

EZER M'ZION, INC.
FINANCIAL REPORT
DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

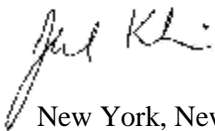
To the Board of Directors
Ezer M'Zion, Inc.
Brooklyn, New York

Gentlemen:

I have audited the accompanying statements of financial position of Ezer M'Zion Inc. (a nonprofit organization) as of December 31, 2011 and 2010 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, 2011 and 2010 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
September 15, 2012

EZER M'ZION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2011 and 2010

ASSETS	2011	2010
Cash and cash equivalents	\$ 330,809	\$ 1,130,825
Pledges receivable	178,836	185,085
Cash value of life insurance	10,997	11,313
Loan - Quinn	1,771	1,771
Fixed assets	5,468	-
TOTAL ASSETS	\$ 527,881	\$ 1,328,994
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 15,780	\$ 32,498
Payroll taxes payable	157	661
TOTAL LIABILITIES	\$ 15,937	\$ 33,159
Net assets		
Unrestricted	\$ 511,944	\$ 1,295,835
Restricted	-	-
TOTAL NET ASSETS	\$ 511,944	\$ 1,295,835
TOTAL LIABILITIES AND NET ASSETS	\$ 527,881	\$ 1,328,994

EZER M'ZION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
Year ending December 31, 2011 and 2010

	Unrestricted	Temporarily Restricted	2011	2010
Revenues				
Contributions income	\$ 2,761,501	\$ -	\$ 2,761,501	\$ 3,453,541
Net investment income	7,992	-	7,992	-
Interest Income	50	-	50	113
Total revenues	\$ 2,769,543	\$ -	\$ 2,769,543	\$ 3,453,654
Expenses				
Program expenses	2,965,374	-	2,965,374	1,883,848
General and administrative	424,606	-	424,606	459,997
Fundraising	163,453	-	163,453	291,454
Total expenses	3,553,433	-	3,553,433	2,635,299
Change in net assets	(783,890)	-	(783,890)	818,355
Net assets				
Beginning	1,295,834	-	1,295,834	477,479
Ending	\$ 511,944	\$ -	\$ 511,944	\$ 1,295,834

EZER M'ZION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year ending December 31, 2011 and 2010

Item	General &		Fundraising	2,011	2010
	Program	Administrative			
Accounting & bookkeeping	\$ -	\$ 6,200	\$ -	\$ 6,200	\$ 5,000
Advertising	3,006	-	15,561	18,567	16,575
Advocacy	19,730	-	-	19,730	22,106
Bank Charges	-	2,563	-	2,563	3,410
Compassion Campaign	121,347	-	-	121,347	-
Compensation & Other Benefits	63,830	185,552	-	249,382	233,791
Computer	-	15,816	-	15,816	6,415
Concert	4,676	-	18,706	23,382	-
Credit Card and other fees	-	7,318	-	7,318	8,485
Depreciation	-	607	-	607	818
Dues and Subscriptions	-	393	-	393	65
Equipment Rental	-	3,519	-	3,519	4,752
Events expense	37,335	-	56,366	93,701	237,078
Grants expense	2,592,195	-	-	2,592,195	1,690,775
Insurance	9,543	14,313	-	23,856	21,310
Interest	-	316	-	316	10,622
Legal Fees	-	2,829	-	2,829	569
Miscellaneous	-	-	-	-	1,771
Office expense	-	2,546	-	2,546	4,395
Payroll Taxes	30,482	91,445	-	121,927	28,641
Other Fees	-	36,292	-	36,292	152,712
Postage and delivery	9,921	19,842	19,841	49,604	39,289
Printing and reproduction	7,925	-	15,851	23,776	32,086
Reimbursable Expenses	-	266	-	266	-
Rent	5,200	10,400	5,200	20,800	19,200
Repairs	-	1,145	-	1,145	-
Supplies	8,820	13,231	-	22,051	23,108
Telephone	4,583	4,583	9,166	18,332	15,347
Travel expense	46,781	-	22,762	69,543	50,860
Utilities	-	5,430	-	5,430	6,120
	\$ 2,965,374	\$ 424,606	\$ 163,453	\$ 3,553,433	\$ 2,635,299

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, 2011.

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.