

EZER M'ZION, INC.
FINANCIAL REPORT
DECEMBER 31, 2009 AND 2008

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INDEPENDENT AUDITORS' REPORT

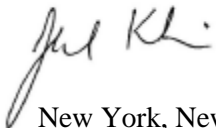
To the Board of Directors
Ezer M'Zion, Inc.
Brooklyn, New York

Gentlemen:

I have audited the accompanying statements of financial position of Ezer M'Zion Inc. (a nonprofit organization) as of December 31, 2009 and 2008 respectively and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ezer M'Zion, Inc. as of December 31, 2009 and 2008 respectively, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



New York, New York
November 15, 2010

EZER M'ZION, INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2009 and 2008

ASSETS	2009	2008
Cash and cash equivalents	\$238,522	\$189,590
Pledges receivable	213,426	30,310
Marketable securities	-	0
Cash value of life insurance	21,935	21,935
Prepaid Expenses	8,000	0
Fixed assets	818	2,558
TOTAL ASSETS	\$482,701	\$244,393
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$5,222	\$9,815
Payroll taxes payable	0	4,428
TOTAL LIABILITIES	\$5,222	\$14,243
Net assets		
Unrestricted	477,479	230,150
Restricted	-	-
TOTAL NET ASSETS	\$477,479	\$230,150
TOTAL LIABILITIES AND NET ASSETS	\$482,701	\$244,393

The Notes to the Financial Statements are an integral part of this report

EZER M'ZION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
Year ending December 31, 2009 and 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2009</u>	<u>#</u>	<u>2008</u>
Revenues					
Contributions income	\$ 3,954,880	\$ -	\$ 3,954,880		\$ 3,959,682
Net investment income	-	-	-		(93,984)
Interest Income	15	-	15		-
Total revenues	\$ 3,954,895	\$ -	\$ 3,954,895		\$ 3,865,698
Expenses					
Program expenses	3,206,284	-	3,206,284		3,336,608
General and administrative	332,630	-	332,630		459,443
Fundraising	168,652	-	168,652		236,039
Total expenses	3,707,566	-	3,707,566		4,032,090
Change in net assets	247,329	-	247,329		(166,392)
Net assets					
Beginning	230,150	-	230,150		396,542
Ending	\$ 477,479	\$ -	\$ 477,479		\$ 230,150

The Notes to the Financial Statements are an integral part of this report

EZER M'ZION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ending December 31, 2009 and 2008

Item	Program	General & administrative	Fundraising	2009	2008
Accounting & bookkeeping	\$ -	\$ 4,250	\$ -	\$ 4,250	\$ 6,250
Advertising	16,880	0	24,925	\$ 41,805	58,167
Advocacy	69,565			\$ 69,565	
Bank Charges	-	2,669	-	\$ 2,669	2,093
Cash value of insurance policies		-		\$ -	14,452
Compensation & Other Benefits	75,557	181,292		\$ 256,849	276,042
Computer		8,042		\$ 8,042	6,954
Credit Card and other fees	-	9,150	-	\$ 9,150	8,272
Depreciation	-	3,223	-	\$ 3,223	1,740
Dues and Subscriptions	-	257	-	\$ 257	144
Equipment Rental	-	5,184	-	\$ 5,184	4,987
Events expense	98,773	-	87,358	\$ 186,131	174,014
Grants expense	2,797,242	-	-	\$ 2,797,242	3,049,715
Insurance	4,423	6,635	-	\$ 11,058	5,835
Legal Fees		33,700	-	\$ 33,700	73,994
Miscellaneous		3,473		\$ 3,473	-
Office expense		5,957	-	\$ 5,957	3,946
Payroll Taxes	7,300	20,764	-	\$ 28,064	32,439
Professional Fees		8,742		\$ 8,742	
Postage and delivery	19,067	19,067	9,534	\$ 47,668	45,564
Printing and reproduction	38,485		19,242	\$ 57,727	86,062
Rent	4,750	9,500	4,750	\$ 19,000	20,000
Repairs		560		\$ 560	-
Supplies	27,980	-	-	\$ 27,980	21,709
Telephone	4,230	4,230	8,461	\$ 16,921	24,369
Travel expense	42,032	-	14,382	\$ 56,414	109,368
Utilities		5,935		\$ 5,935	5,974
	\$ 3,206,284	\$ 332,630	\$ 168,652	\$ 3,707,566	\$ 4,032,090

EZER M'ZION, INC.

STATEMENT OF CASH FLOWS
Year ending December 31, 2009 and 2008

	2009	2008
Cash flows from operating activities		
Change in net assets	\$ 247,329	(166,392)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	3,223	1,740
Increase in Pledges Receivable	(183,116)	24,727
Decrease in Accounts Payable	(4,593)	4,288
Increase in Accrued Expenses	(8,000)	
Decrease in Payroll taxes payable	(4,428)	(372)
Net cash provided by (used in) operating activities	50,415	(136,009)
Cash flows from investing activities		
Decrease (increase) in cash value of life insurance		7,520
Decrease in securities	-	94,170
Purchase of fixed assets	(1,483)	-
Net cash provided by investing activities	(1,483)	101,690
Cash flows from financing activities		
Net increase (decrease) in notes payable	-	-
Net cash provided by (used in) financing activities	-	-
Net increase (decrease) in cash	48,932	(34,319)
Cash		
Beginning	\$189,590	223,909
Prior Year Adjustment		
Ending	\$ 238,522	\$ 189,590

The Notes to the Financial Statements are an integral part of this report

EZER M'ZION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Ezer M'Zion, Inc. ("the Organization") is a non-profit corporation exempt under Section 501(c)(3) of the Internal Revenue Code. It was formed on August 31, 1988 in accordance with the not-for-profit statute of the State of New York. The organization was formed to provide financial support for various activities conducted in the United States and/or Israel for the purpose of providing medical assistance and social services for the sick, disabled and elderly populations and all people in crisis.

A summary of the significant accounting policies of Ezer M'Zion follows:

Basis of accounting: The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the organization 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.

Cash and cash equivalents: For the purpose of reporting cash flows, Ezer M'Zion considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Financial credit risk: The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Ezer M'Zion has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the 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.

Income taxes: Ezer M'Zion is a publicly supported organization described in Section 509(a)(2) of the Internal Revenue Code, and is exempt from income taxes on income derived from any sources related to its exempt purposes under Section 501(c)(3) of the Code. Ezer M'Zion has been classified as an organization that is not a private foundation. Business income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. Ezer M'Zion did not have any unrelated business income for the year ended December 31, 2009.

EZER M'ZION, INC.
NOTES TO FINANCIAL STATEMENTS

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, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.