



Robert T. Armistead, Chairman • **Mary Ellen Rogulski**, Vice Chairman • **John Steinberg, Jr.**, Second Vice Chairman
Stephen Brescia, Secretary • **Henry VanLeeuwen**, Assistant Secretary • **Robert J. Schreibeis, Sr.** • **Edward A. Diana**
James R. Petro, Jr., Chief Executive Officer • **Laurie Villasuso**, Associate Executive Director •
Kevin Dowd, Attorney • **Joel Kleiman**, Chief Financial Officer

Agenda

PLEASE TAKE NOTICE, The Orange County Funding Corporation will hold a regularly scheduled meeting on May 14, 2015 immediately following the Orange County Industrial Development Agency meeting at the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York, to consider and/or act upon the following:

Order of Business

- **Roll Call**
- **Approval of the minutes from April 9, 2015 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - **Resolutions**
 - **Sheri Torah, Inc. & Vyoel Moshe Beis Rochel of KJ – Initial Resolution**
- **Such other and further business as may be presented**
- **Public Comments**
- **Adjournment**

Dated: May 7, 2015

Stephen Brescia, Secretary

By: James R. Petro, Jr., Chief Executive Officer

ORANGE COUNTY FUNDING CORPORATION

MINUTES

April 9, 2015

A regular meeting of the Orange County Funding Corporation was convened in public session on April 9, 2015 at 4:39 P.M. at the Newburgh Armory Unity Center in Newburgh, New York.

The meeting was called to order by the Chairman, Robert Armistead, and upon roll being called, the following were:

PRESENT: Robert Armistead, John Steinberg, Stephen Brescia, Mary Ellen Rogulski, Henry VanLeeuwen, Robert Schreiber

ABSENT: Edward A. Diana

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Associate Executive Director
Kevin Dowd – IDA Attorney
Russell Gaenzle – Bond Counsel
Dave Johnson – Bullville Fire Company, Inc.
Ron Snyder – Bullville Fire Company
Dan Vaughn – Bullville Fire Company

Chairman Armistead calls to order the regular meeting of the Orange County Funding Corporation, April 9, 2015 Board consists of six members. There is a quorum.

Review of the prior April 9, 2015 meeting minutes. Motion made by VanLeeuwen, seconded by Schreiber, to approve the minutes. Motion carries with all in five ayes and one abstention.

Roll Call taken.

Financial Reports and/or Requests for Payment

Ms. Villasuso advises that the OCFC has a total of just over \$654K in the accounts, but reminds the members that roughly \$208K in Project Expenditures are still outstanding. With no payments received for the month, she asks for approval for vouchers in the amount of \$46,345.75.

Motion made by Steinberg, seconded by VanLeeuwen, that the Board accept the financial reports and authorize OCFC payments and vouchers for April 2015. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Bullville Fire Company, Inc. – Initial Resolution

Mr. Johnson introduces himself and the other members of the Bullville Fire Company, and advises that the Company is applying for conduit bonds, in order to renovate the existing 5740 square foot fire house, and construct an approximately 10,528 square foot addition to that building. The project is in the Town of Crawford, Hamlet of Bullville. The project cost will be between \$2.5 and \$3M. He notes that there were some water contamination issues on the site, but the company has currently has a drinking water tank, and a has recently drilled a well, to resolve the issue.

Mr. Johnson explains that the Fire Company is a member-owned 501c3 Not for Profit. The fire district rents the fire house from the company, and members who own the company serve as the volunteer firefighters for the fire district.

Mr. Gaenzle explains that the Company leases to the District, who pays rent to cover the debt service on the bond. He notes that the OCFC's role is conduit. The project had received planning board approval a few years ago, but that has expired. They also have a current DEC permit to cross wetlands. The project was before the planning board last night, and public hearing is upcoming.

Mr. Dowd reads aloud the Bullville Fire Company, Inc. initial resolution. Motion made by Brescia, seconded by Schreiber. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

Ms. Villasuso notes that she received correspondence from the Daughters of the American Revolution, requesting an extension of their approved project expenditure through September 30, 2015.

Motion made by Brescia, seconded by Steinberg, to extend the Daughters of the American Revolution Project Expenditure Agreement to September 30, 2015. Motion carries with all in favor.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by VanLeeuwen, seconded by Schreiber, the time being 4:50 p.m.

DRAFT

ORANGE COUNTY FUNDING CORPORATION
INCOME AND EXPENSE SUMMARY
APRIL 2015

	Apr 15	Jan - Apr 15	Budget	\$ Over Budget
Income				
Closing Fees	\$ -	\$ -	\$ 100,000	\$ (100,000)
CPV Grant	\$ -	\$ -	\$ 250,000	\$ (250,000)
Interest Earnings	\$ 59.13	\$ 266	\$ 1,000	\$ (734)
Millennium Pipeline Co. LLC	\$ -	\$ 108,000	\$ 108,000	\$ -
OCFC Administrative Fees	\$ 5,000.00	\$ 5,000	\$ -	\$ 5,000
Pass Thru Legal Fees	\$ 5,000.00	\$ 5,000	\$ -	\$ 5,000
Total Income	\$ 10,059.13	\$ 118,266	\$ 459,000	\$ (340,734)
Expense				
Administrative Expense	\$ -	\$ 781	\$ 5,000	\$ (4,219)
Auditor	\$ 4,750.00	\$ 4,750	\$ 4,500	\$ 250
Insurance Expense	\$ -	\$ -	\$ 10,000	\$ (10,000)
Legal				
Loan Program	\$ -	\$ -	\$ 170,000	\$ (170,000)
Loan Program Administration	\$ -	\$ -	\$ 60,000	\$ (60,000)
Legal - Other	\$ 841.75	\$ 3,358	\$ 30,000	\$ (26,642)
Total Legal	\$ 841.75	\$ 3,358	\$ 260,000	\$ (256,642)
Projects	\$ 40,754.00	\$ 88,255	\$ 300,000	\$ (211,745)
Total Expense	\$ 46,345.75	\$ 97,113	\$ 579,500	\$ (482,387)
Income Over/(Under) Expense	\$ (36,286.62)	\$ 21,154	\$ (120,500)	\$ 141,654

Orange County Funding Corporation
 Banks Accounts/Certificates of Deposit/Money Markets Accounts
 As of April 30, 2015

	Amount	% of total		rate
Chase - checking	\$ 215,686	35%	bank account	0.10%
Orange County Trust	\$ 402,958	65%	MM	0.30%
total	\$ 618,644	100%		

Orange County Funding Corporation

Funds Received for May 2015

Bullville Fire Company, Inc. (Application Fee)	5,000.00
Sheri Torah, Inc. & Vyoel Moshe Beis Rochel of KJ (App Fee)	5,000.00
Total	10,000.00

Vouchers & Payments May 2015

Armistead Mechanical Inc. (NAUC Project Expenditure)	14,256.98
Cooper Electric Supply Co. (NAUC Project Expenditure)	2,850.40
Glassolutions Unlimited Corp. (NAUC Project Expenditure)	6,460.00
AMI Services, Inc. (NAUC Project Expenditure)	1,916.63
Kevin T. Dowd (Legal 04-01-15 through 05-04-15)	971.25

Total **26,455.26**

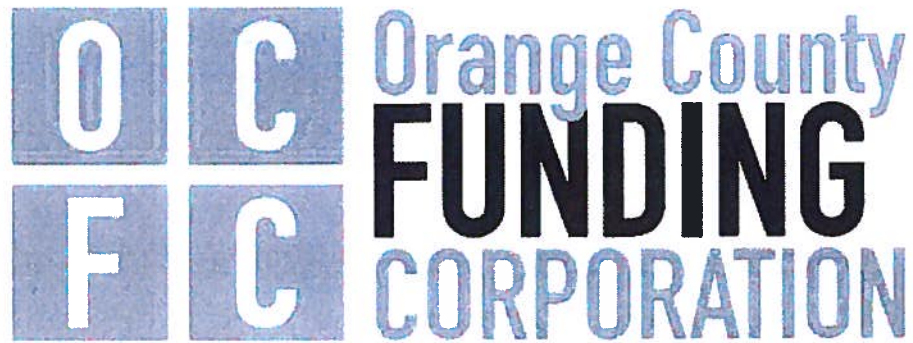
May, 2015



Sheri Torah Inc.
Vyoel Moshe Beis Rochel of KJ



Application For Financial Assistance



APPLICATION FOR FINANCIAL ASSISTANCE

Sheri Torah, Inc. & Vyoel Moshe Beis Rochel Of KJ
(CO - Applicant Name)

