

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

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

For the Years Ended February 28, 2022 and February 28, 2021

**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, 2022, 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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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' 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 4, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended February 28, 2021, 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.

Congbell, Rappold & Yucasita LLP

December 15, 2022

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

	February 28, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>ASSETS:</u>			
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
TOTAL ASSETS	\$ 8,359,798	\$ 6,037,317	\$ 14,397,115
<u>LIABILITIES AND NET ASSETS:</u>			
Liabilities			
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
TOTAL LIABILITIES	335,539	-	335,539
Commitments and Contingencies			
Net Assets			
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
Total Net Assets	8,024,259	6,037,317	14,061,576
TOTAL LIABILITIES AND NET ASSETS	\$ 8,359,798	\$ 6,037,317	\$ 14,397,115

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, 2021

	February 28, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>ASSETS:</u>			
Cash - Operating	\$ 554,950	\$ -	\$ 554,950
Cash - Restricted	-	989,810	989,810
Interfund (Payable) Receivable	250,047	(250,047)	-
Accounts/Grants Receivable	7,483	-	7,483
Promises to Give (Note 3)	-	348,376	348,376
Prepaid Expenses	21,763	-	21,763
Inventory	44,345	-	44,345
Long-Term Investments (Note 4)	536,792	4,150,933	4,687,725
Beneficial Interest in Perpetual Trust (Note 6)	-	332,204	332,204
Property and Equipment, (Net of Accumulated Depreciation) (Note 7)	7,192,222	-	7,192,222
TOTAL ASSETS	\$ 8,607,602	\$ 5,571,276	\$ 14,178,878
<u>LIABILITIES AND NET ASSETS:</u>			
Liabilities			
Accounts Payable	\$ 104,815	\$ -	\$ 104,815
Accrued Wages and Compensated Absences	51,953	-	51,953
Deferred Revenue	27,527	-	27,527
Security Deposits	4,250	-	4,250
Mortgages and Loans Payable (Note 8)	457,317	-	457,317
Other Liabilities	90,310	-	90,310
TOTAL LIABILITIES	736,172	-	736,172
Commitments and Contingencies			
Net Assets			
Undesignated	202,179	-	202,179
Board Designated	619,846	-	619,846
Net Investment in Property and Equipment	7,049,405	-	7,049,405
Total Net Assets Without Donor Restrictions	7,871,430	-	7,871,430
Restricted for a Purpose (Note 9)	-	2,860,852	2,860,852
Restricted in Perpetuity (Note 9)	-	2,710,424	2,710,424
Total Net Assets	7,871,430	5,571,276	13,442,706
TOTAL LIABILITIES AND NET ASSETS	\$ 8,607,602	\$ 5,571,276	\$ 14,178,878

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, 2022 and February 28, 2021

	Year Ended 02/28/2022	Year Ended 02/28/2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
OPERATING ACTIVITIES		
Revenue:		
Contributions	\$ 293,317	\$ 270,431
In-Kind Contributions (Note 12)	67,287	54,259
Grants	67,691	195,105
Government Grants - PPP	329,027	-
Tourism	166,267	65,469
Admission/Programs	81,239	57,438
Rental Income	170,722	71,645
Special Events	518,959	286,452
Less: Direct Costs of Special Events	(237,522)	(98,380)
Sales to Public	225,868	106,862
Less: Costs of Store Purchases	(96,159)	(58,424)
Miscellaneous	57,943	74,147
Release of Spending Policy Investment Return (Note 10)	280,929	191,590
Release of Restricted Funds for Operating Expenses (Note 10)	235,769	122,465
Total Operating Revenue	2,161,337	1,339,059
Expenses:		
Program Expenses	1,270,814	939,102
Management and General Expenses	255,628	232,409
Fundraising Expenses	249,372	216,553
Total Operating Expenses	1,775,814	1,388,064
OPERATIONAL SURPLUS (DEFICIT)	385,523	(49,005)
NONOPERATING ACTIVITIES		
Contributions	-	34,295
Loss on Disposal of Assets	(424)	-
Depreciation	(265,861)	(273,334)
Investment Return (Net of Expenses of \$2,722 and \$2,359)	17,379	88,753
Release of Restricted Funds for Assets/Debt (Note 10)	16,212	111,017
Change in Nonoperating Activities	(232,694)	(39,269)
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 152,829	\$ (88,274)

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, 2022 and February 28, 2021

	<u>Year Ended</u> <u>02/28/2022</u>	<u>Year Ended</u> <u>02/28/2021</u>
NET ASSETS WITH PURPOSE RESTRICTIONS		
ACTIVITIES		
Contributions/Grants	\$ 615,415	\$ 439,603
Investment Return (Net of Expenses of \$21,798 and \$18,894)	155,606	677,589
Net Assets Released to Without Donor Restriction (Note 10)	<u>(532,910)</u>	<u>(425,072)</u>
CHANGES IN NET ASSETS WITH PURPOSE RESTRICTIONS	<u>238,111</u>	<u>692,120</u>
NET ASSETS WITH PERPETUITY RESTRICTIONS		
ACTIVITIES		
Contributions	215,369	119,938
Change in Value of Outside Perpetual Trusts	<u>12,561</u>	<u>34,160</u>
CHANGES IN NET ASSETS WITH PERPETUITY RESTRICTIONS	<u>227,930</u>	<u>154,098</u>
CHANGES IN NET ASSETS	<u>618,870</u>	<u>757,944</u>
NET ASSETS, AT BEGINNING OF PERIOD	<u>13,442,706</u>	<u>12,684,762</u>
NET ASSETS, AT END OF PERIOD	<u>\$ 14,061,576</u>	<u>\$ 13,442,706</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, 2022
With Comparative Totals for the Year Ended February 28, 2021

