

**HISTORIC BETHLEHEM PARTNERSHIP, INC.  
AND AFFILIATES**

**Consolidated Financial Statements,  
Independent Auditor's Report,  
and Supplementary Information**

**For the Years Ended February 28, 2023 and February 28, 2022**

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Historic Bethlehem Partnership, Inc.  
And Affiliates

### Opinion

We have audited the accompanying consolidated financial statements of Historic Bethlehem Partnership, Inc. and Affiliates (not-for-profit corporations), which comprise the consolidated statement of financial position as of February 28, 2023, and 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Historic Bethlehem Partnership, Inc. and Affiliates as of February 28, 2023, 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. 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 Historic Bethlehem Partnership, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Historic Bethlehem Partnership, Inc. and Affiliates' ability to continue as a going concern within 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Historic Bethlehem Partnership, Inc. and Affiliates' 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 Historic Bethlehem Partnership, Inc. and Affiliates' 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.

## **Other Matters**

### *Report on Summarized Comparative Information*

We have previously audited the Historic Bethlehem Partnership, Inc. and Affiliates' 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended February 28, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

## *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The statements of financial position by affiliates, statements of activities by affiliates, and consolidated statement of activities for both years then ended on pages 28 to 35 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Cory Bell, Rappold & Yucasita LLP*

December 8, 2023

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**February 28, 2023**

	February 28, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>ASSETS:</u></b>			
Cash - Operating	\$ 422,702	\$ -	\$ 422,702
Cash - Restricted	-	1,485,008	1,485,008
Interfund (Payable) Receivable	332,342	(332,342)	-
Accounts/Grants Receivable	9,888	-	9,888
Promises to Give (Note 3)	-	207,641	207,641
Prepaid Expenses	28,002	-	28,002
Inventory	88,478	-	88,478
Long-Term Investments (Note 4)	435,948	3,491,109	3,927,057
Beneficial Interest in Perpetual Trust (Note 6)	-	301,288	301,288
Property and Equipment, (Net of Accumulated Depreciation) (Note 7)	7,185,693	-	7,185,693
<b>TOTAL ASSETS</b>	<b>\$ 8,503,053</b>	<b>\$ 5,152,704</b>	<b>\$ 13,655,757</b>
<b><u>LIABILITIES AND NET ASSETS:</u></b>			
<b>Liabilities</b>			
Accounts Payable	\$ 163,231	\$ -	\$ 163,231
Accrued Wages and Compensated Absences	20,074	-	20,074
Deferred Revenue	41,684	-	41,684
Security Deposits	6,500	-	6,500
Mortgages and Loans Payable (Note 8)	150,000	-	150,000
Other Liabilities	20,940	-	20,940
<b>TOTAL LIABILITIES</b>	<b>402,429</b>	<b>-</b>	<b>402,429</b>
<b>Commitments and Contingencies</b>			
<b>Net Assets</b>			
Undesignated	432,435	-	432,435
Board Designated	482,496	-	482,496
Net Investment in Property and Equipment	7,185,693	-	7,185,693
Total Net Assets Without Donor Restrictions	8,100,624	-	8,100,624
Restricted for a Purpose (Note 9)	-	2,206,941	2,206,941
Restricted in Perpetuity (Note 9)	-	2,945,763	2,945,763
<b>Total Net Assets</b>	<b>8,100,624</b>	<b>5,152,704</b>	<b>13,253,328</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,503,053</b>	<b>\$ 5,152,704</b>	<b>\$ 13,655,757</b>

See independent auditor's report and notes to the consolidated financial statements.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**February 28, 2022**

	February 28, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>ASSETS:</u></b>			
Cash - Operating	\$ 481,167	\$ -	\$ 481,167
Cash - Restricted	-	1,509,492	1,509,492
Interfund (Payable) Receivable	289,341	(289,341)	-
Accounts/Grants Receivable	12,013	-	12,013
Promises to Give (Note 3)	-	299,672	299,672
Prepaid Expenses	21,727	-	21,727
Inventory	68,907	-	68,907
Long-Term Investments (Note 4)	521,611	4,172,729	4,694,340
Beneficial Interest in Perpetual Trust (Note 6)	-	344,765	344,765
Property and Equipment, (Net of Accumulated Depreciation) (Note 7)	6,965,032	-	6,965,032
<b>TOTAL ASSETS</b>	<b>\$ 8,359,798</b>	<b>\$ 6,037,317</b>	<b>\$ 14,397,115</b>
<b><u>LIABILITIES AND NET ASSETS:</u></b>			
<b>Liabilities</b>			
Accounts Payable	\$ 120,161	\$ -	\$ 120,161
Accrued Wages and Compensated Absences	18,376	-	18,376
Deferred Revenue	23,650	-	23,650
Security Deposits	4,000	-	4,000
Mortgages and Loans Payable (Note 8)	150,000	-	150,000
Other Liabilities	19,352	-	19,352
<b>TOTAL LIABILITIES</b>	<b>335,539</b>	<b>-</b>	<b>335,539</b>
<b>Commitments and Contingencies</b>			
<b>Net Assets</b>			
Undesignated	469,127	-	469,127
Board Designated	590,100	-	590,100
Net Investment in Property and Equipment	6,965,032	-	6,965,032
Total Net Assets Without Donor Restrictions	8,024,259	-	8,024,259
Restricted for a Purpose (Note 9)	-	3,098,963	3,098,963
Restricted in Perpetuity (Note 9)	-	2,938,354	2,938,354
<b>Total Net Assets</b>	<b>8,024,259</b>	<b>6,037,317</b>	<b>14,061,576</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,359,798</b>	<b>\$ 6,037,317</b>	<b>\$ 14,397,115</b>

See independent auditor's report and notes to the consolidated financial statements.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**Years Ended February 28, 2023 and February 28, 2022**

	Year Ended 02/28/2023	Year Ended 02/28/2022
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>OPERATING ACTIVITIES</b>		
<b>Revenue:</b>		
Contributions	\$ 277,659	\$ 293,317
In-Kind Contributions (Note 12)	104,331	67,287
Grants	215,002	67,691
Government Grants - PPP	-	329,027
Tourism	191,015	166,267
Admission/Programs	74,033	81,239
Rental Income	188,950	170,722
Special Events	483,429	518,959
Less: Direct Costs of Special Events	(243,638)	(237,522)
Sales to Public	268,405	225,868
Less: Costs of Store Purchases	(153,641)	(96,159)
Miscellaneous	28,119	57,943
Release of Spending Policy Investment Return (Note 10)	330,332	280,929
Release of Restricted Funds for Operating Expenses (Note 10)	269,376	235,769
Total Operating Revenue	<u>2,033,372</u>	<u>2,161,337</u>
<b>Expenses:</b>		
Program Expenses	1,615,074	1,270,814
Management and General Expenses	258,500	255,628
Fundraising Expenses	281,536	249,372
Total Operating Expenses	<u>2,155,110</u>	<u>1,775,814</u>
<b>OPERATIONAL SURPLUS (DEFICIT)</b>	<u>(121,738)</u>	<u>385,523</u>
<b>NONOPERATING ACTIVITIES</b>		
Contributions	-	-
Loss on Disposal of Assets	-	(424)
Depreciation	(282,982)	(265,861)
Investment Return (Net of Expenses of \$2,293 and \$2,722)	(39,164)	17,379
Release of Restricted Funds for Assets/Debt (Note 10)	520,249	16,212
Change in Nonoperating Activities	<u>198,103</u>	<u>(232,694)</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>\$ 76,365</u>	<u>\$ 152,829</u>

See independent auditor's report and notes to the consolidated financial statements.



**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**Years Ended February 28, 2023 and February 28, 2022**

	Year Ended 02/28/2023	Year Ended 02/28/2022
<b>NET ASSETS WITH PURPOSE RESTRICTIONS</b>		
<b>ACTIVITIES</b>		
Contributions/Grants	\$ 555,299	\$ 615,415
Investment Return (Net of Expenses of \$19,225 and \$21,798)	(327,364)	155,606
Net Assets Released to Without Donor Restriction (Note 10)	(1,119,957)	(532,910)
<b>CHANGES IN NET ASSETS WITH PURPOSE</b>		
<b>RESTRICTIONS</b>	(892,022)	238,111
<b>NET ASSETS WITH PERPETUITY RESTRICTIONS</b>		
<b>ACTIVITIES</b>		
Contributions	50,886	215,369
Change in Value of Outside Perpetual Trusts	(43,477)	12,561
<b>CHANGES IN NET ASSETS WITH PERPETUITY</b>		
<b>RESTRICTIONS</b>	7,409	227,930
<b>CHANGES IN NET ASSETS</b>	(808,248)	618,870
<b>NET ASSETS, AT BEGINNING OF PERIOD</b>	14,061,576	13,442,706
<b>NET ASSETS, AT END OF PERIOD</b>	<u>\$ 13,253,328</u>	<u>\$ 14,061,576</u>

See independent auditor's report and notes to the consolidated financial statements.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended February 28, 2023**  
**With Comparative Totals for the Year Ended February 28, 2022**

