

MEOR INC.

A NON-PROFIT ORGANIZATION

AUDITED FINANCIAL STATEMENTS MODIFIED CASH BASIS

FOR THE YEAR ENDED
AUGUST 31, 2024

MEOR INC.
(A NON-PROFIT ORGANIZATION)
FOR THE YEAR ENDED AUGUST 31, 2024

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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, 2024, 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, 2024, 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

Pomona, NY

June 30, 2025

MEOR INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
- MODIFIED CASH BASIS
AS AT AUGUST 31, 2024

	ASSETS
	<u>Without Donor Restrictions</u>
Assets:	
Cash and Cash Equivalents	\$ 243,819
Undeposited Funds	1,625
Investments	121,788
Flight Deposits	29,998
Security Deposits	<u>18,120</u>
Total Assets	<u><u>\$ 415,350</u></u>
LIABILITIES AND NET ASSETS	
Liabilities:	
Credit Card Payable	\$ 19,053
Due to Affiliate	3,027
Loans Payable - Donors	576,786
Loans Payable - Officers	<u>105,000</u>
Total Liabilities	703,866
Net Assets:	
(Deficit in) Net Assets	<u>(288,516)</u>
Total (Deficit in) Net Assets	<u>(288,516)</u>
Total Liabilities and Net Assets	<u><u>\$ 415,350</u></u>

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, 2024

	<u>Without Donor</u> <u>Restrictions</u>
Revenues:	
Contribution Income	\$ 6,208,837
Program Service Fees - Trips	147,574
Total Revenues	6,356,411
 Expenses:	
Program Expenses	5,603,698
Administrative Expenses	302,113
Fundraising Expenses	382,909
Total Expenses	6,288,720
 Change in Net Assets before Other Revenue	 67,691
 Other Revenue:	
Credit Card Rewards	9,471
Appreciation of Stock	15,267
Investment Income	35,527
Total Other Revenue	60,265
 Change in Net Assets	 127,956
 Net Deficit Without Donor Restrictions - Beginning of Year	 (416,472)
 Net Deficit Without Donor Restrictions - End of Year	 \$ (288,516)

See accompanying notes to the financial statements.

MEOR INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2024

Expenses	General &			Total
	Program	Administrative	Fundraising	
Grants to Religious Training Organizations	\$ 2,080,303	\$ -	\$ -	\$ 2,080,303
Salaries and Wages	791,695	-	-	791,695
Employee Benefits	1,053,978	-	-	1,053,978
Payroll Taxes	30,509	-	-	30,509
Campus Programs	718,484	-	-	718,484
Trips Expense	709,303	-	-	709,303
Contracted Personnel	24,439	95,137	310,418	429,994
Occupancy/Rent Expense	106,703	-	-	106,703
Facility related costs	62,173	-	-	62,173
Professional Fees	-	91,912	-	91,912
Fundraising	-	-	61,218	61,218
Information Technology	-	52,109	-	52,109
Staff Development	26,111	-	-	26,111
Bank and Credit Card Charges	-	23,202	-	23,202
Telephone and Internet	-	21,187	-	21,187
Insurance	-	17,663	-	17,663
Travel	-	-	11,273	11,273
Office Expenses	-	903	-	903
Total Expenses	\$ 5,603,698	\$ 302,113	\$ 382,909	\$ 6,288,720

See accompanying notes to the financial statements.

MEOR INC.
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2024

Cash Flows from Operating Activities

Change in Net Assets	\$	127,956
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
(Increase) decrease in assets		
Undeposited Funds		722
Refund Receivable		500
Flight Deposits		(29,998)
Security Deposits		(3,400)
Increase (decrease) in liabilities		
Credit Card Payable		(5,604)
Student Trip Deposits		(4,642)
Net Cash Provided by Operating Activities	\$	85,534

Cash Flows from Investing Activities

Gains in Securities		(6,901)
Dividends Re-invested in Securities		(32,783)
Net Cash (Used in) Investing Activities		(39,684)

Cash Flows from Financing Activities

Loan Advances - Officers		55,000
Loan Repayments - Officers		(25,000)
Loan Advances - Donors		300,000
Loan Repayments - Donors		(176,408)
Due to/from Affiliate		(12,200)
Net Cash Provided by Financing Activities		141,392

Net Increase in Cash and Cash Equivalents 187,242

Cash and Cash Equivalents - Beginning of Year 56,577

Cash and Cash Equivalents - End of Year \$ 243,819

SUPPLEMENTARY DISCLOSURES

Cash Basis

Income Taxes Paid	\$	-
Interest Paid		-

See accompanying notes to the financial statements.

