

WESTERN JUSTICE CENTER FOUNDATION

AUDITED FINANCIAL STATEMENTS

December 31, 2008

WESTERN JUSTICE CENTER FOUNDATION

CONTENTS
December 31, 2008

	<u>Page</u>
Independent Auditors' Report.....	1
Statement of Financial Position.....	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-14

INDEPENDENT AUDITORS' REPORT

Board of Directors
Western Justice Center Foundation

We have audited the accompanying statement of financial position of the Western Justice Center Foundation (a California nonprofit public benefit corporation) and as of December 31, 2008, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Western Justice Center Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Western Justice Center Foundation's 2007 financial statements and, in our report dated March 31, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements described above present fairly, in all material respects, the financial position of the Western Justice Center Foundation as of December 31, 2008, and the changes in its net assets and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2009 on our consideration of the Western Justice Center Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


VICENTI, LLOYD & STUTZMAN LLP

February 23, 2009

WESTERN JUSTICE CENTER FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2008

With comparative totals for December 31, 2007

<u>ASSETS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2008</u>	<u>2007</u>
Current assets				
Cash and cash equivalents	\$ 86,702	\$ 134,755	\$ 221,457	\$ 71,281
Accounts receivable	100,851		100,851	12,866
Pledges receivable, net (Note 2)	251	108,641	108,892	132,001
Prepaid expenses and other assets	4,147		4,147	4,429
Total current assets	191,951	243,396	435,347	220,577
Noncurrent assets				
Property and equipment, net (Note 3)	3,143,807		3,143,807	3,263,483
Total noncurrent assets	3,143,807	-	3,143,807	3,263,483
Total assets	\$ 3,335,758	\$ 243,396	\$ 3,579,154	\$ 3,484,060
 <u>LIABILITIES AND NET ASSETS</u>				
Current liabilities				
Accounts payable	\$ 20,078	\$ -	\$ 20,078	\$ 30,832
Accrued liabilities	18,765		18,765	19,562
Deferred revenue	39,285		39,285	15,270
Security deposits	29,359		29,359	31,124
Line of credit (Note 4)	79,192		79,192	97,276
Capital lease payable - current portion (Note 5)	47,759		47,759	45,275
Total current liabilities	234,438		234,438	239,339
Noncurrent liabilities				
Capital lease payable, net of current portion (Note 5)	239,137		239,137	286,897
Total noncurrent liabilities	239,137	-	239,137	286,897
Net assets				
Unrestricted	2,862,183		2,862,183	2,876,012
Temporarily restricted (Note 6)		243,396	243,396	81,812
Total net assets	2,862,183	243,396	3,105,579	2,957,824
Total liabilities and net assets	\$ 3,335,758	\$ 243,396	\$ 3,579,154	\$ 3,484,060

The accompanying notes are an integral part of these financial statements.

WESTERN JUSTICE CENTER FOUNDATION

STATEMENT OF ACTIVITIES

For the year ended December 31, 2008

With comparative totals for the year ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2008</u>	<u>2007</u>
Revenue and support				
Contributions	\$ 316,319	\$ 116,141	\$ 432,460	\$ 438,022
Grants	100,000	161,756	261,756	124,000
Rental income	407,357		407,357	346,547
Training income	338,340		338,340	143,025
Dividend income	7		7	145
Contributions in-kind	86,077		86,077	42,256
Net assets released from restrictions	<u>116,313</u>	<u>(116,313)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,364,413</u>	<u>161,584</u>	<u>1,525,997</u>	<u>1,093,995</u>
Expenses				
Program services	1,041,758		1,041,758	851,261
Management and general	132,460		132,460	112,556
Fundraising	<u>204,024</u>		<u>204,024</u>	<u>114,812</u>
Total expenses	<u>1,378,242</u>	<u>-</u>	<u>1,378,242</u>	<u>1,078,629</u>
Change in net assets	(13,829)	161,584	147,755	15,366
Net assets, beginning of the year	<u>2,876,012</u>	<u>81,812</u>	<u>2,957,824</u>	<u>2,942,458</u>
Net assets, end of the year	<u>\$ 2,862,183</u>	<u>\$ 243,396</u>	<u>\$ 3,105,579</u>	<u>\$ 2,957,824</u>

The accompanying notes are an integral part of these financial statements.

