

Benjamin and Lillian Rochkind
Yeshiva of Virginia, Inc.

Financial Statements
(unaudited)

For Fiscal Year End June 30, 2016
(with Comparative Amounts as of June 30, 2015)

Table of Contents

	Page
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5
Supplemental Data	
Statement of Activities With Budget/Actual Comparison	10

Benjamin & Lillian Rochkind Yeshiva of Virginia, Inc.
Statement of Financial Position
As of June 30, 2016 and 2015
(Unaudited)

Assets	30-Jun-16	30-Jun-15	Change
Cash	12,901	5,919	6,982
Cash - reserve for building improvements	4,200	4,200	-
Accounts Receivable	42,886	26,351	16,535
Deposits Advanced	4,368	4,368	-
Prepaid Expenses	7,077	7,154	(77)
Purchased Accounts Receivables (net)	-	2,500	(2,500)
Land & Buildings			-
6801 Patterson	800,000	800,000	-
2900 West Broad Street	600,000	600,000	-
Building Improvements			
6801 Patterson	70,412	70,412	-
2900 West Broad Street	11,104	11,104	-
4811 Patterson	14,284	14,284	-
Accumulated Depreciation			
6801 Patterson	(73,139)	(45,944)	(27,195)
2900 West Broad Street	(39,064)	(24,990)	(14,074)
4811 Patterson	(1,666)	(714)	(952)
Total Land, Buildings & Improvements (net)	<u>1,381,931</u>	<u>1,424,152</u>	<u>(42,221)</u>
Furniture & Equipment (net of depreciation)	1,278	2,764	(1,486)
Deferred Financing Costs (net of amort)	2,565	3,748	(1,183)
Organizational Costs (net of amort)	1,543	1,963	(420)
Total Assets	<u>1,458,749</u>	<u>1,483,118</u>	<u>(24,370)</u>
Liabilities and Net Assets			
Accounts Payable & Accrued Expenses	72,085	77,837	(5,752)
Accrued Payroll & Payroll Taxes	71,631	74,464	(2,833)
Accrued Payroll Liability - Summer Months Liability	32,216	34,098	(1,882)
Unearned Tuitions Received	22,473	23,318	(845)
Accrued Interest	790	790	-
Short Term Note	150,000	25,000	125,000
Other Notes Payable	8,100	11,600	(3,500)
Mortgage Debt - 6801 Patterson	722,067	739,432	(17,365)
Mortgage Debt - 2900 West Broad Street	589,713	598,472	(8,759)
Total Liabilities	<u>1,669,075</u>	<u>1,585,011</u>	<u>84,064</u>
Net Assets - unrestricted	<u>(210,326)</u>	<u>(101,892)</u>	<u>(108,434)</u>
Total Liabilities and Net Assets	<u>1,458,749</u>	<u>1,483,119</u>	<u>(24,370)</u>

Benjamin & Lillian Rochkind Yeshiva of Virginia, Inc.

Statement of Activities

For the Years Ending June 30, 2016 and 2015

(Unaudited)

	<u>2015-16</u>	<u>2014-15</u>
Boys High School	28	22
Girls High School	14	17
Total Students	<u>42</u>	<u>39</u>
Revenues		
Tuition & Dorm Fees	328,469	360,775
Donations - Torah Umesorah	12,000	60,000
Donations - Other	119,261	78,663
Bingo Game		(14,821)
Fundraiser (s)	28,632	28,765
Other Misc	6,534	6,409
Total Revenues	<u>494,896</u>	<u>519,791</u>
Expenses		
Salaries, taxes & benefits	339,607	343,483
General Overhead & Admin	24,428	30,385
Program Costs (food, supplies, etc)	40,758	42,249
Building Occupancy	86,862	84,235
Capital Reserves/Contingency		
Total Operating Expenses	<u>491,655</u>	<u>500,352</u>
Operating Income	<u>3,241</u>	<u>19,439</u>
Debt Service - Yeshiva Building	49,071	42,729
Net On-Going Revenues & Outflows	<u>(45,830)</u>	<u>(23,290)</u>
Bingo Items		
Bingo Building - Rental Income		16,375
Bingo Building - sales contract deposit releases	10,500	
Bingo Building - Utilities, Taxes, Insurance & Misc	(22,759)	(36,548)
Bingo Building Debt Service	(32,646)	(27,379)
Total Bingo Items	<u>(44,905)</u>	<u>(47,552)</u>
Net After Bingo Items	<u>(90,735)</u>	<u>(70,842)</u>
Amortization - Deferred Fin.and Org Costs	1,604	1,604
Depreciation - 6801 Patterson & 4811 Patterson	28,146	27,908
Add-back Yeshiva Bldg Principal Pmnts	(17,365)	(10,568)
Depreciation - 2900 West Broad	14,074	14,574
Add-back Bingo Bldg Principal Pmnts	(8,759)	(1,528)
Total Depreciation/Amortization & Princ Pmnt Adj	<u>17,700</u>	<u>31,990</u>
Net Income	<u>(108,435)</u>	<u>(102,832)</u>

