
EZRA INTERNATIONAL, INC.
A Non-Profit Corporation

Financial Statements

For the Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ezra International, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Ezra International, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, 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, 2020 and 2019, 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

Montesano, WA
April 1, 2021

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

Year Ended December 31,	2020	2019
ASSETS		
<u>Current Assets</u>		
Cash	\$ 1,879,015	\$ 1,397,651
Foreign Currency Holdings	3,216	3,216
Receivable	-	914
Prepaid	875	310
Total Current Assets	1,883,106	1,402,091
<u>Furniture and Equipment, Net</u>	<u>26,955</u>	<u>41,969</u>
Total Assets	\$ <u>1,910,061</u>	\$ <u>1,444,060</u>
LIABILITIES & NET ASSETS		
<u>Current Liabilities</u>		
Accounts Payable	\$ 5,551	\$ 16,012
Credit Cards Payable	6,875	17,160
PPP Loan	23,100	-
Total Current Liabilities	35,526	33,172
Without Donor Restrictions	1,706,013	1,386,827
With Donor Restrictions	168,522	24,061
Total Net Assets	1,874,535	1,410,888
Total Liabilities & Net Assets	\$ <u>1,910,061</u>	\$ <u>1,444,060</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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
<u>Support and Revenue</u>			
Contributions	\$ 1,994,513	\$ 144,461	\$ 2,138,974
Miscellaneous Income	604	-	604
Interest Income	51	-	51
Total Support and Revenue	<u>1,995,168</u>	<u>144,461</u>	<u>2,139,629</u>
<u>Expenses:</u>			
Program Services	1,403,432	-	1,403,432
Management and General	164,782	-	164,782
Fundraising	107,768	-	107,768
Total Expenses	<u>1,675,982</u>	<u>-</u>	<u>1,675,982</u>
Change in Net Assets	319,186	144,461	463,647
Net Assets, Beginning of Year	<u>1,386,827</u>	<u>24,061</u>	<u>1,410,888</u>
Net Assets, End of Year	<u><u>\$ 1,706,013</u></u>	<u><u>\$ 168,522</u></u>	<u><u>\$ 1,874,535</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, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
<u>Support and Revenue</u>			
Contributions	\$ 2,639,640	\$ -	\$ 2,639,640
Miscellaneous Income	4,457	-	4,457
Interest Income	40	-	40
Net Assets Released from Restrictions	1,993	(1,993)	-
Total Support and Revenue	<u>2,646,130</u>	<u>(1,993)</u>	<u>2,644,137</u>
<u>Expenses:</u>			
Program Services	2,050,238	-	2,050,238
Management and General	232,467	-	232,467
Fundraising	119,802	-	119,802
Total Expenses	<u>2,402,507</u>	<u>-</u>	<u>2,402,507</u>
Change in Net Assets	243,623	(1,993)	241,630
Net Assets, Beginning of Year	<u>1,143,204</u>	<u>26,054</u>	<u>1,169,258</u>
Net Assets, End of Year	<u>\$ 1,386,827</u>	<u>\$ 24,061</u>	<u>\$ 1,410,888</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,	2020	2019
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ 463,647	\$ 241,630
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) from Operating Activities:		
Depreciation	15,014	15,621
(Increase) Decrease In:		
Receivable	914	(914)
Prepaid	(565)	-
Increase (Decrease) In:		
Accounts Payable	(10,461)	11,208
Credit Cards Payable	(10,285)	(2,527)
PPP Loan	23,100	-
	<u>481,364</u>	<u>265,018</u>
Net Cash Provided by Operating Activities	481,364	265,018
<u>Cash Flows From Investing Activities</u>	-	-
<u>Cash Flows From Financing Activities</u>	-	-
Net Increase in Cash & Cash Equivalents	481,364	265,018
Cash at Beginning of Year	<u>1,397,651</u>	<u>1,132,633</u>
Cash at End of Year	\$ <u>1,879,015</u>	\$ <u>1,397,651</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, 2020

