

**B'nai B'rith International and Subsidiaries**

**Consolidated Financial Statements**  
and  
Independent Auditor's Report

Years Ended June 30, 2021 and 2020

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## Independent Auditor's Report

### **To the Executive Board of Directors B'nai B'rith International and Subsidiaries Washington, DC**

We have audited the accompanying consolidated financial statements of B'nai B'rith International and Subsidiaries ("BBI") (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

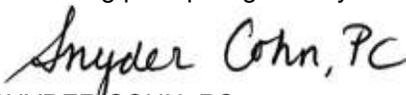
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to BBI's preparation and fair presentation of the consolidated financial statements 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 BBI's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of B'nai B'rith International and Subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



SNYDER COHN, PC  
North Bethesda, Maryland  
April 11, 2022



**B'nai B'rith International and Subsidiaries**  
**Consolidated Statements of Financial Position**

<b>June 30</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,701,380	\$ 3,393,598
Investments, current portion	6,526,272	5,300,821
Individual donor and other receivables, net of allowance for doubtful accounts	279,687	152,869
Inventory	9,270	9,317
Prepaid expenses and other assets	13,632	92,192
Total current assets	<u>10,530,241</u>	<u>8,948,797</u>
<b>Property and equipment, net</b>	<u>403,107</u>	<u>511,021</u>
<b>Other assets:</b>		
Security deposits	187,383	187,383
Website development	7,626	-
Investments, board designated for charitable gift annuities	2,084,111	1,978,076
Restricted cash	102,606	59,555
Investments, endowments	6,291,006	5,789,824
Total other assets	<u>8,672,732</u>	<u>8,014,838</u>
<b>Total assets</b>	<u>\$ 19,606,080</u>	<u>\$ 17,474,656</u>

See Accompanying Notes

**B'nai B'rith International and Subsidiaries**  
**Consolidated Statements of Financial Position**

<b>June 30</b>	<b>2021</b>	<b>2020</b>
<b>Liabilities and net assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 841,872	\$ 867,969
Deferred revenue	-	69,750
Margin loans	763,149	804,096
Paycheck Protection Program loan	498,001	443,100
Small Business Administration loan, current portion	3,621	-
Pension termination payable, current portion	20,000	20,000
Deferred rent and incentive allowance, current portion	127,463	116,129
Total current liabilities	<u>2,254,106</u>	<u>2,321,044</u>
<b>Other liabilities:</b>		
Small Business Administration loan, net of current portion	146,082	150,000
Annuities payable	1,749,550	1,780,487
Pension termination payable, net of current portion	60,000	80,000
Deferred rent and incentive allowance, net of current portion	623,291	750,753
Total other liabilities	<u>2,578,923</u>	<u>2,761,240</u>
Total liabilities	<u>4,833,029</u>	<u>5,082,284</u>
<b>Commitments</b>		
<b>Net assets:</b>		
Without donor restrictions		
Current operating	(3,925,475)	(3,897,429)
Board designated	8,649,129	8,061,610
Plant	-	-
Total net assets without donor restrictions	<u>4,723,654</u>	<u>4,164,181</u>
Net assets with donor restrictions	<u>10,049,397</u>	<u>8,228,191</u>
Total net assets	<u>14,773,051</u>	<u>12,392,372</u>
<b>Total liabilities and net assets</b>	<u>\$ 19,606,080</u>	<u>\$ 17,474,656</u>

See Accompanying Notes

**B'nai B'rith International and Subsidiaries**

**Consolidated Statement of Activities**

**For the year ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Contributions and other support	\$ 4,303,041	\$ 545,051	\$ 4,848,092
Member dues contributions	325,283	-	325,283
In-kind contributions	-	-	-
Other dues and participation fees	486	-	486
Advertising income	3,057	-	3,057
Member insurance program	15,180	-	15,180
Income from investments:			
Dividends and interest	126,025	185,896	311,921
Net realized and unrealized gains on investments	584,667	1,599,616	2,184,283
Royalties and other income	3,047	-	3,047
Paycheck Protection Program loan forgiveness	443,100	-	443,100
	<u>5,803,886</u>	<u>2,330,563</u>	<u>8,134,449</u>
Net assets released from restrictions	509,357	(509,357)	-
Total support and revenue	<u>6,313,243</u>	<u>1,821,206</u>	<u>8,134,449</u>
<b>Expenses:</b>			
<b>Program expenses:</b>			
Humanitarian assistance/disaster relief	345,587	-	345,587
Community involvement	874,829	-	874,829
Judaism programs continuity	545,231	-	545,231
Advocacy/civil rights	1,697,325	-	1,697,325
Senior services and housing	608,621	-	608,621
Total program expenses	<u>4,071,593</u>	<u>-</u>	<u>4,071,593</u>
<b>Supporting services:</b>			
Development	951,610	-	951,610
Management and general administration	730,567	-	730,567
Total supporting services	<u>1,682,177</u>	<u>-</u>	<u>1,682,177</u>
Total expenses	<u>5,753,770</u>	<u>-</u>	<u>5,753,770</u>
<b>Change in net assets</b>	559,473	1,821,206	2,380,679
Net assets - beginning	<u>4,164,181</u>	<u>8,228,191</u>	<u>12,392,372</u>
<b>Net assets - ending</b>	<u>\$ 4,723,654</u>	<u>\$ 10,049,397</u>	<u>\$ 14,773,051</u>