	Year Ended February 28, 2023				02/28/2022
	Program Services	Management and General	Fundraising	Total	Total
Salaries and Wages	\$ 499,414	\$ 165,311	\$ 173,256	\$ 837,981	\$ 733,379
Employee Benefits	63,388	26,931	24,502	114,821	92,949
Payroll Taxes	45,125	16,338	16,338	77,801	70,998
Tourism	73,721	-	-	73,721	63,757
Education/Publicity/Advertising	45,904	-	-	45,904	1,606
Collections	654	-	-	654	302
Occupancy	154,200	-	-	154,200	181,588
Printing	7,201	-	-	7,201	9,739
Interest	1,282	-	-	1,282	11,537
Miscellaneous	22,866	-	-	22,866	18,927
Postage	1,628	3,257	1,629	6,514	5,670
Professional Fees	93,026	30,032	30,032	153,090	113,443
Building Repairs and Maintenance	366,629	-	-	366,629	247,825
Supplies and Bank Fees	44,958	-	11,833	56,791	40,074
Telephone	11,090	826	413	12,329	11,055
Fundraising Expense	-	-	15,000	15,000	17,300
Dues and Subscriptions	6,569	-	-	6,569	3,852
Public Relations/Volunteers	140,301	-	-	140,301	82,423
Insurance	26,209	12,637	7,957	46,803	59,192
Equipment Rental and Maintenance	2,044	3,168	576	5,788	6,377
Travel	8,865	-	-	8,865	3,821
Direct Costs of Special Events	-	-	244,408	244,408	237,522
Cost of Store Purchases	153,641	-	-	153,641	96,159
Depreciation Expense	282,982	-	-	282,982	265,861
Total Expenses by Function	<u>2,051,697</u>	<u>258,500</u>	<u>525,944</u>	<u>2,836,141</u>	<u>2,375,356</u>
Less: Expenses Included With Revenues on the Statement of Activities:					
Direct Costs of Special Events	-	-	(244,408)	(244,408)	(237,522)
Costs of Store Purchases	(153,641)	-	-	(153,641)	(96,159)
Depreciation Expense	(282,982)	-	-	(282,982)	(265,861)
	<u>\$ 1,615,074</u>	<u>\$ 258,500</u>	<u>\$ 281,536</u>	<u>\$ 2,155,110</u>	<u>\$ 1,775,814</u>

See independent auditor's report and notes to the consolidated financial statements.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years Ended February 28, 2023 and February 28, 2022**

	Year Ended 02/28/2023	Year Ended 02/28/2022
<b><u>Cash Flows from Operating Activities:</u></b>		
Change in Net Assets	\$ (808,248)	\$ 618,870
Adjustment to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
Restricted Contributions/Investment Income	(703,722)	(944,494)
Depreciation and Amortization	282,982	265,861
Realized/Unrealized Gain on Investments	478,528	(42,874)
Loss on Disposal of Assets	-	424
Transfers from Restricted to Operating	599,708	516,698
Change in Value of Outside Trusts	43,477	(12,561)
Forgiveness of Debt - PPP	-	(329,027)
Changes in Operating Assets/Liabilities:		
Receivables	2,125	(4,530)
Inventory	(19,571)	(24,562)
Prepaid Expenses	(6,275)	36
Accounts Payable	43,070	15,346
Deferred Revenue/Security Deposits/Accrued Wages and Compensated Absences	23,820	(108,662)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(64,106)</b>	<b>(49,475)</b>
<b><u>Cash Flows from Investing Activities:</u></b>		
Equipment Acquisitions/Building Improvements	(503,643)	(39,095)
Proceeds from Disposal of Assets	-	-
Proceeds from Sale of Investments	463,762	447,651
Purchase of Investments	(175,007)	(411,392)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(214,888)</b>	<b>(2,836)</b>
<b><u>Cash Flows from Financing Activities:</u></b>		
Restricted Contributions/Investment Income	703,722	944,494
Unpaid Promises to Give	92,031	48,704
Transfers to Operating from Restricted Funds	(599,708)	(516,698)
Proceeds from Long-Term Debt	-	164,527
Repayment of Short-Term and Long-Term Debt	-	(142,817)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>196,045</b>	<b>498,210</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(82,949)</b>	<b>445,899</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>1,990,659</b>	<b>1,544,760</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 1,907,710</b>	<b>\$ 1,990,659</b>
<b><u>Reconciliation of Cash and Cash Equivalents:</u></b>		
Cash and Cash Equivalents	\$ 422,702	\$ 481,167
Restricted Cash	1,485,008	1,509,492
<b>Total Cash and Cash Equivalents</b>	<b>\$ 1,907,710</b>	<b>\$ 1,990,659</b>
<b><u>Supplemental Information:</u></b>		
Interest Paid	\$ 1,282	\$ 4,318

See independent auditor's report and notes to the consolidated financial statements.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**February 28, 2023 and February 28, 2022**

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**1. Nature of Organization and Summary of Significant Accounting Policies**

*Nature of Organization/Affiliates*

Historic Bethlehem Partnership, Inc. (the "Organization") is a Pennsylvania not-for-profit corporation and is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is the operating corporation for its affiliate museums and historical agencies. The affiliates include Burnside Plantation, Inc. (BPI), Historic Bethlehem, Incorporated (HBI), Kemerer Museum of Decorative Arts (KMDA), and Moravian Museum of Bethlehem, Inc. (MM). All of the member affiliates are tax-exempt 501(c)(3) organizations. The Organization is responsible for managing cultural resources held by its member affiliates by providing staff and offering program services for the benefit of the public. Primary sources of revenue include contributions, program fees, and special events.

*Basis of Accounting*

The consolidated financial statements have been prepared on the accrual basis of accounting. All intra-organizational accounts and transactions have been eliminated.

*Basis of Presentation*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

***Net Assets Without Donor Restrictions*** – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

***Net Assets With Donor Restrictions*** – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*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 and disclosure of contingent 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.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**February 28, 2023 and February 28, 2022**

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**1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

*Income Taxes*

The Organization and Affiliates are not-for-profit corporations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The accounting standard for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization and Affiliates may recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and affiliates and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or liabilities recorded for the fiscal years 2023 and 2022.

The Organization and Affiliates file their 990's with the United States Internal Revenue Service and with the Bureau of Charitable Organizations in Pennsylvania. The Organizations are generally no longer subject to examination by the Internal Revenue Service for years before 2019.

*Operating Revenue*

The Consolidated Statements of Activities reflect revenues and expenses on an operating and non-operating format. Non-operating activities include contributions designated by the Board of Directors for future purposes, depreciation expense, investment income, changes in the value of investments which are invested for long-term purposes, and releases of net assets with donor restriction for the purchase of assets and payment on debt.

*Accounting for Contributions*

Contributions received are recorded as revenue with donor restrictions or revenue without donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor, including pledges, is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities as net assets released from restrictions. The Organization and Affiliates report gifts of goods and equipment as support without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization and Affiliates report expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**February 28, 2023 and February 28, 2022**

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**1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

*Revenue Recognition*

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets which are temporary in nature by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets. The Organizations' revenue from contracts with customers in the scope of ASC 606 is recognized within Tourism, Admission/Programs, Special Events, and Sales to Public. The Organizations' revenue streams are accounted for in the following segments:

- **Tourism:** The Organizations earn income from providing guided educational tours of the Organizations' locations as well as the historic district within the City of Bethlehem, PA. The Organizations' policy is to recognize revenue when each specific educational tour takes place.
- **Admission/Programs:** The Organizations earn income from providing admission into their historical locations as well as from specific educational programs held at the historical locations. The Organizations' policy is to recognize revenue upon admission into the historical locations as well as when each specific educational program takes place.
- **Special Events:** The Organizations hold various fundraising events each year to raise operating funds. Many of the events require attendees to purchase a ticket for admission. Each ticket contains the characteristics of a contribution and an exchange transaction. The Organizations recognize the contribution when the ticket is purchased; revenue is recognized from the exchange transaction when the event takes place.
- **Sales to Public:** The Organizations earn income from the sale of goods held for sale at various sites and museum gift shops. The Organizations' policy is to recognize the revenue from the sale of goods at the time each sales transaction takes place.

*Cash and Cash Equivalents*

All cash in bank accounts is considered to be cash equivalents on the Consolidated Statements of Cash Flows. Any cash included in its investment portfolios is not considered cash on the Consolidated Statements of Cash Flows, as it represents funds available for investment purposes.

*Accounts Receivable*

Accounts receivable previously consisted primarily of amounts due from the Commonwealth of Pennsylvania in relation to the Organizations' RACP grant. Management evaluates accounts for collectability and writes off items deemed uncollectible.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

*Accounts Receivable (Continued)*

An allowance for uncollectible accounts is determined based on an analysis of individual accounts and the overall receivable balance. Balances greater than 90 days are considered delinquent. The allowance for doubtful collections was \$-0- at February 28, 2023 and February 28, 2022, respectively.

*Pledges Receivable*

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

*Inventory*

Inventory consists of finished goods available for resale to the public, which are recorded at the lower of cost or net realizable value on the first in, first out (FIFO) method.

