

RABBIS FOR HUMAN RIGHTS (R.A.)

FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

RABBIS FOR HUMAN RIGHTS (R.A.)
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AUDITORS' REPORT TO THE MEMBERS OF
RABBIS FOR HUMAN RIGHTS (R.A.)

We have audited the attached Statement of Financial Position of Rabbis for Human Rights (R.A.) (hereinafter: "the Amuta"), as at December 31, 2022 and 2021, the related Statement of Activities and Statement of Changes in Net Assets for the two years then ended. These financial statements are the responsibility of the management of the Amuta. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including those prescribed under the Israeli Auditors Regulations (Auditors' Mode of Performance), 1973. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management of the Amuta, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the Amuta, as at December 31, 2022 and 2021, the results of its operations and changes in net assets for the two years then ended, in accordance with generally accepted accounting principles in Israel (Israeli GAAP).

Jerusalem, April 23, 2023

Ziv Haft
Certified Public Accountants (Isr.)

RABBIS FOR HUMAN RIGHTS (R.A.)
STATEMENTS OF FINANCIAL POSITION (N.I.S)

	<u>Notes</u>	<u>31.12.2022</u>	<u>31.12.2021</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and cash equivalents	3	633,257	411,248
Debtors and debit balances	4	39,351	8,622
		<u>672,608</u>	<u>419,870</u>
		<u>672,608</u>	<u>419,870</u>
<u>LIABILITIES AND NET ASSETS:</u>			
<u>CURRENT LIABILITIES</u>			
Creditors and credit balances	5	246,993	207,519
<u>NON CURRENT LIABILITES</u>			
Provision for cessation of employee-employer relationship, net	6	191,138	114,779
<u>NET ASSETS</u>			
Unrestricted net assets:			
Net assets used for operations		(52,543)	44,386
Restricted net assets	7	287,020	53,186
		<u>234,477</u>	<u>97,572</u>
		<u>672,608</u>	<u>419,870</u>

The Notes to the Financial Statements are an integral part thereof.

Date of approval of the financial
statements: April 23 , 2023

Chair of the
Management Committee

Management Committee
Member

RABBIS FOR HUMAN RIGHTS (R.A.)
STATEMENT OF ACTIVITIES (N.I.S)

	<u>Note</u>	<u>For the Year Ended</u>	
		<u>31.12.2022</u>	<u>31.12.2021</u>
<u>Operating Turnover:</u>			
Donations	8A	531,652	1,076,216
Amounts released from temporarily restricted net assets	7, 8A	1,189,428	1,223,323
Membership fees in Israel	8D	29,130	29,542
Income from services	8C	587,505	113,575
		<hr/>	<hr/>
Total operating turnover before value of volunteers in operations		2,337,715	2,442,656
Value of volunteers in operations	8B	153,845	165,568
		2,491,560	2,608,224
Operating Costs	9	1,959,494	2,030,880
		<hr/>	<hr/>
Net operating income		532,066	577,344
General and administrative expenses	10	453,225	532,330
Fundraising expenses	11	196,107	147,822
		<hr/>	<hr/>
Net expense before financing		(117,266)	(102,808)
Net financing expense		(20,337)	24,801
		<hr/>	<hr/>
Net deficit for the year		<u>(96,929)</u>	<u>(127,609)</u>

The Notes to the Financial Statements are an integral part thereof.

RABBIS FOR HUMAN RIGHTS (R.A.)
STATEMENTS OF CHANGES IN NET ASSETS (N.I.S)

	Unrestricted Net Assets (net loss)		
	Net Assets Used for Operations	Restricted Net Assets	Total
Balance as at January 1, 2021	<u>171,995</u>	<u>221,659</u>	<u>393,654</u>
Additions during the year:			
Donations	-	1,054,850	1,054,850
Net deficit for the year	(127,609)	-	(127,609)
Deductions during the year:			
Amounts transferred from their restrictions	<u>-</u>	<u>(1,223,323)</u>	<u>(1,223,323)</u>
Balance as at December 31, 2021	<u>44,386</u>	<u>53,186</u>	<u>97,572</u>
Additions during the year:			
Donations	-	1,423,262	1,423,262
Net deficit for the year	(96,929)	-	(96,929)
Deductions during the year:			
Amounts transferred from their restrictions	<u>-</u>	<u>(1,189,428)</u>	<u>(1,189,428)</u>
Balance as at December 31, 2022	<u>(52,543)</u>	<u>287,020</u>	<u>234,477</u>

The Notes to the Financial Statements are an integral part thereof.

