

JEWISH WORLD WATCH

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

December 31, 2020



Gursey | Schneider LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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Independent Auditor's Report

To the Board of Directors
Jewish World Watch
Encino, California

We have audited the accompanying financial statements of Jewish World Watch (a California nonprofit public benefit corporation), which comprises the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Gursey | Schneider LLP

July 12, 2021
Los Angeles, California

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Statement of Financial Position
December 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,196,177
Contributions receivable, current	27,642
Prepaid expenses	<u>4,357</u>

TOTAL CURRENT ASSETS	<u>1,228,176</u>
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OTHER ASSETS

Property and equipment, net	4,139
Rent deposit	5,950
Contributions receivable, non-current	<u>10,000</u>

TOTAL OTHER ASSETS	<u>20,089</u>
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TOTAL ASSETS	<u><u>\$ 1,248,265</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 44,429
Grants payable	<u>134,396</u>

TOTAL CURRENT LIABILITIES	<u>178,825</u>
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NET ASSETS

Without donor restrictions	954,947
With donor restrictions	<u>114,493</u>

TOTAL NET ASSETS	<u>1,069,440</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,248,265</u></u>
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JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions	\$ 746,479	\$ 169,687	\$ 916,166
Interest income	1,776	-	1,776
Other income - PPP loan forgiveness	123,300	-	123,300
Net assets released from restrictions	<u>272,045</u>	<u>(272,045)</u>	<u>-</u>
 TOTAL REVENUES	 <u>1,143,600</u>	 <u>(102,358)</u>	 <u>1,041,242</u>
EXPENSES			
Program services	696,142	-	696,142
Management and general	154,283	-	154,283
Fundraising	<u>106,749</u>	<u>-</u>	<u>106,749</u>
 TOTAL EXPENSES	 <u>957,174</u>	 <u>-</u>	 <u>957,174</u>
 CHANGE IN NET ASSETS	 <u>186,426</u>	 <u>(102,358)</u>	 <u>84,068</u>
 NET ASSETS, BEGINNING OF YEAR	 <u>768,521</u>	 <u>216,851</u>	 <u>985,372</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 954,947</u></u>	 <u><u>\$ 114,493</u></u>	 <u><u>\$ 1,069,440</u></u>

See Accompanying Notes to Financial Statements

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Accounting fees	\$ -	\$ 32,405	\$ -	\$ 32,405
Advertising	419	81	51	551
Automobile	324	63	39	426
Bank charges	-	11,609	-	11,609
Consultants and contract services	7,200	550	7,910	15,660
Depreciation	1,139	220	139	1,498
Design fees	1,121	-	3,363	4,484
Dues and subscriptions	1,818	351	222	2,391
Education and advocacy	13,983	-	-	13,983
Equipment rental and maintenance	5,877	1,135	717	7,729
Events	-	-	2,795	2,795
Grants and program allocations	103,008	-	-	103,008
Insurance	4,533	876	552	5,961
Miscellaneous	4,430	857	2,340	7,627
Office supplies	6,990	1,350	852	9,192
Payroll taxes and employee benefits	55,743	10,767	6,796	73,306
Postage and shipping	-	919	102	1,021
Printing	7,435	-	22,306	29,741
Rent	51,993	10,043	6,338	68,374
Salaries	404,283	78,090	49,289	531,662
Taxes and licenses	-	220	-	220
Telephone	6,011	1,161	732	7,904
Travel and meals	1,741	91	-	1,832
Website maintenance / IT expense	18,094	3,495	2,206	23,795
<i>Total Expenses</i>	<u>\$ 696,142</u>	<u>\$ 154,283</u>	<u>\$ 106,749</u>	<u>\$ 957,174</u>
<i>% of Total Expenses</i>	<u>73%</u>	<u>16%</u>	<u>11%</u>	<u>100%</u>

See Accompanying Notes to Financial Statements

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Statement of Cash Flows
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 84,068
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,498
(Increase) decrease in assets:	
Contributions receivable	104,232
Prepaid expenses	1,191
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	11,947
Grants payable	<u>(34,193)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	168,743
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash paid for purchases of property and equipment	<u>(1,523)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	167,220
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,028,957</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,196,177</u></u>

See Accompanying Notes to Financial Statements

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020

NOTE 1 – NATURE OF ORGANIZATION

Jewish World Watch (“JWW”), a California nonprofit public benefit corporation, was incorporated in 2005. JWW works to end genocide and mass atrocities worldwide by educating and mobilizing individuals, advocating for policy changes, and funding projects to support and rebuild conflict-affected communities. Since inception, JWW has raised just over \$24 million to further the cause to fight against genocide and mass atrocities and to support on-the-ground programs that have impacted hundreds of thousands of refugees and vulnerable people native to places like Sudan, the Democratic Republic of the Congo, and Myanmar. JWW’s support primarily comes from individual donor contributions, voluntary membership dues from affiliated synagogues, and grants.

