

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

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

Years Ended June 30, 2022 and 2021

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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, 2022 and 2021, 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.

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, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of B'nai B'rith International and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about B'nai B'rith International and Subsidiaries ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of B'nai B'rith International and Subsidiaries 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 B'nai B'rith International and Subsidiaries 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.



SNYDER COHN, PC  
North Bethesda, Maryland  
May 11, 2023

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

<b>June 30</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,336,766	\$ 3,701,380
Investments, current portion	5,794,346	6,526,272
Individual donor and other receivables, net of allowance for doubtful accounts	836,871	279,687
Inventory	9,270	9,270
Prepaid expenses and other assets	19,117	13,632
Total current assets	<u>9,996,370</u>	<u>10,530,241</u>
<b>Property and equipment, net</b>	<u>306,850</u>	<u>403,107</u>
<b>Other assets:</b>		
Security deposits	187,383	187,383
Website development	27,378	7,626
Investments, board designated for charitable gift annuities	1,717,984	2,084,111
Restricted cash	90,288	102,606
Investments, endowments	5,432,209	6,291,006
Total other assets	<u>7,455,242</u>	<u>8,672,732</u>
<b>Total assets</b>	<u>\$ 17,758,462</u>	<u>\$ 19,606,080</u>

See Accompanying Notes

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

<b>June 30</b>	<b>2022</b>	<b>2021</b>
<b>Liabilities and net assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 785,697	\$ 841,872
Margin loans	784,710	763,149
Paycheck Protection Program loan	-	498,001
Small Business Administration loan, current portion	3,721	3,621
Pension termination payable, current portion	20,000	20,000
Deferred rent and incentive allowance, current portion	139,083	127,463
Total current liabilities	<u>1,733,211</u>	<u>2,254,106</u>
<b>Other liabilities:</b>		
Small Business Administration loan, net of current portion	138,681	146,082
Annuities payable	1,478,657	1,749,550
Pension termination payable, net of current portion	40,000	60,000
Deferred rent and incentive allowance, net of current portion	484,208	623,291
Total other liabilities	<u>2,141,546</u>	<u>2,578,923</u>
Total liabilities	<u>3,874,757</u>	<u>4,833,029</u>
<b>Commitments</b>		
<b>Net assets:</b>		
Without donor restrictions		
Current operating	(3,061,820)	(3,925,475)
Board designated	8,655,301	8,649,129
Total net assets without donor restrictions	<u>5,593,481</u>	<u>4,723,654</u>
Net assets with donor restrictions	8,290,224	10,049,397
Total net assets	<u>13,883,705</u>	<u>14,773,051</u>
<b>Total liabilities and net assets</b>	<u>\$ 17,758,462</u>	<u>\$ 19,606,080</u>

See Accompanying Notes

## B'nai B'rith International and Subsidiaries

### Consolidated Statement of Activities

**For the year ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Contributions and other support	\$ 5,484,489	\$ 162,797	\$ 5,647,286
Member dues contributions	327,037	-	327,037
Other dues and participation fees	290	-	290
Advertising income	1,495	-	1,495
Member insurance program	10,252	-	10,252
Income from investments:			
Dividends and interest	153,617	231,380	384,997
Net realized and unrealized losses on investments	(873,517)	(1,295,629)	(2,169,146)
Royalties and other income	34,441	-	34,441
Employee Retention Credit	296,035	-	296,035
Paycheck Protection Program loan forgiveness	498,251	-	498,251
	<u>5,932,390</u>	<u>(901,452)</u>	<u>5,030,938</u>
Net assets released from restrictions	857,721	(857,721)	-
Total support and revenue	<u>6,790,111</u>	<u>(1,759,173)</u>	<u>5,030,938</u>
<b>Expenses:</b>			
<b>Program expenses:</b>			
Humanitarian assistance/disaster relief	510,881	-	510,881
Community involvement	948,888	-	948,888
Judaism programs continuity	546,935	-	546,935
Advocacy/civil rights	1,809,501	-	1,809,501
Senior services and housing	531,336	-	531,336
Total program expenses	<u>4,347,541</u>	<u>-</u>	<u>4,347,541</u>
<b>Supporting services:</b>			
Development	973,975	-	973,975
Management and general administration	598,768	-	598,768
Total supporting services	<u>1,572,743</u>	<u>-</u>	<u>1,572,743</u>
Total expenses	<u>5,920,284</u>	<u>-</u>	<u>5,920,284</u>
<b>Change in net assets</b>	869,827	(1,759,173)	(889,346)
Net assets - beginning	<u>4,723,654</u>	<u>10,049,397</u>	<u>14,773,051</u>
<b>Net assets - ending</b>	<u>\$ 5,593,481</u>	<u>\$ 8,290,224</u>	<u>\$ 13,883,705</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
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
Employee Retention Credit	-	-	-
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 Functional Expenses**

