T'ruah: The Rabbinic Call For Human Rights
[a Non-Profit Organization]

Financial Statements

Years Ended September 30, 2022 and 2021

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Years Ended September 30, 2022 and 2021

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Independent Auditor's Report

Board of Trustees
T'ruah: The Rabbinic Call For Human Rights
[a Non-Profit Organization]

Opinion

We have audited the financial statements of T'ruah: The Rabbinic Call For Human Rights (the "Organization"), which comprise the statements of financial position as of September 30, 2022 and 2021, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2022 and 2021, and the changes in its net assets and its 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 audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

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

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

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

Sax LLP

Parsippany, New Jersey
April 4, 2023

T'ruah: The Rabbinic Call For Human Rights
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Statements of Financial Position

	September 30, 2022	September 30, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 908,012	$ 1,134,633
Grants and contributions receivable	158,425	229,383
Other current assets	38,078	21,524
Total current assets	1,104,515	1,385,540
NET PROPERTY AND EQUIPMENT	-	7,904
OTHER ASSETS		
Investments	-	5,532
Security deposits	27,841	27,841
Total other assets	27,841	33,373
TOTAL ASSETS	**$ 1,132,356**	**$ 1,426,817**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 136,510	$ 104,829
Deferred revenue	2,870	2,455
Total current liabilities	139,380	107,284
NON CURRENT LIABILITIES		
Paycheck Protection Program ("PPP") loan payable	-	201,357
Sub-lease security deposit	2,500	2,500
Total non current liabilities	2,500	203,857
TOTAL LIABILITIES	141,880	311,141
NET ASSETS		
Without donor restrictions	940,476	1,015,676
With donor restrictions	50,000	100,000
Total net assets	990,476	1,115,676
TOTAL LIABILITIES AND NET ASSETS	**$ 1,132,356**	**$ 1,426,817**

See accompanying Notes to Financial Statements.

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Statement of Activities

Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	$ 1,155,064	$ -	$ 1,155,064
In-kind contributions	24,019	-	24,019
Grants and contracts	811,900	100,000	911,900
Program service fees	3,670	-	3,670
Honoraria and other income	20,254	-	20,254
Rental income	30,000	-	30,000
Miscellaneous income	1,779	-	1,779
PPP loan forgiveness	201,357	-	201,357
Special events	325,564	-	325,564
Less donor received benefits	(69,968)	-	(69,968)
Total public support and contracts	2,503,639	100,000	2,603,639
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	150,000	(150,000)	-
FUNCTIONAL EXPENSES			
Program services	1,960,319	-	1,960,319
General and administrative	265,642	-	265,642
Fundraising expenses	502,878	-	502,878
Total functional expenses	2,728,839	-	2,728,839
Decrease in net assets	**(75,200)**	**(50,000)**	**(125,200)**
NET ASSETS, *beginning of year*	1,015,676	100,000	1,115,676
NET ASSETS, *end of year*	**$ 940,476**	**$ 50,000**	**$ 990,476**

See accompanying Notes to Financial Statements.

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Statement of Activities

Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	$ 999,122	$ -	$ 999,122
In-kind contributions	30,948	-	30,948
Grants and contracts	1,022,556	100,000	1,122,556
Program service fees	1,112	-	1,112
Honoraria and other income	28,390	-	28,390
Rental income	30,000	-	30,000
Miscellaneous income	66	-	66
PPP loan forgiveness	186,890	-	186,890
Special events	228,138	-	228,138
Less donor received benefits	(21,525)	-	(21,525)
Total public support and contracts	2,505,697	100,000	2,605,697
FUNCTIONAL EXPENSES			
Program services	1,272,954	-	1,272,954
General and administrative	177,946	-	177,946
Fundraising expenses	434,165	-	434,165
Total functional expenses	1,885,065	-	1,885,065
Increase in net assets	**620,632**	**100,000**	**720,632**
NET ASSETS, ***beginning of year***	395,044	-	395,044
NET ASSETS, ***end of year***	**$ 1,015,676**	**$ 100,000**	**$ 1,115,676**

See accompanying Notes to Financial Statements.

