HAZON, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

HAZON, INC.

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DECEMBER 31, 2013

BILLET, FEIT AND PREIS, P. C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

42 BROADWAY
NEW YORK, N. Y. 10004

LEO BILLET, C. P. A.
ROBERT PREIS, C. P. A.
YUSSIE STEIER, C. P. A.
STEVEN TABAK, C. P. A.

(212) 425-3300
FAX
(212) 425-3131

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Hazon, Inc.
New York, New York

We have audited the accompanying financial statements of Hazon, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013, and the related statements of activities 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.

Auditors' 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 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 auditors' 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 Hazon, Inc. as of December 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.

Respectfully submitted,

BILLET, FEIT & PREIS, P.C.

Billet Feit & Preis

Certified Public Accountants

New York, NY
May 9, 2014

HAZON, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

Current Assets	
Cash -	
Hazon operations	$ 232,124
Fiscal sponsorships	42,824
	274,948
Pledges receivable	55,832
Accounts receivable	174,954
Investment	43,410
Prepaid expenses	23,776
Total Current Assets	572,920
Property and equipment, net of accumulated depreciation	-
Security deposits	9,167
TOTAL ASSETS	$ 582,087

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	$ 47,909
Accrued expenses	57,264
Grants payable, fiscal sponsorships	37,151
Member deposits	30,600
Total Current Liabilities	172,924
Net Assets	
Unrestricted	129,304
Temporarily restricted	279,859
Total Net Assets	409,163
TOTAL LIABILITIES AND NET ASSETS	$ 582,087

See accompanying notes to the financial statements.

HAZON, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support			
General Support:			
Foundation grants	$1,200,380	$ 279,859	$1,480,239
Individual and institutional support	292,693	-	292,693
Merger related support	32,000	-	32,000
Released from restrictions	363,125	(363,125)	-
	1,888,198	(83,266)	1,804,932
Program Revenues:			
Participant fundraising	275,923	-	275,923
Program fees	243,858	-	243,858
Membership fees	66,048	-	66,048
	585,829	-	585,829
Other Income:			
Donated services	88,124	-	88,124
Fiscal sponsorship fees	18,458	-	18,458
Investment loss, net	(7,355)	-	(7,355)
Other income	21,827	-	21,827
	121,054	-	121,054
Total revenues and other support excluding fiscal sponsor income	2,595,081	(83,266)	2,511,815
Fiscal sponsor income	498,131	-	498,131
Total Revenues and Other Support	3,093,212	(83,266)	3,009,946
Operating Expenses			
Program Expenses:			
Grants	96,626	-	96,626
Conferences, food and lodging	127,285	-	127,285
Wages and related taxes and benefits	900,835	-	900,835
Other program expenses	407,858	-	407,858
	1,532,604	-	1,532,604
Supporting Services:			
Management and general	667,097	-	667,097
Fundraising	363,672	-	363,672
	1,030,769	-	1,030,769
Total Operating Expenses	2,563,373	-	2,563,373
Non-reoccurring pre-merger expenses	183,674	-	183,674
Total expenses before grants to fiscal sponsors	2,747,047	-	2,747,047
Grants, fiscal sponsors	498,760	-	498,760
Total Expenses	3,245,807	-	3,245,807
Increase (Decrease) in Net Assets			
- Hazon core operating activities	(292)	(83,266)	(83,558)
- Fiscal sponsors	(629)	-	(629)
- Pre-merger activity	(151,674)	-	(151,674)
Decrease in net assets	(152,595)	(83,266)	(235,861)
Net assets at beginning of year	281,899	363,125	645,024
Net assets at end of year	$ 129,304	$ 279,859	$ 409,163

See accompanying notes to the financial statements.

HAZON, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013

Cash Flows From Operating Activities	
Decrease in net assets	$ (235,861)
Adjustment to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	10,660
Unrealized investment loss	7,500
Decrease pledges receivable	107,746
Increase in accounts receivable	(138,507)
Decrease in prepaid expenses	9,062
Decrease in rent security deposits	850
Decrease in accounts payable	(32,136)
Decrease in accrued expenses	(6,903)
Decrease in grants payable, fiscal sponsorships	(9,819)
Increase in member deposits	15,475
Total Adjustments	(36,072)
Net Cash Flows Used By Operating Activities	(271,933)
Cash Flows From Investing Activities	
Increase in investments	(990)
Net Cash Flows Used By Investing Activities	(990)
Net decrease in cash	(272,923)
Cash at beginning of year	547,871
Cash at end of year	$ 274,948

See accompanying notes to the financial statements.

