

Benjamin and Lillian Rochkind
Yeshiva of Virginia, Inc.

Financial Statements
(unaudited)

For Fiscal Year End June 30, 2018
(with Comparative Amounts as of June 30, 2017)

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Benjamin & Lillian Rochkind Yeshiva of Virginia, Inc.
Statement of Financial Position
As of June 30, 2018 and 2017
(Unaudited)

Assets	Unrestricted	Temporarily Restricted	Total	
			2018	2017
Cash	30,660	35,019	51,404	49,013
Cash - reserve for building improvements				
Accounts Receivable	84,549		84,549	92,064
Deposits Advanced				4,368
Land & Buildings				
6801 Patterson	800,000		800,000	800,000
Building Improvements				
6801 Patterson	70,412		70,412	70,412
4811 Patterson	14,284		14,284	14,284
Accumulated Depreciation				
6801 Patterson	(127,527)		(127,527)	(100,332)
4811 Patterson	(3,571)		(3,571)	(2,619)
Total Land, Buildings & Improvements (net)	<u>753,599</u>	<u>-</u>	<u>753,599</u>	<u>781,745</u>
Furniture, Equip & Religious Items (net of depreciation)	-	11,050	11,050	4,000
Deferred Financing Costs (net of amort)	197		197	1,381
Organizational Costs (net of amort)	441		441	992
Total Assets	<u>869,446</u>	<u>46,069</u>	<u>901,240</u>	<u>933,563</u>
Liabilities and Net Assets				
Accounts Payable & Accrued Expenses	55,032		55,032	34,136
Accrued Payroll & Payroll Taxes	28,855		28,855	29,245
Accrued Payroll Liability - Summer Months Liability	35,285		35,285	36,264
Unearned Tuitions Received	17,900		17,900	400
Accrued Interest	2,579		2,579	2,816
Other Notes Payable	2,650		2,650	4,950
Mortgage Debt - 6801 Patterson	682,595		682,595	701,628
Total Liabilities	<u>824,896</u>	<u>-</u>	<u>824,896</u>	<u>809,440</u>
Net Assets	<u>44,550</u>	<u>46,069</u>	<u>76,344</u>	<u>124,124</u>
Total Liabilities and Net Assets	<u>869,446</u>	<u>46,069</u>	<u>901,240</u>	<u>933,563</u>

Benjamin & Lillian Rochkind Yeshiva of Virginia, Inc.

Statement of Activities

For the Years Ending June 30, 2018 and 2017
(Unaudited)

	Unrestricted	Temporarily Restricted	Total	
			2018	2017
Boys High School			24	30
Girls High School			7	13
Total Students			31	43
Revenues				
Tuition & Dorm Fees	238,475		238,475	352,209
Donations - Torah Umesorah	11,900		11,900	12,000
Donations - Other	166,474	21,645	188,119	119,915
Fundraiser (s)	50,294		50,294	26,535
Other Misc	17,485		17,485	17,148
Total Revenues	484,628	21,645	506,273	527,807
Expenses				
Salaries, taxes & benefits	337,861		337,861	355,158
General Overhead & Admin	29,511		29,511	39,763
Program Costs (food, supplies, etc)	44,229		44,229	49,278
Building Occupancy	82,534		82,534	99,352
Total Operating Expenses	494,135	-	494,135	543,551
Operating Income	(9,507)	21,645	12,138	(15,744)
Debt Service (Princ & Int) - Yeshiva Building	49,071		49,071	49,071
Net On-Going Revenues & Outflows	(58,577)	21,645	(36,933)	(64,815)
2900 West Broad Street				
Utilities, Taxes, Insurance & Misc	-			(24,548)
Interest Expense	-			(14,881)
Gain on Sale	-			455,172
Total Bingo Items	-	-	-	415,743
Net After Bingo Items	(58,577)	21,645	(36,933)	350,929
Amortization - Deferred Fin.and Org Costs	1,735		1,735	1,735
Depreciation - 6801 Patterson & 4811 Patterson	28,146		28,146	28,146
Add-back Yeshiva Bldg Principal Pmnts	(19,034)		(19,034)	(20,439)
Depreciation - 2900 West Broad	-			7,037
Total Depreciation/Amortization & Princ Pmnt Adj	10,847	-	10,847	16,479
Net Income	(69,425)	21,645	(47,780)	334,449

Benjamin & Lillian Rochkind Yeshiva of Virginia, Inc.
Statement of Cash Flows
For the Years Ending June 30, 2018 and 2017
(Unaudited)

