

Chautauqua Institution and Subsidiary

**Consolidated Financial Statements
and Supplemental Information
Years Ended December 31, 2022 and 2021**

Chautauqua Institution and Subsidiary

Consolidated Financial Statements and Supplemental Information
Years Ended December 31, 2022 and 2021

Chautauqua Institution and Subsidiary

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Tel: 212-371-4446
Fax: 212-371-9374
www.bdo.com

622 Third Ave, Suite 3100
New York, NY 10017

Independent Auditor's Report

The Board of Trustees
Chautauqua Institution
Chautauqua, New York

Opinion

We have audited the accompanying consolidated financial statements of Chautauqua Institution and Subsidiary (the Institution), which comprise the consolidated statements of financial position as of December 31, 2022, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying 2022 consolidated financial statements present fairly, in all material respects, the financial position of the Institution as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Institution 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.

Other Matter

The 2021 consolidated financial statements of the Institution were audited by other auditors, whose report dated April 20, 2022 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

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

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



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

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

In performing an audit in accordance with GAAS, we:

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

BDO USA, LLP

May 11, 2023

Chautauqua Institution and Subsidiary
Consolidated Statements of Financial Position

<i>December 31,</i>	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,477,047	\$ 20,555,825
Restricted cash	2,488,532	2,105,555
Accounts receivable:		
Trade, net	180,295	181,527
Other - Employee Retention Credit	4,682,536	-
Inventory	712,628	566,607
Prepaid expenses and deferred charges	421,690	379,139
Contributions receivable, current portion	3,908,216	3,128,554
Total Current Assets	22,870,944	26,917,207
Non-Current Assets		
Beneficial interest in net assets of Chautauqua Foundation, Inc.	117,934,600	140,234,346
Payout due from Chautauqua Foundation, Inc.	1,099,296	1,399,275
Contributions receivable, non-current, net	4,822,445	5,500,750
Right-of-use asset	1,185,540	-
Property and equipment, net	102,190,249	99,235,130
Other assets	24,000	24,000
Total Non-Current Assets	227,256,130	246,393,501
Total Assets	\$ 250,127,074	\$ 273,310,708
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 4,092,236	\$ 3,583,811
Deferred income	245,702	258,696
Paycheck Protection Program (PPP) loans	-	2,887,400
Lease liability, current portion	176,118	-
Current portion of long-term debt	53,829	51,829
Total Current Liabilities	4,567,885	6,781,736
Long-Term Liabilities		
Lease liability, net of current portion	1,034,273	-
Long-term debt, net of current portion and deferred financing costs	23,582	79,503
Total Long-Term Liabilities, Net	1,057,855	79,503
Total Liabilities	5,625,740	6,861,239
Commitments and Contingencies		
Net Assets		
Without donor restrictions	119,468,201	116,429,207
With donor restrictions	125,033,133	150,020,262
Total Net Assets	244,501,334	266,449,469
Total Liabilities and Net Assets	\$ 250,127,074	\$ 273,310,708

See accompanying notes to consolidated financial statements.

Chautauqua Institution and Subsidiary

Consolidated Statements of Activities

Year ended December 31,

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support						
Operating revenue:						
Program	\$ 18,918,171	\$ -	\$ 18,918,171	\$ 15,082,552	\$ -	\$ 15,082,552
Enterprise activities	3,671,871	-	3,671,871	2,319,792	-	2,319,792
Chautauqua Hotel Company, Inc.	6,799,026	-	6,799,026	5,198,714	-	5,198,714
Operations, services, and fees	2,301,239	-	2,301,239	1,913,446	-	1,913,446
Total Operating Revenue	31,690,307	-	31,690,307	24,514,504	-	24,514,504
Philanthropy revenue:						
Contributions	3,759,360	5,774,977	9,534,337	3,792,959	10,998,035	14,790,994
Endowment support from Chautauqua Foundation	1,195,901	3,170,121	4,366,022	1,212,235	2,735,503	3,947,738
Government grants	-	-	-	-	8,000,000	8,000,000
Net assets released from restrictions:						
Satisfaction of program restrictions	11,601,207	(11,601,207)	-	17,657,571	(17,657,571)	-
Expiration of time restrictions	31,274	(31,274)	-	57,349	(57,349)	-
Total Philanthropy Revenue	16,587,742	(2,687,383)	13,900,359	22,720,114	4,018,618	26,738,732
Investment income	20,101	-	20,101	6,120	-	6,120
Gain on sale of assets	29,975	-	29,975	66,900	-	66,900
Total Revenues, Gains, and Other Support	48,328,125	(2,687,383)	45,640,742	47,307,638	4,018,618	51,326,256
Expenses						
Performing and visual arts	11,205,091	-	11,205,091	8,096,463	-	8,096,463
Religion	921,420	-	921,420	609,305	-	609,305
Education and youth services	3,236,668	-	3,236,668	2,118,913	-	2,118,913
Recreation	1,747,162	-	1,747,162	1,531,087	-	1,531,087
Patron experience, ticketing and services	1,691,714	-	1,691,714	1,343,639	-	1,343,639
Enterprise activities	4,201,185	-	4,201,185	2,708,071	-	2,708,071
Chautauqua Hotel Company, Inc.	8,643,708	-	8,643,708	5,644,929	-	5,644,929
General operations	4,030,892	-	4,030,892	3,390,263	-	3,390,263
Conservation of Chautauqua Lake	2,315,891	-	2,315,891	1,000,000	-	1,000,000
Fundraising	2,414,435	-	2,414,435	2,727,327	-	2,727,327
Administrative and support	7,929,462	-	7,929,462	5,853,951	-	5,853,951
Depreciation	4,626,272	-	4,626,272	4,730,013	-	4,730,013
Total Expenses	52,963,900	-	52,963,900	39,753,961	-	39,753,961
Change in Net Assets from Operations	(4,635,775)	(2,687,383)	(7,323,158)	7,553,677	4,018,618	11,572,295
Change in Beneficial Interest in Net Assets of Chautauqua Foundation	-	(22,299,746)	(22,299,746)	-	19,830,603	19,830,603
Gain on Forgiveness of PPP Loan	2,887,400	-	2,887,400	2,723,900	-	2,723,900
Employee Retention Credit	4,787,369	-	4,787,369	-	-	-
Change in Net Assets	3,038,994	(24,987,129)	(21,948,135)	10,277,577	23,849,221	34,126,798
Net Assets, beginning of year	116,429,207	150,020,262	266,449,469	106,151,630	126,171,041	232,322,671
Net Assets, end of year	\$ 119,468,201	\$ 125,033,133	\$ 244,501,334	\$ 116,429,207	\$ 150,020,262	\$ 266,449,469

See accompanying notes to consolidated financial statements.

