

JACOB BURNS FILM CENTER, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024



LUTZ AND GARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jacob Burns Film Center, Inc.

Opinion

We have audited the accompanying financial statements of Jacob Burns Film Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jacob Burns Film Center, Inc. as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 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 Jacob Burns Film Center, Inc.'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 Jacob Burns Film Center, Inc.'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.

Lutz + Carr, LLP

New York, New York
January 26, 2026

JACOB BURNS FILM CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 1,091,680	\$ 773,258
Contributions receivable, net	390,600	314,050
Employee Retention Tax Credit receivable	95,297	310,431
Notes receivable and accrued interest	533,330	584,116
Prepaid expenses and other assets	139,566	152,545
Investments - endowment funds	35,680,858	33,738,212
Property and equipment, net	18,792,701	19,598,983
Total Assets	\$56,724,032	\$55,471,595
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 575,140	\$ 446,040
Deferred revenue	539,415	474,138
Mortgage note payable, net	4,378,556	4,589,225
Total Liabilities	5,493,111	5,509,403
Commitments and Contingency (Notes 8, 11, 12 and 15)		
Net Assets		
Without donor restrictions	14,733,634	15,346,118
With donor restrictions	36,497,287	34,616,074
Total Net Assets	51,230,921	49,962,192
Total Liabilities and Net Assets	\$56,724,032	\$55,471,595

See notes to financial statements.

JACOB BURNS FILM CENTER, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Contributions	\$ 2,089,116	\$ 338,700	\$ 2,427,816	\$ 2,085,926	\$ 883,440	\$ 2,969,366
Donated goods and services	49,612	-	49,612	69,746	-	69,746
Fundraising benefit, net of direct expenses of \$62,705 (2025) and \$54,723 (2024)	492,045	-	492,045	469,146	-	469,146
Ticket sales	2,158,972	-	2,158,972	1,859,384	-	1,859,384
Membership sales	827,378	-	827,378	699,496	-	699,496
Film series income	73,800	-	73,800	74,065	-	74,065
Concession sales, net of concession costs of \$211,902 (2025) and \$188,200 (2024)	376,780	-	376,780	275,014	-	275,014
Education program revenue	235,623	-	235,623	150,720	-	150,720
Facilities licenses	28,704	-	28,704	30,735	-	30,735
Net investment income	61,491	3,398,612	3,460,103	51,321	6,489,134	6,540,455
Other income	142,810	-	142,810	70,257	-	70,257
	<u>6,536,331</u>	<u>3,737,312</u>	<u>10,273,643</u>	<u>5,835,810</u>	<u>7,372,574</u>	<u>13,208,384</u>
Net assets released from restrictions	400,133	(400,133)	-	227,361	(227,361)	-
Investment income appropriated to operations	1,455,966	(1,455,966)	-	1,071,315	(1,071,315)	-
	<u>8,392,430</u>	<u>1,881,213</u>	<u>10,273,643</u>	<u>7,134,486</u>	<u>6,073,898</u>	<u>13,208,384</u>
Total Revenues, Gains and Other Support						
Expenses						
Program Services						
Theater	5,041,869	-	5,041,869	4,634,106	-	4,634,106
Education	1,554,779	-	1,554,779	1,299,267	-	1,299,267
Artists Support	234,443	-	234,443	213,947	-	213,947
Total Program Services	<u>6,831,091</u>	<u>-</u>	<u>6,831,091</u>	<u>6,147,320</u>	<u>-</u>	<u>6,147,320</u>
Supporting Services						
Management and general	1,087,612	-	1,087,612	1,109,677	-	1,109,677
Fundraising	1,086,211	-	1,086,211	923,959	-	923,959
Total Supporting Services	<u>2,173,823</u>	<u>-</u>	<u>2,173,823</u>	<u>2,033,636</u>	<u>-</u>	<u>2,033,636</u>
Total Expenses	<u>9,004,914</u>	<u>-</u>	<u>9,004,914</u>	<u>8,180,956</u>	<u>-</u>	<u>8,180,956</u>
Increase (decrease) in net assets	(612,484)	1,881,213	1,268,729	(1,046,470)	6,073,898	5,027,428
Net assets, beginning of year	<u>15,346,118</u>	<u>34,616,074</u>	<u>49,962,192</u>	<u>16,392,588</u>	<u>28,542,176</u>	<u>44,934,764</u>
Net Assets, End of Year	<u>\$14,733,634</u>	<u>\$36,497,287</u>	<u>\$51,230,921</u>	<u>\$15,346,118</u>	<u>\$34,616,074</u>	<u>\$49,962,192</u>

See notes to financial statements.

