Salzburg Global Seminar, Inc. and Subsidiary

Consolidated Financial Statements
and Independent Auditor's Report

December 31, 2022 and 2021

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Salzburg Global Seminar, Inc. and Subsidiary

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Independent Auditor's Report

To the Board of Directors
Salzburg Global Seminar, Inc. and Subsidiary

Opinion

We have audited the consolidated financial statements of Salzburg Global Seminar, Inc. and Subsidiary (the "Seminar"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Seminar as of December 31, 2022 and 2021, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Seminar, 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 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 Seminar's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 Seminar'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 Seminar'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.

CohnReznick LLP

Bethesda, Maryland
August 23, 2023

Salzburg Global Seminar, Inc. and Subsidiary

Consolidated Statements of Financial Position
December 31, 2022 and 2021

Assets

	2022	2021
Cash and cash equivalents	$ 2,453,639	$ 4,817,001
Accounts receivable and other assets	911,065	532,506
Other receivables	1,111,331	150,936
Pledges receivable, net of discount	2,303,447	569,581
Investments ($10,577,865 and $11,734,650 pledged as collateral for loans as of December 31, 2022 and 2021, respectively)	18,714,266	21,076,829
Operating leases right-of-use assets, net	117,224	-
Property and equipment, net	5,301,711	5,768,727
Total assets	$ 30,912,683	$ 32,915,580

Liabilities and Net Assets

	2022	2021
Liabilities		
Accounts payable and accrued liabilities	$ 1,991,731	$ 1,596,286
Deferred revenue	144,217	267,949
Refundable advances	811,971	1,275,178
Operating leases liabilities	118,415	-
Line of credit	2,715,080	2,920,527
Bank overdraft facilities	4,064,083	6,978,789
Notes payable, net	4,285,522	5,332,625
Total liabilities	14,131,019	18,371,354
Net assets (deficit)		
Without donor restrictions	(6,257,186)	(7,767,227)
With donor restrictions	23,038,850	22,311,453
Total net assets	16,781,664	14,544,226
Total liabilities and net assets	$ 30,912,683	$ 32,915,580

See Notes to Consolidated Financial Statements.

Salzburg Global Seminar, Inc. and Subsidiary

Consolidated Statement of Activities and Change in Net Assets
Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Without donor restrictions	With donor restrictions	2022	2021
Revenues				
Individual	$ 778,593	$ 1,520,172	$ 2,298,765	$ 2,180,046
Corporate	52,040	-	52,040	60,562
Foundation	3,895,585	3,972,121	7,867,706	2,640,688
Government	58,142	-	58,142	78,075
Participant funded tuition	284,608	-	284,608	-
Hotel	3,349,943	-	3,349,943	2,153,214
Investment return, net	(539,943)	(1,587,802)	(2,127,745)	2,516,220
Government subsidies	1,291,163	-	1,291,163	1,122,222
Contributions of nonfinancial assets	35,744	-	35,744	-
Other income	255,018	-	255,018	163,195
Net assets released from restriction	3,177,094	(3,177,094)	-	-
Total revenues	12,637,987	727,397	13,365,384	10,914,222
Expenses				
Educational programs and projects	4,329,522	-	4,329,522	2,700,143
Hotel	3,761,334	-	3,761,334	3,470,397
Management and general	2,170,461	-	2,170,461	1,984,478
Fundraising and reporting	802,977	-	802,977	239,789
Total expenses	11,064,294	-	11,064,294	8,394,807
Change in net assets before other loss and adjustments	1,573,693	727,397	2,301,090	2,519,415
Other loss				
Net foreign currency transaction loss	(1,995,862)	-	(1,995,862)	(1,241,933)
Foreign currency exchange loss on loans	(93,449)	-	(93,449)	(60,946)
Forgiveness of Paycheck Protection Program loan	-	-	-	175,917
Total other loss	(2,089,311)	-	(2,089,311)	(1,126,962)
Change in net assets before other adjustments	(515,618)	727,397	211,779	1,392,453
Foreign currency translation adjustments	2,025,659	-	2,025,659	1,349,709
Change in net assets	1,510,041	727,397	2,237,438	2,742,162
Net assets (deficit) at beginning	(7,767,227)	22,311,453	14,544,226	11,802,064
Net assets (deficit) at end	$ (6,257,186)	$ 23,038,850	$ 16,781,664	$ 14,544,226

See Notes to Consolidated Financial Statements.

Salzburg Global Seminar, Inc. and Subsidiary

Consolidated Statement of Activities and Change in Net Assets
Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	2021
Revenues			
Individual	$ 823,040	$ 1,357,006	$ 2,180,046
Corporate	60,562	-	60,562
Foundation	1,387,088	1,253,600	2,640,688
Government	78,075	-	78,075
Hotel	2,153,214	-	2,153,214
Investment return, net	944,697	1,571,523	2,516,220
Government subsidies	1,122,222	-	1,122,222
Other income	163,195	-	163,195
Net assets released from restriction	3,381,646	(3,381,646)	-
Total revenues	10,113,739	800,483	10,914,222
Expenses			
Educational programs and projects	2,700,143	-	2,700,143
Hotel	3,470,397	-	3,470,397
Management and general	1,984,478	-	1,984,478
Fundraising and reporting	239,789	-	239,789
Total expenses	8,394,807	-	8,394,807
Change in net assets before other loss and adjustments	1,718,932	800,483	2,519,415
Other loss			
Net foreign currency transaction loss	(1,241,933)	-	(1,241,933)
Foreign currency exchange loss on loans	(60,946)	-	(60,946)
Forgiveness of Paycheck Protection Program loan	175,917	-	175,917
Total other loss	(1,126,962)	-	(1,126,962)
Change in net assets before other adjustments	591,970	800,483	1,392,453
Foreign currency translation adjustments	1,349,709	-	1,349,709
Change in net assets	1,941,679	800,483	2,742,162
Net assets (deficit) at beginning	(9,708,906)	21,510,970	11,802,064
Net assets (deficit) at end	$ (7,767,227)	$ 22,311,453	$ 14,544,226

See Notes to Consolidated Financial Statements.