Chautauqua Institution and Subsidiary
Consolidated Statements of Functional Expenses

Year ended December 31, 2022

	Program Services								Supporting Services			Chautauqua Hotel Company, Inc.	Total
	Performing and Visual Arts	Religion	Education and Youth Services	Recreation	Patron Experience, Ticketing, and Services	Enterprise Activities	General Operations	Total	Management and General	Fundraising	Total		
Salaries and Employee Benefits													
Salaries	\$ 5,105,228	\$ 383,688	\$ 1,573,981	\$ 1,042,260	\$ 717,731	\$ 850,836	\$ 1,754,527	\$11,428,251	\$ 3,235,228	\$ 1,207,140	\$ 4,442,368	\$ -	\$ 15,870,619
Employee benefits and payroll taxes	610,988	87,269	289,585	260,787	128,938	153,110	678,096	2,208,773	792,645	329,793	1,122,438	-	3,331,211
Total Salaries and Related Expenses	5,716,216	470,957	1,863,566	1,303,047	846,669	1,003,946	2,432,623	13,637,024	4,027,873	1,536,933	5,564,806	-	19,201,830
Other Expenses													
Grants expense	925,645	-	-	-	-	-	-	925,645	-	-	-	-	925,645
Legal and accounting	-	-	-	-	-	-	-	-	220,095	-	220,095	-	220,095
Advertising and promotion	152,580	-	180	-	-	434,892	-	587,652	429,748	174,594	604,342	-	1,191,994
Information technology	-	-	-	-	-	-	-	-	73,294	-	73,294	-	73,294
Utilities	261,401	3,274	61,336	52,098	28,179	97,789	309,652	813,729	10,794	-	10,794	-	824,523
Hospitality/travel	1,102,517	92,731	250,773	18,401	6,764	92,594	255,349	1,819,129	300,883	219,586	520,469	-	2,339,598
Conference Services	-	-	-	-	-	1,019,718	-	1,019,718	-	-	-	-	1,019,718
Interest	-	-	-	-	-	-	-	-	-	-	-	6,080	6,080
Insurance	-	-	-	-	-	-	-	-	604,123	-	604,123	-	604,123
Program expense	2,065,301	195,894	775,035	47,094	-	169,252	371,225	3,623,801	150,915	-	150,915	-	3,774,716
Maintenance	103,867	1,917	67,692	65,007	10,732	48,071	504,188	801,474	46,927	30,619	77,546	-	879,020
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	23,414	2,776	4,245	3,562	53,440	4,768	8,999	101,204	146,497	3,408	149,905	-	251,109
Dues and subscriptions	23,646	1,840	6,016	12,789	-	4,129	2,056	50,476	25,843	4,488	30,331	-	80,807
Other	283,730	68,440	17,105	564	634,168	233,545	-	1,237,552	357,302	131,427	488,729	-	1,726,281
Real estate taxes	-	-	-	-	-	-	-	-	225,144	-	225,144	-	225,144
Supplies and postage	486,943	83,080	161,270	240,701	57,897	504,343	146,249	1,680,483	324,052	10,234	334,286	-	2,014,769
Cost of goods sold	-	-	22,657	3,577	48,771	529,038	-	604,043	-	-	-	-	604,043
Professional services	-	-	-	-	-	-	-	-	670,223	292,891	963,114	-	963,114
Conservation of Chautauqua Lake	-	-	-	-	-	-	2,315,891	2,315,891	-	-	-	-	2,315,891
Office expense	9,934	511	6,793	322	5,094	42,154	551	65,359	98,750	10,255	109,005	-	174,364
Rental	49,897	-	-	-	-	16,946	-	66,843	216,999	-	216,999	-	283,842
Depreciation and amortization	-	-	-	-	-	-	4,626,272	4,626,272	-	-	-	371,534	4,997,806
Chautauqua Hotel Company, Inc.	-	-	-	-	-	-	-	-	-	-	-	8,266,094	8,266,094
Total Expenses	11,205,091	921,420	3,236,668	1,747,162	1,691,714	4,201,185	10,973,055	33,976,295	7,929,462	2,414,435	10,343,897	8,643,708	52,963,900
Expenses Allocated													
Depreciation	1,913,581	136,928	490,193	296,913	-	-	(2,976,272)	(138,657)	138,657	-	138,657	-	-
Support services	1,370,918	112,734	395,999	213,761	-	-	1,256,187	3,349,599	(3,349,599)	-	(3,349,599)	-	-
Total Expenses	\$ 14,489,590	\$ 1,171,082	\$ 4,122,860	\$ 2,257,836	\$ 1,691,714	\$ 4,201,185	\$ 9,252,970	\$ 37,187,237	\$ 4,718,520	\$ 2,414,435	\$ 7,132,955	\$ 8,643,708	\$ 52,963,900

See accompanying notes to consolidated financial statements.

Chautauqua Institution and Subsidiary
Consolidated Statements of Functional Expenses