	Year Ended 30-Jun-18	Year Ended 30-Jun-17
Cash Provided From Operating Activities		
Change in Net Assets	(47,780)	334,449
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation and Amortization	30,201	37,876
<u>Changes in assets and liabilities</u>		
Reserve for building improvements	-	4,200
Accounts Receivable	7,516	(49,178)
Deposits Advanced	4,368	-
Prepaid Expenses	-	7,077
Accounts Payable	20,897	(37,949)
Accrued Payroll & Payroll Taxes	(390)	(42,386)
Accrued Payroll - Summer Months Liability	(979)	4,048
Accrued Interest	(238)	2,027
Unearned Tuitions Received	17,500	(22,073)
Net cash provided by (used in) operating activities	31,095	238,090
Cash Flows From Investing Activities		
Book Value of Asset Sold (2900 West Broad Street)	-	565,003
Purchase of Religious Items	(11,050)	(3,680)
Net Cash (used in) investing activities	(11,050)	561,323
Cash Flows From Financing Activities		
Mortgage Debt (Repayments)	(19,034)	(610,152)
Short Term Debt (Repayments)	-	(150,000)
Other Notes (net)	(2,300)	(3,150)
Net Cash provided by financing activities	(21,334)	(763,302)
Net increase (decrease) in cash	(1,289)	36,112
Total Cash on Hand	51,404	49,013

Benjamin and Lillian Rochkind Yeshiva of Virginia, Inc.

Notes to Financial Statements

June 30, 2018

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. Classes of assets are determined as follows:

Unrestricted net assets ó amounts currently available at the discretion of the Yeshivaø Board of Directors for us in the Yeshivaø operations and those resources invested in property and equipment.

Temporarily restricted net assets ó amounts which are stipulated by donors for specific operating purposes or amounts set aside for the acquisition of property or equipment. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets ó amounts are restricted to investments in perpetuity. The income form each permanently restricted net asset is expendable in accordance with the conditions of each specific donation. As of the date of these statements, the Yeshiva does not have any permanently restricted assets.

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:

Benjamin and Lillian Rochkind Yeshiva of Virginia, Inc.

Notes to Financial Statements

June 30, 2018

NOTE 2: Significant Accounting Policies (continued)

	2017-18	2016-17
Total Tuitions Billed (net*)	248,975	360,281
Estimated Shrinkage	(10,500)	(8,072)
Estimated Annual Tuitions	238,475	352,209
Estimated Annual Tuitions	238,475	352,209
Tuition Payments Received for 17-18 and 16-17	(220,095)	(326,450)
Tuition Receivables at Year End	18,380	25,759
(Unearned) Tuition Revenues Received	17,900	400

* Net of tuition reductions ó see details below

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

	2017-18	2016-17
Gross Tuition Charges	566,525	810,583
Less Tuition Reductions	(317,550)	(450,302)
Total Tuitions Billed (net)	248,975	360,281

The Yeshiva does not charge tuition for children of full time staff and certain staff of the Rudlin Torah Academy. There were five children of full time staff enrolled in the Yeshiva in 2017-18 and six in 2016-17.

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 ó Summer Months.”

NOTE 3: Notes Payable

Non-interest bearing notes payable on-demand to a local charity organization.

\$2,650

Benjamin and Lillian Rochkind Yeshiva of Virginia, Inc.

Notes to Financial Statements

June 30, 2018

NOTE 3: Notes Payable (continued)

Mortgage Debt ó 6801 Patterson Ave:

Bank note bearing interest at 4.25% per annum in the original amount of \$750,000. 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. \$682,595

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 Yeshiva sold its property located at 2900 West Broad Street, Richmond, VA in January 2017 for a net gain of \$455,172.

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.

The Yeshiva acquired a building at 4811 Patterson Ave, Richmond, VA from a local synagogue in August of 2014. No cash was exchanged for the building, however the Yeshiva assisted 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. By agreement with the Seller, the Yeshiva is prohibited from transferring the property until August 2024.

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, 2018

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 Yeshiva's building at 6801 Patterson Ave, Richmond, VA was acquired as part of a restructuring of the Jewish day-school educational institutions in Richmond at a reduced price to the Yeshiva. In addition, the Yeshiva acquired its building at 4811 Patterson Ave for no cost as described above.

In light of the nature of the above acquisitions, the following additional information is presented regarding building valuations:

	Purchase Price*	Current Assessed Value	Difference
6801 Patterson ó Yeshiva Building	\$900,000	\$1,362,000	\$ 462,000
4811 Patterson ó Girl's High School	\$ 00	\$ 627,000	\$ 627,000
Total	\$900,000	\$1,989,000	\$1,089,000

* The purchase price of the Yeshiva Building includes \$100,000 of improvements that were part of the purchase arrangements.

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.