Robert T. Armistead
Chairman
4 Crotty Lane, Suite 100
New Windsor, NY 12553
Tel: 845-234-4192
www.ocnyida.com
business@ocnyida.com

Updated July 2014

ORANGE COUNTY FUNDING CORPORATION

APPLICATION FOR FINANCIAL ASSISTANCE

I. CO- APPLICANT INFORMATION

Company Name: Sheri Torah, Inc. & Vyoel Moshe Beis Rochel Of KJ

Mailing Address: 5 Buchanan Court, Unit 111, Monroe, NY 10950

Phone No.: 845-321-4003

Fax No.: 845-230-7608

Fed Id. No.: 04-3716992 45-4880205

Contact Person: Jacob Ferencz Email: jacfer@gmail.com

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership): N/A - 501(c)3 nonprofit entities

Corporate Structure (*attach schematic if applicant is a subsidiary or otherwise affiliated with another entity*) 501(c)3 nonprofit entities

Form of Entity

Corporation - 501(c)3 nonprofit entities

Date of Incorporation: 10/11/2002 03/22/2012
State of Incorporation: New York New York

Partnership

General _____ or Limited _____
Number of general partners _____
If applicable, number of limited partners _____

Date of formation _____
Jurisdiction of Formation _____

Limited Liability Company/Partnership (number of members _____)

Date of organization: _____
State of Organization: _____

Sole Proprietorship

If a foreign organization, is the applicant authorized to do business in the State of New York? _____

APPLICANT'S COUNSEL

Name: Edward A. Ambrosino, Esq. of Ruskin Moscou Faltischek, P.C.

Address: 1425 RXR Plaza - East Tower, Uniondale, NY 11556

Phone No.: (516) 663-6675

Fax No.: (516) 663-6875

II. PROJECT INFORMATION

A) Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected.

See attached.

B) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations.

See attached.

If any of the above persons, or a group of them, owns more than a 50% interest in the company, list all other organizations which are related to the company by virtue of such persons having more than a 50% interest in such organizations.

N/A

Is the company related to any other organization by reason of more than 50% common ownership? If so, indicate name of related organization and relationship.

N/A

Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? If so, please provide offering statement used.

N/A

Project Data

1. Project site (land)

(a) Indicate approximate size (in acres or square feet) of project site.

Larkin: 11.7 acres Forest: 13.4 acres

(b) Are there buildings now on the project site?

XX Yes No

(c) Indicate the present use of the project site.

Educational Facility

(d) Indicate relationship to present user of project.

Self

2. Does the project involve acquisition of an existing building or buildings? If yes, indicate number, size and approximate age of buildings:

No

3. Does the project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings:

Yes, see attached.

4. Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation:

No

5. What will the building or buildings to be acquired, constructed or expanded be used for by the company? (Include description of products to be manufactured, assembled or processed, and services to be rendered. . .

Yes, as educational facilities

. . . *including* the percentage of building(s) to be used for office space and an estimate of the percentage of the functions to be performed at such office not related to the day-to-day operations of the facilities being financed.)

6. If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant.

N/A

7. List principal items or categories of equipment to be acquired as part of the project.

school equipment and furnishings

8. Has construction work on this project begun? See attached.

Complete the following (for new construction segment)

- | | | | |
|----------------------------|------------------------------|--|-------------------------------------|
| (a) site clearance | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> % complete |
| (b) foundation | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> % complete |
| (c) footings | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> % complete |
| (d) steel | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> % complete |
| (e) masonry work | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> % complete |
| (f) other (describe below) | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> % complete |

9. Will any of the funds borrowed through the Corporation be used for refinancing?
Yes, see attached.

10. Is a purchaser for the bonds in place? Yes

COST BENEFIT ANALYSIS:

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
Estimated Sales Tax Exemption	\$ <u>0</u>	New Jobs Created <u>130</u>
		Existing Jobs Retained <u>350</u>
Estimated Mortgage Tax Exemption	\$ <u>147,000</u>	Private Funds invested \$ <u>14,000,000</u>
		Other Benefits _____
Estimated Property Tax Abatement	\$ <u>0</u>	Expected Yearly Payroll \$ _____
Estimated Interest Savings IRB Issue	\$ _____	Expected Gross Receipts \$ <u>13 million</u>

B) Project Address: 23-25 Larkin Drive, Monroe 520 Forest Street, Monroe

Tax Map Number Sec 2 BL 1 Lot 21.2 Sec 1 BL 2 Lot 46
(Section/Block/Lot)

Located in City of County of Orange

Located in Town of Monroe

Located in Village of _____

School District of Monroe-Woodbury Central Sch Distr.

C) Are utilities on site?

Water Yes Electric Yes
Gas Yes Sanitary/Storm Sewer Yes

D) Present legal owner of the site Sheri Torah, Inc. & Vyoel Moshe Beis Rochel Of KJ
If other than from applicant, by what means will the site be acquired for this project? _____

E) Zoning of Project Site: Current: HI / LI Proposed: HI / LI

F) Are any variances needed? No

G) Principal use of project upon completion: Educational Facility

H) Estimate how many construction/permanent jobs will be created or retained as a result of this project and the estimated annual salary range:

<u>Number of jobs created</u>	<u>Estimated Annual Salary Range</u>
Construction: <u>50</u>	\$ _____ to \$ _____
Permanent: <u>80</u>	\$ _____ to \$ _____
Retained: <u>350</u>	\$ _____ to \$ _____

I) Financial Assistance being applied for:

	<u>Estimated Value</u>
<u>N/A</u> Real Property Tax Abatement Please indicate the term of the PILOT: _____ Years	\$
<u>Yes</u> Mortgage Tax Exemption Please provide the Mortgage Amount: <u>\$14,000,000.00</u>	\$ 147,000
<u>N/A</u> Sales and Use Tax Exemption Amount of Goods & Services to be purchased: \$ _____	\$
<u>Yes</u> Issuance by the Corporation of Tax Exempt Bonds	\$ 14,000,000.00

J) Project Costs (Estimates) (for new construction segment)

Land	<u>Already owned by applicant</u>
Building	<u>9,500,000</u>
Equipment	<u>250,000</u>
Soft costs	<u>250,000</u>
Other	<u> </u>
Total	<u>\$10,000,000</u>

III. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Corporation as follows:

- A. Job Listings The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Corporation, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.
- B. First Consideration for Employment The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Corporation, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Corporation.
- D. Annual Sales Tax Fillings The Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Corporation, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.
- E. Annual Employment Reports The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Corporation, the applicant agrees to file, or cause to be filed, with the Corporation, on an annual basis, reports regarding the number of people employed at the project site.
- F. Absence of Conflicts of Interest The applicant has received from the Corporation a list of the members, officers, and employees of the Corporation. No member, officers or employee of the Corporation has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

The Applicant and the individual executing this Application on behalf of applicant acknowledge that the Corporation and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.



(Applicant Signature)

Mendel Schwimmer

(Name of Officer)

President

(Title)

This Application should be submitted to the Orange County Funding Corporation, c/o Chairman Robert T. Armistead, Orange County Funding Corp, C/O Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, NY 12553
Tel: (845) 234-4192.

The Corporation will collect an administrative fee at the time of closing.
SEE ATTACHED FEE SCHEDULE (page 10)

Bond Counsel
CHARLES SCHACHTER, ESQ./
RUSSELL GAENZLE, ESQ.
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Tel: (585) 419-8633
Fax: (585) 419-8817

Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

Attach the following Financial Information of the Company

1. Financial statements for last two fiscal years (unless included in company's Annual Reports).
2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years.
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.
4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company.

HOLD HARMLESS AGREEMENT

Applicant hereby releases the ORANGE COUNTY FUNDING CORPORATION and the members, officers, servants, agents and employees thereof (the " Corporation") from, agrees that the Corporation shall not be liable for and agrees to indemnify, defend and hold the Corporation harmless from and against any and all liability arising from or expense incurred by (A) the Corporation's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Corporation, (B) the Corporation 's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Corporation with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Corporation or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Corporation, its agents or assigns, all costs incurred by the Corporation in processing of the Application, including attorneys' fees, if any.

