

MAZON:
A JEWISH RESPONSE TO HUNGER
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2011 AND 2010

MAZON: A JEWISH RESPONSE TO HUNGER

JUNE 30, 2011 AND 2010

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Independent Auditors' Report

To the Board of Directors of
MAZON: A Jewish Response to Hunger:

We have audited the accompanying statement of financial position of MAZON: A Jewish Response to Hunger (a nonprofit organization) (the Organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Organization as of June 30, 2010, were audited by other auditors whose report dated September 15, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MAZON: A Jewish Response to Hunger as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Los Angeles, California
October 11, 2011

MAZON: A JEWISH RESPONSE TO HUNGER

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,336,171	\$ 549,067
Investments - Endowment, at fair value	1,462,793	1,134,876
Prepaid expenses	<u>13,755</u>	<u>37,132</u>
Total current assets	<u>2,812,719</u>	<u>1,721,075</u>
Long-term assets		
Investments - Endowment, at fair value	543,550	543,550
Property, net	54,995	55,989
Other assets	<u>10,706</u>	<u>10,706</u>
Total long-term assets	<u>609,251</u>	<u>610,245</u>
 Total assets	 <u>\$ 3,421,970</u>	 <u>\$ 2,331,320</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ -	\$ 9,600
Accrued liabilities	<u>64,349</u>	<u>72,912</u>
Total liabilities	<u>64,349</u>	<u>82,512</u>
Net assets		
Unrestricted - undesignated	975,011	438,369
Unrestricted - board designated	1,462,793	1,134,876
Temporarily restricted	376,267	132,013
Permanently restricted	<u>543,550</u>	<u>543,550</u>
Total net assets	<u>3,357,621</u>	<u>2,248,808</u>
 Total liabilities and net assets	 <u>\$ 3,421,970</u>	 <u>\$ 2,331,320</u>

See notes to financial statements.

MAZON: A JEWISH RESPONSE TO HUNGER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2010)

	2011			2010	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Revenue					
Contributions	\$ 4,925,291	\$ 925,651	\$ -	\$ 5,850,942	\$ 6,540,975
Unrealized gain on investments	273,795	-	-	273,795	152,103
Interest income	23,888	-	-	23,888	14,924
Other revenue	24,559	-	-	24,559	-
Net assets released from program restrictions	681,397	(681,397)	-	-	-
Total revenue	<u>5,928,930</u>	<u>244,254</u>	<u>-</u>	<u>6,173,184</u>	<u>6,708,002</u>
Expenses					
Program services					
Grants and grant management	3,746,585	-	-	3,746,585	5,020,787
Public education/advocacy	829,910	-	-	829,910	910,092
Total program services	<u>4,576,495</u>	<u>-</u>	<u>-</u>	<u>4,576,495</u>	<u>5,930,879</u>
Support services					
Management and general	312,080	-	-	312,080	156,172
Fundraising	175,796	-	-	175,796	246,774
Total support services	<u>487,876</u>	<u>-</u>	<u>-</u>	<u>487,876</u>	<u>402,946</u>
Total expenses	<u>5,064,371</u>	<u>-</u>	<u>-</u>	<u>5,064,371</u>	<u>6,333,825</u>
Change in net assets	864,559	244,254	-	1,108,813	374,177
Net assets, beginning of year	<u>1,573,245</u>	<u>132,013</u>	<u>543,550</u>	<u>2,248,808</u>	<u>1,874,631</u>
Net assets, end of year	<u>\$ 2,437,804</u>	<u>\$ 376,267</u>	<u>\$ 543,550</u>	<u>\$ 3,357,621</u>	<u>\$ 2,248,808</u>

See notes to financial statements.