Salzburg Global Seminar, Inc. and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended December 31, 2022
(With Comparative Totals for Year Ended December 31, 2021)

	Educational programs and project	Hotel	Management and general	Fundraising and reporting	Total	2021 Total
Expenses						
Wages and benefits	$ 1,985,314	$ 2,352,021	$ 540,077	$ 287,149	$ 5,164,561	$ 4,756,930
Food, beverage and household	822,228	25,528	-	-	847,756	454,058
Maintenance and utilities	95,654	349,869	-	-	445,523	352,011
Professional fees	694,304	70,720	689,712	263,901	1,718,637	1,074,478
Travel and meetings	416,276	43,996	208,386	150,855	819,513	59,317
Miscellaneous	69,035	327,962	222,745	1,097	620,839	412,980
Depreciation	-	326,281	111,406	-	437,687	459,136
Interest and bank fee	-	95,057	278,458	-	373,515	297,195
Office	246,711	124,386	85,921	99,975	556,993	468,388
Property taxes and other taxes	-	45,514	33,756	-	79,270	60,314
Total expenses	$ 4,329,522	$ 3,761,334	$ 2,170,461	$ 802,977	$ 11,064,294	$ 8,394,807

See Notes to Consolidated Financial Statements.

Salzburg Global Seminar, Inc. and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended December 31, 2021

	Educational programs and project	Hotel	Management and general	Fundraising and reporting	Total
Expenses					
Wages and benefits	$ 1,856,819	$ 1,889,407	$ 843,947	$ 166,757	$ 4,756,930
Food, beverage and household	31,415	422,643	-	-	454,058
Maintenance and utilities	79,341	272,670	-	-	352,011
Professional fees	439,418	97,053	499,709	38,298	1,074,478
Travel and meetings	27,104	3,255	21,582	7,376	59,317
Miscellaneous	37,107	207,204	168,588	81	412,980
Depreciation	-	341,265	117,871	-	459,136
Interest and bank fee	-	71,504	225,691	-	297,195
Office	228,939	140,791	71,381	27,277	468,388
Property taxes and other taxes	-	24,605	35,709	-	60,314
Total expenses	$ 2,700,143	$ 3,470,397	$ 1,984,478	$ 239,789	$ 8,394,807

See Notes to Consolidated Financial Statements.

Salzburg Global Seminar, Inc. and Subsidiary

Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	$ 2,237,438	$ 2,742,162
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	437,687	459,136
Amortization of operating leases right-of-use assets	103,391	-
Amortization of debt issuance costs	6,606	8,065
Amortization of discount on pledges receivable	59,981	(426)
Realized and unrealized depreciation (appreciation) of investments	2,606,757	(2,028,769)
Foreign currency translation adjustments	(2,025,659)	(1,349,709)
Foreign currency transaction loss	1,995,862	1,241,933
Foreign currency loss on long-term debt	93,449	60,946
Forgiveness of debt - individual donation	-	(10,647)
Forgiveness of paycheck protection program loan	-	(175,917)
Bad debt	5,000	1,080
Contributions restricted for long-term investment	(197,149)	(275,669)
Interest and dividends restricted for long-term investment	(12,939)	(12,760)
Changes in cash based on change in		
Pledges receivable	(1,798,847)	236,533
Accounts receivable and other assets	(392,174)	(199,036)
Other receivables	(955,867)	138,437
Accounts payable and accrued liabilities	459,552	429,349
Deferred revenue	(107,022)	(290,756)
Refundable advances	(463,207)	163,905
Operating leases liabilities	(104,692)	-
Net cash provided by operating activities	1,948,167	1,137,857
Cash flows from investing activities		
Purchase of investments	(577,390)	(360,766)
Proceeds from sales of investments	14,022	91,366
Purchase of property and equipment	(304,277)	(871,910)
Net cash used in investing activities	(867,645)	(1,141,310)
Cash flows from financing activities		
Contributions, interest and dividends restricted for long-term investment	210,088	288,429
(Payments) on line of credit	(205,447)	-
Advances on line of credit	-	3,716
Change in bank overdraft facility	(2,485,676)	624,389
(Repayments) of notes payable	(841,378)	(64,334)
Proceeds from notes payable	-	6,399
Net (used in) cash provided by financing activities	(3,322,413)	858,599
Effect of exchange rates on cash	(121,471)	(76,513)
Net (decrease) increase in cash and cash equivalents	(2,363,362)	778,633
Cash and cash equivalents at beginning	4,817,001	4,038,368
Cash and cash equivalents at end	$ 2,453,639	$ 4,817,001
Supplemental data		
Interest paid	$ 286,243	$ 237,255
Right-of-use asset in exchange for operating lease obligation	$ 220,615	$ -

See Notes to Consolidated Financial Statements.