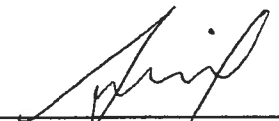


(Applicant Signature)

By: Sheri Torah, Inc. & Vyoel Moshe Beis Rochel Of KJ

Name: Mendel Schwimmer

Title: President



(Notary Public)

Sworn to before me this 27 day
of April, 2015

[stamp]

JOSEPH NIEDERMAN
NOTARY PUBLIC - STATE OF NEW YORK
NO. 01N16144825
QUALIFIED IN ORANGE COUNTY
COMMISSION EXPIRES APRIL 24, 2016

**FEE SCHEDULE FOR THE
ORANGE COUNTY OCFC IS AS FOLLOWS:**

**FEE SCHEDULE FOR THE
ORANGE COUNTY FUNDING CORPORATION IS AS FOLLOWS:**

Structure for applicants seeking the issuance of tax-exempt bonds from the OCFC:

First \$10 million	1%
From \$10 million to \$25 million	½%
Over \$25 million	¼%

***All fees are in the aggregate

NOTE: OCFC reserves the right to seek additional OCFC and Bond Counsel fees for exceptionally complex transactions.

Please make all Checks payable to:

Orange County Funding Corporation

Mail to:

*4 Crotty Lane, Suite 100
New Windsor, NY 12553*

Labor Policy

It is the Labor Policy of the Orange County Funding Corporation to *encourage* all companies availing themselves of OCFC benefits to use local workforce and pay prevailing wages on their project where possible.

**CONGREGATION SHERI TORAH
OF KHAL VYOEL MOSHE
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2013**



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries
Monroe, New York

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2013, and the related consolidated statement of activities and changes in net assets and consolidated statement of cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with 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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 the amounts and disclosures in the consolidated 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 risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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, we express no such opinion. An audit also includes

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Brooklyn, NY 11218
P: 718.236.1600 F: 718.236.4849

200 Central Avenue
Farmingdale, NJ 07727
P: 732.276.1220 F: 732.751.0505

info@rothcocpa.com • www.rothcocpa.com



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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries as of August 31, 2013, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The supporting schedules are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully Submitted,

Roth & Company LLP

Roth & Company LLP
Brooklyn, New York
June 3, 2014

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement of Financial Position
June 30, 2013**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 235,838
Tuition receivable, net	643,094
Contributions receivable, net	578,075
Grants receivable	349,806
Royalty receivable	93,642
Loan receivable	<u>530,799</u>

TOTAL CURRENT ASSETS \$ 2,431,254

FIXED ASSETS

Land	958,688
Building	2,314,285
Building improvements	4,184,111
Trailers and improvements	501,922
Transportation equipment	161,975
Furniture, fixtures and equipment	669,079
Construction in progress	<u>2,895,574</u>
Fixed assets at cost	11,685,634
Accumulated depreciation	<u>(1,485,310)</u>

TOTAL FIXED ASSETS 10,200,324

OTHER ASSETS

Closing costs, net of amortization of \$52,113	210,993
Security deposits	<u>41,582</u>

TOTAL OTHER ASSETS 252,575

TOTAL ASSETS \$ 12,884,153

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement of Financial Position
June 30, 2013**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 1,616,457
Prepaid tuition	180,137
Loans payable	1,436,232
Long-term debt, current portion	<u>188,372</u>

TOTAL CURRENT LIABILITIES \$ 3,421,198

LONG-TERM LIABILITIES

Long-term debt	4,765,453
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NET ASSETS

Unrestricted net assets	<u>4,697,502</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 12,884,153

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement of Activities and Changes in Net Assets
For The Year Ended June 30, 2013**

REVENUES

Tuition	\$ 4,758,472
Contributions	3,796,558
Grants	4,131,557
Royalty income	<u>263,642</u>

Total Revenues 12,950,229

OPERATING EXPENSES

Educational and program expenses	10,458,099
General and administrative expenses	1,127,054
Fundraising expenses	<u>164,658</u>

Total Operating Expenses 11,749,811

Change in Net Assets from Operations 1,200,418

OTHER EXPENSE

Interest expense	<u>192,785</u>
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Change in Unrestricted Net Assets 1,007,633

UNRESTRICTED NET ASSETS - BEGINNING 3,689,869

UNRESTRICTED NET ASSETS - ENDING \$ 4,697,502

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement of Cash Flows
For The Year Ended June 30, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets		\$ 1,007,633
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	\$ 390,464	
Changes in operating assets and liabilities		
Tuition receivable, net	87,468	
Contributions receivable, net	(160,506)	
Grants receivable	(27,526)	
Royalty receivable	(93,642)	
Loan receivable	(21,500)	
Escrow deposit	1,073	
Security deposits	(1,321)	
Accounts payable and accrued expenses	188,737	
Prepaid tuition	62,564	
Total adjustments	425,811	

NET CASH PROVIDED BY OPERATING ACTIVITIES 1,433,444

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures		(2,224,982)
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NET CASH USED IN INVESTING ACTIVITIES (2,224,982)

CASH FLOWS FROM FINANCING ACTIVITIES

Cash overdraft		(213,962)
Proceeds of loans payable	1,185,467	
Payments of loans payable	(667,465)	
Payments of long-term debt	(182,376)	

NET CASH PROVIDED BY FINANCING ACTIVITIES 121,664

NET DECREASE IN CASH (669,874)

CASH AT BEGINNING OF YEAR 905,712

CASH AT END OF YEAR \$ 235,838

SUPPLEMENTAL CASH FLOW DISCLOSURE

Interest paid		\$ 192,785
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries is a nonprofit congregation and educational institution providing preschool, elementary, and secondary secular and religious education to over two thousand students in Monroe, New York.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Congregation Sheri Torah of Khal Vyoel Moshe and its wholly owned subsidiaries, Sheri Torah Inc. and V'yoel Moshe Beis Rochel of KJ. All intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash on deposit, certificates of deposit, money market accounts, and investment grade commercial paper that are readily convertible into cash and purchased with original maturities of three months or less. Due to the nature of the organization's cash management system, checks issued but not released may create negative book cash balances. Such negative balances are included in accounts payable.

Tuition and Contribution Receivable

The organization does not require collateral in support of its tuition and contribution receivable. Estimated provisions for losses on these receivables are recorded each period as a reduction of revenue in the statement of activities and changes in net assets. In evaluating the collectability of tuition and contributions receivable, the organization considers the age of the account's past history and the financial condition of the liable party. Any changes in these factors or in the actual collections of these receivables in subsequent periods may require changes in the estimated allowance for doubtful accounts. Changes in these estimates are charged or credited to the results of operations in the period of change. There has been no experience of significant credit losses and management believes that no material credit risk exists.

Grants Receivable

Grants receivable represents amounts invoiced to grantors for grants approved for the current accounting period and not yet received.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Fixed assets are carried at cost. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized. Depreciation is computed using the straight line method over the estimated useful life as follows:

Building	40 years
Building improvements	40 years
Trailers and improvements	10 years
Transportation equipment	5 years
Furniture, fixtures, and equipment	5 years

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use. Construction in progress at June 30, 2013, represents construction of a new school building.

Closing Costs

Costs related to obtaining financing are capitalized and amortized over the term of the related debt using the straight-line method. When a loan is paid in full, any unamortized financing costs are removed from the related accounts and charged to operations.

Accumulated amortization at June 30, 2013 was \$52,113. Amortization expense for the current year and estimated for each of the next five years is \$32,888.

Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are recognized as support when received or when evidenced by a written promise to give. Tuition revenues are recognized in the fiscal year in which they are incurred. Tuition payments received in advance of such period have been recorded as prepaid tuition.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets 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 in which the contribution is recognized are recorded as unrestricted support.

Royalty revenue is recognized by the organization upon fulfillment of its contractual obligations and determination of a fixed royalty amount or, in the case of ongoing royalties, upon sale by the licensee of royalty-bearing products.

Donated services

At times the organization receives donated services. The values of the services are not reflected in these financial statements since it is not susceptible to objective valuation or measurement.

Advertising

Advertising costs are charged to operations when incurred. Advertising expense for the year ended June 30, 2013 amounted to \$18,075.

Income Tax Status

The organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code.

