

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

**FINANCIAL
STATEMENTS**

JUNE 30, 2023



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of American Friends of Meir Panim, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows 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 American Friends of Meir Panim, Inc. as of June 30, 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 audits 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 American Friends of Meir Panim, Inc. 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 American Friends of Meir Panim, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 American Friends of Meir Panim, 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 American Friends of Meir Panim, 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.

Respectfully submitted,

Roth & Company LLP

Roth & Company LLP

Brooklyn, New York

May 22, 2024



American Friends of Meir Panim, Inc.
Statement of Financial Position
June 30, 2023

ASSETS

CURRENT ASSETS

Cash	\$ 1,190,152
Investments	1,945,724
Other assets	46,003

TOTAL CURRENT ASSETS

\$ 3,181,879

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 41,244
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NET ASSETS

Net assets without donor restrictions	3,140,635
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TOTAL LIABILITIES AND NET ASSETS

\$ 3,181,879

American Friends of Meir Panim, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2023

REVENUE

Contribution income \$ 8,084,362

EXPENSES

Program expenses \$ 7,813,814

General and administrative expenses 387,375

Fundraising expenses 259,685

TOTAL EXPENSES 8,460,874

CHANGE IN NET ASSETS FROM OPERATIONS (376,512)

OTHER CHANGES IN NET ASSETS

Unrealized gain on investments 77,955

Realized gain on investments 275,637

Interest and dividends 14,174

TOTAL OTHER CHANGES IN NET ASSETS 367,766

**CHANGE IN NET ASSETS WITHOUT
DONOR RESTRICTIONS**

(8,746)

NET ASSETS WITHOUT DONOR RESTRICTIONS

Beginning 3,149,381

Ending \$ 3,140,635

American Friends of Meir Panim, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2023

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 7,487,680	\$ -	\$ -	\$ 7,487,680
Salaries	265,109	199,538	122,857	587,504
Payroll taxes and fringe benefits	61,025	45,932	28,280	135,237
Advertising	-	-	60,299	60,299
Credit card processing fees	-	18,359	-	18,359
Insurance	-	26,542	-	26,542
Office expense	-	18,324	-	18,324
Postage and shipping	-	-	48,249	48,249
Professional fees	-	5,849	-	5,849
Rent	-	20,000	-	20,000
Telephone	-	9,530	-	9,530
Travel	-	40,470	-	40,470
Utilities	-	2,831	-	2,831
TOTAL EXPENSES	<u>\$ 7,813,814</u>	<u>\$ 387,375</u>	<u>\$ 259,685</u>	<u>\$ 8,460,874</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

American Friends of Meir Panim, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets		\$ (8,746)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Unrealized gain on investments	\$ (77,955)	
Realized gain on investments	(275,637)	
Changes in operating liabilities		
Accounts payable	(269)	
Total adjustments		(353,861)
NET CASH USED IN OPERATING ACTIVITIES		(362,607)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(1,543,334)	
Proceeds from sale of investments	1,529,160	
NET CASH USED IN INVESTING ACTIVITIES		(14,174)

NET DECREASE IN CASH (376,781)

CASH AT BEGINNING OF YEAR 1,566,933

CASH AT END OF YEAR \$ 1,190,152

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

American Friends of Meir Panim, Inc., (“the Organization”) 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.

Investments

Investments are recorded at fair value. The Organization invests in various types of investment securities. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets’ fluctuations, and that such changes could affect the amounts reported in the Organization’s financial statements.

Revenue Recognition

Contributions are recognized as support when received or when evidenced by a written promise to give or subsequently received.

Functional Presentation of Expenses

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 salaries and benefits, which are allocated on the basis of estimated time spent on each function.

Advertising Costs

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Net Asset Classification

The Organization classifies its net assets in the accompanying financial statements based on the absence or existence of donor-imposed restrictions as follows:

- Net Assets Without Donor Restrictions represent net assets that are not subject to donor-imposed restrictions. All the Organization's net assets are comprised of such net assets.

- Net Assets With Donor Restrictions represent net assets that are subject to legal or donor imposed stipulations that require that resources be used in a later period or after a specified date (time restrictions), or that resources be used for a specified purpose (purpose restrictions), or both. Also included in this category are net assets limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets. As of June 30, 2023, there were no net assets with donor restrictions.

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of 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:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

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. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023, as compared to those used in prior years.

Common stock - Valued at the closing price recorded on the active market on which the individual securities are traded.

Mutual funds - Valued at the net asset value (NAV) of shares held at year end.

Money market funds - Valued at the closing price recorded on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. See Note 3 for fair value hierarchy.

NOTE 2 DONATED SERVICES

Some of the service programs are carried out by volunteers. GAAP requires donated services that require specialized skills to be valued at market value and reported as in-kind contribution and contracted services expense. Because the services provided do not require specialized skill, their value is not reflected in the financial statements.

American Friends of Meir Panim, Inc.
Notes to the Financial Statements
June 30, 2023

NOTE 3 INVESTMENTS

Investments measured at Fair Value Level 1 as of June 30, 2023 are as follows:

Common stock	\$ 831,001
Mutual funds	791,943
Money market funds	322,780
Total investments	<u>\$ 1,945,724</u>

Investment income as for the year ended June 30, 2023 was as follows:

Unrealized gain	\$ 77,955
Realized gain	275,637
Interest and dividends	14,174
Total investments	<u>\$ 367,766</u>

NOTE 4 LIQUIDITY-FINANCIAL ASSETS AVAILABLE

The Organization has \$3,135,876 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash and investments. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date.

The Organization's discretionary grants to others represent approximately 88% of expenditures. Liquidity is managed by disbursing grants as funds are available.

NOTE 5 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 28% of the Organization's revenue for the year ended June 30, 2023.

NOTE 6 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 22, 2024, 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.