LOCAL ACTION

Education: JWW raises awareness of ongoing mass atrocities around the world and helps communities and individuals of all ages learn what they can do to get involved. Through various educational programs, JWW works to create a better-informed community ready to act.

Advocacy: JWW works with elected officials and leaders in government to recommend and support concrete policy changes that will aid the U.S. government in preventing and responding to genocide and mass atrocities. This is done through direct engagement with members of the Congress and the administration, the State Department, USAID, and others. JWW creates and cultivates grassroot efforts through petitions, letter writing and social media campaigns, and works with a variety of coalition partners.

ON THE GROUND PROJECTS

Projects: In addition to creating and supporting impactful programs in the U.S. that empower communities to create changes, JWW provides funding for projects that support and build resilience in conflict-affected communities. These include, among many others, providing medical aid, psychosocial support, and helping to seek justice for survivors of rape in the Democratic Republic of Congo; offering emergency aid and educational assistance to the Rohingya of Myanmar now living in Bangladesh following a campaign of government-led violence against them in their native Myanmar, sending medical supplies to doctors inside Syria, and teaching water-efficient farming techniques to combat food insecurity among Darfuris living in refugee camps in Chad.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Presentation — The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates — The preparation of financial statements in accordance with 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 during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents — For financial statement purposes, JWW considers cash on hand, deposits in bank, money market accounts and certificates of deposit with original maturities of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents approximates its fair value at December 31, 2020.

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Net Asset Accounting — To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of JWW are maintained in accordance with the principles of net assets accounting. Net assets, revenues and releases from restriction are classified based on the existence or absence of donor or board-imposed restrictions. Accordingly, the net assets of JWW and the changes therein are classified and reported in two categories of net assets.

- *Without Donor Restrictions* — Net assets that are not subject to donor-imposed restrictions, including the net investment in fixed assets, gifts with no donor restriction and current funds without donor restriction.
- *With Donor Restrictions* — Net assets that are subject to donor-imposed restrictions that limit the use of their contributions. Donor restrictions may result in temporarily restricted net assets, where the use of contributions is limited by donor-imposed stipulations that either expire by the passage of time or when used for specified purposes. Donor restrictions may also result in permanently restricted net assets, where the donor stipulations neither expire by the passage of time nor can be fulfilled or otherwise removed by JWW's actions. JWW had no permanently restricted net assets on December 31, 2020.

Advertising — Advertising costs are recognized in the period incurred. Advertising costs were \$551 for the year ended December 31, 2020.

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 status of individual receivables. On December 31, 2020, no valuation allowance was deemed necessary. Management does not discount the non-current portion of contributions receivable because the amount is not material.

Contributions are expected to be collected in the years as follows:

<u>Years Ending December 31,</u>	
2021	\$ 27,642
2022	<u>10,000</u>
	<u>\$ 37,642</u>

Prepaid Event Costs and Expenses — Prepaid event costs and expenses consist of office rent and insurance premiums. These prepaid expenses are expensed in the period the services or goods are used.

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Property and Equipment — Property and equipment are stated at cost if purchased or at fair value at the date of donation if donated. Depreciation is provided over the estimated useful lives of the related assets on a straight-line basis as follows:

Office equipment	3 – 5 Years
Leasehold improvements	Lesser of lease term or useful life

Expenditures for repairs and maintenance are charged to operations as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is greater than one year. 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.

JWW reviews its long-lived assets such as property and equipment for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flow is less than the carrying amount of the assets, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended December 31, 2020.

Grants Payable and Expenditures — Awarded grants are charged against the restricted projects pool and recorded as an expense when authorized by JWW's Grant Committee and when the grant agreement is executed. The actual payment of the grant may not necessarily occur in the year of authorization. Cancellations of grants occur when the grantees do not meet the terms under which the grants were awarded.

Donated Goods and Services — Donated services are recognized if the services received create or enhance long-lived assets, require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods are recognized at fair value at the time of donation. During the year ended December 31, 2020, JWW did not receive any material amounts of donated goods or services.

Functional Expenses — The costs of providing program, fundraising, and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. JWW incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. JWW also conducts several activities which benefit both its program objectives as well as fundraising and supporting services. These costs, which are not specifically attributable to a specific program, fundraising, or supporting activity, are allocated by management on a consistent basis among program, fundraising, and supporting services benefited, based on either financial or nonfinancial data, such as estimates of time and effort incurred by personnel. Salaries and general overhead costs are allocated based on such allocation.

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

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 2017 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 2016 and subsequent.

Concentrations of Risk — JWW 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 per account. JWW's two accounts are insured up to \$500,000.

As of and for the year ended December 31, 2020, no donors comprised more than 10% of current year contributions and three donors comprised approximately 86% of contributions receivable. JWW considers these concentrations to be a low risk. These are recurring donors and JWW has not experienced any problems with collecting contributions from these donors.