Year ended December 31, 2021

	Program Services								Supporting Services			Chautauqua Hotel Company, Inc.	Total
	Performing and Visual Arts	Religion	Education and Youth Services	Recreation	Patron Experience, Ticketing, and Services	Enterprise Activities	General Operations	Total	Management and General	Fundraising	Total		
Salaries and Employee Benefits													
Salaries	\$ 3,332,267	\$ 298,224	\$ 1,141,889	\$ 904,046	\$ 552,724	\$ 587,478	\$ 1,606,511	\$ 8,423,139	\$ 2,302,891	\$ 1,530,257	\$ 3,833,148	\$ -	\$ 12,256,287
Employee benefits and payroll taxes	456,533	81,627	225,021	190,402	94,438	110,477	604,960	1,763,458	621,577	321,931	943,508	-	2,706,966
Total Salaries and Related Expenses	3,788,800	379,851	1,366,910	1,094,448	647,162	697,955	2,211,471	10,186,597	2,924,468	1,852,188	4,776,656	-	14,963,253
Other Expenses													
Grants expense	769,367	-	-	-	-	-	-	769,367	-	-	-	-	769,367
Legal and accounting	-	-	-	-	-	-	-	-	287,689	-	287,689	-	287,689
Advertising and promotion	593	-	325	5,229	-	355,218	-	361,365	207,001	139,731	346,732	-	708,097
Information technology	-	-	-	-	-	-	-	-	90,397	66,540	156,937	-	156,937
Utilities	218,032	1,577	49,018	53,276	22,098	69,790	273,693	687,484	13,555	-	13,555	-	701,039
Hospitality/travel	590,934	67,819	110,825	15,501	11,726	25,911	150,965	973,681	152,455	95,445	247,900	-	1,221,581
Conference services	-	-	-	-	-	522,017	-	522,017	-	-	-	-	522,017
Interest	-	-	-	-	-	-	-	-	-	-	-	20,968	20,968
Insurance	-	-	-	-	-	-	-	-	583,809	-	583,809	-	583,809
Program expense	1,792,866	72,735	374,873	11,134	-	99,198	259,042	2,609,848	110,380	-	110,380	-	2,720,228
Maintenance	106,784	1,080	47,624	62,029	15,565	25,297	353,087	611,466	155,112	4,487	159,599	-	771,065
Fundraising	-	-	-	-	-	-	-	-	-	215,157	215,157	-	215,157
Telephone	17,995	3,766	7,258	3,423	676	2,000	23,671	58,789	133,008	3,383	136,391	-	195,180
Dues and subscriptions	10,681	2,235	4,204	16,525	-	6,700	1,985	42,330	33,618	3,646	37,264	-	79,594
Other	450,333	33,036	30,579	17,685	570,015	219,113	-	1,320,761	486,500	137,742	624,242	-	1,945,003
Real estate taxes	-	-	-	-	-	-	-	-	224,316	-	224,316	-	224,316
Supplies and postage	350,078	47,206	127,297	247,753	40,595	245,168	115,751	1,173,848	271,390	30,933	302,323	-	1,476,171
Cost of goods sold	-	-	-	4,084	34,341	413,152	-	451,577	-	-	-	-	451,577
Professional services	-	-	-	-	-	-	-	-	142,717	178,075	320,792	-	320,792
Conservation of Chautauqua Lake	-	-	-	-	-	-	1,000,000	1,000,000	-	-	-	-	1,000,000
Office expense	-	-	-	-	1,461	26,552	598	28,611	37,536	-	37,536	-	66,147
Depreciation	-	-	-	-	-	-	4,730,013	4,730,013	-	-	-	361,460	5,091,473
Chautauqua Hotel Company, Inc.	-	-	-	-	-	-	-	-	-	-	-	5,262,501	5,262,501
Total Expenses	8,096,463	609,305	2,118,913	1,531,087	1,343,639	2,708,071	9,120,276	25,527,754	5,853,951	2,727,327	8,581,278	5,644,929	39,753,961
Expenses Allocated													
Depreciation	1,956,492	139,999	501,186	303,571	-	-	(3,043,014)	(141,766)	141,766	-	141,766	-	-
Support services	940,160	67,274	240,836	145,876	-	-	810,659	2,204,805	(2,204,805)	-	(2,204,805)	-	-
Total Expenses	\$ 10,993,115	\$ 816,578	\$ 2,860,935	\$ 1,980,534	\$ 1,343,639	\$ 2,708,071	\$ 6,887,921	\$ 27,590,793	\$ 3,790,912	\$ 2,727,327	\$ 6,518,239	\$ 5,644,929	\$ 39,753,961

See accompanying notes to consolidated financial statements.

Chautauqua Institution and Subsidiary

Consolidated Statements of Cash Flows

<i>Year ended December 31,</i>	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ (21,948,135)	\$ 34,126,798
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	4,997,806	5,091,473
Gain on sale of assets	(29,975)	(66,900)
Change in beneficial interest in net assets of Chautauqua Foundation, Inc.	22,299,746	(19,830,603)
Change in payout due from Chautauqua Foundation, Inc.	299,979	(251,756)
Gain on forgiveness of PPP loans	(2,887,400)	(3,362,042)
Contributions restricted for capital needs	-	(1,494,529)
Operating lease expense	24,850	-
Payments on right-of-use lease liability	(207,410)	-
Change in operating assets and liabilities:		
Accounts receivable	(4,681,304)	(17,827)
Inventories	(146,021)	(90,170)
Prepaid expenses and deferred charges	(42,551)	310,259
Contributions receivable	(101,357)	(5,016,032)
Accounts payable and accrued expenses	508,425	489,195
Deferred income	(12,994)	(885,519)
Net Cash (Used in) Provided by Operating Activities	(1,926,341)	9,002,347
Cash Flows from Investing Activities		
Capital expenditures	(7,715,539)	(2,801,420)
Net Cash Used in Investing Activities	(7,715,539)	(2,801,420)
Cash Flows from Financing Activities		
Proceeds from PPP loans	-	2,887,400
Proceeds from contributions restricted for capital needs	-	1,494,529
Principal payments on long-term debt	(53,921)	(52,402)
Net Cash (Used in) Provided by Financing Activities	(53,921)	4,329,527
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(9,695,801)	10,530,454
Cash, Cash Equivalents, and Restricted Cash, beginning of year	22,661,380	12,130,926
Cash, Cash Equivalents, and Restricted Cash, end of year	\$ 12,965,579	\$ 22,661,380
Supplemental Disclosures of Cash Flow Information		
Interest	\$ 4,686	\$ 14,109
Taxes	-	250
Supplemental Disclosure of Cash, Cash Equivalents, and Restricted Cash		
Cash and cash equivalents	\$ 10,477,047	\$ 20,555,825
Restricted cash	2,488,532	2,105,555
Total Cash, Cash Equivalents, and Restricted Cash	\$ 12,965,579	\$ 22,661,380
Supplemental Disclosure of Non-Cash Investing Activities		
Contributed securities	\$ 618,138	\$ 989,111

See accompanying notes to consolidated financial statements.

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

1. Nature of Business and Principles of Consolidation

Chautauqua Institution (the Institution) is a non-profit organization dedicated to the exploration of the best of human values and to the enrichment of life. The Institution expresses this mission primarily through educational, religious, cultural, and recreational programming during a nine-week season, from late June through late August. In addition, a variety of educational programs are held throughout the year, and content is available year-round online. The Institution's summer program includes fine and performing arts, lectures, religious services, schools for the training of young artists, youth camps, educational classes, and recreational activities. To support these programs, the Institution owns and maintains over 100 facilities and 750 acres. The Institution serves in excess of 100,000 visitors each year, representing all ages and backgrounds.

