

# **BEIS MIDRASH OF QUEENS, INC.**

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**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED**

**DECEMBER 31, 2021 AND DECEMBER 31, 2020**

## Table of Contents

Independent Auditor’s Report .....	3
Statements of Financial Position .....	4
Statements of Activities and Net Assets .....	5
Statements of Cash Flows.....	6
Statements of Functional Income and Expense .....	7
Notes to the Financial Statements .....	9

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, 2021, and 2020 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, 2021, and 2020 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  
September 15, 2022

Beis Midrash of Queens, Inc.  
 Statements of Financial Position  
 As of December 31, 2021 and 2020

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	2021	2020
<b>ASSETS</b>		
Cash and Cash Equivalents	1,158,192	843,605
Accounts Receivables	38,855	1,912
Fixed Assets, Net	-	-
<b>Total Current Assets</b>	<u>1,197,047</u>	<u>845,517</u>
Deferred Expense	-	-
Other Assets	400	400
<b>Total Assets</b>	<u><u>1,197,447</u></u>	<u><u>845,917</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable and Accrued Expenses	23,168	33,177
Other Current Liabilities	9,594	3,542
Deferred Revenue	-	900
Loans Payable - Short Term Portion	20,000	-
<b>Total Current Liabilities</b>	<u>52,762</u>	<u>37,619</u>
Loans Payable - Long Term Portion	227,342	270,241
<b>Total Liabilities</b>	<b>280,104</b>	<b>307,860</b>
Net Assets - Without Donor Restrictions	<u>917,343</u>	<u>538,057</u>
<b>Total Liabilities and Net Assets</b>	<u><u>1,197,447</u></u>	<u><u>845,917</u></u>

The accompanying notes are an integral part of these reports

Beis Midrash of Queens, Inc.  
Statement of Activities and Change In Net Assets  
For the Years Ended December 31, 2021 and 2020

	<u>Without Donor Restrictions</u>	
<b>Operating Activities</b>		
<b>Revenues</b>	<b>2021</b>	<b>2020</b>
Contributions	\$ 1,574,297	\$ 1,305,089
Tuition and Fees - Net	349,460	283,189
Other Operating Revenue	118	3,161
<b>Total Revenues</b>	<b>\$ 1,923,875</b>	<b>\$ 1,591,440</b>
<b>Expenses</b>		
Office and Administrative Expenses	15,830	21,813
Payroll Expenses	212,351	205,162
Insurance Expense	1,028	406
Outside Services	4,974	1,021
Legal and Professional Fees	16,694	18,478
Travel Expenses	20,869	13,467
Bank and Processing Fees	20,167	25,174
Telecommunications and Data Fees	9,196	7,588
Programming Expenses	582,876	294,650
License and Subscription Fees	17,727	24,272
Postage and Delivery Expenses	896	554
Occupancy Expense	5,400	5,409
Webhosting and Design Expense	53,604	72,634
Grants and Charity	532,714	897,599
Marketing Expense	37,640	68,220
Interest Expense	11,316	13,520
Fundraising Expense	1,305	7,734
<b>Total Expenses</b>	<b>\$ 1,544,589</b>	<b>\$ 1,677,699</b>
<b>Change In Net Assets From Operating Activities</b>	<b>\$ 379,286</b>	<b>\$ (86,259)</b>
<b>Nonoperating Activities</b>		
Other Revenue	-	10,000
<b>Change In Net Assets From Nonoperating Activities</b>	<b>\$ -</b>	<b>\$ 10,000</b>
<b>Change In Net Assets</b>	<b>\$ 379,286</b>	<b>\$ (76,259)</b>
Beginning Net Assets	\$ 538,057	\$ 614,316
<b>Ending Net Assets</b>	<b>\$ 917,343</b>	<b>\$ 538,057</b>

The accompanying notes are an integral part of these reports

Beis Midrash of Queens, Inc.  
 Statements of Cash Flows  
 For the Years Ended December 31, 2021 and 2020

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	<u>2021</u>	<u>2020</u>
<b>Change In Net Assets</b>	<b>379,286</b>	<b>(76,259)</b>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
(Increase) Decrease in Assets		
Accounts Receivable	(36,944)	5,929
Deferred Expenses		23,850
Increase (Decrease) In Liabilities		
Accounts Payable and Accrued Expenses	(3,956)	7,297
Deferred Revenue	<u>(900)</u>	<u>(28,350)</u>
<b>Net Cash Provided by Operating Activities</b>	<b>337,487</b>	<b>(67,534)</b>
Cash Flows From Financing Activities		
Lines of Credit	<u>(22,899)</u>	<u>148,681</u>
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>(22,899)</b>	<b>148,681</b>
<b>Net Change in Cash</b>	<b>314,588</b>	<b>81,146</b>
Cash - Beginning of Year	<u>843,604</u>	<u>762,458</u>
<b>Cash - End of Year</b>	<b><u>\$ 1,158,192</u></b>	<b><u>\$ 843,604</u></b>