Note 1 - Summary of significant accounting policies

Activities and organization

The Salzburg Global Seminar, Inc. and Subsidiary (the "Seminar") is an independent, not-for-profit educational organization incorporated in 1947 that holds seminars on topics as diverse as healthcare and education, culture and economics, geopolitics and philanthropy. The purpose of the Seminar is the study, at the highest level, of contemporary problems of worldwide scope. The Seminar is administered from its office in Washington, D.C. In addition, the Seminar has teaching and conference facilities in Austria.

In 2005, Salzburg Global Seminar, Austria was established as an independent Austrian association. Salzburg Global Seminar, Austria and the Seminar share some members of management and the Board of Directors.

The consolidated financial statements include both the Salzburg Global Seminar, Inc. and Salzburg Global Seminar, Austria, collectively called the Seminar. The financial statements of each location have been combined and all significant transactions between locations have been eliminated.

Use of estimates

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

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis and in accordance with the reporting principles of not-for-profit accounting. Accounting standards require that unconditional promises to give ("pledges") be recorded as receivables and revenues within the appropriate net asset category. Authoritative accounting guidance has established standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, a statement of activities and change in net assets, a statement of functional expenses, and a statement of cash flows. This requires classification of net assets, revenues, expenses, gains and losses into two categories, based on the existence or absence of externally imposed restrictions. Accordingly, net assets of the Seminar are classified and defined as follows:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions

Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Seminar. Net assets with donor restrictions also reflect gifts (and in certain circumstances earnings from those gifts), subject to donor-imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash on deposit with financial institutions and money market accounts, excluding cash equivalents held as investments. Highly liquid instruments purchased with an original maturity of three months or less are classified as cash equivalents.

Accounts and other receivables and bad debts
Trade accounts receivables and other receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. For the years ended December 31, 2022 and 2021, bad debt expense for accounts and other receivables was $0 and $500, respectively.

Pledges receivable and bad debts
Pledges receivable are recorded at the present value of estimated future cash flows using a discount rate equal to the risk free rate of return for U.S. Treasury Bills. Pledges greater than $5,000 with a time period over one year are discounted. The Seminar provides an allowance for uncollectible pledges receivable based on the estimated collectability of pledges. As of December 31, 2022 and 2021, management estimates that no allowance for uncollectible pledges is necessary. It is reasonably possible that management's estimate of the allowance will change. When collection efforts have been exhausted, the account is written off against the established allowance. For the years ended December 31, 2022 and 2021, bad debt expense for pledges receivable was $5,000 and $580, respectively.

Investments
Investments in equity and debt securities are reported at fair value. Investment return includes interest and dividends, realized gains or losses, and changes in unrealized appreciation (depreciation), and is presented in the consolidated statements of activities and change in net assets based on donor restrictions. Realized gains/losses and changes in unrealized appreciation (depreciation) are added to or deducted from net assets without donor restrictions and net assets with donor restrictions, as appropriate. The specific cost of investments sold is used to determine the basis for computing realized gains or losses.

Property and equipment
Property and equipment, including major renewals and improvements, are carried at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

When major repairs and maintenance are performed, the cost is capitalized if the recognition criteria are satisfied. All other repairs and maintenance costs are charged to expense as incurred. Costs incurred for major renewals and improvements are recorded as construction in progress and are not depreciated until the constructed asset is ready for its intended use.

The carrying amount of assets sold or otherwise disposed of and the related accumulated depreciation are eliminated from the financial statements in the year of disposal, and the resulting gain or loss is credited or charged to the change in net assets and is included in miscellaneous expense in the consolidated statements of functional expenses.

The Seminar reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended December 31, 2022 and 2021.

Severance pay

Under Austrian law, Austrian employees, upon retirement or certain other terminations, are entitled up to one year's salary dependent upon length of service. This is valid for employment contracts that were entered into before January 1, 2003. The cost is accrued over the active service period of the employees. The estimated liability has been included in accounts payable and accrued liabilities in the consolidated statements of financial position (see Note 13).

For employment contracts that have been entered after January 1, 2003, the severance payment system in place does not require a provision for severance payments.

Revenue recognition

Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Seminar must overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Seminar fails to overcome the barrier. Any funding received prior to overcoming the barrier is recognized as a refundable advance. At December 31, 2022 and 2021, the Seminar had refundable advances of $811,971 and $1,275,178, respectively.

Contributions, sponsorships, and bequests are included in revenue when received or pledged. When a donor restriction expires, that is, when the earlier of stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and change in net assets as net assets released from restriction.

Grant revenues are recognized as the terms of the grants are met and are included in foundation revenue and government revenue on the consolidated statements of activities and change in net assets. Grant revenues received prior to fulfilling the commitments under the terms of the grant are recorded as refundable advances.

Participant funded tuition is income from the seminar sessions held by the Seminar. This income is recognized when the sessions occur.

Revenues from operations of the hotel are recognized when goods and services are provided and the performance obligations are satisfied, net of any sales, occupancy, or other similar taxes collected from customers. Deposits received for events and meetings are deferred until the year in which the event or meeting is held. Hotel revenue on the consolidated statements of activities and change in net assets consist of room sales, food and beverage sales, and conference and meeting revenue (see Note 11).

Room revenue is generated through short-term contracts with customers whereby customers agree to pay a daily rate for the right to use hotel rooms for one or more nights. The Seminar's performance obligations are fulfilled at the end of each night that the customers are provided the rooms and room revenue is recognized daily at the contract rate in effect for each room night.

