

**MEOR INC.**  
A NON-PROFIT ORGANIZATION  
**AUDITED FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

**MEOR INC.  
FINANCIAL STATEMENTS  
AUGUST 31, 2019**

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# Loketch & Partners LLP

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## Independent Auditors' Report

**To the Board of Directors  
MEOR Inc.  
New York, NY 10036**

We have audited the accompanying financial statements of Meor Inc. (a nonprofit organization), which comprise the statement of financial position - cash basis as of August 31, 2019, and the related statements of activities - cash basis and cash flows - cash basis for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Meor Inc. as of August 31, 2019, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 2.

### **Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

*Loketch & Partners, LLP*

Certified Public Accountants

New York, New York  
July 15, 2020

**MEOR INC.**  
**STATEMENT OF FINANCIAL POSITION - CASH BASIS**  
**AS AT AUGUST 31, 2019**

ASSETS

Current assets:

Cash in banks	\$ 28,778	
Investments - Unrestricted	57,920	
Flight Deposits	11,800	
Prepaid Expenses	916	
Total current assets	<u>99,414</u>	\$ 99,414

Other assets:

Security deposits	<u>2,400</u>	
Total other assets		<u>2,400</u>

Total assets		<u><u>\$ 101,814</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Credit card payable	\$ 53,245	
Due to affiliate	<u>81,293</u>	
Total current liabilities		\$ 134,538

Long term liabilities:

Unrealized gain on securities	7,567	
Loans payable	882,174	
Loan payable - Officer	<u>50,000</u>	
Total long term liabilities		<u>939,741</u>

Total Liabilities		1,074,279
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Net assets:

Net Deficit - unrestricted	<u>(972,465)</u>	
Total net assets		<u>(972,465)</u>

Total liabilities and net assets		<u><u>\$ 101,814</u></u>
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See independent auditors' report and notes to financial statements.

**MEOR INC.**  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

Revenues:				
Contribution income				\$ 4,601,959
Program service fees - Trips				151,354
Investment Income				<u>1,817</u>
Total revenues				4,755,130
Expenses:				
	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	
Grants to religious training organizations	\$ 2,311,546	\$ -	\$ -	\$ 2,311,546
Contracted personnel	209,280	87,150	253,978	550,408
Salaries and wages	444,563	34,101	-	478,664
Payroll taxes	19,051	4,218	-	23,269
Employee benefits	779,511	3,562	-	783,073
Israel trip expense	499,027	-	-	499,027
Campus programs	248,114	-	-	248,114
Occupancy	39,533	-	-	39,533
Fundraising	-	-	85,350	85,350
Office expenses	-	12,669	-	12,669
Travel	-	8,724	12,428	21,152
Staff development	25,051	-	-	25,051
Bank and credit card charges	-	21,020	-	21,020
Information technology	-	15,211	-	15,211
Professional fees	-	41,660	-	41,660
Telephone and internet	-	7,252	-	7,252
Insurance	-	15,081	-	15,081
Total expenses	<u>\$ 4,575,676</u>	<u>\$ 250,648</u>	<u>\$ 351,756</u>	<u>\$ 5,178,080</u>
Change in net assets (Unrestricted)				(422,950)
Net unrestricted deficit - beginning of year				<u>(549,515)</u>
Net unrestricted deficit - end of year				<u>\$ (972,465)</u>

See independent auditors' report and notes to financial statements.

**MEOR INC.**  
**STATEMENT OF CASH FLOWS - CASH BASIS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

Cash flows from operating activities		
Change in net assets	\$	(422,950)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Increase) decrease in assets		
Prepaid Expense	(818)	
Flight deposits	2,200	
Increase (decrease) in liabilities		
Credit card payable	24,378	
Net cash used by operating activities	<u>                    </u>	\$ (397,190)
Cash flows used by investing activities		
Redemption of matured bonds	2,000	
Dividends re-invested in securities	<u>(705)</u>	
Net cash provided by investing activities		1,295
Cash flows used by financing activities		
Loan proceeds	112,000	
Loan repayment	(135,000)	
Loan from affiliate	<u>(20,822)</u>	
Net cash used by financing activities		<u>(43,822)</u>
Net decrease in cash		(439,717)
Cash - beginning of year		<u>468,495</u>
Cash - end of year	\$	<u><u>28,778</u></u>

See independent auditors' report and notes to financial statements.

**MEOR INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

NOTE 1 - THE ORGANIZATION

MEOR Inc. ("The Organization") is a tax exempt organization founded in 2002. Its mission is to educate Jewish college students in the field of Judaic studies on university campuses throughout the USA. Program activities include campus outreach classes as well as educational heritage trips to Israel and Eastern Europe.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. All transactions are recognized as either cash receipts or disbursements. Noncash transactions are not recognized in the financial statements. All revenues are recognized when cash is received. All expenses are recognized when cash is paid out.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-for-Profit Organizations. Under SFAS NO. 117, The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets. For the year ended 8/31/19, there was no unrestricted or temporarily restricted revenue or support.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. However, temporary cash and money market fund investments which are part of the organization's investment pool which is further described below, are not included in cash for purposes of the Statement of Cash Flows since these funds have been set aside by agreements with donors for long-term investment purposes.

Income Taxes

The Organization is exempt from federal and state income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

**MEOR INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

Investments

The Organization invests unrestricted funds in interest-bearing securities and the equity market, realizing a return based on prevailing interest rates.

**NOTE 3 - RESTRICTION OF ASSETS**

As of August 31, 2019, there were no restrictions placed on the assets.

**NOTE 4 - CASH**

Cash consists of cash deposits which may at times exceed FDIC insured limits and could subject the Organization to risk of loss. The Organization has not experienced any losses with respect to such deposits and believes it is not exposed to any significant credit risk on such deposits.

**NOTE 5 - INVESTMENTS**

Investments in marketable securities are carried at fair (market) value, which are based primarily on year-end quotes supplied by custodial brokers. Realized gains and losses on investments are reflected in the statement of activities, in addition to unrealized gains and losses representing the changes in fair values from one year to the next.

**NOTE 6 - SECURITY DEPOSITS AND LEASE AGREEMENTS**

The Organization has signed a lease to rent premises for one of its college campus programs. The lease agreement is for one year commencing September 1, 2019. The Organization is obligated under the terms of its lease for an annual payment of \$32,100, to be paid on a monthly basis.

The Organization has signed a second lease to rent premises for one of its college campus programs. The lease agreement is for one year commencing September 1, 2019. The Organization is obligated under the terms of its lease for an annual payment of \$23,040, to be paid on a monthly basis.

**NOTE 7 - LOAN PAYABLE - OFFICER**

The Organization borrowed funds from an officer. The loan is unsecured, non-interest bearing and has no fixed repayment schedule. The loan is not expected to be repaid within the next 12 months. As of the financial statement date, \$50,000 was outstanding. As of the report date, no amounts have been repaid.

**NOTE 8 - LOANS PAYABLE**

The Organization borrowed funds from its donors. The loans are unsecured, non-interest bearing and have no fixed repayment schedules. The loans are not expected to be repaid within the next 12 months. As of the financial statement date, \$ 882,174 was outstanding. As of the report date, no amounts have been repaid.

**NOTE 9 - UNCERTAIN TAX POSITIONS**

The Organization files Form 990, Return of Organization Exempt From Taxes. Years ended August 31, 2017 and thereafter are open for examination. Management believes that there are no uncertain tax positions and there is no prospect of assessment for those years.

**NOTE 10 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through July 15, 2020, the date the financial statements are available to be issued. Management has determined that there are no material events that would require disclosure in the Organization's financial statements.