MAZON: A JEWISH RESPONSE TO HUNGER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2010)

	2011						2010
	Program Services			Support Services			Total
	Grants and Grant Management	Public Education/Advocacy	Program Services Total	Management and General	Fundraising	Support Services Total	
Grants and project expenses							
Grants	\$ 3,101,891	\$ -	\$ 3,101,891	\$ -	\$ -	\$ -	\$ 4,136,348
Project expenses	-	211,810	211,810	-	-	-	195,184
Total grants and project expenses	<u>3,101,891</u>	<u>211,810</u>	<u>3,313,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,331,532</u>
Operating expenses							
Computer consulting/expense	18,596	14,639	33,235	2,769	3,561	6,330	-
Credit card/lockbox charges	-	-	-	68,702	-	68,702	31,625
Depreciation	2,190	2,190	4,380	16,511	-	16,511	14,146
Dues and subscriptions	-	-	-	1,777	-	1,777	13,386
Employee benefits and payroll taxes	74,822	58,903	133,725	11,143	14,328	25,471	194,921
Equipment rental	5,027	3,957	8,984	748	963	1,711	10,722
Executive search	-	-	-	53,129	-	53,129	-
Insurance	2,955	2,326	5,281	440	566	1,006	5,377
Investment expense	-	-	-	12,837	-	12,837	7,773
Loss on sale of assets	-	-	-	-	-	-	465
Public outreach/marketing	-	170,200	170,200	-	18,500	18,500	219,773
Miscellaneous	310	244	554	46	59	105	28,803
Office expense	10,164	8,001	18,165	1,514	1,946	3,460	34,681
Outside services	11,731	9,235	20,966	1,747	2,246	3,993	64,331
Postage and shipping	11,842	9,323	21,165	1,763	2,268	4,031	44,602
Printing	11,352	8,937	20,289	1,691	2,174	3,865	37,041
Professional fees	11,500	9,500	21,000	24,694	5,596	30,290	92,936
Rent and parking	47,359	37,282	84,641	7,053	9,069	16,122	106,886
Repairs and maintenance	-	-	-	1,302	-	1,302	2,264
Salaries and wages	408,207	231,966	640,173	86,341	77,475	163,816	949,219
Seminars and education	2,874	2,263	5,137	428	550	978	5,297
Special event expenses	-	-	-	-	31,315	31,315	39,589
Taxes and filing fees	-	-	-	4,810	-	4,810	3,522
Telephone	10,151	7,991	18,142	1,511	1,944	3,455	23,124
Travel	3,119	31,306	34,425	9,263	843	10,106	45,836
Video productions/website maintenance	12,495	9,837	22,332	1,861	2,393	4,254	25,974
Total operating expenses	<u>644,694</u>	<u>618,100</u>	<u>1,262,794</u>	<u>312,080</u>	<u>175,796</u>	<u>487,876</u>	<u>2,002,293</u>
Total functional expenses	<u>\$ 3,746,585</u>	<u>\$ 829,910</u>	<u>\$ 4,576,495</u>	<u>\$ 312,080</u>	<u>\$ 175,796</u>	<u>\$ 487,876</u>	<u>\$ 6,333,825</u>

See notes to financial statements.

MAZON: A JEWISH RESPONSE TO HUNGER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash flows from operating activities		
Change in net assets	\$ 1,108,813	\$ 374,177
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	20,891	14,146
Loss on sale of assets	-	465
Unrealized gain on investments	(273,795)	(152,103)
Changes in current assets and liabilities:		
Prepaid expenses	23,377	17,335
Accounts payable	(9,600)	(17,537)
Accrued liabilities	(8,563)	31,286
Grants payable	-	(455,000)
Net cash provided by (used in) operating activities	861,123	(187,231)
Cash flows from investing activities		
Purchases and reinvested investment income, net of investment expenses	(54,122)	(4,419)
Collections of contributions for long-term purposes	-	(2,900)
Acquisition of property	(19,897)	(7,127)
Net cash used in investing activities	(74,019)	(14,446)
Net change in cash and cash equivalents	787,104	(201,677)
Cash and cash equivalents, beginning of year	549,067	750,744
Cash and cash equivalents, end of year	\$ 1,336,171	\$ 549,067

See notes to financial statements.

