95,421	-	8,756,140
Grants and other assistance	3,893,000	15,000	-	-	3,908,000
Advertising and promotion	473,628	140,984	7,329	-	621,941
Occupancy	1,182,260	750,006	124,726	-	2,056,992
Information technology	467,255	947,136	163	-	1,414,554
Travel	96,514	58,623	6,346	-	161,483
Conferences, conventions and meetings	3,252	-	-	-	3,252
Office expenses	679,683	360,437	19,431	-	1,059,551
Bad debt expense	78,005	50,000	31,650	-	159,655
Depreciation and amortization	680,217	210,904	-	-	891,121
Interest	242	110,000	-	-	110,242
Insurance	232,640	52,732	24,815	-	310,187
Other	761,926	113,685	47,041	-	922,652
Cost of direct benefits to donors	(1,178)	-	-	-	(1,178)
Cost of goods sold	-	-	-	104,590	104,590
<b>Total expenses by function</b>	<b>30,391,109</b>	<b>6,484,514</b>	<b>3,637,563</b>	<b>104,590</b>	<b>40,617,776</b>
Less expenses included with revenues on the statement of activities					
Cost of goods sold	-	-	-	(104,590)	(104,590)
Cost of direct benefits to donors	1,178	-	-	-	1,178
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 30,392,287</b>	<b>\$ 6,484,514</b>	<b>\$ 3,637,563</b>	<b>\$ -</b>	<b>\$ 40,514,364</b>

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

**Sundance Institute**  
Statements of Cash Flows  
Years ended August 31, 2022 and 2021

	2022	2021
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 6,988,237	\$ (572,245)
<b>Adjustment to reconcile change in net assets to cash from operating activities:</b>		
Depreciation and amortization	1,091,066	891,121
Donated stock	(400,500)	(462,395)
Increase in cash value of life insurance policies	(24,527)	(23,179)
(Gain) loss on sale of assets	-	129,092
Impairment of construction in progress	1,082,805	-
Realized and unrealized gain on investments	4,664,453	(5,239,566)
<b>Decrease (increase) in:</b>		
Promises to Give	(9,013,569)	6,667,408
Accounts receivable	(6,682)	7,460
Prepaid expenses	1,112,155	(1,135,647)
Other assets	(72,725)	(32,141)
<b>Increase (decrease) in:</b>		
Accounts payable and accrued expenses	(553,646)	1,882,983
Deferred revenue	140,581	550,548
Refundable advance from PPP	(2,000,000)	(993,400)
<b>Cash flows provided (used) by operating activities</b>	3,007,648	1,670,039
 <b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,611,260)	(748,906)
Purchase of investments	(22,880,468)	(25,243,644)
Proceeds from sale of investments	22,617,270	25,728,527
<b>Cash flows provided (used) by financing activities</b>	(1,874,458)	(264,023)
 <b>Net increase (decrease) in cash and cash equivalents</b>	1,133,190	1,406,016
 <b>Cash and cash equivalents, beginning of period</b>	18,301,330	16,895,314
 <b>Cash and cash equivalents, end of period</b>	\$ 19,434,520	\$ 18,301,330
 <b>Noncash investing and financing activities</b>		
Stock donations	\$ 400,500	\$ 462,395

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

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Sundance Institute (the "Institute") is a Utah not-for-profit corporation organized in 1981 dedicated to the discovery and development of independent artists and audiences. Through its programs, the Institute seeks to discover, support and inspire independent film and media artists from the United States and around the world, and to introduce audiences to their work. The Institute presents its annual Sundance Film Festival and offers a range of artistic development programs that provide creative, financial, and strategic support for independent fiction and nonfiction filmmakers, screenwriters, documentary film makers and independent film producers. The Institute's labs and workshops offer an environment that encourages artists to take the creative risks that often lead to innovation. Leading film professionals serve as creative advisors and support participating artists in realizing their original stories. Infused throughout the organization are the guiding values of creativity, community, freedom of expression, quality, independence, diversity, innovation and authenticity. The Institute seeks to promote film, media arts and artists as a source of fresh, challenging and diverse ideas in society through the following core programs:

**Sundance Film Festival Program**

The 2022 Sundance Film Festival presented 164 films and projects.

The program included 84 feature-length films, representing 28 countries and 39 first-time feature filmmakers. 15 films and projects were supported by the Institute in development, through direct granting or residency Labs. 78 of the Festival's feature films, or 93% of the lineup were world premieres. These films were selected from 14,849 submissions including 3,762 feature-length films. Of the feature film submissions, 1,652 were from the U.S. and 2,110 were international. Of the short film submissions, 4,701 were from the U.S., and 5,673 were international. The short film program represents work from 26 countries.

Of the 84 feature films, 55% were directed by one or more women; 1% were directed by one or more non-binary individuals; 35% were directed by one or more filmmakers who identify as a person of color; 10% by one or more filmmakers who identify as LGBTQ+, and 4% identify as a person with a disability. In the U.S. Dramatic Competition, 60% of the 10 directors identify as women; 50% as a person of color. In the U.S. Documentary Competition, 77% of the 13 directors identify as women; 30% as a person of color, 7% as LGBTQ+ and 23% identify as a person with a disability. In the World Dramatic Competition, 45% of the 11 directors identify as women, 45% identify as a person of color, and 9% identify as LGBTQ+. In the World Documentary Competition 45% of the 11 directors identify as women and 36% as a person of color.

Additionally, the Festival showcased 59 short films, 6 episodics along with 15 New Frontier works.

**Feature Film Program**

The Sundance Institute Feature Film Program (FFP) has championed leading independent filmmakers of the past 40 years whose distinctive films have engaged audiences worldwide. Embracing each artist's unique vision, the program encourages a rigorous, in-depth creative process while focusing on original and deeply resonant storytelling. The Institute's guiding values of risk-taking, community, and freedom of expression have broadened the FFP to include American and international artists in a more meaningful and vibrant dialogue across cultural, political, and geographic boundaries. For years, the program has provided year-round support to the next generation of filmmakers from development through distribution, becoming a global model for supporting artists everywhere.

