MEOR INC.

A NON-PROFIT ORGANIZATION

AUDITED

FINANCIAL STATEMENTS

MODIFIED CASH BASIS

FOR THE YEAR ENDED

AUGUST 31, 2023

MEOR INC.
(A NON-PROFIT ORGANIZATION)
FOR THE YEAR ENDED AUGUST 31, 2023

TABLE OF CONTENTS

Loketch
& Partners LLP
Certified Public Accountants

978 Route 45, Suite 202 | 1185 Ave of the Americas, 3rd Fl | 701 Cross Street, Suite 267 | Tel: 212.869.2316
Pomona, NY 10970 | New York, NY 10036 | Lakewood, NJ 08701 | Fax: 212.869.1140

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Meor Inc.

Opinion

We have audited the accompanying financial statements of Meor Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of August 31, 2023, and the related statements of revenue, expenses and changes in (deficiency in) net assets – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meor Inc. as of August 31, 2023, and the changes in its net assets and its cash flows for the year 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 the Financial Statements section of our report. We are required to be independent of Meor Inc. 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 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 Meor Inc.'s 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 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 financial statements.

In performing an audit in 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 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 Meor Inc.'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 Meor Inc.'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.

Loketch & Partners, LLP

New York, NY
February 19, 2024

MEOR INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
- MODIFIED CASH BASIS
AS AT AUGUST 31, 2023

ASSETS

Assets:	Without Donor Restrictions	
Cash and Cash Equivalents	$ 56,576	
Undeposited Funds	2,348	
Refund Receivable	500	
Investments	74,219	
Security Deposits	14,720	
Total Assets		**$ 148,363**

LIABILITIES AND NET ASSETS

Liabilities:		
Credit Card Payable	$ 24,657	
Trip Deposits	4,642	
Due to Affiliate	15,227	
Loans Payable - Donors (Net of discount of $57,981)	453,194	
Loan Payable - Officer (Net of discount of $3,722)	75,000	
Total Liabilities		**572,720**
Net Assets:		
(Deficit in) Net Assets	(424,357)	
Total (Deficit in) Net Assets		**(424,357)**
Total Liabilities and Net Assets		**$ 148,363**

See accompanying notes to the financial statements.

MEOR INC.
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN (DEFICIENCY IN)
NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2023

	Without Donor Restrictions
Revenues:	
Contribution Income	$ 6,362,417
Program Service Fees - Trips	124,513
Total Revenues	**6,486,930**
Expenses:	
Program Expenses	5,543,707
General & Administrative Expenses	261,706
Fundraising Expenses	492,156
Total Expenses	**6,297,569**
Change in Net Assets before Other Revenue	**189,361**
Other Revenue:	
Credit Card Rewards	5,205
Investment Income	782
Total Other Revenue	**5,987**
Change in Net Assets	**195,348**
Net Deficit Without Donor Restrictions - Beginning of Year	**(619,705)**
Net Deficit Without Donor Restrictions - End of Year	**$ (424,357)**

See accompanying notes to the financial statements.

MEOR INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2023

Expenses	**Program**	**General & Administrative**	**Fundraising**	**Total**
Grants to Religious Training Organizations	$ 2,631,589	$ -	$ -	$ 2,631,589
Contracted Personnel	44,330	86,949	387,755	519,034
Salaries and Wages	790,495	-	-	790,495
Payroll Taxes	23,048	-	-	23,048
Employee Benefits	1,054,218	-	-	1,054,218
Israel Trip Expense	476,399	-	-	476,399
Campus Programs	406,217	-	-	406,217
Occupancy	83,822	-	-	83,822
Property Maintenance and Utilities	4,011	-	-	4,011
Fundraising	-	-	79,219	79,219
Office Expenses	-	4,139	-	4,139
Travel	-	-	25,182	25,182
Staff Development	22,185	-	-	22,185
Bank and Credit Card Charges	-	18,107	-	18,107
Information Technology	-	63,034	-	63,034
Professional Fees	-	59,511	-	59,511
Telephone and Internet	-	15,367	-	15,367
Insurance	7,393	14,599	-	21,992
Total Expenses	**$ 5,543,707**	**$ 261,706**	**$ 492,156**	**$ 6,297,569**

See accompanying notes to the financial statements.