MAZON: A JEWISH RESPONSE TO HUNGER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE 1. ORGANIZATION

MAZON: A Jewish Response to Hunger (MAZON) (the Organization) is a national nonprofit dedicated to preventing and alleviating hunger among people of all faiths and backgrounds, primarily in the United States, but also in Israel and selected developing nations.

MAZON, which means “food” in Hebrew, was the first national organization to rally the American Jewish community around the issue of hunger, and remains the only national Jewish organization dedicated exclusively to that same cause.

Since its founding in 1985, the Organization has established itself as a leader in the national anti-hunger movement. The Organization is involved in a number of national anti-hunger coalitions, and works in close collaboration with interfaith agencies of all denominations to advocate for hungry families nationwide.

The Organization recognizes the importance of responding to hungry peoples’ immediate need for nutrition and sustenance while also working to develop and advance long-term solutions. It endorses a holistic approach to ending hunger, which it demonstrates through its three interrelated strategies:

- Advocacy and Education – The Organization practices and promotes advocacy as a means for ensuring not only that food reaches those who are hungry today, but also that no one goes hungry tomorrow. MAZON engages its synagogue partners to mobilize the Jewish community to advocate for effective hunger policies and programs at the state and national level.
- Partnership Grant-Making – The Organization makes annual partnership grants to carefully screened partner organizations that help advance its mission in their communities. Since awarding its first grant in 1986, the Organization has awarded grants totaling more than \$62 million to partners who represent the entire spectrum of the nation’s anti-hunger network: from food banks, food pantries, home-delivered meal programs and kosher meal programs to advocacy groups working at the local, state and national level to expand participation in federal food assistance programs and champion responsible government policies to prevent widespread hunger in the future.
- Strategic Initiatives – The Organization develops and implements strategic initiatives designed to advance knowledge and capacity within the anti-hunger community. Past initiatives have helped the emergency food network engage in anti-hunger advocacy and provided effective strategies and tools to assist emergency food providers, food banks and anti-hunger advocates become stronger resources for healthy eating. Current initiatives will help make more diverse and nutritious food available through the nation’s emergency food network to promote healthier eating in their communities.

The Organization raises funds by requesting donations, primarily from the American Jewish community. The Organization has nearly 1,500 synagogue partners nationwide and strong relationships with the organizing bodies of the Reform, Reconstructionist, and Conservative movements as well as a broad spectrum of other Jewish organizations.

MAZON: A JEWISH RESPONSE TO HUNGER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America.

Restricted and Unrestricted Revenue and Support

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities - Presentation of Financial Statements*. Under this standard, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Organization accounts for grants and contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*. Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or 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. Accordingly, all financial transactions have been recorded and reported by net asset classes as follows:

- (a) Unrestricted – Undesignated: These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
- (b) Unrestricted - Board Designated: These are comprised of resources which the Board of Directors has designated for endowment purposes specifically from bequests and board members' personal gifts plus certain donations in excess of \$15,000. These funds, raised through general fundraising activities, are included in unrestricted net assets and amounted to \$1,462,793 and \$1,134,876 as of June 30, 2011 and 2010, respectively.
- (c) Temporarily Restricted: These are gifts of cash and other assets received with donor stipulations that limit the use of the donated assets. A donor restriction expires when a stipulated time restriction ends or the purpose of the restriction is accomplished. Temporarily restricted net assets are then reclassified to unrestricted net assets and reported in the statement of activities as net assets released from program restrictions. Temporarily restricted net assets amounted to \$376,267 and \$132,013 as of June 30, 2011 and 2010, respectively.
- (d) Permanently Restricted: These are received from donors who stipulate that resources are to be maintained permanently, but permit the Organization to expend all of the income (or other economic benefits) derived from the donated assets. Income earned on the endowment corpus is unrestricted. Permanently restricted net assets amounted to \$543,550 at June 30, 2011 and 2010.

