NEW BETHANY, INC.
(A Not-for-Profit Corporation)

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

December 31, 2023

CAMPBELL, RAPPOLD & YURASITS LLP
Certified Public Accountants
1033 South Cedar Crest Boulevard Allentown, PA 18103

NEW BETHANY, INC.
(A Not-for-Profit Corporation)
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Bethany, Inc.
Bethlehem, PA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of New Bethany, Inc. (A Not-for-Profit Corporation) and affiliate which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, cash flows and functional expenses 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 New Bethany, Inc. and affiliate as of December 31, 2023, and the changes in their net assets and their 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of New Bethany, Inc., and affiliate 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 New Bethany, Inc., and affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and 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 and *Government 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 omission, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of New Bethany, Inc. and affiliate's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Bethany, Inc. and affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited New Bethany, Inc. and affiliate's consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and the related consolidating statement of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2024 on our consideration of New Bethany, Inc. and affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of New Bethany, Inc. and affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Bethany, Inc. and affiliate's internal control over financial reporting and compliance.

Campbell, Rappold & Yurasits LLP

April 17, 2024

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NEW BETHANY, INC.
(A Not-for-Profit Corporation)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2023 with Summarized Totals for 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
ASSETS:				
Cash and Cash Equivalents	$ 549,508	$ 145,842	$ 695,350	$ 1,137,830
Client Escrow Deposits (Note 8)	203,196	-	203,196	145,227
Restricted Deposits	9,091	-	9,091	7,214
Accounts Receivable (Net of $-0- and $1,000 Allowance in 2023 and 2022)	269,238	-	269,238	459,615
Promises to Give (Note 3)	-	5,000	5,000	21,302
Prepaid Expenses	1,002	-	1,002	14,428
Investments (Note 5)	1,269,477	828,556	2,098,033	1,884,182
Right-of-Use Assets (Note 14)	91,504	-	91,504	-
Property and Equipment (Note 4)	1,958,612	-	1,958,612	1,936,001
TOTAL ASSETS	$ 4,351,628	$ 979,398	$ 5,331,026	$ 5,605,799
LIABILITES AND NET ASSETS:				
LIABILITIES:				
Accounts Payable - Trade	$ 55,085	$ -	$ 55,085	$ 24,242
Accrued Salaries and Payroll Taxes	53,534	-	53,534	48,366
Deferred Revenue	9,348	-	9,348	17,625
Client Escrow Accounts (Note 8)	203,196	-	203,196	147,211
Lease Liability (Note 14)	91,504	-	91,504	-
Line of Credit (Note 16)	-	-	-	-
Note Payable (Note 7)	7,996	-	7,996	21,989
TOTAL LIABILITIES	420,663	-	420,663	259,433
NET ASSETS:				
Without Donor Restrictions:				
Undesignated	$ 935,280	$ -	$ 935,280	$ 1,522,787
Invested in Property and Equipment	1,726,208	-	1,726,208	1,684,598
Board Designated for Endowment	1,269,477	-	1,269,477	1,156,790
Board Designated for Capital Improvements	-	-	-	78,195
With Donor Restrictions:				
Purpose Restrictions (Note 11)	-	345,189	345,189	269,787
Perpetual in Nature (Note 11)	-	634,209	634,209	634,209
TOTAL NET ASSETS	3,930,965	979,398	4,910,363	5,346,366
TOTAL LIABILITIES AND NET ASSETS	$ 4,351,628	$ 979,398	$ 5,331,026	$ 5,605,799

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

NEW BETHANY, INC.
(A Not-for-Profit Corporation)
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023
with Summarized Totals for the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Year Ended 12/31/2023 Totals	Year Ended 12/31/2022 Totals
Revenues				
Contributions	$ 861,152	$ 172,034	$ 1,033,186	$ 961,498
United Way Grant	20,000	50,000	70,000	60,000
Governmental Support	1,257,821	-	1,257,821	1,462,699
Program Service Fees	388,192	-	388,192	235,577
Investment Income	644	-	644	968
Special Events	284,678	-	284,678	283,433
Contributions of Nonfinancial Assets (Note 12)	255,598	-	255,598	134,890
Miscellaneous Income	62,682	-	62,682	13,533
Net Assets Released from Restrictions	280,296	(280,296)	-	-
Total Revenue	3,411,063	(58,262)	3,352,801	3,152,598
Expenses				
Program Services				
Housing Assistance	1,004,382	-	1,004,382	797,801
Supportive Housing	988,546	-	988,546	712,434
Southside Drop-In Center	661,302	-	661,302	448,220
Permanent Housing	185,094	-	185,094	124,981
Choice Food Pantry	331,021	-	331,021	282,601
Representative Payee	196,500	-	196,500	141,846
Trinity Kitchen	218,382	-	218,382	168,358
Supporting Services				
Management and General	164,153	-	164,153	137,894
Development	330,945	-	330,945	274,906
Total Operating Expenses	4,080,325	-	4,080,325	3,089,041
Change in Net Assets from Operations	(669,262)	(58,262)	(727,524)	63,557
Other Changes in Net Assets				
Governmental Support and Other Contributions for Capital Purchases	-	32,500	32,500	23,868
Realized/Unrealized Gain (Loss) on Investments	157,857	101,164	259,021	(277,662)
Total Other Changes	157,857	133,664	291,521	(253,794)
Increase (Decrease) in Net Assets	(511,405)	75,402	(436,003)	(190,237)
Net Assets at Beginning of Year	4,442,370	903,996	5,346,366	5,536,603
Net Assets at End of Year	$ 3,930,965	$ 979,398	$ 4,910,363	$ 5,346,366