WESTERN JUSTICE CENTER FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2008

With comparative totals for the year ended December 31, 2007

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2008</u>	<u>2007</u>
Salaries	\$ 412,035	\$ 48,160	\$ 74,916	\$ 535,111	\$ 427,547
Employee benefits	45,552	5,324	8,282	59,158	36,127
Payroll taxes	35,169	4,111	6,394	45,674	36,057
Total personnel costs	492,756	57,595	89,592	639,943	499,731
Depreciation and amortization	118,705	3,710	1,237	123,652	113,930
Consultants	145,782	17,039	26,506	189,327	85,799
Facilities expenses	123,484	3,859	1,286	128,629	124,575
Interest and bank charges	27,300	3,298	2,220	32,818	34,526
In-kind expenses	43,584	30,594	7,924	82,102	42,256
Office expenses	30,310	3,543	5,511	39,364	60,547
Conferences and meetings	9,440	6,931	60,585	76,956	40,544
Insurance	12,804	1,497	2,328	16,629	16,725
Telephone	9,431	1,102	1,715	12,248	11,741
Bad debts	1,925	225	350	2,500	-
Computer	6,379	746	1,160	8,285	9,245
Equipment	9,106	1,064	1,656	11,826	15,911
Miscellaneous	6,227	728	1,132	8,087	10,913
Postage and delivery	2,731	319	496	3,546	7,295
Travel	1,794	210	326	2,330	4,891
Total 2008 functional expenses	<u>\$ 1,041,758</u>	<u>\$ 132,460</u>	<u>\$ 204,024</u>	<u>\$ 1,378,242</u>	
Total 2007 functional expenses	<u>\$ 851,261</u>	<u>\$ 112,556</u>	<u>\$ 114,812</u>		<u>\$ 1,078,629</u>

The accompanying notes are an integral part of these financial statements.

WESTERN JUSTICE CENTER FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2008

With comparative totals for the year ended December 31, 2007

	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ 147,755	\$ 15,366
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	123,652	113,930
In-kind gifts	(3,976)	-
(Increase) decrease in operating assets:		
Accounts receivable	(87,985)	4,323
Pledges receivable	23,109	(95,888)
Prepaid expenses	282	(1,342)
Increase (decrease) in operating liabilities:		
Accounts payable	(10,754)	20,522
Accrued liabilities	(797)	7,185
Deferred revenue	24,015	15,270
Security deposits	(1,765)	8,342
Net cash provided by operating activities	213,536	87,708
Cash flows from investing activities:		
Payments for property and equipment	-	(365,068)
Net cash used in investing activities	-	(365,068)
Cash flows from financing activities:		
Net repayments of line of credit	(18,084)	(362)
Repayments of capital lease payable	(45,276)	(42,921)
Net cash used by financing activities	(63,360)	(43,283)
Net increase (decrease) in cash and cash equivalents	150,176	(320,643)
Cash and cash equivalents at beginning of year	71,281	391,924
Cash and cash equivalents at end of year	\$ 221,457	\$ 71,281
Supplemental information:		
Cash paid for interest (net of capitalized interest)	\$ 27,322	\$ 31,034

The accompanying notes are an integral part of these financial statements.

WESTERN JUSTICE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The mission of the Western Justice Center Foundation (WJCF), a non-profit corporation, is peaceful resolution of conflicts through work with children, communities and courts.

WJCF's vision emerged in 1985, when the Honorable Dorothy W. Nelson and a group of judges and lawyers from the U.S. Court of Appeals for the 9th Circuit saw an unmet need to expand the quantity and quality of research into dispute resolution methods and strategies for improving the administration of justice. In 1996, WJCF became fully operational. Its campus-like complex is home to 17 tenant non-profit organizations that all have an interest in children, the arts, conflict resolution and public policy. WJCF's four historic buildings constitute an extraordinary western landmark that is listed in the National Registry of Historic Places. The Friends Building, the Keatinge Building and 65 South Grand have been completely restored. The fourth and largest building, Headquarters Building, serves as the permanent headquarters for WJCF and was fully restored in October 2007.