The organization has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, Accounting for Uncertainty in Income Taxes. FASB ASC 740-10 provides guidance for recognizing and measuring tax positions taken or expected to be taken in a tax return that directly or indirectly affect amounts reported in financial statements. The effect of adopting ASC 740-10 did not have an impact on the organization's 2013 financial statements.

Concentrations of Credit Risk

Cash

At times, the organization maintains cash balances in excess of the Federal Deposit Insurance Corporation's insured limits.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations of Credit Risk (continued)

Revenue

Many of the school's students are members of low income families and are entitled to various government financial aids. Such government aid accounted for approximately 32% of total revenue in the fiscal year ended June 30, 2013.

Use of Estimates

The preparation of the organization's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events

The organization has evaluated subsequent events through June 3, 2014, 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.

NOTE 2 TUITION RECEIVABLE

Tuition receivable is stated net of an allowance for uncollectible amounts. As of June 30, 2013, the allowance for uncollectible amounts was \$142,163.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable is stated net of an allowance for uncollectible amounts. As of June 30, 2013, the allowance for uncollectible amounts was \$124,594.

NOTE 4 ROYALTY RECEIVABLE

The organization considers the full amount to be collectible and has not established an allowance for uncollectibility.

NOTE 5 LOAN RECEIVABLE

The organization has advanced a noninterest bearing loan which is due on demand. At June 30, 2013 the remaining balance on the loan was \$530,799.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2013**

NOTE 6 LOANS PAYABLE

The organization has received loans from various individuals. Such loans are unsecured, due on demand, and bear no interest. Total such unsecured debt as of June 30, 2013 was \$1,436,232.

NOTE 7 LONG-TERM DEBT

Long-term debt at June 30, 2013 consists of the following:

Mortgage secured by the property, payable in equal monthly installments of \$24,822 with an initial annual interest rate based on the index of the Federal Home Loan Bank of New York Regular Fixed rate. The interest rate resets each year on November 1, and is currently set at 3.63%. The mortgage matures in November 2019. \$ 3,955,103

Note secured by the property payable in equal monthly installments of \$6,425 with an initial annual interest rate based on the index of the Federal Home Loan Bank of New York Regular Fixed rate. The interest rate will reset on June 20, 2016, and is currently set at 4.25%. The mortgage matures in June 2020. 998,722

	Total	4,953,825
	Less current portion	<u>(188,372)</u>

	Total long-term debt	<u>\$ 4,765,453</u>
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Principal payments due in the next five years are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2014	\$188,372
2015	195,698
2016	202,839
2017	211,200
2018	219,417

Interest charged on long-term debt for the year ended August 31, 2013 amounted to \$192,785.

NOTE 8 RELATED PARTY TRANSACTIONS

The organization receives payroll services from a company owned by one of its board members. Total services for the period amounted to \$12,128.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2013**

NOTE 9 ROYALTY INCOME

In January 2013, the organization entered into a five year agreement with another entity to non-exclusively license the organization's name, trademark and endorsement for marketing and promotional purposes and for placement on manufactured items. Under the agreement, the licensee agrees to pay royalties of 15% of the net sales of all licensed products sold. Royalty income for the year ended June 30, 2013 amounted to \$263,642.

NOTE 10 LEASE COMMITMENTS

The organization rents trailers at two locations under terms of noncancelable operating leases expiring on various dates through August, 2017. In addition, the organization rents other trailers and spaces as needed on a month to month basis. The following are future minimum rental payments required in the next four years under the leases.

<u>Year ending June 30,</u>	<u>Amount</u>
2014	\$ 54,948
2015	54,120
2016	54,120
2017	<u>4,510</u>
Total	<u>\$ 167,698</u>

Rent expense incurred under the leases for the year ended June 30, 2013 amounted to \$43,120.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Supporting Schedule
For The Year Ended June 30, 2013**

EDUCATIONAL AND PROGRAM EXPENSES

Salaries, parsonage and employee benefits	\$ 6,732,945
Payroll taxes	323,167
Classroom supplies	36,717
Depreciation and amortization expense	390,464
Food supplies	1,848,642
Grants	13,600
Rent	207,437
School supplies	87,812
Transportation	386,006
Utilities	230,041
Insurance	36,003
Student activities	85,646
Telephone	79,619

TOTAL EDUCATIONAL AND PROGRAM EXPENSES \$ 10,458,099

GENERAL AND ADMINISTRATIVE EXPENSES

Salaries	\$ 324,760
Payroll taxes	31,962
Advertising	18,075
Bank and credit card charges	74,936
Insurance	99,352
Office expense	79,480
Professional fees	147,371
Telephone	25,973
Utilities	3,872
Janitorial expenses	114,055
Licenses and fees	12,131
Maintenance and repairs	118,068
Rent	30,000
Rubbish removal	47,019

TOTAL GENERAL AND ADMINISTRATIVE EXPENSES \$ 1,127,054

FUNDRAISING EXPENSES

Dinner and solicitation	<u>164,658</u>
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TOTAL FUNDRAISING EXPENSES \$ 164,658

SEE INDEPENDENT AUDITORS' REPORT

**CONGREGATION SHERI TORAH
OF KHAL VYOEL MOSHE
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2012**



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries
Monroe, New York

We have audited the accompanying consolidated statement of financial position of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries (a nonprofit organization) as of June 30, 2012, and the related consolidated statements of activities and changes in net assets and consolidated statement of cash flows for the year then ended. These consolidated financial statements are the responsibility of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries as of June 30, 2012, and the consolidated changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries taken as a whole. The accompanying consolidated supplementary information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,

Roth & Company LLP

Roth & Company LLP
Brooklyn, New York
September 17, 2013

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**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement Of Financial Position
June 30, 2012**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 905,712
Tuition receivable, net	730,562
Contributions receivable, net	417,569
Grants receivable	322,280
Loan receivable	509,299
Escrow deposits	<u>1,073</u>

TOTAL CURRENT ASSETS **\$ 2,886,495**

FIXED ASSETS

Land	958,688
Building	2,314,285
Building improvements	3,946,748
Trailers and improvements	348,709
Transportation equipment	110,510
Furniture, fixtures and equipment	613,951
Construction in progress	<u>1,167,761</u>
Fixed assets at cost	9,460,652
Accumulated depreciation	<u>(1,127,734)</u>

TOTAL FIXED ASSETS **8,332,918**

OTHER ASSETS

Closing costs, net of amortization of \$19,225	243,881
Security deposits	<u>40,261</u>

TOTAL OTHER ASSETS **284,142**

TOTAL ASSETS **\$ 11,503,555**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement Of Financial Position
June 30, 2012**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Cash overdraft	\$ 213,962
Accounts payable and accrued expenses	1,427,720
Prepaid tuition	117,573
Loans payable	918,230
Long-term debt - current portion	<u>180,940</u>

TOTAL CURRENT LIABILITIES \$ 2,858,425

LONG-TERM LIABILITIES

Long-term debt 4,955,261

NET ASSETS

Unrestricted net assets 3,689,869

TOTAL LIABILITIES AND NET ASSETS \$ 11,503,555

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement of Activities and Changes in Net Assets
For The Year Ended June 30, 2012**

REVENUES

Tuition	\$ 4,517,449
Contributions	3,304,366
Grants	<u>3,395,423</u>
 Total Revenues	 <u>11,217,238</u>

OPERATING EXPENSES

Educational and program expenses	9,630,588
General and administrative expenses	1,091,691
Fundraising expenses	<u>219,252</u>
 Total Operating Expenses	 <u>10,941,531</u>

Change in Net Assets from Operations	275,707
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OTHER EXPENSE

Interest expense	<u>100,779</u>
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Change in Unrestricted Net Assets	174,928
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UNRESTRICTED NET ASSETS - BEGINNING	<u>3,514,941</u>
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UNRESTRICTED NET ASSETS - ENDING	<u><u>\$ 3,689,869</u></u>
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement of Cash Flows
For The Year Ended June 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets		\$ 174,928
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	\$ 322,284	
Noncash contributions	(874,772)	
Changes in operating assets and liabilities		
Tuition receivable, net	(237,539)	
Contributions receivable, net	(48,898)	
Grants receivable	(41,911)	
Loan receivable	(146,910)	
Prepaid expenses	5,470	
Escrow deposit	(1,073)	
Security deposits	(149)	
Cash overdraft	213,962	
Accounts payable and accrued expenses	(256,829)	
Prepaid tuition	7,396	
Total adjustments	(1,058,969)	