See Accompanying Notes

## B'nai B'rith International and Subsidiaries

### Consolidated Statement of Activities

**For the year ended June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Contributions and other support	\$ 4,914,259	\$ 15,817	\$ 4,930,076
Member dues contributions	343,452	-	343,452
In-kind contributions	12,500	-	12,500
Other dues and participation fees	47,209	-	47,209
Advertising income	908	-	908
Member insurance program	15,232	-	15,232
Income from investments:			
Dividends and interest	151,111	194,218	345,329
Net realized and unrealized gains on investments	43,886	197,609	241,495
Royalties and other income	39,839	-	39,839
	<u>5,568,396</u>	<u>407,644</u>	<u>5,976,040</u>
Net assets released from restrictions	327,143	(327,143)	-
Total support and revenue	<u>5,895,539</u>	<u>80,501</u>	<u>5,976,040</u>
<b>Expenses:</b>			
<b>Program expenses:</b>			
Humanitarian assistance/disaster relief	342,909	-	342,909
Community involvement	836,498	-	836,498
Judaism programs continuity	477,707	-	477,707
Advocacy/civil rights	1,860,119	-	1,860,119
Senior services and housing	699,222	-	699,222
Total program expenses	<u>4,216,455</u>	<u>-</u>	<u>4,216,455</u>
<b>Supporting services:</b>			
Development	1,114,257	-	1,114,257
Management and general administration	766,744	-	766,744
Total supporting services	<u>1,881,001</u>	<u>-</u>	<u>1,881,001</u>
Total expenses	<u>6,097,456</u>	<u>-</u>	<u>6,097,456</u>
<b>Change in net assets</b>	(201,917)	80,501	(121,416)
Net assets - beginning	<u>4,366,098</u>	<u>8,147,690</u>	<u>12,513,788</u>
<b>Net assets - ending</b>	<u>\$ 4,164,181</u>	<u>\$ 8,228,191</u>	<u>\$ 12,392,372</u>

See Accompanying Notes

**B'nai B'rith International and Subsidiaries**  
**Consolidated Statement of Functional Expenses**

**For the year ended June 30, 2021**

	Humanitarian Assistance Disaster Relief	Community Involvement	Judaism Programs Continuity	Advocacy/ Civil Rights	Senior Services and Housing	Development	Management and General Administration	Total
Salaries/wages	\$ 209,616	\$ 377,857	\$ 173,855	\$ 941,206	\$ 384,747	\$ 206,628	\$ 303,878	\$ 2,597,787
Taxes/fringe benefits	29,528	52,564	9,267	133,893	63,990	47,131	82,535	418,908
Consulting/contractors	3,886	16,125	18,841	198,562	16,786	248,877	87,386	590,463
Office supplies/expenses	2,064	2,191	2,064	9,205	2,609	30,561	13,225	61,919
Telephone/fax	4,216	6,624	534	16,449	2,530	3,976	14,183	48,512
Postage/shipping	4,114	9,153	10,188	4,859	4,098	117,519	1,184	151,115
Occupancy	49,687	76,844	123,655	180,700	51,954	103,139	52,096	638,075
Rental/maintenance of equip.	-	-	-	-	-	-	2,986	2,986
Insurance	-	-	-	631	-	-	124,425	125,056
Interest	-	-	-	-	-	-	22,064	22,064
Taxes/licenses	569	1,006	175	2,939	1,274	11,966	13,587	31,516
General administrative	1,209	3,626	1,209	14,376	200	1,044	1,754	23,418
Media	10,548	21,731	23,853	17,155	10,202	145,361	2,280	231,130
Staff travel	3,808	4,655	-	19,754	35	707	4,142	33,101
Programs/conferences	1,607	8,396	32	126,232	5,602	20,175	-	162,044
Grants/allocations	19,893	265,005	167,032	2,312	45,226	-	-	499,468
Depreciation	4,842	29,052	14,526	29,052	19,368	14,526	4,842	116,208
<b>Total expenses</b>	<b>\$ 345,587</b>	<b>\$ 874,829</b>	<b>\$ 545,231</b>	<b>\$ 1,697,325</b>	<b>\$ 608,621</b>	<b>\$ 951,610</b>	<b>\$ 730,567</b>	<b>\$ 5,753,770</b>

See Accompanying Notes

**B'nai B'rith International and Subsidiaries**  
**Consolidated Statement of Functional Expenses**

**For the year ended June 30, 2020**

	Humanitarian Assistance Disaster Relief	Community Involvement	Judaism Programs Continuity	Advocacy/ Civil Rights	Senior Services and Housing	Development	Management and General Administration	Total
Salaries/wages	\$ 198,414	\$ 370,457	\$ 177,633	\$ 895,190	\$ 372,402	\$ 232,378	\$ 311,978	\$ 2,558,452
Taxes/fringe benefits	31,694	58,512	11,124	130,640	67,670	45,302	75,816	420,758
Consulting/contractors	3,911	22,100	34,484	179,223	19,672	329,797	78,841	668,028
Office supplies/expenses	3,481	6,549	3,349	5,268	3,702	28,217	18,683	69,249
Telephone/fax	3,103	5,598	392	14,695	2,614	2,730	14,782	43,914
Postage/shipping	5,550	14,146	12,646	5,281	5,439	130,487	840	174,389
Occupancy	50,799	79,160	127,054	191,208	52,330	97,808	46,339	644,698
Rental/maintenance of equip.	-	-	-	3,712	-	-	8,253	11,965
Insurance	-	-	-	4,342	-	-	106,556	110,898
Interest	-	-	-	-	-	-	45,801	45,801
Taxes/licenses	702	2,105	702	424	577	3,345	12,923	20,778
General administrative	568	1,703	568	7,264	575	2,794	7,664	21,136
Media	10,273	23,382	24,249	15,777	13,944	159,937	-	247,562
Volunteer travel	-	-	-	-	1,694	-	28,165	29,859
Staff travel	700	885	75	78,701	21,130	13,665	1,494	116,650
Programs/conferences	-	11,059	1,051	295,582	73,583	53,321	-	434,596
General program	-	-	-	-	308	-	-	308
Grants/allocations	16,569	212,969	70,444	4,939	45,000	-	-	349,921
In-kind allocations	12,500	-	-	-	-	-	-	12,500
Cost recoveries	-	-	-	-	-	540	1,405	1,945
Depreciation	4,645	27,873	13,936	27,873	18,582	13,936	7,204	114,049
<b>Total expenses</b>	<b>\$ 342,909</b>	<b>\$ 836,498</b>	<b>\$ 477,707</b>	<b>\$ 1,860,119</b>	<b>\$ 699,222</b>	<b>\$ 1,114,257</b>	<b>\$ 766,744</b>	<b>\$ 6,097,456</b>