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

NEW BETHANY, INC.
(A Not-for-Profit Corporation)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023
with Summarized Totals for the Year Ended December 31, 2022

	2023		2022	
Cash Flows from Operating Activities:				
Change in Net Assets		$ (436,003)		$ (190,237)
Adjustments to Reconcile Change in				
Net Assets to Net Cash Provided (Used)				
by Operating Activities:				
Depreciation	$ 184,717		$ 180,739	
(Increase) Decrease in Assets:				
Accounts Receivable	190,377		114,209	
Promises to Give	16,302		104,793	
Prepaid Expenses	13,426		(13,428)	
Increase (Decrease) in Liabilities:				
Accounts Payable	30,843		2,404	
Accrued Salaries and Payroll Taxes	5,168		9,340	
Deferred Revenue	(8,277)		17,625	
Client Escrow Accounts	55,985		(23,273)	
Net Unrealized and Realized (Gain) Loss on Investments	(259,021)		277,662	
Contributions/Grants Restricted for Capital Improvements	(32,500)		(23,868)	
		197,020		646,203
Net Cash (Used) Provided by Operating Activities		(238,983)		455,966
Cash Flows from Investing Activities:				
Purchase of Investments	-		(500,000)	
Sale of Investments	45,170		76,860	
Purchase of Property and Equipment	(207,328)		(168,636)	
Net Cash Used by Investing Activities		(162,158)		(591,776)
Cash Flows from Financing Activities:				
Contributions/Grants for Capital Improvements	32,500		23,868	
Line of Credit Draw (Repayment)	-		(1,000)	
Repayment of Note Payable	(13,993)		(12,614)	
Net Cash Provided by Financing Activities		18,507		10,254
Net Decrease in Cash, Cash Equivalents and Restricted Cash		(382,634)		(125,556)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year		1,290,271		1,415,827
Cash, Cash Equivalents and Restricted Cash, End of Year		$ 907,637		$ 1,290,271
Supplemental Data:				
In-Kind Supplies and Services		$ 255,598		$ 134,890
Interest Paid		1,082		980

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

NEW BETHANY, INC.
(A Not-for-Profit Corporation)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023
with Summarized Totals for the Year Ended December 31, 2022

	Program Services				
	Housing Assistance	Supportive Housing	Southside Drop-In Center	Permanent Housing	Choice Food Pantry
Salaries	$ 365,902	$ 422,018	$ 255,465	$ 63,560	$ 102,779
Employee Benefits	69,030	87,656	49,965	12,951	17,128
Payroll Taxes	31,591	36,721	22,594	5,363	8,854
Total Salaries and Related Expenses	$ 466,523	$ 546,395	$ 328,024	$ 81,874	$ 128,761
Professional Fees	8,838	37,761	7,801	12,454	5,466
Rental Expense	3,575	2,120	487	-	92
Building Maintenance and Repairs	1,252	114,874	61,075	30,797	17,757
Utilities	1,343	61,762	18,306	26,288	4,421
Telephone	3,677	13,921	807	1,526	2,436
Office	6,568	7,395	1,945	199	657
Contributions of Nonfinancial Asset Expense	-	156	126,050	-	128,892
Program Expense	471,168	-	59,276	-	12,481
Services Rendered	-	8,756	3,189	49	-
Insurance	4,758	19,029	5,942	14,271	4,757
Dues and Subscriptions	-	-	-	-	-
Staff Education	4,918	4,834	708	201	65
Staff Development and Team Building	937	555	73	-	-
Travel	1,033	183	84	19	425
Printing and Publications	-	-	1,224	-	1,175
Equipment Repairs and Leases	29,692	29,788	7,529	3,868	7,597
Postage	100	18	-	9	-
Interest	-	1,082	-	-	-
Real Estate Taxes	-	16,172	-	-	-
Miscellaneous	-	-	-	-	-
Bad Debts	-	11,252	-	3,834	-
Marketing	-	-	450	-	-
Depreciation	-	112,493	38,294	9,705	16,039
Special Events	-	-	38	-	-
Totals	$ 1,004,382	$ 988,546	$ 661,302	$ 185,094	$ 331,021

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

			Supporting Services			
Representative Payee	Trinity Kitchen	Total Program Services	Management and General	Development	Totals 12/31/2023	Totals 12/31/2022
$ 127,732	$ 95,741	$ 1,433,197	$ 92,384	$ 100,229	$ 1,625,810	$ 1,379,056
28,984	24,988	290,702	19,239	23,470	333,411	280,434
10,456	7,921	123,500	7,604	8,208	139,312	119,342
$ 167,172	$ 128,650	$ 1,847,399	$ 119,227	$ 131,907	$ 2,098,533	$ 1,778,832
7,101	5,568	84,989	7,609	5,351	97,949	26,044
-	17,500	23,774	550	5,178	29,502	22,398
1,278	19,643	246,676	2,179	937	249,792	150,176
59	1,038	113,217	4,538	369	118,124	80,808
792	1,243	24,402	3,306	1,524	29,232	22,029
1,327	1,161	19,252	6,362	4,732	30,346	32,777
-	-	255,098	-	500	255,598	134,890
-	34,610	577,535	-	305	577,840	370,526
28	-	12,022	-	-	12,022	30,886
6,386	4,757	59,900	4,757	4,758	69,415	27,320
-	-	-	59	2,966	3,025	1,513
-	185	10,911	1,093	2,752	14,756	8,859
66	-	1,631	1,100	1,634	4,365	-
79	540	2,363	148	1,298	3,809	4,185
-	1,175	3,574	-	18,061	21,635	14,929
7,157	2,312	87,943	8,598	17,614	114,155	69,095
962	-	1,089	134	9,347	10,570	8,832
-	-	1,082	-	-	1,082	980
-	-	16,172	-	-	16,172	15,882
-	-	-	-	-	-	7,937
-	-	15,086	-	-	15,086	9,143
-	-	450	400	63,410	64,260	33,163
4,093	-	180,624	4,093	-	184,717	180,739
-	-	38	-	58,302	58,340	57,098
$ 196,500	$ 218,382	$ 3,585,227	$ 164,153	$ 330,945	$ 4,080,325	$ 3,089,041

