
EZRA INTERNATIONAL, INC.

A Non-Profit Corporation

Financial Statements

For the Years Ended December 31, 2015 and 2014

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 (a Washington non-profit corporation), which comprise the statements of financial position as of December 31, 2015 and 2014, 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 as of December 31, 2015 and 2014, 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 25, 2016

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

Year Ended December 31,	2015	2014
ASSETS		
<u>Current Assets</u>		
Cash	\$ 612,303	\$ 512,803
Foreign Currency Holdings	3,216	3,216
Note Receivable	-	5,000
Refundable Deposit	1,530	-
Total Current Assets	617,049	521,019
<u>Furniture and Equipment, Net</u>	<u>24,676</u>	<u>34,659</u>
Total Assets	\$ 641,725	\$ 555,678
LIABILITIES & NET ASSETS		
<u>Current Liabilities</u>		
Accounts Payable	\$ 9,985	\$ 1,594
Credit Cards Payable	9,867	13,779
Total Current Liabilities	19,852	15,373
Unrestricted	563,697	510,192
Unrestricted--Board Designated	58,176	30,113
Total Net Assets	621,873	540,305
Total Liabilities & Net Assets	\$ 641,725	\$ 555,678

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, 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>\$ 621,873</u>	<u>\$ -</u>	<u>\$ 621,873</u>

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, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and Revenue</u>			
Contributions	\$ 1,893,322	\$ -	\$ 1,893,322
Miscellaneous Income	3,103	-	3,103
Loss on Asset Sale	(1,000)	-	(1,000)
Net assets released from restriction	5,000	(5,000)	-
Total Support and Revenue	1,900,425	(5,000)	1,895,425
<u>Expenses:</u>			
Program Services	1,389,472	-	1,389,472
Management and General	182,742	-	182,742
Fundraising	116,069	-	116,069
Total Expenses	1,688,283	-	1,688,283
Change in Net Assets	212,142	(5,000)	207,142
Net Assets, Beginning of Year	328,163	5,000	333,163
Net Assets, End of Year	\$ 540,305	\$ -	\$ 540,305

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,	2015	2014
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ 81,568	\$ 207,142
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) from Operating Activities:		
Depreciation	13,738	12,486
Loss on Asset Sale	1,044	1,000
(Increase) Decrease In:		
Note Receivable	5,000	-
Refundable Deposit	(1,530)	6,000
Increase (Decrease) In:		
Accounts Payable	8,391	(6,326)
Credit Cards Payable	(3,912)	(7,293)
Net Cash Provided (Used) by Operating Activities	<u>104,299</u>	<u>213,009</u>
<u>Cash Flows From Investing Activities</u>		
Cash Received from Real Estate Sale	-	4,000
Cash Paid for Equipment Purchases	(4,799)	(6,612)
Net Cash Provided (Used) by Investing Activities	<u>(4,799)</u>	<u>(2,612)</u>
<u>Cash Flows From Financing Activities</u>		
Cash Paid on Note Payable	-	(20,000)
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(20,000)</u>
Net Increase (Decrease) in Cash & Cash Equivalents	99,500	190,397
Cash at Beginning of Year	<u>512,803</u>	<u>322,406</u>
Cash at End of Year	\$ <u>612,303</u>	\$ <u>512,803</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, 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
Statement of Functional Expenses

Year Ended December 31, 2014

	Program Services	Management & General	Fundraising	Total
Salaries	\$ 77,200	\$ 68,625	\$ 12,160	\$ 157,985
Payroll Taxes	6,190	4,402	1,389	11,981
Employee Benefits	-	1,607	-	1,607
Insurance	2,141	659	-	2,800
Office Supplies	1,682	5,745	274	7,701
Postage	1,937	5,348	10,640	17,925
Printing & Copying	788	2,296	20,315	23,399
Professional Fees	28,965	35,227	45,800	109,992
Promotion	8,328	-	11,476	19,804
Travel	59,160	17,773	5,598	82,531
Rent Expense	-	547	-	547
Utilities	754	7,991	284	9,029
Donor & Email Database	-	9,480	8,100	17,580
Website	-	4,263	-	4,263
Repairs & Maintenance	2,526	-	-	2,526
Licenses & Permits	73	-	-	73
Dues & Subscriptions	100	540	18	658
Depreciation	-	12,486	-	12,486
Bank Service Charges	2,179	5,753	15	7,947
Direct Mission Support	1,197,449	-	-	1,197,449
Total Expenses	\$ 1,389,472	\$ 182,742	\$ 116,069	\$ 1,688,283

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, 2015 and 2014**

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 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.

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2015 and 2014**

**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 32% and 41% of total revenue for the years ended December 31, 2015 and 2014, 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, 2015 and 2014.

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, 2015, the Agency had uninsured balances of \$145,644. At December 31, 2014, 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 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.

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2015 and 2014**

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

Advertising

Advertising costs are expensed as they are incurred.

Employee Benefits

The Agency provided its employees with health and life insurance during the year ended December 31, 2014. Accumulated annual leave is not accrued for the year ended December 31, 2015 and 2014 because no liability is held at year end for any employee.

NOTE 2 -FURNITURE AND EQUIPMENT

At December 31, 2015 and 2014, furniture and equipment included the following:

	December 31,	
	2015	2014
Furniture	\$ 2,819	\$ 1,136
Computer Equipment	10,818	13,911
Vehicles	51,494	51,494
Accumulated Depreciation	(40,455)	(31,882)
Total	<u>\$ 24,676</u>	<u>\$ 34,659</u>

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 was reported as a temporarily restricted net asset for 2013 at its \$5,000 estimated fair value and was sold in 2014.

NOTE 4 –DESIGNATED NET ASSETS

The Board of Directors has designated \$58,176 and \$30,113 from unrestricted funds to support its Children's Program as of December 31, 2015 and 2014, respectively.

NOTE 5 –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, 2015 and 2014.

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2015 and 2014**

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,	
	2015	2014
Russia and Former Soviet State	\$ 1,074,366	\$ 1,098,100
Middle East	4,000	12,000
South America	54,740	27,128
Europe	15,700	-
United States	27,635	60,221
Total	<u>\$ 1,176,441</u>	<u>\$ 1,197,449</u>

NOTE 7 –RELATED PARTY TRANSACTIONS

The Agency paid \$40,236 and \$40,792 during the years ended December 31, 2015 and 2014, 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 \$0 during the years ended December 31, 2015 and 2014, 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.

During year ended December 31, 2013, the Agency executed a \$20,000, unsecured, 90-day, 0% interest note payable to Melvin Hoelzle, the Agency's Board President. The note matured December 10, 2013 and no payments were made during year ended December 31, 2013. In 2014, Mr. Hoelzle issued an informal extension through year ending December 31, 2014. The note was repaid in full during 2014.

NOTE 8 - SUBSEQUENT EVENTS

The Agency did not have any subsequent events through April 25, 2016, 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, 2015.

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2015 and 2014**

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 2012. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

As of December 31, 2015, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.