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

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Nature of Operations (Continued)**

*Documentary Film Program*

The Documentary Film Program provides financial and creative resources to nonfiction filmmakers around the world. Through open applications, the Documentary Fund provides more than two million dollars in nonrecoupable film financing each year, and labs focused on editing and producing support both emerging and experienced makers. DFP-supported artists also receive ongoing strategic and creative support throughout the life cycle of their film.

*Indigenous Program*

Sundance Institute's commitment to supporting Native American artists is woven throughout our history. From labs and fellowships to screenings and gatherings around the world, the Indigenous Program's offerings are designed in response to the specific needs of Native and Indigenous storytellers.

*Catalyst*

Each year, the invitation-only Catalyst Forum introduces prospective financiers to a slate of 10 to 12 top-notch, Sundance Institute-supported documentary and fiction projects seeking financing. Through project presentations, individually scheduled meetings, and informal social gatherings, investors interface directly with filmmakers, top advisors, and Institute program leadership.

*Producers Program*

Recognizing the crucial role that independent producers play in finding, championing, and shaping original voices in filmmaking, the Producers Program supports both fiction and nonfiction producers at all stages of their feature-length projects and their careers—through a year-round continuum of support, including labs, fellowships, intensives, grants, networking events, funding, and educational resource opportunities. Through these activities, producers create community with fellow producers and industry, hone creative skills, gain knowledge of the field, and develop strategies for pitching, producing, financing, and releasing their films.

*Episodic Program*

Over the past six years, we have witnessed an explosion in the opportunities available for writers developing episodic content for cable and online platforms. We have seen audiences and critics embrace the bold vision and complex characters that are thriving in cable drama and comedy. The internet has become both a place to pilot stories for traditional media and to create entertainment content for the growing audience watching on mobile devices.

*Ignite*

Sundance Ignite is a program designed to inspire a new generation of audience members and film artists around the power of storytelling. The program offers individuals ages 18 to 24 the Ignite Ticket Package, an exclusive chance to see the newest films at the Sundance Film Festival and the Sundance Ignite x Adobe Fellowship Program, a competitive and year-round Festival and industry experience.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Nature of Operations (Continued)**

*Outreach & Inclusion*

The Outreach & Inclusion Program builds upon the Institute’s commitment to support and celebrate voices from historically underrepresented communities across all of the Institute’s artistic disciplines. Through our regional sessions and Intensives, the Momentum Fellowship for midcareer artists, and the Launch Grant for first-time feature filmmakers, this program nurtures storytellers from historically marginalized ethnicities, abilities, genders, regions, and orientations in bespoke and customized engagement.

*Women at Sundance*

Women at Sundance is dedicated to creating gender equity in American media and innovating ways for women to succeed as storytellers who shape our cultural landscape. We support women filmmakers to grow and sustain their careers through a yearlong fellowship program, an annual financing intensive, and community events throughout the year. We collaborate in the field to activate systemic change through ReFrame, a project that partners with Women in Film Los Angeles and industry insiders to forge gender parity at every level in film, TV, and media.

**Basis of Presentation**

For external reporting purposes, the Institute prepares its financial statements using the accrual method of accounting and follows U.S. generally accepted accounting principles (“US GAAP”) for not-for-profit organizations and reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Classification of restricted net assets is determined by the nature of any donor-imposed restrictions.

- Without donor restriction net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions.
- With donor restriction net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Institute may spend the funds or require that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

Internally, the accounts of the Institute are maintained in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting purposes into funds established according to their nature and intended use.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

The following self-balancing funds are maintained by the Institute:

*Operating Fund* - is used to account for assets with and without donor restriction, liabilities and resources that are available to support the Institute's operations and programs.

*Core (General) Endowment Fund* - consists of the principal amount of gifts accepted with the donor stipulation or by *Uniform Prudent Management of Institutional Funds Act ("UPMIFA")* that the corpus be maintained intact in perpetuity and that only the income generated from the corpus be expended for operations of the Institute.

*Core (Ford) Endowment Fund* - consists of contributed principal, earnings and matching contributions from individual donors generated through Institute fundraising activities, with a donor stipulation or by UPMIFA that a principal balance of \$1,700,000 be maintained intact in perpetuity. The earnings on the principal balance are available for use in operations.

*Theatre (Duke) Endowment Fund* - consists of contributed principal, earnings and matching contributions from individual donors generated through Institute fundraising activities, with a donor stipulation or by UPMIFA that a principal balance of \$3,000,000 be maintained intact in perpetuity. Earnings on the \$3,000,000 principal must be used for specific artistic programming expenses as defined in the grant agreement.

*Documentary (Engelbard) Endowment Fund* - consists of the principal amount of gifts accepted with the donor stipulation or by UPMIFA that the corpus of \$1,000,000 be maintained in perpetuity and that earnings must be used for the Documentary Film Program.

*Innovation Fund* – consists of contributed principal and earnings from donors with the restriction that the funds must be used to support new initiatives of the Institute.

*Capital Campaign* – consists of principal and earnings from donors with the restriction that the funds be used to support the Institute's campaign efforts to construct a building in Park City, Utah as well as the Institute's endowments.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recent Developments Related to COVID-19**

The World Health Organization declared the recent COVID-19 outbreak to constitute a “Public Health Emergency of International Concern.” The outbreak caused business disruption through mandated and voluntary closings of various industry business operations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of effect of COVID-19. The related financial impact and duration cannot be reasonably estimated at this time.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

**Cash and Cash Equivalents**

The Institute considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents were made up of the following for years ended August 31:

	<u>2022</u>	<u>2021</u>
Cash on deposit	\$ 12,401,994	\$ 9,964,736
Government money market funds	7,015,123	8,286,677
Accrued interest	<u>17,403</u>	<u>49,917</u>
Total	<u>\$ 19,434,520</u>	<u>\$ 18,301,330</u>

**Accounts Receivable**

Accounts receivable are recorded at their estimated realizable value. The Institute determines its allowance by considering a number of factors, including the length of time receivables are past due, the Institute’s previous loss history, the payer’s current ability to pay its obligation to the Institute, and the condition of the general economy and industry as a whole. Based on these factors, the Institute expects all accounts receivable to be collected; therefore, no allowance for uncollectible receivable amounts is recorded as of August 31, 2022 and 2021. An account is written off when it is determined that all collection efforts have been exhausted.