The accompanying consolidated financial statements include the accounts of the Chautauqua Hotel Company, Inc. (the Hotel), a wholly owned for-profit subsidiary, owns and operates the Athenaeum Hotel and operates the Minerva Bed and Breakfast along with the following restaurant establishments: Brick Walk Cafe, Afterwords Cafe, The Gallery Cafe, 3 Taps and The A Truck, and the Double Eagle Patio on the Green at the Chautauqua Golf Club. The Hotel also operate the cafeteria in the Bellinger Hall dormitory and two self-service laundry facilities, Shaw Laundry and The Soap Opera. All facilities are located on Chautauqua Institution property and, with the exception of The Soap Opera and the Athenaeum Hotel, are leased from Chautauqua Institution. All enterprises are in full operation during the nine-week summer season. The Athenaeum Hotel operates an additional four to five months during the year. Before and after the summer season, the Chautauqua Hotel Company operates Minerva Bed and Breakfast and Bellinger Hall kitchen and residential facilities in support of tourism, conferencing and event activities, and the Hotel operates Shaw Laundry for the benefit of regional citizens who depend on these laundry facilities.

Principles of Consolidation

The consolidated financial statements include the accounts of the Institution and its wholly owned subsidiary, the Hotel. Intercompany payables and receivables have been eliminated in consolidation. Intercompany management fees and charges are reflected at gross in the consolidated statements of activities.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Institution's consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). Under Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, the Institution is required to report information regarding its consolidated financial position and activities, according to two classes of net assets—net assets without donor restrictions and net assets with donor restrictions.

Consolidated Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

These classes are defined as follows:

Without Donor Restrictions - This class consists of net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of the Institution. Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law.

With Donor Restrictions - This class consists of net assets whose use is limited by donor-imposed time and/or purpose restrictions. The Institution is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Institution pursuant to those stipulations. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities. Net assets resulting from contributions and other inflows of assets, whose use by the Institution is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or other removed by actions of the Institution, are classified as net assets with donor restrictions - perpetual in nature. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Institution considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Institution maintains cash balances at various financial institutions of both interest and noninterest bearing accounts. The Federal Deposit Insurance Corporation insures accounts at each of the financial institutions up to \$250,000. In addition, the Institution has additional collateral for a portion of its interest-bearing accounts. There are times during the year when certain account balances are in excess of federally insured limits.

Investments

The carrying amounts of financial instruments, including cash and accounts payable, approximate their fair market value due to the short-term maturities of these instruments. The carrying value of term debt approximates fair value based on current market rates and conditions.

ASC 820, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, and expands the disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or unobservable. ASC 820 established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the valuation of the asset or liability and

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

their placement within the fair value hierarchy. The Institution classifies fair value balances based on the fair value hierarchy defined by ASC 820, as follows:

Level 1 - This level consists of valuations that are based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments.

Level 2 - This level consists of valuations that are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for identical or similar assets or liabilities in markets that are not active—that is, markets in which there are few transactions for the asset or liability, the prices are not current or where price quotations may vary either over time or among market makers (for example, dealer or brokered markets).

Level 3 - This level consists of valuations that are based on inputs that are unobservable and significant to the overall fair value measurement.

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

Inventory

Inventory is valued at lower of cost (first-in, first-out) or net realizable value.

Property and Equipment, Net

Property and equipment are stated at 1938 revaluations with subsequent additions at cost. All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that prolong the useful lives of assets are capitalized. Depreciation is computed on the straight-line method based on estimated useful lives of the related assets. Donations of property and equipment are recorded as contributions at fair value at the date of donation.

The estimated useful lives of the assets are as follows:

<u>Asset Category</u>	<u>Life (Years)</u>
Land, building, and leasehold improvements	10-50
Furniture and equipment	3-15

Contributions

Contributions are recognized when the donor makes a promise to give to the Institution that is, in substance, unconditional. Conditional promises to give are recognized as contributions when all conditions are met. Contributions received are measured at their fair value and reported as an increase in net assets at net realizable value. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. Amortization of the discount is included in contributions revenue. The Institution uses the allowance method to estimate uncollectible unconditional promises receivable. The allowance is based on prior years'

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

experience and management's analysis of specific promises made. No allowance was considered necessary as of December 31, 2022 and 2021.

Revenue Recognition

Revenue is recognized when performance obligations under the terms of a contract with the customer are satisfied, which generally occurs with the transfer of goods or services of the customer.

Disaggregation of Revenues

The Institution operates a non-profit to the exploration of the best of organization dedicated human values and to the enrichment of life, by providing educational, religious, cultural, and recreational programming to visitors. As a result, the Institution is dependent on the strength of the economy and its ability to attract visitors and collect amounts owed. Disaggregated revenues of the Institution are presented in the consolidated statements of activities, and include gate and parking, arts, education and youth services, recreation, enterprise, the Hotel operation, administration, support, and miscellaneous income.

Contract Balances

Accounts receivable represent the Institution's unconditional right to receive consideration from a visitor and are recorded at net invoiced amounts, less an estimated allowance for uncollectible accounts. The Institution has no contract assets as of December 31, 2022 and 2021. Contract liabilities of the Institution consist of deferred ticket sales, gift certificates, and other fees, which totaled \$245,702 and \$258,696 as of December 31, 2022 and 2021, respectively. Contract liabilities of the Hotel consist of advance deposits which totaled \$240,495 and \$164,473 as of December 31, 2022 and 2021, respectively.

Performance Obligations

The Institution's performance obligations are satisfied when goods or services have been performed, generally at the time the visitor is granted access to the grounds, attends an event, or with the transfer of goods to the customer. Consideration for the goods is fixed at the time of purchase with payment generally made in advance of performance obligations. The Hotel's performance obligations are satisfied when goods or services have been performed, generally at the time of the hotel stay or guest visit to restaurant establishments. Consideration for the goods is fixed at the time of reservation or order with payment expected generally after the performance obligation has been satisfied.