See Accompanying Notes

## B'nai B'rith International and Subsidiaries

### Consolidated Statements of Cash Flows

For the years ended June 30	2021	2020
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 2,380,679	\$ (121,416)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	116,208	114,049
Donated investments	(482,746)	(86,932)
Net realized and unrealized gains on investments	(2,184,283)	(241,495)
Relief of split interest liabilities	(112,266)	(158,233)
Actuarial gain (loss) on split interest investments	(229,899)	(153,706)
Paycheck Protection Program loan forgiveness	(443,100)	-
(Increase) decrease in:		
Individual donor and other receivables, net	(126,818)	319,305
Inventory	47	8,942
Prepaid expenses and other assets	78,560	(38,414)
Website development	(7,626)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(26,097)	(326,835)
Deferred revenue	(69,750)	69,750
Deferred rent and incentive allowance	(116,128)	(105,074)
Annuities payable	81,329	6,359
<b>Net cash used in operating activities</b>	<b>(1,141,890)</b>	<b>(713,700)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from the sale of investments	3,206,085	2,119,178
Purchase of investments	(2,141,825)	(2,056,021)
Purchases of property and equipment	(8,294)	-
<b>Net cash provided by investing activities</b>	<b>1,055,966</b>	<b>63,157</b>
<b>Cash flows from financing activities:</b>		
Payments made on margin loans	(62,276)	(670,486)
Proceeds from margin loans	21,329	48,856
Payments made on notes payable	(297)	-
Payments made on pension termination payable	(20,000)	(15,000)
Proceeds from federal relief loans	498,001	593,100
<b>Net cash provided by (used in) financing activities</b>	<b>436,757</b>	<b>(43,530)</b>
Net increase (decrease) in cash, cash equivalents, and restricted cash	350,833	(694,073)
Cash, cash equivalents, and restricted cash - beginning	3,453,153	4,147,226
<b>Cash, cash equivalents, and restricted cash - ending</b>	<b>\$ 3,803,986</b>	<b>\$ 3,453,153</b>
<b>Reconciliation of cash, cash equivalents, and restricted cash reported on the consolidated statements of financial position:</b>		
Cash and cash equivalents	\$ 3,701,380	\$ 3,393,598
Restricted cash	102,606	59,555
<b>Total cash, cash equivalents, and restricted cash - ending</b>	<b>\$ 3,803,986</b>	<b>\$ 3,453,153</b>

See Accompanying Notes

**B'nai B'rith International and Subsidiaries**

**Consolidated Statements of Cash Flows**

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<b>For the years ended June 30</b>	<b>2021</b>	<b>2020</b>
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**Supplemental disclosure of cash flow information:**

Cash paid during the year for:

Interest	\$ 22,064	\$ 45,801
Taxes	6,383	8,993

See Accompanying Notes

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 1: Summary of significant accounting policies:**

Organization - B'nai B'rith International ("BBI") is a Jewish service organization founded originally as a fraternal society in 1843. Members are located within 17 regions in the United States and in 50 other countries. The major operational areas of BBI are membership, human rights and public policy, senior services, communication and development. BBI consists of the following subsidiaries, which are included as part of the consolidated financial statements:

B'nai B'rith, Inc.  
B'nai B'rith Foundation of the United States (the Foundation)  
B'nai B'rith Hillel Foundation  
B'nai B'rith Youth Commission  
B'nai B'rith Housing, Inc. (BBHI)

Description of major services categories:

Community involvement - Volunteer program services provided by members of B'nai B'rith chapters to their respective local communities, running programs either developed by themselves or by the B'nai B'rith Center for Community Action which includes services to chapter leadership and to help them provide more effective services.

Advocacy/civil rights - Public policy advocacy on issues of importance to the Jewish community both in the United States and abroad. Operates through B'nai B'rith International Center for Human Rights and Public Policy, the B'nai B'rith United Nations Office, and through representatives in Latin America and Israel. Issues involving senior citizens operate through the B'nai B'rith Center for Senior Services.

Senior services and housing - BBI is a leader in aging issues through its Center for Senior Services. With almost 50 years of experience with elderly housing and 38 buildings in 26 communities, BBI is the largest National Jewish sponsor of subsidized housing in the country. BBI provides an annual Conference on Senior Housing, training programs for boards of directors and management professionals, and a senior retreat for the resident leaders of the individual communities. Additionally, BBI's Seniors Advocacy initiative works to support and strengthen such senior issues as income security, health care, nutrition services and transportation.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 1: Summary of significant accounting policies: (continued)**

Description of major services categories: (continued)

Humanitarian assistance/disaster relief - Activities of the B'nai B'rith disaster relief fund and other programs to assist victims of natural and man-made disasters.

Judaism programs continuity - Programs to promote and foster Jewish identity, culture, and thought. Includes cash and in-kind allocations to B'nai B'rith Youth Organization, Inc., which serves Jewish teens, and the Foundation for Jewish Campus Life, which serves Jewish college students.

Basis of presentation - The consolidated financial statements are prepared on the accrual basis of accounting.

All material intercompany transactions and balances have been eliminated from the consolidated financial statements.

The consolidated financial statements do not include the accounts of the various local B'nai B'rith lodges and units, nor the accounts of B'nai B'rith overseas districts.