NET CASH USED IN OPERATING ACTIVITIES (884,041)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures		(929,023)
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NET CASH USED IN INVESTING ACTIVITIES (929,023)

CASH FLOWS FROM FINANCING ACTIVITIES

Closing Cost		(263,106)
Payments of loans payable		(2,494,299)
Proceeds of long-term debt		5,232,000
Payments of long-term debt		(95,799)

NET CASH PROVIDED BY FINANCING ACTIVITIES 2,378,796

NET INCREASE IN CASH 565,732

CASH AT BEGINNING OF YEAR 339,980

CASH AT END OF YEAR \$ 905,712

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement of Cash Flows (continued)
For The Year Ended June 30, 2012**

SUPPLEMENTAL CASH FLOW DISCLOSURE

Interest paid	\$ 100,779
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**SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING
AND FINANCING ACTIVITIES**

Deposit on contract utilized in purchase of building	\$ 215,300
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries is a nonprofit congregation and educational institution providing preschool, elementary, and secondary secular and religious education to over two thousand students in Monroe, New York.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Congregation Sheri Torah of Khal Vyoel Moshe and its wholly owned subsidiaries, Sheri Torah Inc. and V'yoel Moshe Beis Rochel of KJ. All intercompany balances and transactions have been eliminated in consolidation.

Income Tax Status

The organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code.

The organization has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, Accounting for Uncertainty in Income Taxes. FASB ASC 740-10 provides guidance for recognizing and measuring tax positions taken or expected to be taken in a tax return that directly or indirectly affect amounts reported in financial statements. The effect of adopting ASC 740-10 did not have an impact on the organization's 2012 financial statements.

Tuition and Contributions Receivable

Estimated provisions for losses on these receivables are recorded each period as a reduction of revenue in the statement of activities and changes in net assets. In evaluating the collectability of tuition and contributions receivable, the organization considers the age of the account's past history and the financial condition of the liable party.

Grants Receivable

Grants receivable represents amounts invoiced to grantors for grants approved for the current accounting period and not yet received.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Fixed assets are carried at cost. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized. Depreciation is computed using the straight line method over the estimated useful life as follows:

Buildings and improvements	40 years
Trailers and improvements	10 years
Transportation equipment	5 years
Furniture, fixtures, and equipment	5 years

Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets 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 in which the contribution is recognized are recorded as unrestricted support.

Contributions are recognized as support when received or when evidenced by a written promise to give. Tuition revenues are recognized in the fiscal year in which they are incurred. Tuition payments received in advance of such period have been recorded as prepaid tuition.

Donated services

At times the organization receives donated services. The values of the services are not reflected in these financial statements since it is not susceptible to objective valuation or measurement.

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.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of twelve months or less.

Concentrations of Credit Risk

Cash

At times, the organization maintains cash balances in excess of the Federal Deposit Insurance Corporation's insured limits.

Tuition and Contribution Receivable

The organization does not require collateral in support of its tuition and contribution receivable. There has been no experience of significant credit losses and management believes that no material credit risk exists.

Grants

Many of the school's students are members of low income families and are entitled to various government financial aid. Such government aid accounted for approximately 30% of total revenue in the fiscal year ended June 30, 2012.

Subsequent events

The organization has evaluated subsequent events through September 17, 2013, the date which the financial statements were available to be issued.

NOTE 2 TUITION RECEIVABLE

Tuition receivable is stated net of an allowance for uncollectible amounts. As of June 30, 2012, the allowance for uncollectible amounts was \$99,214.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable is stated net of an allowance for uncollectible amounts. As of June 30, 2012, the allowance for uncollectible amounts was \$73,301.

NOTE 4 LOAN RECEIVABLE

The organization has advanced a noninterest bearing loan which is due on demand. At June 30, 2012 the remaining balance on the loan was \$509,299.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2012**

NOTE 5 LOANS PAYABLE

The organization has received loans from various individuals. Such loans are unsecured, due on demand, and bear no interest. Total such unsecured debt as of June 30, 2012 was \$918,230.

NOTE 6 LONG-TERM DEBT

Long-term debt at June 30, 2012 consisted of the following:

Mortgage secured by the property, payable in equal monthly installments of \$24,822 with an initial annual interest rate based on the index of the Federal Home Loan Bank of New York Regular Fixed rate. The interest rate resets each year on November 1, and is currently set at 3.66%. The mortgage matures in November 2019. \$ 4,104,201

Note secured by the property payable in equal monthly installments of \$6,425 with an initial annual interest rate based on the index of the Federal Home Loan Bank of New York Regular Fixed rate. The interest rate will reset on June 20, 2016, and is currently set at 4.25%. The mortgage matures in June 2020. 1,032,000

Total	5,136,201
Less current portion	<u>180,940</u>

Total long-term debt \$ 4,955,261

Annual principal payments due in the next five years under the terms of the new financing are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2013	\$180,940
2014	188,372
2015	195,698
2016	202,839
2017	211,200

Interest charged on long-term debt for the year ended August 31, 2012 amounted to 100,779.

NOTE 7 RELATED PARTY TRANSACTIONS

The organization receives payroll services from a company owned by one of its board members. Total services for the period amounted to \$11,741.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Supporting Schedule
For The Year Ended June 30, 2012**

EDUCATIONAL AND PROGRAM EXPENSES

Salaries and parsonage	\$ 6,284,033
Payroll taxes and employee benefits	299,641
Rent	130,679
Grants	11,050
Food supplies	1,624,555
Transportation	396,907
Student activities	105,675
Insurance	61,350
Utilities	215,777
Telephone	47,613
Depreciation and amortization expense	322,284
Classroom supplies	31,708
Office expense	99,316
	<u>99,316</u>

TOTAL EDUCATIONAL AND PROGRAM EXPENSES

\$ 9,630,588

GENERAL AND ADMINISTRATIVE EXPENSES

Salaries	\$ 310,826
Payroll taxes and employee benefits	23,778
Insurance	90,602
Office expense	71,952
Maintenance and repairs	118,992
Utilities	4,838
Telephone	29,725
Professional fees	170,692
Rent	31,700
Janitorial expenses	118,517
Rubbish removal	41,767
Licenses and fees	11,934
Bank and credit card charges	66,368
	<u>66,368</u>

**TOTAL GENERAL AND
ADMINISTRATIVE EXPENSES**

\$ 1,091,691

FUNDRAISING EXPENSES

Dinner and solicitation	219,252
	<u>219,252</u>

TOTAL FUNDRAISING EXPENSES

\$ 219,252

SEE INDEPENDENT AUDITORS' REPORT

**CONGREGATION SHERI TORAH
OF KHAL VYOEL MOSHE
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2011**





INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries
Monroe, New York

We have audited the accompanying consolidated statement of financial position of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries (a nonprofit organization) as of June 30, 2011, and the related consolidated statements of activities and changes in net assets and consolidated statement of cash flows for the year then ended. These consolidated financial statements are the responsibility of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries as of June 30, 2011, and the consolidated changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries taken as a whole. The accompanying consolidated supplementary information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Respectfully submitted,

Roth & Company LLP
May 21, 2012

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**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement Of Financial Position
June 30, 2011**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 339,980
Tuition receivable, net	493,023
Contributions receivable, net	368,671
Grants receivable	280,369
Prepaid expenses	5,470
Loans receivable	<u>362,389</u>

TOTAL CURRENT ASSETS \$ 1,849,902

FIXED ASSETS

Land	385,715
Building	2,314,285
Building improvements	3,787,864
Trailers and improvements	282,413
Transportation equipment	88,108
Furniture, fixtures and equipment	345,362
Construction in progress	<u>237,810</u>
Fixed assets at cost	7,441,557
Accumulated depreciation	<u>(824,675)</u>

TOTAL FIXED ASSETS 6,616,882

OTHER ASSETS

Deposits on contracts	215,300
Security deposits	<u>40,112</u>

TOTAL OTHER ASSETS 255,412

TOTAL ASSETS \$ 8,722,196

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement Of Financial Position
June 30, 2011**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 1,684,549
Prepaid tuition	110,177
Loans payable	<u>3,412,529</u>

TOTAL CURRENT LIABILITIES \$ 5,207,255

NET ASSETS

Unrestricted net assets	<u>3,514,941</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 8,722,196

