

EZER M'ZION, INC.
FINANCIAL REPORT
DECEMBER 31, 2012 AND 2011

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INDEPENDENT AUDITORS' REPORT

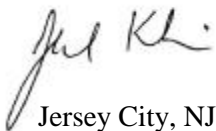
To the Board of Directors
Ezer M'Zion, Inc.
Brooklyn, New York

Gentlemen:

I have audited the accompanying statements of financial position of Ezer M'Zion Inc. (a nonprofit organization) as of December 31, 2012 and 2011 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, 2012 and 2011 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 14, 2013

EZER M'ZION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2012 and 2011

ASSETS	2012	2011
Cash and cash equivalents	\$ 107,853	\$ 330,809
Pledges receivable	66,209	178,836
Cash value of life insurance	11,947	11,313
Loan-Recivable	-	1,771
Fixed assets - Net of Depreciation	6,808	5,468
TOTAL ASSETS	\$ 192,817	\$ 528,197
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 33,994	\$ 15,780
Payroll taxes payable	-	157
Loan payable- See Note	-	400,000
TOTAL LIABILITIES	\$ 33,994	\$ 415,937
Net assets		
Unrestricted	\$ 158,824	\$ 112,259
Restricted	-	-
TOTAL NET ASSETS	\$ 158,824	\$ 112,259
TOTAL LIABILITIES AND NET ASSETS	\$ 192,817	\$ 528,197

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, 2012 and 2011

	Unrestricted	Temporarily Restricted	2012	2011
Revenues				
Contributions income	3,677,723	\$ -	\$ 3,677,723	\$ 2,361,501
Net investment income	-		-	7,992
Interest Income	44	-	44	50
Total revenues	\$ 3,677,767	\$ -	\$ 3,677,767	\$ 2,369,543
Expenses				
Program expenses	2,771,493	-	2,771,493	3,085,468
General and administrative	210,096	-	210,096	304,197
Fundraising	649,613	-	649,613	163,453
Total expenses	3,631,203	-	3,631,203	3,553,118
Change in net assets	46,564	-	46,564	(1,183,575)
Net assets				
Beginning	112,259	-	112,259	1,295,834
Ending	\$ 158,824	\$ -	\$ 158,824	\$ 112,259

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, 2011 and 2010

Item	General &			2,012	2011
	Program	Administrative	Fundraising		
Accounting & bookkeeping	\$ -	\$ 6,750	\$ -	\$ 6,750	\$ 6,200
Advertising	17,819	-	17,579	35,399	18,567
Advocacy	98,942	-	-	98,942	92,234
Bank Charges	-	4,350	-	4,350	2,563
Compassion Campaign	-	-	-	-	121,347
Compensation & Other Benefits	128,695	62,649	158,069	349,413	262,390
Computer	-	12,929	-	12,929	15,816
Concert	20,934	-	83,736	104,670	23,382
Credit Card and other fees	-	9,712	-	9,712	7,318
Depreciation	-	1,499	-	1,499	607
Dues and Subscriptions	-	1,228	-	1,228	393
Equipment Rental	-	3,408	-	3,408	3,519
Events expense	20,929	-	238,755	259,684	93,701
Grants expense	2,386,626	-	-	2,386,626	2,599,196
Insurance	3,515	5,273	-	8,788	23,856
Legal Fees	-	2,273	-	2,273	2,829
Office expense & Miscellaneous	-	4,474	-	4,474	2,548
Payroll Taxes	13,890	4,830	17,061	35,781	29,413
Other Fees	-	17,240	-	17,240	36,292
Postage and delivery	14,125	28,249	28,249	70,623	49,604
Printing and reproduction	12,329	-	36,987	49,316	23,776
Promotions	-	-	19,100	19,100	-
Registration & Filing Fees	-	1,385	-	1,385	-
Reimbursable Expenses	-	100	-	100	266
Rent	3,600	7,200	3,600	14,400	20,800
Repairs & Maintenance	-	8,725	-	8,725	1,145
Supplies	12,987	19,481	-	32,468	22,051
Telephone	4,019	4,019	8,038	16,075	18,332
Travel expense	33,084	-	38,439	71,522	69,543
Utilities	-	4,323	-	4,323	5,430
	\$ 2,771,493	\$ 210,096	\$ 649,613	\$ 3,631,203	\$ 3,553,118

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, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Change in net assets	\$ 46,564	(1,183,575)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	1,499	607
(Increase) Decrease in Pledges Receivable	112,627	6,249
(Increase) Decrease in Loan Receivable	1,771	-
(Increase) Decrease in Life Insurance Value	(634)	-
(Decrease) Increase in Accounts Payable	8,454	(16,272)
(Decrease) Increase in Accrued Expenses	9,759	(445)
(Decrease) Increase in Payroll taxes payable	(363)	(504)
Net cash provided by (used in) operating activities	179,678	(1,193,940)
Cash flows from investing activities		
Decrease in cash value of life insurance	\$ -	-
Purchase of fixed assets	(2,839)	(6,075)
Net cash provided by (used in) investing activities	(2,839)	(6,075)
Cash flows from financing activities		
Net Increase (Decrease) in Loans payable	(400,000)	400,000
Net cash provided by (used in) financing activities	(400,000)	400,000
Net increase (decrease) in cash	(223,161) -	(800,015)
Cash		
Beginning	\$330,809	1,130,824
Prior Period Adjustment	\$206	-
Ending	\$ 107,853	\$ 330,809

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, 2012.

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.