Contributed Nonfinancial Assets

A substantial number of unpaid volunteers have made significant contributions of their time to ensure the success of the Institution programs, as well as to secure contributions and endowments in connection with the Institution's fund raising. The value of this contributed time is not reflected in the consolidated financial statements since it is not susceptible to objective measurement or valuation.

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

Income Taxes

The Internal Revenue Service has classified the Institution as exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code (the Code), as an organization contribution to which are deductible under Section 170(c) of the Code; and, as an organization that is not a private foundation as defined in Section 509(a) of the Code. The Internal Revenue Service has determined that the Institution is subject to unrelated business income tax (UBIT) for certain income received. The Institution does not anticipate any UBIT tax liability for the years ended December 31, 2022 and 2021.

The Hotel is a taxable entity. The provision for income taxes includes state income taxes in the amount of \$0 and \$1,500 for the years ended December 31, 2022 and 2021, respectively. These income taxes are reflected in the Hotel's expenses in the consolidated statements of activities. Deferred taxes result from timing differences between book and tax depreciation expense. The total deferred tax asset amounted to \$24,000 for both years ended December 31, 2022 and 2021, and is included in other assets on the consolidated statements of financial position.

The Hotel estimates a net operating loss carryforward as of December 31, 2022 in the amount of approximately \$6,000,000 as a result of current and prior-year losses. The loss carryforwards expire beginning December 31, 2030. Management has recorded a full valuation allowance for the potential tax benefit related to the net operating loss carryforward.

Federal and state income tax returns that remain open for examination by taxing authorities include 2018 and later years for both the Institution and Hotel.

Deferred Income

Deferred income consists of unearned fees and is recognized as income when earned or the condition has been satisfied.

Deferred Taxes

Deferred income taxes are provided on the difference in earnings determined for tax and financial reporting purposes on the Hotel.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates are disclosed in other notes of the consolidated financial statements.

Methods Used for Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Institution. Those expenses include depreciation and amortization, facility expenses, telephone expenses, health and benefit, general third-party processing expenses, and the information technology department. Expenses that can be identified with a specific program are recorded directly according to the natural expense classification. Other

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

expenses that are common to several functions are allocated based on management's best estimates of time and effort.

Advertising Costs

The Institution's policy is to expense all advertising costs when incurred and totaled \$307,970 and \$243,453 during the years ended December 31, 2022 and 2021, respectively.

Beneficial Interest in Net Assets of Chautauqua Foundation, Inc.

The Chautauqua Foundation, Inc. (Foundation) is a 501(c)(3) organization whose sole purpose is to raise and invest funds to support the mission and operations for the benefit of the Institution. The Foundation is governed by an independent board of directors, with the majority of members being non-Institution directors. Although the Institution does not exercise control of the Foundation, all assets held by the Foundation are held for the financial benefit of the Institution, and the organizations are, therefore, considered to be financially interrelated. As such, the consolidated financial statements of the Institution include the net assets and annual change in net assets of the Foundation. See Note 16 with regard to the change in the method of accounting for the interest in net assets of the Foundation.

Reclassifications

Certain prior-year amounts have been reclassified to conform with current-year presentation.

Recently Adopted Accounting Pronouncements

Accounting for Leases

On February 25, 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and to recognize a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The standard, as amended, is effective for non-public business entities for fiscal years beginning after December 15, 2021. The Institution and Hotel have adopted the ASU effective January 1, 2022.

Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to increase transparency on how contributed nonfinancial assets (also referred to as gifts-in-kind) received by nonprofits are to be used and how they are valued. The ASU has been implemented on a retrospective basis for the Institution's fiscal year 2022 consolidated financial statements.

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

Accounting Pronouncements Issued but Not Yet Adopted

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-03, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended. The new credit losses standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans, and certain other instruments, entities will be required to use a new, forward-looking “expected-loss” model that generally will result in earlier recognition of credit losses than under today’s incurred loss model. ASU 2016-03 is effective for annual periods beginning after December 31, 2022. The Institution and Hotel are currently evaluating the impact of the adoption of this ASU on its consolidated financial statements.

3. Accounts Receivable, Net

Accounts receivable, net, consist of the following:

<i>December 31,</i>	2022		2021	
Trade, net	\$	180,295	\$	181,527
Other - Employee Retention Credit		4,682,536		-
Total Accounts Receivable, Net	\$	4,862,831	\$	181,527

4. Contribution Revenue and Receivables

Contributions presented in the consolidated statements of activities are presented below by their designation:

Year ended December 31,

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Contributions:						
Cash received from Chautauqua Fund	\$ 3,759,360	\$ 1,651,324	\$ 5,410,684	\$ 3,792,959	\$ 4,936,399	\$ 8,729,358
Cash received for other programmatic support	-	1,386,662	1,386,662	-	740,470	740,470
Cash received or previously deferred for capital contributions	-	2,678,438	2,678,438	-	1,494,529	1,494,529
Net additions on pledges	-	58,553	58,553	-	3,826,637	3,826,637
Total Contributions	\$ 3,759,360	\$ 5,774,977	\$ 9,534,337	\$ 3,792,959	\$ 10,998,035	\$ 14,790,994

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

Included in contributions receivable are the following unconditional promises to give:

<i>December 31,</i>	2022	2021
Unconditional promises to give	\$ 8,976,343	\$ 8,951,597
Less: unamortized discount	(245,682)	(322,293)
Net Unconditional Promises to Give	\$ 8,730,661	\$ 8,629,304
Amounts due in:		
Less than one year	\$ 3,908,216	\$ 3,128,554
One to five years	4,822,445	5,500,750
Net Unconditional Promises to Give	\$ 8,730,661	\$ 8,629,304

To determine present value, the interest rate applied was 3% for both 2022 and 2021. As of December 31, 2022 and 2021, the Institution expects contributions receivable to be fully collectible.

5. Liquidity and Availability of Resources

The Institution's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows:

<i>December 31,</i>	2022	2021
Unrestricted cash and cash equivalents	\$ 10,477,047	\$ 20,555,825
Accounts receivable - trade, net	180,295	181,527
Accounts receivable - other - Employee Retention Credit	4,682,536	-
Contributions receivable, current portion	3,908,216	3,128,554
Total Financial Assets Available	19,248,094	23,865,906
Less: amounts not available to be used within one year:		
Net assets with donor restrictions, excluding net interest in assets of the Foundation	(5,999,237)	(8,386,641)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 13,248,857	\$ 15,479,265

Liquidity Management

The Institution maintains adequate liquidity to fund near-term operations while maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. In addition to the amounts above, the Institution has an unsecured line of credit in the amount of \$7,000,000 available to meet its liquidity needs.