JACOB BURNS FILM CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2025

	<u>Program Services</u>				<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Theater</u>	<u>Education</u>	<u>Artists Support</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Salaries, benefits and payroll taxes	\$2,191,146	\$ 680,824	\$ 74,810	\$2,946,780	\$ 740,639	\$ 727,769	\$1,468,408	\$4,415,188
Programming and screening	1,140,322	147,425	24,384	1,312,131	-	-	-	1,312,131
Rental and maintenance of equipment	133,431	24,383	1,667	159,481	5,579	10,733	16,312	175,793
Promotion	27,786	1,682	232	29,700	1,395	36,861	38,256	67,956
Marketing/advertising	57,982	3,585	165	61,732	986	1,348	2,334	64,066
Other operating expenses	156,268	7,225	1,394	164,887	29,091	20,991	50,082	214,969
Printing and publications	24,005	4,700	49	28,754	292	4,028	4,320	33,074
Occupancy	308,071	129,399	14,922	452,392	12,109	12,860	24,969	477,361
Postage and shipping	41,867	80	11	41,958	66	9,283	9,349	51,307
Supplies	54,907	7,444	367	62,718	1,564	5,872	7,436	70,154
Professional and consulting fees	230,740	31,860	29,500	292,100	257,259	154,309	411,568	703,668
Insurance	81,299	58,150	7,167	146,616	3,659	4,988	8,647	155,263
Indirect benefit expenses	-	-	-	-	-	49,696	49,696	49,696
Interest and other financing costs	35,739	198,552	2,421	236,712	14,441	19,550	33,991	270,703
Total expenses before depreciation	4,483,563	1,295,309	157,089	5,935,961	1,067,080	1,058,288	2,125,368	8,061,329
Depreciation	558,306	259,470	77,354	895,130	20,532	27,923	48,455	943,585
Total Expenses	<u>\$5,041,869</u>	<u>\$1,554,779</u>	<u>\$234,443</u>	<u>\$6,831,091</u>	<u>\$ 1,087,612</u>	<u>\$ 1,086,211</u>	<u>\$2,173,823</u>	<u>\$9,004,914</u>

See notes to financial statements.

JACOB BURNS FILM CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024

	<u>Program Services</u>				<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Theater</u>	<u>Education</u>	<u>Artists Support</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Salaries, benefits and payroll taxes	\$1,958,431	\$ 527,777	\$ 76,873	\$2,563,081	\$ 901,381	\$ 687,130	\$1,588,511	\$4,151,592
Programming and screening	928,179	89,786	21,761	1,039,726	-	-	-	1,039,726
Rental and maintenance of equipment	132,216	31,044	1,856	165,116	5,071	5,071	10,142	175,258
Promotion	18,008	1,452	369	19,829	1,654	20,039	21,693	41,522
Marketing/advertising	162,348	11,707	190	174,245	856	1,032	1,888	176,133
Other operating expenses	129,674	2,109	1,303	133,086	33,090	17,122	50,212	183,298
Printing and publications	31,914	5,023	64	37,001	288	6,392	6,680	43,681
Occupancy	303,988	132,817	16,054	452,859	13,401	13,276	26,677	479,536
Postage and shipping	47,683	244	62	47,989	275	12,065	12,340	60,329
Supplies	77,750	7,337	2,347	87,434	2,340	5,750	8,090	95,524
Professional and consulting fees	195,017	29,808	4,798	229,623	112,330	64,500	176,830	406,453
Insurance	72,258	51,010	6,554	129,822	2,870	3,467	6,337	136,159
Indirect benefit expenses	-	-	-	-	-	44,732	44,732	44,732
Interest and other financing costs	27,838	149,606	2,668	180,112	12,446	14,842	27,288	207,400
Total expenses before depreciation	4,085,304	1,039,720	134,899	5,259,923	1,086,002	895,418	1,981,420	7,241,343
Depreciation	548,802	259,547	79,048	887,397	23,675	28,541	52,216	939,613
Total Expenses	<u>\$4,634,106</u>	<u>\$1,299,267</u>	<u>\$213,947</u>	<u>\$6,147,320</u>	<u>\$ 1,109,677</u>	<u>\$ 923,959</u>	<u>\$2,033,636</u>	<u>\$8,180,956</u>

See notes to financial statements.