Food and beverage revenue is generated when customers agree to pay for food and beverage at the hotel or for banquet and catering services at the hotel. The Seminar's performance obligations are fulfilled at the time that the food and beverage is provided or when the banquet facilities and related dining and other amenities (e.g., audio visual services) are provided.

Government subsidies income are subsidies from the Austrian government that do not need to be repaid. Government subsidies are recognized as revenue upon receipt of payment.

Contributed property and equipment, professional services and other are recorded at estimated fair value on the date of the gift and have been presented in the consolidated statements of activities and change in net assets as contributed nonfinancial assets and expensed in the appropriate functional category. Gifts of long-lived assets are depreciated using the straight-line method over the estimated useful life of the asset.

Contract balances
The timing of revenue recognition, billings, and cash collections results in billed accounts receivable and unbilled receivables (contract assets) and customer advances and deposits (contract liabilities) on the consolidated statements of financial position.

As of December 31, 2022, 2021 and 2020, contract balances consist of the following:

	2022	2021	2020
Accounts receivables	$ 740,983	$ 381,124	$ 530,344
Deferred revenue	144,217	267,949	592,524

Foreign currency translation and transactions
In accordance with accounting guidance for foreign currency translation, the effects of translation rate changes related to net assets denominated in Euros are recorded as foreign currency translation adjustments rather than in revenues and expenses. Transaction gains and losses are included in other income (expense) as foreign currency transaction gains and losses. The functional currency of the Austrian operation is the Euro. The year-end rate used for financial position conversion as of December 31, 2022 and 2021 was 1.0678 and 1.1322, respectively. The weighted average rate used for conversion of the activities during 2022 and 2021 was 1.0533 and 1.1828, respectively.

Taxes
The Seminar is exempt from U.S. income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Seminar's tax-exempt purpose is subject to taxation as unrelated business income. During the years ended December 31, 2022 and 2021, the Seminar earned unrelated business income from its Austria facilities. Accordingly, these consolidated financial statements reflect provisions for unrelated business income as described in Note 9.

The Seminar is also subject to certain taxes in Austria and U.S. personal property tax.

Concentration of credit risk
The Seminar has cash and cash equivalents and marketable securities which subject the Seminar to concentrations of credit risk. At times, amounts on deposit may exceed insured limits. The Seminar has not experienced losses in any of these accounts to date. The Seminar mitigates this risk by evaluating the capital structure of the financial institutions which hold these deposits.

Economic dependency
The Salzburg Global Seminar, Austria operates the hotel located in Salzburg, Austria. Future operations could be affected by changes in economic or other conditions in that geographical area or the demand for lodging.

A significant portion of the Seminar's revenue is derived through contributions from foundations and individuals. The Seminar is dependent on these contributions to carry out its operating activities.

Debt financing costs and amortization
Debt issuance costs, net of accumulated amortization are reported as a direct deduction from the face amount of the notes payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

New accounting pronouncements
The Seminar adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2016-02 (as amended), *Leases* ("Topic 842") on January 1, 2022. Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for most leases. The Seminar elected and applied the following transition practical expedients when initially adopting Topic 842:

- To apply the provisions of Topic 842 at the adoption date, instead of applying them to the earliest comparative period presented in the consolidated financial statements.

- The practical expedient permitting the Seminar to apply a risk-free rate as its discount rate instead of the rate implicit in the lease or its incremental borrowing rate.

The Seminar recognized the following for its office, vehicle, and equipment leases as of the adoption date in connection with transitioning to Topic 842:

	As of January 1, 2022
Operating leases right-of-use assets	$ 220,615
Operating leases liabilities	223,107

The Seminar's adoption of Topic 842 also resulted in a decrease of $2,492 in deferred rent, which was reclassified to the right of use asset at adoption. The adoption of Topic 842 did not have a material impact on the Seminar's changes in net assets for the year ended December 31, 2022.

During the year ended December 31, 2022, the Seminar also adopted the provisions of FASB ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard provides guidance on the presentation of contributed nonfinancial assets in the consolidated statements of activities and change in net assets and additional disclosure requirements for each type of contributed nonfinancial asset. The ASU provides transparency on the measurement of the contributed nonfinancial assets of the organization and will not change existing recognition and measurement requirements. The Seminar has implemented the provisions of ASU 2020-07 applicable to all contributed nonfinancial assets, which has been applied retrospectively to all periods presented.

Functional allocation of expenses
The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statement of functional expenses. Costs incurred by a program service or supporting service are charged directly to that service. Other management and general administrative expenses are allocated to the various functional categories based on the total expenses of the various departments compared to total expenses.

Reclassifications
Certain reclassifications have been made to the 2021 amounts to conform to the 2022 presentation.

Note 2 - Liquidity and availability of resources

As of December 31, 2022 and 2021, financial assets and liquidity resources available in one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, are as follows:

	2022	2021
Financial assets		
Cash and cash equivalents	$ 2,453,639	$ 4,817,001
Accounts receivable	740,983	529,726
Other receivables	1,111,331	150,936
Pledges receivable	2,303,447	569,581
Investments	18,714,266	21,076,829
	25,323,666	27,144,073
Less those unavailable for contractual or donor-imposed restrictions		
Endowment fund	(16,801,531)	(19,092,184)
Add back: next year endowment payout	900,000	900,000
Other donor restrictions	(6,237,319)	(3,219,269)
Add back: amounts available not subject to donor-specified expenditures in the following year	745,743	1,794,674
	(21,393,107)	(19,616,779)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,930,559	$ 7,527,294

The Seminar maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and obligations come due. The primary sources of support are contributions and income from investing its endowment. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. Donor-restricted support has historically funded the majority of the annual program and supporting activities, with the remainder funded by investment income without donor restrictions and fundraising efforts that are held for the purpose of supporting the Seminar's budget.