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

6. Net Assets with Donor Restrictions

Net assets with donor restriction are available for the following purposes or periods:

<i>December 31,</i>	2022	2021
Various programs/capital	\$ 5,901,564	\$ 8,284,811
Rogers Fund	70,573	70,556
Beneficial interest in net assets of the Foundation (Note 16)	117,934,600	140,234,346
Payout due from the Foundation	1,099,296	1,399,275
Timing restriction	27,100	31,274
Total Net Assets with Donor Restrictions	\$ 125,033,133	\$ 150,020,262

7. Fair Value Measurements

The Institution's assets recorded at fair value have been categorized based upon fair value hierarchy, in accordance with ASC 820. See Note 2 for the discussion on the Institution's policies regarding this hierarchy.

A description of the valuation techniques applied to the Institution's major categories of assets measured at fair value is as follows. There have been no changes in the valuation methodology as of December 31, 2022.

The Institution considers the measurement of its beneficial interest in the net assets of the Foundation to be measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient and has not been classified within the fair value hierarchy table. The assets are measured based on the fair value of the total assets of the Foundation.

Below sets forth tables of the assets and liability measured at fair value on a recurring basis:

December 31, 2022

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Beneficial interest in net assets of the Chautauqua Foundation, measured at NAV*	\$ -	\$ -	\$ -	\$ 117,934,600
Total	\$ -	\$ -	\$ -	\$ 117,934,600

* Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2021

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Beneficial Interest in net assets of the Foundation, measured at NAV*	\$ -	\$ -	\$ -	\$ 140,234,346
Total	\$ -	\$ -	\$ -	\$ 140,234,346

* Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

8. Property and Equipment, Net

Major classes of property and equipment consist of the following:

December 31,	2022	2021
Land	\$ 19,328,185	\$ 18,746,510
Buildings and furnishings	129,414,396	128,408,491
Recreation facilities	9,711,565	9,546,576
Equipment	16,728,536	15,760,652
Golf course and facilities	6,966,804	6,826,389
Total Property and Equipment	182,149,486	179,288,618
Less: accumulated depreciation	(85,117,297)	(80,302,249)
Add: construction-in-progress	5,158,060	248,761
Net Property and Equipment	\$ 102,190,249	\$ 99,235,130

Depreciation expense for the Institution totaled \$4,997,806 and \$4,730,013 for the years ended December 31, 2022 and 2021, respectively. Depreciation expense for the Hotel totaled \$370,794 and \$361,460 (including amortization of \$740 and \$989) for the years ended December 31, 2022 and 2021, respectively. Depreciation expense related to the Hotel is combined with other expenses and is included within the expense line labeled Chautauqua Hotel Company, Inc. on the consolidated statements of activities. The estimated cost to complete the construction-in-progress is \$2,000,000.

9. Government Grants

During the year 2021, the Institution received \$8,000,000 from the U.S. Small Business Administration's Shuttered Venue Operators Grant program. This amount is reported in the consolidated statements of activities as government grants. Grant funding is subject to audit examination by the granter to determine compliance with grant conditions. In the event expenditures would be disallowed, repayment could be required. Management of the Institution believes it has materially complied with the terms of the grant agreement.

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

10. Long-Term Debt

Long-term debt consists of the following:

<i>December 31,</i>	2022	2021
4% note held by the Hotel payable \$4,483 per month, including interest through June 2024, secured by real estate.	\$ 77,411	\$ 126,502
7.00% capital lease obligation payable \$271 per month, including interest through August 2024, secured by equipment.	1,731	7,301
Total Long-Term Debt	79,142	133,803
Less:		
Unamortized debt issuance costs	(1,731)	(2,471)
Current maturities	(53,829)	(51,829)
Total Long-Term Debt	\$ 23,582	\$ 79,503

Required principal and interest payments are as follows:

2023	\$	53,829
2024		25,313
	\$	79,142

11. Line of Credit

The Institution has an unsecured \$7,000,000 bank line of credit available, which bears interest at the prime rate. The Hotel has an unsecured \$400,000 line of credit available, which is also at the prime rate, which at December 31, 2022 was 7.5%. The lines of credit renew annually. There were no outstanding balances on either line of credit at December 31, 2022 and 2021.

12. Leases

As detailed in Note 2, the Institution adopted ASU 2016-02, *Accounting for Leases (Topic 842)*, effective January 1, 2022. The Institution has entered into a lease agreement for its Washington, DC office as of September 1, 2020, which is classified as an operating lease based on the terms of the agreement. Leases are classified as either finance or operating leases based on the underlying terms of the agreement and certain criteria, such as the term of the lease relative to the useful life of the asset and the total lease payments to be made as compared to the fair value of the asset, amongst other criteria. Finance leases result in an accounting treatment similar to an acquisition of the asset.

For leases with initial terms greater than a year (or initially, greater than one year remaining under the lease at the date of adoption of ASU 2016-02), the Institution records the related right-of-use assets and liabilities at the present value of the lease payments to be paid over the life of the related lease. The Institution's leases may include variable lease payments and renewal options. Variable lease payments are excluded from the amounts used to determine the right-of-use assets and liabilities unless the variable lease payments depend on an index or rate or are in substance fixed payments. Lease payments related to periods subject to renewal options are also excluded

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

from the amounts used to determine the right-of-use assets and liabilities unless the Institution is reasonably certain to exercise the option to extend the lease. The present value of lease payments is calculated by utilizing the rate stated in the lease, when readily determinable. For leases for which this rate is not readily available, the Institution has elected to use a risk-free discount rate determined using a period comparable with that of the lease term. The Institution has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASU 2016-02. As such, the Institution accounts for the applicable non-lease components together with the related lease components when determining the right-of-use assets and liabilities.

The Institution has made an accounting policy election not to record leases with an initial term of less than a year as right-of-use assets and liabilities.