JACOB BURNS FILM CENTER, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Increase in net assets	\$1,268,729	\$5,027,428
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	943,585	939,613
Interest expense related to amortization of deferred financing costs	3,260	3,260
Realized gain on investments	(294,193)	(808,715)
Unrealized gain on investments	(2,494,514)	(5,063,018)
Non-cash contribution - assignment of notes receivable	-	(666,250)
(Increase) decrease in:		
Contributions receivable	(76,550)	(186,424)
Employee Retention Tax Credit receivable	215,134	243,137
Prepaid expenses and other assets	12,979	74,070
Increase (decrease) in:		
Accounts payable and accrued expenses	129,100	182,852
Deferred revenue	65,277	(28,085)
Net Cash Used By Operating Activities	(227,193)	(282,132)
 Cash Flows From Investing Activities		
Purchase of property and equipment	(137,303)	(374,319)
Purchase of investments	(2,051,945)	(8,715,633)
Proceeds from sale of investments	2,898,006	9,169,547
Proceeds from notes receivable	50,786	82,134
Net Cash Provided By Investing Activities	759,544	161,729
 Cash Flows From Financing Activities		
Repayment of mortgage note	(213,929)	(162,367)
Net increase (decrease) in cash and cash equivalents	318,422	(282,770)
Cash and cash equivalents, beginning of year	773,258	1,056,028
 Cash and Cash Equivalents, End of Year	\$1,091,680	\$ 773,258
 Supplemental Disclosure		
Interest paid	\$ 267,382	\$ 204,006

See notes to financial statements.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Jacob Burns Film Center, Inc. (“the Film Center or “JBFC”) is a nonprofit educational and cultural institution in Pleasantville, New York, dedicated to presenting the best of independent, documentary and world cinema; promoting 21st century literacy; and making film a vibrant part of the community. Housing a state-of-the-art theater complex, a 27,000 square-foot media arts lab, and a residence for filmmakers, the JBFC campus provides opportunities for people of all ages to discover, explore, and learn through the power of film, media and 21st century technology.

A group of Westchester County individuals interested in creating a cultural arts center formed the JBFC in 1998, and in 2000 purchased the old Rome Theater in Pleasantville, New York. The theater was built in 1925 and was one of the first movie theaters in Westchester County. The Film Center building opened on June 12, 2001. The media arts lab building opened for occupancy in August 2008 and the residence for filmmakers opened in April 2009.

Over 120,000 students in grades 3 - 12 and in college have participated from inception in the education programs. More than 70% of them from underserved communities throughout the tri-state area and their participation, including transportation, is funded entirely by the JBFC, thanks in part to support from individuals, foundations, and corporations. Programs range from film, animation and new media production to experiments in emergent technologies - each course helping students master the tools of 21st century communication while fostering intellectual curiosity and creative exploration.

The JBFC Theater houses five screens and is open to the public 365 days a year. Exhibitions include first-run independent features, previews, classic films, and documentaries from around the world. JBFC presents several curated series, including annual and monthly programs, as well as special one-time events and retrospectives on important film artists. More than 150 directors, actors, authors, scholars, and other remarkable guests come to speak with the JBFC audience each year.

On April 11, 2024, the Film Center announced the opening of Take 3 Wine Bar & Café. Set on the top floor of the Theater, the Wine Bar offers moviegoers the opportunity to enhance their experience with an array of fine wines, locally sourced beers, cheese boards and select pastries, all against a backdrop of charming art exhibitions.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

a - Organization (continued)

The Film Center engaged Pentagram to lead a multi-phase institutional branding and messaging initiative aligned with its strategic plan. The project will refresh the Film Center's public-facing identity, strengthen long-term positioning, and support audience development, partnerships, and philanthropic engagement.

b - Basis of Accounting

The accounting and reporting policies of the Film Center conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), including recognition of revenues and expenses on the accrual basis of accounting.

c - Cash and Cash Equivalents

For purposes of the classification in the statement of financial position and presentation in the statement of cash flows, cash equivalents are defined as cash on hand, cash on deposit and money market funds not held for investment with maturities less than three months when acquired.

d - Contributions and Contributions Receivable

Contributions received are recorded at fair value as an unconditional promise to give or when a notification of a beneficial interest is received. Unconditional promises to give are recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor restrictions. 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 met.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as a component of net assets released from restrictions. Restrictions satisfied in the same year as they are recorded are considered net assets without donor restrictions.