	Year Ended February 28, 2022				02/28/2021
	Program Services	Management and General	Fundraising	Total	Total
Salaries and Wages	\$ 402,296	\$ 175,107	\$ 155,976	\$ 733,379	\$ 659,958
Employee Benefits	48,641	24,150	20,158	92,949	72,873
Payroll Taxes	41,178	14,910	14,910	70,998	56,727
Tourism	63,757	-	-	63,757	46,800
Education/Publicity/Advertising	1,606	-	-	1,606	17,301
Collections	302	-	-	302	-
Occupancy	181,588	-	-	181,588	133,619
Printing	9,739	-	-	9,739	7,086
Interest	11,537	-	-	11,537	7,086
Miscellaneous	18,927	-	-	18,927	10,172
Postage	1,490	2,787	1,393	5,670	4,062
Professional Fees	68,607	22,418	22,418	113,443	100,952
Building Repairs and Maintenance	247,825	-	-	247,825	140,767
Supplies and Bank Fees	31,406	-	8,668	40,074	24,681
Telephone	9,688	911	456	11,055	11,392
Fundraising Expense	-	-	17,300	17,300	14,015
Dues and Subscriptions	3,852	-	-	3,852	5,824
Public Relations/Volunteers	82,423	-	-	82,423	12,378
Insurance	39,899	11,838	7,455	59,192	55,819
Equipment Rental and Maintenance	2,232	3,507	638	6,377	6,112
Travel	3,821	-	-	3,821	440
Direct Costs of Special Events	-	-	237,522	237,522	98,380
Cost of Store Purchases	96,159	-	-	96,159	58,424
Depreciation Expense	265,861	-	-	265,861	273,334
Total Expenses by Function	1,632,834	255,628	486,894	2,375,356	1,818,202
Less: Expenses Included With Revenues on the Statement of Activities:					
Direct Costs of Special Events	-	-	(237,522)	(237,522)	(98,380)
Costs of Store Purchases	(96,159)	-	-	(96,159)	(58,424)
Depreciation Expense	(265,861)	-	-	(265,861)	(273,334)
	\$ 1,270,814	\$ 255,628	\$ 249,372	\$ 1,775,814	\$ 1,388,064

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, 2022 and February 28, 2021

	Year Ended 02/28/2022	Year Ended 02/28/2021
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	\$ 618,870	\$ 757,944
Adjustment to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Restricted Contributions/Investment Income	(944,494)	(633,861)
Depreciation and Amortization	265,861	273,334
Realized/Unrealized Gain on Investments	(42,874)	(681,988)
Loss on Disposal of Assets	424	-
Transfers from Restricted to Operating	516,698	314,055
Change in Value of Outside Trusts	(12,561)	(34,160)
Forgiveness of Debt - PPP	(329,027)	-
Changes in Operating Assets/Liabilities:		
Receivables	(4,530)	5,140
Inventory	(24,562)	(8,536)
Prepaid Expenses	36	(2,483)
Accounts Payable	15,346	6,967
Deferred Revenue/Security Deposits/Accrued Wages and Compensated Absences	(108,662)	57,427
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(49,475)	53,839
<u>Cash Flows from Investing Activities:</u>		
Equipment Acquisitions/Building Improvements	(39,095)	(163,199)
Proceeds from Disposal of Assets	-	-
Proceeds from Sale of Investments	447,651	283,162
Purchase of Investments	(411,392)	(225,545)
NET CASH USED BY INVESTING ACTIVITIES	(2,836)	(105,582)
<u>Cash Flows from Financing Activities:</u>		
Restricted Contributions/Investment Income	944,494	633,861
Unpaid Promises to Give	48,704	(113,005)
Transfers to Operating from Restricted Funds	(516,698)	(314,055)
Proceeds from Long-Term Debt	164,527	314,500
Repayment of Short-Term and Long-Term Debt	(142,817)	(10,239)
NET CASH PROVIDED BY FINANCING ACTIVITIES	498,210	511,062
INCREASE IN CASH AND CASH EQUIVALENTS	445,899	459,319
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,544,760	1,085,441
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 1,990,659	\$ 1,544,760
<u>Reconciliation of Cash and Cash Equivalents:</u>		
Cash and Cash Equivalents	\$ 481,167	\$ 554,950
Restricted Cash	1,509,492	989,810
Total Cash and Cash Equivalents	\$ 1,990,659	\$ 1,544,760
<u>Supplemental Information:</u>		
Interest Paid	\$ 4,318	\$ 7,086

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, 2022 and February 28, 2021

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, 2022 and February 28, 2021

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 2022 and 2021.

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 2017.

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, 2022 and February 28, 2021

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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2022 and February 28, 2021

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, 2022 and February 28, 2021, 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, 2022 and February 28, 2021.

HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2022 and February 28, 2021

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 2021 amounts have been reclassified in order to conform to the 2022 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.