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 53,400	\$ 58,469	\$ 11,440	\$ 123,309
Payroll Taxes	4,085	3,815	1,313	9,213
Insurance (other than health)	2,506	967	-	3,473
Office Supplies	898	4,880	-	5,778
Postage	1,056	5,054	13,552	19,662
Printing & Copying	-	-	14,215	14,215
Professional Fees	104,623	39,425	35,134	179,182
Promotion	1,970	-	28,040	30,010
Travel	15,899	1,506	1,245	18,650
Rent Expense	-	729	-	729
Utilities	234	6,074	-	6,308
Donor & Email Database	-	13,810	635	14,445
Website	-	-	2,194	2,194
Repairs & Maintenance	244	160	-	404
Licenses & Permits	95	80	-	175
Dues & Subscriptions	425	575	-	1,000
Depreciation	-	15,014	-	15,014
Bank Service Charges	3,369	12,568	-	15,937
Direct Mission Support	1,214,628	1,656	-	1,216,284
Total Expenses	<u><u>\$ 1,403,432</u></u>	<u><u>\$ 164,782</u></u>	<u><u>\$ 107,768</u></u>	<u><u>\$ 1,675,982</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, 2019

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 71,500	\$ 72,214	\$ 15,720	\$ 159,434
Payroll Taxes	5,470	4,283	1,804	11,557
Insurance (other than health)	2,120	938	-	3,058
Office Supplies	2,583	7,744	-	10,327
Postage	1,103	6,242	9,371	16,716
Printing & Copying	4,400	10,990	13,790	29,180
Professional Fees	114,402	31,718	-	146,120
Promotion	12,853	-	73,787	86,640
Travel	51,465	17,945	873	70,283
Rent Expense	-	730	-	730
Utilities	177	8,880	-	9,057
Donor & Email Database	-	15,187	445	15,632
Website	-	180	4,012	4,192
Repairs & Maintenance	2,055	-	-	2,055
Licenses & Permits	219	70	-	289
Dues & Subscriptions	400	837	-	1,237
Depreciation	-	15,621	-	15,621
Bank Service Charges	1,854	12,983	-	14,837
Direct Mission Support	1,779,637	25,905	-	1,805,542
Total Expenses	<u><u>\$ 2,050,238</u></u>	<u><u>\$ 232,467</u></u>	<u><u>\$ 119,802</u></u>	<u><u>\$ 2,402,507</u></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, 2020 and 2019**

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.

Presentation Method for 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.

Support from Contributions

The Agency receives a substantial amount of its support from two donors. Three donors made up 34% and 51% of total revenue for the years ended December 31, 2020 and 2019, 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, 2020 and 2019.

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2020 and 2019**

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

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 without donor restriction revenue.

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction 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 without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. With donor restriction 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.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Agency and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions — Net assets that are not subject to donor-imposed stipulations. Includes public support and revenues which are not restricted by the donor and currently available for the support of the Agency.

Net Assets With Donor Restrictions — Net assets subject to donor imposed restrictions that may or will be met whether by actions of the project and/or the passage of time. Generally, the donors of these assets permit the project to use all or part of the income or gains earned on related investments for general or specific purposes. Net assets are released from restrictions when the purpose or time restrictions have been satisfied.

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, 2020 and 2019, the Agency had uninsured balances of \$1,336,540 and \$861,546, respectively.

EZRA INTERNATIONAL, INC.

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**Notes to the Financial Statements
Years Ended December 31, 2020 and 2019**

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

Recognizing Revenue from Grants and Contracts

The financial statements report certain categories of expenses that are attributable to one or more programs. The Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from grants and contracts with customers. The standard is effective for annual periods beginning after December 15, 2018. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The Agency follows these principles. The Agency, if it receives an advance of funds from grants or contracts, recognizes deferred revenue in the amount of the advance for its performance obligation to perform services in the future. At December 31, 2020 and 2019, The Agency has recorded deferred revenue of \$0 and \$0, respectively. The balances of receivables and deferred revenue from grant and contracts are as follows as of December 31, 2020 and 2019:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Accounts Receivable	<u>\$ -</u>	<u>\$ 914</u>
Deferred Revenue	<u>\$ -</u>	<u>\$ -</u>

Advertising

Advertising costs are expensed as they are incurred.