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

New Bethany, Inc. (the "Organization") is a not-for-profit corporation, doing business as New Bethany Ministries (NBM), organized under the laws of the Commonwealth of Pennsylvania. New Bethany offers hope and support to people who experience poverty, food insecurity, and homelessness. We believe that all people, regardless of circumstances, should be treated with dignity and care without judgment. New Bethany meets people where they are by offering wraparound services designed to remove barriers and assist individuals and families in reaching security and self-sufficiency.

New Bethany, Inc. is the general partner of Community Help Partnership, LP, a limited partnership. New Bethany, Inc. has a 1% interest in Community Help Partnership, LP.

Consolidation of Limited Partnership

FASB ASC 958-810 deals with determining whether a general partner controls a limited partnership. FASB ASC 958-810 presumes that a general partner controls a limited partnership and therefore should consolidate the partnership. This presumption can be overcome if the limited partners have kick-out or substantive participating rights. Management has determined that Community Help Partnership, LP should be consolidated in accordance with FASB ASC 958-810.

Principles of Consolidation

The consolidated financial statements have been prepared to focus on New Bethany, Inc. and the controlled organization as a whole. All material intercompany balances and transactions have been eliminated.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities.

Net Assets

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. The governing board has designated from net assets without donor restrictions, net assets for capital asset improvements.

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

Net Assets (Continued)

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. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

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.

Revenue and Revenue Recognition

Program Service fees includes rental income and representative payee monthly charges. Rental income is recognized at the beginning of each month. The Organization has no additional performance requirements and therefore rents are recognized in the period due. Representative payee monthly charges are received in exchange for the monthly service and collected monthly as services are provided. Contributions and grants deemed contributions are recognized when cash, securities or other assets, and unconditional promise to give or notification of a beneficial interest is received. 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. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary donor restrictions on net assets 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.

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

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 Statement of Activities as net assets released from restrictions. It is the Organization's policy to report contributions whose restricted purpose is met within the year the gift is given as contributions without donor restriction on the Consolidated Statement of Activities. The Organization reports gifts of land, buildings, and equipment as support without donor restriction 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 reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Rental Income and Prepaid Rents

Rental Income is recognized for apartment rentals as they accrue. Advance receipts of rental income are deferred and classified as liabilities until earned.

Cash and Cash Equivalents

Cash and cash equivalents, as presented on the Consolidated Statements of Cash Flows, represents all checking, savings, and money market accounts and certificates of deposit, unless held as restricted deposits or client escrow deposits.

Concentration of Risk

As of December 31, 2023, the Organization had approximately $241,000 of cash balances which exceeded federally insured limits. It historically has not experienced any credit related issues.

Accounts Receivable and Credit Policies

Accounts receivable consists of rents due from tenants as well as service fee revenues due from various counties and other agencies. An allowance for receivables is provided based upon management's judgement including such factors as evaluation of individual accounts, historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts are written off as they are deemed uncollectible. Management has determined that an allowance for uncollectible accounts of $-0- and $1,000 in relation to rents receivable on Community Help Partnership is adequate for 2023 and 2022, respectively.

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

Investments

Investments are reported at their fair values in the Consolidated Statement of Financial Position. Unrealized gains and losses are reported as increases (decreases) in net assets without donor restrictions unless restricted by donors.

Property and Equipment

Property and equipment is stated at cost. The Organization capitalizes items purchased or received in excess of $1,000, with a useful life greater than one year. Maintenance and repairs are charged to expense in the period incurred; major improvements are capitalized. Depreciation is computed by use of the straight-line method based on estimated useful lives of the assets, which range from 5 to 30 years. When property and equipment is sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations.

Leases

The Organization has two equipment leases under long-term non-cancelable lease agreements. These leases have been recognized as right-of-use assets and lease liabilities on the Consolidated Statement of Financial Position, discounted using the ten-year treasury rate at lease inception.

Leases with an initial term of twelve months or less are not recognized in the Consolidated Statements of Financial Position since the Organization has elected the practical expedient to exclude these leases from operating right-of-use assets and liabilities. Short-term lease expenses are recognized on a straight-line basis over the lease term as an operating lease.

Contributions of Nonfinancial Assets

In-kind contributions of facilities and materials used in the Organization's programs are recorded as income and expense at the estimated fair value of those items. In addition, in-kind contributions of property and equipment are recorded as income and increases of property and equipment. In 2023, contributed food was valued at $1.54 per pound, which was determined by utilizing the USDA Foods Available list to determine an average value per pound.

A substantial number of volunteers have contributed significant amounts of their time to the Organization's programs and management. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No contributed services were recognized for the years ended December 31, 2023 and 2022.