The accompanying notes are an integral part of these reports

Beis Midrash of Queens, Inc.  
Statement of Functional Income and Expenses  
For the Year Ended December 31, 2021

	Program Activities			Supporting Activities			Total
	Woodmont College	Charitable Programs	Educational Programs	Management & General	Fundraising	Supporting Total	
Bank and Processing Fees	-	-	-	20,167	-	20,167	20,167
Fundraising Expense	-	-	-	-	1,305	1,305	1,305
Grants and Charity	-	532,714	-	-	-	-	532,714
Insurance Expense	-	-	-	1,028	-	1,028	1,028
Interest Expense	-	-	-	11,316	-	11,316	11,316
Legal and Professional Fees	-	-	-	16,694	-	16,694	16,694
License and Subscription Fees	17,727	-	-	-	-	-	17,727
Marketing Expense	37,640	-	-	-	-	-	37,640
Occupancy Expense	-	-	-	5,400	-	5,400	5,400
Office and Administrative Expenses	7,687	-	-	8,143	-	8,143	15,830
Outside Services	-	-	-	4,974	-	4,974	4,974
Payroll Expenses	198,862	-	-	13,490	-	13,490	212,351
Postage and Delivery Expenses	-	-	-	896	-	896	896
Programming Expenses	21,839	-	561,038	-	-	-	582,876
Telecommunications and Data Fees	-	-	-	9,196	-	9,196	9,196
Travel Expenses	-	-	-	2,016	18,853	20,869	20,869
Webhosting and Design Expense	53,604	-	-	-	-	-	53,604
<b>Total Expenses</b>	<b>\$ 337,358</b>	<b>\$ 532,714</b>	<b>\$ 561,038</b>	<b>\$ 93,320</b>	<b>\$ 20,158</b>	<b>\$ 113,479</b>	<b>\$ 1,544,589</b>

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

	Program Activities			Supporting Activities			Total
	Woodmont College	Charitable Programs	Educational Programs	Management & General	Fundraising	Supporting Total	
Bank and Processing Fees	-	-	-	25,174	-	25,174	25,174
Fundraising Expense	-	-	-	-	7,734	7,734	7,734
Grants and Charity	-	897,599	-	-	-	-	897,599
Insurance Expense	-	-	-	406	-	406	406
Interest Expense	-	-	-	13,520	-	13,520	13,520
Legal and Professional Fees	-	-	-	18,478	-	18,478	18,478
License and Subscription Fees	24,272	-	-	-	-	-	24,272
Marketing Expense	68,220	-	-	-	-	-	68,220
Occupancy Expense	-	-	-	29,130	-	29,130	29,130
Office and Administrative Expenses	6,418	-	-	12,845	2,500	15,345	21,763
Outside Services	-	-	-	1,021	-	1,021	1,021
Payroll Expenses	192,129	-	-	13,033	-	13,033	205,162
Postage and Delivery Expenses	-	-	-	554	-	554	554
Programming Expenses	24,883	-	246,047	-	-	-	270,930
Telecommunications and Data Fees	-	-	-	7,588	-	7,588	7,588
Travel Expenses	-	-	-	1,550	11,917	13,467	13,467
Webhosting and Design Expense	72,681	-	-	-	-	-	72,681
<b>Total Expenses</b>	<b>\$ 388,603</b>	<b>\$ 897,599</b>	<b>\$ 246,047</b>	<b>\$ 123,299</b>	<b>\$ 22,151</b>	<b>\$ 145,450</b>	<b>\$ 1,677,699</b>



**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, 2021 and 2020 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. The fall semester ends on 10-Jan, 2022 and the payments were recorded as revenue in 2021. Deferred revenue was not accrued because the amount is not significant and because no refunds were offered by that time.

#### 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 has a loan with Optimum. 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 2nd of the month. As of December 31, 2021 the outstanding balance was \$68,342. The loan matures on July 2, 2025. The required future minimum principal payments on the loan are as follows:

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

Total interest paid in 2021 and 2020 was \$11,316 and \$13,520 respectively.

BMQ has an SBA Secured Disaster loan it received on June 24, 2020 of \$150,000. 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, but then the client took another disbursement and there were no payments on the combined SBA loan balance required in 2022. Interest accrues throughout the deferment period.

Accrued interest through December 31, 2021 is \$8,500.

BMQ secured a short-term loan of \$40,000 from Testing and Training Inc. The loan is non-interest bearing. The balance due as of December 31, 2021 is \$20,000.

#### NOTE 4- LEASE COMMITMENTS

BMQ leases a small office in Florida. The future minimum lease payments under this lease are as follows:

2022	\$5,400
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#### NOTE 5 - RELATED-PARTY TRANSACTIONS

Salaries and fees paid in 2021 to relatives of the President totaled \$73,899.

#### NOTE 6 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through 31-Jul, 2022, the date the financial statements were available to be issued.