

**American Friends of  
Meir Panim, Inc.**

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**FINANCIAL  
STATEMENTS  
AND  
SUPPLEMENTARY  
INFORMATION**

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**FOR THE YEARS ENDING  
JUNE 30, 2017 AND 2018**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
American Friends of Meir Panim, Inc.  
Brooklyn, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of American Friends of Meir Panim, Inc., which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets and statements of cash flows for the years 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 accounting principles generally accepted in the United States of America; this includes 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 financial position of American Friends of Meir Panim, Inc. as of June 30, 2018 and 2017, and the changes in their net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supporting schedules accompanying the financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited such information and, accordingly, do not express an opinion, nor provide any assurance on it.

Respectfully submitted,

*Roth & Company LLP*

Roth & Company LLP  
Brooklyn, New York  
December 18, 2018

**American Friends of Meir Panim, Inc.**  
**Statements of Financial Position**  
**June 30,**

	<b>2018</b>	<b>2017</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 329,941	\$ 276,512
Pledges receivable	49,912	33,773
<b>TOTAL CURRENT ASSETS</b>	379,853	310,285
<b>TOTAL ASSETS</b>	\$ 379,853	\$ 310,285
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 12,266	\$ 29,452
<b>TOTAL LIABILITIES</b>	12,266	29,452
<b>NET ASSETS</b>		
Unrestricted net assets	367,587	280,833
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 379,853	\$ 310,285

**American Friends of Meir Panim, Inc.**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended June 30,**

	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
Contribution income, net	\$ 5,055,627	\$ 5,198,400
<b>OPERATING EXPENSES</b>		
Program expenses	4,361,547	4,539,313
General and administrative expenses	279,018	294,932
Fundraising expenses	328,308	312,370
<b>TOTAL OPERATING EXPENSES</b>	<b>4,968,873</b>	<b>5,146,615</b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	86,754	51,785
<b>UNRESTRICTED NET ASSETS - BEGINNING</b>	280,833	229,048
<b>UNRESTRICTED NET ASSETS - ENDING</b>	<b>\$ 367,587</b>	<b>\$ 280,833</b>

**American Friends of Meir Panim, Inc.**  
**Statements of Cash Flows**  
**For the Year Ended June 30, 2018**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 86,754	\$ 51,785
Changes in operating assets and liabilities		
Pledges receivable	(16,139)	79,697
Accounts payable	(17,186)	(3,983)
Total adjustments	(33,325)	75,714
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>53,429</b>	<b>127,499</b>
<b>NET INCREASE IN CASH</b>	<b>53,429</b>	<b>127,499</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>276,512</b>	<b>149,013</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 329,941</b>	<b>\$ 276,512</b>

**American Friends of Meir Panim, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2018 and 2017**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Organization***

American Friends of Meir Panim, Inc., a not for profit organization formed in New York in July 2001, provides funds to organizations that operate public soup kitchens and supply hot meals to needy and elderly individuals. The organization also runs programs to help disadvantaged and vulnerable children and their families. Programs are funded by contributions.

***Use of Assumed Names***

The organization conducts fundraising events using its legal name American Friends of Meir Panim Inc., and the assumed names: Hope for Zion, Tikva Hope, America Eats for Israel, and A Chicken for Shabbat.

***Income Tax Status***

The organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code.

***Basis of Accounting***

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) and accordingly reflect all significant receivables, payables and other assets and liabilities.

***Cash Equivalents***

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less.

***Pledges Receivable***

Due to the high percentage of pledges that are uncollectable in general and based on the organization's past history, the organization's policy is to include in pledges receivable only those pledges that are collected subsequent to year end. As such, the organization has not established an allowance for uncollectibility.

***Revenue Recognition***

Contributions are recognized as support when received or when evidenced by a written promise to give and 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 purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions are recorded as unrestricted support if such restrictions are met in the same reporting period in which the contribution is recognized.

**American Friends of Meir Panim, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2018 and 2017**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contribution income is stated net of related credit card processing charges. Total credit card charges for the years ended June 30, 2018 and 2017 respectively amounted to \$20,353 and \$30,970.

***Advertising Costs***

The organization uses advertising to raise funds among the audiences it serves. Advertising costs are expensed as incurred.

***Estimates***

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies, if any, at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2      DONATED SERVICES**

Some of the service programs are carried out by volunteers. The value of these services is not reflected in the financial statements since it is not susceptible to objective valuation or measurement.

**NOTE 3      CONCENTRATIONS OF CREDIT RISK**

***Cash***

At times, the organization maintains cash balances in excess of the Federal Deposit Insurance Corporation insured limits. The organization has not experienced any losses in such accounts and does not believe it is exposed to any significant risk of loss on cash.

***Revenue***

Two donors accounted for 48% and 33% respectively, of the organization's revenue for the years ended June 30, 2018 and 2017.

**NOTE 4      SUBSEQUENT EVENTS**

The organization has evaluated subsequent events through December 18, 2018, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.



**American Friends of Meir Panim, Inc.**  
**Supporting Schedules**  
**For the Years Ended June 30,**

	<b>2018</b>	<b>2017</b>
<b>PROGRAM EXPENSES</b>		
Grants	\$ 4,145,591	\$ 4,327,506
Salaries and payroll taxes	177,946	180,768
Fringe benefits	38,010	31,039
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$ 4,361,547</b>	<b>\$ 4,539,313</b>
 <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Salaries and payroll taxes	\$ 150,911	\$ 140,792
Fringe benefits	25,018	26,543
Insurance	16,276	27,767
Office expense	25,252	10,750
Professional fees	750	7,828
Rent	23,500	20,600
Telephone	12,800	12,003
Travel	21,957	45,808
Utilities	2,554	2,841
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>\$ 279,018</b>	<b>\$ 294,932</b>
 <b>FUNDRAISING EXPENSES</b>		
Salaries and payroll taxes	\$ 226,606	\$ 221,078
Fringe benefits	23,883	27,408
Advertising	77,819	63,884
<b>TOTAL FUNDRAISING EXPENSES</b>	<b>\$ 328,308</b>	<b>\$ 312,370</b>