*Investments*

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value. Investment return (including gains and losses on investments, interest and dividends) is included in the Consolidated Statements of Activities as net assets without donor restriction unless restricted by the donor.

*Property and Equipment/Collections*

Equipment acquisitions and property improvements, including improvements to historical buildings, in excess of \$500 are capitalized and depreciated over their estimated useful lives on the straight-line basis. Expenditures for repairs and maintenance are expensed in the period incurred.

Land, land improvements, and certain historic buildings which meet the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 "Not-for-Profit-Entities" are not depreciated.

Historical and museum objects donated to the Organization and Affiliates are not reflected on the consolidated financial statements. Any collections acquired by purchase are expensed in the year purchased. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. The collections are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections or for the preservation and direct care of existing collection items. There were no deaccessions during the years ended February 28, 2023 and February 28, 2022.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

*Functional Allocation of Expenses*

The costs of allocating certain program and supporting services have been summarized on a functional basis on the Consolidated Statements of Functional Expenses. The Consolidated Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries have been allocated by time. Depreciation, utilities, insurance, telephone, and repairs and maintenance have been allocated based on estimated percentages of building use. All other expenses have been allocated based upon direct use.

*Reclassifications*

Certain 2022 amounts have been reclassified in order to conform to the 2023 consolidated financial statement presentation. The reclassifications have no effect on the changes in net assets as previously reported.

*Accounting for Paycheck Protection Program (PPP)*

The Organizations may account for Paycheck Protection Program (PPP) loans as financial liabilities in accordance with FASB ASC Topic 470, *Debt*, or under other models, if certain conditions are met. If the Organizations expect to meet the PPP's eligibility criteria and conclude that the PPP loans represent, in substance, grants that are expected to be forgiven, the Organizations may account for the PPP loans in accordance with ASC Subtopic 958-605 as conditional contributions. As of February 28, 2021, management had not submitted the application for forgiveness of the first round PPP loan. For this reason, the Organizations have elected the debt method. Under this method, the Organizations recorded a debt liability on the Consolidated Statements of Financial Position and subsequently recognize revenue from the extinguishment of debt once forgiveness has been determined by the United States Small Business Administration. The Organizations received \$164,527 and \$164,500 under the Paycheck Protection Program during the years ended February 28, 2022 and February 28, 2021, respectively. During the year ended February 28, 2022, the Organizations were notified by their lender and the United States Small Business Administration that both PPP loans were forgiven. Forgiveness of the loans is displayed as *Government Grants – PPP* within the Consolidated Statements of Activities.

*Adoption of New Accounting Standard*

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability across entities by recognizing right-of-use assets and lease liabilities for all long-term leases, including operating leases, on the Statement of Financial Position and disclosing key information about leasing arrangements for lessees and lessors. On May 20, 2020, the FASB voted to defer the effective date of ASC 842 to annual periods beginning after December 31, 2021.

The Organizations adopted ASU 2016-02, *Leases (Topic 842)*, on March 1, 2022 and elected to utilize the effective date method approach to apply the transition provisions.



**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

*Adoption of New Accounting Standard (Continued)*

This allows entities to report the cumulative effect of the adoption of the standard on the date of adoption while continuing to apply the legacy guidance in ASC 840, including disclosure requirements, in comparative periods presented in the year of adoption. Pursuant to the practical expedients, the Organizations elected not to reassess: (i) whether expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct costs for any existing leases. The Organizations elected to apply the short-term lease measurement and recognition exemption to its leases where applicable. Additionally, the Organizations elected to apply a de minimis measurement and recognition exemption to all leases which contain payments that are less than \$5,000 per month.

The adoption of ASU 2016-02 did not have a material impact on the Organizations' operating results.

*Subsequent Events*

Management has evaluated subsequent events through December 8, 2023, the date on which the consolidated financial statements were available to be issued, and has determined that there were no material subsequent events that require recognition or disclosure.

Effective March 1, 2023, the four affiliate entities were merged into Historic Bethlehem Partnership and the remaining entity was renamed to Historic Bethlehem Museums and Sites.

**2. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Consolidated Statement of Financial Position, consist of the following:

	<u>02/28/2023</u>	<u>02/28/2022</u>
Cash and Cash Equivalents	\$ 422,702	\$ 481,167
Accounts/Grants Receivable	9,888	12,013
Long-Term Investments	435,948	521,611
Net Assets With Designations	<u>(482,496)</u>	<u>(590,100)</u>
Total	<u>\$ 386,042</u>	<u>\$ 424,691</u>

The Organizations are supported mainly by contributions, grants, and special events revenue. The Organizations believe that contributions, grants, and special events revenue along with the assets held at February 28, 2023, is sufficient to enable the Organizations to continue to operate for the upcoming year. Additionally, by approval by the Board of Directors, net assets with designations could be made available if necessary. The Organizations also have various lines of credit with up to \$300,000 of availability to provide working capital, if needed.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**3. Promises to Give**

Contributions receivable, net of allowance for uncollectible pledges, are summarized as follows:

	<u>02/28/2023</u>	<u>02/28/2022</u>
Unconditional Promises Expected to be Collected in:		
Less than one year	\$ 155,346	\$ 182,071
One to five years	<u>69,400</u>	<u>144,362</u>
	224,746	326,433
Less: Unamortized Discount (2%)	(5,868)	(10,439)
Less: Allowance for Uncollectible Pledges	<u>(11,237)</u>	<u>(16,322)</u>
	<u><u>\$ 207,641</u></u>	<u><u>\$ 299,672</u></u>

**4. Long-Term Investments**

Entity	Securities	Market Value February 28, 2023			Market Value 02/28/2022
		Without Restriction	With Restriction	Total	
BPI	Cash	\$ 1,362	\$ 7,905	\$ 9,267	\$ 67,121
	Equities	37,022	214,863	251,885	272,819
	Fixed Income	<u>18,045</u>	<u>104,724</u>	<u>122,769</u>	<u>115,772</u>
	Total BPI	<u><u>\$ 56,429</u></u>	<u><u>\$ 327,492</u></u>	<u><u>\$ 383,921</u></u>	<u><u>\$ 455,712</u></u>
HBI	Cash	\$ 96	\$ 23,341	\$ 23,437	\$ 15,605
	Equities	819	197,247	198,066	212,859
	Fixed Income	<u>384</u>	<u>92,420</u>	<u>92,804</u>	<u>137,197</u>
	Total HBI	<u><u>\$ 1,299</u></u>	<u><u>\$ 313,008</u></u>	<u><u>\$ 314,307</u></u>	<u><u>\$ 365,661</u></u>
HBP	Cash	\$ 546	\$ 22,238	\$ 22,784	\$ 16,976
	Equities	7,010	285,654	292,664	326,782
	Fixed Income	<u>2,068</u>	<u>84,246</u>	<u>86,314</u>	<u>107,410</u>
	Total HBP	<u><u>\$ 9,624</u></u>	<u><u>\$ 392,138</u></u>	<u><u>\$ 401,762</u></u>	<u><u>\$ 451,168</u></u>
KMDA	Cash	\$ -	\$ 80,220	\$ 80,220	\$ 66,048
	Equities	-	1,222,274	1,222,274	1,455,521
	Fixed Income	<u>-</u>	<u>565,465</u>	<u>565,465</u>	<u>724,599</u>
	Total KMDA	<u><u>\$ -</u></u>	<u><u>\$ 1,867,959</u></u>	<u><u>\$ 1,867,959</u></u>	<u><u>\$ 2,246,168</u></u>
MM	Cash	\$ 16,979	\$ 22,743	\$ 39,722	\$ 38,454
	Equities	238,949	386,656	625,605	746,346
	Fixed Income	<u>112,668</u>	<u>181,113</u>	<u>293,781</u>	<u>390,831</u>
	Total MM	<u><u>\$ 368,596</u></u>	<u><u>\$ 590,512</u></u>	<u><u>\$ 959,108</u></u>	<u><u>\$ 1,175,631</u></u>
Total All Entities		<u><u>\$ 435,948</u></u>	<u><u>\$ 3,491,109</u></u>	<u><u>\$ 3,927,057</u></u>	<u><u>\$ 4,694,340</u></u>

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**4. Long-Term Investments (Continued)**

A summary of earnings on investments for the years ended February 28, 2023 and February 28, 2022 are as follows:

	Year Ended 02/28/2023	Year Ended 02/28/2022
Realized/Unrealized Gains	\$ (478,528)	\$ 42,874
Dividends and Interest	133,618	154,631
Investment Fees	<u>(21,618)</u>	<u>(24,520)</u>
Total	<u>\$ (366,528)</u>	<u>\$ 172,985</u>

**5. Fair Value Measurements**

Financial Accounting Standards Board ASC 820-10, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access.

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable, are significant to the fair value measurement and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**5. Fair Value Measurements (Continued)**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Investments classified within Level 3 whose fair value measurements consider several inputs may include Level 1 and/or Level 2 inputs as components of the overall fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at February 28, 2023 and February 28, 2022.

*Corporate Bonds and U.S. Government Bonds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual Funds:* Valued at the net asset value ("NAV") of shares held by the Organization at year end.