**Promises to Give**

Contributions represent unconditional promises to give that are expected to be collected within one year and are recorded in the period received at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded in the period received at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which promises are received. Discounts on contributions that are measured at present value are amortized as the associated revenue is released. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.



**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Promises to Give (Continued)**

Based on historical experience, the contributor's current ability to pay its obligation to the Institute and the condition of the general economy and industry as a whole, the Institute has created an allowance for unconditional promises to give that it does not expect to be collected. The allowance for uncollectible pledge accounts recorded was \$31,498 and \$31,498 as of August 31, 2022 and August 31, 2021, respectively.

**Property and Equipment**

The Institute capitalizes all expenditures for property and equipment which individually exceed \$5,000. Donated property and equipment is recorded at fair value on the date of donation.

**Depreciation and Amortization**

Depreciation and amortization are computed on the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Useful Lives</u>
Commercial buildings	39 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of useful life or term of the lease
Office equipment	5 years
Production equipment	5 years
Projection equipment	5 years
Software	3 years
Tech equipment	5 years

**Investments**

Investments are initially recorded at their acquisition cost if purchased and at estimated fair value on the date of donation if they were received as a contribution. Subsequent to acquisition, all debt and equity securities are valued and reported at their readily determinable fair market values. Realized and unrealized gains and losses are included in the Statement of Activities.

**Long-lived Assets**

The Institute accounts for long-lived assets in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 360-10-05, *Accounting for the Impairment of Long-Lived Assets*. FASB ASC 360-10-05 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell. No assets are considered to be impaired at August 31, 2022 and 2021.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Construction-in-progress**

In fiscal year 2019, the Institute launched a capital campaign to support the construction of a building in Park City, Utah. Due to COVID-19, the campaign was paused in March 2020. All project costs related to the development of this new facility were capitalized and recorded as part of other assets. In fiscal year 2022, the decision was made to relaunch a capital campaign focusing on the Institute's general endowment and pivoting away from a building. As a result, \$1,082,805 in construction-in-progress was written off as of August 31, 2022.

**Donated Non-Financial Assets**

Donated non-financial assets are reported at their estimated fair value as contributed revenue and expense.

**Deferred Revenue**

Cash receipts related to future exchange transactions are recorded as deferred revenue and are recognized as revenue in the time period in which the exchange occurs.

**Program Revenue**

Ticket sales and other revenue are recorded as operating revenue as services are provided and when earned.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as support with donor restriction that increases those net asset classes. Net assets with donor restriction are reclassified to net assets without donor restriction when a time restriction ends or a purpose restriction is accomplished. If a restriction is fulfilled in the same time period in which the contribution is received, the Institute reports the support as without donor restriction.

**Advertising Costs**

Advertising costs are charged to operations when incurred. Advertising expense was \$714,325 and \$446,263 for the fiscal years ended August 31, 2022 and 2021, respectively. \$402,905 and \$55,350 were provided through in-kind contributions during the fiscal years ended August 31, 2022 and 2021, respectively.

**Functional Allocation of Expenses**

The costs of programs and supporting services have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Institute.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes**

The Institute has received a determination letter from the Internal Revenue Service that it is an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Institute is not subject to federal or state income taxes.

The Institute adopted the provisions of FASB ASC 74-10-25, *Accounting for Uncertainty in Income Taxes* on September 1, 2009. FASB ASC 740-10-25 provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon the adoption of FASB ASC 740-10-25 and in subsequent periods. The Institute analyzed tax positions for all applicable tax jurisdictions for which the statute of limitations remained open for the years ended August 31, 2017 through August 31, 2020 and determined there were no material unrecognized benefits for the related tax jurisdictions since September 1, 2010 and it is not expected there will be a material change in the 12 months following the year ended August 31, 2022.

**Fair Value of Financial Instruments**

The Institute's financial statements, including cash, accounts receivable, accounts payable and accrued liabilities are carried at cost, which approximates their fair value because of the short-term nature of these instruments.

In accordance with the provisions of FASB ASC 820, *Fair Value Measurements*, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Institute uses various valuation approaches. FASB ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Institute. Unobservable inputs are inputs that reflect the Institute's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1-Valuations based on quoted prices in active markets for identical assets or liabilities that the Institute has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2-Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3-Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the transaction.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value of Financial Instruments (Continued)**

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Institute in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Institute's own assumptions are set to reflect those that the Institute believes market participants would use in pricing the asset or liability at the measurement date.

See Note 9 for a description of valuation techniques applied to the major categories of financial instruments measured at fair value.

**New Accounting Pronouncements**

In March 2016, the FASB issued Accounting Standards Update 2016-02, *Leases*, which requires all leases that have a term of more than 12 months to be recognized as assets and liabilities on the balance sheet at inception. This new guidance is effective for fiscal years beginning after December 15, 2021. A lessee would recognize a lease liability to make lease payments owed to a lessor (liability) and a benefit for the right to use the leased asset (asset) for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee would depend on whether the lessee is expected to consume more than an insignificant portion of the economic benefits embedded in the underlying asset. Management has evaluated the impact of the Standard on the organization's financial reporting and is ready to implement in fiscal year 2023.

