

EZER M'ZION, INC.
FINANCIAL REPORT
DECEMBER 31, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

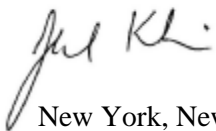
To the Board of Directors
Ezer M'Zion, Inc.
Brooklyn, New York

Gentlemen:

I have audited the accompanying statements of financial position of Ezer M'Zion Inc. (a nonprofit organization) as of December 31, 2010 and 2009 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, 2010 and 2009 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, 2011

EZER M'ZION, INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2010 and 2009

ASSETS	2010	2009
Cash and cash equivalents	\$ 1,130,825	\$ 238,522
Pledges receivable	185,085	213,426
Cash value of life insurance	11,313	21,935
Prepaid Expenses	-	8,000
Loan - Quinn	1,771	-
Fixed assets	-	818
TOTAL ASSETS	\$ 1,328,994	\$ 482,701
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 32,498	\$ 5,222
Payroll taxes payable	661	-
TOTAL LIABILITIES	\$ 33,159	\$ 5,222
Net assets		
Unrestricted	\$ 1,295,835	\$ 477,479
Restricted	-	-
TOTAL NET ASSETS	\$ 1,295,835	\$ 477,479
TOTAL LIABILITIES AND NET ASSETS	\$ 1,328,994	\$ 482,701

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, 2010 and 2009

	Unrestricted	Temporarily Restricted	2010	2009
Revenues				
Contributions income	\$ 3,453,541	\$ -	\$ 3,453,541	\$ 3,954,880
Net investment income	-	-	-	-
Interest Income	113	-	113	15
Total revenues	\$ 3,453,654	\$ -	\$ 3,453,654	\$ 3,954,895
Expenses				
Program expenses	1,883,848	-	1,883,848	4,184,787
General and administrative	459,997	-	459,997	332,630
Fundraising	291,454	-	291,454	168,652
Total expenses	2,635,299	-	2,635,299	4,686,069
Change in net assets	818,355	-	818,355	(731,174)
Net assets				
Beginning	(501,024)	-	(501,024)	230,150
Ending	\$ 317,331	\$ -	\$ 317,331	\$ (501,024)

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, 2010 and 2009

Item	General &			2010	2009
	Program	Administrative	Fundraising		
Accounting & bookkeeping	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 4,250
Advertising	2,573	-	14,002	\$ 16,575	41,805
Advocacy	22,106	-	-	\$ 22,106	69,565
Bank Charges	-	3,410	-	\$ 3,410	2,669
Cash value of insurance policies	-	-	-	\$ -	-
Compensation & Other Benefits	62,196	171,595	-	\$ 233,791	256,849
Computer	-	6,415	-	\$ 6,415	8,042
Credit Card and other fees	-	8,485	-	\$ 8,485	9,150
Depreciation	-	818	-	\$ 818	3,223
Dues and Subscriptions	-	65	-	\$ 65	257
Equipment Rental	-	4,752	-	\$ 4,752	5,184
Events expense	33,320	-	203,758	\$ 237,078	186,131
Grants expense	1,690,775	-	-	\$ 1,690,775	2,797,242
Insurance	2,213	19,097	-	\$ 21,310	11,058
Interest	-	10,622	-	\$ 10,622	-
Legal Fees	-	569	-	\$ 569	33,700
Miscellaneous	-	1,771	-	\$ 1,771	3,473
Office expense	-	4,395	-	\$ 4,395	5,957
Payroll Taxes	7,160	21,481	-	\$ 28,641	28,064
Professional Fees	-	152,712	-	\$ 152,712	8,742
Postage and delivery	7,857	15,716	15,716	\$ 39,289	47,668
Printing and reproduction	10,699	-	21,387	\$ 32,086	57,727
Rent	4,800	9,600	4,800	\$ 19,200	19,000
Repairs	0	-	-	\$ -	560
Supplies	9,024	13,538	546	\$ 23,108	27,980
Telephone	3,837	3,837	7,674	\$ 15,347	16,921
Travel expense	27,289	-	23,571	\$ 50,860	56,414
Utilities	-	6,120	0	\$ 6,120	5,935
	\$ 1,883,848	\$ 459,997	\$ 291,454	\$ 2,635,299	\$ 3,707,566

EZER M'ZION, INC.

STATEMENT OF CASH FLOWS

Year ending December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Change in net assets	\$ 818,355	247,329
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	818	3,223
(Increase) Decrease in Pledges Receivable	28,341	(183,116)
(Increase) Decrease in Prepaid Expenses	8,000	-
(Decrease) Increase in Accounts Payable	26,383	(4,593)
(Decrease) Increase in Accrued Expenses	893	(8,000)
(Increase) Decrease in Loan Receivable- Quinn	(1,771)	-
(Decrease) Increase in Payroll taxes payable	661	(4,428)
Net cash provided by (used in) operating activities	881,680	50,415
 Cash flows from investing activities		
Decrease in cash value of life insurance	\$ 10,622	-
Decrease (Increase) in securities	-	-
Purchase of fixed assets	-	(1,483)
Net cash provided by (used in) investing activities	10,622	(1,483)
 Cash flows from financing activities		
Net Increase (Decrease) in notes payable	-	-
Net cash provided by (used in) financing activities	-	-
 Net increase (decrease) in cash	892,302	- 48,932
 Cash		
Beginning	\$238,522	189,590
Prior Year Adjustment		
Ending	\$ 1,130,824	\$ 238,522

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, 2010.

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.