In the accompanying consolidated financial statements, net assets and revenue have been classified based on the existence or absence of donor-imposed restrictions, per ASU 2016-14. The classes of net assets are as follows:

Net assets without donor restrictions - Net assets that are not restricted by donors or the donor-imposed restrictions have expired for assets available for general operations. As reflected in the accompanying consolidated statements of financial position, BBI's Executive Board of Directors have designated a portion of the net assets without donor restrictions for specific uses.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that permit BBI to use or expend the assets as specified. The restrictions may be temporary in nature and satisfied either by the passage of time or by actions of BBI, or the donor may specify that the resources be maintained in perpetuity. Donors may permit BBI to use or expend part or all of the income derived from donated resources to be held in perpetuity for either specified or unspecified purposes. Donor-imposed restrictions are released and the funds are available for general operations 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.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 1: Summary of significant accounting policies: (continued)**

Use of estimates - The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, reported amounts of revenues and expenses, and other disclosures. Actual amounts could differ from those estimates.

Cash and cash equivalents - BBI considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Board designated cash and cash equivalents have been designated for a specific use as indicated by the B'nai B'rith International Convention, Executive Board of Directors, or other BBI committees empowered to designate the use of funds. Board designated cash and cash equivalents were \$2,599,845 and \$2,684,415 at June 30, 2021 and 2020, respectively.

Restricted cash - Restricted cash on the consolidated statements of financial position represents cash to be held in BBI's investment accounts in perpetuity, as stipulated by the donors.

Investments - Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. All corporate stocks and mutual funds have been valued using quoted market prices in active markets for identical assets (ASC 820 Level 1 inputs). All other investments, including municipal bonds and U.S treasury obligations, are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions (ASC 820 Level 2 inputs).

Fair value measurements - The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the 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 are described as follows:

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 1: Summary of significant accounting policies: (continued)**

Fair value measurements (continued) -

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that BBI 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.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Individual donor and other receivables - Individual donor and other receivables are recorded at net realizable value by using an allowance for doubtful accounts. The allowance for doubtful accounts related to advertising receivables is calculated based on historical collection percentages. The allowance for doubtful accounts on all other receivables is calculated judgmentally. Uncollectible accounts are written off as it becomes apparent, they are uncollectible. As of June 30, 2021 and 2020, all receivables were deemed fully collectable by management, therefore, no allowance was deemed necessary.

Inventories - Inventories are valued at cost on a first-in, first-out basis.

Property and equipment - Property and equipment is recorded at cost. Acquisitions of equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets and cost more than \$1,000 are capitalized. Depreciation of property and equipment is determined using the straight-line method, based on the estimated useful lives of the respective assets, which range from 5 years to 12 years.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 1: Summary of significant accounting policies: (continued)**

Annuities payable - BBI has a charitable gift annuity program and administers a charitable remainder trust program under which certain donors have contracted for annuities to be paid in return for their donations. The amount of each donation is expected to exceed the amount of the annuity ultimately paid. An annuity payable is recorded when the gift is made, and the annuity payable is updated annually using actuarial methods which consider mortality and discount factors.

Notes payable - In February 2021, BBI received loan proceeds under the Paycheck Protection Program (PPP). The proceeds from this loan were classified as notes payable on the consolidated statements of financial position under the FASB guidance ASC 470-10-45. See Note 13 for more information about the PPP loan.

In April 2020, BBI received loan proceeds under the PPP and in June 2020 received loan proceeds from the U.S. Small Business Administration (SBA) as part of the Small Business Act. The proceeds from these loans were classified as notes payable on the consolidated statements of financial position under the FASB guidance ASC 470-10-45. See Note 13 for more information about the PPP and SBA loans.

Deferred revenue - Support and revenue are recognized in the period to which they apply. Deferred revenue is comprised of revenues earned for fundraising dinners and events that could not be held in-person during the year.

Deferred rent and incentive allowance - BBI recognizes escalating rent provisions on a straight-line basis over the corresponding lease term.

BBI has certain operating leases that contain rent holidays. For these leases, BBI recognizes the related rent expense or sublease rent income on a straight-line basis at the inception of the lease. The difference between the amounts charged to expense and the rent paid or received is recorded as deferred lease incentives and amortized over the respective lease term.

As part of certain lease agreements, BBI receives tenant improvement incentive allowances from landlords. The construction allowances are deferred and amortized on a straight-line basis over the life of the lease as a reduction to rent expense.

Support - Contributions are generally recorded as revenue in the period when collectability is assured, or a signed, valid pledge exists. All donor receivables recorded at June 30, 2021 and 2020 were expected to be collected within a year. Statements of support for B'nai B'rith Foundation Giving Club programs are considered intentions to give and are, therefore, not recorded as pledges.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 1: Summary of significant accounting policies: (continued)**

Support (continued) - Contributions of securities and real estate are initially recorded at market value at the date of the gift, if the value is readily determinable. When the market value cannot be determined, the contributed property is recorded at a nominal value. Contributions to the Foundation under the charitable gift annuity program are recorded net of the estimated future annuities payable at the time of the contribution.

Member dues contributions - B'nai B'rith members normally pay dues on a calendar year basis and are considered to be charitable contributions, meaning dues revenue is recognized as revenue when received. Bills for the upcoming dues year are first mailed in July and substantially all dues for the fiscal year are collected by the end of January.

Donated supplies - Donated supplies are classified based on the nature of the contribution and are reflected as in-kind contributions at their estimated fair value, as determined by the donor, at the date of receipt.

Income taxes - All component organizations are exempt from the payment of federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Income from limited partnerships owned by BBI and advertising income from periodicals are subject to unrelated business income tax. Income tax expense was \$6,383 and \$8,993 for the years ended June 30, 2021 and 2020, respectively.