To help manage unanticipated liquidity needs, the Seminar has an established a line of credit with an available credit of approximately $1,800,000 as of December 31, 2022, which it could draw upon (see Note 10).

Note 3 - Net assets (deficit)

As of December 31, 2022 and 2021, the Seminar's net assets (deficit) without donor restrictions consist of the following:

	2022	2021
Without donor restrictions	$ (18,059,856)	$ (17,544,238)
Cumulative translation adjustments	11,802,670	9,777,011
	$ (6,257,186)	$ (7,767,227)

As of December 31, 2022 and 2021, the Seminar's net assets with donor restrictions consist of the following:

	2022	2021
Purpose		
Accelerator program	$ 2,933,386	$ 265,961
Challenge program	1,281,194	1,760,711
Scholarship	12,500	48,301
Hotel	1,997,259	1,130,842
Endowment income	741,574	3,229,376
Time		
General administration	12,980	13,454
	6,978,893	6,448,645
Net assets with donor restrictions - perpetual restrictions	16,059,957	15,862,808
Net assets with donor restrictions	$ 23,038,850	$ 22,311,453

During 2022 and 2021, the Seminar's net assets released from restrictions consist of the following:

	2022	2021
Purpose		
Accelerator program	$ 420,500	$ 188,728
Apex program	97,500	152,893
Challenge program	1,441,470	1,132,136
Scholarship	123,059	50,596
Hotel	170,700	931,116
Endowment income	900,000	900,000
Time		
General administration	23,865	26,177
	$ 3,177,094	$ 3,381,646

In a prior year, the Seminar received a $10 million gift from a foundation, of which $5 million was classified as net assets with donor restrictions and held in perpetuity and $5 million was classified as net assets with donor restrictions. When the Seminar raises $10 million in matching endowment gifts, the $5 million of net assets with donor restrictions will be reclassified to net assets with donor restrictions and held in perpetuity. Matching endowment gifts also consist of the future value of unconditional and conditional gifts, including bequests and other conditional gifts. As of December 31, 2022 and 2021, the Seminar reported approximately $9.2 million and $9.0 million, respectively, of matching endowment gifts toward the $10 million goal.

Included in the net assets with donor restrictions is a $2 million gift for the Sasakawa Endowment Fund Program which supports fellowships and travel for individuals to attend sessions at the Seminar. Under terms of the *Agreement on the Sasakawa Endowment Fund between Salzburg Seminar and the Nippon Foundation* (the "Agreement"), the Seminar can expend up to 90% of the income earned annually. The Agreement also contains a provision that would allow the Nippon Foundation to recover unexpended funds if the Seminar does not comply with the terms of the Agreement. During 2022 and 2021, $142,817 and $2,796, respectively, of investment return was used for grant purposes and administrative expense in accordance with the Agreement.

Note 4 - Endowment funds

The Seminar classifies net assets of donor-restricted endowment funds based on the interpretation of the Law of the Commonwealth of Massachusetts and according to generally accepted accounting principles ("GAAP"). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Seminar interprets the Uniform Prudent Management of Institutional Funds Acts ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowments funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Seminar classifies as net assets with donor restrictions (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable

donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity, is subject to appropriation for expenditure by the Seminar in a manner consistent with the standard of prudence prescribed by UPMIFA.

The changes in endowment net assets (deficit) for the years ended December 31, 2022 and 2021 consisted of the following:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets (deficit), January 1, 2022	$ (1,501,946)	$ 19,092,184	$ 17,590,238
Investment return	-	(1,587,802)	(1,587,802)
Contributions	-	197,149	197,149
Net assets released from restriction and reclassification	-	(900,000)	(900,000)
Changes - foreign currency translation and transactions	(308,965)	-	(308,965)
Change in endowment net assets	(308,965)	(2,290,653)	(2,599,618)
Endowment net assets (deficit), December 31, 2022	$ (1,810,911)	$ 16,801,531	$ 14,990,620

	Without donor restrictions	With donor restrictions	Total
Endowment net assets (deficit), January 1, 2021	$ (1,079,260)	$ 18,144,992	$ 17,065,732
Investment return	-	1,571,523	1,571,523
Contributions	-	275,669	275,669
Net assets released from restriction and reclassification	-	(900,000)	(900,000)
Changes - foreign currency translation and transactions	(422,686)	-	(422,686)
Change in endowment net assets	(422,686)	947,192	524,506
Endowment net assets (deficit), December 31, 2021	$ (1,501,946)	$ 19,092,184	$ 17,590,238

Funds with deficiencies
From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration. At December 31, 2022, funds with original gift values of $12,209,306, fair values of $10,410,983 and deficiencies of $1,798,323 were reported in net assets with donor restrictions. At December 31, 2021, funds with original gift values of $11,951,526, fair values of $11,116,361 and deficiencies of $835,165 were reported in net assets with donor restrictions.

Return objectives and risk parameters
The Seminar's investment strategy as approved by the Board of Directors is to invest in a mixed portfolio of funds with the objective of principal growth and annual income return. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a real return (after inflation) of 5% annually on a rolling 12-quarter basis while assuming a minimal amount of risk. The Seminar expects its endowment funds, over time, to provide this annual rate of return. Actual returns in any given period may vary from this amount.