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

Functional Allocation of Expenses

The costs of providing the Organization's various program and supporting services have been summarized on a functional basis in the Consolidated Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Any expenses not directly chargeable to a program are allocated between program, management and general, and development based on management's estimates.

Income Tax

The Organization is exempt from federal income taxes under the provision of Section 501 (c)(3) of the Internal Revenue Code and none of its present or anticipated future activities are subject to unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Uncertain tax positions are evaluated in accordance with FASB ASC 740-10. FASB ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. FASB ASC 740-10 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. The Organization had no material unrecognized tax benefits or accrued interest or penalties for 2023 or 2022.

The Organization files income tax returns in the United States and the Commonwealth of Pennsylvania.

Operating Measure

Results from operations in the Consolidated Statement of Activities reflect all transactions increasing or decreasing net assets except those items of a capital nature – that is, items associated with long-term investment or acquisition of capital assets and improvements.

Reclassifications

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

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

Adoption of New Accounting Standard

On January 1, 2023, the Organization adopted Accounting Standards Update 2016-03, *Financial Instruments – Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments*, as amended, which modified the measurement of the expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's consolidated financial statements but did change how the allowance for credit losses is determined. Under the new standards, management is required to consider specific situations related to the receivable balance, current and future expected economic conditions, past experience of losses, as well as an assessment of potential recoverability for expected credit losses in determining an allowance for uncollectible accounts.

2. Reconciliation of Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Statements of Financial Position that sum to the total of the same such amounts shown in the Consolidated Statement of Cash Flows.

	2023	2022
Cash and Cash Equivalents	$ 695,350	$ 1,137,830
Client Escrow Deposits	203,196	145,227
Restricted Deposits	9,091	7,214
	$ 907,637	$ 1,290,271

3. Promises to Give

Promises to Give consist of:

	2023	2022
Unconditional Pledges expected to be collected in:		
Less than one year	$ 5,000	$ 12,000
One to five years	-	10,000
Total	5,000	22,000
Less: Unamortized Discount (7.5% at 2022)	-	(698)
	$ 5,000	$ 21,302

3. Promises to Give (Continued)

Contributions are recognized at fair value, when the donor makes a promise to give to the Organization that is, in substance, unconditional. Management has deemed that promises to give are collectible and no allowance deemed necessary at this time.

4. Property and Equipment

Property and equipment consist of the following:

	2023	2022
Land	$ 37,700	$ 37,700
Buildings and Improvements	5,110,730	5,056,510
Construction in Progress	31,500	-
Equipment	555,560	433,950
	5,735,490	5,528,160
Less: Accumulated Depreciation and Amortization	(3,776,878)	(3,592,159)
	$ 1,958,612	$ 1,936,001

Depreciation charged to expense was $184,717 and $180,739 for the years ended December 31, 2023 and 2022, respectively.

5. Investments

Investments are comprised of the following:

	2023 Fair Value	2022 Fair Value
Invested with Lehigh Valley Community Foundation	$ 2,089,662	$ 1,875,811
Mainstay Capital Appreciation B Fund	8,371	8,371
	$ 2,098,033	$ 1,884,182

The Organization has its board designated and donor restricted endowment funds deposited with Lehigh Valley Community Foundation. $634,209 of these assets are donor restricted as of December 31, 2023 and 2022.

The Organization holds a mutual fund investment carried at fair value on behalf of a client and was to be held until the client's 21st birthday. The client has reached the age of 21, but the funds have not been transferred as of December 31, 2023. All income and unrealized/realized gains and losses are reinvested.

6. Endowment Funds

The Organization's endowment consists of two donor restricted funds established to support the mission of the Organization through the withdrawal of income as determined by the Board and donor restrictions. 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.

In addition to the donor restricted endowment funds, in 2021 the Organization established a Board Designated endowment fund with $800,000. In 2022, an additional $500,000 was deposited. The balance of the board designated endowment fund was $1,269,477 and $1,156,790 as of December 31, 2023 and 2022, respectively. The board designated endowment fund is classified and reported as net assets without donor restrictions.

Interpretation of Relevant Law

The Organization has 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 Organization classifies as donor restricted net assets 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 is classified in net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the laws of the Commonwealth of Pennsylvania.

Endowment Return Objectives, Risk Parameters and Strategies and Spending Policy

The Organization has deposited the donor restricted and board designated endowment funds with Lehigh Valley Community Foundation. The foundation is responsible for the prudent investment of funds and determining the amount of funds distributable for the donor restricted endowment funds. The foundation has been granted variance power, therefore, the return objectives, risk parameters, strategies and spending policy (for the donor restricted endowment funds) are removed from the Organization.

Endowment net asset composition as of December 31, 2023 is as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	$ -	$ 634,209	$ 634,209
Accumulated Investment Gains	-	185,976	185,976
Board Designated Endowment Funds	1,269,477	-	1,269,477
	$ 1,269,477	$ 820,185	$ 2,089,662

6. Endowment Funds (Continued)

Changes in endowment net assets as of December 31, 2023 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	$ 1,156,790	$ 719,021	$ 1,875,811
Investment Return	157,857	101,164	259,021
Contributions	-	-	-
Appropriation of Net Assets for Expenditure	(45,170)	-	(45,170)
Endowment Net Assets, End of Year	$ 1,269,477	$ 820,185	$ 2,089,662

Endowment net asset composition as of December 31, 2022 is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	$ -	$ 634,209	$ 634,209
Accumulated Investment Gains	-	84,812	84,812
Board Designated Endowment Funds	1,156,790	-	1,156,790
	$ 1,156,790	$ 719,021	$ 1,875,811

Changes in endowment net assets as of December 31, 2022 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	$ 863,764	$ 866,569	$ 1,730,333
Investment Return	(163,654)	(114,008)	(277,662)
Contributions	500,000	-	500,000
Appropriation of Net Assets for Expenditure	(43,320)	(33,540)	(76,860)
Endowment Net Assets, End of Year	$ 1,156,790	$ 719,021	$ 1,875,811

6. Endowment Funds (Continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or state law requires the Organization to retain as a fund of perpetual duration. There was no deficiency in donor-restricted endowment funds at December 31, 2023 or 2022.