Related Parties — JWW's board members are actively involved in raising funds for JWW. During the year ended December 31, 2020, JWW received approximately \$190,237 in contributions from board members and their related foundations.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets consist of JWW's cash and cash equivalents and contributions receivable. The following represents JWW's financial assets as of December 31, 2020, reduced by amounts not available for general use within one year of December 31, 2020 because of contractual or donor-imposed restrictions.

Cash and cash equivalents	\$ 1,196,177
Contributions receivable, current portion	27,642
Less amounts unavailable due to:	
Restricted for purpose restrictions	<u>(89,493)</u>
	<u><u>\$ 1,134,326</u></u>

JWW's financial assets available to meet cash needs for general expenditures within one year represent funding for ongoing operational requirements and planned increase in program expenditure in 2021.

JWW only allocates unrestricted funds for grant allocations when unrestricted funds have accumulated and permit the award of a grant allocation.

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following on December 31, 2020:

Office equipment	\$ 18,525
Leasehold improvements	<u>18,128</u>
	36,653
Less: accumulated depreciation	<u>(32,514)</u>
Total property and equipment	<u><u>\$ 4,139</u></u>

Depreciation expense for the year ended December 31, 2020 was \$1,498.

NOTE 5 – NET ASSETS

Net assets with donor restrictions as of December 31, 2020 consisted of the following:

Project Pool Programs	\$ 66,346
Panzi Foundation Rapid Response Mission Two	8,500
Emergency Grants - Covid	14,647
Time Restricted	<u>25,000</u>
	<u><u>\$ 114,493</u></u>

During the year ended December 31, 2020, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

Education and Advocacy	\$ 164,037
Project Pool Programs - Sons of Congo	28,000
Save the Syrian Children	8,500
Emergency Grants - Covid	66,508
Released Due to Passage of Time	<u>5,000</u>
	<u><u>\$ 272,045</u></u>

JWW allocates funds received from donors earmarked for humanitarian and disaster relief work into a Project Pool. Funds from the project pool are used to support other specifically designed programs listed above.

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020

NOTE 6 – PAYCHECK PROTECTION PROGRAM LOAN

On April 8, 2020, JWW borrowed \$123,300 from the Paycheck Protection Program offered by the Small Business Administration. The loan bears interest of 1.0% and matures in two years. Subsequent to year-end, the full amount of the loan and accrued interest was forgiven under relief provided by Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act. JWW met the conditions for forgiveness during the year ended December 31, 2020 and has accounted for this loan forgiveness program as a conditional grant (non-reciprocal contribution) whose conditions were met during the year ended December 31, 2020. The accompanying financial statements reflect the \$123,300 as other income in the accompanying statement of activities for the year ended December 31, 2020.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

JWW leases office equipment under a non-cancelable operating lease that expires in 2022. The future rental commitments under this lease are summarized as follows:

<u>Years Ending December 31,</u>	
2021	\$ 3,156
2022	<u>3,156</u>
	<u>\$ 6,312</u>

Beginning in May 2020, the office lease became a month-to-month agreement. Total rent expense for the year ended December 31, 2020 was \$68,374.

Global Pandemic – The 2019-20 Coronavirus pandemic is an ongoing global pandemic of Coronavirus disease (COVID-19). On March 11, 2020, the World Health Organization declared the outbreak of pandemic. As a result, public health responses around the world have included travel restrictions, quarantines, and significant restrictions in the ability to provide programs and services around the world. The Organization continues to follow all health and safety guidelines.

Management reduced expenditures where possible and is actively seeking opportunities that are appropriate in light of COVID-19 restrictions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

JEWISH WORLD WATCH
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2020

NOTE 8 – SUBSEQUENT EVENTS

Management has reviewed subsequent events through July 12, 2021, the date that the financial statements were available to be issued. The following subsequent event was identified:

Second PPP Loan – On January 30, 2021, JWW borrowed a second loan of \$129,100 under the Paycheck Protection Program (“PPP”) offered by the United States Small Business Administration (“SBA”). The interest rate on the loan is a fixed rate of 1.00% per annum. All outstanding principal plus all accrued unpaid interest is due on the Maturity Date, January 30, 2026. Regular monthly payments in the amount equal to one month’s accrued interest commences on the date on which the amount of forgiveness determined under section 1106 of the CARES Act is remitted. However, if JWW fails to apply for forgiveness within 10 months after the last day of the covered period defined in section 1106(a) of the CARES Act, they will pay regular monthly payments in an amount equal to one month’s accrued interest commencing on the date that is not earlier than the date that is then (10) months after the last day of such covered period, with all subsequent interest payments to be due on the same day of each month after that. Management intends to satisfy all PPP requirements to obtain loan forgiveness for the entire loan and accrued interest amount during the year ending December 31, 2021.