

BEIS MIDRASH OF QUEENS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2020 AND DECEMBER 31, 2019

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To the Board of Trustees
Beis Midrash of Queens, Inc.
17 Fort George Hill, Suite 7J
New York, NY 10040

Report on the Financial Statements

I have audited the accompanying financial statements of Beis Midrash of Queens, Inc. (“BMQ”) which comprise the statements of financial position as of December 31, 2020, and 2019 and the related statements of activities and changes in net assets and cash flows and functional income and expenses 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 the 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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 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, I 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.

I believe the evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of BMQ, Inc. as of December 31, 2020, and 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United State of America.



Aron Epstein, CPA
June 1, 2021

Beis Midrash of Queens, Inc.
 Statements of Financial Position
 As of December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 843,601	\$ 762,458
Accounts Receivables	\$ 1,912	\$ 7,841
Deferred Expense	\$ -	\$ 23,850
Other Assets	\$ 400	\$ 400
Total Assets	<u>\$ 845,913</u>	<u>\$ 794,548</u>
 LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 33,177	\$ 29,180
Other Current Liabilities	\$ 3,542	\$ 242
Deferred Revenue	\$ 900	\$ 29,250
Loans Payable - Short Term Portion	\$ 30,913	\$ 45,368
Total Current Liabilities	<u>\$ 68,532</u>	<u>\$ 104,040</u>
Loans Payable - Long Term Portion	\$ 239,328	\$ 76,192
Total Liabilities	<u>\$ 307,860</u>	<u>\$ 180,232</u>
Net Assets - Without Donor Restrictions	\$ 538,053	\$ 614,316
Total Liabilities and Net Assets	<u>\$ 845,913</u>	<u>\$ 794,548</u>

Beis Midrash of Queens, Inc.
Statement of Activities and Change In Net Assets
For the Years Ended December 31, 2020 and 2019

	<u>Without Donor Restrictions</u>	
Operating Activities		
Revenues	2020	2019
Contributions	\$ 1,305,089	\$ 1,340,995
Tuition and Fees - Net	\$ 283,189	\$ 201,923
Other Operating Revenue	\$ 3,161	\$ -
Total Revenues	\$ 1,591,439	\$ 1,542,918
 Expenses		
Office and Administrative Expenses	\$ 21,763	\$ 27,355
Payroll Expenses	\$ 205,162	\$ 148,714
Insurance Expense	\$ 406	\$ -
Outside Services	\$ 1,021	\$ 8,916
Legal and Professional Fees	\$ 18,478	\$ 17,786
Travel Expenses	\$ 13,467	\$ 11,916
Bank and Processing Fees	\$ 25,174	\$ 27,378
Telecommunications and Data Fees	\$ 7,588	\$ 9,643
Programming Expenses	\$ 270,930	\$ 142,947
License and Subscription Fees	\$ 24,272	\$ 21,950
Postage and Delivery Expenses	\$ 554	\$ 1,484
Occupancy Expense	\$ 29,130	\$ 37,347
Webhosting and Design Expense	\$ 72,684	\$ 77,971
Grants and Charity	\$ 897,599	\$ 912,047
Marketing Expense	\$ 68,220	\$ 52,344
Interest Expense	\$ 13,520	\$ 8,845
Fundraising Expense	\$ 7,734	\$ 17,143
Total Expenses	\$ 1,677,702	1,523,786
 Change In Net Assets From Operating Activities	 \$ (86,263)	 \$ 19,132
 Nonoperating Activities		
Other Revenue	\$ 10,000	\$ 171
Dispositions	\$ -	\$ (8,428)
Interest Income	\$ -	\$ 30
Change In Net Assets From Nonoperating Activities	\$ 10,000	(8,227)
 Change In Net Assets	 \$ (76,263)	 10,905
Beginning Net Assets	\$ 614,316	603,411
 Ending Net Assets	 \$ 538,053	 \$ 614,316