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL:

- A. Rabbis for Human Rights (R.A.) (hereinafter: “the Amuta”) is a not profit organization that operates toward the achievement of public goals, by rabbis of all streams in Judaism, in order to protect human rights, including: education and advocacy to the community at large, providing advice to the community in the religious, social or legal field regarding respect for human rights.

The Amuta operates projects in human rights education.

The Amuta operates in the area of social justice, including the provision of legal aid to achieve equal opportunity and reducing economic and social disparities. The Amuta operates the Center for Rights in Hadera. The Amuta operates projects in public housing and fighting poverty. The Amuta conducts interfaith activities in panels of rabbis with Christian and Muslim clerics.

The Amuta also works to protect human rights of Palestinians whose rights have been violated, including those whose olive trees have been damaged.

- B. The Amuta’s assets and revenues are used to advance the aforementioned goals, and a significant portion of its income is not used to provide benefit to the contributing donors.
- C. The net assets of the Amuta are not available for distribution to the Amuta’s members.
- D. The Amuta was established in Israel in 1989 and began its operations during that year.
- E. The Amuta operates as a public institution, as defined in clause 2(9) of the Income Tax Act and as a not - profit organization according to the Value Added Tax law.
- F. The Amuta is associated with the Friends of Rabbis for Human Rights in the UK, USA and Canada.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Definitions:

As pertains to these financial statements:

“the Amuta”
Rabbis for Human Rights (R.A.)

“Net Assets”
The difference between the Amuta's assets and liabilities.

RABBIS FOR HUMAN RIGHTS (R.A.)

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (cont.):

A. Definitions (cont.):

"Restrictions"

1. Restrictions imposed on the use of net assets by donors, supporters or grant providers to the Amuta.
2. A restriction that expires or is removed with the occurrence of a specific event with the passage of time, or that can be fulfilled or removed with the performance of specific activities, all of which are contingent upon the conditions imposed by donors or other outside sources which provided the funds

"Index"

The Consumer Price Index, as published by the Central Bureau of Statistics.

"Related Parties"

As defined in Accounting Standard No.41 of the Israel Accounting Standards Board.

"Fair Value"

The amount at which one can exchange an asset or settle a liability, between two willing parties, in an arm's length transaction.

"Presentation Currency"

The currency presented in the financial statements.

"Functional Currency"

The currency of the primary economic environment in which the Amuta operates.

**B. First-time application of Accounting Standard No. 40, Accounting Rules and Financial Reporting
By non-profit organizations**

Advertising requirements

Accounting Standard No. 40, Accounting Rules and Financial Reporting by Non-Profit Organizations (hereinafter: "the Standard") was published on August 13, 2021. The Standard replaces the existing provisions in the combined wording of Statement No. 69 and Accounting Standard No. 5 and its amendments, as well as Accounting Standard No. 9.

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (cont.):

**B. First-time application of Accounting Standard No. 40, Accounting Rules and Financial Reporting
By non-profit organizations**

First and transitional instructions

The standard has been applied for annual periods beginning on January 1, 2022. The effect of the adoption of the measurement provisions in this standard at the date of first application has been reported as an adjustment of the net asset balances to the beginning of the period. Comparative information has not been restated for the measurement changes resulting from the provisions of this Standard. The presentation instructions contained in this standard have been applied retrospectively from the date of commencement of the standard.

C. Presentation of financial statements:

1. The balances included in the grouping of Net Assets are categorized as follows:

- Unrestricted Net Assets
- Temporarily Restricted Net Assets

The Unrestricted Net Assets are classified as follows:

- Net Assets used for operations
- Net Assets used Invested in Assets fixed assets

2. The Statement of Activities includes all income and expense items for the reporting period. "Income" includes all revenues received and earned during the period which are unrestricted in nature, and amounts that were released from donor restriction. "Expenses" also include those expenses which were financed from sources that were restricted by their donors.