*Beneficial Interest in Perpetual Trusts:* Measured based on quoted market prices of the underlying securities and other relevant information generated by market transactions, divided by the Organizations' share based on its pro-rata share of distributable income of the Trusts.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organizations believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table sets forth by level, within the fair value hierarchy, the Organizations' assets at fair value as of February 28, 2023 and February 28, 2022:

Assets at Fair Value as of February 28, 2023				
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 175,430	\$ -	\$ -	\$ 175,430
Mutual Funds	2,590,494	-	-	2,590,494
Fixed Income Bond Funds	1,161,133	-	-	1,161,133
Beneficial Interest In Perpetual Trusts	-	-	301,288	301,288
Total Assets at Fair Value	<u>\$ 3,927,057</u>	<u>\$ -</u>	<u>\$ 301,288</u>	<u>\$ 4,228,345</u>
Assets at Fair Value as of February 28, 2022				
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 204,204	\$ -	\$ -	\$ 204,204
Mutual Funds	3,014,327	-	-	3,014,327
Fixed Income Bond Funds	1,475,809	-	-	1,475,809
Beneficial Interest In Perpetual Trusts	-	-	344,765	344,765
Total Assets at Fair Value	<u>\$ 4,694,340</u>	<u>\$ -</u>	<u>\$ 344,765</u>	<u>\$ 5,039,105</u>

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**5. Fair Value Measurements (Continued)**

Change in Fair Value of Level 3 Assets:

Certain changes in fair value of the Organizations' Level 3 assets are required to be disclosed. During the years ended February 28, 2023 and February 28, 2022, there were no purchases, transfers-in, or transfers-out of Level 3 assets. The Organizations received issuances in the amount of \$13,572 and \$10,897 during the years ended February 28, 2023 and February 28, 2022, respectively.

**6. Beneficial Interest in Perpetual Trusts**

Moravian Museum and Burnside Plantation received contributions whereby the donors restricted the assets in perpetuity, which are invested and administered by trustees. Distributions are received annually and reported as contributions. The funds are invested in debt and equity securities, and the Museum and Plantation record their interest in these trusts at fair value based on estimated future cash flows, which approximates the present market value. Annual adjustments to trust values are recorded as changes in value of beneficial trusts by the respective entities. Burnside Plantation can borrow the principal of the Burnside Plantation Fund upon approval of three-fourths of its Board of Directors.

**7. Property and Equipment**

	Life in Years	02/28/2023	02/28/2022
HBP			
Equipment	3 - 5	\$ 164,122	\$ 140,895
Accumulated Depreciation		(132,234)	(124,792)
Net		<u>31,888</u>	<u>16,103</u>
HBI			
Land, Building and Improvements	15 - 75	4,679,012	4,623,412
Equipment	5 - 7	177,406	177,406
Accumulated Depreciation		(2,404,941)	(2,309,516)
Net		<u>2,451,477</u>	<u>2,491,302</u>
BPI			
Land, Building and Improvements	10 - 50	1,908,620	1,849,077
Equipment	5 - 10	51,883	51,883
Accumulated Depreciation		(694,897)	(670,957)
Net		<u>1,265,606</u>	<u>1,230,003</u>
MM			
Land, Building and Improvements	5 - 30	1,063,675	1,036,322
Equipment	5 - 10	118,499	24,299
Accumulated Depreciation		(638,039)	(594,557)
Net		<u>544,135</u>	<u>466,064</u>
KMDA			
Land, Building and Improvements	5 - 30	4,705,660	4,705,660
Equipment	5 - 10	379,519	135,799
Accumulated Depreciation		(2,192,592)	(2,079,899)
Net		<u>2,892,587</u>	<u>2,761,560</u>
Total Net All Entities		<u>\$ 7,185,693</u>	<u>\$ 6,965,032</u>

Depreciation charged to expense was \$282,982 and \$265,861 for the years ended February 28, 2023 and February 28, 2022, respectively.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**8. Mortgages and Loans Payable**

<u>Entity</u>	<u>Description</u>	<u>02/28/2023</u>	<u>02/28/2022</u>
<u>Lines of Credit:</u>			
HBI	\$100,000 revolving line of credit at prime rate (8.00% at February 28, 2023), with interest paid monthly and principal due on demand; line of credit secured by real estate, expiring January 31, 2024.	\$ -	\$ -
MM	\$100,000 revolving line of credit at prime rate (8.00% at February 28, 2023), with interest paid monthly and principal due on demand; line of credit secured by all assets of the Organization, expiring January 31, 2024.	-	-
KMDA	\$100,000 revolving line of credit at prime rate (8.00% at February 28, 2023), with interest paid monthly and principal due on demand; line of credit secured by real estate, expiring January 31, 2024.	-	-
<u>Mortgages/Loans:</u>			
HBP	SBA Loan at 2.75%, payable in monthly installments of \$612 including principal and interest, due June 2050, secured by property.	150,000	150,000
Total All Entities		<u>\$ 150,000</u>	<u>\$ 150,000</u>

Long term debt maturities are as follows:

Year Ended February,	
2024	\$ 3,260
2025	3,351
2026	3,444
2027	3,540
2028	3,638
Thereafter	<u>132,767</u>
	<u>\$ 150,000</u>

Interest expense related to the mortgages and loans totaled \$1,282 and \$11,537 for the years ended February 28, 2023 and February 28, 2022, respectively.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**9. Analysis of Net Assets With Donor Restrictions**

Net assets with donor restrictions as of February 28, 2023 and February 28, 2022 were as follows:

Entity		2/28/2023		2/28/2022	
		Restricted for a Purpose	Restricted in Perpetuity	Restricted for a Purpose	Restricted in Perpetuity
HBP	Operations	\$ (7,273)	\$ 392,638	\$ 43,648	\$ 328,858
	Marketing	5,898	10,230	10,237	10,230
	Archives and Library Operations	4,917	20,000	10,398	20,000
	Visual Impairment	7,287	-	7,978	-
	COVID-19 Assistance	-	-	-	-
	Education Programs	2,787	-	6,513	-
	Schwarz Heritage	76,000	-	76,000	-
	Signage	1,433	-	1,433	-
	Taking the World Stage	1,464,691	-	1,223,200	-
	RACP	2,888	-	2,888	-
	Library	301	-	301	-
		<u>1,558,929</u>	<u>422,868</u>	<u>1,382,596</u>	<u>359,088</u>
HBI	Capital Improvements	13,636	-	15,919	-
	Goundie House	36,180	101,466	69,470	101,466
	Smithy Endowment	(11,877)	114,576	5,379	108,340
	Endowment	(8,337)	84,000	8,578	74,000
	Taking the World Stage	37,676	-	61,000	-
	Flood Damage	-	-	-	-
		<u>67,278</u>	<u>300,042</u>	<u>160,346</u>	<u>283,806</u>
BPI	Capital Improvements	21,901	-	21,587	-
	Endowment	(30,921)	319,616	28,761	318,516
	Taking the World Stage	173,100	-	175,053	-
	Beneficial Interest in Perpetual Trust	-	48,720	-	48,720
	Garden Maintenance	1,276	37,296	8,857	37,296
		<u>165,356</u>	<u>405,632</u>	<u>234,258</u>	<u>404,532</u>
MM	Operating Endowment	5	25,000	5,191	25,000
	Preservation	237,984	-	463,070	-
	Garden Maintenance	1,204	4,000	2,331	4,000
	Music Operations	49,038	55,923	75,559	55,923
	Lecture Operations	25,397	53,585	45,028	53,585
	Beneficial Interest in Perpetual Trusts	-	252,568	-	296,045
		<u>313,628</u>	<u>391,076</u>	<u>591,179</u>	<u>434,553</u>
KMDA	Operating Endowment	(28,744)	580,226	90,753	580,226
	Toy and Dollhouse Acquisition	305,419	-	331,351	-
	Prime Collection	1,753	82,400	22,908	82,400
	Educational Operations	30,450	406,955	125,399	406,955
	Museum Maintenance	2,119	28,998	8,965	28,998
	Lecture Operations	6,654	8,091	9,878	8,091
	Programming	246	200,000	50,749	200,000
	Christmas Operations	(4,958)	83,919	11,808	83,919
	Building Improvements	(233,262)	-	38,181	-
	Artifact Fund	1,500	-	1,500	-
	Garden Maintenance	20,573	65,786	39,092	65,786
		<u>101,750</u>	<u>1,456,375</u>	<u>730,584</u>	<u>1,456,375</u>
Total All Entities		<u>\$ 2,206,941</u>	<u>\$ 2,975,993</u>	<u>\$ 3,098,963</u>	<u>\$ 2,938,354</u>

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**10. Analysis of Restricted Net Assets**

Net assets released from restrictions during the years ended February 28, 2023 and February 28, 2022 were as follows:

<u>Entity</u>	<u>Purpose</u>	<u>2/28/2023</u>	<u>2/28/2022</u>
HBP	Spending Policy for Program Operations	\$ 44,300	\$ 38,067
	Program Operations	188,910	90,971
		<u>233,210</u>	<u>129,038</u>
HBI	Property	125,824	-
	Program Operations	2,283	-
	Spending Policy for Program Operations	34,584	34,646
		<u>162,691</u>	<u>34,646</u>
BPI	Spending Policy for Program Operations	33,643	22,457
	Program Operations	12,838	62,051
	Property	3,864	16,212
		<u>50,345</u>	<u>100,720</u>
MM	Spending Policy for Program Operations	27,456	18,562
	Program Operations	51,100	50,721
	Property	139,936	-
		<u>218,492</u>	<u>69,283</u>
KMDA	Spending Policy for Program Operations	190,349	167,197
	Program Operations	14,245	32,026
	Property	250,625	-
		<u>455,219</u>	<u>199,223</u>
	Total Releases	<u>\$ 1,119,957</u>	<u>\$ 532,910</u>
<b><u>Summary of Total Releases</u></b>			
	Spending Policy	\$ 330,332	\$ 280,929
	Property	520,249	16,212
	Program Operations	<u>269,376</u>	<u>235,769</u>
	Total Releases	<u>\$ 1,119,957</u>	<u>\$ 532,910</u>



**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
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**11. Endowment**

The endowment funds of the Organizations consist of funds designated by donors for various purposes as well as funds designated by the Boards of Directors for endowment. As required by accounting principles generally accepted in the United States of America, 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 Organizations have interpreted the laws of the Commonwealth of Pennsylvania as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organizations classify as net assets with donor restrictions in perpetuity the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions for a purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the laws of the Commonwealth of Pennsylvania. In accordance with the laws of the Commonwealth of Pennsylvania, the Organizations consider the following factors on making a determination or appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purposes of the Organizations and the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investment
- f. Other resources of the Organizations
- g. The investment policies of the Organizations

*Investment Return Objectives, Risk Parameters, and Strategies*

The Organizations have adopted an endowment fund and investment policy, set forth by the Investment Committee, for endowments and donor-restricted funds that are not intended to be used for the daily operation of the Organizations. The endowment assets attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. A spending policy is determined annually by the Investment Committee. The funds are managed in a manner consistent with the purpose of the donors. Endowment assets are invested in a well-diversified asset mix, among suitable asset classes, that will generate, on average, the level of expected return necessary to meet endowment objectives at the lowest volatility consistent with achieving that return.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**February 28, 2023 and February 28, 2022**

**11. Endowment (Continued)**

As of February 28, 2023 and February 28, 2022, total endowment composition by net asset fund was:

	February 28, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment	\$ 430,294	\$ -	\$ 430,294
Donor Restricted Endowment	-	3,023,489	3,023,489
	<u>\$ 430,294</u>	<u>\$ 3,023,489</u>	<u>\$ 3,453,783</u>
	February 28, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment	\$ 514,958	\$ -	\$ 514,958
Donor Restricted Endowment	-	3,616,686	3,616,686
	<u>\$ 514,958</u>	<u>\$ 3,616,686</u>	<u>\$ 4,131,644</u>

Changes in endowment net assets as of February 28, 2023 and February 28, 2022 are as follows:

	Year Ended February 28, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 514,958	\$ 3,616,686	\$ 4,131,644
Contributions	-	50,886	50,886
Investment Income (Net of Fees)	14,226	68,438	82,664
Transfers	-	-	-
Net Appreciation	(52,537)	(382,189)	(434,726)
Net Appropriated for Expenditure	(46,353)	(330,332)	(376,685)
Endowment Net Assets, End of Year	<u>\$ 430,294</u>	<u>\$ 3,023,489</u>	<u>\$ 3,453,783</u>
	Year Ended February 28, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 529,754	\$ 3,545,394	\$ 4,075,148
Contributions	-	215,369	215,369
Investment Income (Net of Fees)	16,059	88,390	104,449
Transfers	-	-	-
Net Appreciation	163	48,462	48,625
Net Appropriated for Expenditure	(31,018)	(280,929)	(311,947)
Endowment Net Assets, End of Year	<u>\$ 514,958</u>	<u>\$ 3,616,686</u>	<u>\$ 4,131,644</u>

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**February 28, 2023 and February 28, 2022**

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**11. Endowment (Continued)**

*Underwater Endowment*

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donors or state law requires the Organizations to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported as net assets with donor restrictions for a specific purpose. At February 28, 2023, funds with deficiencies were comprised of original gift values of \$1,460,753, fair values of \$1,344,054, and deficiencies of \$116,699. These deficiencies resulted from unfavorable market fluctuations that occurred after the original investment of the donor-restricted gifts. There were no deficiencies as of February 28, 2022.

**12. In-Kind Services**

A substantial number of volunteers have donated significant amounts of time to the Organizations in various capacities. Certain services have been recognized, inasmuch as such services require specialized skills and would typically be purchased had they not been provided by donation. Recognized in-kind contributed services and supplies were as follows:

	Year Ended 2/28/2023	Year Ended 2/28/2022
Special Events	\$ 29,874	\$ 8,650
Printing	9,843	40
Public Relations	8,882	1,680
Supplies	-	-
Repairs and Maintenance	4,617	5,802
Occupancy	51,115	51,115
	<hr/>	<hr/>
Total	<u>\$ 104,331</u>	<u>\$ 67,287</u>

**13. Leases**

The Organization leases a vehicle under an operating lease agreement.

Minimum lease payments under these leases are as follows:

Year Ending February,

2024	\$ 4,985
2025	4,985

Burnside Plantation has a lease with Lehigh County for one dollar per year plus all operating costs. The lease expires in May 2024 with renewals for additional periods totaling 20 years. Historic Bethlehem, Inc. has a 100-year lease for various historic properties with the City of Bethlehem expiring June 30, 2066 with a renewal option for an additional 100 years and all operating costs are borne by the lessee.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**February 28, 2023 and February 28, 2022**

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**13. Leases (Continued)**

Moravian Museum has one lease for various historic properties with the Bethlehem Area Moravians, Inc., expiring in January 2025. All operating costs are borne by the lessee. No in-kind facility donation has been recorded based on the operating and property improvement costs borne by the Burnside Plantation, Moravian Museum, and Historic Bethlehem entities.

Rental expense related to the operating leases was \$4,985 and \$6,886 during the years ended February 28, 2023 and February 28, 2022, respectively.

**14. Pension Benefits**

The Organization has a defined contribution retirement plan for all eligible employees. Employer contributions were 5% of eligible employee annual salaries for the years ended February 28, 2023 and February 28, 2022, respectively. Pension expense was \$31,215 and \$25,377 for the years ended February 28, 2023 and February 28, 2022, respectively.

**15. Concentrations of Risk**

Financial instruments, which potentially subject the Organizations to concentrations of credit risk, consist of cash exceeding FDIC insured limits, marketable securities and promises to give. The Organizations place its cash and investments with high quality financial institutions. Marketable securities, consisting of both debt and equity instruments, are generally placed in accounts administered by investment managers. Though the market value of the investments is subject to fluctuations, the Organizations believe that the investment policy is prudent for the long-term welfare of the Organizations.

A significant amount of the Organizations' revenue and support was provided by contributions from the general public. It is always considered possible that benefactors, grantors, or contributors may be lost in the near term.

**16. Summarized Totals for Year Ended February 28, 2022**

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset or functional class. Such information does not include sufficient details to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended February 28, 2022, from which summarized information was derived.

## SUPPLEMENTARY INFORMATION

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**STATEMENTS OF FINANCIAL POSITION BY AFFILIATES**  
**February 28, 2023**