Beis Midrash of Queens, Inc.
 Statements of Cash Flows
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Change In Net Assets	(76,263)	10,905
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
(Increase) Decrease in Assets		
Accounts Receivable	5,929	(5,065)
Deferred Expenses	23,850	(23,850)
Increase (Decrease) In Liabilities		
Accounts Payable and Accrued Expenses	7,297	(1,151)
Deferred Revenue	(28,350)	29,250
Net Cash Provided by Operating Activities	(67,538)	10,089
Cash Flows From Investing Activities		
Increase From Fixed Assets	-	8,395
Net Cash From Investing Activities	-	8,395
Cash Flows From Financing Activities		
Lines of Credit	148,681	(54,664)
Net Cash Provided (Used) by Financing Activities	148,681	(54,664)
Net Change in Cash	81,143	(36,180)
Cash - Beginning of Year	762,458	798,638
Cash - End of Year	<u>\$ 843,601</u>	<u>\$ 762,458</u>

Beis Midrash of Queens, Inc.
Statement of Functional Income and Expenses
For the Year Ended December 31, 2020

	Program Activities			Supporting Activities			Total	
	Naale College	Charitable Programs	Educational Programs	Management & General	Fundraising	Supporting Total		
Contributions	236,251	183,661	885,177	1,305,089	-	-	1,305,089	
Tuition and Fees - Net	230,443	-	52,746	283,189	-	-	283,189	
Other Revenue	-	-	3,161	3,161	-	-	3,161	
Total Revenues	466,694	183,661	941,084	1,591,439	-	-	1,591,439	
Office and Administrative Expenses	6,418	-	-	6,418	12,845	2,500	15,345	21,763
Payroll Expenses	192,129	-	-	192,129	13,033	-	13,033	205,162
Insurance Expense	-	-	-	-	406	-	406	406
Outside Services	-	-	-	-	1,021	-	1,021	1,021
Legal and Professional Fees	-	-	-	-	18,478	-	18,478	18,478
Travel Expenses	-	-	-	-	1,550	11,917	13,467	13,467
Bank and Processing Fees	-	-	-	-	25,174	-	25,174	25,174
Telecommunications and Data Fees	-	-	-	-	7,588	-	7,588	7,588
Programming Expenses	24,883	-	246,047	270,930	-	-	-	270,930
License and Subscription Fees	24,272	-	-	24,272	-	-	-	24,272
Postage and Delivery Expenses	-	-	-	-	554	-	554	554
Occupancy Expense	-	-	-	-	29,130	-	29,130	29,130
Webhosting and Design Expense	72,684	-	-	72,684	-	-	-	72,684
Grants and Charity	-	897,599	-	897,599	-	-	-	897,599
Marketing Expense	68,220	-	-	68,220	-	-	-	68,220
Interest Expense	-	-	-	-	13,520	-	13,520	13,520
Fundraising Expense	-	-	-	-	-	7,734	7,734	7,734
Total Expenses	388,606	897,599	246,047	1,532,252	123,299	22,151	145,450	1,677,702
Change In Net Assets From Operating Activities	\$ 78,088	\$ (713,938)	\$ 695,037	\$ 59,187	\$ (123,299)	\$ (22,151)	\$ (145,450)	\$ (86,263)

Beis Midrash of Queens, Inc.
Statement of Functional Income and Expenses
For the Year Ended December 31, 2019

	Program Activities			Supporting Activities		Supporting Total	Total	
	Naale College	Charitable Programs	Educational Programs	Total Programs	Management & General			Fundraising
Contributions	246,035	590,375	504,585	1,340,995	-	-	-	1,340,995
Tuition and Fees - Net	113,684	-	88,239	201,923	-	-	-	201,923
Total Revenues	359,719	590,375	592,824	1,542,918	-	-	-	1,542,918
Office and Administrative Expenses	4,610	-	-	4,610	9,501	13,244	22,745	27,355
Payroll Expenses	106,956	-	40,200	147,156	-	-	-	147,156
Insurance Expense	-	-	-	-	1,558	-	1,558	1,558
Outside Services	-	-	-	-	8,916	-	8,916	8,916
Legal and Professional Fees	-	-	-	-	17,786	-	17,786	17,786
Travel Expenses	-	-	467	467	741	10,708	11,449	11,916
Bank and Processing Fees	-	-	-	-	27,378	-	27,378	27,378
Telecommunications and Data Fees	-	-	-	-	9,643	-	9,643	9,643
Programming Expenses	7,401	-	135,545	142,947	-	-	-	142,947
License and Subscription Fees	21,505	-	-	21,505	445	-	445	21,950
Postage and Delivery Expenses	-	-	-	-	1,484	-	1,484	1,484
Occupancy Expense	-	-	-	-	37,347	-	37,347	37,347
Webhosting and Design Expense	77,971	-	-	77,971	-	-	-	77,971
Grants and Charity	-	911,547	500	912,047	-	-	-	912,047
Marketing Expense	52,344	-	-	52,344	-	-	-	52,344
Interest Expense	-	-	-	-	8,845	-	8,845	8,845
Fundraising Expense	-	-	-	-	-	17,143	17,143	17,143
Total Expenses	270,788	911,547	176,712	1,359,047	123,644	41,095	164,739	1,523,786
Change In Net Assets From Operating Activities	\$ 88,931	\$ (321,172)	\$ 416,112	\$ 183,871	\$ (123,644)	\$ (41,095)	\$ (164,739)	\$ 19,132

