

**JEWISH WORLD WATCH**  
(A California Nonprofit Public Benefit Corporation)

**FINANCIAL STATEMENTS**

As of and for the  
Year Ended

December 31, 2010

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**Independent Auditors' Report**

To the Board of Directors  
Jewish World Watch  
Encino, California

We have audited the accompanying statement of financial position of Jewish World Watch (JWW) as of December 31, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of JWW's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether 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 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 Jewish World Watch as of December 31, 2010, and changes in its net assets, functional expenses and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Gursey | Schneider LLP*

June 21, 2011  
Los Angeles, California

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**JEWISH WORLD WATCH**  
Statement of Financial Position  
December 31, 2010

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 1,431,952
Certificates of deposit, 0.6% and 0.95%	479,038
Common stock (cost: \$1,495)	1,763
Contributions receivable	152,566
Prepaid event costs	13,443
Other prepaid expenses	5,921
Deposits	<u>2,700</u>

TOTAL CURRENT ASSETS	<u>2,087,383</u>
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**OTHER ASSETS**

Property and equipment, at cost	
net of accumulated depreciation of \$16,358	<u>13,661</u>

<b>TOTAL ASSETS</b>	<u><u>\$ 2,101,044</u></u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Grants payable	\$ 67,382
Accounts payable	8,094
Deferred event income	261,185
Accrued salary	<u>6,968</u>

TOTAL CURRENT LIABILITIES	<u>343,629</u>
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**NET ASSETS**

Unrestricted	596,994
Temporarily restricted	<u>1,160,421</u>

TOTAL NET ASSETS	<u>1,757,415</u>
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<b>TOTAL LIABILITIES NET ASSETS</b>	<u><u>\$ 2,101,044</u></u>
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See Independent Auditors' Report and Notes to Financial Statements

**JEWISH WORLD WATCH**  
Statement of Activities  
For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions and voluntary membership dues	\$ 587,560	\$ 558,624	\$ 1,146,184
Grants	-	81,500	81,500
Interest income	3,090	-	3,090
Unrealized gains (losses)	(1,237)	-	(1,237)
Net assets released from restrictions	899,327	(899,327)	-
<b>TOTAL REVENUES</b>	<u>1,488,740</u>	<u>(259,203)</u>	<u>1,229,537</u>
<b>EXPENSES</b>			
Program services	1,318,217	-	1,318,217
Management and general	161,805	-	161,805
Fundraising	125,030	-	125,030
<b>TOTAL EXPENSES</b>	<u>1,605,052</u>	<u>-</u>	<u>1,605,052</u>
<b>CHANGE IN NET ASSETS</b>	<u>(116,312)</u>	<u>(259,203)</u>	<u>(375,515)</u>
<b>NET ASSETS, Beginning of year</b>	<u>713,306</u>	<u>1,419,624</u>	<u>2,132,930</u>
<b>NET ASSETS, End of year</b>	<u>\$ 596,994</u>	<u>\$ 1,160,421</u>	<u>\$ 1,757,415</u>

See Independent Auditors' Report and Notes to Financial Statements

**JEWISH WORLD WATCH**  
Statement of Functional Expenses  
For the Year Ended December 31, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and allocations	\$ 530,596	\$ -	\$ -	\$ 530,596
Salaries	281,332	53,190	13,302	347,824
Consultants and contract services	185,313	10,523	35,822	231,658
Printing	67,663	1,058	37,820	106,541
Web maintenance	32,027	21,436	6,854	60,317
Payroll taxes and employee benefits	43,500	11,226	2,127	56,853
Events	52,405	1,397	508	54,310
Travel and meals	40,648	9,176	1,173	50,997
Rent	25,538	4,283	1,203	31,024
Postage	10,106	787	14,206	25,099
Accounting services	-	24,051	-	24,051
Design fees	10,410	812	5,961	17,183
Bank charges	-	16,552	-	16,552
Equipment rental	8,692	1,420	398	10,510
Telephone	6,592	1,094	306	7,992
Office	5,695	1,546	247	7,488
Advertising	2,889	318	3,800	7,007
Automobile	5,349	1,185	242	6,776
Depreciation	4,453	543	434	5,430
Insurance	2,673	476	132	3,281
Utilities	2,234	498	107	2,839
Taxes and licenses	-	220	384	604
Dues and subscriptions	102	14	4	120
	<u>\$ 1,318,217</u>	<u>\$ 161,805</u>	<u>\$ 125,030</u>	<u>\$ 1,605,052</u>