7. Note Payable

The note payable is as follows:

	2023	2022
A First Mortgage Note Payable to ESSA Bank, due in monthly installments of $1,166 principal and interest. Interest was fixed at 5.375% until July 2023 at which time the interest rate was reset to 7.75% which is 2.125% above the Community Investment Program Advance Rate established by the Federal Home Loan Bank. Note matures August, 2024. **This note relates to Community Help Partnership.** Debt is secured by a lien on the property of Community Help Partnership, and the note is guaranteed by New Bethany, Inc.	7,996	21,989
	$ 7,996	$ 21,989
Less: Current Portion	(7,996)	(13,000)
	$ -	$ 8,989

Long-term debt maturities are as follows:

Year Ending December 31,	
2024	$ 7,996
	$ 7,996

Interest expense charged to earnings was $1,082 and $980 for 2023 and 2022, respectively.

8. Client Escrow Deposits

The Organization acts as a representative payee for the social security benefits received by its clients. The Organization provides individual case management reviews ensuring that the funds are expended on the client's behalf for food, clothing, shelter, and medical care. The funds are held in separate accounts and annual reports for each client are submitted to the Social Security Administration.

Security deposits paid by tenants of the buildings managed by the Organization are also classified as restricted deposits and recorded as liabilities on the Consolidated Statement of Financial Position.

9. Related Party Transactions

The Organization is the general partner of Community Help Partnership. The Organization acts as management agent for the apartment building owned by the Partnership and allocates payroll and other expenses to the Partnership. Historically, the Partnership did not have sufficient cash flow to cover operating expenses.

10. Fair Value Measurements

Financial Accounting Standards Board ASC 820-10, 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 Organization has 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.

10. Fair Value Measurements (Continued)

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 December 31, 2023.

Invested with Lehigh Valley Community Foundation: Measured at the reported value by the Foundation, which approximates fair value. The Organization does not receive details of the Foundation's investment composition.

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

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 Organization believes its 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 Organization's assets at fair value as of December 31, 2023:

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Invested with Lehigh Valley Community Foundation	$ -	$ 2,089,662	$ -	$ 2,089,662
Mutual Funds - Growth Funds	8,371	-	-	8,371
Total Assets at Fair Value	$ 8,371	$ 2,089,662	$ -	$ 2,098,033

10. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022:

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Invested with Lehigh Valley Community Foundation	$ -	$ 1,875,811	$ -	$ 1,875,811
Mutual Funds - Growth Funds	8,371	-	-	8,371
Total Assets at Fair Value	$ 8,371	$ 1,875,811	$ -	$ 1,884,182

11. Net Assets With Donor Restrictions

Net Assets With Donor Restrictions are available for the following purposes:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Markie Noti Trust	$ 8,371	$ 8,371
Luminaria	2,000	-
Souper Day	3,000	-
Rental Assistance/Client Services - Housing Assistance	53,551	81,408
Rental Assistance/Client Services	27,786	-
Staffing - Housing Assistance	13,681	50,000
Client Services - Transitional Housing	7,355	9,042
Operations - Transitional Housing	-	10,815
Staffing and Operations - Trinity	-	21,974
Client Services - Hospitality Center	971	3,365
Improvements - Choice Food Pantry	25,000	-
Improvements - Southside Drop-In Center	6,857	-
Staff Development	10,641	-
Endowment Earnings	185,976	84,812
	345,189	269,787
Endowments:		
Restricted by Donors for General Use	634,209	634,209
	634,209	634,209
	$ 979,398	$ 903,996

11. Net Assets With Donor Restrictions (Continued)

Net assets were released from restrictions for the following purposes:

	2023	2022
Rental Assistance/Client Services - Housing Assistance	$ 77,857	$ -
Rental Assistance/Client Services	72,213	30,469
Staffing - Housing Assistance	71,319	-
Client Services - Transitional Housing	11,182	-
Operations - Transitional Housing	11,839	-
Staffing and Operations - Trinity	21,974	127,029
Client Services - Hospitality Center	-	1,092
Improvements - Southside Drop-In Center	644	-
Staff Development	4,156	-
Client Services - Southside Drop-In Center	9,112	-
Center for Community Partnership	-	480
	$ 280,296	$159,070

Net assets perpetual in nature are restricted to:

	2023	2022
General Endowment Fund - Investment in perpetuity, the income from which is expendable to support the mission of the Organization.	$ 532,509	$ 532,509
Robinson Fund - Investment in perpetuity, the income from which is expendable to help individuals or families served by the Organization.	101,700	101,700
	$ 634,209	$ 634,209

In 2003, the Organization established the New Bethany Ministries fund as a permanent agency endowment fund of the Lehigh Valley Community Foundation. In 2005, the Organization established the Robinson fund as a permanent agency endowment fund of the Lehigh Valley Community Foundation.