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Statement of Functional Expenses

Year Ended September 30, 2022

	Program Services	Supporting Service Expenses: General and Administrative	Supporting Service Expenses: Fundraising Expenses	Total
Salaries	$ 1,064,533	$ 149,998	$ 287,640	$ 1,502,171
Payroll taxes and employee benefits	270,916	27,058	73,423	371,397
Event and direct program materials and supplies	114,721	-	-	114,721
Office expense	23,846	1,860	4,907	30,613
Telephone and electronic communications	59,331	5,097	13,247	77,675
Insurance	8,811	341	875	10,027
Printing and copying	19,072	403	29,899	49,374
Postage	14,655	1,930	27,052	43,637
Professional fees	253,332	33,920	9,850	297,102
Travel	19,479	33,867	489	53,835
Rent and utilities	104,864	11,095	28,468	144,427
Charity filing fees	-	-	12,719	12,719
Bank and merchant fees	1,586	73	11,578	13,237
Depreciation	5,173	-	2,731	7,904
Donor received benefits	-	-	69,968	69,968
Total expenses	1,960,319	265,642	572,846	2,798,807
Less donor received benefits	-	-	(69,968)	(69,968)
Total functional expenses	**$ 1,960,319**	**$ 265,642**	**$ 502,878**	**$ 2,728,839**

See accompanying Notes to Financial Statements.

T'ruah: The Rabbinic Call For Human Rights
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Statement of Functional Expenses

Year Ended September 30, 2021

	Program Services	Supporting Service Expenses: General and Administrative	Supporting Service Expenses: Fundraising Expenses	Total
Salaries	$ 712,665	$ 90,206	$ 243,592	$ 1,046,463
Payroll taxes and employee benefits	166,989	22,101	56,481	245,571
Event and direct program materials and supplies	94,054	-	200	94,254
Office expense	9,892	1,299	3,320	14,511
Telephone and electronic communications	29,909	3,958	10,116	43,983
Insurance	7,552	301	770	8,623
Printing and copying	10,252	977	30,683	41,912
Postage	5,645	2,287	26,195	34,127
Professional fees	132,292	43,688	5,363	181,343
Travel	3,407	1,348	-	4,755
Rent and utilities	85,998	11,382	29,087	126,467
Charity filing fees	-	-	7,805	7,805
Bank and merchant fees	1,201	399	14,786	16,386
Depreciation	13,098	-	5,767	18,865
Donor received benefits	-	-	21,525	21,525
Total expenses	1,272,954	177,946	455,690	1,906,590
Less donor received benefits	-	-	(21,525)	(21,525)
Total functional expenses	**$ 1,272,954**	**$ 177,946**	**$ 434,165**	**$ 1,885,065**

See accompanying Notes to Financial Statements.

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Statements of Cash Flows

	September 30, 2022	September 30, 2021
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ (125,200)	$ 720,632
Adjustments to reconcile increase (decrease) in net assets to net cash (used for) provided by operating activities		
Depreciation	7,904	18,865
PPP loan forgiveness	(201,357)	(186,890)
Unrealized loss on investments	-	(1,437)
(Increase) decrease in assets		
Grants and contributions receivable	70,958	(151,479)
Other current assets	(16,554)	(5,375)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	31,681	4,762
Deferred revenue	415	(33,149)
	(232,153)	**365,929**
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Sale on investments	**5,532**	**-**
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
PPP loan proceeds	-	201,357
Repayments of related party loan payable	-	(50,000)
	-	**151,357**
Net increase (decrease) in cash and cash equivalents	**(226,621)**	**517,286**
CASH AND CASH EQUIVALENTS, ***beginning of year***	1,134,633	617,347
CASH AND CASH EQUIVALENTS, ***end of year***	**$ 908,012**	**$ 1,134,633**

See accompanying Notes to Financial Statements.

Note 1 - Summary of Significant Accounting Policies

a. Nature of Organization

T'ruah: The Rabbinic Call for Human Rights (the “Organization” or “T’ruah”) brings together rabbis and cantors from all streams of Judaism, together with all members of the Jewish community, to act on the Jewish imperative and to respect and advance the human rights of all people. Grounded in Torah and our Jewish historical experience and guided by the Universal Declaration of Human Rights, we call upon Jews to assert Jewish values by raising our voices and taking concrete steps to protect and expand human rights in North America, Israel, and the occupied Palestinian territories.

b. Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

c. Net Asset Presentation

In accordance with Accounting Standards Codification (“ASC”) 958 *Not-for-Profit Entities* (Topic 958), the Organization classifies and reports information regarding its financial position and activities in two classes of net assets: with donor restrictions and without donor restrictions.