	February 28, 2023					
	HBP	HBI	BPI	MM	KMDA	Total
<b><u>Assets (Without Donor Restrictions)</u></b>						
Cash	\$ 418,068	\$ 896	\$ 3,139	\$ 425	\$ 174	\$ 422,702
Accounts/Grants Receivable	9,108	750	30	-	-	9,888
Promises to Give	-	-	-	-	-	-
Prepaid Expenses	9,737	17,712	110	271	172	28,002
Investments	9,624	1,299	56,429	368,596	-	435,948
Inventory	88,478	-	-	-	-	88,478
Property and Equipment, Net	31,888	2,451,477	1,265,606	544,135	2,892,587	7,185,693
<b>Total Assets Without Donor Restrictions</b>	<b>566,903</b>	<b>2,472,134</b>	<b>1,325,314</b>	<b>913,427</b>	<b>2,892,933</b>	<b>8,170,711</b>
<b><u>Assets (Restricted With a Purpose)</u></b>						
Cash	1,451,439	6,225	21,901	-	5,443	1,485,008
Grants Receivable	-	-	-	-	-	-
Due from Affiliate	(99,651)	42,087	172,875	(138,376)	(315,277)	(338,342)
Promises to Give	207,641	-	-	-	-	207,641
Investments	(500)	18,966	(29,420)	452,004	411,584	852,634
<b>Total Assets Restricted With a Purpose</b>	<b>1,558,929</b>	<b>67,278</b>	<b>165,356</b>	<b>313,628</b>	<b>101,750</b>	<b>2,206,941</b>
<b><u>Assets (Restricted in Perpetuity)</u></b>						
Due from (to) Affiliate	-	6,000	-	-	-	6,000
Investments	392,638	294,042	356,912	138,508	1,456,375	2,638,475
Beneficial Interest in Perpetual Trusts	-	-	48,720	252,568	-	301,288
<b>Total Assets Restricted in Perpetuity</b>	<b>392,638</b>	<b>300,042</b>	<b>405,632</b>	<b>391,076</b>	<b>1,456,375</b>	<b>2,945,763</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,518,470</b>	<b>\$ 2,839,454</b>	<b>\$ 1,896,302</b>	<b>\$ 1,618,131</b>	<b>\$ 4,451,058</b>	<b>\$ 13,323,415</b>
<b><u>Liabilities (Without Donor Restrictions)</u></b>						
Accounts Payable	\$ 111,177	\$ 5,691	\$ 950	\$ 844	\$ 44,569	\$ 163,231
Accrued Wages and Compensated Absences	20,074	-	-	-	-	20,074
Deferred Revenue	21,440	16,750	1,600	1,000	894	41,684
Security Deposits	-	3,000	2,750	500	250	6,500
Mortgages and Loans Payable	150,000	-	-	-	-	150,000
Other Liabilities	20,940	-	-	-	-	20,940
Due to (from) Affiliate	313,060	302,279	(81,226)	(464,785)	(401,670)	(332,342)
<b>Total Liabilities Without Donor Restrictions</b>	<b>636,691</b>	<b>327,720</b>	<b>(75,926)</b>	<b>(462,441)</b>	<b>(355,957)</b>	<b>70,087</b>
<b><u>Liabilities (Restricted With a Purpose)</u></b>						
Accounts Payable	-	-	-	-	-	-
Mortgages and Loans Payable	-	-	-	-	-	-
<b>Total Liabilities Restricted With a Purpose</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>636,691</b>	<b>327,720</b>	<b>(75,926)</b>	<b>(462,441)</b>	<b>(355,957)</b>	<b>70,087</b>
<b><u>Net Assets (Without Donor Restrictions)</u></b>						
Undesignated	(153,879)	(308,362)	76,243	463,137	355,296	432,435
Board Designated	52,203	1,299	59,391	368,596	1,007	482,496
Net Investment in Property and Equipment	31,888	2,451,477	1,265,606	544,135	2,892,587	7,185,693
<b>Total Net Assets Without Donor Restrictions</b>	<b>(69,788)</b>	<b>2,144,414</b>	<b>1,401,240</b>	<b>1,375,868</b>	<b>3,248,890</b>	<b>8,100,624</b>
<b>Net Assets Restricted for a Purpose</b>	<b>1,558,929</b>	<b>67,278</b>	<b>165,356</b>	<b>313,628</b>	<b>101,750</b>	<b>2,206,941</b>
<b>Net Assets Restricted in Perpetuity</b>	<b>392,638</b>	<b>300,042</b>	<b>405,632</b>	<b>391,076</b>	<b>1,456,375</b>	<b>2,945,763</b>
<b>TOTAL NET ASSETS</b>	<b>1,881,779</b>	<b>2,511,734</b>	<b>1,972,228</b>	<b>2,080,572</b>	<b>4,807,015</b>	<b>13,253,328</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,518,470</b>	<b>\$ 2,839,454</b>	<b>\$ 1,896,302</b>	<b>\$ 1,618,131</b>	<b>\$ 4,451,058</b>	<b>\$ 13,323,415</b>

See independent auditor's report on supplementary information.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**STATEMENTS OF FINANCIAL POSITION BY AFFILIATES**  
**February 28, 2022**

	February 28, 2022					
	HBP	HBI	BPI	MM	KMDA	Total
<b><u>Assets (Without Donor Restrictions)</u></b>						
Cash	\$ 476,535	\$ 894	\$ 3,139	\$ 425	\$ 174	\$ 481,167
Accounts/Grants Receivable	11,233	750	30	-	-	12,013
Promises to Give	-	-	-	-	-	-
Prepaid Expenses	1,956	19,354	110	135	172	21,727
Investments	10,622	1,428	62,057	447,504	-	521,611
Inventory	68,907	-	-	-	-	68,907
Property and Equipment, Net	16,103	2,491,302	1,230,003	466,064	2,761,560	6,965,032
<b>Total Assets Without Donor Restrictions</b>	<b>585,356</b>	<b>2,513,728</b>	<b>1,295,339</b>	<b>914,128</b>	<b>2,761,906</b>	<b>8,070,457</b>
<b><u>Assets (Restricted With a Purpose)</u></b>						
Cash	1,473,954	8,508	21,587	-	5,443	1,509,492
Grants Receivable	-	-	-	-	-	-
Due from Affiliate	(472,488)	65,411	174,828	1,560	(64,652)	(295,341)
Promises to Give	299,672	-	-	-	-	299,672
Investments	81,458	86,427	37,843	589,619	789,793	1,585,140
<b>Total Assets Restricted With a Purpose</b>	<b>1,382,596</b>	<b>160,346</b>	<b>234,258</b>	<b>591,179</b>	<b>730,584</b>	<b>3,098,963</b>
<b><u>Assets (Restricted in Perpetuity)</u></b>						
Due from (to) Affiliate	-	6,000	-	-	-	6,000
Investments	359,088	277,806	355,812	138,508	1,456,375	2,587,589
Beneficial Interest in Perpetual Trusts	-	-	48,720	296,045	-	344,765
<b>Total Assets Restricted in Perpetuity</b>	<b>359,088</b>	<b>283,806</b>	<b>404,532</b>	<b>434,553</b>	<b>1,456,375</b>	<b>2,938,354</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,327,040</b>	<b>\$ 2,957,880</b>	<b>\$ 1,934,129</b>	<b>\$ 1,939,860</b>	<b>\$ 4,948,865</b>	<b>\$ 14,107,774</b>
<b><u>Liabilities (Without Donor Restrictions)</u></b>						
Accounts Payable	\$ 106,057	\$ 5,444	\$ 999	\$ 4,866	\$ 2,795	\$ 120,161
Accrued Wages and Compensated Absences	18,376	-	-	-	-	18,376
Deferred Revenue	4,000	16,050	3,000	600	-	23,650
Security Deposits	-	1,000	2,500	500	-	4,000
Mortgages and Loans Payable	150,000	-	-	-	-	150,000
Other Liabilities	19,352	-	-	-	-	19,352
Due to (from) Affiliate	240,290	216,198	(126,028)	(358,454)	(261,347)	(289,341)
<b>Total Liabilities Without Donor Restrictions</b>	<b>538,075</b>	<b>238,692</b>	<b>(119,529)</b>	<b>(352,488)</b>	<b>(258,552)</b>	<b>46,198</b>
<b><u>Liabilities (Restricted With a Purpose)</u></b>						
Accounts Payable - Construction	-	-	-	-	-	-
Mortgages and Loans Payable	-	-	-	-	-	-
<b>Total Liabilities Restricted With a Purpose</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>538,075</b>	<b>238,692</b>	<b>(119,529)</b>	<b>(352,488)</b>	<b>(258,552)</b>	<b>46,198</b>
<b><u>Net Assets (Without Donor Restrictions)</u></b>						
Undesignated	(43,964)	(217,694)	119,846	353,048	257,891	469,127
Board Designated	75,142	1,428	65,019	447,504	1,007	590,100
Net Investment in Property and Equipment	16,103	2,491,302	1,230,003	466,064	2,761,560	6,965,032
<b>Total Net Assets Without Donor Restrictions</b>	<b>47,281</b>	<b>2,275,036</b>	<b>1,414,868</b>	<b>1,266,616</b>	<b>3,020,458</b>	<b>8,024,259</b>
<b>Net Assets Restricted for a Purpose</b>	<b>1,382,596</b>	<b>160,346</b>	<b>234,258</b>	<b>591,179</b>	<b>730,584</b>	<b>3,098,963</b>
<b>Net Assets Restricted in Perpetuity</b>	<b>359,088</b>	<b>283,806</b>	<b>404,532</b>	<b>434,553</b>	<b>1,456,375</b>	<b>2,938,354</b>
<b>TOTAL NET ASSETS</b>	<b>1,788,965</b>	<b>2,719,188</b>	<b>2,053,658</b>	<b>2,292,348</b>	<b>5,207,417</b>	<b>14,061,576</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,327,040</b>	<b>\$ 2,957,880</b>	<b>\$ 1,934,129</b>	<b>\$ 1,939,860</b>	<b>\$ 4,948,865</b>	<b>\$ 14,107,774</b>

See independent auditor's report on supplementary information.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**STATEMENTS OF ACTIVITIES BY AFFILIATES**  
**Year Ended February 28, 2023**