See Independent Auditors' Report and Notes to Financial Statements



**JEWISH WORLD WATCH**  
Statement of Cash Flows  
For the Year Ended December 31, 2010

**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in net assets	\$ (375,515)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation expense	5,430
Non-cash donation of stock	(1,495)
Net realized and unrealized investment loss	1,237
Changes in assets and liabilities:	
Contributions receivable	124,728
Prepaid expenses	(13,455)
Deferred revenue	261,185
Grants payable	4,882
Accounts payable	(3,474)
Accrued payroll	1,762

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

5,285

**CASH FLOWS USED IN INVESTING ACTIVITIES**

Maturity of certificates of deposit	334,995
Purchases of certificates of deposit	(480,000)
Purchase of property and equipment	(3,426)

**NET CASH USED IN INVESTING ACTIVITIES**

(148,431)

**NET DECREASE IN CASH**

(143,146)

**CASH AT BEGINNING OF YEAR**

1,575,098

**CASH AT END OF YEAR**

\$ 1,431,952

**JEWISH WORLD WATCH**  
Notes to Financial Statements  
For the Year Ended December 31, 2010

**NOTE 1 — NATURE OF ORGANIZATION**

Jewish World Watch (JWW), a California nonprofit public benefit corporation, was incorporated in 2005. JWW is a hands-on leader in the fight against genocide and mass atrocities, engaging individuals and communities to take local actions that produce powerful global results. Founded in 2004 by Rabbi Harold M. Schulweis and Janice Kamenir-Reznik as the Jewish response to the genocide in Darfur, it has grown from a collection of Southern California synagogues into a global coalition that includes schools, churches, individuals, communities and partner organizations that share a vision of a world without genocide. JWW bears witness to first-hand accounts in conflict regions, partners with on-the-ground organizations to develop high-impact projects that improve the lives of survivors and help build the foundation for a safer world, and inspires our communities to support tangible projects and advocate for political change. JWW has raised more than five million dollars for relief and development projects that impact tens of thousands of people in Sudan and Congo.

**CURRENT PRIORITIES:**

- **Sudan:** The Darfur genocide is now in its 9th year. Up to 400,000 civilians have been murdered by the Sudanese government and allied Janjaweed militias since February 2003. More than 3 million people are internally displaced or living as refugees in neighboring countries.
- **Congo:** Raging since 1996, the conflict in Congo is the deadliest since WWII. At least 5.4 million people have been killed. More than 1,100 women and girls are brutally raped each day. Over 2 million people are displaced by constant insecurity.

**LOCAL ACTION:**

- **Student Activism:** From the innovative Activist Certification and Training (ACT) program, which teaches students the skills of effective activism, to its work with area schools and summer camps, JWW empowers young leaders with the tools and skills they need to advocate for positive change.
- **Political Action:** Whether JWW is taking to the streets at its rallies, vigils or the annual Walk to End Genocide or meeting with national and international political leaders, JWW works to remind our leaders that ending the crises in Sudan and Congo are priorities they must share.
- **Community Events and JWW Speakers:** JWW has been an integral player in educating the public about Sudan and Congo. JWW's annual events build awareness about the crises in Sudan and Congo and mobilize thousands of community members each year towards action.

**ON THE GROUND PROJECTS**

- **Women in Crisis:** JWW works to help women survivors rebuild their lives through projects that not only provide relief but restore dignity, build skills, and provide an opportunity for economic development.
- **Children in Conflict:** JWW projects support the health and well-being of children in conflict zones, providing them with the supplies that meet their basic needs and programs that provide for their future growth.
- **Health and Safety:** JWW works to maintain the health of survivors through projects that both provide much-needed medical aid and supplies and further develop the knowledge and skills of the survivors themselves to maintain their own health and sanitation.

JWW's support comes primarily from individual donor contributions, voluntary membership dues from affiliated synagogues, and grants.

JWW's principal office is located in Encino, California.



**JEWISH WORLD WATCH**  
Notes to Financial Statements  
For the Year Ended December 31, 2010

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Financial Presentation** — The accompanying financial statements have been prepared on the accrual basis of accounting.

**Recognition of Restricted Contributions** — JWW recognizes contributions, including unconditional promises to give, as revenue in the period received, at fair value. JWW reports amounts in the accompanying financial statements for each of two classes of net assets, unrestricted net assets and temporarily restricted assets.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. Temporarily restricted net assets become available once the restriction has been satisfied. Once satisfied, these are reclassified to unrestricted net asset and reported in the accompanying financial statements as net assets released from restrictions.

**Contributions Receivable** — Contributions receivables are recorded when accrued and are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. At December 31, 2010, no valuation allowance was deemed necessary.