3. The Statement of Changes in Net Assets includes, in addition to the net result transferred from the Statement of Activities, all the restricted sources received and the amounts released from restrictions. Amounts released from restrictions for activities are transferred as income to the Statement of Activities, and amounts released from restrictions for fixed assets, including fixed assets received as gifts (and whose proceeds upon sale is unrestricted) are transferred directly to the Unrestricted Net Asset balance in the Statement of Changes in Net Assets.

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (cont.):

C. Presentation of financial statements:

4. The Statement of Changes in Net Assets also includes transfers between unrestricted net assets used for operations and unrestricted net assets used for fixed assets, due to amounts used during the accounting period for the acquisition of fixed assets, amounts derived during the accounting period from the sale of fixed assets and amounts that were transferred during the accounting period to cover depreciation expenses.

D. Reporting basis:

1. The Amuta's assets, liabilities, income and expenses are recorded on an accrual basis.
2. Noncash contributions (volunteer's work) are included in the financial statements as income and salaries expenses.

E. Functional Currency and Reporting Currency:

1. **Functional Currency:** the currency that represents most accurately, in the best possible way, the economic effects of transactions, events and circumstances is the New Israeli Shekel. Any transaction undertaken by the Amuta that is not in its Functional Currency is defined as a transaction in a foreign currency (see note 2 E below).
2. **Reporting Currency:** The financial statements of the Amuta are presented in New Israeli Shekels.

F. Foreign Currency and Linkage:

1. Assets and liabilities in foreign currencies, or those linked to them, are stated at the representative rates of exchange at financial statement date.
2. Assets and liabilities linked to the Index have been included according to the linkage conditions applicable to each balance.
3. Income, expenses and other transactions in foreign currencies are recorded at the representative rates of exchange prevailing at the time of each transaction.
4. Linkage and exchange differences are recorded in the financial statements at the time of creation.

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (cont.):

F. Foreign Currency and Linkage:

5. Balances of net assets that have not had their donors set the basis of maintaining their real values are recorded on the same linkage basis set by the management, based on the interpretation given regarding the donors' intentions.
6. Following are the details of the Consumer Price Index and exchange rates of primary currencies:

	December 31,	
	2022	2021
The Consumer Price Index, in points	108	102.6
U.S. Dollar (in NIS to 1 Dollar)	3.519	3.110
Euro (in NIS to 1 Euro)	3.753	3.519
	For the Year Ended December 31,	
	2022	2021
	%	%
Rate of change in the Consumer Price Index	5.26	2.80
Rate of change in the U.S. Dollar for the year	13.15	(3.27)
Rate of change in the Euro for the year	6.62	(10.76)

G. Cash and cash equivalents:

Cash and cash equivalents include current bank account balances and deposits in banks, both available for immediate withdrawal where the period till realization when invested was not longer than three months.

H. Fixed assets:

1. Stated at cost, less accumulated depreciation.
2. The depreciation is computed on the "straight-line" basis, taking into account the estimated useful life of the assets.

I. Scholarships:

Stipends that were given are recorded as an expense at the time granted.

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (cont.):

J. Tax:

Payroll taxes, levied pursuant to the Value Added Tax and Employers' Tax laws, are included in salaries and related expenses. Other Value Added Tax paid, which is non-refundable, is included with the expense or asset for which it was paid.

K. Statement of cash flows:

The financial statements do not include a statement of cash flows, as it will not provide any significant additional knowledge beyond that which is included in these financial statements.

3. CASH AND CASH EQUIVALENTS:

	<u>31.12.2022</u>	<u>31.12.2021</u>
In NIS	305,422	300,650
In foreign currencies	<u>327,257</u>	<u>110,598</u>
	<u><u>633,257</u></u>	<u><u>411,248</u></u>

4. DEBTORS AND DEBIT BALANCES:

	<u>31.12.2022</u>	<u>31.12.2021</u>
Employees	18,000	-
Prepaid expenses	<u>21,351</u>	<u>8,622</u>
	<u><u>39,351</u></u>	<u><u>8,622</u></u>

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS (N.I.S)

5. CREDITORS AND CREDIT BALANCES:

	<u>31.12.2022</u>	<u>31.12.2021</u>
Checks to repay	108,052	49,491
On account of salaries and institutions due to salaries payable	28,526	56,766
Provision for vacation	87,015	77,862
Expenses payable	23,400	23,400
	<u>246,993</u>	<u>207,519</u>

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS (N.I.S)

6. PROVISION FOR CESSATION OF EMPLOYEE-EMPLOYER RELATIONSHIP, NET:

1. The Amuta's liability for severance pay, retirement and pensions of its employees, which was calculated on the basis of labor laws and existing employee agreements, are covered in full - partly by regular deposits and accumulated amounts in pension funds, severance funds and insurance policies, and the remainder as liabilities included in these financial statements.