Note 1 Summary of Significant Accounting Policies

Organization
Hazon (the "Organization") is a 501(c)(3) non-profit organization in the American Jewish community that was founded in 2000. Hazon works to create a healthier and more sustainable Jewish community and a healthier and more sustainable world for all.

Hazon effects change in three main ways;
(1) Transformative experiences;
(2) Thought-leadership;
(3) Capacity building.

For more information see Hazon's website: http://hazon.org/

Basis of Accounting
The financial statements of Hazon, Inc. have been prepared on the accrual basis of accounting and, accordingly reflect all significant receivables, payables, and other liabilities. Revenue is recorded as detailed below and expenses are recorded when incurred.

Basis of Presentation
Financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") under which Hazon is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. A total of $129,304 of the Organization's net assets was unrestricted as of December 31, 2013

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations or self-imposed limits, such as voluntary resolutions of the board of directors that may or will be met, either by action of Hazon and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from restrictions. A total of $279,859 of the Organization's net assets was temporarily restricted as of December 31, 2013. Of this amount, $71,000 is board-imposed and the balance of $208,859 is donor-imposed.

Note 1 Summary of Significant Accounting Policies (continued)

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be permanently maintained by Hazon. The Organization had no permanently restricted net assets as of December 31, 2013.

Revenues
Some of the Organization's programs have co-sponsorship arrangements, the details of which are necessary when reading the financial statements and understanding the relative success of the programs.

- In regard to the New York, California and Israel Rides, participants pay a registration fee and further raise additional sponsorship funds. For the New York and California rides, the sponsorship funds are paid to Hazon directly, a portion of which is disbursed to other organizations in the form of grants. In the case of the Israel Ride, donations are paid directly to the Arava Institute with a quarter of the net proceeds then being paid to Hazon to support its educational work. Because of this arrangement, the financial statements do not emphasize the overall positive financial impact of the Israel Rides since the total funds raised by the Arava Institute are not included in the financial statements. For the year ended December 31, 2013, it is estimated that the Israel Rides raised an amount of approximately $142,000, net of the program's expenses, for the Arava Institute, in addition to the revenue reported in these financial statements.

- The Hazon Community-Supported Agriculture ("CSA") Project, formerly known as Tuv Ha'aretz, is the first Jewish CSA program in North America. Hazon partners Jewish communities with local sustainable farms by launching CSA programs in synagogues and JCCs across the country. The individual families who join the Hazon CSAs pay their fees directly to the farmers, not to Hazon. Because of this arrangement, the financial statements do not emphasize the overall positive financial impact of Hazon's CSAs, since the revenues paid are not included in the financial statements. For the year ended December 31, 2013, it is estimated that the CSAs generated an amount of approximately $2 million for local sustainable farms.

Note 1 Summary of Significant Accounting Policies (continued)

Fiscal Sponsorships
Hazon effects change not only through the direct impact of its own programs, but also by supporting more generally the development of the Jewish environmental movement. One of the ways that the Organization does this is by becoming fiscal sponsor to significant independent projects that further their mission. As fiscal sponsor, Hazon provides organizational infrastructure and legal and tax-exempt status for these groups. In 2013 Hazon was fiscal sponsor to six projects; Jewish Farm School, Wilderness Torah, Green Movement Amutah, StorahTelling, Ganei Beantown and Pushing the Envelope Farm, each of which grew successfully during the year (see Note 10).

Expense Allocation
The costs of providing the various programs and other supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Assets
Donated investments and other non-cash donations are recorded at the underlying asset's fair market value at the date of the donation.

Donated Services
Hazon pays for most services requiring specific expertise. However, many individuals volunteer significant amounts of time and perform a variety of tasks that assist the Organization by creating, leading and delivering a growing range of programs. These amounts have not been reflected in the statement of activities because the criteria for recognition under FASB ASC have not been satisfied, however Hazon's programmatic impact is significantly leveraged by volunteer leadership.

The Organization has recorded a total of $88,124 of donated services for occupancy facilities ($7,274) and consulting services ($80,850).

Investments
Hazon follows FASB ASC, under which marketable securities with readily determinable fair values and investments in debt securities are valued at their fair values in the statement of financial position. Other investments whose fair market values are not readily determinable are valued based on management's market observations, such as current private equity funding rounds. Unrealized gains and losses are included as changes in net assets in the statement of activities.