Beis Midrash of Queens, Inc.
Notes to the Financial Statements

Note 1 – Nature of Organization and Significant Accounting Policies

Beis Midrash of Queens, Inc. (“BMQ” or “Organization”) is a Not-For-Profit organization. Its primary purpose is to promote charitable and educational work in the United States, Israel and Lithuania. Substantially all the Organization’s support and revenue is derived from contributions received from the general public.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual method of accounting. Revenue is recognized when earned and expense is recognized when incurred.

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2020 and 2019 the Organization had no net assets with donor restrictions.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the

date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes.

Cash and Cash equivalents and Concentration of Credit Risk

For purposes of the statements of cash flows, The Organization considers all highly-liquid investment instruments purchased with a maturity of three months or less to be cash equivalents. Financial instruments that potentially subject The Organization to concentration of credit risk consist principally of cash. The Organization may maintain cash balances with financial institutions in amounts that exceed the federal government's deposit insurance.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tuition and fees receivable

Tuition and fees are recorded when billed and are presented net of the allowance for doubtful accounts. Interest is not accrued or recorded on outstanding receivables.

Tuition and fees

Tuition and fees are recognized on the accrual basis. Tuition is billed in advance of services rendered, and revenues are recognized as earned.

Scholarships

The policy of BMQ is to award scholarships to deserving students in lieu of accepting only students who can pay full tuition.

NOTE 3 - NOTES PAYABLE

BMQ paid off its loan with Capital One National Association and took a loan with Optimum for \$120,000. The effective fixed interest rate on the note is 5.5% and is payable over 60 months with a monthly payment due of \$2,298.71 due on the 2th of the month beginning August 2, 2020. As of December 31, 2020 the outstanding balance was \$111,241. The loan matures on July 2, 2025. The required future minimum principal payments on the loan are as follows:

Year	Amount
2021	\$21,913
2022	\$23,168
2023	\$24,492
2024	\$25,887
2025	\$15,783

Total interest paid in 2020 and 2019 was \$13,520 and \$8,703 respectively.

BMQ took an SBA Secured Disaster loan on June 24, 2020 of \$150,000 as well as a \$10,000 forgivable grant. The loan carries an interest rate of 2.75% over a term of 30 years. The original loan deferred the first payment for 12 months to June 24, 2021. Subsequently, the SBA announced an extended deferment period for all disaster loans including EIDL loans until 2022, thus the first payment will occur on June 24, 2022. Interest accrues throughout the deferment period.

Accrued interest through December 31, 2020 is \$2062.50

BMQ secured a short-term loan of \$15,000 from the Benjy and Adina Goldstein Charitable Foundation. The loan is non-interest bearing. The balance due as of December 31, 2020 is \$9,000.

NOTE 4- LEASE COMMITMENTS

BMQ leases a small office in Florida. The lease expires in October 2021. The future minimum lease payments under this lease are \$4,500.

NOTE 5 - RELATED-PARTY TRANSACTIONS

Salaries and fees paid in 2020 to relatives of the President totaled \$78,139.

NOTE 6 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 1, 2021, the date the financial statements were available to be issued.