EZRA INTERNATIONAL, INC.

Financial Statements

For the Year Ended December 31, 2012

Aiken & Sanders, Inc PS

CERTIFIED PUBLIC ACCOUNTANTS
& MANAGEMENT CONSULTANTS

TABLE OF CONTENTS

Aiken & Sanders, Inc PS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ezra International, Inc.

We have audited the accompanying financial statements of Ezra International (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 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 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 involves performing procedures to obtain audit evidence about the 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 risk 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, we 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.

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 financial statements referred to above present fairly, in all material respects, the financial position of Ezra International, Inc. as of December 31, 2012, 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.

Aiken & Sanders

Aberdeen, WA
April 19, 2013

EZRA INTERNATIONAL, INC.

Statement of Financial Position

Year Ended December 31, 2012

ASSETS

Current Assets		
Cash	$	229,829
Foreign Currency Holdings		3,216
Total Current Assets		**233,045**
Furniture and Equipment, Net		**24,824**
Other Assets		
Undeveloped Real Estate		**5,000**
Total Assets	**$**	**262,869**

LIABILITIES & NET ASSETS

Current Liabilities		
Accounts Payable	$	8,393
Credit Cards Payable		4,385
Total Current Liabilities		**12,778**
Unrestricted		217,833
Unrestricted--Board Designated		27,258
Temporarily Restricted		5,000
Total Net Assets		**250,091**
Total Liabilities & Net Assets	**$**	**262,869**

The accompanying notes are an integral part of these financial statements.

EZRA INTERNATIONAL, INC.

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contributions	$ 1,554,606	$ -	$ 1,554,606
Interest Income	2	-	2
Total Support and Revenue	**1,554,608**	**-**	**1,554,608**
Expenses:			
Program Services	1,185,504	-	1,185,504
Management and General	213,505	-	213,505
Fundraising	158,394	-	158,394
Total Expenses	**1,557,403**	**-**	**1,557,403**
Change in Net Assets	**(2,795)**	**-**	**(2,795)**
Net Assets, Beginning of Year	247,886	5,000	252,886
Net Assets, End of Year	**$ 245,091**	**$ 5,000**	**$ 250,091**

The accompanying notes are an integral part of these financial statements.

EZRA INTERNATIONAL, INC.

Statement of Cash Flows

Year Ended December 31, 2012

Cash Flows From Operating Activities	
Change in Net Assets	$ (2,795)
Adjustments to reconcile change in net assets to net cash provided (used) from operating activities:	
Depreciation	6,999
(Increase) Decrease In:	
Prepaid Expenses	13,100
Increase (Decrease) In:	
Accounts Payable	3
Credit Cards Payable	(3,492)
Net Cash Provided (Used) by Operating Activities	**13,815**
Cash Flows From Investing Activities	
Equipment Purchases	(2,814)
Net Cash Provided (Used) by Investing Activities	**(2,814)**
Cash Flows From Financing Activities	-
Net Increase (Decrease) in Cash & Cash Equivalents	**11,001**
Cash at Beginning of Year	218,828
Cash at End of Year	$ 229,829
Supplemental Disclosures of Cash Flow Information:	
Cash Paid During the Year for Interest	$ -

The accompanying notes are an integral part of these financial statements.

EZRA INTERNATIONAL, INC.

Statement of Functional Expenses

Year Ended December 31, 2012

	Program Services	Management & General	Fundraising	Total
Salaries	$ 123,850	$ 69,725	$ 19,125	$ 212,700
Payroll Taxes	9,475	5,334	1,463	16,272
Employee Benefits	-	5,868	-	5,868
Insurance	-	1,484	-	1,484
Office Supplies	3,562	6,157	270	9,989
Postage	1,108	6,087	8,388	15,583
Printing & Copying	-	1,067	20,936	22,003
Professional Fees	26,881	39,471	33,751	100,103
Promotion	3,118	-	58,183	61,301
Travel	65,585	9,629	5,951	81,165
Rent Expense	-	33,682	-	33,682
Utilities	115	7,593	-	7,708
Donor & Email Database	-	8,716	483	9,199
Website	-	-	9,844	9,844
Repairs & Maintenance	360	622	-	982
Licenses & Permits	-	499	-	499
Dues & Subscriptions	-	180	-	180
Depreciation	-	6,999	-	6,999
Bank Service Charges	335	10,392	-	10,727
Direct Mission Support	951,115	-	-	951,115
Total Expenses	**$ 1,185,504**	**$ 213,505**	**$ 158,394**	**$ 1,557,403**

The accompanying notes are an integral part of these financial statements.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mission and Programs

The mission of Ezra International, Inc. (the Agency) is to build a network of worldwide connections to fulfill a call to do the work of the Lord. The Agency is dedicated to supporting the return of Jewish people to the State of Israel (*Aliyah*). Its five-fold mission strives to 1) return Jews to Israel, 2) provide humanitarian aid, 3) care for the elderly, 4) rescue children and, 5) educate Christians about *Aliyah*. The Agency is incorporated in the state of Washington but operates within Orange County, State of Florida to better serve its mission. The major programs of the Agency include:

Aliyah — Provides support in helping Jews return to Israel by performing and documenting ancestry research to obtain Israeli visa's, arrange the transportation to the Israeli Consulate for visa interviews, help with the paperwork for an international passport, provide food and basic supplies during the months before the departure for Israel, and organize support once the move to Israel has been made.

Children's Program — Provides therapy, support, and temporary living quarters for abused children.

