

EZER M'ZION, INC.
FINANCIAL REPORT
DECEMBER 31, 2013 AND 2012

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JULIUS KLEIN
Certified Public Accountant
2535 JFK Boulevard
Jersey City, NJ 07304
(646) 415-8195
(888) 835-7385 (fax)

INDEPENDENT AUDITORS' REPORT

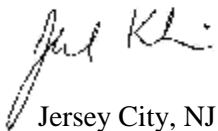
To the Board of Directors
Ezer M'Zion, Inc.
Brooklyn, New York

Gentlemen:

I have audited the accompanying statements of financial position of Ezer M'Zion Inc. (a nonprofit organization) as of December 31, 2013 and 2012 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, 2013 and 2012 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.



Jersey City, NJ
November 16, 2014

EZER M'ZION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2013 and 2012

ASSETS	2013	2012
Cash and cash equivalents	\$ 356,517	\$ 107,853
Pledges receivable	385,359	66,209
Prepaid Expenses	29,999	-
Cash value of life insurance	21,793	11,947
Fixed assets - Net of Depreciation	4,875	6,808
TOTAL ASSETS	\$ 798,543	\$ 192,817
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 14,486	\$ 33,994
TOTAL LIABILITIES	\$ 14,486	\$ 33,994
Net assets		
Unrestricted	\$ 784,057	\$ 784,057
Restricted	-	-
TOTAL NET ASSETS	\$ 784,057	\$ 784,057
TOTAL LIABILITIES AND NET ASSETS	\$ 798,543	\$ 818,051

The Notes to the Financial Statements are an integral part of these statements.

EZER M'ZION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
Year ending December 31, 2013 and 2012

	Unrestricted	Temporarily Restricted	2013	2012
Revenues				
Contributions income	3,846,224	\$ -	\$ 3,846,224	\$ 3,677,723
Investment income	13,743		13,743	44
Total revenues	\$ 3,859,967	\$ -	\$ 3,859,967	\$ 3,677,767
Expenses				
Program expenses	2,627,222	-	2,627,222	2,771,493
General and administrative	300,464	-	300,464	210,096
Fundraising	307,048	-	307,048	649,613
Total expenses	3,234,734	-	3,234,734	3,631,203
Change in net assets	625,233	-	625,233	46,564
Net assets				
Beginning	158,824	-	158,824	112,259
Ending	\$ 784,057	\$ -	\$ 784,057	\$ 158,824

The Notes to the Financial Statements are an integral part of these statements.

EZER M'ZION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ending December 31, 2013 and 2012

Item	General &			2013	2012
	Program	Administrative	Fundraising		
Accounting & bookkeeping	\$ -	\$ 5,750	\$ -	\$ 5,750	\$ 6,750
Advertising	-	-	13,069	13,069	35,399
Advocacy	25,864	-	-	25,864	98,942
Bank Charges	-	4,522	-	4,522	4,350
Compensation & Other Benefits	220,645	110,364	54,536	385,545	349,413
Computer Expenses	-	18,926	-	18,926	12,929
Concert	7,181	-	38,722	45,903	104,670
Credit Card and other fees	-	3,317	7,118	10,435	9,712
Depreciation	-	1,783	-	1,783	1,499
Equipment Rental	-	3,060	-	3,060	3,408
Events expense	41,579	-	72,733	114,312	259,684
Grants expense	2,272,003	-	-	2,272,003	2,386,626
Insurance	-	8,785	-	8,785	8,788
Legal Fees	-	6,811	-	6,811	2,273
Office expense & Miscellaneous	-	10,146	-	10,146	4,474
Payroll Taxes	17,727	8,118	4,560	30,405	35,781
Consulting Fees	-	46,236	-	46,236	17,240
Postage and delivery	5,848	9,447	27,448	42,743	70,623
Printing and reproduction	8,171	1,550	29,164	38,885	49,316
Promotions	-	-	24,361	24,361	19,100
Registration & Filing Fees	-	1,790	-	1,790	1,385
Reimbursable Expenses	-	-	-	-	100
Rent	5,056	10,113	5,056	20,225	14,400
Repairs & Maintenance	-	-	-	-	8,725
Supplies	9,264	9,264	-	18,528	32,468
Telephone	3,583	3,583	7,166	14,332	16,075
Travel expense	10,301	32,257	23,115	65,673	71,522
Utilities	-	4,642	-	4,642	4,323
	<u>\$ 2,627,222</u>	<u>\$ 300,464</u>	<u>\$ 307,048</u>	<u>\$ 3,234,734</u>	<u>\$ 3,631,203</u>

The Notes to the Financial Statements are an integral part of these statements.

EZER M'ZION, INC.

STATEMENT OF CASH FLOWS

Year ending December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Change in net assets	\$ 625,233	46,564
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	1,783	1,499
(Increase) Decrease in Pledges & accounts Receivable	(319,150)	112,627
(Increase) Decrease in Loan Receivable	-	1,771
(Increase) Decrease in Prepaid expenses	(29,999)	-
(Increase) Decrease in Life Insurance Value	(9,845)	(634)
(Decrease) Increase in Accounts Payable & Accrued Expenses	(19,508)	8,454
(Decrease) Increase in Accrued Expenses	-	9,759
(Decrease) Increase in Payroll taxes payable	-	(363)
Net cash provided by (used in) operating activities	248,514	179,678
 Cash flows from investing activities		
Purchase of fixed assets	149	(2,839)
Net cash provided by (used in) investing activities	149	(2,839)
 Cash flows from financing activities		
Net Increase (Decrease) in Loans payable	-	(400,000)
Net cash provided by (used in) financing activities	-	(400,000)
 Net increase (decrease) in cash	248,663	- (223,161)
 Cash		
Beginning	107,853	330,809
Prior Period Adjustment		206
Ending	\$ 356,516	\$ 107,853

The Notes to the Financial Statements are an integral part of these statements.

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.

Loan Payable: the organization received a one year non-interest bearing loan during December 2011 from a non-profit organization. The organization has been making monthly payments since January 2012.

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, 2013.

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.