Note 1 Summary of Significant Accounting Policies (continued)

Contributions
In accordance with FASB ASC, 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 when the donor makes a promise to give to Hazon that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Property and equipment donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in temporarily restricted net assets. Absent donor restrictions regarding how long those donated assets must be maintained, Hazon reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period, and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

Pledges and Accounts Receivable
Pledges and accounts receivable consist of amounts due from donors and participants, respectively. All amounts are currently due. Management periodically assesses the receivable balances for collectability and expenses uncollectible debts as determined. No allowance for doubtful accounts was deemed necessary as of December 31, 2013.

Property and Equipment
Generally, all acquisitions of property and equipment over $2,500 and all expenditures for renewals and betterments that materially prolong the useful lives of assets are capitalized at cost. Assets contributed to Hazon are recorded at their fair market value at the date of the donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method.

Note 1 Summary of Significant Accounting Policies (continued)

Income Taxes
Hazon, Inc. is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code. Gifts to Hazon, Inc. are tax deductible. The federal and state information returns of the Organization for 2010-2012 are subject to examination by the Internal Revenue Service and New York State Office of the Attorney General, generally for three years after they are filed. At December 31, 2013, Hazon had no knowledge of any tax returns under examination.

Subsequent Events
Management has evaluated subsequent events through May 9, 2014, the date the financial statements were available to be issued.

Fair Value
The carrying amounts of cash, receivables and payables all approximate their fair value due to their short term maturity. The investment is adjusted to its fair value at the balance sheet date (see Note 3).

Note 2 Cash

Cash as of December 31, 2013 consist of the following:

Cash in operating accounts and on hand	$ 222,767
Cash in savings accounts	52,181
Total	$ 274,948

Note 3 Investment

A gift of 192 limited partnership units in Global Sun Partners L.P. was received in 2009, and 10 shares of common stock in Wex, Inc in 2013. Management has valued the limited partnership units at $42,420 based on known private sales and other factors resulting in an unrecognized loss of $7,500 during the year. The common stock is valued at the December 31, 2013 market value of $990.

Note 4 Property and Equipment, Net of Accumulated Depreciation

Property and equipment as of December 31, 2013 consists of:

Furniture and fixtures	$ 63,962
Less: accumulated depreciation	(63,962)
Property and equipment, net of accumulated depreciation	$ -

Depreciation expense for the year December 31, 2013 was $10,660 and is included in management and general expenses in the statement of activities.

Note 5 Rent Expense

In April 2010 the Organization entered into a lease agreement to rent office space at 125 Maiden Lane in New York City at the base amount (not including electricity charges) of $9,166.67 per month with annual increases of 9.1%. The lease expires on May 31, 2017. A security deposit in the amount of $9,167 was provided in respect of this lease.

In April 2010 the Organization entered into a rent agreement for office space at 322 Pine Street in San Francisco in the amount of $1,540 per month. The premises were vacated in July 2013.

In June 2013 the Organization entered into a rent agreement for office space at 121 Steuart Street in San Francisco in the amount of $1,300 per month. The agreement is for one year with annual renewals on a one-year basis. No security deposit was required in respect of this lease.

The following are the future minimum payments required under the Maiden Lane lease agreement as of December 31, 2013:

For the year ended December 31,	
2014	$150,428
2015	164,117
2016	179,052
2017	77,291
Total	$570,888

Total rent expense for the year ended December 31, 2013 was $175,694, of which $7,274 was donated facilities for temporary office space in the aftermath of Hurricane Sandy.

Note 6 Fundraising Expense

Hazon uses staff time, its website and incurs travel expenses for fundraising purposes. Total fundraising expenses, which includes allocated payroll costs, for the year ended December 31, 2013 totaled $363,672.

Note 7 Concentration of Credit Risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash. Management has reduced the Organization's exposure to banking risks through diversifying the Organization's cash into several banks. At times the balances in the Organization's cash accounts exceed FDIC and SIPC protection limits; however, the Organization has not experienced any losses in its cash accounts to date.

Note 8 Employment Contracts

All Hazon employees are "employees at will", and are employed under mutual notice periods not exceeding eight weeks.

Note 9 Fiscal Sponsorships

Hazon is a fiscal sponsor for six emerging projects:

- The *Jewish Farm School* is an organization that offers farm-based education for college students, adults and youth to promote sustainable agriculture and food systems rooted in justice and Jewish traditions.