2. Amounts deposited in pension funds and insurance policies are recorded for the particular employee. The pension funds accept the Amuta's liability arising from employee agreements and releases the Amuta from paying any additional amounts. These liabilities are shown as the net liability in excess of the funds, in the event that they exist.

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS (N.I.S.)

7. TEMPORARILY RESTRICTED NET ASSET

A. IN N.I.S.:

	<u>Balance as at January 1, 2021</u>	<u>Donations</u>	<u>Amounts released from restriction</u>	<u>Balance as at December 31, 2021</u>	<u>Donations</u>	<u>Amounts released from restriction</u>	<u>Balance as at December 31, 2022</u>
Misereor	100,720	-	(100,720)	-	148,923	(59,569)	89,354
KIA	106,371	138,852	(192,037)	53,186	140,040	(56,016)	137,210
Fin Church Aid	14,568	81,552	(96,120)	-	100,760	(40,304)	60,456
Savran Fund	-	78,728	(78,728)	-	85,908	(85,908)	-
MAZON	-	111,197	(111,197)	-	154,582	(154,582)	-
The Scottish Church	-	23,064	(23,064)	-	-	-	-
New Israel Fund	-	-	-	-	154,474	(154,474)	-
Asia Tan	-	-	-	-	536,645	(536,645)	-
The Evangelical Church	-	75,110	(75,110)	-	70,648	(70,648)	-
Operation Dove	-	16,186	(16,186)	-	-	-	-
Overseas Resource	-	323,454	(323,454)	-	-	-	-
Others	-	159,810	(159,810)	-	24,161	(24,161)	-
FRHR-Canada	-	41,464	(41,464)	-	-	-	-
Interreligious	-	5,433	(5,433)	-	-	-	-
SIVMO	-	-	-	-	7,121	(7,121)	-
Total	<u>221,659</u>	<u>1,054,850</u>	<u>(1,223,323)</u>	<u>53,186</u>	<u>1,423,262</u>	<u>(1,189,428)</u>	<u>287,020</u>

RABBIS FOR HUMAN RIGHTS (R.A.)

NOTES TO THE FINANCIAL STATEMENTS (N.I.S)

7. TEMPORARILY RESTRICTED NET ASSETS (cont.):

B. IN USD:

	Balance as at January 1, 2021	Donations	Amounts released from restriction	Balance as at December 31, 2021	Donations	Amounts released from restriction	Balance as at December 31, 2022
Misereor	32,386	-	(32,386)	10,413	42,320	(16,928)	25,392
KIA	34,203	44,647	(61,748)	10,998	39,795	(15,918)	38,991
Finn Church Aid	4,684	26,223	(30,907)	1,506	28,633	(11,453)	17,180
Savran Fund	-	25,314	(25,314)	-	24,413	(24,413)	
MAZON	-	35,755	(35,755)	-	43,928	(43,928)	
The Scottish Church	-	7,416	(7,416)	-	-	0	
New Israel Fund	-	-	-	-	43,897	(43,897)	
Asia Tan	-	-	-	-	152,499	(152,499)	
The Evangelical Church	-	24,151	(24,151)	-	20,076	(20,076)	
Operation Dove	-	5,205	(5,205)	-	-	0	
The Presbyterian Church	-	104,005	(104,005)	-	-	0	
Others	-	51,386	(51,386)	-	6,866	(6,866)	
FRHR-Canada	-	13,332	(13,332)	-	-	0	
Interreligious	-	1,747	(1,747)	-	-	0	
SIVMO	-	-	-	-	2,024	(2,024)	
Total	<u>71,273</u>	<u>339,180</u>	<u>(393,351)</u>	<u>22,917</u>	<u>404,451</u>	<u>(338,002)</u>	<u>81,563</u>

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS (N.I.S)