Benjamin & Lillian Rochkind Yeshiva of Virginia, Inc.
Statement of Cash Flows
For the Years Ending June 30, 2016 and 2015
(Unaudited)

	Year Ended 30-Jun-16	Year Ended 30-Jun-15
Cash Provided From Operating Activities		
Change in Net Assets	(108,435)	(102,832)
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation and Amortization	45,309	45,251
<u>Changes in assets and liabilities</u>		
Accounts Receivable	(16,535)	(10,406)
Deposits Advanced	-	3,761
Prepaid Expenses	77	664
Accounts Payable	(5,752)	15,625
Accrued Payroll & Payroll Taxes	(2,833)	44,086
Accrued Payroll - Summer Months Liability	(1,882)	1,696
Accrued Interest	-	(3,992)
Unearned Tuitions Received	(845)	9,968
Net cash provided by (used in) operating activities	(90,896)	3,821
Cash Flows From Investing Activities		
Purchase of Land & Buildings		
Cash reserve for building improvements		14,284
Purchase of Building Improvements		(14,284)
Purchase of Equipment		(1,854)
Accounts Receivables Purchased (net)	2,500	-
Organizational Costs Incurred	-	-
Deferred Financing Costs Incurred	-	-
Net Cash (used in) investing activities	2,500	(1,854)
Cash Flows From Financing Activities		
Mortgage Debt (Repayments)	(26,124)	(12,096)
Short Term Debt (Repayments)	125,000	(21,600)
Other Notes (net)	(3,500)	11,600
Net Cash provided by financing activities	95,376	(22,096)
Net increase (decrease) in cash	6,980	(20,129)
Total Cash on Hand	12,901	5,919

Benjamin and Lillian Rochkind Yeshiva of Virginia, Inc.

Notes to Financial Statements

June 30, 2016

NOTE 1: Organization and Nature of Activities

The Benjamin and Lillian Rochkind Yeshiva of Virginia, Inc. (the Yeshiva) is a private nonprofit institution that provides educational instruction (Jewish and general studies) for high school age children from the greater Richmond, VA metropolitan area and for dorming students from out of the Richmond area. The Yeshiva runs separate divisions for boys and girls. The boyø school operates under the name of the Yeshiva of Virginia and the girlø Shaarei Torah of Richmond.

NOTE 2: Significant Accounting Policies

Basis of Presentation: FASB ASC 958 *Financial Statements of Not-for-profit Organizations* (as amended) requires nonprofit organizations like the Yeshiva to report financial information according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Both categories of restricted assets reflect limitations placed by donors. The Yeshiva does not have any assets with donor restrictions so all information in the financial statements falls in the unrestricted category.

Tuition Revenues: Families of enrolled students are billed for the entire school year. Upon request, the Yeshiva will make arrangements with parents to allow tuition payments to be made over the course of the school year. Tuition revenues are recognized on a pro-rata basis over the ten months of the school year (September through June). Tuition payments received in advance for the next school year are recorded as unearned tuition liabilities. An analysis of these amounts is below:

	2015-16	2014-15
Total Tuitions Billed (net*)	338,382	392,559
Estimated Shrinkage	(10,500)	(31,784)
Estimated Annual Tuitions	327,882	360,775
Estimated Annual Tuitions	327,882	360,775
Tuition Payments Received for 15-16 and 14-15	(307,978)	(347,324)
Tuition Receivables at Year End	19,904	13,451
(Unearned) Tuition Revenues Received	22,073	23,318

* Net of tuition reductions ø see details below

Benjamin and Lillian Rochkind Yeshiva of Virginia, Inc.

Notes to Financial Statements

June 30, 2016

Tuition Reductions: The Yeshiva provides tuition reductions for families based on financial need. A detail of these amounts is shown below.

	2015-16	2014-15
Gross Tuition Charges	614,280	581,020
Less Tuition Reductions	(275,898)	(188,461)
Total Tuitions Billed (net)	<u>338,382</u>	<u>392,559</u>

The Yeshiva does not charge tuition for children of full time staff and certain staff of the Rudlin Torah Academy. There were six children of full time staff enrolled in the Yeshiva in 2015-16 and six in 2014-15.