WJCF's current program initiatives include the following:

- **Children**

Roosevelt Elementary - The goal is to support Roosevelt Elementary School in enhancing the school's capacity to address and resolve conflict through the facilitation of dialogue around key issues, the enhancement of conflict resolution skills among faculty, parents, and students, as well as the development of systems through which future conflicts will be addressed.

School Peacebuilder - School Peacebuilder develops school-based conflict resolution training programs that build the conflict resolution, facilitation and mediation capacity of small groups of students and staff members. WJCF is currently at Marshall Fundamental Secondary School, John Muir High School and Pasadena High School. Training includes at least 10 hours of concepts and skills learning and then follow-up mediation and facilitation role plays. Staff has also been trained to implement the material in Freshman Seminar classes so that all Freshmen are exposed to conflict resolution concepts and skills.

- **Communities**

Collaborations on the Urban Environment - WJCF's Collaborations on the Urban Environment Program (CUE), creates spaces for safe and productive conversations on the urban environmental issues that affect the quality of life in the Los Angeles region. As the public's awareness and concern for these complex issues increase, communities are all faced with a challenge to translate this "eco-consciousness" to action. CUE provides an initial step by bringing together diverse stakeholders to learn from each other, brainstorm solutions, and build relationships that make collaboration possible.

WESTERN JUSTICE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

- **Communities (continued)**

Neighborhood Outreach Worker Program - The Neighborhood Outreach Workers Program (NOW) is a prevention and intervention model currently being developed and implemented in the Pasadena area. The NOW Program came about due to the increased number of violent episodes involving youth as well as gang-affiliated youth. These violent episodes had an interracial component in them exemplified by the series of "Sock on Mexican" attacks during 2007 that prompted the Pasadena Police Department to report such events to the Human Relations Commission of the County of Los Angeles. These violent actions prompted the local government and the community stakeholders to seek assistance in convening and establishing community dialogues to begin a process of seeking solutions to such violence. WJCF was selected as the entity to develop and implement such dialogues. During this period WJCF acted as the lead agency in organizing the community and local agencies to assist in the development of strategies toward the reduction of violence while providing an answer to the rising gang problems in the area. The NOW program was the collaborative result of government and community stakeholders meeting the challenge to look for avenues for prevention and intervention of gang related violent activities. The NOW Program was piloted from August of 2007 to January of 2008 and in February of 2008 the WJCF signed a contract with the City of Pasadena to become the contractor in the further development, implementation, and evaluation of the NOW program while acting as the fiscal agent for the program.

Parent Peacebuilding Program - The overall purpose of the Parenting Peace Building Program is to improve human relations and reduce violence by educating families in culturally competent and cross-cultural violence prevention methods. Parenting classes consist of a Latino class and a predominantly African-American class, with the former held at Villa Park Community Center and the latter held at Jackie Robinson Community Center. Curriculum includes domestic violence issues, inter-group/violence prevention and legal education. Classes will meet together for a four hour conflict resolution class at the WJCF. WJCF administers the grant for the parenting classes.

SPIRITT - SPIRITT leads the CARIÑO – Partnership for Families program, which is a community based secondary prevention initiative. SPIRITT Family Services is the lead agency in an initiative to reduce the maltreatment and/or abuse of children by targeting at-risk pregnant women and families with children ages 0-5 who are referred by the Department of Children and Family Services. WJCF's role is to provide the collaborative members (social service providers) with conflict resolution education. The program has successfully trained over 170 social service providers, over 30 parents, and has been funded again to provide additional training in this current funding cycle of the program.

WESTERN JUSTICE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

- **Communities (continued)**

The Peacebuilding Brownbags - The WJCF organizes Peacebuilding Brownbags as public informational panels and capacity-building trainings with discussion sessions focused on inter-group relations and violence prevention. The topics arise from ideas community members have identified as next steps in dialogues the WJCF has organized over the past few years.

- **Courts**

Peer Mediation Invitational – An annual event involving teams of children and youth from schools throughout LA County. This program pairs experienced mediators, corporate and civic leaders with students for a one day mentorship and role playing experience in mock mediation settings.

Juvenile Camp - The Camp Miller Juvenile Camp is officially called the “Retail Skills Vocational Program (RSVP).” The agencies in the program are: The Los Angeles County Public Defender, the Los Angeles County Probation Department, LA NAACP Customer Service Learning Center, Mentoring & Partnership for Youth Development, and the WJCF. The program provides detained camp youth with retail skills vocational training and post-release aftercare and job placement in a collaborative context in order to promote each youth’s successful reintegration into the community. WJCF provides them with conflict resolution.

