
EZRA INTERNATIONAL, INC.

A Non-Profit Corporation

Financial Statements

For the Years Ended December 31, 2016 and 2015

Aiken & Sanders, Inc PS

CERTIFIED PUBLIC ACCOUNTANTS
& MANAGEMENT CONSULTANTS

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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, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 audits. We conducted our audits 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 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, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Aiken & Sanders

Aberdeen, WA
April 7, 2017

EZRA INTERNATIONAL, INC.
A Washington Non-Profit Corporation
Statement of Financial Position

Year Ended December 31,	2016	2015
ASSETS		
<u>Current Assets</u>		
Cash	\$ 627,325	\$ 612,303
Foreign Currency Holdings	3,216	3,216
Refundable Deposit	30	1,530
Total Current Assets	630,571	617,049
<u>Furniture and Equipment, Net</u>	<u>15,427</u>	<u>24,676</u>
Total Assets	\$ 645,998	\$ 641,725
LIABILITIES & NET ASSETS		
<u>Current Liabilities</u>		
Accounts Payable	\$ 6,832	\$ 9,985
Credit Cards Payable	13,904	9,867
Total Current Liabilities	20,736	19,852
Unrestricted	588,004	563,697
Unrestricted--Board Designated	37,258	58,176
Total Net Assets	625,262	621,873
Total Liabilities & Net Assets	\$ 645,998	\$ 641,725

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

EZRA INTERNATIONAL, INC.
A Washington Non-Profit Corporation
Statement of Activities and Changes in Net Assets

Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and Revenue</u>			
Contributions	\$ 1,991,033	\$ -	\$ 1,991,033
Miscellaneous Income	3,475	-	3,475
Loss on Asset Sale	(1,236)	-	(1,236)
Total Support and Revenue	<u>1,993,272</u>	<u>-</u>	<u>1,993,272</u>
<u>Expenses:</u>			
Program Services	1,652,677	-	1,652,677
Management and General	198,214	-	198,214
Fundraising	138,992	-	138,992
Total Expenses	<u>1,989,883</u>	<u>-</u>	<u>1,989,883</u>
Change in Net Assets	3,389	-	3,389
Net Assets, Beginning of Year	<u>621,873</u>	<u>-</u>	<u>621,873</u>
Net Assets, End of Year	<u><u>\$ 625,262</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 625,262</u></u>

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EZRA INTERNATIONAL, INC.
A Washington Non-Profit Corporation
Statement of Activities and Changes in Net Assets

Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and Revenue</u>			
Contributions	\$ 1,950,154	\$ -	\$ 1,950,154
Miscellaneous Income	2,617	-	2,617
Loss on Asset Sale	(1,044)	-	(1,044)
Total Support and Revenue	<u>1,951,727</u>	<u>-</u>	<u>1,951,727</u>
<u>Expenses:</u>			
Program Services	1,460,346	-	1,460,346
Management and General	178,416	-	178,416
Fundraising	231,397	-	231,397
Total Expenses	<u>1,870,159</u>	<u>-</u>	<u>1,870,159</u>
Change in Net Assets	81,568	-	81,568
Net Assets, Beginning of Year	<u>540,305</u>	<u>-</u>	<u>540,305</u>
Net Assets, End of Year	<u><u>\$ 621,873</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 621,873</u></u>

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

EZRA INTERNATIONAL, INC.
A Washington Non-Profit Corporation
Statement of Cash Flows

Year Ended December 31,	2016	2015
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ 3,389	\$ 81,568
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) from Operating Activities:		
Depreciation	10,657	13,738
Loss on Asset Sale	1,236	1,044
(Increase) Decrease In:		
Note Receivable	-	5,000
Refundable Deposit	1,500	(1,530)
Increase (Decrease) In:		
Accounts Payable	(3,153)	8,391
Credit Cards Payable	4,037	(3,912)
	<u>17,666</u>	<u>104,299</u>
<u>Net Cash Provided (Used) by Operating Activities</u>		
<u>Cash Flows From Investing Activities</u>		
Cash Paid for Equipment Purchases	<u>(2,644)</u>	<u>(4,799)</u>
	<u>(2,644)</u>	<u>(4,799)</u>
<u>Net Cash Provided (Used) by Investing Activities</u>		
<u>Cash Flows From Financing Activities</u>		
	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	15,022	99,500
Cash at Beginning of Year	<u>612,303</u>	<u>512,803</u>
Cash at End of Year	\$ <u>627,325</u>	\$ <u>612,303</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for Interest	<u>\$ -</u>	<u>\$ -</u>

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

EZRA INTERNATIONAL, INC.
A Washington Non-Profit Corporation
Statement of Functional Expenses