	Year Ended February 28, 2023					
	HBP	HBI	BPI	MM	KMDA	Total
<b>Net Assets Without Donor Restrictions</b>						
<b>Operating Activities</b>						
<b>Revenue</b>						
Contributions	\$ 260,289	\$ 218	\$ 2,500	\$ 13,649	\$ 1,003	\$ 277,659
In-Kind Contributions	60,397	10,223	10,223	10,223	13,265	104,331
Grants	212,232	-	2,010	-	760	215,002
Government Grants - PPP	-	-	-	-	-	-
Tourism	190,788	-	67	-	160	191,015
Admission/Programs	72,430	-	-	1,059	544	74,033
Rental Income	152,131	29,919	5,850	825	225	188,950
Sales to Public	268,405	-	-	-	-	268,405
Special Events	483,429	-	-	-	-	483,429
Less: Direct Costs of Special Events	(243,638)	-	-	-	-	(243,638)
Miscellaneous	23,714	-	-	439	3,966	28,119
Release of Spending Policy						
Investment Return	44,300	34,584	33,643	27,456	190,349	330,332
Release of Donor Restricted Funds for Operating Expenses	188,910	2,283	12,838	51,100	14,245	269,376
<b>Total Operating Revenue</b>	<b>1,713,387</b>	<b>77,227</b>	<b>67,131</b>	<b>104,751</b>	<b>224,517</b>	<b>2,187,013</b>
<b>Expenses:</b>						
Salaries	837,981	-	-	-	-	837,981
Employee Benefits	114,821	-	-	-	-	114,821
Payroll Taxes	77,801	-	-	-	-	77,801
Tourism	70,394	508	-	250	2,569	73,721
Education/Publicity/Advertising	16,125	19,858	135	7,831	1,955	45,904
Collections	654	-	-	-	-	654
Occupancy	38,505	36,641	20,220	17,372	41,462	154,200
Printing	6,927	-	-	30	244	7,201
Interest	1,282	-	-	-	-	1,282
Miscellaneous	17,390	-	195	125	5,156	22,866
Postage	6,514	-	-	-	-	6,514
Professional Fees	150,158	-	-	432	2,500	153,090
Building Repairs and Maintenance	52,285	177,187	32,933	31,047	73,177	366,629
Supplies and Bank Fees	50,274	410	399	691	5,017	56,791
Telephone	4,128	3,487	1,462	1,330	1,922	12,329
Fundraising Expense	15,000	-	-	-	-	15,000
Dues and Subscriptions	6,569	-	-	-	-	6,569
Public Relations/Volunteers	140,286	-	-	-	15	140,301
Insurance	46,803	-	-	-	-	46,803
Equipment Rental and Maintenance	5,760	28	-	-	-	5,788
Store Purchases	153,641	-	-	-	-	153,641
Travel	8,865	-	-	-	-	8,865
Affiliate Transfers	12,962	(160,892)	11,787	45,643	90,500	-
<b>Total Expenses</b>	<b>1,835,125</b>	<b>77,227</b>	<b>67,131</b>	<b>104,751</b>	<b>224,517</b>	<b>2,308,751</b>
<b>Changes in Operating Net Assets Without Donor Restrictions</b>	<b>\$ (121,738)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (121,738)</b>

See independent auditor's report on supplementary information.



**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**STATEMENTS OF ACTIVITIES BY AFFILIATES (CONTINUED)**  
**Year Ended February 28, 2023**

	Year Ended February 28, 2023					
	HBP	HBI	BPI	MM	KMDA	Total
<b>NONOPERATING ACTIVITIES</b>						
Contributions/Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss on Disposal of Assets	-	-	-	-	-	-
Depreciation	(7,442)	(95,425)	(23,940)	(43,482)	(112,693)	(282,982)
Investment Return (Net of Expenses of \$2,293)	(851)	(129)	(5,339)	(32,845)	-	(39,164)
Affiliate Transfers	12,962	(160,892)	11,787	45,643	90,500	-
Restricted Releases for Nonoperational Items	-	125,824	3,864	139,936	250,625	520,249
<b>Changes in Nonoperating Activities</b>	<u>4,669</u>	<u>(130,622)</u>	<u>(13,628)</u>	<u>109,252</u>	<u>228,432</u>	<u>198,103</u>
<b>Changes in Net Assets Without Donor Restrictions</b>	<u>(117,069)</u>	<u>(130,622)</u>	<u>(13,628)</u>	<u>109,252</u>	<u>228,432</u>	<u>76,365</u>
<b>Net Assets With Purpose Restrictions</b>						
Contributions/Grants	437,736	102,500	15,063	-	-	555,299
Investment Return (Net of Expenses of \$19,225)	(28,193)	(32,877)	(33,620)	(59,059)	(173,615)	(327,364)
Affiliate Transfer	-	-	-	-	-	-
Net Assets Released to Net Assets Without Donor Restrictions	(233,210)	(162,691)	(50,345)	(218,492)	(455,219)	(1,119,957)
<b>Changes in Net Assets With Purpose Restrictions</b>	<u>176,333</u>	<u>(93,068)</u>	<u>(68,902)</u>	<u>(277,551)</u>	<u>(628,834)</u>	<u>(892,022)</u>
<b>Net Assets With Perpetuity Restrictions</b>						
Contributions/Grants	33,550	16,236	1,100	-	-	50,886
Change in Value of Outside Perpetual Trusts	-	-	-	(43,477)	-	(43,477)
<b>Changes in Net Assets With Perpetuity Restrictions</b>	<u>33,550</u>	<u>16,236</u>	<u>1,100</u>	<u>(43,477)</u>	<u>-</u>	<u>7,409</u>
<b>Changes in Net Assets</b>	<u>92,814</u>	<u>(207,454)</u>	<u>(81,430)</u>	<u>(211,776)</u>	<u>(400,402)</u>	<u>(808,248)</u>
<b>Net Assets, March 1, 2022</b>	<u>1,788,965</u>	<u>2,719,188</u>	<u>2,053,658</u>	<u>2,292,348</u>	<u>5,207,417</u>	<u>14,061,576</u>
<b>Net Assets, February 28, 2023</b>	<u>\$ 1,881,779</u>	<u>\$ 2,511,734</u>	<u>\$ 1,972,228</u>	<u>\$ 2,080,572</u>	<u>\$ 4,807,015</u>	<u>\$ 13,253,328</u>

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**STATEMENTS OF ACTIVITIES BY AFFILIATES**  
**Year Ended February 28, 2022**

	Year Ended February 28, 2022					
	HBP	HBI	BPI	MM	KMDA	Total
<b>Net Assets Without Donor Restrictions</b>						
<b>Operating Activities</b>						
<b>Revenue</b>						
Contributions	\$ 252,008	\$ -	\$ 3,343	\$ 37,867	\$ 99	\$ 293,317
In-Kind Contributions	23,696	10,575	10,222	10,372	12,422	67,287
Grants	62,961	-	4,140	-	590	67,691
Government Grants - PPP	329,027	-	-	-	-	329,027
Tourism	166,012	-	-	-	255	166,267
Admission/Programs	81,129	-	-	25	85	81,239
Rental Income	138,822	8,600	21,500	-	1,800	170,722
Sales to Public	225,868	-	-	-	-	225,868
Special Events	518,959	-	-	-	-	518,959
Less: Direct Costs of Special Events	(237,522)	-	-	-	-	(237,522)
Miscellaneous	57,440	-	-	-	503	57,943
Release of Spending Policy						
Investment Return	38,067	34,646	22,457	18,562	167,197	280,929
Release of Donor Restricted Funds for						
Operating Expenses	90,971	-	62,051	50,721	32,026	235,769
<b>Total Operating Revenue</b>	<b>1,747,438</b>	<b>53,821</b>	<b>123,713</b>	<b>117,547</b>	<b>214,977</b>	<b>2,257,496</b>
<b>Expenses:</b>						
Salaries	733,379	-	-	-	-	733,379
Employee Benefits	92,949	-	-	-	-	92,949
Payroll Taxes	70,998	-	-	-	-	70,998
Tourism	53,988	994	-	2,635	6,140	63,757
Education/Publicity/Advertising	647	-	50	460	449	1,606
Collections	-	-	-	302	-	302
Occupancy	29,407	40,985	57,268	18,504	35,424	181,588
Printing	9,739	-	-	-	-	9,739
Interest	7,219	3,647	-	220	451	11,537
Miscellaneous	10,308	1	2,757	146	5,715	18,927
Postage	5,573	-	-	-	97	5,670
Professional Fees	112,088	-	1,305	50	-	113,443
Building Repairs and Maintenance	10,199	65,187	52,132	56,481	63,826	247,825
Supplies and Bank Fees	31,654	69	68	5,040	3,243	40,074
Telephone	4,555	2,840	151	1,495	2,014	11,055
Fundraising Expense	17,000	-	-	300	-	17,300
Dues and Subscriptions	3,852	-	-	-	-	3,852
Public Relations/Volunteers	79,751	-	120	1,030	1,522	82,423
Insurance	43,846	15,346	-	-	-	59,192
Equipment Rental and Maintenance	6,377	-	-	-	-	6,377
Store Purchases	96,159	-	-	-	-	96,159
Travel	3,592	-	-	-	229	3,821
Affiliate Transfers	(61,365)	(75,248)	9,862	30,884	95,867	-
<b>Total Expenses</b>	<b>1,361,915</b>	<b>53,821</b>	<b>123,713</b>	<b>117,547</b>	<b>214,977</b>	<b>1,871,973</b>
<b>Changes in Operating Net Assets Without Donor Restrictions</b>	<b>\$ 385,523</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 385,523</b>