The following tables summarize information related to the lease assets and liabilities:

December 31, 2022

Right-of-use assets:		
Right-of-use asset operating lease	\$	1,185,540
Right-of-use operating lease liability:		
Current lease liability	\$	176,118
Long-term operating lease liability		1,034,273
Total Right-of-Use Operating Lease Liability	\$	1,210,391

Year ended December 31, 2022

Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	207,410
Weighted-average remaining lease term - operating leases		6.67 years
Weighted-average discount rate - operating leases		3.50%

For operating leases, right-of-use assets and lease liabilities are recorded in operating lease liabilities in the accompanying consolidated statements of financial position.

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Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

Operating Leases

The following table reconciles the undiscounted operating lease payments to the lease liabilities recorded on the accompanying consolidated statements of financial position at December 31, 2022:

Year ending December 31,

2023	\$	215,707
2024		224,335
2025		233,309
2026		242,641
2027		252,347
Thereafter		172,658
Total Lease Payments		1,340,997
Less: imputed interest		(130,606)
Total Operating Lease Liabilities	\$	1,210,391

The Hotel has entered into one-year operating lease agreements with the Institution in the amount of \$42,900 for the Brick Walk Cafe and the Gazebo; \$13,838 for Afterwords Cafe; \$25,365 for Shaw Laundry; \$21,941 for Double Eagle Patio; \$1,000 for 3Taps; and \$770 for Gallery Café. Management anticipates renewing these leases on an annual basis going forward.

Rent expense and related charges for the years ended December 31, 2022 and 2021 totaled \$105,815 and \$74,927, respectively.

13. Retirement Plan

The Institution and Hotel have a discretionary noncontributory defined contribution retirement plan for substantially all full-time employees. The Institution and Hotel made payments of \$790,957 in 2022 and \$702,972 in 2021.

14. Health Insurance

The Institution is self-insured for medical benefits covering substantially all full-time employees and has recorded a liability of \$350,000 as of December 31, 2022 and 2021. This liability represents payments expected to be made subsequent to year-end for claims occurring prior to year-end. This liability includes claims that were known as of December 31, 2022 and 2021, as well as an estimate of claims incurred but not reported.

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Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

15. Subsidiary

The Hotel is a wholly owned subsidiary of the Institution. For the years ended December 31, 2022 and 2021, the subsidiary had assets of \$8,049,617 and \$7,361,200, liabilities of \$3,764,610 and \$3,250,957, stockholder's equity of \$4,285,007 and \$4,110,243, and net losses of \$125,236 and \$446,215, respectively, which are reflected in the consolidated financial statements of the Institution and the Hotel. The following summarizes revenue and expense transactions to and from the Hotel and the Institution:

<i>December 31,</i>	2022	2021
Revenues:		
Room and restaurant charges	\$ 1,536,165	\$ 1,084,201
Conference rentals, net	89,946	40,930
Total Revenues	\$ 1,626,111	\$ 1,125,131
Expenses:		
Management fees	\$ 345,000	\$ 207,290
Annual license fees	4,530	5,636
Rent, computer fees, advertising, service charges, and gate/parking passes	180,500	165,177
Total Expenses	\$ 530,030	\$ 378,103

As of December 31, 2022 and 2021, the Hotel had accounts payable due to the Institution in the amount of \$3,124,522 and \$1,795,546, respectively. During the years ended December 31, 2022 and 2021, the Institution made contributions to the Hotel in the amount of \$300,000. Also, the Institution issued a ten-year note payable from the Hotel in May 2013 in the amount of \$533,866 at an interest rate of 2.7% and a monthly payment in the amount of \$5,081. The total amount outstanding as of December 31, 2022 and 2021 was \$81,753 and \$78,921, respectively.

This note has been eliminated in the consolidated financial statements.

16. Beneficial Interest in Net Assets of the Foundation

Financial information

The following is selected financial information of the Foundation:

<i>Year ended December 31,</i>	2022	2021
Revenues, gains, and other income (loss)	\$ (17,119,661)	\$ 24,936,590
Expenses	5,180,085	5,105,987
Change in Net Assets	\$ (22,299,746)	\$ 19,830,603
Assets	\$ 119,122,696	\$ 141,716,344
Liabilities	\$ 1,188,096	\$ 1,481,998
Net assets	117,934,600	140,234,346
Total Liabilities and Net Assets	\$ 119,122,696	\$ 141,716,344

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

As of December 31, 2022 and 2021, the Institution's beneficial interest in the net assets of the Foundation totaled \$117,934,600 and \$140,234,346, respectively. During the years ended December 31, 2022 and 2021, the Foundation contributed \$4,366,022 and \$3,695,982, respectively, to the Institution for capital improvements and other programs and are made as the underlying restriction has been met and pursuant to the Foundation's spending policy guidelines and donor stipulations or as approved by the Foundation's Board. Due to the timing and purpose restrictions imposed by donors or by the Foundation's Board, the beneficial interest in the net assets of the Foundation is reported as net assets with donor restrictions at year-end.

Payout Due from the Foundation

Included in the payout due from the Foundation in the consolidated statements of financial position is the reinvested income from funds designated for the Institution programs that is available for distribution based on the Foundation's spending policy, which amounted to \$1,099,296 and \$1,399,275 as of December 31, 2022 and 2021, respectively.

17. Loan Payable - Paycheck Protection Program

Round 1

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In April 2020, the Institution and Hotel obtained PPP loans for \$2,723,900 and \$633,800, respectively, which are included in the consolidated statement of financial position as of December 31, 2020. The Institution's note had an original maturity date of April 2022, however on June 8, 2021, the Institution received approval of its application for loan forgiveness and recognized a gain on forgiveness of the loan in accordance with ASC 470, Accounting for Debt, during the year ended December 31, 2021. The Hotel's note had an original maturity date of April 2022, however in March 2021, the Hotel received approval of its application for loan forgiveness and recognized a gain on forgiveness (including accrued interest) of the loan in accordance with ASC 470 during the year ended December 31, 2021.

Round 2

During the year ended December 31, 2021, the Institution and Hotel were approved for and received a second PPP loan of \$2,000,000 and \$887,400, respectively, which is included in the consolidated statement of financial position as of December 31, 2021. The Institution's note was set to mature in 2026 and bore interest at a fixed annual rate of 1%. The Hotel's note had an original maturity date of 2026 and bore interest at a fixed annual rate of 1%. During the year ended December 31, 2022, the Institution and Hotel applied for and received full forgiveness on the loans and recognized a gain on forgiveness (including accrued interest) in the statement of activities for the year ended December 31, 2022. In February 2022, management received approval of its application for loan forgiveness, and will recognize a gain on forgiveness of the loan in accordance with ASC 470 during the year ended December 31, 2022.

