

EZER MIZION
FINANCIAL REPORT
DECEMBER 31, 2017 AND 2016

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INDEPENDENT AUDITORS' REPORT

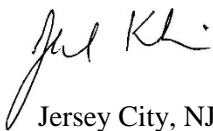
To the Board of Directors
Ezer Mizion
Brooklyn, New York

Gentlemen:

I have audited the accompanying statements of financial position of Ezer Mizion (a nonprofit organization) as of December 31, 2017 and 2016 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 Mizion as of December 31, 2017 and 2016 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
October 22, 2018

EZER MIZION

STATEMENT OF FINANCIAL POSITION

December 31, 2017 and 2016

| ASSETS | <u>Dec. 31, 2017</u> | <u>Dec. 31, 2016</u> |
|---|---------------------------------|---------------------------------|
| Cash and cash equivalents | \$ 325,265 | \$ 317,931 |
| Pledges receivable | 249,430 | 373,555 |
| Prepaid Expenses | 51,420 | 36,073 |
| Cash value of life insurance | 23,623 | 22,457 |
| Fixed assets - Net of Depreciation | <u>60,150</u> | <u>71,112</u> |
| TOTAL ASSETS | \$ 709,889 | \$ 821,129 |
| LIABILITIES AND NET ASSETS | | |
| Credit Card Payable | \$ 36,213 | \$ 25,888 |
| Accounts payable and accrued expenses | <u>\$ 7,588</u> | <u>\$ 7,245</u> |
| TOTAL LIABILITIES | \$ 43,801 | \$ 33,133 |
| Net Assets - unrestricted | <u>\$ 666,088</u> | <u>\$ 787,997</u> |
| TOTAL NET ASSETS | <u>\$ 666,088</u> | <u>\$ 787,997</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 709,889</u></u> | <u><u>\$ 821,130</u></u> |

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

EZER MIZION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
Year ending December 31, 2017 and 2016

| | Unrestricted | Temporarily Restricted | 2017 | 2016 |
|-----------------------------|---------------------|-----------------------------------|---------------------|---------------------|
| Revenues | | | | |
| Contribution income | 4,024,219 | \$ - | \$ 4,024,219 | \$ 3,179,887 |
| Other Revenue | | | | \$ 194,211 |
| Investment income | 4,474 | | 4,474 | 3,152 |
| Total revenues | \$ 4,028,693 | \$ - | \$ 4,028,693 | \$ 3,377,250 |
| Expenses | | | | |
| Program expenses | 3,258,373 | - | 3,258,373 | 2,725,507 |
| General and administrative | 311,043 | - | 311,043 | 376,742 |
| Fundraising | 581,185 | - | 581,185 | 430,452 |
| Total expenses | 4,150,601 | - | 4,150,601 | 3,532,701 |
| Change in net assets | (121,908) | - | (121,908) | (155,451) |
| Net assets | | | | |
| Beginning | 787,997 | - | 787,997 | 943,448 |
| Ending | \$ 666,088 | \$ - | \$ 666,088 | \$ 787,997 |

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

EZER MIZION

STATEMENT OF FUNCTIONAL EXPENSES

Year ending December 31, 2017

| Item | General & | | | 2017 |
|--------------------------------|---------------------|-------------------|-------------------|---------------------|
| | Program | Administrative | Fundraising | |
| Grants expense | 2,454,101 | | | 2,454,101 |
| Compensation & Other Benefits | 384,569 | 127,965 | 118,178 | 630,712 |
| Accounting and Legal Fees | \$ - | 2,567 | \$ - | \$ 2,567 |
| Advertising | 1,233 | - | 11,095 | 12,328 |
| Advocacy | 9,853 | - | - | 9,853 |
| Bank Charges | - | 2,291 | - | 2,291 |
| Computer Expenses | - | 13,652 | - | 13,652 |
| Credit Card and other fees | - | 20,759 | - | 20,759 |
| Depreciation | - | 11,722 | - | 11,722 |
| Equipment Rental | - | 4,802 | - | 4,802 |
| Events expense | 243,307 | - | 358,784 | 602,091 |
| Insurance | - | 28,045 | - | 28,045 |
| Office expense & Miscellaneous | - | 3,924 | - | 3,924 |
| Postage and delivery | 19,418 | 23,095 | 13,592 | 56,105 |
| Printing and reproduction | - | 9,583 | 28,749 | 38,332 |
| Promotions | 7,215 | - | 13,399 | 20,614 |
| Program Expenses | 68,807 | - | - | 68,807 |
| Registration & Filing Fees | - | 2,167 | - | 2,167 |
| Rent | 10,206 | 20,411 | 10,206 | 40,823 |
| Supplies | 4,459 | 4,459 | - | 8,918 |
| Telephone | 2,935 | 2,935 | 5,871 | 11,741 |
| Travel expense | 52,270 | 28,229 | 21,311 | 101,810 |
| Utilities | - | 4,437 | - | 4,437 |
| | \$ 3,258,373 | \$ 311,043 | \$ 581,185 | \$ 4,150,601 |