Financial Statements

The Agency maintains its financial records on the accrual basis of accounting. Revenue is recognized when earned, and expenditures are recognized when incurred. If an expenditure results in an asset having an estimated useful life which extends substantially beyond the year of acquisition, the expenditure is capitalized and depreciated or amortized over the estimated useful life of the asset.

Contributions

The Agency reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of the donated assets. However, restricted gifts for which the donor restriction is met in the same period the gift is received are recorded as unrestricted revenue.

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose 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.

The Agency reports gifts of long-lived assets, as well as gifts of other assets restricted to the acquisition or construction of long-lived assets, as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Temporarily restricted long-lived assets are considered to be released from restrictions as the asset is depreciated over its useful life. Absent explicit donor instructions about how long-lived assets must be maintained, the Agency reports the expiration of donor restriction when the donated or acquired asset is placed in service.

Support from Contributions

The Agency receives a substantial amount of its support from two donors. The two donors made up 35% of total revenue for the year ended December 31, 2012. If a significant reduction in the level of support from those donors occurred, it could have a significant effect on the Agency's programs and activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T.)

Promises to Give

Unconditional promises to give are recognized as revenues in the period received. Pledges are discounted, using a market rate, to present value for collections expected in future years. Accretion of the discount in subsequent years is recorded as contribution revenue. Conditional promises to give are recognized when conditions on which they depend are substantially met. Promises to give are recorded at their estimated net realizable value. The Agency did not have any promises to give at December 31, 2012.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results may vary from the estimates that were used.

Statement of Cash Flows

Cash and cash equivalents include cash on hand and cash on deposit in financial institutions.

Excess Cash

The Federal deposit Insurance Corporation (FDIC) insures cash deposits at individual financial institutions up to a limit of $250,000. At December 31, 2012, the Agency had no deposits in excess of FDIC coverage.

Furniture and Equipment

Furniture and equipment purchased by the Agency is recorded at cost. Furniture and equipment donated to the Agency is capitalized at its estimated fair value. The Agency's policy is to expense the acquisition cost of equipment in the year it is purchased if its cost is less than $500. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives range from 5 to 7 years for furniture, equipment, computers, and vehicles.

Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of furniture and equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts and any gain or loss is included in income.

Advertising

Advertising costs are expensed as they are incurred.

Employee Benefits

The Agency provides its employees with health and life insurance. Accumulated annual leave is not accrued for the year ended December 31, 2012 because no liability is held at year end for any employee.

NOTE 2 -FURNITURE AND EQUIPMENT

At December 31, 2012, furniture and equipment included the following:

Furniture	$	527
Computer Equipment		6,263
Vehicles		28,826
Accumulated Depreciation		(10,792)
Total	$	24,824

NOTE 3 –UNDEVELOPED REAL ESTATE

The Agency received a donation of unimproved real estate located in Ocala, Florida at the end of 2009. The donor required sale proceeds of the property serve the *Aliyah* program. The property is reported as a temporarily restricted net asset and is stated at its $5,000 estimated fair value.

NOTE 4 –DESIGNATED NET ASSETS

The Board of Directors has designated $27,258 from unrestricted funds to support its Children's Program.

NOTE 5 –DIRECT MISSION SUPPORT

The Agency conducts a substantial portion of its ministry in foreign countries. It incurs significant expenditures including operating, feeding, child assistance and eldercare, travel, and relocation expenses. The following schedule shows amounts expended by region:

Russia and Former Soviet State	$	863,043
Middle East		17,600
South America		23,506
United States		46,966
Total	$	951,115

NOTE 6 –CONTRIBUTED SERVICES

Contributed services are recorded as in-kind contributions for donated services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks to assist the Agency. The value of this contributed time is not reflected in the financial statements because the donated time is not professional in nature as described in FASB ASC 958-605-50. The Agency did not have any contributed services that were recognized during the year ended December 31, 2012.

NOTE 7 –RELATED PARTY TRANSACTIONS

During the year, the Agency paid personal expenses on behalf of key board members and employees in order to better serve its mission. Payments included cell phone and internet costs used to carry out its administrative functions. Payments totaled $7,708 for the year ended December 31, 2012.

The Agency also paid $39,401 during the year ended December 31, 2012 in consulting fees to Patricia Frame, a board member. She oversees operations in the Former Soviet Union. This conflict of interest has been noted and Pat abstains from all conversations and votes that involve decisions to her consulting contract with the Agency.

The Agency also paid $33,000 during the year ended December 31, 2012 in rental expense to Barry Wagner, a board member. The rental expense was for the purpose of maintaining a physical presence in Clermont, FL. The Agency discontinued the lease in October 2012. Each employee now works out of their home.

NOTE 8 - SUBSEQUENT EVENTS

The Agency did not have any subsequent events through April 19, 2013, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2012

NOTE 9 – INCOME TAX & UNCERTAIN TAX POSITIONS

The Agency is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

The Agency files income tax returns in the U.S. federal jurisdiction. The Agency is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2009. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

The Agency adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, on January 1, 2012. As of December 31, 2012, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

NOTE 10 – RESTATEMENT

Management determined that due to an error, property and equipment was overstated as of December 31, 2011. Management had disposed of certain property and equipment items in prior periods and the net affect produced a loss on the disposal of assets in the amount of $26,915.

Management made another correction to remove professional fees incurred in a prior period, from current year expenses in the amount of $3,360.

As a result of the above restatements, total assets were decrease by $26,915 and total liabilities were increased by $3,360. Total net assets were decreased $30,275 and have been rested to restated to reflect the correction as of as of December 31, 2011.