Accounting for uncertainty in income taxes - BBI accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. BBI has identified its tax status as a tax exempt entity under Section 501(c)(3) and its reporting of unrelated business income as tax positions; however, BBI has determined that such tax positions do not result in an uncertainty requiring recognition. BBI files unrelated business income tax returns in the United States and the District of Columbia. BBI is not under audit in any jurisdiction for any period. Income tax years ended prior to June 30, 2018 are no longer subject to examination by taxing authorities.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 1: Summary of significant accounting policies: (continued)**

Functional allocation of expenses - The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. 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.

Risks and uncertainties - In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact BBI's consolidated operating results, but the related financial impact is unknown at this time.

Change in accounting principle - In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The update establishes a comprehensive revenue recognition standard for virtually all industries under GAAP including those that previously followed industry-specific guidance. The principle of the update is that an entity should recognize revenue to depict the transfer of promised goods and services to customers under a contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance in Topic 606 requires comprehensive disclosures to help users of the consolidated financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. BBI adopted ASU 2014-09 with a date of initial application of July 1, 2020. The adoption of this ASU did not materially impact the timing or amount of revenue recognized by BBI in the accompanying consolidated financial statements. Previously reported net assets were unchanged as a result of adoption.

Recent accounting pronouncements not yet adopted - In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which is the leasing standard for both lessees and lessors. Under this update, a lessee will recognize lease assets and liabilities on the consolidated statement of financial position for all arrangements with terms longer than 12 months. Lessor accounting remains largely consistent with existing U.S. GAAP. The guidance is effective BBI's fiscal year 2023. Management is currently determining the impact that adoption of this guidance will have on BBI's consolidated financial statements.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 2: Liquidity and availability:**

The following reflects BBI's financial assets as of June 30, 2021 and 2020, reduced by amounts that are not available for general use within one year of the consolidated statement of financial position date due to donor-specified purpose and time restriction.

Financial assets:

	2021	2020
Cash and cash equivalents	\$ 3,803,986	\$ 3,453,153
Individual donor and other receivables, net	279,687	152,869
Investments	14,901,389	13,068,721
	18,985,062	16,674,743
Funds unavailable for general expenditure within one year:		
Donor-specified purposes and time restricted endowments	(10,049,397)	(8,228,191)
Charitable gift annuity reserves	(2,084,111)	(1,978,076)
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,851,554	\$ 6,468,476

Of the above amounts for 2021 and 2020, \$2,084,111 and \$1,978,076, respectively, have been earmarked by the B'nai B'rith Foundation Board as a reserve fund to ensure the payment of annuities obligated by charitable gift annuity agreements. BBI intends for the fair market value of these securities to always exceed, by at least 10%, the actuarially-projected payments to be made under these agreements, as required by state regulators. In addition, another \$6,291,006 and \$5,789,824, respectively, of the above amounts have been designated by BBI's Executive Board of Directors to fund specific programs including senior services and housing, advocacy and civil rights, humanitarian assistance and disaster relief, community involvement and Judaism continuity. These funds are released to support the relevant programs by vote of the associated committees.

To manage liquidity, BBI has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

**Note 3: Investments:**

Investments are carried at fair value based on quoted prices in active markets for investments classified as Level 1 input measurements and are carried at fair value based on similar asset values in active markets for investments classified as Level 2 input measurements. Corporate stocks and mutual funds are Level 1 input measurements with all other investments being considered Level 2 input measurements and consist of the following as of June 30:

	2021		2020	
	Cost	Market	Cost	Market
U.S. treasury obligations	\$ 182,950	\$ 183,577	\$ 193,465	\$ 198,288
State of Israel bonds	1,600	1,600	2,500	2,500
Corporate stocks	3,498,378	5,538,577	3,561,472	4,432,209
Mutual funds	7,832,029	8,637,276	7,637,455	7,908,417
Municipal bonds	401,005	443,393	397,544	430,341
Other	96,966	96,966	96,966	96,966
	<u>\$ 12,012,928</u>	<u>\$ 14,901,389</u>	<u>\$ 11,889,402</u>	<u>\$ 13,068,721</u>

Mutual funds consist of different asset types, including equity and fixed income funds. Included in other investments for 2021 and 2020 is \$86,932 of donated gold coins and gold bars, which were valued at approximate fair values on the date of donation. Any change in fair value from the date of donation to June 30, 2021, and June 30, 2020 was insignificant. Income from investments is reported net of related investment expenses in the consolidated statements of activities. The amount of investment expense netted with income was \$73,499 and \$77,815 for the years ended June 30, 2021 and 2020, respectively. Investment fees for donor restricted funds were \$55,541 and \$46,796 for the years ended June 30, 2021 and 2020, respectively. Investment fees for funds without donor restrictions were \$17,958 and \$31,019 for the years ended June 30, 2021 and 2020, respectively.

**Note 4: Property and equipment:**

Property and equipment consists of the following at June 30:

	2021	2020
Building and improvements	\$ 811,979	\$ 811,979
Furniture and equipment	442,273	433,981
	<u>1,254,252</u>	<u>1,245,960</u>
Less: accumulated depreciation	(851,145)	(734,939)
	<u>\$ 403,107</u>	<u>\$ 511,021</u>

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 5: Endowment:**

BBI's endowment consists of approximately 77 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by BBI to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by BBI to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law - BBI has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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, BBI retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by BBI in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, BBI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of BBI and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation or deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of BBI
- 7) The investment policies of BBI

The June 30, 2021 and 2020 endowment fund balances are disclosed in Note 8 of these consolidated financial statements. All net assets with donor restrictions are considered endowment funds and the changes in these funds are disclosed in the consolidated statements of activities. BBI also has funds without donor restrictions. Some of these funds are designated as board designated and board endowed funds. The following schedules disclose the June 30, 2021 and 2020 balances of these restricted endowment funds, as well as the changes in the funds.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

**Note 5: Endowment:** (continued)

Changes in endowment net assets for the fiscal year ended June 30:

	2021	2020
Endowment net assets, beginning of year	\$ 8,228,191	\$ 8,147,690
Investment income	185,896	194,218
Net realized and unrealized gains	1,599,616	197,609
Contributions	545,051	15,817
Appropriation of endowment assets for expenditure	(509,357)	(327,143)
Endowment net assets, end of year	\$ 10,049,397	\$ 8,228,191

Funds with deficiencies - From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies as of June 30, 2021 and 2020.