MAZON: A JEWISH RESPONSE TO HUNGER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents. The Organization classifies all cash and cash equivalents held as part of the investment portfolio as investments - endowment.

Fair Value of Investments

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. The standard defines fair value, establishes a framework for measuring fair value under U.S. generally accepted accounting principles, and enhances disclosure about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes how to measure fair value based on a three-level hierarchy of inputs, of which the first two are considered observable and the last unobservable.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Investments - Endowment consists of an investment of approximately 1% in a Common Investment Pool (CIP) (See Note 4). The CIP is not traded on any public market, and, accordingly, there are no observable inputs to the determination of its fair value. In addition, certain of the investments contained in the CIP consist of alternative investments and the fair value of these investments was based on the net asset value per share. Therefore, the CIP is characterized by the Organization as a Level 3 investment.

The following table summarizes the change in the fair value of the Organization's investment in the CIP valued based on Level 3 inputs:

	2011	2010
Beginning balance	\$ 1,678,426	\$ 1,519,004
Purchases	49,712	-
Unrealized gain	273,795	152,103
Interest and dividends	17,247	15,092
Investment expense	(12,837)	(7,773)
Ending balance	<u>\$ 2,006,343</u>	<u>\$ 1,678,426</u>

MAZON: A JEWISH RESPONSE TO HUNGER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Unconditional contributions, including pledges recorded at estimated net realized value are recognized as revenues in the period received. The Organization reports contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Property and Depreciation

Property is recorded at cost when purchased. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets (which range from 3-7 years). MAZON capitalizes expenditures or betterments that materially increase asset lives and charges ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. No impairment losses were recognized on long-lived assets during the years ended June 30, 2011 and 2010.

Income Taxes

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and from state income tax under comparable provisions. However, income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. The Organization does not have any income, which it believes would subject it to unrelated business income taxes.

Functional Allocation of Expenses

Costs of providing the Organization's programs and other activities have been presented in the statement of functional expenses. During the period, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Organization allocates indirect costs by the percentage of staff time spent under each activity.

The following program and support services are included in the accompanying financial statements:

i) Grants and Grants Management

Grants are the actual granting of money to the different anti-hunger organizations that MAZON supports. Grants management refers to direct costs associated with the grant making process.

MAZON: A JEWISH RESPONSE TO HUNGER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (Continued)

ii) Public Education/Advocacy

The Organization strives to educate others about the real issues and causes of hunger and the means required to diminish these problems. In addition, the Organization raises awareness about the critical importance of engaging local, state and federal resources as a means of crafting viable long-term hunger solutions.

iii) Management and General

Management and general includes the functions necessary to maintain an equitable personnel program, ensure an adequate working environment, secure proper administration of insurance and other matters and manage the financial and budgetary responsibilities of the Organization.

iv) Fundraising

Fundraising activities provide the structure to encourage and secure financial support from individuals, foundations and corporations. The Organization does not rely on large endowments, gifts from foundation principals, or government funding. Instead, the Organization supports its program activities by raising all of its funds from its own sources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 revenues and expenses for the reporting period. Actual results could differ from these estimates.

Comparative Totals

The financial statements include certain prior period summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010 from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made in the 2010 financial statements to conform to the presentation of the 2011 financial statements.

MAZON: A JEWISH RESPONSE TO HUNGER

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

NOTE 3. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains cash balances at several institutions located in the Los Angeles area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization's cash balance exceeded the insured limits by approximately \$229,783 at June 30, 2011. Money Market accounts are held by a broker-dealer that provides insurance through the Securities Investor Protection Corporation (SIPC) that is similar to that provided by the FDIC on the cash deposits. The Organization believes that its credit risk is not significant.