Net Assets with Donor Restrictions - Contain donor-imposed restrictions that permit the Organization to use or spend the donated assets as specified. The restrictions are satisfied either by the passage of time/or the actions of the Organization.

Net Assets without Donor Restrictions - Consist of amounts that can be spent at the discretion of the Organization and have no donor restrictions associated with them.

d. Cash and Cash Equivalents

The Organization considers cash on deposit, cash on hand, and certificates of deposit with an original maturity of less than three months (if any) to be cash and cash equivalents.

e. Investments

Donated investments are reflected as contributions at their fair value at the date of receipt.

f. Receivables and Bad Debts

Contributions are recognized when a donor makes a promise to give to T’ruah that is, in substance, unconditional. It is the Organization’s policy to write off contributions receivable at the time they are believed to be uncollectible.

Note 1 - Summary of Significant Accounting Policies - Continued

g. Property and Equipment

Property and equipment are recorded at cost. Depreciation of property and equipment is being provided by the straight-line method over the estimated useful lives of the related assets once put into service.

Furniture and equipment	5 years
Software	5 years

h. Revenue Recognition

Contributed income is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expirations of restrictions on net assets due to either the Organization fulfilling donor-imposed restrictions, or the passage of time, are reported as net assets released from restriction. Restrictions that expire in the reporting period in which the support is recognized are reported as an increase in net assets without donor restrictions.

Contributions, grants, contracts, and government support are recognized as revenue at the time they become unconditional and recorded in the appropriate net asset category in accordance with donor-imposed restrictions. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions are met. Contributions of assets other than cash are reported at their estimated fair value.

In accordance with the ASC subtopic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution or a promise is conditional or unconditional for transactions deemed to be a contribution. The contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

The Organization records in-kind contributions in accordance with the provisions of the Accounting Standards Update ("ASU") 2020-07 -*Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, an accounting pronouncement issued by the Financial Accounting Standards Board ("FASB"). The ASU is effective for fiscal years beginning after June 15, 2021 but is not material to the financial statements. The Organization recognizes in-kind services in accordance with applicable accounting standards if the services received; (a) create or enhance non-financial assets, or (b) require specialized skills, and are provided by individuals possessing those skills, and will typically need to be purchased if not provided by donation.

Note 1 - Summary of Significant Accounting Policies - Continued

h. Revenue Recognition - Continued

Grants and contributed income of cash or other assets that must be used to acquire long lived assets are recorded as contributions with donor restrictions until the assets are acquired and placed in service, except where funding agreements require alternative accounting treatment.

Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor-imposed stipulation or by state law.

Earned revenue is recognized as services are provided. Other income is recognized as it is earned. Under accounting standards, revenue measurement is driven via a principles-based process that requires the entities to: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations; and (5) recognize revenue when (or as) performance obligations are satisfied.

i. Income Tax Status

The Organization is a non-profit corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a). U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities.

Management evaluated the Organization’s tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financials to comply with the provisions of this guidance.

j. Functional Allocation of Expenses

The statements of functional expenses summarize the costs of providing program, supporting, and fundraising activities for the years ended September 30, 2022 and 2021. These expenses require allocation on a reasonable basis that is consistently applied. Salaries and payroll tax and benefits are allocated based on direct charges and estimates of time and effort between departments. Event and direct program materials and supplies and charity filing fees are directly charged to program and fundraising expenses, respectively. Rent and depreciation are allocated based on a square footage basis. The remaining expenses are allocated on a pro rata basis of estimates made by the Organization’s management. These expenses include office expense, telephone and electronic communications, insurance, printing and copying, postage, professional fees, travel, and bank and merchant fees.

k. Concentration of Credit Risk for Cash Held at Financial Institutions

The Organization, at times, maintains cash balances in excess of federally insured amounts.

Note 1 - Summary of Significant Accounting Policies - Continued

l. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

m. Recently Adopted Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The Organization adopted the provisions of ASU 2020-07 for in-kind transactions of goods and services as of September 30, 2022. Adoption did not have a material impact on the Organization's financial statements.

n. Pending Accounting Pronouncements

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The new standard is effective for fiscal years beginning after December 15, 2021, and to interim periods within fiscal years beginning after December 15, 2022. The Organization is in the process of evaluating the impact of this new guidance.

o. Subsequent Events

The Organization has evaluated subsequent events for potential recognition or disclosure through April 4, 2023, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	September 30, 2022	September 30, 2021
Cash and cash equivalents	$ 908,012	$ 1,134,633
Investments	-	5,532
Grants and contributions receivable	158,425	229,383
	$ 1,066,437	$ 1,369,548

The Organization's practice is to manage financial assets to be available for its general expenditures, liabilities, and other obligations.