MEOR INC.
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2023

Cash Flows from Operating Activities		
Change in Net Assets	$ 195,348	
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
(Increase) decrease in assets		
Prepaid Expense	15,214	
Security Deposits	(7,000)	
Increase (decrease) in liabilities		
Credit Card Payable	(19,635)	
Student Trip Deposits	1,825	
Net Cash Provided by Operating Activities		185,752
Cash Flows from Investing Activities		
Gains in Securities	1,032	
Dividends Re-invested in Securities	(1,140)	
Net Cash (Used in) Investing Activities		(108)
Cash Flows from Financing Activities		
Loan Payable - Officer	(150,000)	
Loan Payable - Donors	(177,705)	
Due to/from Affiliate	34,927	
Net Cash (Used in) Financing Activities		(292,778)
Net (Decrease) in Cash and Cash Equivalents		(107,134)
Cash and Cash Equivalents - Beginning of Year		166,058
Cash and Cash Equivalents - End of Year		**$ 58,924**

SUPPLEMENTARY DISCLOSURES
Cash Basis

Income Taxes Paid	$ -
Interest Paid	-

MEOR INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

NOTE 1 - THE ORGANIZATION

MEOR Inc. ("The Organization"), a non-profit organization, is a tax-exempt organization founded in the state of New Jersey in 2002. Its mission is to educate Jewish college students in the field of Judaic studies on university campuses throughout the USA. The Organization's primary sources of revenue are contributions. The Organization provides a diverse array of educational and experiential opportunities for students to explore and deepen their understanding of Judaism. These include campus classes, heritage trips, advanced learning sessions, immersive experiences, and specialized programming such as Shabbat gatherings, one-on-one learning, and women's sessions. International experiences in Israel and Poland, along with internship opportunities and retreats, further enrich the learning journey for participants.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash-basis of accounting, modified to record assets or liabilities with respect to cash transactions and events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transactions or events occurred. The modifications result in the recording of capital assets on the statement of assets, liabilities and net assets. This basis of accounting represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of accounting differs from GAAP primarily because certain revenue and related assets have been recognized when received rather than when earned and certain expenses and related liabilities have been recognized when paid rather than when the obligations were incurred.

GAAP requires not-for-profit organizations to report the amount of net assets with and without donor restrictions on the face of the statement of assets liabilities and net assets. The accompanying financial statements do not follow those presentation requirements but instead, communicate their substance by providing relevant information in the notes to the financial statements. For the year ended August 31, 2023, all net assets were without donor restrictions.

Functional Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include contracted personnel, which are allocated on the basis of estimates of time and effort, and insurance, which is allocated based on the type of insurance and the insureds activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all 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 and 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 mostly long-term investment purposes. For the year ended August 31, 2023, cash and cash equivalents consisted of the undeposited funds and the adjusted book balance in the Organization's checking account.

Concentration of Credit Risk

Accounts at a financial institution are insured by The Federal Deposit Insurance Corporations (FDIC) up to $250,000. At August 31, 2023, the balance did not exceed the FDIC; however, at times, bank balances might exceed the maximum for FDIC. The Organization has not historically experienced a loss in these accounts.

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).

The Organization files a Form 990, Return of Organization Exempt from Taxes. Years ended August 31, 2020 and thereafter are open for examination. Management believes that there are no uncertain tax positions during those years.

NOTE 3 - INVESTMENTS

The Organization invests funds without donor restrictions in interest-bearing securities and the equity market, consisting of a geographically diverse mix of the U.S. and non-U. S. stocks, as well as micro-cap stocks. The return on investments is realized based on prevailing interest rates. Unrealized gains from securities are considered gains or losses on the statement revenue, expenses and changes in net assets, in addition to unrealized gains and losses representing the changes in fair values from one year to the next. Marketable securities are carried at fair (market) value, which are based primarily on year-end quotes supplied by custodial brokers.