NOTE 4. INVESTMENTS – ENDOWMENT

Investments - Endowment are stated at fair value based on a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as discussed in Note 2. The Organization's investment consists of an investment of approximately 1% as of June 30, 2011 and 2010 in a Common Investment Pool (CIP). The CIP invests in stocks, bonds, mutual funds, hedge funds, private equity funds, and cash and cash equivalents. Net unrealized gains of \$273,795 and \$152,103 and investment expenses of \$12,837 and \$7,773 are included in the statement of activities for the years ended June 30, 2011 and 2010, respectively. The fair market value of these funds is \$2,006,343 and \$1,678,426 at June 30, 2011 and 2010, respectively, of which \$543,550 is classified as long-term and is permanently restricted in 2011 and 2010. Generally, the CIP permits investment in and withdrawal on a quarterly basis. However, the CIP is a pooled fund with a large portfolio of investments and a portion of the Organization's investment in the fund is illiquid due to the restrictions on specified investments within the fund. The Organization has no additional commitment to invest in the CIP.

NOTE 5. PROPERTY

Property at June 30, 2011 and 2010 consists of the following:

	<u>2011</u>	<u>2010</u>
Office equipment	\$ 84,735	\$ 65,885
Furniture and fixtures	31,158	30,111
Leasehold improvements	<u>10,577</u>	<u>10,577</u>
Total property	126,470	106,573
Less: accumulated depreciation	<u>(71,475)</u>	<u>(50,584)</u>
Property, net	<u>\$ 54,995</u>	<u>\$ 55,989</u>

Depreciation expense of the years ended June 30, 2011 and 2010 amounted to \$20,891 and \$14,146, respectively.

MAZON: A JEWISH RESPONSE TO HUNGER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE 6. COMMITMENTS

Operating Lease

Operating lease consists of a noncancelable lease agreement for office space and parking with future minimum annual lease payments for each of the next five years as follows:

Year Ending June 30,	
2012	\$ 112,474
2013	105,655
2014	120,382
2015	120,740
2016	117,771
Total	<u>\$ 577,022</u>

Rent and parking expense of \$100,763 and \$106,886 is included in the accompanying statement of functional expenses for the years ended June 30, 2011 and 2010, respectively.

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2011 and 2010 consist of:

	2011	2010
Berkman Charitable Trust	\$ -	\$ 43,712
Kaiser Permanente	107,283	-
Resnick Family Foundation	-	25,000
The California Endowment (TCE)	150,000	38,362
Other	118,984	24,939
Total temporarily restricted net assets	<u>\$ 376,267</u>	<u>\$ 132,013</u>

NOTE 8. RETIREMENT PLAN

The Organization has a defined contribution plan covering substantially all of its employees after one year of service who meets all eligibility requirements of the Plan. The Organization matches 100% of the first 3% contribution to the Plan plus 50% of the next 2% contribution. Additionally, the Organization has the option to make a discretionary contribution. Retirement plan expense charged to operations for the years ended June 30, 2011 and 2010 amounted to \$32,848 and \$48,997, respectively, which includes a discretionary contribution of \$18,424 and \$25,487, respectively, and are included in employee benefits and payroll taxes in the accompanying statement of functional expenses.

MAZON: A JEWISH RESPONSE TO HUNGER

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

NOTE 9. EXPENSE RATIOS

For the years ended June 30, 2011 and 2010, the Organization's program and support services expenses as a percentage of total expenses are as follows:

	<u>2011</u>	<u>2010</u>
Programs		
Grants and grant management	75%	79%
Public education/advocacy	<u>16%</u>	<u>14%</u>
Total program expense ratio	<u>91%</u>	<u>93%</u>
Support services		
Management and general	6%	3%
Fundraising	<u>3%</u>	<u>4%</u>
Total support services expense ratio	<u>9%</u>	<u>7%</u>

NOTE 10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events that have occurred from June 30, 2011 through October 11, 2011, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.