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure requirements. This new guidance is effective for fiscal years beginning after June 15, 2021. The amendments in this updated guidance require organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Additionally, organizations are required to enhance disclosures by disaggregating the amount of nonfinancial assets recognized within the statement of activities by type of contributed nonfinancial asset and providing additional qualitative information for each disaggregated category. The Organization has adopted this standard in the year ended August 31, 2022 and has applied the guidance retrospectively.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**2. PROMISES TO GIVE**

Promises to give include amounts not yet collected from pledges, grants and contracts that meet the definition of unconditional promises to give. Amounts which will not be collected within one year are recorded at the present value of their estimated future cash flows, using Treasury Yield Curve Rates. The rate is determined by the pledge date, future due date (1 year, 2 year, etc.) and an additional risk discount rate of 0.50%. In fiscal year 2019 the Institute began a multi-year Capital Campaign, which was paused in March 2020 due to COVID-19. Promises to give include \$7,925,433 net Capital Campaign and \$353,670 net Innovation Fund pledges received for the fiscal year ended August 31, 2022 and \$8,459,278 net Capital Campaign and \$548,336 net Innovation Fund pledges for the fiscal year ending August 31, 2021.

Information related to promises to give as of August 31, is as follows:

	2022	2021
Included in current promises to give are the following:		
Promises to give	\$ 24,663,244	\$ 15,210,446
Less allowance	(31,498)	(31,498)
Net current promises to give	24,631,747	15,178,948
Included in noncurrent promises to give are the following:		
Promises to give	\$ 3,580,000	\$ 3,875,000
Less discount	(1,289,763)	(1,145,534)
Net noncurrent promises to give	\$ 2,290,237	\$ 2,729,466
Amounts due in:		
Less than one year	\$ 16,853,244	\$ 11,620,195
One to five years	11,390,000	7,465,251
Less allowance	(31,498)	(31,498)
Less discount	(1,289,763)	(1,145,534)
	\$ 26,921,984	\$ 17,908,414

**3. CONDITIONAL PLEDGES**

Park City Municipal Corporation has a long-term Master Festival License Agreement allowing the Institute to produce the annual Sundance Film Festival in Park City. The agreement expires in 2026 with an automatic renewal of an additional 1 year.

In July 2019 the Institute received a \$3 million irrevocable bequest as part of its Capital Campaign from a donor that upon future receipt will be used to establish a new endowment fund for the support of female artists.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**3. CONDITIONAL PLEDGES (Continued)**

In 2019 the Institute received two pledges that are conditional upon the amounts raised for the Capital Campaign. A donor pledged \$2.5 million over five years, and as of August 31, 2020 the net outstanding balance of this pledge was \$500,000. Another donor pledged \$5 million over ten years, and as of August 31, 2020 the net outstanding balance of this pledge was \$3,000,000.

In 2020 the Institute received a pledge that is conditional upon matching funds being raised relating to the Documentary Film Program. The pledge was for a total of \$5 million over 5 years. The Institute has met the matching fund requirement as of August 31, 2022.

**4. DONATED NON-FINANCIAL ASSETS**

The Institute has an extensive system in place to track and to record the financial impact of support from donated non-financial assets. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Institute recognizes non-financial asset contribution revenue and related corresponding expense in an amount approximating the estimated fair value at the time of the donation.

Donated non-financial assets were contributed to support specific programs for the year ended August 31, as follows:

	2022 Estimated fair value	2021 Estimated fair value
	<u>                    </u>	<u>                    </u>
Program		
Film Festival	\$ 888,383	\$ 500,706
Feature Film	462,194	63,500
General and Administrative	392,512	298,947
Documentary	34,142	-
Indigenous	12,135	6,000
Advancement	4,617	268
Other	719,577	265,641
	<u>                    </u>	<u>                    </u>
Total donated services and materials	<u>\$ 2,513,561</u>	<u>\$ 1,135,062</u>

Donated non-financial assets by program and type for the year ended August 31, 2022 is as follows:

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**4. DONATED NON-FINANCIAL ASSETS (Continued)**

Program	FY22						Total
	Donated Advertising	Donated Equipment	Donated Goods	Donated Services	Donated Space	Donated Travel	
General and Administrative	\$ 35,300	\$ 141,540	\$ -	\$ 145,335	\$ -	\$ 70,338	\$ 392,512
Fundraising	-	-	-	-	3,500	1,117	4,617
Film Festival	365,991	17,658	213,046	496,491	-	93,796	1,186,983
Feature Film	-	294,334	5,412	104,598	-	57,850	462,194
Indigenous	-	-	-	7,170	-	4,965	12,135
Interdisciplinary	-	-	-	17,300	7,000	68,239	92,539
Outreach & Inclusion	-	-	-	15,200	-	5,412	20,612
Documentary	-	-	1,241	17,700	-	15,201	34,142
Producing	1,546	-	31,903	17,870	-	32,195	83,514
Episodic	-	-	-	34,500	-	5,330	39,830
Public Programming	-	-	-	7,824	12,600	-	20,424
Digital	-	10,381	-	153,677	-	-	164,058
	<u>\$ 402,837</u>	<u>\$ 463,913</u>	<u>\$ 251,602</u>	<u>\$ 1,017,665</u>	<u>\$ 23,100</u>	<u>\$ 354,443</u>	<u>\$ 2,513,561</u>

Donated advertising is estimated at the value that would need to be purchased if they were not donated. Donated equipment is valued at 1/5 of the purchase price, or approximately 1 year of fair value on the date of receipt. Donated goods are valued at the wholesale price that would be received for selling similar products. All donated services were utilized by the Institute's programs and supporting services. Services are estimated at the value that would need to be purchased if they were not donated. There were no donor-imposed restrictions associated with the donated services. Donated space is valued at the fair value of similar properties available in commercial real estate listings

Donated non-financial assets by program and type for the year ended August 31, 2021 was as follows:

Program	FY21						Total
	Donated Advertising	Donated Equipment	Donated Goods	Donated Services	Donated Space	Donated Travel	
General and Administrative	\$ 33,750	\$ -	\$ 25,117	\$ 239,380	\$ -	\$ 700	\$ 298,947
Fundraising	-	-	-	-	-	268	268
Film Festival	21,398	-	49,005	429,903	-	400	500,706
Feature Film	-	-	-	63,500	-	-	63,500
Indigenous	-	-	-	6,000	-	-	6,000
Interdisciplinary	-	-	-	13,500	-	-	13,500
Outreach & Inclusion	-	-	-	3,000	-	-	3,000
Creative Producing	-	-	-	22,676	-	-	22,676
Episodic	-	-	-	26,700	-	-	26,700
Public Programming	-	-	-	17,498	5,000	-	22,498
Digital	-	-	74,200	103,067	-	-	177,267
	<u>\$ 55,148</u>	<u>\$ -</u>	<u>\$ 148,321</u>	<u>\$ 925,224</u>	<u>\$ 5,000</u>	<u>\$ 1,368</u>	<u>\$ 1,135,061</u>

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**5. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2022	2021
Cash and short-term investments	\$ 16,619,077	17,922,323
Accounts receivable	7,969	1,287
Short-term promises to give, net	3,252,113	703,702
Total financial assets	19,879,160	18,627,312
<i>Endowment Fund:</i>		
Board budgeted draw in following FY from endowment assets	1,135,000	1,135,000
Financial assets available to meet general expenditures within the next twelve months	\$ 21,014,160	19,762,312

The financial assets available to meet general expenditures within the next twelve months represents 42% of the operating budget for fiscal year 2023. The remaining portion of the budget will be provided by the net assets with donor restrictions already held by the Institute that are estimated to be released from assets with donor restrictions and additional unrestricted donations in fiscal year 2023. Each fiscal year the Institute's endowment draw is approved by the board as part of the budgeting process and was \$1,135,000 and \$1,110,000 for the years ended August 31, 2022 and 2021, respectively. The Institute's actual endowment draws were \$750,000 and \$750,000 for the years ended August 31, 2022 and 2021, respectively. As part of the Institute's liquidity management plan, it invests cash in excess of monthly operating requirements in short-term investments. The Institute has a \$3.5 million line of credit available for its short term needs with a maturity date of January 31, 2023. This line of credit had a zero balance as of August 31, 2022 and 2021.

The Institute's annual endowment draw is approved by the Finance Committee and is targeted to not exceed 5% in a given year, computed using the lesser of a three year rolling average or a 12 month value with the same effective ending date.

In fiscal year 2019 the Institute launched a Capital Campaign to support the construction of a building in Park City, Utah and its endowment funds. Due to COVID-19 this campaign was paused in March 2020.

**6. PROPERTY AND EQUIPMENT, NET**

Depreciation and amortization expense was \$1,091,066 and \$891,121 for the years ended August 31, 2022 and 2021, respectively.



**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**6. PROPERTY AND EQUIPMENT, NET (Continued)**

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 1,727,104	\$ 1,853,302
Office equipment	50,315	136,614
Furniture & Fixtures	5,215	5,216
Production equipment	1,021,205	1,027,704
Projection equipment	2,069,848	2,069,848
Software	2,976,193	1,523,363
Tech equipment	<u>402,072</u>	<u>271,513</u>
Total property and equipment	8,251,953	6,887,560
Accumulated depreciation and amortization	<u>(5,285,235)</u>	<u>(4,441,036)</u>
Net property and equipment	<u>\$ 2,966,718</u>	<u>\$ 2,446,524</u>

**7. OTHER ASSETS**

Other assets consist of the following at August 31:

	<u>2022</u>	<u>2021</u>
Deposits	\$ 144,257	\$ 125,324
Work of art	125,000	125,000
Merchandise inventory	44,356	15,090
Cash surrender value of donated life insurance policies	506,184	481,658
Construction in process	-	1,082,805
Total other assets	<u>\$ 819,797</u>	<u>\$ 1,829,877</u>

The Institute General Endowment Fund is named as the sole beneficiary on the donated life insurance policies.

**8. INVESTMENTS**

Investments consist of the following at August 31:

	<u>2022</u>	<u>2021</u>
Fixed income securities	\$ 5,216,386	\$ 4,554,569
Mutual funds – bonds	1,736,201	7,524,931
Mutual funds – equities	5,895,963	12,177,199
Exchange traded funds	5,800,002	-
Alternative investments	9,625,013	8,017,623
Total Investments	<u>\$ 28,273,565</u>	<u>\$ 32,274,322</u>

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**8. INVESTMENTS (Continued)**

Investment returns for the year ended August 31, 2022 are summarized as follows:

	Without donor restrictions	With donor restrictions	Total
Interest and dividends	\$ 105,038	\$ 522,964	\$ 628,002
Realized and unrealized gains	(365,699)	(4,298,753)	(4,664,453)
Total investment return	(260,661)	(3,775,790)	(4,036,451)
Less: Management fees	(149,562)	-	(149,562)
Non-operating investment return	<u>\$ (410,223)</u>	<u>\$ (3,775,790)</u>	<u>\$ (4,186,013)</u>

Investment returns for the year ended August 31, 2021 are summarized as follows:

	Without donor restrictions	With donor restrictions	Total
Interest and dividends	\$ 59,978	\$ 359,682	\$ 419,660
Realized and unrealized gains	396,636	4,842,932	5,239,568
Total investment return	456,614	5,202,614	5,659,228
Less: Management fees	(142,423)	-	(142,423)
Non-operating investment return	<u>\$ 314,191</u>	<u>\$ 5,202,614</u>	<u>\$ 5,516,805</u>

Interest income on cash and cash equivalents and short-term investments is included in operating activities in the Statement of Activities as those instruments are used for the Institute's daily cash management activities. All other investment returns are considered non-operating.