Note 3 - Property and Equipment, Net

Property and equipment, net, at cost, consists of the following as of September 30, 2022 and 2021:

	September 30, 2022	September 30, 2021
Computers and software	$ 94,323	$ 94,323
Furniture and equipment	21,810	21,810
Total	116,133	116,133
Less accumulated depreciation	116,133	108,229
Property and equipment, net	$ -	$ 7,904

Note 4 - Donated Services

The Organization records the value of donated specialized services based upon the fair market value at the date of donation. The donated services that the Organization recorded were contributed services from attorneys based on current rates for similar legal services with no donor restrictions. The amounts recorded were $24,019 and $30,948 for the years ended September 30, 2022 and 2021, respectively, which are included in both revenue and expenses.

Note 5 - Operating Lease Commitment

On July 15, 2014, the Organization entered into an operating lease for its office location. The lease was originally set to expire on August 31, 2019 but was amended on January 18, 2017.

On January 18, 2017, the Organization entered into an amendment to the original lease agreement. The lease amendment provides that the Organization will receive two months of free rent. The lease will now expire on April 30, 2027. Payment terms changed effective with the amended lease. The lease is subject to escalations for increases in real estate taxes and other maintenance charges.

Note 5 - Operating Lease Commitment - Continued

Total rent expense, as recognized on a straight-line basis for each of the years ended September 30, 2022 and 2021 was $124,237 and $107,792, respectively.

Future minimum lease payments are as follows:

For the years ending September 30,	
2023	$ 135,745
2024	139,138
2025	142,617
2026	146,182
2027	61,788
	$ 625,470

Note 6 - Paycheck Protection Program ("PPP") Loan

The PPP was established under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and is administered by the U.S. Small Business Administration ("SBA"). The loans to the Organization are being made through Dime Community Bank (the "Lender").

Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP.

Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any covered payments of mortgage interest, rent, and utilities. In the event the loan, or any portion thereof, is forgiven pursuant to the PPP, the amount forgiven is applied to outstanding principal and interest. The Organization intends to use all proceeds from the loan to maintain payroll and make lease and utility payments.

Interest on the loans accrue at 1.00% beginning the date the loan proceeds were received by the Organization. In the event the loan is not forgiven, principal payments are not required to be made until a recommendation is made by the bank to the SBA to not forgive all or a portion of the loan. If the loan was not forgiven, the Organization would have two years from that date to repay the loan. The Organization does have the ability to ask to the bank for an extension of loan maturity to five years if needed consistent with the terms of PPP Flexibility Act ("Flexibility Act"). However, the Lender needs to agree to such extension.

On April 28, 2020, the Organization entered into a promissory note evidencing an unsecured loan in the amount of $186,890 made to the Organization under the PPP. On March 30, 2021, the Organization's PPP loan forgiveness was fully forgiven by the SBA. Accordingly, $186,890 of loan forgiveness income has been recognized in the statement of activities for the year ended September 30, 2021 in accordance with ASC 470, *Debt*.

On April 1, 2021, the Organization entered into a second promissory note evidencing an unsecured loan in the amount of $201,357 made to the Organization under the PPP. On March 1, 2022, the Organization's PPP loan forgiveness was fully forgiven by the SBA. Accordingly, $201,357 of loan forgiveness income has been recognized in the statement of activities for the year ended September 30, 2022 in accordance with ASC 470, *Debt*.

Note 7 - Net Assets with Donor Restrictions

In the year ended September 30, 2022, the Organization received a $100,000 contribution, of which $50,000 was time restricted and to be paid subsequent to year end. The amount of $50,000 is reflected as net assets with donor restrictions. The time restriction will be satisfied subsequent to year end when the funds are received.

The $100,000 of net assets with donor restriction at September 30, 2021 is a restricted contribution for the Moral Rabbinic Leadership & Movement Chaplaincy program. The program restriction was satisfied during the year ended September 30, 2022.