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. The three levels of inputs in the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include: a) quoted prices for similar assets or liabilities in active markets, b) quoted prices for identical or similar assets or liabilities in inactive markets, c) inputs other than quoted prices that are observable for the asset or liability, and d) 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. A summary of assets measured at fair value at August 31, 2023 is as follows:

Description	Year-End	Level 1	Level 2	Level 3
Geographically diverse mix of the U.S. and non-U.S. stocks	8/31/2023	$ 71,821	$ -	$ -
Micro-Cap Stocks	8/31/2023	2,398	-	-
		$ 74,219	$ -	$ -

NOTE 4 - LIQUIDITY & AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restriction limiting their use, within one year of the balance sheet date of August 31, 2023, is comprised of:

Cash and Cash Equivalents	$ 56,576
Undeposited Funds	2,347
Refund Receivable	500
Total	$ 59,423

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments, which is typically U.S. Treasury bills. The following liabilities require cash within one year of the date of the statement of assets, liabilities and net assets:

Credit Card Payable	$ 24,657
Due to Affiliate	15,227
Total	**$ 39,884**

The net liquidity available within one year after the statement of the financial position was $19,674.

NOTE 5 – LOANS – RELATED PARTY TRANSACTIONS

Due to Affiliate – Short Term

The loans and exchanges – affiliate are intercompany transactions in which Meor Israel Moreshet Yahadut, an affiliate, pays certain personnel costs on behalf of Meor Inc. (USA), and the Organization subsequently reimburses Meor Israel Moreshet Yahadut. There is no set due date; rather, the balance of the loan is paid as funds become available, generally within a few months of incurring the expense. As of the year ended August 31, 2023 the balance was $15,227.

NOTE 5 – LOANS – RELATED PARTY TRANSACTIONS (Continued)

Loan Payable – Officer – Long Term

In May and June of 2022, the Organization borrowed funds from an officer. The loan, in the original amount of $75,000, are unsecured and non-interest bearing. The loans have no fixed repayment schedule and are not expected to be repaid within the next 12 months. In accordance with *Section 7872,* the loans are discounted on various imputed interest rates (from 3.50% to 4.38% per annum), depending upon the prime rate on the date each loan was acquired. The combined imputed interest amount was $3,722 as of August 31, 2023. As of the financial statement date, the balance of the loan, net of the discount of $3,722, was $75,000.

NOTE 6 - LOANS PAYABLE – DONORS – LONG TERM

Since 2012, the Organization borrowed funds from unrelated (non-major) donors on various dates. The loans, in the original amounts of $845,900 are unsecured and non-interest bearing. The loans have no fixed repayment schedule and are not expected to be repaid within the next 12 months. In accordance with *Section 7872,* the loans are discounted on various imputed interest rates (from 3.25% to 5.50% per annum), depending upon the prime rate on the date each loan was acquired. The imputed interest amount was $57,981 as of August 31, 2023. As of the financial statement date, the balance of the loan, net of the discount of $57,981, was $453,194.

NOTE 7 – OCCUPANCY – SHORT TERM LEASES

On November 1, 2019, the Organization acquired a short-term lease to rent premises and a parking space in Philadelphia, PA, for one of its college campus programs. The lease, which has been renewing annually, was most recently renewed on August 28, 2023. The current lease includes monthly payments of $2,190 (increased from $2,155) and expires on August 28, 2024.

On June 17, 2022, the Organization acquired a lease to rent a property in New York City, for the purposes of hosting student program activities. The lease includes monthly payments of $5,800 and renewed on August 10, 2023, which covers the period through July 31, 2024. The rental payments of the extended period are $4,400 per month.

For the year ended August 31, 2023, occupancy expense for both short-term leases was $83,822. The future minimum lease commitments for both leases are $95,460 and are due during the year ended August 31, 2024.

NOTE 8 - CONCENTRATIONS

For the year ended August 31, 2023, approximately 54% of the revenue was from two contributors. The concentrations from the contributors do not make the Organization vulnerable to a risk of severe near-term impact because the Organization only utilizes funds for program services in accordance with the available funds received from the contributors and other sources of revenue.

Two donors provided 70% of total monies borrowed during the fiscal year ended August 31, 2023. The concentrations from the major lenders do not make the Organization vulnerable to a risk of severe near-term impact because the Organization has implemented robust risk management strategies and diversified its funding sources. Additionally, the Organization continuously monitors its financial health and maintains open communication with the board of directors to adapt to changing circumstances, ensuring a resilient and sustainable financial position.

There was no concentration in expenses during the fiscal year.

NOTE 9 - CONTRIBUTED NONFINANCIAL ASSETS

For the year ended August 31, 2023, there were no nonfinancial donations or assets that were made to the Organization.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through February 19, 2024, 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.