**For the year ended June 30, 2022**

	Humanitarian Assistance Disaster Relief	Community Involvement	Judaism Programs Continuity	Advocacy/ Civil Rights	Senior Services and Housing	Development	Management and General Administration	Total
Salaries/wages	\$ 241,260	\$ 353,728	\$ 135,976	\$ 896,528	\$ 327,960	\$ 192,394	\$ 178,108	\$ 2,325,954
Taxes/fringe benefits	31,676	53,923	22,254	128,724	66,161	49,651	67,185	419,574
Consulting/contractors	2,309	70,350	15,474	191,840	25,298	200,004	86,660	591,935
Office supplies/expenses	785	1,439	270	12,184	1,404	4,401	6,326	26,809
Telephone/fax	2,348	3,708	472	14,745	2,172	4,225	27,230	54,900
Postage/shipping	4,313	7,442	13,142	4,653	4,070	142,801	919	177,340
Occupancy	51,229	80,899	158,669	184,123	58,943	114,530	53,412	701,805
Rental/maintenance of equip.	491	1,472	491	4,500	-	17,966	18,962	43,882
Insurance	-	-	-	2,423	-	-	127,148	129,571
Interest	-	-	-	-	-	-	21,561	21,561
Taxes/licenses	172	462	141	67	269	5,892	2,414	9,417
General administrative	1,480	4,440	1,480	8,293	950	9,904	2,448	28,995
Media	10,416	15,118	22,641	10,267	10,409	201,319	2,384	272,554
Staff travel	4,049	4,949	-	162,882	2,468	909	-	175,257
Programs/conferences	39,154	47,855	-	164,208	13,189	17,947	-	282,353
Grants/allocations	117,188	279,039	163,893	-	2,000	-	-	562,120
Depreciation	4,011	24,064	12,032	24,064	16,043	12,032	4,011	96,257
<b>Total expenses</b>	<b>\$ 510,881</b>	<b>\$ 948,888</b>	<b>\$ 546,935</b>	<b>\$ 1,809,501</b>	<b>\$ 531,336</b>	<b>\$ 973,975</b>	<b>\$ 598,768</b>	<b>\$ 5,920,284</b>

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 Statements of Cash Flows

For the years ended June 30	2022	2021
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (889,346)	\$ 2,380,679
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	96,257	116,208
Donated investments	(171,099)	(482,746)
Net realized and unrealized losses (gains) on investments	2,169,146	(2,184,283)
Relief of split interest liabilities	(109,412)	(112,266)
Actuarial gain (loss) on split interest investments	31,190	(229,899)
Paycheck Protection Program loan forgiveness	(498,001)	(443,100)
(Increase) decrease in:		
Individual donor and other receivables, net	(557,184)	(126,818)
Inventory	-	47
Prepaid expenses and other assets	(5,485)	78,560
Website development	(19,752)	(7,626)
Increase (decrease) in:		
Accounts payable and accrued expenses	(56,175)	(26,097)
Deferred revenue	-	(69,750)
Deferred rent and incentive allowance	(127,463)	(116,128)
Annuities payable	(161,481)	81,329
<b>Net cash used in operating activities</b>	<b>(298,805)</b>	<b>(1,141,890)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from the sale of investments	2,388,635	3,206,085
Purchase of investments	(2,461,022)	(2,141,825)
Purchases of property and equipment	-	(8,294)
<b>Net cash provided by (used in) investing activities</b>	<b>(72,387)</b>	<b>1,055,966</b>
<b>Cash flows from financing activities:</b>		
Payments made on margin loans	-	(62,276)
Proceeds from margin loans	21,561	21,329
Payments made on notes payable	(7,301)	(297)
Payments made on pension termination payable	(20,000)	(20,000)
Proceeds from Paycheck Protection Program loan	-	498,001
<b>Net cash provided by (used in) financing activities</b>	<b>(5,740)</b>	<b>436,757</b>
Net increase (decrease) in cash, cash equivalents, and restricted cash	(376,932)	350,833
Cash, cash equivalents, and restricted cash - beginning	3,803,986	3,453,153
<b>Cash, cash equivalents, and restricted cash - ending</b>	<b>\$ 3,427,054</b>	<b>\$ 3,803,986</b>
<b>Reconciliation of cash, cash equivalents, and restricted cash reported on the consolidated statements of financial position:</b>		
Cash and cash equivalents	\$ 3,336,766	\$ 3,701,380
Restricted cash	90,288	102,606
<b>Total cash, cash equivalents, and restricted cash - ending</b>	<b>\$ 3,427,054</b>	<b>\$ 3,803,986</b>