The Film Center uses the allowance method to determine uncollectible promises to give. The allowance, when necessary, is based on prior years' experience and management's analysis of specific promises made.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Notes Receivable

The Film Center's notes receivable are reported in the statements of financial position at amortized cost. The Film Center estimates an allowance for credit losses that reflects its expected credit losses as of the reporting date, considering internal and external information relating to past events, current conditions, and reasonable and supportable forecasts. Management has determined that an allowance for credit losses is not necessary as of September 30, 2025 and 2024.

f - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. Generally accepted accounting principles establish a framework for measuring fair value which 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 those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Film Center. Unobservable inputs reflect the Film Center's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels based on the inputs as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Film Center has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Investments

Investments in marketable securities with readily determinable fair values are reported at fair value based upon quoted market prices.

The Film Center's alternative investments, consisting of limited partnerships and investment funds, which do not have readily determinable fair values, are reported in the financial statements based upon the underlying net asset value per share or its equivalent as a practical expedient, and are not required to be classified within the fair value hierarchy. The Film Center reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the net asset values of these investments. These estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recognized on the ex-dividend date. Interest income is recognized as earned on an accrual basis. Cost is determined on the basis of average cost. Investments received as gifts are recorded at fair value at the date of the gift, if available, or at appraised or nominal value.

Interest, dividends and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the fiscal year in which the gains and other investment income are recognized. All other donor restricted gains and other investment income are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

h - Property and Equipment

Property and equipment are stated at cost, or if donated, at fair value at the date of the gift. Acquisitions of property and equipment costing in excess of \$2,000 with an estimated useful life in excess of one year are capitalized. Repairs and maintenance are expensed as incurred. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

i - Impairment Losses

Management reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Impairment is measured at the amount by which the carrying value exceeds the asset's fair value. If the asset is determined to be impaired, an impairment loss is recognized as a non-operating expense (non-cash) in the year the impairment was determined. The Film Center has not identified any such losses recognized during the years ended September 30, 2025 and 2024.

j - Deferred Financing Costs

The Film Center incurred financing costs in connection with obtaining mortgage financing. These costs are recorded as a reduction of the related indebtedness and amortization of the costs is reported as interest expense, on a straight-line basis over the period of the mortgage.

k - Revenue Recognition

The Film Center has multiple revenue streams that are accounted for as exchange transactions including admissions and ticket charges, concession income, facility licenses, memberships and other program revenue. With the exception of memberships, which can be for a period of one or two years, all of the Film Center's revenue from contracts with customers are from performance obligations with an initial expected duration of one year or less. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. The Film Center records deferred revenue in situations when amounts are collected, but the performance obligations have not yet been met.

Admissions and ticket charges are recognized on the date the screening or programming takes place. Concession income is recognized when products are sold. Facility license income is recognized ratably over the license period. Other program revenue is recognized at the point or over the period of time during which the program takes place.

Membership revenue is collected at the commencement of the membership period. Membership revenue is primarily an exchange transaction and entitles members to certain discounts and events over the course of the membership period. The Film Center allocates revenue from membership between contribution and exchange transactions and recognizes the contribution portion upon sale, and the exchange transaction ratably over the membership term.

l - Advertising

Advertising costs are expensed as incurred. Advertising expense totaled \$64,066 and \$176,133 in 2025 and 2024, respectively.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

m - Donated Property, Services and Goods

Donated non-cash assets are recorded at their fair values at the date of donation. Donated services that create or enhance non-financial assets or that require specialized skills, provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

n - Contributed Services

Members of the Film Center's governing Board donate significant time to the Organization's activities. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Film Center. The value of this time is not recorded in the accompanying financial statements because it does not meet the criteria for recognition under U.S. GAAP.

o - Financial Statement Presentation

The financial statements of the Film Center have been prepared in accordance with U.S. GAAP, which require the Film Center to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Film Center. These net assets may be used at the discretion of the Film Center's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Film Center or the passage of time. Other donor restrictions may be perpetual in nature, whereby, the donor has stipulated the funds be maintained in perpetuity.

p - Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

q - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis as determined by management. A substantial portion of the Film Center's expenses are directly related to program activities. The expenses that are allocated include salaries, taxes and fringe benefits, office and other overhead expenses, which are allocated based on an estimate of employee time and effort, and insurance, depreciation and utilities and other occupancy costs, which are allocated based on square footage.

r - Tax Status

The Film Center is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

s - Subsequent Events

The Film Center has evaluated subsequent events through January 26, 2026, the date that the financial statements are considered available to be issued.

t - Prior Year Information

For comparability, certain 2024 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2025.