8. OPERATING TURNOVER:

	For the Year Ended			
	31.12.2022		31.12.2021	
	USD	N.I.S	USD	N.I.S
A. Donations				
Donations in Israel:				
From others *	50,008	175,979	51,475	160,396
Funds:				
Presbyterian Church	-	-	5,205	16,186
Finn Church Aid	-	-	30,907	96,120
MAZON	93,928	154,582	35,755	111,197
Church of Sweden	11,453	40,304	54,025	168,017
SIVMO	2,024	7,121	-	-
Anne Frank Fund	6,866	24,161	7,416	23,064
Misereor	16,928	59,569	32,386	100,720
Overseas Resources	152,499	536,645	167,749	521,700
Evangelical Church	20,076	70,648	24,151	75,110
The New Israel Fund	43,897	154,474	49,183	152,958
KIA	15,918	56,016	61,748	192,037
Refugee Center			15,711	48,862
Savran Fund	24,413	85,908	25,314	78,728
Total	388,010	1,189,428	509,550	1,584,699
Donations from Individuals Abroad:				
Canada	1,881	6,619	13,332	41,464
Interreligious	13,399	47,151	1,747	5,433
Individuals from UK	19,913	70,075	32,058	99,701
Individuals from Germany	283	995	-	-
Individuals from U.S.A	65,724	231,284	98,544	309,302
From others	-	-	31,686	98,544
	101,200	355,673	177,367	554,444
	539,218	1,721,080	738,392	2,299,539

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS (N.I.S.)

9. OPERATING TURNOVER (cont.):

A.	For the Year Ended			
	31.12.2022		31.12.2021	
	USD	N.I.S	USD	N.I.S
Donations	489,082	1,721,080	738,392	2,299,539
Value of volunteers in operations	Volunteer activities are calculated based on the number of volunteer hours, the amount of volunteers and a valuation of the cost per volunteer hour, capped at 28.49 N.I.S. in 2022 (in 2021 – 29.12 N.I.S.)			
	43,718	153,845	53,237	165,568
Income from the provision of services				
Tours and lectures	166,952	587,505	36,519	113,575
Membership income				
Membership fees	8,278	29,130	9,499	29,542
Total Operating Turnover	708,031	2,491,560	837,647	2,608,224

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS (N.I.S)

9. OPERATING COSTS:

	For the year ended	
	<u>31.12.2022</u>	<u>31.12.2021</u>
A. Composition according to Project		
Education	456,671	625,747
Agricultural	118,419	-
Community	72,438	-
Territories and social activism	173,788	211,573
Legal expenses	60,011	73,951
Social justice	522,122	560,062
Interfaith activities	-	2,576
Advertising and public relations	402,200	391,403
	<u>1,805,649</u>	<u>1,865,312</u>
Total operating costs before value of volunteers	1,805,649	1,865,312
Value of volunteers in operations (*)	<u>153,845</u>	<u>165,568</u>
	<u>1,959,494</u>	<u>2,030,880</u>

(*) See note 8B above.

B. Composition according to Expenses

Salaries and salary related expenses	1,406,002	1,503,612
Rent and municipality fees	50,252	51,398
Communication	19,770	46,077
Office expenses and printing	2,803	4,539
Travel and deliveries	17,259	15,700
Insurance	34,021	34,747
Agricultural	92,870	106,615
Sundry	182,672	102,624
	<u>1,805,649</u>	<u>1,865,312</u>
Total operating costs before value of volunteers	1,805,649	1,865,312
Value of volunteers in operations (*)	<u>153,845</u>	<u>165,568</u>
	<u>1,959,494</u>	<u>2,030,880</u>
Total	<u>1,959,494</u>	<u>2,030,880</u>

(*) See note 8B above.

RABBIS FOR HUMAN RIGHTS (R.A.)
NOTES TO THE FINANCIAL STATEMENTS (N.I.S)

10. GENERAL AND ADMINISTRATIVE EXPENSES:

	For the year ended	
	31.12.2022	31.12.2021
Salaries and salary related expenses	288,847	363,641
Bookkeeping and audit	83,400	83,400
Office expenses and printing	12,236	2,995
Postage, phones, communication, and travel expenses	26,092	27,273
Office rental and maintenance	34,021	49,298
Business insurance	8,629	5,723
	453,225	532,330

11. FUNDRAISING EXPENSES:

	For the year ended	
	31.12.2022	31.12.2021
Salaries and salary related expenses	193,783	143,522
Postage, phone, communication, and other expenses	2,324	4,300
	196,107	147,822