See Accompanying Notes

## B'nai B'rith International and Subsidiaries

### Consolidated Statements of Cash Flows

For the years ended June 30	2022	2021
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#### Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ 21,561	\$ 22,064
Taxes	2,414	6,383

See Accompanying Notes

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

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**June 30, 2022 and 2021**

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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.

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.

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

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**June 30, 2022 and 2021**

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

Description of major services categories: (continued) -

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.

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.

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

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**June 30, 2022 and 2021**

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

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 \$2,492,333 and \$2,599,845 at June 30, 2022 and 2021, 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:

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.

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

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**June 30, 2022 and 2021**

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

Fair value measurements (continued) -

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, 2022 and 2021, there was an allowance for doubtful accounts of \$42,895 and \$-0-, respectively.

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.

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.



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

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**June 30, 2022 and 2021**

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

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 June 2020, BBI received loan proceeds from the U.S. Small Business Administration (SBA) as part of the Small Business Act. 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 SBA loan.

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, 2022 and 2021 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. 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.

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

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**June 30, 2022 and 2021**

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

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 \$2,414 and \$6,383 for the years ended June 30, 2022 and 2021, 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, 2019, are no longer subject to examination by taxing authorities.

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.

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 beginning with 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, 2022 and 2021**

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**Note 2: Liquidity and availability:**

The following reflects BBI's financial assets as of June 30, 2022 and 2021, 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:

	2022	2021
Cash and cash equivalents	\$ 3,427,054	\$ 3,803,986
Individual donor and other receivables, net	836,871	279,687
Investments	12,944,539	14,901,389
	17,208,464	18,985,062
Funds unavailable for general expenditure within one year:		
Donor-specified purposes and time restricted endowments	(8,290,224)	(10,049,397)
Charitable gift annuity reserves	(1,717,984)	(2,084,111)
Financial assets available to meet cash needs for general expenditures within one year	\$ 7,200,256	\$ 6,851,554

Of the above amounts for 2022 and 2021, \$1,717,984 and \$2,084,111, 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 \$5,432,209 and \$6,291,006, 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, 2022 and 2021**

**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:

	2022		2021	
	Cost	Market	Cost	Market
U.S. treasury obligations	\$ 165,827	\$ 160,289	\$ 182,950	\$ 183,577
State of Israel bonds	26,600	26,600	1,600	1,600
Corporate stocks	3,952,309	4,499,747	3,498,378	5,538,577
Mutual funds	8,271,312	7,745,644	7,832,029	8,637,276
Municipal bonds	399,249	415,293	401,005	443,393
Other	96,966	96,966	96,966	96,966
	<u>\$ 12,912,263</u>	<u>\$ 12,944,539</u>	<u>\$ 12,012,928</u>	<u>\$ 14,901,389</u>

Mutual funds consist of different asset types, including equity and fixed income funds. Included in other investments for 2022 and 2021 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, 2022, and June 30, 2021 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 \$86,325 and \$73,499 for the years ended June 30, 2022 and 2021, respectively. Investment fees for donor restricted funds were \$67,581 and \$55,541 for the years ended June 30, 2022 and 2021, respectively. Investment fees for funds without donor restrictions were \$18,744 and \$17,958 for the years ended June 30, 2022 and 2021, respectively.