Note 2 - Information Regarding Liquidity and Availability

The Film Center manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Film Center are expected to be met on a monthly basis from its revenues, gains and reclassifications. In general, the Film Center maintains financial assets to meet at least thirty days of operating expenses.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 2 - Information Regarding Liquidity and Availability (continued)

The Film Center's financial assets as of September 30 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2025</u>	<u>2024</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 1,091,680	\$ 773,258
Contributions receivable, net	390,600	314,050
Employee Retention Tax Credit receivable, net	95,297	310,431
Other receivable (included in prepaid expenses and other assets)	3,800	8,227
Notes receivable and accrued interest	533,330	584,116
Investments	<u>35,680,858</u>	<u>33,738,212</u>
Total Financial Assets	37,795,565	35,728,294
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(816,429)	(877,862)
Plus: Net assets with restrictions to be met in less than one year	275,076	337,500
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	(35,680,858)	(33,738,212)
Plus: Amounts appropriated for use within one year	<u>1,623,384</u>	<u>1,455,966</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 3,196,738</u>	<u>\$ 2,905,686</u>

The Film Center also has a line of credit, as more fully described in Note 11, available to meet short-term or unanticipated liquidity needs.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions at September 30 are restricted for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specific purpose:		
Programming	\$ 170,000	\$ 107,500
Capital projects	30,000	30,000
Specific periods	<u>616,429</u>	<u>740,362</u>
	<u>816,429</u>	<u>877,862</u>
Endowment, subject to spending policy and appropriation:		
Accumulated income subject to appropriation for use in general operations	<u>9,655,858</u>	<u>7,713,212</u>
Investment in perpetuity:		
General purposes of the Film Center	25,900,000	25,900,000
Education programming	<u>125,000</u>	<u>125,000</u>
	<u>26,025,000</u>	<u>26,025,000</u>
Total Endowments	<u>35,680,858</u>	<u>33,738,212</u>
Total Net Assets With Donor Restrictions	<u>\$36,497,287</u>	<u>\$34,616,074</u>

Note 4 - Concentration of Credit Risk

Financial instruments that potentially subject the Film Center to concentrations of credit risk consist principally of cash, bonds, and mutual funds held in bank accounts and brokerage accounts. Cash in banks may exceed, from time to time, the Federal Deposit Insurance Corporation ("FDIC") coverage limits. Cash in bank accounts are limited to \$250,000 of FDIC insurance coverage. Investments are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Security Investor Protection Corporation. The Film Center monitors its accounts with major financial institutions and believes the Film Center is not exposed to any significant credit risk on cash and cash equivalents and investments.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 5 - Contributions Receivable

Contributions receivable at September 30 are due as follows:

	<u>2025</u>	<u>2024</u>
Due within one year	\$395,600	\$319,050
Less: Allowance for uncollectible amounts	<u>(5,000)</u>	<u>(5,000)</u>
Total	<u>\$390,600</u>	<u>\$314,050</u>

Note 6 - Conditional Promises to Give

In August 2023, the Film Center was awarded a grant from the New York State Council on the Arts totaling \$300,000. The grant is to support infrastructure and equipment upgrades. The project includes new accessible and ADA compliant doors in the entry to the building and all five theaters, renovating restrooms on the first and second floor for privacy, and the purchase of five new theater projectors and an accompanying server. \$75,000 was earned and expended during the year ended September 30, 2023. The remaining balance of \$225,000 is subject to New York State funding and has not been recognized in the accompanying financial statements. The grant expires June 30, 2026 and is expected to be extended by two years.