Subsequent Events

Economic uncertainties have arisen as a result of the global pandemic due to the spread of the COVID-19 coronavirus. The pandemic has the potential to have a significant impact on all aspects of the Organizations' operations. The full extent of the economic impact on the Organizations is unknown at this time.

Subsequent events have been evaluated through December 15, 2022, the date on which the consolidated financial statements were available to be issued.

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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:

	02/28/2022	02/28/2021
Cash and Cash Equivalents	\$ 481,167	\$ 554,950
Accounts/Grants Receivable	12,013	7,483
Long-Term Investments	521,611	536,792
Net Assets With Designations	(590,100)	(619,846)
 Total	 \$ 424,691	 \$ 479,379

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, 2022, 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.

3. Promises to Give

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

	02/28/2022	02/28/2021
Unconditional Promises Expected to be Collected in:		
Less than one year	\$ 182,071	\$ 211,600
One to five years	144,362	168,174
	326,433	379,774
Less: Unamortized Discount (2%)	(10,439)	(12,409)
Less: Allowance for Uncollectible Pledges	(16,322)	(18,989)
	 \$ 299,672	 \$ 348,376

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4. Long-Term Investments

Entity	Securities	Market Value February 28, 2022			Market Value 02/28/2021
		Without Restriction	With Restriction	Total	
BPI	Cash	\$ 2,619	\$ 64,502	\$ 67,121	\$ 17,855
	Equities	41,730	231,089	272,819	270,057
	Fixed Income	17,708	98,064	115,772	119,912
	Total BPI	\$ 62,057	\$ 393,655	\$ 455,712	\$ 407,824
HBI	Cash	\$ 61	\$ 15,544	\$ 15,605	\$ 17,122
	Equities	831	212,028	212,859	200,705
	Fixed Income	536	136,661	137,197	119,841
	Total HBI	\$ 1,428	\$ 364,233	\$ 365,661	\$ 337,668
HBP	Cash	\$ 399	\$ 16,577	\$ 16,976	\$ 17,255
	Equities	7,694	319,088	326,782	277,119
	Fixed Income	2,529	104,881	107,410	112,053
	Total HBP	\$ 10,622	\$ 440,546	\$ 451,168	\$ 406,427
KMDA	Cash	\$ -	\$ 66,048	\$ 66,048	\$ 87,139
	Equities	-	1,455,521	1,455,521	1,343,395
	Fixed Income	-	724,599	724,599	874,732
	Total KMDA	\$ -	\$ 2,246,168	\$ 2,246,168	\$ 2,305,266
MM	Cash	\$ 16,505	\$ 21,949	\$ 38,454	\$ 48,683
	Equities	290,029	456,317	746,346	747,278
	Fixed Income	140,970	249,861	390,831	434,579
	Total MM	\$ 447,504	\$ 728,127	\$ 1,175,631	\$ 1,230,540
Total All Entities	\$ 521,611	\$ 4,172,729	\$ 4,694,340	\$ 4,687,725	

A summary of earnings on investments for the years ended February 28, 2022 and February 28, 2021 are as follows:

	Year Ended 02/28/2022	Year Ended 02/28/2021
Realized/Unrealized Gains	\$ 42,874	\$ 681,988
Dividends and Interest	154,631	105,607
Investment Fees	(24,520)	(21,253)
Total	\$ 172,985	\$ 766,342

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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.

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, 2022 and February 28, 2021.

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

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5. Fair Value Measurements (Continued)

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, 2022 and February 28, 2021:

	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	\$ 4,694,340	\$ -	\$ 344,765	\$ 5,039,105

	Assets at Fair Value as of February 28, 2021			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 188,054	\$ -	\$ -	\$ 188,054
Mutual Funds	2,838,554	-	-	2,838,554
Fixed Income Bond Funds	1,661,117	-	-	1,661,117
Beneficial Interest In Perpetual Trusts	-	-	332,204	332,204
Total Assets at Fair Value	\$ 4,687,725	\$ -	\$ 332,204	\$ 5,019,929

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, 2022 and February 28, 2021, there were no purchases, transfers-in, or transfers-out of Level 3 assets. The Organizations received issuances in the amount of \$10,867 and \$12,066 during the years ended February 28, 2022 and February 28, 2021, respectively.

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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	02/28/2022	02/28/2021
HBP			
Equipment	3 - 5	\$ 140,895	\$ 137,282
Accumulated Depreciation		<u>(124,792)</u>	<u>(116,757)</u>
Net		<u>16,103</u>	<u>20,525</u>
HBI			
Land, Building and Improvements	15 - 75	4,623,412	4,624,557
Equipment	5 - 7	177,406	177,406
Accumulated Depreciation		<u>(2,309,516)</u>	<u>(2,215,282)</u>
Net		<u>2,491,302</u>	<u>2,586,681</u>
BPI			
Land, Building and Improvements	10 - 50	1,849,077	1,834,419
Equipment	5 - 10	51,883	50,329
Accumulated Depreciation		<u>(670,957)</u>	<u>(652,384)</u>
Net		<u>1,230,003</u>	<u>1,232,364</u>
MM			
Land, Building and Improvements	5 - 30	1,036,322	1,031,192
Equipment	5 - 10	24,299	24,299
Accumulated Depreciation		<u>(594,557)</u>	<u>(553,966)</u>
Net		<u>466,064</u>	<u>501,525</u>
KMDA			
Land, Building and Improvements	5 - 30	4,705,660	4,698,910
Equipment	5 - 10	135,799	132,904
Accumulated Depreciation		<u>(2,079,899)</u>	<u>(1,980,687)</u>
Net		<u>2,761,560</u>	<u>2,851,127</u>
Total Net All Entities		<u>\$ 6,965,032</u>	<u>\$ 7,192,222</u>

Depreciation charged to expense was \$265,861 and \$273,334 for the years ended February 28, 2022 and February 28, 2021, respectively.