Payment Cycle for Staff Salaries: Teacher contracts begin as of the start of the school year (in September) and are paid out over a twelve month period. Annual total expense for teacher salaries is recognized on a pro-rata basis over the ten months of the school year (September through June); however, annual salaries are paid 1/12th per month September through August. The unpaid portion of salary expense (plus related employment taxes and benefits) is accrued each month and shown as a liability titled "Accrued Payroll Liability - Summer Months."

NOTE 3: Notes Payable

1. Short Term Note(s) Payable:

Bank note bearing interest at the rate of 5% per annum
Interest only payments due monthly until maturity in
December 2016 (or upon sale of the 2900 West Broad Street
Property - whichever occurs first.) The note is guaranteed by
supporters of the Yeshiva.

\$150,000

Non-interest bearing notes payable to two charitable
organizations. Monthly principal payments of \$420 per
month until paid in full.

\$8,100

2. Mortgage Debt - 6801 Patterson Ave:

Bank note bearing interest at 4.25% per annum in the original
amount of \$750,000. Interest only payments due monthly
through September 2014. Thereafter installments of \$4,089.22
(principal and interest) due monthly until maturity on
October 1, 2018. Note is secured by a first lien Deed of Trust
on the Yeshiva's building at 6801 Patterson Av, Richmond, VA.

\$722,067

Benjamin and Lillian Rochkind Yeshiva of Virginia, Inc.

Notes to Financial Statements

June 30, 2016

3. Mortgage Debt ó 2900 West Broad Street ó Bingo Hall*:
Bank note bearing interest at 4.25% per annum. Interest only payments due monthly through March 2015. Thereafter installments of \$3,271.37 (principal and interest) due monthly until maturity on October 1, 2018. Note is secured by a first lien Deed of Trust and Assignment of Rents on the Yeshiva's Bingo Hall building at 2900 West Broad Street, Richmond, VA. This note is a non-recourse note whereby, upon an event of default, the bank cannot look to any other assets of the Yeshiva for repayment except the Bingo Hall building. In anticipation of a potential sale of the property the lender provided a temporary moratorium on principal payments for a portion of the year. The deferred principal payments are due September 2016. \$589,713

* The Yeshiva has listed the 2900 West Broad Street ó Bingo Hall building for Sale. It is expected that a sale and closing will occur during the coming fiscal year. The Yeshiva expects to realize a gain on the building when it is sold.

NOTE 4. Building, Furniture & Equipment, and Intangible Assets

Buildings, equipment and intangible assets (organization costs and deferred financing costs) are recorded at cost at time of purchase.

Buildings are depreciated over an estimated useful life of 30 years.

The total purchase price of \$800,000 for the Yeshiva's building at 6801 Patterson Ave is allocated between land and building cost as follows:
Land - \$125,000 and Building - \$ 675,000.

The total purchase price of \$600,000 for the Yeshiva's Bingo Hall building at 2900 West Broad Street, is allocated between land and building cost as follows: Land - \$200,000 and Building - \$400,000.

Furniture and Equipment is depreciated over an estimated useful life of 3 years.

Intangible assets consisting of organization costs and deferred financing costs are amortized over 5 years.

Benjamin and Lillian Rochkind Yeshiva of Virginia, Inc.

Notes to Financial Statements

June 30, 2016

Additional Information Regarding Building Valuation

(Not Required to Be Presented by Generally Accepted Accounting Principles "GAAP"):

Financial statements prepared in accordance with GAAP require Land and Buildings (and other fixed assets) to be recorded at the actual purchase price. The assets of the Yeshiva were purchased as part of a restructuring of the Jewish day-school educational institutions in Richmond. In light of the nature of that transaction, the following additional information is presented regarding building valuation as reflected in the most recent building appraisals from February 2013:

	Purchase Price*	Appraised Value	Difference
6801 Patterson ó Yeshiva Building	\$900,000	\$1,240,000	\$340,000
2900 W Broad ó Bingo Hall	<u>\$600,000</u>	<u>\$ 800,000</u>	<u>\$200,000</u>
Total	\$1,500,000	\$2,040,000	\$540,000

** The purchase price of the Yeshiva Building includes \$100,000 of improvements in process that were part of the purchase arrangements (and included in the appraisal). The purchase price of the Bingo Hall excludes the \$100,000 contingency described in note 5- see below.*

The Yeshiva acquired a building from a local synagogue in August of 2014. No cash was exchanged for the building, however the Yeshiva is required to assist the Seller with 30 Sabbath prayer services over the next three years. Since there was no monetary consideration paid, the value of the building has not been recorded on the books of the Yeshiva. At the time of the acquisition, the City of Richmond's assessed value for the property was \$569,000.