The Foundation has been granted variance power in that in the event that it becomes unnecessary, undesirable, impractical, or impossible to utilize the fund for such purposes or if New Bethany, Inc. ceases to exist or be recognized as a tax-exempt charitable organization, the Foundation shall have the right to utilize the Fund for such charitable purposes as it deems appropriate in accordance with the Foundation's governing instruments. The value of the funds at December 31, 2023 and 2022 was $820,185 and $719,021, respectively.

12. Contributed Nonfinancial Assets

The Organization's contributions of nonfinancial assets consisted of the following as of December 31:

	2023	2022	Usage
Food	$ 181,472	$ 133,938	Choice Food Pantry Southside Drop-In Center
Various Program Supplies	74,126	952	Choice Food Pantry Southside Drop-In Center Supportive Housing
	$ 255,598	$ 134,890	

13. Pension

The Organization has a defined contribution simplified employee pension plan covering substantially all of its employees. For the year ended December 31, 2023 and 2022 pension expense was $79,189 and $73,221 respectively. The expense is computed at a rate of 5% of the participating employee's salaries with an additional 4% match of employee contribution. All costs have been funded on a current basis. The plan has assets of $1,122,427 and $963,592 as of December 31, 2023 and 2022, respectively.

14. Operating Lease Obligations

The Organization has two copier leases which are accounted for as operating leases. The first lease commenced in February 2023 with a 60-month term and monthly payments of $1,348 plus tax. The second lease commenced in August 2023 with a 60-month term and monthly payments of $608 plus tax.

Subsequent to the lease commencement date, the Organization reassesses lease classification when there is a contract modification that is accounted for as a separate contract, a change in the lease term or a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or terminate the lease.

Right-of-use assets and lease liability are recorded on the Consolidated Statement of Financial Position at December 31 as follows:

	2023	2022
Right-of-Use Assets	$ 91,504	$ -
Operating Lease Liability	$ 91,504	$ -

14. Operating Lease Obligations (Continued)

Future minimum lease payments under operating leases are as follows:

Year Ended, December 31,		
	2024	$ 23,467
	2025	23,467
	2026	23,467
	2027	23,467
	2028	5,604
		99,472
Less: Amount Representing Interest		(7,968)
Present Value of Minimum Lease Payments		$ 91,504

Other information related to the Organization's operating leases as of December 31, 2023 are as follows:

Operating Lease Costs (Monthly)	$1,956
Weighted-Average Remaining Term Operating Leases	51 Months
Weighted-Average Discount Rate	4.15%

15. Commitment and Contingencies

In May 2008, the Organization entered into an agreement with the City of Bethlehem to be the recipient of up to $57,700 of federal HOME program funds to complete a feasibility study that examined current facilities and operations, potential locations for expansion and corresponding cost estimates, and the creation of a financing plan to guide the expansion. The Organization must meet affordability guidelines and requirements.

In November 2009, the Organization received approval for funding of the Grace House project through the Federal Home Loan Program. The grant was for $250,000. There are various monitoring requirements of the FHLBank of Pittsburgh and Affordable Housing Program regulations. The Organization must meet compliance requirements for 15 years after the rental project is complete. The Grace House Project was completed during 2011.

In September 2016, the Organization received approval of funding for the rehabilitation of housing units. In 2020, the agreement was amended to $250,000 and specified that the funds would be used to rehabilitate housing units that include 335 Wyandotte Street. The Organization must meet compliance requirements for 15 years after the rehabilitation project is complete. The Project was completed during 2022.

15. Commitment and Contingencies (Continued)

The Organization has short-term leases for properties at 313 W 4th Street, Bethlehem, 333 Wyandotte Street, Bethlehem, and the Trinity Soup Kitchen. The Organization also had two copier lease agreements, one of which expired during 2022 and the other expired February 2023. Rental expense, including overage charges on the leases was $23,164 and $44,835 for the years ended December 31, 2023 and 2022, respectively.

16. Line of Credit

The Organization has a $100,000 line of credit with PNC Bank to help finance its working capital needs. Interest is payable monthly at a variable rate. The line of credit expires June 2024. The interest rate on the line of credit was 8.50% as of December 31, 2023. The line was not utilized during 2023 or 2022.

17. Liquidity and Availability

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

	2023	2022
Cash and Cash Equivalents	$ 549,508	$ 1,020,042
Accounts Receivable	269,238	459,615
	$ 818,746	$ 1,479,657

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage with unanticipated liquidity needs, the Organization has a line of credit which it could draw upon. The line of credit is for $100,000 with PNC Bank.

19. Summarized Totals for Year Ended December 31, 2022

The consolidated financial statements include certain prior year summarized comparative information in total, but not by function or net asset class. Such information does not include sufficient detail 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 New Bethany, Inc.'s consolidated financial statements for the year ended December 31, 2022, from which summarized information was derived.

20. Subsequent Events

Management has evaluated subsequent events through April 17, 2024 the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

NEW BETHANY, INC.
(A Not-for-Profit Corporation)
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2023