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

Spending policy and how the investment objectives relate to spending policy
In 2009, with passage of UPMIFA legislation, the Commonwealth of Massachusetts authorized the use of endowment funds in situations deemed reasonable and prudent by an institution's governing board. As a result of this legislation, the Board of Directors authorized the Seminar to spend up to 3% of a 12-quarter rolling average of endowments at fair market value, excluding endowment investments with specified spending rates. This policy will be in effect until endowments exceed historic value. Any endowment that exceeds historic value will also spend a portion of accumulated gains up to a maximum spending rate of 5%. During 2022 and 2021, the difference between interest income and dividends and the total amount spent under the policy funded by endowment corpus was $553,487 and $542,826, respectively.

Note 5 - Pledges receivable

Pledges outstanding at December 31, 2022 and 2021 are summarized as follows:

	2022	2021
Unconditional promises expected to be collected in:		
Less than one year	$ 944,124	$ 521,211
One year to five years	1,420,000	49,066
Total gross pledges	2,364,124	570,277
Less: Discount to present value	(60,677)	(696)
Total pledges, net	$ 2,303,447	$ 569,581

The discount to present value was calculated using discount factors based on U.S. Treasury Notes rates.

Note 6 - Investments

Investments at December 31, 2022 and 2021, consisted of the following:

	2022	2021
Money market	$ 856,905	$ 902,484
Equity securities	4,929,274	6,090,006
Mutual funds - equity	10,449,685	11,329,614
Mutual funds - fixed income	387,730	449,480
Exchange traded funds	281,032	357,070
Fixed income securities	1,561,186	1,698,027
Hedge funds	248,454	250,148
Total fair value of investments	$ 18,714,266	$ 21,076,829

Money market funds represent money market instruments which are invested in U.S. dollars and Euros.

Hedge funds are held in the United States and consist of a private equity fund that invests in hedge funds.

Total investment return for the years ended December 31, 2022 and 2021 consisted of the following:

	2022	2021
Interest income and dividends	$ 479,012	$ 487,451
Realized gain	330,772	465,230
Unrealized (loss) gain, net	(2,937,529)	1,563,539
Total investment return	$ (2,127,745)	$ 2,516,220

Investment fees amounted to $56,730 and $57,505 for the year ended December 31, 2022 and 2021, respectively. Total investment return is net of investment fees.

Note 7 - Property and equipment

Property and equipment at December 31, 2022 and 2021, consisted of the following:

	Estimated useful life in years	2022	2021
Land		$ 148,726	$ 157,696
Buildings			
Schloss Leopoldskron	10 - 50	3,764,627	3,855,438
Meierhof	10 - 50	9,029,381	9,550,397
Equipment	4 - 10	1,056,266	1,101,145
		13,999,000	14,664,676
Less accumulated depreciation		(8,697,289)	(8,895,949)
Property and equipment, net		$ 5,301,711	$ 5,768,727

A component of the net change in fixed assets from December 31, 2022 and 2021 is the effect of foreign currency translation (see Note 1).

Note 8 - Income taxes

Deferred income taxes are provided using the liability method, whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry-forwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates of the date of enactment and are reflected under property taxes and other taxes in the Seminar's consolidated statements of functional expenses.

During the years ended December 31, 2022 and 2021, the Seminar's net unrelated business income (loss) was $234,191 and ($582,315), respectively. As of December 31, 2022 and 2021, the resulting net operating loss ("NOL") carry-forward was $10,562,133 and $10,796,324, respectively. The deferred tax asset for these NOL carry-forwards of $3,151,741 and $3,221,623 as of December 31, 2022 and 2021, respectively, was based on the new federal tax rates from the 2017 Tax Act and applicable state tax rates. As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of December 31, 2022 and 2021, management determined that there is sufficient negative evidence to conclude that it is more likely than not that the benefits of the NOL carry-forward will not be realized. In recognition of this risk, the Seminar provided a valuation allowance of $3,151,741 and $3,221,623 on the deferred tax asset for the years ended December 31, 2022 and 2021, respectively. As a result, the net deferred tax asset is $0 on the consolidated statements of financial position as of December 31, 2022 and 2021.

The NOL carry-forwards totaling $10,562,133 as of December 31, 2022 may offset future unrelated business income. The NOL carry-forwards generated for tax years beginning prior to January 1, 2018 will expire in the fiscal years 2027 to 2034 if not previously utilized. NOL carry-forwards generated for tax years beginning January 1, 2018 and later can be carried forward indefinitely but utilization in a particular year is limited to 80% of that year's taxable income.

The Seminar evaluates its uncertain tax positions using the provisions of authoritative guidance. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the consolidated financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position, or for all uncertain tax positions in the aggregate, could differ from the amount recognized. The Seminar has no uncertain tax positions as of December 31, 2022 and 2021.

The Seminar's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the Internal Revenue Service for a period of three years after they were filed. While no tax returns are currently being examined by the Internal Revenue Service, tax years since 2019 remain open.

Note 9 - Leases

On October 28, 2020, the Seminar entered into a three-year lease agreement for an office suite in Washington, D.C effective December 1, 2020. Rent is paid in monthly installments of $7,800. As of December 31, 2022 and 2021, the Seminar has deferred rent of $0 and $2,492, respectively, which is included in accounts payable and accrued liabilities in the consolidated statements of financial position.

The Seminar in Salzburg, Austria entered into operating leases that include vehicle and equipment leases. These agreements have lease terms beyond one year.