**9. FAIR VALUE MEASUREMENTS**

The following fair value hierarchy table presents information about the Institute's assets and liabilities measured at fair value on a recurring basis as of August 31, 2022. See Note 1 for a discussion of the Institute's policies regarding this fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Recurring Basis as of August 31, 2022 are as follows:

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**9. FAIR VALUE MEASUREMENTS (Continued)**

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of August 31, 2022
Cash equivalents	\$ 7,015,123	\$ -	\$ -	7,015,123
Fixed income securities	5,216,386	-	-	5,216,386
Mutual funds – bonds	1,736,201	-	-	1,736,201
Mutual funds – equities	5,895,963	-	-	5,895,963
Exchange traded funds	5,800,002	-	-	5,800,002
Alternative investment	-	-	9,625,013	9,625,013
Total	<u>\$ 25,663,675</u>	<u>\$ -</u>	<u>\$ 9,625,013</u>	<u>35,288,688</u>

Assets and Liabilities Measured at Fair Value on a Recurring Basis as of August 31, 2021 are as follows:

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of August 31, 2021
Cash equivalents	\$ 8,286,676	\$ -	\$ -	\$ 8,286,676
Fixed income securities	4,554,569	-	-	4,554,569
Mutual funds – bonds	7,524,931	-	-	7,524,931
Mutual funds – equities	12,177,199	-	-	12,177,199
Alternative investment	-	-	8,017,623	8,017,623
Total	<u>\$ 32,543,375</u>	<u>\$ -</u>	<u>\$ 8,017,623</u>	<u>\$ 40,560,998</u>

The Company invests in the SCS Financial managed hedge funds Absolute Return Strategies - Offshore, Ltd., Hedged Equity - Offshore, Ltd., Multi-Sector Credit Offshore, Ltd., Indus Select Fund, Ltd., Alatus Inflections Long Only, Private Equity VII Offshore, LP and Private Equity VIII Offshore, LP. Management considers these funds to be Level 3 trading security investment and invests in these funds for maximization of investment returns. The Funds invest in other private placement funds that are in both long and short non-publicly traded positions.

The changes in the recorded amount of the investment for the years ended August 31, 2022 and 2021 are summarized as follows:

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**9. FAIR VALUE MEASUREMENTS (Continued)**

	2022	2021
Balance, beginning of year	\$ 8,017,623	\$ 7,530,216
Sales	(1,194,437)	(1,509,864)
Purchases	3,959,256	471,211
Unrealized gain	(1,157,429)	1,526,060
Balance, end of year	\$ 9,625,013	\$ 8,017,623

The Institute used the following methods and significant assumptions to estimate fair value of assets recorded at fair value:

Cash equivalents and fixed income securities consist of commercial paper, corporate bonds, and municipal bonds. These securities are valued using either an accretion model or the weighted average price from inputs from a variety of industry standard data providers, security master files from financial institutions, and other third-party sources.

Mutual funds consist of publicly traded money market, bond, and equity funds valued using identical securities traded in the open market.

The valuation of alternative investments is based on the value of the funds underlying investments as reported by the broker which are audited annually.

The Institute’s policy is to record transfers of assets and liabilities between Level 1 and Level 2 at their fair value as of the end of each reporting period, consistent with the date of the determination of fair value. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period. Assets are transferred from Level 2 to Level 1 when transactions volume and frequency are indicative of an active market. During the year ended August 31, 2022, there were no transfers of certain assets from Level 2 to Level 1. Conversely, assets are transferred from Level 1 to Level 2 when assets are no longer transacted with sufficient frequency and volume in an active market. The Institute had no transfers from Level 1 to Level 2 during the year ended August 31, 2022.

**10. LINE OF CREDIT AND LETTER OF CREDIT**

On December 24, 2020, the Institute renewed a \$3.5 million unsecured, revolving credit facility (the “Credit Facility”) with a term of two years that will expire on January 31, 2023 with Zions Bank. The Credit Facility may be used to provide for the Institute’s ongoing general corporate working capital requirements. Revolving credit loan bears interest under the Credit Facility at the 90-day LIBOR Rate (as defined in the Credit Facility) plus 3.0%. In addition, the Credit Facility contains restrictive covenants relating to the Institute’s management and the operation of the Institute’s business. These covenants, among other things, limit or restrict the Institute’s ability to grant liens on its assets, incur additional indebtedness, enter into transactions to merge or consolidate with another entity. As of August 31, 2022, there were no drawdowns on the loan.

On August 1, 2022, the Institute renewed a \$66,522 irrevocable and unconditional standby letter of credit which serves as the security deposit for the New York office. This instrument renews annually.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**11. PAYCHECK PROTECTION PROGRAM**

On April 7, 2020, the Institute obtained a federal Paycheck Protection Program (PPP) loan for \$2,993,400. The Company subsequently requested and received an additional \$2,000,000 from the Second Draw PPP Loan Program on March 16, 2021. The PPP was created by the federal government in response to economic repercussions of the spread of COVID-19. PPP loans are forgiven if loan recipients: 1) Spend loan proceeds within 24 weeks on eligible expenses and 2) Spend a minimum of 60% of loan proceeds on payroll costs. The Institute followed these guidelines and received forgiveness of the first-draw loan in 2021 and the second-draw loan in 2022.

In accordance with ASC 985-605, *Not-for-Profit Entities*, the Institute recognized contribution revenue when the balances were forgiven in 2021 and 2022 respectively.