Year Ended December 31, 2016

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 94,900	\$ 61,451	\$ 12,820	\$ 169,171
Payroll Taxes	7,260	3,980	1,471	12,711
Insurance	2,705	762	-	3,467
Office Supplies	919	5,881	-	6,800
Postage	895	6,835	9,417	17,147
Printing & Copying	31	4,732	20,956	25,719
Professional Fees	68,399	30,336	5,325	104,060
Promotion	10,822	-	86,871	97,693
Travel	55,509	1,147	-	56,656
Rent Expense	-	713	-	713
Utilities	379	8,039	-	8,418
Donor & Email Database	-	12,871	510	13,381
Website	-	-	1,622	1,622
Repairs & Maintenance	2,425	99	-	2,524
Licenses & Permits	-	215	-	215
Dues & Subscriptions	475	270	-	745
Depreciation	-	10,657	-	10,657
Bank Service Charges	1,537	10,970	-	12,507
Miscellaneous	-	76	-	76
Direct Mission Support	1,406,421	39,180	-	1,445,601
Total Expenses	<u>\$ 1,652,677</u>	<u>\$ 198,214</u>	<u>\$ 138,992</u>	<u>\$ 1,989,883</u>

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

EZRA INTERNATIONAL, INC.
A Washington Non-Profit Corporation
Statement of Functional Expenses

Year Ended December 31, 2015

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 92,000	\$ 63,267	\$ 12,920	\$ 168,187
Payroll Taxes	7,039	3,758	1,483	12,280
Insurance	2,421	669	-	3,090
Office Supplies	2,679	6,298	128	9,105
Postage	1,279	6,764	4,691	12,734
Printing & Copying	3,965	3,859	11,139	18,963
Professional Fees	75,265	35,310	-	110,575
Promotion	19,520	-	182,594	202,114
Travel	75,320	7,888	343	83,551
Rent Expense	-	610	-	610
Utilities	112	8,431	-	8,543
Donor & Email Database	-	13,435	15,044	28,479
Website	-	-	3,055	3,055
Repairs & Maintenance	1,289	-	-	1,289
Licenses & Permits	94	131	-	225
Dues & Subscriptions	1,540	622	-	2,162
Depreciation	-	13,738	-	13,738
Bank Service Charges	1,997	12,955	-	14,952
Miscellaneous	-	66	-	66
Direct Mission Support	1,175,826	615	-	1,176,441
Total Expenses	<u>\$ 1,460,346</u>	<u>\$ 178,416</u>	<u>\$ 231,397</u>	<u>\$ 1,870,159</u>

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

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2016 and 2015**

NOTE 1-ORGANIZATION & 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 Brevard 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.

Statement of Cash Flows

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

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.

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2016 and 2015**

**NOTE 1-ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Support from Contributions

The Agency receives a substantial amount of its support from two donors. Two donors made up 38% and 32% of total revenue for the years ended December 31, 2016 and 2015, respectively. 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.

Promises to Give

Unconditional promises to give are recognized as revenue 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, 2016 and 2015.

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.

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, 2016 and 2015, the Agency had uninsured balances of \$300,379 and \$145,644, respectively.

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 five to seven 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.

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2016 and 2015**

**NOTE 1-ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Employee Benefits

Accumulated annual leave is not accrued for the year ended December 31, 2016 and 2015 because no liability is held at year end for any employee.

NOTE 2 -FURNITURE AND EQUIPMENT

At December 31, 2016 and 2015, furniture and equipment included the following:

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Furniture	\$ 3,503	\$ 2,819
Computer Equipment	10,250	10,818
Vehicles	51,494	51,494
Accumulated Depreciation	(49,820)	(40,455)
	<hr/>	<hr/>
Total	\$ 15,427	\$ 24,676
	<hr/> <hr/>	<hr/> <hr/>

NOTE 3 –DESIGNATED NET ASSETS

The Board of Directors has designated \$37,258 and \$58,176 from unrestricted funds to support its Children's Program as of December 31, 2016 and 2015, respectively.

NOTE 4 –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 or does not enhance the value of a non-financial asset. The Agency did not have any contributed services that were recognized during the years ended December 31, 2016 and 2015.

NOTE 5 –RELATED PARTY TRANSACTIONS

The Agency paid \$35,142 and \$40,236 during the years ended December 31, 2016 and 2015, respectively, 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 Ms. Frame abstains from all conversations and votes that involve decisions about her consulting contract with the Agency.

The Agency paid \$48,500 and \$48,500 during the years ended December 31, 2016 and 2015, respectively, in consulting fees to Gary Cristofaro, a board member. He educates and publishes and distributes teachings about Ezra's role in the process of Aliyah as well as trains others on how to educate about Aliyah. This conflict of interest has been noted and Mr. Cristofaro abstains from all conversations and votes that involve decisions about his consulting contract with the Agency.

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2016 and 2015**

NOTE 6 –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:

	December 31,	
	2016	2015
Russia and Former Soviet State	\$ 1,322,014	\$ 1,074,366
Middle East	4,000	4,000
South America	68,956	54,740
Europe	9,000	15,700
United States	41,631	27,635
Total	<u>\$ 1,445,601</u>	<u>\$ 1,176,441</u>

NOTE 7 - SUBSEQUENT EVENTS

The Agency did not have any subsequent events through April 7, 2017, 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, 2016.

NOTE 8 – 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 2013. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

As of December 31, 2016, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.