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8. Mortgages and Loans Payable

<u>Entity</u>	<u>Description</u>	<u>02/28/2022</u>	<u>02/28/2021</u>
<u>Lines of Credit:</u>			
HBI	\$100,000 revolving line of credit at prime rate (3.25% at February 28, 2022), with interest paid monthly and principal due on demand; line of credit secured by real estate, expiring January 31, 2023.	\$ -	\$ -
MM	\$100,000 revolving line of credit at prime rate (3.25% at February 28, 2022), with interest paid monthly and principal due on demand; line of credit secured by all assets of the Organization, expiring January 31, 2023.	-	-
KMDA	\$100,000 revolving line of credit at prime rate (3.25% at February 28, 2022), with interest paid monthly and principal due on demand; line of credit secured by real estate, expiring January 31, 2023.	-	-
<u>Mortgages/Loans:</u>			
HBI	Mortgage at 4.50%, payable in monthly installments of \$1,705 including principal and interest, due May 2021, secured by real estate. This loan was paid in full during the 2021/2022 fiscal year.	-	142,817
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
HBP	Payroll Protection Program Loan at 1.00%, payable in monthly installments of \$9,864 including principal and interest, due February 2023. This loan was forgiven in its entirety during the 2021/2022 fiscal year.	-	164,500
Total All Entities		<u>\$ 150,000</u>	<u>\$ 457,317</u>

Long term debt maturities are as follows:

Year Ended February,	
2023	\$ 808
2024	3,287
2025	3,378
2026	3,472
2027	3,569
Thereafter	<u>135,486</u>
	<u>\$ 150,000</u>

Interest expense related to the mortgages and loans totaled \$11,537 and \$7,086 for the years ended February 28, 2022 and February 28, 2021, respectively.

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9. Analysis of Net Assets With Donor Restrictions

Net assets with donor restrictions as of February 28, 2022 and February 28, 2021 were as follows:

Entity		2/28/2022		2/28/2021	
		Restricted for a Purpose	Restricted in Perpetuity	Restricted for a Purpose	Restricted in Perpetuity
HBP	Operations	\$ 43,648	\$ 328,858	\$ 105,100	\$ 266,819
	Marketing	10,237	10,230	11,922	10,000
	Archives and Library Operations	10,398	20,000	10,777	20,000
	Visual Impairment	7,978	-	7,978	-
	COVID-19 Assistance	-	-	25,000	-
	Education Programs	6,513	-	18,000	-
	Schwarz Heritage	76,000	-	56,000	-
	Signage	1,433	-	1,433	-
	Taking the World Stage	1,223,200	-	670,150	-
	RACP	2,888	-	2,888	-
	Library	301	-	301	-
			<u>1,382,596</u>	<u>359,088</u>	<u>909,549</u>
HBI	Capital Improvements	15,919	-	15,159	-
	Goundie House	69,470	101,466	81,318	101,466
	Smithy Endowment	5,379	108,340	9,816	59,104
	Endowment	8,578	74,000	13,596	74,000
	Taking the World Stage	61,000	-	56,000	-
	Flood Damage	-	-	760	-
		<u>160,346</u>	<u>283,806</u>	<u>176,649</u>	<u>234,570</u>
BPI	Capital Improvements	21,587	-	10,333	-
	Endowment	28,761	318,516	36,220	267,266
	Taking the World Stage	175,053	-	250,330	-
	Beneficial Interest in Perpetual Trust	-	48,720	-	43,829
	Garden Maintenance	8,857	37,296	7,434	37,201
		<u>234,258</u>	<u>404,532</u>	<u>304,317</u>	<u>348,296</u>
MM	Operating Endowment	5,191	25,000	3,961	25,000
	Preservation	463,070	-	481,477	-
	Garden Maintenance	2,331	4,000	1,917	4,000
	Music Operations	75,559	55,923	83,100	55,923
	Lecture Operations	45,028	53,585	44,673	53,585
	Beneficial Interest in Perpetual Trusts	-	296,045	-	288,375
		<u>591,179</u>	<u>434,553</u>	<u>615,128</u>	<u>426,883</u>
KMDA	Operating Endowment	90,753	580,226	141,471	580,226
	Toy and Dollhouse Acquisition	331,351	-	329,946	-
	Prime Collection	22,908	82,400	27,392	82,400
	Educational Operations	125,399	406,955	144,155	406,955
	Museum Maintenance	8,965	28,998	9,985	28,998
	Lecture Operations	9,878	8,091	9,854	8,091
	Programming	50,749	200,000	64,104	200,000
	Christmas Operations	11,808	83,919	24,401	51,400
	Building Improvements	38,181	-	59,095	-
	Artifact Fund	1,500	-	-	-
	Garden Maintenance	39,092	65,786	44,806	45,786
		<u>730,584</u>	<u>1,456,375</u>	<u>855,209</u>	<u>1,403,856</u>
	Total All Entities	<u>\$ 3,098,963</u>	<u>\$ 2,938,354</u>	<u>\$ 2,860,852</u>	<u>\$ 2,710,424</u>