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 \$1,000. 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, 2020 and 2019**

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

Employee Benefits

Accumulated annual leave is not accrued for the year ended December 31, 2020 and 2019 because no liability is held at year end for any employee.

Allocation of Indirect Costs

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Agency. These expenses include facilities, printing and office supplies, postage, and dues and subscriptions and are allocated based a ratio determined by management to be appropriate. Payroll and related costs are allocated based on time spent on each function.

NOTE 2 –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, 2020 and 2019.

NOTE 3 –WITH DONOR RESTRICTIONS

There are \$168,522 and \$24,061 of designated donations unspent for their specified as of December 31, 2020 and 2019, respectively. With donor restrictions is made up of the following donations by restricted purpose:

	<u>With Donor Restrictions</u>	
	<u>2020</u>	<u>2019</u>
Aliyah	\$ 74,186	\$ -
Children’s Program	92,471	24,061
Boots on the Ground	1,545	-
No Place Like Home	320	-
	<u>\$ 168,522</u>	<u>\$ 24,061</u>

EZRA INTERNATIONAL, INC.

A Washington Non-Profit Corporation

**Notes to the Financial Statements
Years Ended December 31, 2020 and 2019**

NOTE 4 –LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As of December 31, 2020 and 2019, the Agency has \$1,882,251 and \$1,401,781, respectively, of financial assets available within one year of the statement of financial position date to meet cash needs. As more fully described in Note 1, presentation method for financial statements, the Agency accounts for that activity as with donor restrictions. There are no donor restrictions at year end December 31, 2020 or 2019. Prepaid expenses will be used spent with the passage of time, expensed within one year.

	December 31,	
	2020	2019
Cash	\$ 1,879,035	\$ 1,397,651
Foreign Currency Holdings	3,216	3,216
Receivable	-	914
	<u>\$ 1,882,251</u>	<u>\$ 1,401,781</u>

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:

	December 31,	
	2020	2019
Russia and Former Soviet State	\$ 954,260	\$ 1,440,188
South America	175,852	240,369
Europe	64,700	69,686
United States	21,472	55,299
	<u>\$ 1,216,284</u>	<u>\$ 1,805,542</u>

EZRA INTERNATIONAL, INC.

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**Notes to the Financial Statements
Years Ended December 31, 2020 and 2019**

NOTE 6 – DEBT & COVID-19 CORONAVIRUS

On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. COVID-19 has required The Authority to make adjustments to operating practice and delivery of services. The Authority has continued to provide program services. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy and the general population. Economic uncertainties and government mandates, which are expected to be temporary, could have a negative impact on operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

On May 8, 2020, the Organization received loan proceeds in the amount of \$23,100 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (Cares Act), provides for loans to qualifying businesses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries as described in the Cares Act.

The PPP loan was forgiven on March 9, 2021, and is shown as forgiveness of debt on the Statement of Activities in fiscal year 2021.

NOTE 7 - SUBSEQUENT EVENTS

The Agency did not have any subsequent events through April 1, 2021, 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, 2020.

NOTE 8 -FURNITURE AND EQUIPMENT

At December 31, 2020 and 2019, furniture and equipment included the following:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Furniture	\$ 683	\$ 683
Computer Equipment	7,502	8,201
Vehicles	65,663	65,663
Accumulated Depreciation	<u>(46,893)</u>	<u>(32,578)</u>
	<u>\$ 26,955</u>	<u>\$ 41,969</u>

EZRA INTERNATIONAL, INC.

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**Notes to the Financial Statements
Years Ended December 31, 2020 and 2019**

NOTE 9 –RELATED PARTY TRANSACTIONS

The Agency paid \$33,246 and \$40,788 during the years ended December 31, 2020 and 2019, 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 \$52,900 and \$49,000 during the years ended December 31, 2020 and 2019, 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.

NOTE 10 – 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 2017. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

As of December 31, 2020, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.