Note 7 - Notes Receivable

In December 2023, the Film Center received a contribution in the form of an assignment of two notes receivable, each in the original principal amount of \$308,219, maturing on December 31, 2032. The notes accrue interest at 6% per annum. The principal and interest for each note are due in equal annual installments of \$41,067 beginning December 31, 2023. At September 30, 2025 and 2024, a total of \$22,966 and \$25,154, respectively, of interest has been accrued on the notes.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 7 - Notes Receivable (continued)

The future scheduled principal installments are as follows:

<u>Year Ending September 30,</u>	
2026	\$ 51,512
2027	54,603
2028	57,879
2029	61,352
2030	65,033
Thereafter, through December 31, 2032	<u>219,985</u>
	<u>\$510,364</u>

Note 8 - Investments - Endowment Funds

Investments at September 30 consist of the following:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds held for investment	\$ 2,475,382	\$ 2,475,382	\$ 2,701,438	\$ 2,701,438
Fixed income securities	6,827,422	6,856,873	6,743,686	6,678,794
Mutual funds:				
Large cap equity	7,901,598	13,472,360	8,214,418	12,067,813
Small cap equity	1,634,334	2,262,232	1,689,096	2,275,555
International equity	5,364,169	6,852,137	5,363,857	6,195,012
Real estate funds	1,417,379	1,667,237	1,417,379	1,748,157
Commodities and other funds	1,153,434	817,545	1,130,388	810,834
Other funds:				
Private equity funds	450,002	900,843	515,000	930,629
Absolute return funds	<u>255,008</u>	<u>376,249</u>	<u>255,334</u>	<u>329,980</u>
	<u>\$27,478,728</u>	<u>\$35,680,858</u>	<u>\$28,030,596</u>	<u>\$33,738,212</u>

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 8 - Investments - Endowment Funds (continued)

The following summarizes the fair value of investments that are measured on a recurring basis at September 30:

	2025				Measured at Net Asset Value
	Total	Level 1	Level 2	Level 3	
Money market funds held for investment	\$ 2,475,382	\$ 2,475,382	\$ -	\$ -	\$ -
Fixed income securities	6,856,873	-	6,856,873	-	-
Mutual funds:					
Large cap equity	13,472,360	13,472,360	-	-	-
Small cap equity	2,262,232	2,262,232	-	-	-
International equity	6,852,137	6,852,137	-	-	-
Real estate funds	1,667,237	1,667,237	-	-	-
Commodities and other funds	817,545	817,545	-	-	-
Other funds:					
Private equity funds	900,843	-	-	-	900,843
Absolute return funds	376,249	-	-	-	376,249
	<u>\$35,680,858</u>	<u>\$27,546,893</u>	<u>\$6,856,873</u>	<u>\$ -</u>	<u>\$1,277,092</u>
	2024				Measured at Net Asset Value
	Total	Level 1	Level 2	Level 3	
Money market funds held for investment	\$ 2,701,438	\$ 2,701,438	\$ -	\$ -	\$ -
Fixed income securities	6,678,794	-	6,678,794	-	-
Mutual funds:					
Large cap equity	12,067,813	12,067,813	-	-	-
Small cap equity	2,275,555	2,275,555	-	-	-
International equity	6,195,012	6,195,012	-	-	-
Real estate funds	1,748,157	1,748,157	-	-	-
Commodities and other funds	810,834	810,834	-	-	-
Other funds:					
Private equity funds	930,629	-	-	-	930,629
Absolute return funds	329,980	-	-	-	329,980
	<u>\$33,738,212</u>	<u>\$25,798,809</u>	<u>\$6,678,794</u>	<u>\$ -</u>	<u>\$1,260,609</u>

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 8 - Investments - Endowment Funds (continued)

Investments are exposed to various risks such as interest rates, market value changes, foreign exchange rates and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and the statements of activities.

The investments included in the Film Center's investment portfolio, valued using the net asset value, are redeemable based on the following terms and conditions as of September 30:

	<u>2025</u>	<u>2024</u>
Private equity funds:		
No redemptions until future distributions occur	\$ 900,843	\$ 930,629
Absolute return funds:		
Quarterly redemption with 75 days' notice	371,307	324,583
Semi-annual redemption with 90 days' notice	<u>4,942</u>	<u>5,397</u>
	<u>\$1,277,092</u>	<u>\$1,260,609</u>

The following are descriptions of the investment strategies of these investments:

Private Equity Funds

These funds invest in a diversified portfolio of underlying primary, secondary and co-investment private equity sponsors and funds.

Absolute Return

These funds invest in a diversified portfolio of underlying hedge fund strategies.

The Film Center has committed to invest a total of \$1,500,000 in limited partnerships which make periodic capital calls. As of September 30, 2025, the Film Center had made investments, as required by the partnerships, of \$1,327,500, leaving outstanding commitments of \$172,500. These capital calls are due at the discretion of the limited partnerships.