See independent auditor's report on supplementary information.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**STATEMENTS OF ACTIVITIES BY AFFILIATES (CONTINUED)**  
**Year Ended February 28, 2022**

	Year Ended February 28, 2022					
	HBP	HBI	BPI	MM	KMDA	Total
<b>NONOPERATING ACTIVITIES</b>						
Contributions/Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss on Disposal of Assets	-	-	(424)	-	-	(424)
Depreciation	(8,035)	(96,234)	(21,789)	(40,591)	(99,212)	(265,861)
Investment Return (Net of Expenses of \$2,722)	1,155	60	2,579	13,585	-	17,379
Affiliate Transfers	(29,128)	(107,485)	9,862	30,884	95,867	-
Restricted Releases for Nonoperational Items	-	-	16,212	-	-	16,212
<b>Changes in Nonoperating Activities</b>	<u>(36,008)</u>	<u>(203,659)</u>	<u>6,440</u>	<u>3,878</u>	<u>(3,345)</u>	<u>(232,694)</u>
<b>Changes in Net Assets Without Donor Restrictions</b>	<u>349,515</u>	<u>(203,659)</u>	<u>6,440</u>	<u>3,878</u>	<u>(3,345)</u>	<u>152,829</u>
<b>Net Assets With Purpose Restrictions</b>						
Contributions/Grants	581,050	5,000	14,240	13,625	1,500	615,415
Investment Return (Net of Expenses of \$21,798)	21,035	13,343	16,421	31,709	73,098	155,606
Affiliate Transfer	-	-	-	-	-	-
Net Assets Released to Net Assets Without Donor Restrictions	(129,038)	(34,646)	(100,720)	(69,283)	(199,223)	(532,910)
<b>Changes in Net Assets With Purpose Restrictions</b>	<u>473,047</u>	<u>(16,303)</u>	<u>(70,059)</u>	<u>(23,949)</u>	<u>(124,625)</u>	<u>238,111</u>
<b>Net Assets With Perpetuity Restrictions</b>						
Contributions/Grants	62,269	49,236	51,345	-	52,519	215,369
Change in Value of Outside Perpetual Trusts	-	-	4,891	7,670	-	12,561
<b>Changes in Net Assets With Perpetuity Restrictions</b>	<u>62,269</u>	<u>49,236</u>	<u>56,236</u>	<u>7,670</u>	<u>52,519</u>	<u>227,930</u>
<b>Changes in Net Assets</b>	<u>884,831</u>	<u>(170,726)</u>	<u>(7,383)</u>	<u>(12,401)</u>	<u>(75,451)</u>	<u>618,870</u>
<b>Net Assets, March 1, 2021</b>	<u>904,134</u>	<u>2,889,914</u>	<u>2,061,041</u>	<u>2,304,749</u>	<u>5,282,868</u>	<u>13,442,706</u>
<b>Net Assets, February 28, 2022</b>	<u>\$ 1,788,965</u>	<u>\$ 2,719,188</u>	<u>\$ 2,053,658</u>	<u>\$ 2,292,348</u>	<u>\$ 5,207,417</u>	<u>\$ 14,061,576</u>

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year Ended February 28, 2023**

	Year Ended February 28, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue</b>			
Contributions	\$ 277,659	\$ 606,185	\$ 883,844
In-Kind Contributions	104,331	-	104,331
Grants	215,002	-	215,002
Government Grants - PPP	-	-	-
Tourism	191,015	-	191,015
Admission/Programs	74,033	-	74,033
Investment Return	(39,164)	(327,364)	(366,528)
Change in Value of Outside Perpetual Trusts	-	(43,477)	(43,477)
Rental Income	188,950	-	188,950
Special Events	483,429	-	483,429
Less: Direct Costs of Special Events	(243,638)	-	(243,638)
Sales to the Public	268,405	-	268,405
Less: Costs of Store Purchases	(153,641)	-	(153,641)
Loss on Disposal of Assets	-	-	-
Miscellaneous	28,119	-	28,119
Affiliate Transfer	-	-	-
Release of Spending Policy Investment Return	330,332	(330,332)	-
Release of Restrictions for Operating Expenses	269,376	(269,376)	-
<b>Total Revenue</b>	<b>1,994,208</b>	<b>(364,364)</b>	<b>1,629,844</b>
<b>Expenses:</b>			
Salaries	837,981	-	837,981
Employee Benefits	114,821	-	114,821
Payroll Taxes	77,801	-	77,801
Tourism	73,721	-	73,721
Education/Programs	45,904	-	45,904
Collections	654	-	654
Occupancy	154,200	-	154,200
Printing	7,201	-	7,201
Interest Expense	1,282	-	1,282
Miscellaneous	22,866	-	22,866
Postage	6,514	-	6,514
Professional Fees	153,090	-	153,090
Building Repairs and Maintenance	366,629	-	366,629
Supplies and Bank Fees	56,791	-	56,791
Telephone	12,329	-	12,329
Fundraising Expense	15,000	-	15,000
Dues and Subscriptions	6,569	-	6,569
Public Relations/Volunteers	140,301	-	140,301
Insurance	46,803	-	46,803
Equipment Rental and Maintenance	5,788	-	5,788
Travel	8,865	-	8,865
Depreciation	282,982	-	282,982
<b>Total Expense</b>	<b>2,438,092</b>	<b>-</b>	<b>2,438,092</b>
<b>Changes in Net Assets</b>			
<b>Before Asset/Debt Release</b>	<b>(443,884)</b>	<b>(364,364)</b>	<b>(808,248)</b>
<b>Release of Restricted Funds for</b>			
<b>Nonoperational Items</b>	<b>520,249</b>	<b>(520,249)</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>76,365</b>	<b>(884,613)</b>	<b>(808,248)</b>
<b>Net Assets, March 1, 2022</b>	<b>8,024,259</b>	<b>6,037,317</b>	<b>14,061,576</b>
<b>Net Assets, February 28, 2023</b>	<b>\$ 8,100,624</b>	<b>\$ 5,152,704</b>	<b>\$ 13,253,328</b>

See independent auditor's report on supplementary information.

**HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year Ended February 28, 2022**

	Year Ended February 28, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue</b>			
Contributions	\$ 293,317	\$ 830,784	\$ 1,124,101
In-Kind Contributions	67,287	-	67,287
Grants	67,691	-	67,691
Government Grants - PPP	329,027	-	329,027
Tourism	166,267	-	166,267
Admission/Programs	81,239	-	81,239
Investment Return	17,379	155,606	172,985
Change in Value of Outside Perpetual Trusts	-	12,561	12,561
Rental Income	170,722	-	170,722
Special Events	518,959	-	518,959
Less: Direct Costs of Special Events	(237,522)	-	(237,522)
Sales to the Public	225,868	-	225,868
Less: Costs of Store Purchases	(96,159)	-	(96,159)
Loss on Disposal of Assets	(424)	-	(424)
Miscellaneous	57,943	-	57,943
Affiliate Transfer	-	-	-
Release of Spending Policy Investment Return	280,929	(280,929)	-
Release of Restrictions for Operating Expenses	235,769	(235,769)	-
<b>Total Revenue</b>	<b>2,178,292</b>	<b>482,253</b>	<b>2,660,545</b>
<b>Expenses:</b>			
Salaries	733,379	-	733,379
Employee Benefits	92,949	-	92,949
Payroll Taxes	70,998	-	70,998
Tourism	63,757	-	63,757
Education/Programs	1,606	-	1,606
Collections	302	-	302
Occupancy	181,588	-	181,588
Printing	9,739	-	9,739
Interest Expense	11,537	-	11,537
Miscellaneous	18,927	-	18,927
Postage	5,670	-	5,670
Professional Fees	113,443	-	113,443
Building Repairs and Maintenance	247,825	-	247,825
Supplies and Bank Fees	40,074	-	40,074
Telephone	11,055	-	11,055
Fundraising Expense	17,300	-	17,300
Dues and Subscriptions	3,852	-	3,852
Public Relations/Volunteers	82,423	-	82,423
Insurance	59,192	-	59,192
Equipment Rental and Maintenance	6,377	-	6,377
Travel	3,821	-	3,821
Depreciation	265,861	-	265,861
<b>Total Expense</b>	<b>2,041,675</b>	<b>-</b>	<b>2,041,675</b>
<b>Changes in Net Assets</b>			
<b>Before Asset/Debt Release</b>	<b>136,617</b>	<b>482,253</b>	<b>618,870</b>
<b>Release of Restricted Funds for</b>			
<b>Nonoperational Items</b>	<b>16,212</b>	<b>(16,212)</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>152,829</b>	<b>466,041</b>	<b>618,870</b>
<b>Net Assets, March 1, 2021</b>	<b>7,871,430</b>	<b>5,571,276</b>	<b>13,442,706</b>
<b>Net Assets, February 28, 2022</b>	<b>\$ 8,024,259</b>	<b>\$ 6,037,317</b>	<b>\$ 14,061,576</b>