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement of Activities and Changes in Net Assets
For The Year Ended June 30, 2011**

REVENUES

Tuition	\$ 3,891,121
Contributions	5,145,075
Grants	<u>2,878,082</u>

Total Revenues 11,914,278

OPERATING EXPENSES

Educational and program expenses	8,168,234
General and administrative expenses	966,484
Fundraising expenses	<u>132,770</u>

Total Operating Expenses 9,267,488

Change in Net Assets from Operations 2,646,790

OTHER EXPENSES

Interest expense	<u>147</u>
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Change in Unrestricted Net Assets 2,646,643

UNRESTRICTED NET ASSETS - BEGINNING 868,298

UNRESTRICTED NET ASSETS - ENDING \$ 3,514,941

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Statement of Cash Flows
For The Year Ended June 30, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets		\$ 2,646,643
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	\$ 238,392	
Changes in operating assets and liabilities		
Tuition receivable, net	(19,260)	
Contributions receivable, net	(296,102)	
Grants receivable	(36,686)	
Prepaid expenses	50,778	
Loan receivable	(362,389)	
Accounts payable and accrued expenses	(44,114)	
Prepaid tuition	53,636	
Total adjustments	<u>(415,745)</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		2,230,898
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits on contracts	(215,300)	
Capital expenditures	<u>(1,124,570)</u>	
NET CASH USED IN INVESTING ACTIVITIES		(1,339,870)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of bank loan	(17,500)	
Payments of loans payable	<u>(763,670)</u>	
NET CASH USED IN FINANCING ACTIVITIES		(781,170)
NET INCREASE IN CASH		109,858
CASH AT BEGINNING OF YEAR		230,122
CASH AT END OF YEAR		\$ 339,980
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Interest paid		\$ 147

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Congregation Sheri Torah of Khal Vyoel Moshe and Subsidiaries is a nonprofit congregation and educational institution providing preschool, elementary, and secondary secular and religious education to over two thousand students in Monroe, New York.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Congregation Sheri Torah of Khal Vyoel Moshe and its wholly owned subsidiaries, Sheri Torah Inc. and UTA V'yoel Moshe Beis Rochel D'Satmar. All intercompany balances and transactions have been eliminated in consolidation.

Income Tax Status

The organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code.

The organization has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, Accounting for Uncertainty in Income Taxes. FASB ASC 740-10 provides guidance for recognizing and measuring tax positions taken or expected to be taken in a tax return that directly or indirectly affect amounts reported in financial statements. The effect of adopting ASC 740-10 did not have an impact on the organization's 2011 financial statements.

Tuition and Contributions Receivable

The organization does not require collateral in support of its tuition and contribution receivable. Estimated provisions for losses on these receivables are recorded each period as a reduction of revenue in the statement of activities and changes in net assets. In evaluating the collectability of tuition and contribution receivables, the organization considers the percentage of prior year's revenue, which remains uncollected. There has been no experience of significant credit losses and management believes that no material credit risk exists.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Fixed assets are carried at cost. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized. Depreciation is computed using the straight line method over the estimated useful life as follows:

Buildings and improvements	40 years
Trailers and improvements	10 years
Transportation equipment	5 years
Furniture, fixtures, and equipment	5 years

Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets 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 in which the contribution is recognized are recorded as unrestricted support.

Contributions are recognized as support when received or when evidenced by a written promise to give. Tuition revenues are recognized in the fiscal year in which they are incurred. An allowance for uncollectible contributions is provided based on the percent of prior year's revenue which remains uncollected.

Donated services

At times the organization receives donated services. The values of the services are not reflected in these financial statements since it is not susceptible to objective valuation or measurement.

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.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of twelve months or less.

Concentrations of Credit Risk

Cash

At times, the organization maintains cash balances in excess of the Federal Deposit Insurance Corporation's insured limits.

Tuition and Contribution Receivable

The organization does not require collateral in support of its tuition and contribution receivable.

Grants Receivable

Grants receivable represents amounts invoiced to grantors for grants approved for the current accounting period and not yet received.

Prepaid Tuition

The company recognizes tuition income in the period which it is earned. Tuition payments received in advance of such period have been recorded as prepaid tuition.

NOTE 2 TUITION RECEIVABLE

Tuition receivable is stated net of an allowance for uncollectible amounts. As of June 30, 2011, the allowance for uncollectible amounts was \$236,882.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable is stated net of an allowance for uncollectible amounts. As of June 30, 2011, the allowance for uncollectible amounts was \$156,463.

NOTE 4 LOANS RECEIVABLE

The organization has advanced a short term loan in the amount of \$362,389. The loan is due on demand and bears no interest.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Notes to the Consolidated Financial Statements
For The Year Ended June 30, 2011**

NOTE 5 LOANS PAYABLE

The organization has received loans from various individuals. Such loans are unsecured, due on demand, and bear no interest. Total such unsecured debt as of June 30, 2011 was \$3,412,529.

NOTE 6 RELATED PARTY TRANSACTIONS

The organization receives payroll services from a company owned by one of its board members. Total services for the period amounted to \$11,887.

NOTE 7 DEPOSIT ON CONTRACT

In September 2009, the organization entered into a contract to purchase a property for \$465,000. As of June 30, 2011 the organization released \$205,300 as a deposit to the seller. In April, 2012, the organization finalized the purchase of the property.

NOTE 8 SUBSEQUENT EVENTS

In October, 2011 the organization borrowed \$3,850,000 under the terms of a mortgage note maturing on October 12, 2019, which is guaranteed by various individuals, secured by one of the organization's buildings, and secured by all the organization's assets. Monthly payments consist of principal and interest payments at a rate of prime plus 3.1% per annum. Commitment fees to secure a mortgage in the amount of \$10,000 were paid during the period ended June 30, 2011 and have been classified as deposits on contracts in the financial statements.

The organization has evaluated subsequent events through May 21, 2012, the date which the financial statements were available to be issued.

**Congregation Sheri Torah of Khal Vyoel Moshe
and Subsidiaries
Consolidated Supporting Schedule
For The Year Ended June 30, 2011**

EDUCATIONAL AND PROGRAM EXPENSES

Salaries and parsonage	\$ 5,303,465
Payroll taxes and employee benefits	207,900
Rent	96,210
Food supplies	1,306,072
Transportation	345,264
Student activities	69,377
Insurance	123,667
Utilities	241,184
Telephone	34,958
Depreciation expense	238,392
Classroom supplies	120,250
Office expense	81,495

TOTAL EDUCATIONAL AND PROGRAM EXPENSES \$ 8,168,234

GENERAL AND ADMINISTRATIVE EXPENSES

Salaries	\$ 241,696
Payroll taxes and employee benefits	18,490
Insurance	37,072
Office expense	46,430
Maintenance and repairs	82,125
Utilities	3,909
Telephone	38,437
Professional fees	145,317
Rent	33,362
Janitorial expenses	174,440
Rubbish removal	45,977
Licenses and fees	20,080
Bank and credit card charges	79,149

TOTAL GENERAL AND ADMINISTRATIVE EXPENSES \$ 966,484

FUNDRAISING EXPENSES

Printing and mailing	33,224
Dinner and luncheon	99,546

TOTAL FUNDRAISING EXPENSES \$ 132,770

SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Sheri Torah, Inc. & Vyoel Moshe Beis Rochel Of KJ

Organization Overview

The modern day Satmar Hasidic sect was founded in the United States after World War II by Rabbi Joel Teitelbaum (1887-1979). Rabbi Joel Teitelbaum, a Holocaust survivor, was a dynamic Hungarian Jewish Talmudic scholar who served as the last elected Chief Rabbi of the orthodox Jewish community of Satu Mare (i.e. Satmar), a city straddling the Rumanian-Hungarian border.

Many Satmar Chasidim (followers) were murdered and dispersed during World War II and the Holocaust. In in the early 1950's, Rabbi Joel Teitelbaum established a community in the Williamsburg area of Brooklyn, NY. There, Rabbi Teitelbaum re-founded his Chasidic sect — which became known as Satmar after his pre-war home town — together with a fledgling group of adherents. Rabbi Teitelbaum was referred to as the Satmar Grand Rabbi.