As discussed in Note 1, the Seminar adopted Topic 842 on January 1, 2022. Pursuant to the adoption of Topic 842, the Seminar recognized lease liabilities, which was measured at the present value of future minimum lease payments and a corresponding right-of-use assets. The Seminar determined an appropriate discount rate to apply when it determined the present value of the remaining lease payments for purposes of measuring its lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Seminar applied the practical expedient to elect the use of a risk-free rate as its discount rate.

As of December 31, 2022, the unamortized right-of-use assets were $117,224, and the unamortized operating lease liabilities were $118,415.

Minimum future rental payments under these leases as of December 31, 2022 are as follows:

2023	$ 98,382
2024	10,197
2025	5,425
2026	5,425
	119,429
Less imputed interest	(1,014)
Present value of net minimum lease payments	$ 118,415

Other lease information:

Weighted-average annual discount rate operating leases	0.91%
Weighted-average remaining lease term (years)	1.54

Rent paid under these leases amounted to $98,382 and $145,328 in 2022 and 2021, respectively, and is included in office expenses in the consolidated statements of functional expenses.

Note 10 - Notes payable and line of credit

Notes payable at December 31, 2022 and 2021, consisted of the following:

	2022	2021
Note payable (denominated in Euros) to an Austrian bank with principal and interest payments through 2032. Quarterly payments of $26,694 are due beginning in September 2022. The remaining balance of the loan is due in June 2032. Interest is at the Euribor rate plus 1.5% (2.75% at December 31, 2022 and 1.5% at December 31, 2021). The loan is collateralized by investments and real estate in	$ 2,658,988	$ 2,874,991
Note payable (denominated in USD) to an Austrian bank with principal and interest payments through 2026. The note payable was paid in full during 2022. The loan was collateralized by investments and real estate in Austria.*	-	738,736
Note payable (denominated in Euros) to an Austrian bank with interest payments through 2027. Interest is at a fixed rate of 2.35% as of 2022. The loan is collateralized by investments and real estate in Austria.*	1,107,076	1,173,846
Note payables (denominated in Euros) to an Austrian bank with no interest payments until April 2022. Beginning in April 2022, interest is at the Euribor rate plus 0.75% (0% at December 31, 2022 and 2021). $266,937 of the loan is due in May 2024 and the remaining balance of $266,938 is due in January 2025. The loan is guaranteed by the Austrian government under a special COVID-19 loan program.	533,875	566,075
Unamortized debt costs, related to note payable (denominated in USD), amortized using an imputed rate of 2.75%.	(14,417)	(21,023)
	$ 4,285,522	$ 5,332,625

* These loans are collateralized by mutual funds and bonds in Austria with a value of $4,543,798 and $5,465,726 for the years ended December 31, 2022 and 2021, respectively.

The principal repayment amounts due over the next five years and thereafter are as follows:

2023	$ 106,775
2024	373,712
2025	373,713
2026	106,775
2027	1,213,851
Thereafter	2,125,113
	$ 4,299,939

During 2012, the Seminar entered into a securities-backed lending arrangement with a financial institution. The Seminar has available credit equal to 70% - 90% of the fair value of eligible securities held with the financial institution. Interest on the line of credit is at a rate of 30 Day LIBOR + 1.375% (3.29% and 1.47% at December 31, 2022 and 2021, respectively) and is collateralized by certain underlying securities in the amount of $6,034,067 and $6,268,924 as of December 31, 2022 and 2021, respectively. The balance on the line of credit was $2,715,080 and $2,920,527 at December 31, 2022 and 2021, respectively. The Agreement has no maturity date.

The Seminar has one overdraft facility in Austria under which it pays interest at a variable rate of positive Euribor plus 1.25% (2.38% at December 31, 2022 and 1.25% at December 31, 2021), and another overdraft facility at positive Euribor plus 1.38% (2.63% at December 31, 2022 and 1.38% at December 31, 2021). At December 31, 2022 and 2021, the overdrafts totaled $4,064,083 and $6,978,789, respectively. The written limits on these overdrafts at December 31, 2022 and 2021 are $6,940,375 and $7,358,975, respectively.

During 2021, board members forgave notes payable and accrued interest totaling $10,647 with maturities through 2022.

Debt issuance costs, net of accumulated amortization totaled $14,417 and $21,023 at December 31, 2022 and 2021, respectively. Debt issuance costs are related to the note payable denominated in dollars and held by an Austrian bank. Debt issuance costs are being amortized at the imputed rate of 2.75%. For the year ended December 31, 2022 and 2021, there was $6,606 and $8,065, respectively, of amortized debt issuance costs included in interest and bank fees in the consolidated statements of functional expenses. Included in the change in accumulated amortization is ($73) and $257 of foreign currency effects for the years ended December 31, 2022 and 2021.

Interest expense totaled $286,200 and $237,255 for the years ended December 31, 2022 and 2021, respectively, and is included in interest and bank fees in the consolidated statements of functional expenses. No interest remained payable as of December 31, 2022 and 2021.

Note 11 - Hotel revenue

Hotel revenue on the consolidated statements of activities and change in net assets consists of the following:

	2022	2021
Room	$ 2,541,679	$ 1,750,180
Food and beverage	404,060	229,062
Conference and meeting	404,204	173,972
	$ 3,349,943	$ 2,153,214

Note 12 - Contributions of nonfinancial assets

The Seminar received the following contributions of nonfinancial assets for the years ended December 31, 2022 and 2021:

	2022	2021
Donated equipment	$ 10,152	$ -
Contributed professional services	25,000	-
Contributed other	592	-
	$ 35,744	$ -

The contributed professional services and other are presented as office and travel expenses, respectively, on the consolidated statements of functional expenses. For the years ended December 31, 2022 and 2021, the contributions of nonfinancial assets were utilized by the Seminar's programs and support services, and there were no donor-imposed restrictions associated with the contributions of nonfinancial assets.