MEOR INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

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 SIGNIFICAN 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, 2024, 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, 2024, cash and cash equivalents consisted of the undeposited funds and the adjusted book balance in the Organization's checking account.

MEOR INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

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, 2024, the balance did not exceed the FDIC; however, at times, bank balances might exceed the maximum for FDIC. The Organization has historically not 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, 2021 and thereafter are open for examination. Management believes that there are no uncertain tax positions during those years.

NOTE 3 – INVESTMENTS

The Organization invests unrestricted funds 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, 2024 is as follows:

MEOR INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

NOTE 3 – INVESTMENTS (continued)

<u>Description</u>	<u>Year-End</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Geographically diverse mix of the U.S. and non-U.S. stocks	8/31/2023	\$ 120,621	\$ -	\$ -
Micro-Cap Stocks	8/31/2023	<u>1,167</u>	<u>-</u>	<u>-</u>
		\$ 121,788	\$ -	\$ -

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, 2024, are comprised of:

Cash and Cash Equivalents	\$243,819
Undeposited Funds	<u>1,625</u>
Total	\$245,444

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	\$ 19,053
Due to Affiliate	<u>3,027</u>
Total	\$ 22,080

The net liquidity available within one year after the statement of the financial position was \$223,364.

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, 2024 the balance was \$3,027.

Loans Payable – Officers – Long Term

In the current fiscal year, as well as in previous years, the Organization has borrowed funds from officers. The loans 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. As of the financial statement date, the balances due on the loans totaled \$105,000.

MEOR INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

NOTE 6 – LOANS PAYABLE – DONORS – LONG TERM

Since 2012, the Organization borrowed funds from unrelated (non-major) donors on various dates. The loans 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. As of the financial statement date, the balances due on the loans totaled \$576,786.

NOTE 7 – OCCUPANCY – SHORT TERM LEASES

In August 2024, the Organization renewed its lease agreement to rent premises and a parking space in Philadelphia, PA, for one of its college campus programs. The lease includes monthly payments of \$2,190 and is set to expire at the end of August 2025. The organization expects to exercise its renewal option.

In May 2024, the Organization signed a lease to rent an additional apartment in Philadelphia, PA, for one of its college campus programs. The Lease has a commencement date of August 1, 2024. The lease includes monthly payments of \$1,700 and is set to expire July 28, 2025. The organization expects to exercise its renewal option.

In July 2023, the Organization acquired a lease to rent a property in New York City, for the purposes of hosting student program activities. The lease included monthly payments of \$4,400. The lease was renewed in August 2024 and is set to expire July 31, 2025. The new monthly payments beginning August 2024 will be \$4,700.

On September 1, 2023, the Organization acquired a lease to rent a property in Philadelphia, PA, for the purposes of hosting student program activities. The lease includes monthly payments of \$2,600 and was set to expire on August 23, 2024. The Lease has been renewed for another year until August 23, 2025, at the same monthly payment of \$2,600.

For the year ended August 31, 2024, occupancy expense for all leases was \$106,703. The future minimum lease commitments for all leases are \$134,280 and are due during the year ended August 31, 2025.

NOTE 8 – CONCENTRATIONS

For the year ended August 31, 2024, approximately 44% of the revenue was from one contributor. The concentration from the contributor does 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 contributor and other sources of revenue.

One donor provided 51% of total monies borrowed during the fiscal year ended August 31, 2024. The concentration from the major lender does 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.

MEOR INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

NOTE 9 – CONTRIBUTED NONFINANCIAL ASSETS

For the year ended August 31, 2024, there were no non-financial 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 June 30, 2025, 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.