Net investment income, inclusive of interest on operating funds outside of the endowment, for the years ended September 30 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 750,692	\$ 741,909
Realized gain	294,193	808,715
Unrealized gain	2,494,514	5,063,018
Investment management fees	<u>(79,296)</u>	<u>(73,187)</u>
	<u>\$3,460,103</u>	<u>\$6,540,455</u>

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 8 - Investments - Endowment Funds (continued)

The Film Center's investment portfolio represents its endowment, which consists of the donor-restricted funds received for the support of education and film programming and general operations. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with New York State Not-For-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Film Center classifies as net assets with donor restrictions, perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of any 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 not classified as perpetual in nature is classified as subject to spending policy and appropriation until those amounts are appropriated for expenditure.

The Board of Directors of the Film Center, acting through its Investment Committee, has established an endowment spending policy to support the current level of income needed from the endowment, while sustaining the long-term purchasing power of the endowment assets.

The Board has adopted a modified endowment model approach with its asset allocation target over multiple asset classes and sub-classes. The endowment has a target asset allocation of 5% to cash equivalents, 17% to fixed income securities, 44% to domestic equity securities, 16% to international equity securities, 5% to private equity securities, 5% to real estate equity securities, 5% to hedge funds/absolute return securities, and 3% to commodity securities. This approach incorporates a moderately medium risk profile and is intended to preserve the corpus of the endowment, while providing investment income.

The Board of Directors, acting upon the recommendation of the Investment Committee, has established an annual endowment draw to support the operating needs of the forthcoming fiscal year budget. The annual draw of funds ranges from 3% - 4% of the trailing twenty quarter average total endowment market value. In addition, the Film Center's Board of Directors have approved investing a portion of the endowment investment portfolio in investment entities that generate positive environmental and social impact, supportive of underserved people and communities.

In 2025, the Board of Directors approved an endowment draw of 5% of the trailing twenty quarter average total endowment market value. The additional draw was used to fund the Film Center's branding project, planning for the Film Center's 25th anniversary celebration and development of internal fundraising tools and processes.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 8 - Investments - Endowment Funds (continued)

Certain of the Film Center's donor restricted endowments may experience losses due to market fluctuations and the continuing requirements of funding programs and capital requirements. U.S. GAAP requires that such excess losses be absorbed by the without donor restricted net assets of the Film Center and that future gains be allocated to without donor restricted net assets until such losses have been restored. There were no cumulative losses as of September 30, 2025 and 2024.

Endowment net asset composition by type of fund as of September 30 is as follows:

	<u>With Donor Restrictions</u>		
	<u>Investment Income Above Original Gift Amount</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds, 2025	<u>\$9,655,858</u>	<u>\$26,025,000</u>	<u>\$35,680,858</u>
Donor-restricted endowment funds, 2024	<u>\$7,713,212</u>	<u>\$26,025,000</u>	<u>\$33,738,212</u>

Changes in endowment funds for the years ended September 30, 2025 and 2024 are summarized as follows:

	<u>2025</u>		
	<u>With Donor Restrictions</u>		
	<u>Investment Income Above Original Gift Amount</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$7,713,212	\$26,025,000	\$33,738,212
Net investment income	3,398,612	-	3,398,612
Appropriation for expenditure	<u>(1,455,966)</u>	<u>-</u>	<u>(1,455,966)</u>
Endowment Funds, End of Year	<u>\$9,655,858</u>	<u>\$26,025,000</u>	<u>\$35,680,858</u>
	<u>2024</u>		
	<u>With Donor Restrictions</u>		
	<u>Investment Income Above Original Gift Amount</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$2,295,393	\$26,025,000	\$28,320,393
Net investment income	6,489,134	-	6,489,134
Appropriation for expenditure	<u>(1,071,315)</u>	<u>-</u>	<u>(1,071,315)</u>
Endowment Funds, End of Year	<u>\$7,713,212</u>	<u>\$26,025,000</u>	<u>\$33,738,212</u>

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 9 - Property and Equipment

Property and equipment consist of the following at September 30:

	<u>Life</u>	<u>2025</u>	<u>2024</u>
Theater building	5-40 years	\$12,827,303	\$12,785,677
Education Center	5-40 years	16,341,958	16,341,958
Computers and equipment	3-20 years	3,243,016	3,179,682
Theater equipment	5-25 years	<u>2,501,600</u>	<u>2,469,257</u>
		34,913,877	34,776,574
Less: Accumulated depreciation		<u>(18,145,269)</u>	<u>(17,201,684)</u>
		16,768,608	17,574,890
Land		1,985,232	1,985,232
Theater artwork and books		<u>38,861</u>	<u>38,861</u>
		<u>\$18,792,701</u>	<u>\$19,598,983</u>