Rabbi Joel Teitelbaum passed away in 1979. As he left no children, Rabbi Moses Teitelbaum, a nephew of the deceased Grand Rabbi, was chosen as his uncle's heir to serve as Grand Rabbi of Satmar.

Rabbi Moses Teitelbaum served as the Grand Rabbi of Satmar for almost 27 years until he died in 2006. Among his children, Rabbi Moses Teitelbaum had two sons, Rabbi Zalman Leib Teitelbaum and Rabbi Aaron Teitelbaum, who are now prominent rabbis in their own right.

Today, the Satmar dynasty is grandly led by two Satmar Rebbes, Rabbi Zalman Leib Teitelbaum and Rabbi Aaron Teitelbaum, in their respective unaffiliated entities. Each portion represents a giant Chasidic global organization, each with followers in Monroe, NY, in Brooklyn, NY and elsewhere.



Rabbi Zalman Leib
Teitelbaum

Rabbi Zalman Leib Teitelbaum's sector includes a following of over 100,000 Chasidim worldwide with an educational system serving 20,000 children worldwide.

Newsweek Magazine has published an annual list of America's Top 50 Rabbis, compiled using a complicated scoring system created by Jay Sanderson (CEO of JTN Productions), Michael Lynton (Sony Pictures CEO) and Gary Ginsberg (Newscorp). In 2007, Newsweek named Rabbi Zalman Leib Teitelbaum as the 15th most prominent rabbi in America.

The co-applicants herein, Sheri Torah, Inc. ("SHERI") & Vyoel Moshe Beis Rochel Of KJ ("VMBR"), are under the leadership of Rabbi Zalman Leib Teitelbaum.

Sheri Torah, Inc. (EIN: 04-3716992) & Vyoel Moshe Beis Rochel Of KJ (EIN: 45-4880205) are not for profit corporations exempt from Federal Income Tax under section 501(a) of the Internal Revenue Code as organizations described in section 501(c)(3) of the Code. Their mission is to promote the educational, religious, intellectual, moral, physical, developmental and social welfare among its members and their families, in accordance with the tenets of the Jewish Faith. Financials

for Sheri Torah, Inc. & Vyoel Moshe Beis Rochel Of KJ are jointly included in Consolidated Audited Financial Statements issued by Roth & Company LLP Certified Public Accountants.

The SHERI / VMBR school system was established in 2004 with forty first-grade students. Today, SHERI / VMBR educates almost 3,000 students in the Town of Monroe in Orange County and provides a complete dual curricula education (Hebrew curricula in the morning and General Studies Core curricula in the afternoon). From Pre-k thru Grade 12, it includes quality Judaic instruction, secular education classes, extracurricular programs, school books, and libraries.

The children enrolled in the SHERI / VMBR school system benefit from programs and services authorized by the NYS Legislature and the U.S. Congress, which are administered by state school officials and that insure that all the children of school age in NYS who are enrolled in bona fide public and nonpublic schools receive all the programs and services they are entitled to. These include transportation, the computer software loan program, the school library materials loan program, special education services, child nutrition programs, the NYS Textbook Loan Law program, and the NYS Nonpublic School Mandated Reimbursement Program.

SHERI / VMBR employs a professional staff of approximately 350 members which include teachers, social workers, and various others in administrative positions. The staff is divided in individual departments and branches, thus facilitating supreme efficiency in SHERI / VMBR's vast operations of providing dedicated care to the thousands of children.

The Census of Jewish Day Schools In The United States produced by the Avi Chai Foundation in October, 2009 indicates:

Chassidic schools are with few exceptions sponsored by particular groups or sects. Although there are variations among Chassidic schools, in the aggregate they display a monolithic character; in student dress and other key respects, they are largely alike. All of the students come from rather similar homes and have rather similar attitudes.

From 1998 to 2008, Chassidic enrollment grew by a remarkable 56% or by nearly 22,000 students. Although Chassidic enrollment remains slightly below yeshiva-world enrollment, in another five years it is certain that the Chassidic category will be the largest. If the rate of growth continues, which is to say that the fertility rate remains as it has been, we can project a Chassidic school enrollment of more than 100,000 in ten years. This will require a significant addition of facilities.

For all of the increased enrollment, the number of Chassidic schools has grown by only four since 2003, providing convincing evidence that, in the main, these schools are large institutions, with branches being established to accommodate additional students

It merits mention that more than one-third of all Chassidic enrollment or approximately 22,000 students are in Satmar schools. This represents 10% of all enrollment covered in the census.

Sheri Torah, Inc. & Vyoel Moshe Beis Rochel Of KJ

The Project

Sheri Torah, Inc. (“SHERI”) & Vyoel Moshe Beis Rochel Of KJ (“VMBR”), are not for profit corporations exempt from Federal Income Tax under section 501(a) of the Internal Revenue Code as organizations described in section 501(c)(3) of the Code.

The SHERI / VMBR school system today educates almost 3,000 students in the Town of Monroe in Orange County and provides a complete dual curricula education (Hebrew curricula in the morning and General Studies Core curricula in the afternoon). From Pre-k thru Grade 12, it includes quality Judaic instruction and secular education classes. The SHERI / VMBR school system also provides extracurricular programs, school books, and libraries to its students.

SHERI & VMBR are seeking tax-exempt bond financing for the funding, refinancing and eligible reimbursement for costs incurred for the construction and improvement of and to the following project (the “Project”):

- 1) Refinance debt used to construct a Girls School building
- 2) Refinance debt used to construct a Boys School building
- 3) Construction of a NEW Girls School building

1) Completed Construction of a Girls School building

This segment of the Project refers to a four-story (3 stories above ground) brick and glass school building known as and located at 520 Forest Street, Monroe, New York. The property is further identified as Section: 1, Block: 2, Lots: 10.21 & 11.2 (now lot 46) on the tax map. The 80,000 square foot facility contains 60 classrooms as well as related ancillary areas including multi-purpose rooms, research rooms, libraries and kitchen. The cost of construction was approximately \$11 million.



Proceeds from the bonds will, in part, be used to refinance outstanding taxable debt in the amount of approximately \$4.5 million, the proceeds of which, together with other funds of the School, were used to finance the costs of construction.

2) Completed Construction of a Boys School building

This segment of the Project refers to a two-story stucco, concrete block and steel column frame school building known as and located at 23-25 Larkin Drive, Monroe, New York. The property is further identified as Section: 1, Block: 1, Lot: 21.2 on the tax map. The 89,775 square foot facility contains 54 classrooms as well as related ancillary areas including multi-purpose rooms, auditorium, research rooms, libraries and kitchen. The cost of construction was approximately \$9 million.