	New Bethany Ministries	Community Help Partnership	Eliminations	Totals
ASSETS:				
Cash and Cash Equivalents	$ 691,262	$ 4,088	$ -	$ 695,350
Client Escrow Deposits	201,043	2,153	-	203,196
Restricted Deposits	-	9,091	-	9,091
Accounts Receivable	267,767	1,471	-	269,238
Promises to Give	5,000	-	-	5,000
Prepaid Expenses	1,002	-	-	1,002
Investments	2,025,354	-	72,679	2,098,033
Right-of-Use Assets	91,504	-	-	91,504
Property and Equipment (net)	1,726,208	232,404	-	1,958,612
Noncurrent Receivable, Net of Allowance for Uncollectibles of $295,225	15,000	-	(15,000)	-
TOTAL ASSETS	$ 5,024,140	$ 249,207	$ 57,679	$ 5,331,026
LIABILITIES AND NET ASSETS:				
LIABILITIES:				
Accounts Payable - Trade	$ 53,815	$ 311,495	$ (310,225)	$ 55,085
Accrued Salaries and Payroll Taxes	53,534	-	-	53,534
Deferred Revenue	9,106	242	-	9,348
Client Escrow Accounts	201,043	2,153	-	203,196
Lease Liability	91,504			91,504
Line of Credit	-	-	-	-
Note Payable	-	7,996	-	7,996
TOTAL LIABILITIES	409,002	321,886	(310,225)	420,663
NET ASSETS:				
Without Donor Restrictions:				
Undesignated	$ 640,055	$ (297,087)	$ 592,312	$ 935,280
Invested in Property and Equipment	1,726,208	224,408	(224,408)	1,726,208
Board Designated for Endowment	1,269,477	-	-	1,269,477
With Donor Restrictions:				
Purpose Restrictions	345,189	-	-	345,189
Perpetual in Nature	634,209	-	-	634,209
TOTAL NET ASSETS	4,615,138	(72,679)	367,904	4,910,363
TOTAL LIABILITIES AND NET ASSETS	$ 5,024,140	$ 249,207	$ 57,679	$ 5,331,026

See independent auditor's report on supplementary information.

NEW BETHANY, INC.
(A Not-for-Profit Corporation)
CONSOLIDATING STATEMENT OF ACTIVITIES
December 31, 2023

	New Bethany Ministries	Community Help Partnership	Eliminations	Totals
Revenues				
Contributions	$ 1,033,186	$ -	$ -	$ 1,033,186
United Way Allocation	70,000	-	-	70,000
Governmental Support	1,257,821	-	-	1,257,821
Program Service Fees	409,695	127,469	(148,972)	388,192
Investment Income	644	-	-	644
Special Events	284,678	-	-	284,678
Contributions of Nonfinancial Assets	255,598	-	-	255,598
Miscellaneous Income	62,197	485	-	62,682
Realized/Unrealized Gain (Loss) on Investments	(97,353)	-	97,353	-
Total Revenue	3,276,466	127,954	(51,619)	3,352,801
Expenses				
Program Services				
Housing Assistance	1,004,382	-	-	1,004,382
Supportive Housing	912,211	225,307	(148,972)	988,546
Southside Drop-In Center	661,302	-	-	661,302
Permanent Housing	185,094	-	-	185,094
Choice Food Pantry	331,021	-	-	331,021
Representative Payee	196,500	-	-	196,500
Trinity Kitchen	218,382	-	-	218,382
Supporting Services				
Management and General	164,153	-	-	164,153
Development	330,945	-	-	330,945
Total Operating Expenses	4,003,990	225,307	(148,972)	4,080,325
Change in Net Assets from Operations	(727,524)	(97,353)	97,353	(727,524)
Other Changes in Net Assets				
Bad Debt Allowance	(35,526)	-	35,526	-
Contributions Restricted for Capital Purchases	32,500	-	-	32,500
Realized/Unrealized Gain (Loss) on Investments	259,021	-		259,021
Total Other Changes	255,995	-	35,526	291,521
Increase (Decrease) in Net Assets	(471,529)	(97,353)	132,879	(436,003)
Net Assets at Beginning of Year	5,086,667	24,674	235,025	5,346,366
Net Assets at End of Year	$ 4,615,138	$ (72,679)	$ 367,904	$ 4,910,363

See independent auditor's report on supplementary information.

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NEW BETHANY, INC.
(A Not-for-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Pass-Through Grantor's Number	Source Code	Federal AL Number	Program or Award Amount	Grant Period Beginning - Ending	Accrued (Deferred) Revenue 1/1/2023	Total Received for Year	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 12/31/2023	Amount Passed Through to Subrecipients
U.S. Department of Housing and Urban Development											
Passed Through City of Bethlehem											
Community Development Block Grant - Covid	N/A	I	14.218	$ 450,000	03/01/2020-12/31/2023	$ 21,536	$ 52,911	$ 32,122	$ 32,122	$ 747	$ -
Community Development Block Grant	N/A	I	14.218	58,750	01/01/2022-12/31/2022	58,750	58,750	-	-	-	-
Community Development Block Grant	N/A	I	14.218	49,500	01/01/2022-12/31/2022	49,500	49,500	-	-	-	-
Community Development Block Grant	N/A	I	14.218	25,000	01/01/2022-12/31/2022	25,000	25,000	-	-	-	-
Community Development Block Grant - Covid	N/A	I	14.218	20,000	03/01/2020-12/31/2023	-	19,620	20,000	20,000	380	-
Community Development Block Grant	N/A	I	14.218	52,750	01/01/2023-12/31/2023	-	-	52,750	52,750	52,750	-
Community Development Block Grant	N/A	I	14.218	25,000	01/01/2023-12/31/2023	-	-	25,000	25,000	25,000	-
					Total AL # 14.218	154,786	205,781	129,872	129,872	78,877	-
Passed Through City of Allentown											
Emergency Solutions Grant - Rapid Rehousing	C24-000416	I	14.231	15,000	10/07/2021-04/06/2023	7,968	13,152	5,184	5,184	-	-
Emergency Solutions Grant	C24-000416	I	14.231	60,000	10/07/2021-04/06/2023	20,000	58,960	38,960	38,960	-	-
Emergency Solutions Grant	C24-000416	I	14.231	150,000	12/07/2022-06/06/2024	-	13,775	150,000	150,000	136,225	-
Passed Through County of Lehigh											
Emergency Solutions Grant - Covid (CV1) Rapid Rehousing	N/A	I	14.231	53,000	07/08/2020-06/30/2023	5,200	10,400	5,200	5,200	-	-
Emergency Solutions Grant - Covid (CV1) Homelessness Prevention	N/A	I	14.231	53,000	07/08/2020-06/30/2023	2,004	6,050	4,046	4,046	-	-
Emergency Solutions Grant - Covid (CV2) Rapid Rehousing	N/A	I	14.231	6,000	07/08/2020-06/30/2023	4,620	4,620	-	-	-	-
Emergency Solutions Grant - Covid (CV2) Homelessness Prevention	N/A	I	14.231	42,000	07/08/2020-06/30/2023	26,590	28,241	1,651	1,651	-	-
Emergency Solutions Grant - Covid (CV2) Temporary Emergency Shelters/Hotels	N/A	I	14.231	31,500	07/08/2020-06/30/2023	29,339	31,439	2,100	2,100	-	-
					Total AL # 14.231	95,721	166,637	207,141	207,141	136,225	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						250,507	372,418	337,013	337,013	215,102	-