Note 10 - Mortgage Note Payable

On December 20, 2017, the Film Center refinanced its previous bank mortgage loan with a 20-year Valley National Bank mortgage loan in the principal amount of \$5,600,000 maturing on December 20, 2037. The loan is collateralized by the land and buildings located at 360, 364 and 405 Manville Road, Pleasantville, New York. The loan is payable in monthly principal and interest installments of \$30,531 through December 20, 2024. The interest rate is at the Federal Home Loan Bank of New York (FHLBNY) 7-year rate advance index plus 1.65% through December 20, 2024. Commencing January 20, 2025, monthly principal and interest payments were readjusted at 1.85% above the FHLBNY six-year rate advance index, with a minimum interest rate of 4.25% (6.26% and 4.25% at September 30, 2025 and 2024, respectively), to fully amortize the then existing debt with a final payment of all outstanding principal and accrued interest at its maturity.

Interest expense totaled \$270,642, including \$3,260 of amortized financing costs for 2025 and \$207,266, including \$3,260 of amortized financing costs for 2024.

Mortgage note payable for the years ended September 30 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Principal balance	\$4,418,498	\$4,632,427
Less: Unamortized deferred financing costs	<u>(39,942)</u>	<u>(43,202)</u>
	<u>\$4,378,556</u>	<u>\$4,589,225</u>

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 10 - Mortgage Note Payable (continued)

The future scheduled principal installments are as follows:

<u>Year Ending September 30,</u>	
2026	\$ 250,466
2027	266,603
2028	283,779
2029	302,062
2030	321,524
Thereafter, through December 20, 2037	<u>2,994,064</u>
	<u>\$4,418,498</u>

The Film Center must meet certain financial covenants as defined in the loan agreement and has met the financial covenants.

Note 11 - Line of Credit

Effective September 11, 2017, the Film Center entered into a \$750,000 revolving credit loan agreement with Valley National Bank, renewable annually. The line of credit is secured by all business assets of the Film Center and bears a rate of interest at prime less 0.25%, with a minimum interest rate not below 4% (7.25% and 7.75% at September 30, 2025 and 2024, respectively). Interest is payable monthly. The line of credit is subject to an annual thirty-day cleanup provision whereby the line of credit will have a zero balance for thirty-consecutive calendar days. There was no activity on the line of credit during the years ended September 30, 2025 and 2024.

Note 12 - Retirement Plan

The Film Center adopted a 403(b) retirement savings plan for its eligible employees. Participating employees can elect to defer up to the maximum allowed by the Internal Revenue Code per year to the plan. The Film Center amended the plan effective January 1, 2024, to provide for a discretionary employer matching contribution, as determined on an annual basis. For the years ended September 30, 2025 and 2024, the retirement plan cost was \$68,686 and \$48,634, respectively.

JACOB BURNS FILM CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 13 - Employee Retention Tax Credit

The Coronavirus Aid, Relief and Economic Security (“CARES”) Act enacted in 2020 allowed eligible employers to claim employee retention tax credits for qualified wages paid after March 21, 2020 and before September 30, 2021. The Film Center qualified for the credit during this period based on full and partial suspension due to government COVID-related orders and a decrease in gross receipts. During the year ended September 30, 2025, the Film Center received \$215,134 plus accrued interest. The remaining balance receivable was subsequently collected.

Note 14 - Donated Goods and Services

The Film Center received the following donated goods and services during the years ended September 30:

	<u>2025</u>	<u>2024</u>
Advertising services	\$45,562	\$56,100
Beverages	-	10,800
Photography	4,050	-
Appliances	<u>-</u>	<u>2,846</u>
	<u>\$49,612</u>	<u>\$69,746</u>

The Film Center received donated photography, beverages and appliances in connection with various donor engagement events. The donated photography, beverages and appliances were valued by the donor based on rates charged by the donor for those products. The Film Center also received donated advertising in connection with its program services. The value of the donated services was provided by the service provider.

Note 15 - Contingency

The Film Center is subject to litigation and legal claims that arise in the ordinary course of its activities. A matter pending is a personal injury claim for injuries allegedly sustained at the Film Center. Management has referred this to its insurance carrier, and believes that this claim is without merit and that the ultimate resolution of this matter will not have a material adverse effect on the financial condition of the Film Center.