Return objectives and risk parameters - BBI has adopted investment and spending policies for endowment assets that attempt to provide a long-term goal designed to maximize returns without exposure to undue risk. It is understood that fluctuating rates of return are characteristic of the securities markets. The primary concern is consistency of total portfolio return. Endowment assets include those assets of donor-restricted funds that BBI must hold in perpetuity or for a donor-specified period as well as board designated funds. Under this policy, as approved by BBI, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount. The portfolio is invested to minimize the likelihood of significant low negative total returns.

Strategies employed for achieving objectives - To satisfy its long-term rate-of-return objectives, BBI relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). BBI targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. Each year the portfolio will be rebalanced back to their targeted asset allocation.

Spending policy - BBI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds while seeking to maintain the purchasing power of the endowment assets.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 6: Margin loans:**

BBI entered into a margin loan with Alliance Bernstein during fiscal year 2018. The loan is secured by its associated investments and bears interest at 4.00%, with interest payable monthly and principal due on demand. BBI entered into two additional margin loans with Alliance Bernstein during fiscal year 2019. These loans are secured by their associated investments and accrue interest ranging from 5.50% to 6.00%, with interest payable monthly and principal due on demand. Margin loan interest was \$21,329 and \$48,856 for the years ended June 30, 2021 and 2020, respectively, and is included in income from investments on the consolidated statements of activities. The outstanding balances of two margin loans were paid off during fiscal year 2020. Outstanding principal balances on the margin loans totaled \$763,149 and \$804,096 at June 30, 2021 and 2020, respectively.

**Note 7: Capital lease:**

In June 2014, BBI entered into a capital lease for a copier with a capitalized cost of \$48,871. Accumulated depreciation related to this copier was \$48,871 at both June 30, 2021 and 2020. The lease includes a \$1 bargain purchase option in June 2019, the end of the lease period, which BBI executed.

**Note 8: Net assets:**

Net assets have been classified as with or without donor restriction, per ASU 2016-14. Net assets without donor restrictions have been further classified as current operating, board designated, board endowed, and plant funds. Each of these types of funds is described below.

**Net assets without donor restrictions:**

***Current operating*** - Current operating funds can be used for any purpose consistent with the activities of BBI, as indicated in the corporate charter, constitution and bylaws. Current operating net assets deficits were \$3,925,475 at June 30, 2021 and \$3,897,429 at June 30, 2020.

***Board designated funds*** - These funds have been designated for a specific use as indicated by the B'nai B'rith International Convention, Executive Board of Directors, or other BBI committees empowered to designate the use of funds. Board designated funds include the following:

*Regional reserves* - BBI holds reserve funds set aside for each of its 17 regions. Each region can use its reserve to enhance local programming. These reserves totaled approximately \$345,486 and \$345,486 at June 30, 2021 and 2020, respectively.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 8: Net assets:** (continued)

**Net assets without donor restrictions:** (continued)

**Board designated funds** (continued) -

*Philanthropic funds* - The Foundation is the administrator of several philanthropic funds, the general terms of which provide the Foundation with ultimate authority and control over the funds and revenue there from. The Foundation determines distributions from the funds. Recommendations from the donors concerning distributions are considered advisory. The balances in these funds were approximately \$1,685,666 and \$1,455,861 at June 30, 2021 and 2020, respectively.

*Other* - Other board designated funds include amounts reserved for future expenditures related to senior services, purchases of property and equipment, and other programmatic expenditures. The related committees determine distributions from the funds. The balances in these were approximately \$6,617,977 and \$6,260,263 at June 30, 2021 and 2020, respectively.

**Board endowed funds** - These funds have been designated as endowments as indicated by the B'nai B'rith International Convention, Board of Governors, or other BBI committees empowered to restrict the use of funds. Board endowed funds include the following:

*Endowment Fund of the B'nai B'rith Foundation of the United States* - At various times, both the Executive Board of Directors and B'nai B'rith subordinate units have, within their respective authorities, earmarked the principal of certain gifts or funds as endowed. The general provisions of Endowment Fund policies, as approved by the Executive Board of Directors, are as follows:

- The Executive Board of Directors may authorize loans from the board endowed funds to the Youth Agencies or the B'nai B'rith General Fund. The loans shall be in amounts required for working capital and shall be repaid in a reasonable period of time not exceeding ten years, as set forth at the time of the loan. No loans from restricted funds shall be authorized.
- Funds borrowed from board endowed funds shall bear interest at a rate no less than that earned by the Fund, as determined by the Investment Committee, and shall be paid annually.

Total board endowed funds were \$-0- at June 30, 2021 and 2020.

**Plant funds** - Plant funds have been designated for use in purchasing property and equipment. Total plant funds were \$-0- at June 30, 2021 and 2020.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 8: Net assets:** (continued)

**Net assets with donor restrictions:**

BBI maintains various donor restricted funds which are expendable for purposes designated by the source of the net assets. The source of some of these net assets is the income and appreciation generated from net assets with donor restrictions. Net assets with donor restrictions subject to the passage of time or expenditure for a specified purpose were \$5,512,675 and \$3,691,469 at June 30, 2021 and 2020, respectively. During the years ended June 30, 2021 and 2020, net assets released from restrictions were as follows:

<u>Purpose:</u>	2021	2020
CRT payments	\$ 113,515	\$ 103,833
B'nai B'rith programs	217,370	210,810
Educational grants and scholarships	178,472	12,500
Net assets released from restrictions	\$ 509,357	\$ 327,143

Donors have made gifts of restricted funds to be held in perpetuity as follows:

*Endowment Fund of the B'nai B'rith Foundation of the United States* - The Endowment Fund also receives restricted gifts to be held in perpetuity in addition to the board endowed legacies and gifts as described above. Net assets with donor restrictions in the Endowment Fund were \$4,536,722 at both June 30, 2021 and 2020.