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

EZER MIZION**STATEMENT OF FUNCTIONAL EXPENSES****Year ending December 31, 2016**

| Item | Program | General & Administrative | Fundraising | 2016 |
|--------------------------------|---------------------|---|--------------------|---------------------|
| Grants expense | 2,054,983 | | | 2,054,983 |
| Compensation & Other Benefits | 407,050 | 158,486 | 136,574 | 702,110 |
| Accounting and Legal Fees | \$ - | 14,282 | \$ - | \$ 14,282 |
| Advertising | 525 | - | 4,725 | 5,250 |
| Advocacy | 33,802 | - | - | 33,802 |
| Bank Charges | - | 3,713 | - | 3,713 |
| Computer Expenses | - | 33,959 | - | 33,959 |
| Credit Card and other fees | - | 20,263 | - | 20,263 |
| Depreciation | - | 12,220 | - | 12,220 |
| Equipment Rental | - | 2,370 | - | 2,370 |
| Events expense | 85,563 | - | 216,199 | 301,762 |
| Insurance | - | 27,994 | - | 27,994 |
| Office expense & Miscellaneous | - | 4,316 | - | 4,316 |
| Consulting Fees | 6,000 | 12,000 | 6,000 | 24,000 |
| Postage and delivery | 12,384 | 31,283 | 8,669 | 52,336 |
| Printing and reproduction | - | 5,323 | 15,970 | 21,293 |
| Promotions | 7,181 | - | 13,337 | 20,518 |
| Program Expenses | 71,901 | - | - | 71,901 |
| Registration & Filing Fees | - | 1,073 | - | 1,073 |
| Rent | 10,950 | 21,900 | 10,950 | 43,800 |
| Supplies | 3,436 | 3,436 | - | 6,872 |
| Telephone | 3,185 | 3,185 | 6,370 | 12,740 |
| Travel expense | 28,547 | 16,469 | 11,658 | 56,674 |
| Utilities | - | 4,470 | - | 4,470 |
| | \$ 2,725,507 | \$ 376,742 | \$ 430,452 | \$ 3,532,701 |

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

EZER MIZION

STATEMENT OF CASH FLOWS

Years ending December 31, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|-------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ (121,908) | (155,451) |
| Adjustments to reconcile change in net assets to net Cash provided by (used in) operating activities: | | |
| Depreciation expense | 11,722 | 12,220 |
| (Increase) Decrease in Pledges & accounts Receivable | 124,125 | 407,412 |
| (Increase) Decrease in Prepaid expenses | (15,347) | (36,073) |
| (Increase) Decrease in Life Insurance Value | (1,166) | 26,832 |
| (Decrease) Increase in Credit Cards Payable | 10,325 | 17,082 |
| (Decrease) Increase in Accounts Payable & Accrued Expenses | 343 | (149,100) |
| Net cash provided by (used in) operating activities | <u>8,094</u> | <u>122,921</u> |
| | | |
| Cash flows from investing activities | | |
| Sale (Purchase) of fixed assets | (760) | (1,808) |
| Net cash provided by (used in) investing activities | <u>(760)</u> | <u>(1,808)</u> |
| | | |
| Net increase (decrease) in cash and cash equivalents | 7,334 | 121,114 |
| | | |
| Cash and cash equivalents | | |
| Beginning | <u>317,931</u> | <u>196,817</u> |
| Ending | <u>\$ 325,265</u> | <u>\$ 317,931</u> |

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

EZER MIZION
NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Ezer Mizion (“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 vitally needed assistance to individuals and their families facing health challenges such as cancer and to the elderly, handicapped and children with special needs so as to empower and assist such individuals in maintaining independence, restoring function, preserving dignity and improving quality of life. Said services, programs and activities shall include, promoting access to and facilitating stem cell testing of individuals for inclusion on the international WMDA registry; medical referrals; support and rehabilitation services; food distribution; ambulance and volunteer car transport; and the free loan of medical, pediatric development, augmentative communication and rehabilitation equipment.

A summary of the significant accounting policies of Ezer Mizion 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 Mizion 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 Mizion 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 Mizion 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 Mizion 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 Mizion did not have any unrelated business income for the year ended December 31, 2017.

EZER MIZION
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.