**Contributed Services** — Contributed services are recognized if the services received (a) increase or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

JWW receives a significant amount of contributed time from volunteers that does not meet the two recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements.

In 2010, JWW received a \$50,000 professional services grant that was provided as in-kind services. No amounts are reflected in the accompanying financial statements for this award as it did not meet the in-kind services recognition criteria.

**Grant Expenditures** — Grant expenditures are recognized in the period the grant is approved provided the grant is not subject to future contingencies.

**Cash and Cash Equivalents** — Cash and cash equivalents consist of cash and money market funds.

**Investments** — Investments, totaling \$1,763 consist of 26 shares of CMS Energy Corp common stock and 16 shares of BASF common stock. These shares are valued at the closing share trade price at the end of the year. This represents a Level 1 fair value measure.

**JEWISH WORLD WATCH**  
Notes to Financial Statements  
For the Year Ended December 31, 2010

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)**

**Property and Equipment** — Property and equipment are stated at cost. Repairs and maintenance are charged to operations as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period.

Depreciation expense for computer equipment is calculated on straight-line method over 5 years.

Office equipment	\$	28,759
Leasehold improvements		<u>1,260</u>
		30,019
Less accumulated depreciation		<u>(16,358)</u>
Total property and equipment	\$	<u><u>13,661</u></u>

Depreciation expense for the year ended December 31, 2010 was \$5,430.

**Functional Expenses** — The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Advertising** — Advertising costs are recognized in the period incurred. Advertising costs were \$7,007 for the year ended December 31, 2010.

**Income Taxes** — JWW is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. JWW is required to evaluate its tax positions and recognize a liability for any positions that would not be considered "more likely than not" to be upheld under a tax authority examination. If such issues exist, JWW's policy will be to recognize any tax liability so recorded, including applicable interest and penalties, as a component of income tax expense.

JWW's federal income tax and informational returns for tax years 2007 and subsequent remain subject to examination by the Internal Revenue Service. The returns for California remain subject to examination by the California Franchise Tax Board for years 2006 and subsequent.

**Concentrations of Risk** — The Foundation maintains its cash in bank deposit accounts which, at times may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2010, JWW had approximately \$968,000 in money market accounts which are not insured by the FDIC.

**Use of Estimates** — The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses.



**JEWISH WORLD WATCH**  
Notes to Financial Statements  
For the Year Ended December 31, 2010

**NOTE 3 — TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted contributions (both purpose and time restrictions) comprise approximately 52% of total contributions received in 2010. At December 31, 2010, JWW had temporarily restricted net assets of \$1,125,421 available for the following four specific projects:

**Solar Cooker Project:** JWW, partnered with KoZon Foundation and Solar Cookers International (two humanitarian aid organizations), provides portable solar cookers to women of the refugee camps in Chad. The Solar Cooker Project improves the safety and survival of women in refugee camps in Chad, by reducing the need to leave the camps in order to find firewood.

**Sister School Project:** JWW, in partnership with the Enough Project and the Darfur Dream Team, is sponsoring the building, staffing and equipping of schools in the Djabal and Goz Amer refugee camps in Chad. Each school will serve 2000 Darfuri refugee students.

**Recycled Water Gardens:** JWW, partnered with the KoZon Foundation, has supported the installation of innovative yet inexpensive water reclamation systems in refugee family "shower stalls" at the Iridimi and Touloum camps in Chad. The systems allow the collection of wastewater to be used for the irrigation of vegetable gardens.

JWW also has temporarily restricted net assets available for general uses in future years. These amounts will be released from restriction as follows:

Year Ending December 31,	Amount
<u>2011</u>	<u>\$</u>
	35,000

During the year ended December 31, 2010, net assets released from donor restrictions by incurring expenses satisfying the following restricted purposes (or time restriction):

Solar Cooker Project	\$ 459,099
Sister School Project	138,596
Heal Africa - Congo Project	70,573
Congo	50,000
All Other Projects < \$10,000	<u>11,059</u>
	729,327
Lapse of time restrictions	<u>170,000</u>
	<u><u>\$ 899,327</u></u>

**JEWISH WORLD WATCH**  
Notes to Financial Statements  
For the Year Ended December 31, 2010

**NOTE 4 — SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 21, 2011, the date the financial statements were available to be issued.

On May 1, 2011, JWW leased office space under a non-cancelable operating lease that expires on April 30, 2014. Future minimum rental payments are summarized as follows:

Year Ending December 31,	Amount
2011	\$ 30,400
2012	46,512
2013	47,904
2014	16,124
	<hr/>
	\$ 140,940
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