

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

**FINANCIAL STATEMENTS**

**As of and for the  
Year ended**

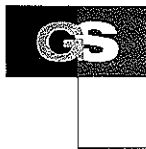
**December 31, 2007**



**Gurseley | Schneider** LLP  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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CERTIFIED  
PUBLIC ACCOUNTANTS  
& ADVISORS

**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, 2007, 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 presents fairly, in all material respects, the financial position of Jewish World Watch as of December 31, 2007, and 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.

*Gursey Schneider & Co LLP*

June 9, 2008

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**JEWISH WORLD WATCH**  
Statement of Financial Position  
December 31, 2007

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 1,021,591
Contributions receivable	202,500
Prepaid insurance	657
Rent deposit	<u>4,390</u>

***Total Current Assets*** 1,229,138

**OTHER ASSETS**

Property and equipment, at cost net of accumulated depreciation of \$2,250	<u>7,795</u>
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***TOTAL ASSETS*** \$ 1,236,933

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	<u>\$ 66,686</u>
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**COMMITMENTS AND CONTINGENCIES**

**NET ASSETS**

Unrestricted	493,323
Temporarily restricted	<u>676,924</u>

***Total Net Assets*** 1,170,247

***TOTAL LIABILITIES AND NET ASSETS*** \$ 1,236,933

**JEWISH WORLD WATCH**  
Statement of Activities  
For the Year Ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions and voluntary membership dues	\$ 604,664	\$ 1,235,539	\$ 1,840,203
Grants	398,201	-	398,201
Interest Income	23,245	-	23,245
Net assets released from restrictions:	<u>772,730</u>	<u>(772,730)</u>	<u>-</u>
<b>Total Revenues</b>	<u>1,798,840</u>	<u>462,809</u>	<u>2,261,649</u>
<b>EXPENSES</b>			
Program services	1,391,188	-	1,391,188
Management and general	93,007	-	93,007
Fundraising	<u>64,667</u>	<u>-</u>	<u>64,667</u>
<b>Total Expenses</b>	<u>1,548,862</u>	<u>-</u>	<u>1,548,862</u>
<b>INCREASE IN NET ASSETS</b>	249,978	462,809	712,787
<b>NET ASSETS, Beginning of Year</b>	<u>243,345</u>	<u>214,115</u>	<u>457,460</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 493,323</u>	<u>\$ 676,924</u>	<u>\$ 1,170,247</u>

See Independent Auditors' Report and Notes to Financial Statements

**JEWISH WORLD WATCH**  
Statement of Functional Expenses  
For the Year Ended December 31, 2007

	Management			Total
	Program Services	and General	Fundraising	
Grants	\$ 824,608	\$ -	\$ -	\$ 824,608
Salaries	136,521	40,745	24,704	201,970
Contract Services	181,255	10,285	-	191,540
Program Printing	97,841	-	-	97,841
Postage and Delivery	19,866	5,843	3,506	29,215
Rent	14,669	4,314	2,589	21,572
Travel	14,269	4,197	2,518	20,984
Fundraising Expenses	-	-	20,367	20,367
Events	20,191	-	-	20,191
Educational Tools	19,741	-	-	19,741
Payroll taxes and employee benefits	12,120	3,564	2,139	17,823
Advertising	11,776	3,464	2,078	17,318
Gifts/Donations	6,861	2,018	1,211	10,090
Repairs & Maintenance	5,967	1,755	1,053	8,775
Bank Service Charges	-	7,319	-	7,319
Telephone	4,408	1,296	778	6,482
Office Expenses	4,341	1,277	766	6,384
Web Maintenance	3,449	1,015	611	5,075
Meals	3,388	997	598	4,983
Automobile Expenses	2,331	686	411	3,428
Insurance	2,022	595	357	2,974
Printing	1,645	484	290	2,419
Equipment Rental	1,617	476	285	2,378
Accounting Services	-	2,000	-	2,000
Parking	1,320	388	233	1,941
Depreciation	897	264	158	1,319
Dues and Subscriptions	65	19	11	95
Taxes and Licenses	20	6	4	30
	<u>\$ 1,391,188</u>	<u>\$ 93,007</u>	<u>\$ 64,667</u>	<u>\$ 1,548,862</u>

See Independent Auditors' Report and Notes to Financial Statements

**JEWISH WORLD WATCH**  
Statement of Cash Flows  
For the Year Ended December 31, 2007

<b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>	
Increase in net assets	\$ 712,787
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	1,319
Changes in assets and liabilities:	
Accounts receivable	(202,500)
Prepaid insurance	(657)
Rent deposit	(1,400)
Accounts payable	<u>63,490</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>573,039</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	
Purchase of property and equipment	<u>(5,396)</u>
<b>NET INCREASE IN CASH</b>	<b>567,643</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<u>453,948</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u><u>\$ 1,021,591</u></u>

**JEWISH WORLD WATCH**  
Notes to Financial Statements  
For the Year Ended December 31, 2007

**NOTE 1 - NATURE OF ORGANIZATION**

Jewish World Watch (JWW), a California nonprofit public benefit corporation, was incorporated in 2005 to resanctify the post-Holocaust oath of "Never Again." Working as a coalition of synagogues, JWW's mission is to mobilize its members, their schools and the community to combat genocide and other atrocities around the world— starting with the genocide in Darfur. JWW achieves this mission through three main strategies:

**Education** – JWW educates target constituencies by developing appropriate materials and programs and calling communities to action.

**Advocacy** – JWW advocates for policies to stop or prevent genocide and other atrocities through community organization and mobilization;

**Refugee Relief** – JWW develops resources and allocates funds towards refugee relief projects aimed at alleviating the suffering of survivors and victims of genocide.

With almost 60 synagogue members, JWW represents a constituency of over 300,000 concerned citizens. JWW has built a strong reputation as a leader within the Southern California community in raising awareness about Darfur and calling communities to action through its extensive Speakers Bureau, community events and youth activist initiatives. In cooperation with the Darfur activist community nation-wide, JWW rallies its constituents to make it clear to legislators and international officials that ending the genocide in Darfur is an issue that cannot be ignored. Legislative priorities are established collaboratively at the national level, as JWW is a member of the Save Darfur Coalition. JWW has further led the community in raising over \$2 million for relief projects for Darfuri refugees. These funds have been, allocated to the building of three medical clinics in Darfur and the Central African Republic, more than 25 water wells and sanitation projects within Darfur, a grief counselor for the refugees, development of its landmark Solar Cooker and Backpack Projects, and many other projects supporting the refugees.

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, 2007

**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. Management believes all contributions receivable are collectible at December 31, 2007.

**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.

**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.

**JEWISH WORLD WATCH**  
Notes to Financial Statements  
For the Year Ended December 31, 2007

**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.

Depreciation expense for the year ended December 31, 2007 was \$1,319.

**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.

**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.

**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 up to \$100,000.

**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, 2007

**NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted contributions comprise approximately 55% of total contributions received in 2007. At December 31, 2007, JWW had temporarily restricted net assets of \$676,924 available for the following two 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.

**Backpack Project:** JWW, partnered with the International Rescue Committee, is providing backpacks to school-aged children of the Oure Cassoni refugee camp in Chad. The backpacks are filled with essential educational and hygiene items, allowing children to attend schools run by the International Rescue Committee.

**NOTE 4 – SUBSEQUENT EVENTS**

In May 2008, JWW leased office space under a non-cancelable operating lease that expires on April 30, 2011. Future minimum rental payments are summarized as follows:

Year Ending December 31,	Amount
2008	\$ 18,400
2009	28,152
2010	28,996
2011	9,760
	<u>\$ 85,308</u>