**Note 4: Property and equipment:**

Property and equipment consists of the following at June 30:

	2022	2021
Building and improvements	\$ 811,979	\$ 811,979
Furniture and equipment	442,273	442,273
	<u>1,254,252</u>	<u>1,254,252</u>
Less: accumulated depreciation	(947,402)	(851,145)
	<u>\$ 306,850</u>	<u>\$ 403,107</u>

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

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**June 30, 2022 and 2021**

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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, 2022 and 2021 endowment fund balances are disclosed in Note 7 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, 2022 and 2021 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, 2022 and 2021**

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

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

	2022	2021
Endowment net assets, beginning of year	\$ 10,049,397	\$ 8,228,191
Investment income	231,380	185,896
Net realized and unrealized gains	(1,295,629)	1,599,616
Contributions	162,797	545,051
Appropriation of endowment assets for expenditure	(857,721)	(509,357)
Endowment net assets, end of year	\$ 8,290,224	\$ 10,049,397

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, 2022 and 2021.

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, 2022 and 2021**

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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 \$21,561 and \$21,329 for the years ended June 30, 2022 and 2021, 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 \$784,710 and \$763,149 at June 30, 2022 and 2021, respectively.

**Note 7: 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 \$3,061,820 at June 30, 2022 and \$3,925,475 at June 30, 2021.

***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 \$345,671 and \$345,486 at June 30, 2022 and 2021, respectively.

***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 \$1,374,534 and \$1,685,666 at June 30, 2022 and 2021, respectively.

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

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**June 30, 2022 and 2021**

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**Note 7: Net assets:** (continued)

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

*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 \$6,097,063 and \$6,617,977 at June 30, 2022 and 2021, 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, 2022 and 2021, respectively.



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

**June 30, 2022 and 2021**

**Note 7: 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, 2022 and 2021, respectively. During the years ended June 30, 2022 and 2021, net assets released from restrictions were as follows:

<u>Purpose:</u>	2022	2021
CRT payments	\$ 103,825	\$ 113,515
B'nai B'rith programs	591,446	217,370
Educational grants and scholarships	162,450	178,472
Net assets released from restrictions	\$ 857,721	\$ 509,357

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 \$4,552,422 and \$4,536,722 at June 30, 2022 and 2021, respectively.

**Note 8: 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 3 and 4 charitable remainder trusts at June 30, 2022 and 2021, respectively. 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 \$1,193,194 and \$1,508,541 at June 30, 2022 and 2021, 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, 2022 and 2021**

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**Note 8: 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 \$661,405 and \$784,827 at June 30, 2022 and 2021, 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 72 and 89 charitable gift annuities at June 30, 2022 and 2021, respectively. The present value of annuities payable pursuant to charitable gift annuity agreements was \$817,253 and \$964,723 at June 30, 2022 and 2021, 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, 2022 and 2021 were \$106,175 and \$111,351, 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 \$1,717,984 at June 30, 2022 and \$2,084,111 at June 30, 2021. The estimated payments were \$817,253 and \$964,723 at June 30, 2022 and 2021, respectively. The State of New York mandates this reserve and restricts the types of investments that can be purchased in this reserve fund.

**Note 9: 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, 2022 and 2021**

**Note 9: 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:

	<u>Rental Payments</u>	<u>Sublease Income</u>	<u>Net</u>
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
	<u>\$ 2,827,118</u>	<u>\$ (411,348)</u>	<u>\$ 2,415,770</u>

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 \$96,646, was \$706,743 for the year ended June 30, 2022. 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.

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, 2022 and 2021**

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**Note 10: 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, 2022 and 2021. 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,

2023	\$	20,000
2024		20,000
2025		20,000
		60,000
Less: current portion		(20,000)
		\$ 40,000

**Note 11: 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, 2022 and 2021**

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**Note 12: 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 applied for and expected full forgiveness of the loan subsequent to June 30, 2021. Therefore, the PPP loan was treated as a current liability as of June 30, 2021. In October 2021, the PPP loan was fully forgiven.

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.