The Yeshiva is using the property as classroom space for its girls' school program. Since acquisition, the Yeshiva has added \$14,284 in improvements to the property. These improvements are carried on the books at cost less applicable depreciation.

Benjamin and Lillian Rochkind Yeshiva of Virginia, Inc.

Notes to Financial Statements

June 30, 2016

NOTE 5. Commitments and Contingencies

As part of the purchase of the Yeshiva building at 6801 Patterson Ave., the Yeshiva assumed an agreement (as part of the building acquisition described in the second part of Note 4 above) with a donor that requires the Yeshiva to pay to a charity selected by the donor (or his heirs) \$200,000 if the Yeshiva ceases to offer a boy's high school program in line with the current mission of the school. The Yeshiva does not have any plans to cease to offer such a program; therefore, a liability has not been recorded. This agreement is secured by a second lien (subordinate to the bank note described above) on the Yeshiva's building at 6801 Patterson Ave.

The sale of the Yeshiva's Bingo Hall building at 2900 West Broad Street will trigger a \$100,000 payment due to the bank that holds the mortgage note described above. The payment would be deducted from the proceeds of the sale, and cannot be greater than the proceeds available to the school after paying all costs of sale and superior liens.

NOTE 6. Purchased Accounts Receivables

On January 8, 2014 the Yeshiva finalized an agreement with the Rudlin Torah Academy for the purchase of certain receivables and the assumption of certain accounts payables. (Prior to the 2013-14 school year, The Rudlin Torah Academy operated the boys and girls high school programs currently operated by the Yeshiva).

Under the terms of the agreement, the Yeshiva purchased outstanding high school tuition receivables totaling \$69,450.67 and received rights to student academic transcripts tied to these receivables. In exchange for these receivables the Yeshiva assumed certain payables of the Rudlin Torah Academy not to exceed \$20,779.80.

The purchased receivables were recorded as an asset on the books of the Yeshiva equal to the total purchase cost (which was the amount of payables assumed.) Collections on these receivables were applied to reduce the value of the asset down to zero. As of June 30, 2016 cumulative collections of the receivables exceeded cost by \$851. This amount, \$851, was included as miscellaneous income in the current fiscal year.

Benjamin & Lillian Rochkind Yeshiva of Virginia, Inc.
Statement of Activities (w/ Budget/Actual Comparison)
For the Years Ending June 30, 2016 and 2015
(Unaudited)

	2014-15 Actual	2015-16 Actual	Annual Budget 2015-16	Budget Variance 2015-16
Boys High School	22	28	23	5
Girls High School	17	14	17	(3)
Total Students	39	42	40	2
Revenues				
Tuition & Dorm Fees	360,775	328,469	330,000	(1,531)
Donations - Torah Umesorah	60,000	12,000	60,000	(48,000)
Donations - Other	78,663	119,261	92,500	26,761
Bingo Game	(14,821)			
Fundraiser (s)	28,765	28,632	32,500	(3,868)
Other Misc	6,409	6,534	6,500	34
Total Revenues	519,791	494,896	521,500	(26,604)
Expenses				
Salaries, taxes & benefits	343,483	339,607	345,000	5,393
General Overhead & Admin	30,385	24,428	25,000	572
Program Costs (food, supplies, etc)	42,249	40,758	42,500	1,742
Building Occupancy	84,235	86,862	85,000	(1,862)
Capital Reserves/Contingency				
Total Operating Expenses	500,352	491,655	497,500	5,845
Operating Income	19,439	3,241	24,000	(20,759)
Debt Service - Yeshiva Building	42,729	49,071	49,071	-
Net On-Going Revenues & Outflows	(23,290)	(45,830)	(25,071)	(20,759)
Bingo Items				
Bingo Building - Rental Income	16,375			
Bingo Building - sales contract deposit releases		10,500	12,000	(1,500)
Bingo Building - Utilities, Taxes, Insurance & Misc	(36,548)	(22,759)	(15,750)	(7,009)
Bingo Building Debt Service	(27,379)	(32,646)	(31,502)	(1,144)
Total Bingo Items	(47,552)	(44,905)	(35,252)	(9,652)
Net After Bingo Items	(70,842)	(90,735)	(60,323)	(30,412)
Amortization - Deferred Fin.and Org Costs	1,604	1,604		
Depreciation - 6801 Patterson & 4811 Patterson	27,908	28,146		
Add-back Yeshiva Bldg Principal Pmnts	(10,568)	(17,365)		
Depreciation - 2900 West Broad	14,574	14,074		
Add-back Bingo Bldg Principal Pmnts	(1,528)	(8,759)		
Total Depreciation/Amortization & Princ Pmnt Adj	31,990	17,700		
Net Income	(102,832)	(108,435)		