

# **JEWISH WORLD WATCH**

**(A California Nonprofit Public Benefit Corporation)**

## **FINANCIAL STATEMENTS**

**December 31, 2021**



**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

### ***Opinion***

We have audited the financial statements of Jewish World Watch (the Organization), which comprise the statement of financial position as of December 31, 2021 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish World Watch's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- 1) Exercise professional judgment and maintain professional skepticism throughout the audit.
- 2) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 3) Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- 4) Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- 5) Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Gursey | Schneider LLP*

October 17, 2022  
Los Angeles, California

**JEWISH WORLD WATCH**  
(A California Nonprofit Public Benefit Corporation)  
Statement of Financial Position  
December 31, 2021

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 1,189,958
Contributions receivable	23,965
Prepaid expenses	<u>4,063</u>

TOTAL CURRENT ASSETS	<u>1,217,986</u>
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**OTHER ASSETS**

Property and equipment, net	7,535
Rent deposit	<u>5,950</u>

TOTAL OTHER ASSETS	<u>13,485</u>
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<b>TOTAL ASSETS</b>	<b><u>\$ 1,231,471</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 44,379
Grants payable	<u>72,044</u>

TOTAL CURRENT LIABILITIES	<u>116,423</u>
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**NET ASSETS**

Without donor restrictions	1,015,263
With donor restrictions	<u>99,785</u>

TOTAL NET ASSETS	<u>1,115,048</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,231,471</u></b>
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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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions	\$ 756,252	111,981	\$ 868,233
Interest income	217	-	217
Other income - PPP loan forgiveness	129,100	-	129,100
Net assets released from restrictions	<u>126,689</u>	<u>(126,689)</u>	<u>-</u>
 TOTAL REVENUES	 <u>1,012,258</u>	 <u>(14,708)</u>	 <u>997,550</u>
<b>EXPENSES</b>			
Program services	664,708	-	664,708
Management and general	155,862	-	155,862
Fundraising	<u>131,372</u>	<u>-</u>	<u>131,372</u>
 TOTAL EXPENSES	 <u>951,942</u>	 <u>-</u>	 <u>951,942</u>
 <b>CHANGE IN NET ASSETS</b>	 <u>60,316</u>	 <u>(14,708)</u>	 <u>45,608</u>
 <b>NET ASSETS, BEGINNING OF YEAR</b>	 <u>954,947</u>	 <u>114,493</u>	 <u>1,069,440</u>
 <b>NET ASSETS, END OF YEAR</b>	 <u><u>\$ 1,015,263</u></u>	 <u><u>\$ 99,785</u></u>	 <u><u>\$ 1,115,048</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, 2021

	Program Services	Management and General	Fundraising	Total
Accounting fees	\$ -	\$ 36,825	\$ -	\$ 36,825
Advertising	4,557	850	562	5,969
Automobile				-
Bank charges	-	10,727	-	10,727
Consultants and contract services	3,818	9,048	30,425	43,291
Depreciation	1,225	229	151	1,605
Design fees	1,541	-	4,622	6,163
Dues and subscriptions	2,360	440	291	3,091
Education and advocacy	4,000	-	-	4,000
Equipment rental and maintenance	5,623	1,049	694	7,366
Events	-	-	4,523	4,523
Grants and program allocations	116,406	-	-	116,406
Insurance	4,823	900	594	6,317
Miscellaneous	7,482	1,394	923	9,799
Office supplies	2,541	474	314	3,329
Payroll taxes and employee benefits	52,519	9,797	6,480	68,796
Postage and shipping	-	106	962	1,068
Printing	8,463	-	25,387	33,850
Rent	15,128	2,822	1,867	19,817
Salaries	418,632	78,092	51,653	548,377
Taxes and licenses	-	201	-	201
Telephone	5,731	1,069	707	7,507
Website maintenance / IT expense	9,859	1,839	1,217	12,915
<i>Total Expenses</i>	<u>\$ 664,708</u>	<u>\$ 155,862</u>	<u>\$ 131,372</u>	<u>\$ 951,942</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, 2021