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

2023	\$	3,721
2024		3,825
2025		3,932
2026		4,041
2027		4,154
Thereafter		122,729
	\$	142,402

**Note 13: Related party:**

BBI entered into an affiliation agreement with the American Jewish International Relations Institute ("AJIRI") in August 2020, where AJIRI's ordinary course of activities continued, subject to the approval and supervision of BBI. BBI and AJIRI co-program events, webinars, and meetings, and BBI supervises AJIRI's professional staff. AJIRI maintains independent finances, but BBI receives donations earmarked for AJIRI's activities, which are held in a segregated fund. BBI distributes these funds to AJIRI's operating account upon request.

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

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**June 30, 2022 and 2021**

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**Note 13: Related party:** (continued)

This agreement was extended until August 2023. For the years ended June 30, 2022 and 2021, respectively, BBI made payments under this agreement in the amount of \$47,248 and \$-0-.

**Note 14: Subsequent events:**

Subsequent events have been evaluated through May 11, 2023, 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, 2022, and have issued our report thereon dated May 11, 2023, 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  
North Bethesda, Maryland  
May 11, 2023





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

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

**June 30, 2022**

	Without Donor Restrictions					With Donor Restrictions	Total
	Current Operating	Board Designated	Board Endowed	Property	Total		
<b>Assets:</b>							
Cash and cash equivalents	\$ -	\$ 51,450	\$ -	\$ -	\$ 51,450	\$ 90,287	\$ 141,737
Investments	-	3,106,125	-	-	3,106,125	5,242,915	8,349,040
Interfund receivable (payable)	-	433,627	-	-	433,627	-	433,627
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 3,591,202</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,591,202</b>	<b>\$ 5,333,202</b>	<b>\$ 8,924,404</b>
<b>Liabilities and net assets:</b>							
<b>Liabilities</b>							
Interfund (receivable) payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,485	\$ 315,485
Annuities payable	-	817,587	-	-	817,587	-	817,587
<b>Total liabilities</b>	<b>-</b>	<b>817,587</b>	<b>-</b>	<b>-</b>	<b>817,587</b>	<b>315,485</b>	<b>1,133,072</b>
<b>Net assets</b>	<b>-</b>	<b>2,773,615</b>	<b>-</b>	<b>-</b>	<b>2,773,615</b>	<b>5,017,717</b>	<b>7,791,332</b>
<b>Total liabilities and net assets</b>	<b>\$ -</b>	<b>\$ 3,591,202</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,591,202</b>	<b>\$ 5,333,202</b>	<b>\$ 8,924,404</b>

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, 2022**

	Without Donor Restrictions					With Donor Restrictions	Total
	Current Operating	Board Designated	Board Endowed	Property	Total		
<b>Support and revenue:</b>							
Contributions and other support	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 16,118	\$ 26,118
Legacies and bequests	-	105,024	-	-	105,024	-	105,024
Income from investments	-	111,770	-	-	111,770	152,183	263,953
Realized and unrealized gains (losses)	-	(625,447)	-	-	(625,447)	(922,342)	(1,547,789)
Transfers	147,324	(105,096)	-	-	42,228	(342,425)	(300,197)
<b>Total support and revenue</b>	<b>147,324</b>	<b>(503,749)</b>	<b>-</b>	<b>-</b>	<b>(356,425)</b>	<b>(1,096,466)</b>	<b>(1,452,891)</b>
<b>Expenses:</b>							
Consulting/contractors	59,125	-	-	-	59,125	-	59,125
Grants/allocations	88,199	-	-	-	88,199	-	88,199
<b>Total expenses</b>	<b>147,324</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,324</b>	<b>-</b>	<b>147,324</b>
<b>Change in net assets</b>	<b>-</b>	<b>(503,749)</b>	<b>-</b>	<b>-</b>	<b>(503,749)</b>	<b>(1,096,466)</b>	<b>(1,600,215)</b>
Net assets - beginning	-	3,277,364	-	-	3,277,364	6,114,183	9,391,547
<b>Net assets - ending</b>	<b>\$ -</b>	<b>\$ 2,773,615</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,773,615</b>	<b>\$ 5,017,717</b>	<b>\$ 7,791,332</b>

See Independent Auditor's Report on Supplementary Information

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