**Note 9: Heritage Annuity Trust Program of B'nai B'rith:**

Under the Heritage Annuity Trust Program of B'nai B'rith, the Foundation was the trustee of 5 charitable remainder trusts at June 30, 2021 and 2020. The terms of each trust provide for an annuity to be paid for life to each beneficiary named by the contributor. The Foundation is not liable to fund these annuities. Upon the death of the last beneficiary, the trust terminates and the net assets of the trust pass to the Foundation's Endowment Fund as board restricted funds.

Total assets of these charitable remainder trusts for this program were \$1,508,541 and \$1,285,368 at June 30, 2021 and 2020, respectively, and are reported at fair market value in BBI's consolidated statements of financial position.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 9: Heritage Annuity Trust Program of B'nai B'rith: (continued)**

Collectively, the present value of annuities payable by charitable remainder trusts administered by the Foundation was \$784,827 and \$660,047 at June 30, 2021 and 2020, respectively. On an annual basis, BBI revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using discount rates ranging from 4.40% to 9.00% and applicable mortality rates.

In addition, the Foundation also administered 89 and 101 charitable gift annuities at June 30, 2021 and 2020, respectively. The present value of annuities payable pursuant to charitable gift annuity agreements was \$964,723 and \$1,120,440 at June 30, 2021 and 2020, respectively, calculated using discount rates from 3.90% to 9.50% and applicable mortality rates.

Relief of liabilities related to split interest agreements in the years ended June 30, 2021 and 2020 were \$111,351 and \$190,661, respectively.

Designated charitable gift annuity reserve - BBI has earmarked certain securities as a reserve fund to ensure the payment of annuities obligated by charitable gift annuity agreements. BBI intends for the fair market value of these securities to always exceed, by at least 10%, the estimated payments to be made under these agreements, as determined by actuarial projections. The balance in this reserve was \$2,084,111 at June 30, 2021 and \$1,978,076 at June 30, 2020. The estimated payments were \$964,723 and \$1,120,440 at June 30, 2021 and 2020, respectively. The State of New York mandates this reserve and restricts the types of investments that can be purchased in this reserve fund.

**Note 10: Commitments and contingencies:**

During 2014, BBI entered into a 12-year noncancelable operating lease agreement for office space in Washington, DC. The lease has an initial term starting July 1, 2014 and expires June 30, 2026 with an option to renew for an additional five year term. The lease calls for monthly base rental payments plus additional rent for operating expense and real estate taxes as described in the operating lease agreement.

A portion of the leased space is subleased to an unaffiliated not-for-profit organization under a noncancelable lease expiring June 30, 2026. The above lease expense is offset by payments due under the sublease.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**June 30, 2021 and 2020**

**Note 10: Commitments and contingencies:** (continued)

In November 2015, BBI extended its original operating lease agreement entered into in May 2006 for 8 years related to office space in New York, NY. The amended lease has an initial term starting August 1, 2016 and expires July 31, 2024. The lease calls for fixed monthly rent payments as described in the operating lease agreement.

BBI leases its mailing system and other offices under various operating leases. Future minimum lease payments, by year and in the aggregate, consist of the following for the years ending June 30:

	Rental Payments	Sublease Income	Net
2022	\$ 765,365	\$ (96,646)	\$ 668,719
2023	783,448	(99,057)	684,391
2024	802,048	(101,543)	700,505
2025	622,076	(104,066)	518,010
2026	619,546	(106,682)	512,864
	\$ 3,592,483	\$ (507,994)	\$ 3,084,489

The future minimum annual rental payments are subject to escalations for real estate taxes and certain operating expenses. Total rental expense including all applicable costs under these operating leases, net of sublease income of \$94,291, was \$656,222 for the year ended June 30, 2021. Total rental expense including all applicable costs under these operating leases, net of sublease income of \$91,992 was \$643,865 for the year ended June 30, 2020.

BBI's employees, subject to some exclusions, are members of the Executive Staff Associations of B'nai B'rith International. BBI's contract with the union is extended each year unless one of the parties terminates or modifies the agreement.

BBI maintains its cash balances at various financial institutions. The accounts at each of these institutions are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At various times throughout the year, cash balances at these institutions exceeded the federally insured limits. BBI has not experienced any losses with respect to its cash balances.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 11: Retirement plan:**

BBI filed for distress termination of its pension plan (the Plan) with Pension Benefit Guaranty Corporation (PBGC). The Plan was terminated retroactively on April 30, 2011 and PBGC was appointed as the trustee of the Plan on September 11, 2012.

In July 2013, BBI and PBGC entered into a settlement agreement for distress termination of BBI's pension plan. The settlement has an eleven year term beginning with the 2013 - 2014 fiscal year through and including the 2023 - 2024 fiscal year. Minimum annual payments should be the greater of the minimum annual payment or 15% of any positive excess as defined in the agreement. There is no additional expense incurred under this agreement for the years ended June 30, 2021 and 2020. Payments are due on the earlier of the 90<sup>th</sup> day after the issuance of the audited consolidated financial statements or the 180<sup>th</sup> day after year end.