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10. Analysis of Restricted Net Assets

Net assets released from restrictions during the years ended February 28, 2022 and February 28, 2021 were as follows:

<u>Entity</u>	<u>Purpose</u>	<u>2/28/2022</u>	<u>2/28/2021</u>
HBP	Spending Policy for Program Operations	\$ 38,067	\$ 35,856
	Program Operations	90,971	856
		<u>129,038</u>	<u>36,712</u>
HBI	Property	-	111,017
	Program Operations	-	19,354
	Spending Policy for Program Operations	34,646	21,593
		<u>34,646</u>	<u>151,964</u>
BPI	Spending Policy for Program Operations	22,457	14,312
	Program Operations	62,051	8,677
	Property	16,212	-
		<u>100,720</u>	<u>22,989</u>
MM	Spending Policy for Program Operations	18,562	2,333
	Program Operations	50,721	61,315
	Property	-	-
		<u>69,283</u>	<u>63,648</u>
KMDA	Spending Policy for Program Operations	167,197	117,496
	Program Operations	32,026	32,263
	Property	-	-
		<u>199,223</u>	<u>149,759</u>
	Total Releases	<u>\$ 532,910</u>	<u>\$ 425,072</u>

Summary of Total Releases

Spending Policy	\$ 280,929	\$ 191,590
Property	16,212	111,017
Program Operations	<u>235,769</u>	<u>122,465</u>
Total Releases	<u>\$ 532,910</u>	<u>\$ 425,072</u>

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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.

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11. Endowment (Continued)

As of February 28, 2022 and February 28, 2021, total endowment composition by net asset fund was:

	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
	\$ 514,958	\$ 3,616,686	\$ 4,131,644
	February 28, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment	\$ 529,754	\$ -	\$ 529,754
Donor Restricted Endowment	-	3,545,394	3,545,394
	\$ 529,754	\$ 3,545,394	\$ 4,075,148

Changes in endowment net assets as of February 28, 2022 and February 28, 2021 are as follows:

	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	\$ 514,958	\$ 3,616,686	\$ 4,131,644
	Year Ended February 28, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 450,790	\$ 3,052,083	\$ 3,502,873
Contributions	-	119,938	119,938
Investment Income (Net of Fees)	9,805	58,027	67,832
Transfers	-	-	-
Net Appreciation	77,134	506,936	584,070
Net Appropriated for Expenditure	(7,975)	(191,590)	(199,565)
Endowment Net Assets, End of Year	\$ 529,754	\$ 3,545,394	\$ 4,075,148

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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. There were no deficiencies as of February 28, 2022 and February 28, 2021.

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 2/28/2022	Year Ended 2/28/2021
Special Events	\$ 8,650	\$ 450
Printing	40	-
Public Relations	1,680	-
Supplies	-	1,394
Repairs and Maintenance	5,802	1,300
Occupancy	51,115	51,115
Total	\$ 67,287	\$ 54,259

13. Leases

The Organization leases office equipment and a vehicle under operating leases.

Minimum lease payments under these leases are as follows:

Year Ending February,

2023	\$ 6,395
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 99-year lease for various historic properties with the City of Bethlehem expiring in 2066 with a renewal option for an additional 99 years and all operating costs are borne by the lessee.

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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 \$6,886 and \$5,640 during the years ended February 28, 2022 and February 28, 2021, 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, 2022 and February 28, 2021, respectively. Pension expense was \$25,377 and \$26,827 for the years ended February 28, 2022 and February 28, 2021, 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, 2021

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, 2021, from which summarized information was derived.

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
Assets (Without Donor Restrictions)						
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
Total Assets Without Donor Restrictions	585,356	2,513,728	1,295,339	914,128	2,761,906	8,070,457
Assets (Restricted With a Purpose)						
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
Total Assets Restricted With a Purpose	1,382,596	160,346	234,258	591,179	730,584	3,098,963
Assets (Restricted in Perpetuity)						
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
Total Assets Restricted in Perpetuity	359,088	283,806	404,532	434,553	1,456,375	2,938,354
TOTAL ASSETS	\$ 2,327,040	\$ 2,957,880	\$ 1,934,129	\$ 1,939,860	\$ 4,948,865	\$ 14,107,774
Liabilities (Without Donor Restrictions)						
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)
Total Liabilities Without Donor Restrictions	538,075	238,692	(119,529)	(352,488)	(258,552)	46,198
Liabilities (Restricted With a Purpose)						
Accounts Payable	-	-	-	-	-	-
Mortgages and Loans Payable	-	-	-	-	-	-
Total Liabilities Restricted With a Purpose	-	-	-	-	-	-
TOTAL LIABILITIES	538,075	238,692	(119,529)	(352,488)	(258,552)	46,198
Net Assets (Without Donor Restrictions)						
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
Total Net Assets Without Donor Restrictions	47,281	2,275,036	1,414,868	1,266,616	3,020,458	8,024,259
Net Assets Restricted for a Purpose	1,382,596	160,346	234,258	591,179	730,584	3,098,963
Net Assets Restricted in Perpetuity	359,088	283,806	404,532	434,553	1,456,375	2,938,354
TOTAL NET ASSETS	1,788,965	2,719,188	2,053,658	2,292,348	5,207,417	14,061,576
TOTAL LIABILITIES AND NET ASSETS	\$ 2,327,040	\$ 2,957,880	\$ 1,934,129	\$ 1,939,860	\$ 4,948,865	\$ 14,107,774

See independent auditor's report on supplementary information.

HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES
STATEMENTS OF FINANCIAL POSITION BY AFFILIATES
February 28, 2021

	February 28, 2021					
	HBP	HBI	BPI	MM	KMDA	Total
Assets (Without Donor Restrictions)						
Cash	\$ 550,289	\$ 895	\$ 3,168	\$ 425	\$ 173	\$ 554,950
Accounts/Grants Receivable	6,733	750	-	-	-	7,483
Promises to Give	-	-	-	-	-	-
Prepaid Expenses	3,941	17,303	55	205	259	21,763
Investments	11,007	1,368	59,478	464,939	-	536,792
Inventory	44,345	-	-	-	-	44,345
Property and Equipment, Net	20,525	2,586,681	1,232,364	501,525	2,851,127	7,192,222
Total Assets Without Donor Restrictions	636,840	2,606,997	1,295,065	967,094	2,851,559	8,357,555
Assets (Restricted With a Purpose)						
Cash	916,949	4,268	64,650	-	3,943	989,810
Grants Receivable	-	-	-	-	-	-
Due from Affiliate	(454,377)	64,651	195,788	(11,965)	(50,144)	(256,047)
Promises to Give	348,376	-	-	-	-	348,376
Investments	98,601	107,730	43,879	627,093	901,410	1,778,713
Total Assets Restricted With a Purpose	909,549	176,649	304,317	615,128	855,209	2,860,852
Assets (Restricted in Perpetuity)						
Due from (to) Affiliate	-	6,000	-	-	-	6,000
Investments	296,819	228,570	304,467	138,508	1,403,856	2,372,220
Beneficial Interest in Perpetual Trusts	-	-	43,829	288,375	-	332,204
Total Assets Restricted in Perpetuity	296,819	234,570	348,296	426,883	1,403,856	2,710,424
TOTAL ASSETS	\$ 1,843,208	\$ 3,018,216	\$ 1,947,678	\$ 2,009,105	\$ 5,110,624	\$ 13,928,831
Liabilities (Without Donor Restrictions)						
Accounts Payable	\$ 94,774	\$ 870	\$ 390	\$ 5,516	\$ 3,265	\$ 104,815
Accrued Wages and Compensated Absences	51,953	-	-	-	-	51,953
Deferred Revenue	14,677	5,750	6,500	-	600	27,527
Security Deposits	-	-	3,750	500	-	4,250
Mortgages and Loans Payable	314,500	142,817	-	-	-	457,317
Other Liabilities	90,310	-	-	-	-	90,310
Due to (from) Affiliate	372,860	(21,135)	(124,003)	(301,660)	(176,109)	(250,047)
Total Liabilities Without Donor Restrictions	939,074	128,302	(113,363)	(295,644)	(172,244)	486,125
Liabilities (Restricted With a Purpose)						
Accounts Payable - Construction	-	-	-	-	-	-
Mortgages and Loans Payable	-	-	-	-	-	-
Total Liabilities Restricted With a Purpose	-	-	-	-	-	-
TOTAL LIABILITIES	939,074	128,302	(113,363)	(295,644)	(172,244)	486,125
Net Assets (Without Donor Restrictions)						
Undesignated	(412,851)	33,463	113,624	296,274	171,669	202,179
Board Designated	90,092	1,368	62,440	464,939	1,007	619,846
Net Investment in Property and Equipment	20,525	2,443,864	1,232,364	501,525	2,851,127	7,049,405
Total Net Assets Without Donor Restrictions	(302,234)	2,478,695	1,408,428	1,262,738	3,023,803	7,871,430
Net Assets Restricted for a Purpose	909,549	176,649	304,317	615,128	855,209	2,860,852
Net Assets Restricted in Perpetuity	296,819	234,570	348,296	426,883	1,403,856	2,710,424
TOTAL NET ASSETS	904,134	2,889,914	2,061,041	2,304,749	5,282,868	13,442,706
TOTAL LIABILITIES AND NET ASSETS	\$ 1,843,208	\$ 3,018,216	\$ 1,947,678	\$ 2,009,105	\$ 5,110,624	\$ 13,928,831

See independent auditor's report on supplementary information.