Chautauqua Institution and Subsidiary

Notes to Consolidated Financial Statements

18. Subsequent Events

The Institution has performed subsequent event procedures through May 11, 2023, which is the date the consolidated financial statements were available to be issued. There were no other subsequent events requiring adjustment to the consolidated financial statements or disclosures as stated herein.

Supplemental Information

Chautauqua Institution and Subsidiary
Consolidating Statement of Financial Position

December 31, 2022

	Chautauqua Institution	Beneficial Interest in Net Assets of Chautauqua Foundation	Chautauqua Hotel Company	Eliminations/ Reclassifications	Total
Assets					
Current Assets					
Cash and cash equivalents	\$ 10,374,559	\$ -	\$ 102,488	\$ -	\$ 10,477,047
Restricted cash	2,488,532	-	-	-	2,488,532
Accounts receivable:					
Trade, net	3,145,956	-	158,861	(3,124,522)	180,295
Other - Employee Retention Credit	3,949,243	-	733,293	-	4,682,536
Inventory	542,142	-	170,486	-	712,628
Prepaid expenses and deferred charges	351,237	-	70,453	-	421,690
Current portion of contributions receivable	3,908,216	-	-	-	3,908,216
Total Current Assets	24,759,885	-	1,235,581	(3,124,522)	22,870,944
Non-Current Assets					
Beneficial interest in net assets of Chautauqua Foundation, Inc.	-	117,934,600	-	-	117,934,600
Payout due from Chautauqua Foundation, Inc.	1,099,296	-	-	-	1,099,296
Investment in subsidiary and note receivable	4,366,760	-	-	(4,366,760)	-
Contributions receivable, net of current portion	4,822,445	-	-	-	4,822,445
Right-of-use asset	1,185,540	-	-	-	1,185,540
Property and equipment, less accumulated depreciation	95,400,213	-	6,790,036	-	102,190,249
Other assets	-	-	24,000	-	24,000
Total Non-Current Assets	106,874,254	117,934,600	6,814,036	(4,366,760)	227,256,130
Total Assets	\$ 131,634,139	\$ 117,934,600	\$ 8,049,617	\$ (7,491,282)	\$ 250,127,074
Liabilities and Net Assets					
Current Liabilities					
Accounts payable and accrued expenses	\$ 3,611,312	\$ -	\$ 3,605,446	\$ (3,124,522)	\$ 4,092,236
Deferred income	245,702	-	-	-	245,702
Paycheck Protection Program loans	-	-	-	-	-
Lease liability, current portion	176,118	-	-	-	176,118
Current portion of long-term debt	-	-	132,750	(78,921)	53,829
Total Current Liabilities	4,033,132	-	3,738,196	(3,203,443)	4,567,885
Long-Term Liabilities					
Lease liability, net of current portion	1,034,273	-	-	-	1,034,273
Long-term debt, net of current portion and deferred financing costs	-	-	26,414	(2,832)	23,582
Total Long-Term Liabilities, Net	1,034,273	-	26,414	(2,832)	1,057,855
Total Liabilities	5,067,405	-	3,764,610	(3,206,275)	5,625,740
Commitments and Contingencies					
Net Assets					
Stockholder's equity	-	-	4,285,007	(4,285,007)	-
Without donor restrictions	119,468,201	-	-	-	119,468,201
With donor restrictions	7,098,533	117,934,600	-	-	125,033,133
Total Net Assets	126,566,734	117,934,600	4,285,007	(4,285,007)	244,501,334
Total Liabilities and Net Assets	\$ 131,634,139	\$ 117,934,600	\$ 8,049,617	\$ (7,491,282)	\$ 250,127,074

Chautauqua Institution and Subsidiary

Consolidating Statement of Activities

Year ended December 31, 2022

	Chautauqua Institution	Beneficial Interest in Net Assets of Chautauqua Foundation	Chautauqua Hotel Company	Eliminations/ Reclassifications	Total
Revenues, Gains, and Other Support					
Operating revenue:					
Program	\$ 18,918,171	\$ -	\$ -	\$ -	\$ 18,918,171
Enterprise activities	3,671,871	-	-	-	3,671,871
Chautauqua Hotel Company, Inc.	(125,236)	-	6,799,026	125,236	6,799,026
Operations, services, and fees	2,301,239	-	-	-	2,301,239
Total Operating Revenue	24,766,045	-	6,799,026	125,236	31,690,307
Philanthropy revenue:					
Contributions	9,534,337	-	-	-	9,534,337
Endowment support from Chautauqua Foundation	4,366,022	-	-	-	4,366,022
Government grants	-	-	-	-	-
Total Philanthropy Revenue	13,900,359	-	-	-	13,900,359
Investment income	20,101	-	-	-	20,101
Gain on sale of assets	29,975	-	-	-	29,975
Total Revenues, Gains, and Other Support	38,716,480	-	6,799,026	125,236	45,640,742
Expenses					
Performing and visual arts	11,205,091	-	-	-	11,205,091
Religion	921,420	-	-	-	921,420
Education and youth services	3,236,668	-	-	-	3,236,668
Recreation	1,747,162	-	-	-	1,747,162
Patron experience, ticketing and services	1,691,714	-	-	-	1,691,714
Enterprise activities	4,201,185	-	-	-	4,201,185
Chautauqua Hotel Company, Inc.	-	-	8,643,708	-	8,643,708
General Operations	4,030,892	-	-	-	4,030,892
Conservation of Chautauqua Lake	2,315,891	-	-	-	2,315,891
Fundraising	2,414,435	-	-	-	2,414,435
Administrative and support	7,929,462	-	-	-	7,929,462
Depreciation	4,626,272	-	-	-	4,626,272
Total Expenses	44,320,192	-	8,643,708	-	52,963,900
Change in Net Assets from Operations	(5,603,712)	-	(1,844,682)	125,236	(7,323,158)
Change in Beneficial Interest in Net Assets of Chautauqua Foundation	-	(22,299,746)	-	-	(22,299,746)
Gain on Forgiveness of PPP Loan	2,000,000	-	887,400	-	2,887,400
Employee Retention Credit	3,949,243	-	838,126	-	4,787,369
Change in Net Assets	\$ 345,531	\$ (22,299,746)	\$ (119,156)	\$ 125,236	\$ (21,948,135)