Future minimum annual payments for the years ending June 30,

2022	\$ 20,000
2023	20,000
2024	20,000
2025	<u>20,000</u>
	80,000
Less: current portion	<u>(20,000)</u>
	<u>\$ 60,000</u>

**Note 12: Functional allocation of expenses:**

The costs of providing various programs and other activities have been summarized in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited using various cost allocation techniques. Salaries, related payroll taxes and employee benefits are allocated based on the estimated percentage of time each employee spends on each program or management activity. Occupancy and related expenses are allocated based on the estimated proportion of square footage of each employee's office to the total square footage of the office. Administrative expenses are applied as overhead at the end of the year based on the same allocations as salaries. All other expenses are allocated based on the invoices received for the expense and the specific program/activity that the invoice relates to.

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 13: Federal relief loans:**

On February 13, 2021, BBI received loan proceeds in the amount of \$498,001 under the Paycheck Protection Program. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. BBI intends to use the loan proceeds for purposes consistent with the PPP. BBI has applied for and expects full forgiveness of the loan subsequent to June 30, 2021. Therefore, the PPP loan is being treated as a current liability as of June 30, 2021. In October 2021, the PPP loan was fully forgiven.

On April 17, 2020, BBI received loan proceeds in the amount of \$443,100 under the Paycheck Protection Program. BBI applied for and received full forgiveness of the loan in May 2021.

On June 20, 2020, BBI received loan proceeds in the amount of \$150,000 from the U.S. Small Business Administration. The SBA, established under Section 7(b) of the Small Business Act, provides loans to qualifying businesses to use as working capital to alleviate economic injury caused by disasters. Combined monthly principal and interest payments of \$641 began on June 20, 2021, and the remaining principal and interest will be payable over a term of 30 years. Interest accrues on the loan at an annual rate of 2.75% and will only accrue on funds advanced to BBI.

In 2020, BBI received Economic Injury Disaster Loan (EIDL) proceeds of \$10,000 (the maximum limit) from the U.S. Small Business Administration. This EIDL advance does not have to be repaid by BBI and has been reported as income on the consolidated statement of activities for the year ended June 30, 2020.

Future minimum payments on the above loans for the years ending June 30,

2022	\$	501,622
2023		3,721
2024		3,825
2025		3,932
2026		4,041
Thereafter		130,563
	\$	647,704

**B'nai B'rith International and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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**June 30, 2021 and 2020**

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**Note 14: Subsequent events:**

Subsequent events have been evaluated through April 11, 2022, which is the date the consolidated financial statements were available to be issued.

**SUPPLEMENTARY  
INFORMATION**

Independent Auditor's Report on Supplementary Information

**To the Executive Board of Directors  
B'nai B'rith International and Subsidiaries  
Washington, DC**

We have audited the consolidated financial statements of B'nai B'rith International and Subsidiaries as of and for the year ended June 30, 2021, and have issued our report thereon dated April 11, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The statements of financial position and activities for B'nai B'rith Foundation are presented for the 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.

*Snyder Cohn, PC*

SNYDER COHN, PC  
North Bethesda, Maryland  
April 11, 2022



**B'nai B'rith Foundation of the United States**

**Statement of Financial Position  
(Supplementary Information)**

**June 30, 2021**

	Without Donor Restrictions					With Donor Restrictions	Total
	Current Operating	Board Designated	Board Endowed	Property	Total		
<b>Assets:</b>							
Cash and cash equivalents	\$ -	\$ (2,364)	\$ -	\$ -	\$ (2,364)	\$ 102,606	\$ 100,242
Investments	-	3,772,140	-	-	3,772,140	6,013,883	9,786,023
Interfund receivable (payable)	-	472,311	-	-	472,311	-	472,311
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 4,242,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,242,087</u>	<u>\$ 6,116,489</u>	<u>\$ 10,358,576</u>
<b>Liabilities and net assets:</b>							
<b>Liabilities</b>							
Interfund (receivable) payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,306	\$ 2,306
Annuities payable	-	964,723	-	-	964,723	-	964,723
<b>Total liabilities</b>	-	964,723	-	-	964,723	2,306	967,029
<b>Net assets</b>	-	3,277,364	-	-	3,277,364	6,114,183	9,391,547
<b>Total liabilities and net assets</b>	<u>\$ -</u>	<u>\$ 4,242,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,242,087</u>	<u>\$ 6,116,489</u>	<u>\$ 10,358,576</u>

See Independent Auditor's Report on Supplementary Information

**B'nai B'rith Foundation of the United States**

**Statement of Activities  
(Supplementary Information)**

**For the year ended June 30, 2021**

	Without Donor Restrictions					With Donor Restrictions	Total
	Current Operating	Board Designated	Board Endowed	Property	Total		
<b>Support and revenue:</b>							
Contributions and other support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ 250
Legacies and bequests	-	111,351	-	-	111,351	-	111,351
Income from investments	-	89,196	-	-	89,196	124,909	214,105
Realized and unrealized gains (losses)	-	378,496	-	-	378,496	1,026,573	1,405,069
Transfers	139,171	(138,258)	-	-	913	(322,983)	(322,070)
<b>Total support and revenue</b>	<b>139,171</b>	<b>440,785</b>	<b>-</b>	<b>-</b>	<b>579,956</b>	<b>828,749</b>	<b>1,408,705</b>
<b>Expenses:</b>							
Consulting/contractors	52,975	-	-	-	52,975	-	52,975
Grants/allocations	86,196	-	-	-	86,196	-	86,196
<b>Total expenses</b>	<b>139,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139,171</b>	<b>-</b>	<b>139,171</b>
<b>Change in net assets</b>	<b>-</b>	<b>440,785</b>	<b>-</b>	<b>-</b>	<b>440,785</b>	<b>828,749</b>	<b>1,269,534</b>
Net assets - beginning	-	2,836,579	-	-	2,836,579	5,285,434	8,122,013
<b>Net assets - ending</b>	<b>\$ -</b>	<b>\$ 3,277,364</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,277,364</b>	<b>\$ 6,114,183</b>	<b>\$ 9,391,547</b>

See Independent Auditor's Report on Supplementary Information

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