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
Net Assets Without Donor Restrictions						
Operating Activities						
Revenue						
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
Total Operating Revenue	1,747,438	53,821	123,713	117,547	214,977	2,257,496
Expenses:						
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	-
Total Expenses	1,361,915	53,821	123,713	117,547	214,977	1,871,973
Changes in Operating Net Assets Without Donor Restrictions	\$ 385,523	\$ -	\$ -	\$ -	\$ -	\$ 385,523

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
NONOPERATING ACTIVITIES						
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
Changes in Nonoperating Activities	<u>(36,008)</u>	<u>(203,659)</u>	<u>6,440</u>	<u>3,878</u>	<u>(3,345)</u>	<u>(232,694)</u>
Changes in Net Assets Without Donor Restrictions	<u>349,515</u>	<u>(203,659)</u>	<u>6,440</u>	<u>3,878</u>	<u>(3,345)</u>	<u>152,829</u>
Net Assets With Purpose Restrictions						
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)
Changes in Net Assets With Purpose Restrictions	<u>473,047</u>	<u>(16,303)</u>	<u>(70,059)</u>	<u>(23,949)</u>	<u>(124,625)</u>	<u>238,111</u>
Net Assets With Perpetuity Restrictions						
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
Changes in Net Assets With Perpetuity Restrictions	<u>62,269</u>	<u>49,236</u>	<u>56,236</u>	<u>7,670</u>	<u>52,519</u>	<u>227,930</u>
Changes in Net Assets	<u>884,831</u>	<u>(170,726)</u>	<u>(7,383)</u>	<u>(12,401)</u>	<u>(75,451)</u>	<u>618,870</u>
Net Assets, March 1, 2021	<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>
Net Assets, February 28, 2022	<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
STATEMENTS OF ACTIVITIES BY AFFILIATES
Year Ended February 28, 2021

	Year Ended February 28, 2021					
	HBP	HBI	BPI	MM	KMDA	Total
Net Assets Without Donor Restrictions						
Operating Activities						
Revenue						
Contributions	\$ 253,433	\$ -	\$ 2,715	\$ 13,766	\$ 517	\$ 270,431
In-Kind Contributions	11,170	11,026	10,223	10,423	11,417	54,259
Grants	185,805	-	9,300	-	-	195,105
Government Grants - PPP	-	-	-	-	-	-
Tourism	65,457	-	-	-	12	65,469
Admission/Programs	53,636	-	3,521	221	60	57,438
Rental Income	72,712	3,970	(5,787)	-	750	71,645
Sales to Public	106,862	-	-	-	-	106,862
Special Events	286,452	-	-	-	-	286,452
Less: Direct Costs of Special Events	(98,380)	-	-	-	-	(98,380)
Miscellaneous	72,845	1,239	-	-	63	74,147
Release of Spending Policy						
Investment Return	35,856	21,593	14,312	2,333	117,496	191,590
Release of Donor Restricted Funds for Operating Expenses	856	19,354	8,677	61,315	32,263	122,465
Total Operating Revenue	1,046,704	57,182	42,961	88,058	162,578	1,397,483
Expenses:						
Salaries	659,958	-	-	-	-	659,958
Employee Benefits	72,873	-	-	-	-	72,873
Payroll Taxes	56,727	-	-	-	-	56,727
Tourism	46,430	300	-	-	70	46,800
Education/Publicity/Advertising	8,353	-	8,948	-	-	17,301
Collections	-	-	-	-	-	-
Occupancy	28,115	35,868	21,340	17,409	30,887	133,619
Printing	7,086	-	-	-	-	7,086
Interest	-	5,795	-	673	618	7,086
Miscellaneous	4,984	5,138	-	25	25	10,172
Postage	4,009	53	-	-	-	4,062
Professional Fees	99,081	984	887	-	-	100,952
Building Repairs and Maintenance	3,820	87,991	5,044	5,764	38,148	140,767
Supplies and Bank Fees	23,241	-	1,440	-	-	24,681
Telephone	5,274	2,761	256	1,274	1,827	11,392
Fundraising Expense	14,000	-	-	-	15	14,015
Dues and Subscriptions	5,824	-	-	-	-	5,824
Public Relations/Volunteers	12,378	-	-	-	-	12,378
Insurance	39,185	16,634	-	-	-	55,819
Equipment Rental and Maintenance	6,112	-	-	-	-	6,112
Store Purchases	58,424	-	-	-	-	58,424
Travel	440	-	-	-	-	440
Affiliate Transfers	(60,605)	(98,342)	5,046	62,913	90,988	-
Total Expenses	1,095,709	57,182	42,961	88,058	162,578	1,446,488
Changes in Operating Net Assets Without Donor Restrictions	\$ (49,005)	\$ -	\$ -	\$ -	\$ -	\$ (49,005)

See independent auditor's report on supplementary information.

HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES
STATEMENTS OF ACTIVITIES BY AFFILIATES (CONTINUED)
Year Ended February 28, 2021