**12. COMMITMENTS**

The Institute leases office space under non-cancellable operating leases that contain terms where the monthly payment increases over the lease term and contain certain renewal options. The deferred rent liability arising from escalating lease terms is amortized over the lease term. At August 31, 2022 and 2021, the deferred rent liability (which is included with accrued expenses on the Statement of Financial Position) was \$566,708 and \$236,168, respectively. The Institute also has various non-cancellable Film Festival venue rental agreements. In addition, the Institute also rents various venues and equipment for programs on an annual basis. Total rent expense was \$2,286,935 and \$2,027,571 for the fiscal years ended August 31, 2022 and 2021, respectively:

Future commitments as of August 31, 2022 are as follows:

Years Ending August 31,	Office Space	Film Festival	Total
2023	\$ 554,903	\$ 704,331	\$ 1,259,234
2024	429,710	701,112	1,130,822
2025	-	429,624	429,624
2026	-	-	-
2027	-	-	-
Later years	-	-	-
	<u>\$ 984,613</u>	<u>\$ 1,835,067</u>	<u>\$ 2,819,680</u>

Other commitments include employment contracts the Institute has entered into with key executives before August 31, 2022. The first provides for one time relocation expenses of \$25,000 and legal fees of \$25,000, an annual housing allowance of up to \$50,000 to be grossed up for applicable income tax, an additional 4% discretionary contribution to the Institute's 401k plan and a severance payment of one-year annual salary if terminated before October 30, 2024. The second agreement provides a severance payment of one-year annual salary plus an additional \$100,000 and three months of COBRA if employment is terminated before February 15, 2024.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**13. PROGRAM EXPENSES**

Program expenses for the years ended August 31, are summarized as follows:

	<u>2022</u>	<u>2021</u>
Film Festival	\$ 14,178,275	\$ 11,308,078
Digital Festival	3,733,681	2,908,617
Feature Film	2,558,880	1,627,939
Documentary	4,406,798	3,808,352
Indigenous	666,244	809,688
Outreach & Inclusion	2,003,457	2,511,664
Producers Program	1,573,289	1,261,095
Episodic Program	675,344	580,142
Public Programming	1,292,978	713,218
Digital	3,036,663	3,019,359
Impact & Engagement	-	708,591
Interdisciplinary	1,060,084	1,135,543
	<u>35,185,693</u>	<u>30,392,287</u>
Total program expenses	\$ <u>35,185,693</u>	\$ <u>30,392,287</u>

**14. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions represent contributions received which are either time or purpose restricted. The following is a schedule of net assets with donor restrictions as of August 31:

	<u>2022</u>	<u>2021</u>
Time restricted pledges	\$ 3,819,394	\$ 3,045,330
Restricted endowment funds	21,949,277	26,605,773
Innovation funds	955,679	949,637
Capital campaign	15,485,153	13,337,849
Film festival	7,016,741	2,520,991
Feature film	1,286,742	346,992
Outreach & Inclusion	1,494,600	765,655
Documentary	5,619,204	2,816,728
	<u>57,626,788</u>	<u>50,388,955</u>
Total with donor restricted net assets	\$ <u>57,626,788</u>	\$ <u>50,388,955</u>

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**15. EMPLOYEE BENEFIT PLANS**

The Institute has adopted a qualified profit sharing plan under Section 401(k) of the Internal Revenue Code for the benefit of its employees. The plan allows eligible employees to contribute up to 100% of their compensation subject to limits determined by the Internal Revenue Service. Employees can contribute to the plan after three months of service. The Institute makes a committed safe harbor contribution and a discretionary percentage contribution to eligible staff with one year of service and a minimum of 1,000 hours. Effective September 1, 2021, the Institute terminated the discretionary percentage contribution. The amount is determined as part of the overall budget process which is ultimately approved by the Board of Trustees. During the years ended August 31, 2022 and 2021, the Institute contributed \$361,006 and \$404,023, respectively, to the plan.

**16. RELATED PARTY TRANSACTIONS**

Included in promises to give, receivables, and payables are amounts due from related parties for transactions which relate to program activities.

Sundance Partners

Sundance Partners provides catering and lodging at the Sundance Resort during the Institute's program activities. Expenses related to these services were \$0 and \$16,974 for the years ended August 31, 2022 and 2021 respectively. Mr. Redford held significant influence of Sundance Partners, including the Sundance Mountain Resort, until it was sold to an unrelated party in December 2020.

SundanceTV

In March 2022, AMC Networks on behalf of SundanceTV signed a two-year Film Festival Presenting Sponsor and Episodic Program Agreement, with the option to renew for an additional one year term or more with the same terms. The annual scheduled payment was \$560,000 for 2022. The pledge receivable balance for this agreement was \$585,000 and \$0 as of August 31, 2022 and 2021, respectively.

Mr. Redford is the Creative Director for AMC Networks, the owner of SundanceTV. While he sold his financial interest in 2008, it has been assumed for these purposes that his creative role has enough significant control to qualify as a related party.

Kenneth Cole Productions

In January 2021 Kenneth Cole Productions made an in-kind donation of staff and volunteer jackets (2022) and long sleeved shirts (2021) valued at \$198,700 and \$7,711 for the years ended August 31, 2022 and 2021 respectively. Kenneth Cole is a trustee of the Institute.

Board of Trustees

The Institute received contributions of \$1,572,153 and \$1,431,154 from members of the Institute's Board of Trustees (the Board) for the years ended August 31, 2022 and 2021, respectively. Outstanding net pledges receivable from board members were \$7,436,468 and \$8,321,379 as of August 31, 2022 and 2021, respectively.

Members of the Institute's Board may, from time to time, be associated, either directly or indirectly, with companies doing business with the Institute. There are written conflict of interest policies for the Institute that require, among other things, that a member of a governing board must disclose the existence and nature of his or her financial interest in any proposed transaction or compensation arrangement to the Board. Disinterested members shall exercise due diligence in investigating the proposed transaction or arrangement including investigating possible alternatives.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**16. RELATED PARTY TRANSACTIONS (Continued)**

Disinterested members shall determine, by majority vote, whether the transaction or arrangement is in the Institute's best interest and for its own benefit, and whether the transaction is fair and reasonable to the Institute and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination. This process is overseen by the Audit Committee of the Board.

**17. CONCENTRATION OF CREDIT AND MARKET RISK**

The Institute maintains its cash balances in bank accounts, which at times may exceed their federally insured limits of \$250,000 set by the Federal Deposit Insurance Corporation (FDIC). The Institute has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk on these balances.

The Institute also maintains accounts with stock brokerage firms. The accounts contain cash, securities and other investments. The Institute's investments in securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with these investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

The Institute's promises to give include amounts due from three large donors comprising 41% and 42% of total promises to give at August 31, 2022 and 2021, respectively.