NEW BETHANY, INC.
(A Not-for-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended December 31, 2023

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Pass-Through Grantor's Number	Source Code	Federal AL Number	Program or Award Amount	Grant Period Beginning - Ending	Accrued (Deferred) Revenue 1/1/2022	Total Received for Year	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 12/31/2022	Amount Passed Through to Subrecipients
U.S. Department of the Treasury											
Passed Through County of Lehigh											
Coronavirus State and Local Fiscal Recovery Funds	N/A	I	21.027	$ 25,000	01/01/2023-12/31/2024	$ -	$ 25,000	$ 25,000	$ 25,000	$ -	$ -
Passed Through County of Northampton											
Coronavirus State and Local Fiscal Recovery Funds	N/A	I	21.027	144,000	01/01/2023-12/31/2023	-	600,000	600,000	600,000	-	-
Coronavirus State and Local Fiscal Recovery Funds	N/A	I	21.027	500,000	01/01/2021-01/03/2023	81,951	81,951	-	-	-	-
					Total AL # 21.027	81,951	706,951	625,000	625,000	-	-
TOTAL U.S. DEPARTMENT OF TREASURY						81,951	706,951	625,000	625,000	-	-
U.S. Department of Homeland Security											
Emergency Food and Shelter Program	N/A	D	97.024	14,508	11/01/2021-04/30/2023	7,254	7,254	-	-	-	-
Emergency Food and Shelter Program	N/A	D	97.024	21,124	11/01/2021-04/30/2023	(7,623)	10,562	18,185	18,185	-	-
Emergency Food and Shelter Program	N/A	D	97.024	38,261	01/01/2023-12/31/2023	-	38,261	38,261	38,261	-	-
					Total AL # 97.024	(369)	56,077	56,446	56,446	-	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY						(369)	56,077	56,446	56,446	-	-
TOTAL FEDERAL AWARDS						$ 332,089	$ 1,135,446	$ 1,018,459	$ 1,018,459	$ 215,102	$ -

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTE A Scope of this Schedule

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants which were active during the fiscal year.

NOTE B Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of New Bethany, Inc. under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance). Because the schedule presents only a selected portion of operations of New Bethany, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of New Betahany, Inc.

NOTE C Summary of Significant Accounting Policies

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized using the principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. New Bethany, Inc. has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE D Noncash Assistance

There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

NOTE E Sub-Recipients

There were no federal awards passed through to subrecipients during the year.

C·R&Y CERTIFIED PUBLIC ACCOUNTANTS
CAMPBELL, RAPPOLD & YURASITS LLP

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
New Bethany, Inc.
Bethlehem, PA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Bethany, Inc. and affiliate (a Not-for-Profit Corporation), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered New Bethany, Inc. and affiliate's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of we considered New Bethany, Inc. and affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of the we considered New Bethany, Inc. and affiliate's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Bethany, Inc. and affiliate's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Campbell, Rappold & Yurasits LLP

April 17, 2024

C·R&Y CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
New Bethany, Inc.
Bethlehem, PA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Bethany, Inc. and affiliate's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of New Bethany, Inc. and affiliate's major federal programs for the year ended December 31, 2023. New Bethany, Inc. and affiliate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, New Bethany, Inc. and affiliate complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of New Bethany, Inc. and affiliate and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of New Bethany, Inc. and affiliate's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to New Bethany, Inc. and affiliate's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on New Bethany, Inc. and affiliate's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about New Bethany, Inc. and affiliate's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 New Bethany, Inc. and affiliate's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of New Bethany, Inc. and affiliate's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of New Bethany, Inc. and affiliate's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Campbell, Reppold & Yurasits LLP

April 17, 2024

NEW BETHANY, INC.
(A Not-for-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ yes _X_ no
Significant deficiencies identified that are not considered to be material weakness(es)?	____ yes _X_ none reported
Noncompliance material to financial statements noted?	____ yes _X_ no

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	____ yes _X_ no
Significant deficiencies identified that are not considered to be material weakness(es)?	____ yes _X_ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	____ yes _X_ no

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ yes _X_ no

Section II – Financial Statement Findings

- NONE-

Section III – Federal Award Findings and Questioned Costs

- NONE-

Summary Schedule of Prior Audit Findings

- NONE-