	Year Ended February 28, 2021					Total
	HBP	HBI	BPI	MM	KMDA	
NONOPERATING ACTIVITIES						
Contributions/Grants	\$ -	\$ 34,295	\$ -	\$ -	\$ -	\$ 34,295
Loss on Disposal of Assets	-	-	-	-	-	-
Depreciation	(9,152)	(99,895)	(23,004)	(40,648)	(100,635)	(273,334)
Investment Return (Net of Expenses of \$2,359)	1,814	225	9,586	77,128	-	88,753
Affiliate Transfers	(60,605)	(98,342)	5,046	62,913	90,988	-
Restricted Releases for Nonoperational Items	-	111,017	-	-	-	111,017
Changes in Nonoperating Activities	<u>(67,943)</u>	<u>(52,700)</u>	<u>(8,372)</u>	<u>99,393</u>	<u>(9,647)</u>	<u>(39,269)</u>
Changes in Net Assets Without Donor Restrictions	<u>(116,948)</u>	<u>(52,700)</u>	<u>(8,372)</u>	<u>99,393</u>	<u>(9,647)</u>	<u>(88,274)</u>
Net Assets With Purpose Restrictions						
Contributions/Grants	338,312	45,000	51,291	5,000	-	439,603
Investment Return (Net of Expenses of \$18,894)	67,243	56,732	52,543	118,421	382,650	677,589
Affiliate Transfer	(124,175)	124,175	-	-	-	-
Net Assets Released to Net Assets Without Donor Restrictions	<u>(36,712)</u>	<u>(151,964)</u>	<u>(22,989)</u>	<u>(63,648)</u>	<u>(149,759)</u>	<u>(425,072)</u>
Changes in Net Assets With Purpose Restrictions	<u>244,668</u>	<u>73,943</u>	<u>80,845</u>	<u>59,773</u>	<u>232,891</u>	<u>692,120</u>
Net Assets With Perpetuity Restrictions						
Contributions/Grants	1,100	7,388	111,450	-	-	119,938
Change in Value of Outside Perpetual Trusts	-	-	4,507	29,653	-	34,160
Changes in Net Assets With Perpetuity Restrictions	<u>1,100</u>	<u>7,388</u>	<u>115,957</u>	<u>29,653</u>	<u>-</u>	<u>154,098</u>
Changes in Net Assets	<u>128,820</u>	<u>28,631</u>	<u>188,430</u>	<u>188,819</u>	<u>223,244</u>	<u>757,944</u>
Net Assets, March 1, 2020	<u>775,314</u>	<u>2,861,283</u>	<u>1,872,611</u>	<u>2,115,930</u>	<u>5,059,624</u>	<u>12,684,762</u>
Net Assets, February 28, 2021	<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>

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
Revenue			
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)	-
Total Revenue	<u>2,178,292</u>	<u>482,253</u>	<u>2,660,545</u>
Expenses:			
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
Total Expense	<u>2,041,675</u>	<u>-</u>	<u>2,041,675</u>
Changes in Net Assets			
 Before Asset/Debt Release	<u>136,617</u>	<u>482,253</u>	<u>618,870</u>
Release of Restricted Funds for Nonoperational Items	<u>16,212</u>	<u>(16,212)</u>	<u>-</u>
Change in Net Assets	152,829	466,041	618,870
Net Assets, March 1, 2021	<u>7,871,430</u>	<u>5,571,276</u>	<u>13,442,706</u>
Net Assets, February 28, 2022	<u>\$ 8,024,259</u>	<u>\$ 6,037,317</u>	<u>\$ 14,061,576</u>

See independent auditor's report on supplementary information.

HISTORIC BETHLEHEM PARTNERSHIP, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended February 28, 2021

	Year Ended February 28, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	\$ 304,726	\$ 559,541	\$ 864,267
In-Kind Contributions	54,259	-	54,259
Grants	195,105	-	195,105
Government Grants - PPP	-	-	-
Tourism	65,469	-	65,469
Admission/Programs	57,438	-	57,438
Investment Return	88,753	677,589	766,342
Change in Value of Outside Perpetual Trusts	-	34,160	34,160
Rental Income	71,645	-	71,645
Special Events	286,452	-	286,452
Less: Direct Costs of Special Events	(98,380)	-	(98,380)
Sales to the Public	106,862	-	106,862
Less: Costs of Store Purchases	(58,424)	-	(58,424)
Loss on Disposal of Assets	-	-	-
Miscellaneous	74,147	-	74,147
Affiliate Transfer	-	-	-
Release of Spending Policy Investment Return	191,590	(191,590)	-
Release of Restrictions for Operating Expenses	122,465	(122,465)	-
Total Revenue	1,462,107	957,235	2,419,342
Expenses:			
Salaries	659,958	-	659,958
Employee Benefits	72,873	-	72,873
Payroll Taxes	56,727	-	56,727
Tourism	46,800	-	46,800
Education/Programs	17,301	-	17,301
Collections	-	-	-
Occupancy	133,619	-	133,619
Printing	7,086	-	7,086
Interest Expense	7,086	-	7,086
Miscellaneous	10,172	-	10,172
Postage	4,062	-	4,062
Professional Fees	100,952	-	100,952
Building Repairs and Maintenance	140,767	-	140,767
Supplies and Bank Fees	24,681	-	24,681
Telephone	11,392	-	11,392
Fundraising Expense	14,015	-	14,015
Dues and Subscriptions	5,824	-	5,824
Public Relations/Volunteers	12,378	-	12,378
Insurance	55,819	-	55,819
Equipment Rental and Maintenance	6,112	-	6,112
Travel	440	-	440
Depreciation	273,334	-	273,334
Total Expense	1,661,398	-	1,661,398
Changes in Net Assets			
Before Asset/Debt Release	(199,291)	957,235	757,944
Release of Restricted Funds for			
Nonoperational Items	111,017	(111,017)	-
Change in Net Assets	(88,274)	846,218	757,944
Net Assets, March 1, 2020	7,959,704	4,725,058	12,684,762
Net Assets, February 28, 2021	\$ 7,871,430	\$ 5,571,276	\$ 13,442,706