- *Wilderness Torah* is an organization that revitalizes Jewish life by reconnecting Jewish traditions to the cycles of nature through land-based festivals, rites of passage, and sustainable life skills education.

- *Green Movement Amutah* seeks to influence public opinion and further the understanding among Israel's diverse communities that sustainable living needs to be a part of everyday life.

- *StorahTelling* makes ancient stories and traditions accessible for new generations, advancing Judaic literacy and raising social consciousness through innovative leadership, training programs and theatrical performances.

Note 9 Fiscal Sponsorships (continued)

- *Ganei Beantown* attempts to build the Jewish community through hands-on food system education rooted in Jewish text, tradition and culture.

- *Pushing the Envelope Farm* is a 14-acre Jewish community and educational center near Chicago, providing visitors with a chance to experience small scale agriculture through hands-on workshops and activities. Revenues generated from this project first began in 2013.

The following is a summary of the revenues of these projects, included in the financial statements, for the year ended December 31, 2013:

	Revenue
Wilderness Torah	$ 251,410
Jewish Farm School	127,773
StorahTelling	111,255
Ganei Beantown	6,133
Green Movement Amutah	1,402
Pushing the Envelope Farm	158
Total	$ 498,131

Note 10 Fair Value Presentation

The Organization, as required, adopted the provisions of FASB ASC under which fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. FASB ASC emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted market prices in active markets. Under FASB ASC, fair value measurements are disclosed by level within that hierarchy. FASB ASC establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of Hazon. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset based on the best information available in the circumstances.

Note 10 Fair Value Presentation (continued)

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 - Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical instruments in markets that are not active, and model–based valuation techniques for which all significant assumptions are observable in the market.

Level 3 - Valuation is generated from model-based techniques that use significant assumptions not observable in the market.

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash – the carrying amounts for cash reported in the statement of financial position approximate fair value as they mature in three months or less and do not present unanticipated credit concerns (Level 1).

Receivables and payables – the carrying amounts for receivable and payables reported in the statement of financial position approximate fair value because of their short term maturities (Level 1).

Investments – investments in private equity investments reflect management's own assumptions and estimated fair value (Level 3). Portfolio investments held by brokers are valued at current market prices (Level 1).

The following table presents the Organization's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

Asset	Level 1	Level 2	Level 3	Total
Cash	$ 274,948	$ -	$ -	$ 274,948
Pledges receivable	55,832	-	-	55,832
Accounts receivable	174,954	-	-	174,954
Investments	990	-	42,420	43,410
	$ 506,724	$ -	$ 42,420	$ 549,144

Note 10 Fair Value Presentation (continued)

The following table presents information about fair value measurements that use significant unobservable inputs (Level 3 measurements):

	Private Equity Investment
January 1, 2013	$ 49,920
Transfers in and out of Level 3	-
Purchases, sales and settlements	-
Gains or losses for the year	(7,500)
December 31, 2013	$ 42,420

Note 11 Subsequent Events

In December 2012 the Organization announced its planned merger with the Isabella Freedman Jewish Retreat Center ("IFJRC") located in Falls Village, Connecticut. In addition to functioning as a retreat center for a multitude of Jewish organizations, IFJRC runs its own learning and environmental programs. The stated purpose of the merger is to enable both organizations to reach a broader community and impact a larger audience. The actual merger is effective January 2, 2014 at which time all the assets and liabilities of the Organization transfered to IFJRC together with all of its current programs and fiscal sponsor relationships. The merger was accounted for under the carryover method of accounting in which the new organization (which assumed the name Hazon, Inc.) is created by combining the assets, liabilities and net assets of the merged organizations as of the merger date. Additional information about the merger is available on Hazon's website: http://www.hazon.org/hazon-isabella-freedman-merger/.

During the year ended December 31, 2013, the Organization paid IFJRC a total of $97,891 for various conference and facility expenses in the normal course of its regular operations.

During the year ended December 31, 2013 the Organization incurred a total of $183,674 in pre-merger expenses. This included professional fees for due diligence studies and travel, consulting and advisory fees to facilitate the planned merger of the two entities, as well as increased staffing costs to support the increased marketing and human resource activities resulting from the merger. Because of the nature of these expenses, they have been presented separate from operating expenses as non-reoccurring expenses in the Statement of Activities.