Note 13 - Employee benefits

Included in wages and benefits on the consolidated statements of functional expenses is severance pay expense (income) for Austrian employees. The related accrual is included in accounts payable and accrued liabilities in the consolidated statements of financial position.

The following is a schedule that details the activity of the Austrian employees' severance liability:

	2022	2021
Beginning severance accrual	$ 155,897	$ 209,383
Current year provision expense	43,298	46,204
Severance payments	-	(83,339)
Foreign currency effect	(8,867)	(16,351)
End severance accrual	$ 190,328	$ 155,897

The Seminar sponsors a defined contribution plan which covers substantially all United States employees. The Seminar contributes a fixed percentage of the employees' wages. The expense related to this plan was $32,492 and $55,519 in 2022 and 2021, respectively, and is included in wages and benefits in the consolidated statements of functional expenses.

Note 14 - Related party

The Seminar holds investments in various mutual funds managed by the Capital Group. A senior executive of the Capital Group was a member of the Board of Directors of the Seminar during 2022. The Board of Directors of the Seminar approved the initial and continuing investment in all investment funds. The market value of these mutual funds for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Bond Fund of America	$ 387,730	$ 449,480
Income Fund of America	1,649,490	1,784,544
Euro Pacific Growth Fund	1,284,374	1,676,618
Capital Income Builder Fund	1,498,712	1,619,161
	$ 4,820,306	$ 5,529,803

During 2022 and 2021, members of the Board of Directors and affiliated organizations contributed to the Seminar unconditional gifts in the amount of $2,714,540 and $2,043,408, respectively, which are included in individual, corporate, foundation, and participant funded tuition revenue in the consolidated statements of activities and change in net assets. During 2022 and 2021, notes payable to board members in the amounts of $0 and $10,647, respectively, were forgiven (see Note 9) and are included in these unconditional gifts. As of December 31, 2022 and 2021, accounts and pledge receivables related to these unconditional gifts were $680,300 and $75,000, respectively, (see Note 5).

Note 15 - Fair value measurement

The Seminar has adopted accounting guidance establishing a framework for measuring fair value and expanding disclosures regarding related fair value measurements for its financial assets and liabilities. The guidance emphasizes that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability.

The fair values of investments are based on either quoted market prices per share, observable data such as ongoing redemption and subscription activity, or net asset values ("NAV") per share provided by investment managers.

The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are inputs that the market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Seminar. Unobservable inputs are inputs that reflect the Seminar's assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is measured in three levels based on the reliability of inputs:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes investments valued at quoted prices adjusted for legal or contractual restrictions specific to the assets or liabilities.

Level 3 - Pricing inputs are unobservable for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability.

Under ASU 2015-07, investments that are measured at fair value using NAV as a practical expedient have not been classified 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 consolidated statements of financial position.

In instances where the determination of fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

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

	Total	Net asset value	Level 1	Level 2	Level 3
Money market	$ 856,905	$ -	$ 856,905	$ -	$ -
Equity securities	4,929,274	-	4,929,274	-	-
Mutual funds - equity	10,449,685	-	10,449,685	-	-
Mutual funds - fixed income	387,730	-	387,730	-	-
Exchange traded funds	281,032	-	281,032	-	-
Fixed income securities	1,561,186	-	1,561,186	-	-
Hedge funds	248,454	248,454	-	-	-
Total	$ 18,714,266	$ 248,454	$ 18,465,812	$ -	$ -

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

	Total	Net asset value	Level 1	Level 2	Level 3
Money market	$ 902,484	$ -	$ 902,484	$ -	$ -
Equity securities	6,090,006	-	6,090,006	-	-
Mutual funds - equity	11,329,614	-	11,329,614	-	-
Mutual funds - fixed income	449,480	-	449,480	-	-
Exchange traded funds	357,070	-	357,070	-	-
Fixed income securities	1,698,027	-	1,698,027	-	-
Hedge funds	250,148	250,148	-	-	-
Total	$ 21,076,829	$ 250,148	$ 20,826,681	$ -	$ -

Note 16 - Contingencies

The Seminar recognizes grant revenue from government agencies based on actual costs incurred and reimbursable expenses from the granting agencies. These costs are subject to review by the officials of the European Union and U.S. government, and ultimate realization of revenue recognized is contingent upon the outcome of such review. In the opinion of management, adequate provisions have been made in the accompanying consolidated financial statements for adjustments, if any, which may result from review.

The Seminar may be subject to various legal proceedings and claims that arise in the ordinary course of business. While the resolution of these matters, if any, cannot be predicted with certainty, management believes that the final outcomes of such matters will not have a material adverse effect on the financial position, results of operations or cash flows of the organization.

Note 17 - Risks and uncertainties

In late February 2022, the Russian Federation commenced an invasion of Ukraine. The United States government and other nations responded by imposing economic sanctions on Russia. The Seminar cannot predict nor reasonably estimate the impact of the Russian invasion of Ukraine and any heightened geopolitical instability or effects that may follow, including disruptions to hotel and program activities, cyber disruptions or attacks, and heightened inflation, which could result in higher costs.

Note 18 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of the Seminar through August 23, 2023 (the date the consolidated financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosures in the notes to the consolidated financial statements.

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