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 45,608
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,605
(Increase) decrease in assets:	
Contributions receivable	13,677
Prepaid expenses	294
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(50)
Grants payable	<u>(62,352)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(1,218)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash paid for purchases of property and equipment	<u>(5,001)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(6,219)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,196,177</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 1,189,958</u></u>

See Accompanying Notes to Financial Statements

**JEWISH WORLD WATCH**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
December 31, 2021

**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 on December 31, 2021.

**JEWISH WORLD WATCH**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
December 31, 2021

**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, 2021.

**Advertising** — Advertising costs are recognized in the period incurred. Advertising costs were \$5,969 for the year ended December 31, 2021.

**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, 2021, 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>Year Ending December 31,</u>	
2022	<u>\$ 23,965</u>

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

**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
Donor database	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.

**JEWISH WORLD WATCH**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
December 31, 2021

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

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, 2021.

**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, 2021, 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.

**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 2018 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 2017 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, 2021, 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.

**JEWISH WORLD WATCH**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
December 31, 2021

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

**Related Parties** — JWW's board members are actively involved in raising funds for JWW. During the year ended December 31, 2021, JWW received approximately \$143,999 in contributions from board members and their related foundations.

Subsequent Events - Management has reviewed subsequent events through October 17, 2022, the date that the financial statements were available to be issued.

**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, 2021, reduced by amounts not available for general use within one year of December 31, 2021 because of contractual or donor-imposed restrictions.

Cash and cash equivalents	\$ 1,189,958
Contributions receivable	23,965
Less amounts unavailable due to:	
Restricted for purpose restrictions	<u>(84,785)</u>
	<u><u>\$ 1,129,138</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.

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following on December 31, 2021:

Office equipment	\$ 18,525
Donor database	5,001
Leasehold improvements	<u>18,128</u>
	41,654
Less: accumulated depreciation	<u>(34,119)</u>
Total property and equipment	<u><u>\$ 7,535</u></u>

Depreciation expense for the year ended December 31, 2021 was \$1,605.

**JEWISH WORLD WATCH**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
December 31, 2021

**NOTE 5 – NET ASSETS**

Net assets with donor restrictions as of December 31, 2021 consisted of the following:

Project Pool Programs	\$ 46,238
Panzi Foundation Rapid Response Mission Two	8,500
Emergency Grants - COVID Relief	23,531
HIAS - Perma Gardening	6,516
Time Restricted	15,000
	<hr/>
	\$ 99,785

During the year ended December 31, 2021, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

HIAS Perma Gardening	\$ 24,490
Africa New Day - Sons of Congo	9,548
COTE/Childred on the Edge - Digital Education Program.	21,154
COTE/Childred on the Edge - New	20,000
Action Kivu / Congo Peace School Y 3	10,000
BVES	14,700
Time restricted	10,000
Management Fees Allocation	16,797
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	\$ 126,689

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.

**NOTE 6 – PAYCHECK PROTECTION PROGRAM LOAN**

*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 was a fixed rate of 1.00% per annum. Management met all PPP requirements and obtained full loan forgiveness for the entire loan during the year ending December 31, 2021. The accompanying financial statements reflect the \$129,100 as other income in the accompanying statement of activities.

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

Beginning in May 2020, the office lease became a month-to-month agreement. Total rent expense for the year ended December 31, 2021, was \$19,817.

**JEWISH WORLD WATCH**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
December 31, 2021

**NOTE 7 – COMMITMENTS AND CONTINGENCIES – (CONTINUED)**

JWW subscribes to database software license for a term ending December 31, 2024. The following is a summary of future minimum license payments under this license agreement:

<u>Years Ending December 31,</u>		
2022	\$	12,000
2023		12,000
2024		<u>12,000</u>
	\$	<u><u>36,000</u></u>