**18. ENDOWMENT**

The Institute's endowment includes donor-restricted endowments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

*Interpretation of relevant law* - The Board of Trustees of the Institute has interpreted the *Uniform Prudent Management of Institutional Funds Act ("UPMIFA")* as adopted by the State of Utah as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary.



**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**18. ENDOWMENT (Continued)**

As a result of this interpretation, the Institute classifies as donor restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is classified as net assets with donor restrictions until those amounts are expended by the Institute in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Institute and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Institute
- (7) The investment policies of the Institute

Endowment net asset composition by type of fund as of August 31, 2022:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted:			
Core (General)	\$ -	\$ 9,821,259	\$ 9,821,259
Core (Ford)	-	3,810,874	3,810,874
Theatre (Duke)	-	6,174,628	6,174,628
Documentary (Engelhard)	-	2,142,516	2,142,516
	-	21,949,277	21,949,277
Board-designated endowment funds	1,956,844	-	1,956,844
Total endowment net assets	\$ 1,956,844	\$ 21,949,277	\$ 23,906,121

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**18. ENDOWMENT (Continued)**

Changes in endowment net assets for the fiscal year ended August 31, 2022:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 2,283,304	26,605,774	\$ 28,889,078
Investment income	36,071	522,964	559,035
Net appreciation (realized and unrealized)	(346,366)	(4,298,753)	(4,645,119)
Contributions and net appreciation in life insurance	-	24,527	24,527
Appropriation of endowment assets for expenditures	<u>(16,165)</u>	<u>(905,236)</u>	<u>(921,401)</u>
Endowment net assets, end of year	<u>\$ 1,956,844</u>	<u>\$ 21,949,276</u>	<u>\$ 23,906,120</u>

Endowment net asset composition by type of fund as of August 31, 2021:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted:			
Core (General)	\$ -	\$ 11,809,572	\$ 11,809,572
Core (Ford)	-	4,653,458	4,653,458
Theatre (Duke)	-	7,532,125	7,532,125
Documentary (Engelhard)	<u>-</u>	<u>2,610,619</u>	<u>2,610,619</u>
	-	26,605,774	26,605,774
Board-designated endowment funds	<u>2,283,304</u>	<u>-</u>	<u>2,283,304</u>
Total endowment net assets	<u>\$ 2,283,304</u>	<u>\$ 26,605,774</u>	<u>\$ 28,889,078</u>

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**18. ENDOWMENT (Continued)**

Changes in endowment net assets for the fiscal year ended August 31, 2021:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,875,604	\$ 22,272,549	\$ 24,148,153
Investment income	31,999	359,682	391,681
Net appreciation (realized and unrealized)	384,573	4,842,932	5,227,505
Contributions and net appreciation in life insurance	-	23,179	23,179
Appropriation of endowment assets for expenditures	<u>(8,872)</u>	<u>(892,568)</u>	<u>(901,440)</u>
Endowment net assets, end of year	<u>\$ 2,283,304</u>	<u>\$ 26,605,774</u>	<u>\$ 28,889,078</u>

Description of amounts classified as net assets with donor restrictions are as follows:

	<u>2022</u>	<u>2021</u>
The portion of perpetual endowment funds that is The portion of perpetual endowment funds subject to a time restriction under UPMIFA:	\$ 10,607,353	\$ 10,582,826
Without purpose restrictions	7,024,779	9,880,204
With purpose restrictions	<u>4,317,144</u>	<u>6,142,744</u>
Total endowment funds with donor restrictions	<u>\$ 21,949,276</u>	<u>\$ 26,605,774</u>

***Funds with deficiencies*** - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Institute to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets without donor restrictions. As of August 31, 2022 and 2021, there were no deficiencies.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**18. ENDOWMENT (Continued)**

***Return objectives and risk parameters*** - The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor specified period(s) as well as Board-designated funds.

Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the benchmarked indexes weighted in accordance with the target asset allocation while assuming a moderate level of investment risk. The Institute expects its endowment funds, over time, to grow at an average range of at least 2 to 5 percent annually. Actual returns in any given year may vary from this amount. Each fiscal year the Institute's endowment draw is approved by the board as part of the budgeting process and was \$1,135,000 and \$1,110,000 for the years ended August 31, 2022 and 2021, respectively. The Institute's actual endowment draws were \$750,000 and \$750,000 for the years ended August 31, 2022 and 2021, respectively.

***Strategies employed for achieving objectives*** - To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

***Spending policy and how the investment objective relate to spending policy*** - The Institute has the option of appropriating for distribution each year up to 5 percent of its endowment fund's average fair value over the lesser of a three year rolling average or a 12 month value with the same effective ending date. In establishing this policy, the Institute and its Finance Committee considered the long-term expected return on its endowment. Accordingly, over the long term, the Institute and Finance Committee expects the current spending policy to allow its endowment to grow at an average range of at least 2 to 5 percent annually. This is consistent with the objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**19. RESTRICTED ASSETS**

The following table presents the nature of cash, cash equivalents, and investments as either with donor restrictions or without donor restrictions.

**Sundance Institute**  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2022 and 2021

**19. RESTRICTED ASSETS (Continued)**

	2022	2021
Cash and Cash Equivalents		
Cash without restrictions	\$ 11,465,023	\$ 13,373,686
Cash with donor restrictions	7,969,497	4,927,644
Total Cash and Cash Equivalents	\$ 19,434,520	\$ 18,301,330
Investments		
General Endowment	\$ 17,902,457	\$ 25,404,956
Other	8,470,684	4,624,488
Capital Campaign	-	-
Quasi Endowment	1,900,424	2,244,878
Total Investments	28,273,565	32,274,322
Total Cash, Cash Equivalents and Investments	\$ 47,708,085	\$ 50,575,652

**20. SUBSEQUENT EVENTS**

Management has evaluated subsequent events for the period after August 31, 2022 through November 17, 2022, the date the financial statements were available to be issued. No other subsequent events were noted that would warrant additional disclosures.