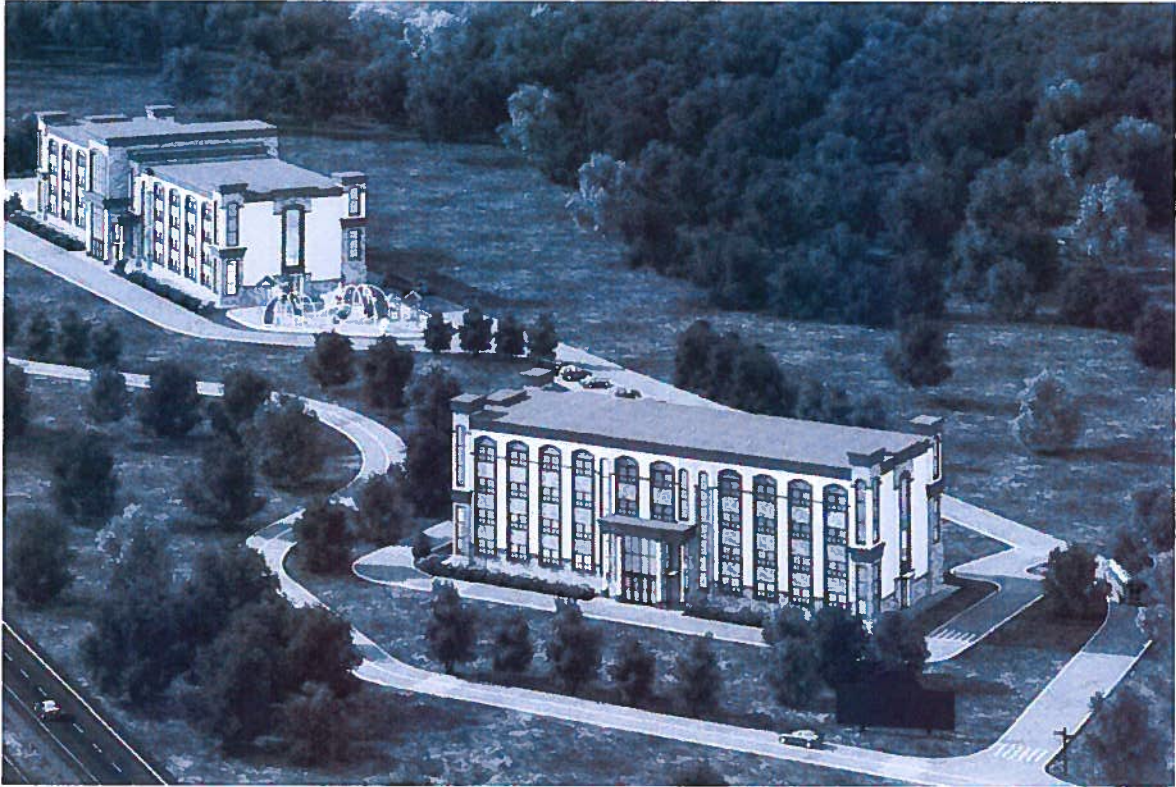


Proceeds from the bonds will, in part, be used to refinance outstanding taxable debt in the amount of approximately \$4.6 million, the proceeds of which, together with other funds of the School, were used to finance the costs of construction.

3) Planned Construction of a NEW Girls School building

This segment of the Project refers to a planned four-story brick and glass school building to be located on an approximate 13.4 acre parcel of property on Forest Street in the Town of Monroe in Orange County. The new structure will be built adjacent to and similar to the building of the first segment of the project described above. The property is identified as Section: 1, Block: 2, Lots: 10.21 & 11.2 on the tax map.

The new, approximately 80,000 square foot state-of-the-art facility will be an additional girls' school. It will also contain 60 classrooms as well as related ancillary areas including multi-purpose rooms, research rooms, libraries and kitchen. The cost of construction will be approximately \$10 million.



As a result of the exponential growth of prospective students and the surrounding community, there is an even stronger demand for the services provided by SHERI & VMBR. Accordingly, the proposed Project is designed to accommodate these needs.

In addition to other funds of SHERI/VMBR, approximately \$4 million of bond proceeds will be used to finance the costs of construction of this segment of the Project.

Summary

The new construction segment of the Project is intended to continue the time-honored tradition of SHERI/VMBR to respond to the compelling and diversified needs of its students and to provide an appropriate framework that will benefit school children in their educational, physical, and emotional development.

The refinancing portions of the Project will provide SHERI/VMBR with lower debt service so that it can allocate its resources to further its core mission of education.

No portion of the project financed by the proceeds of the issuance of any *tax exempt bonds* shall be used to construct, renovate or expand the areas used for religious worship. Any such portion of the facilities shall be financed exclusively by private equity and not *tax exempt bond* proceeds. All prayer services shall be held in that portion of the facility that is not financed by the proceeds of a *tax exempt bond*.

Sheri Torah, Inc. & Vyoel Moshe Beis Rochel Of KJ

Private Equity Facility Portion of the Project

No portion of the project financed by the proceeds of the issuance of any *tax exempt bonds* shall be used to construct, renovate or expand the areas used for religious worship. Any such portion of the facilities shall be financed exclusively by private equity and not *tax exempt bond* proceeds (the "Private Equity Facility Portion #1"). All prayer services shall be held in that portion of the facility that is not financed by the proceeds of a *tax exempt bond*.

In addition, a second portion of the Project may be used for private functions such as dinners or similar events. Any such portion of the Project shall be financed exclusively by private equity and not by *tax exempt bond* proceeds (the "Private Equity Facility Portion #2").

1) Completed Construction of a Girls School building at 520 Forest Street, Monroe, New York

A one hour morning prayer and a half hour afternoon / evening prayer will be held in portions of the Private Equity Facility Portion #1. The Private Equity Facility Portion #1 is comprised of the fourth floor Multi-purpose room of approximately 2,014 square feet in size and main floor Auditorium / Lunchroom of approximately 6,000 square feet in size. Thus, the Private Equity Facility Portion #1 will be approximately 8,014 square feet in size, which is about 10.1% of the total 80,000 square feet in the project.

The Private Equity Facility Portion #2 is comprised of the main floor Auditorium / Lunchroom of approximately 6,000 square feet in as included above. The Private Equity Facility Portion #2 will be used for 6 hours per day (during non-school hours) for a maximum of 150 days per year.

2) Completed Construction of a Boys School building at 23-25 Larkin Drive, Monroe, New York

A one hour morning prayer and a half hour afternoon / evening prayer will be held in portions of the Private Equity Facility Portion #1. The Private Equity Facility Portion #1 is comprised of the main floor Multi-purpose room of approximately 4,264 square feet in size and the 2nd floor Multi-purpose room of approximately 3,500 square feet in size. Thus, the Private Equity Facility Portion #1 will be approximately 7,764 square feet in size, which is about 8.7% of the total 89,775 square feet in the project.

The Private Equity Facility Portion #2 is comprised of the main floor Auditorium / Lunchroom of approximately 12,000 square feet in size and four small, main floor multi-purpose rooms of 600 square feet in size. Thus, the Private Equity Facility Portion #2 will be approximately 14,400 square feet in size, which is about 16.1% of the total 89,775 square feet in the project. The Private Equity Facility Portion #2 will be used for 6 hours per day (during non-school hours) for a maximum of 150 days per year.

3) Planned Construction of a NEW Girls School building at the Forest Street, Monroe, New York property

A one hour morning prayer and a half hour afternoon / evening prayer will be held in portions of the Private Equity Facility Portion #1. The Private Equity Facility Portion #1 is comprised of the fourth floor Multi-purpose room of approximately 2,014 square feet in size and main floor Auditorium / Lunchroom of approximately 6,000 square feet in size. Thus, the Private Equity Facility Portion #1 will be approximately 8,014 square feet in size, which is about 10.1% of the total 80,000 square feet in the project.

The Private Equity Facility Portion #2 is comprised of the main floor Auditorium / Lunchroom of approximately 6,000 square feet in as included above. The Private Equity Facility Portion #2 will be used for 6 hours per day (during non-school hours) for a maximum of 150 days per year.

2015 Board of Trustees and Directors
and principal officers of
SHERI TORAH, INC.

Mendel Schwimmer - President and Trustee
9 Hayes Court
Unit 201
Monroe, NY 10950

Joseph Strulovitch - Treasurer, Vice President and Trustee
154 Acres Road
Unit 201
Monroe, NY 10950

Moses Friedman - Secretary and Trustee
28 Quickway Road
Unit 201
Monroe, NY 10950

2015 Board of Trustees and Directors
and principal officers of
V'YOEL MOSHE BEIS ROCHEL OF KJ

Mendel Schwimmer - President and Trustee
9 Hayes Court
Unit 201
Monroe, NY 10950

Herman Goldberger- Vice President, Treasurer and Trustee
2 Preshburg Blvd.
Unit 205
Monroe, NY 10950

Mayer Gross - Secretary and Trustee
7 Koritz Court
Unit 201
Monroe, NY 10950

Forest Street - Monroe
New Girls' School Construction Budget
April, 2015

Bricks	580,000.00
Windows	275,000.00
Doors	100,000.00
Plumbing	450,000.00
Electrical	900,000.00
Heating & Cooling	1,100,000.00
Outside Doors	40,000.00
Stucco	300,000.00
Alarm	55,000.00
Painting	300,000.00
Floor Tiles / Vinyl	160,000.00
Toilet Partitions	80,000.00
Concrete Planks	650,000.00
Drop Ceiling	80,000.00
Sinks Faucets/Stainless	25,000.00
Electrical Fixtures	200,000.00
Steel	1,100,000.00
Railings	180,000.00
Hardware	30,000.00
Kitchen	60,000.00
Excavation/Paving	350,000.00
Landscaping	195,000.00
Ceramic Tiles	80,000.00
Roof	300,000.00
Sewer Main	100,000.00
Water Main	60,000.00
Gas Trench	40,000.00
Sidewalks	18,000.00
Swimming Pool	100,000.00
Elevator	95,000.00
Foundation	1,475,000.00
Contractor's Fee	679,000.00
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Total Cost	10,157,000.00