Transforming Community and Police Relations - Beginning in 2005, The Pasadena Model of community mediation and dialogue is a collaborative partnership among WJCF, the Pasadena Police Department and six other community-based organizations. It is the only program of its kind in Los Angeles County developed to mediate civilian complaints against police officers while simultaneously building community relations through facilitated dialogue sessions. The Pasadena Model is expected to be replicated within divisions of other police departments in 2009.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

WESTERN JUSTICE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of WJCF are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives.

Accordingly, all the financial transactions have been recorded and reported by net asset class as follows:

Unrestricted - 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.

Temporarily Restricted - WJCF reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the 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 program or capital restrictions.

Permanently Restricted - These net assets are received by donors who stipulate that resources are to be maintained permanently, but permits WJCF to expend all of the income (or other economic benefits) derived from the donated assets. WJCF has no permanently restricted net assets at December 31, 2008.

Cash and Cash Equivalents

For purposes of the statement of cash flows, WJCF considers all highly liquid investments with maturity of three months or less to be cash equivalents.

Accounts Receivable

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectibility of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. All accounts receivable are deemed to be fully collectible at December 31, 2008; therefore, no allowance for doubtful accounts has been recorded.

WESTERN JUSTICE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Pledges Receivable

Unconditional contributions, including pledges recorded at estimated net realizable value, are recognized as revenues in the period received. WJCF reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. As all pledges are deemed collectible at December 31, 2008, no allowance for doubtful pledges has been recorded.

Property and Equipment

Expenditures for fixed assets in excess of \$2,000 are capitalized at cost. Donated assets to be used in WJCF's programs are capitalized at their fair market value on the date of the gift. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Estimated useful lives are as follows:

Land Leasehold	91 Years
Building Improvements	40 Years
Furniture and Fixtures	7 Years
Equipment	5 Years

In addition, during the year ended December 31, 1997, WCJF entered into a lease agreement with the City of Pasadena for use of land and buildings with an initial maturity of April 1, 2044, at which time WCJF has renewal options extending through April 1, 2088. The intention of the lease agreement was for WCJF to substantially renovate the buildings, and therefore all consideration paid was deemed to be related to the land lease. At the time of the lease, WCJF paid \$467,736 which is being amortized over the term of the lease, including extensions, of 91 years. At December 31, 2008, WCJF has included this lease consideration in Property and Equipment, with accumulated amortization of \$65,535, and a net unamortized value of \$402,201. Current year amortization expense is \$5,140, see Note 5.

Contributed Services

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair values in the period received. As of December 31, 2008, WCJF received donated legal services of \$25,500 and other donated services of \$56,602. WCJF also received donated property and equipment of \$3,976.

In addition, some unpaid volunteers have made contributions of their time to WCJF. However, the value of these services is not reflected in these statements because the criteria for recognition have not been satisfied.

WESTERN JUSTICE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes

WJCF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and by the California Revenue and Taxation Code Section 23701d.

Concentration of Credit Risks

WJCF places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposits Insurance Corporation insurance limit. WJCF has not incurred losses related to these investments.

Use of Accounting Estimates

The preparation of these financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from these estimates.

Functional Allocation of Expenses

The costs of providing the program and supporting activities of the organization have been summarized on a functional basis in the statement of activities, and presented in detail in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, administrative, and fund raising functions, based upon the estimated benefit received by each function.

Comparative Totals

The financial statements include certain prior year 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with WJCF's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

WESTERN JUSTICE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 2 - PLEDGES RECEIVABLE:

At December 31, 2008, WJCF had unconditional promises to give expected to be received in the following periods:

In one year or less	\$ 74,251
Between one and five years	44,500
Total gross pledges receivable	118,751
Less: discount on pledges receivable	(9,859)
Net pledges receivable	<u>\$ 108,892</u>

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 2008 consisted of the following:

Building improvements	\$ 3,185,234
Land leasehold	467,736
Antique furniture and library books	2,254
Furniture and fixtures	304,044
Equipment	96,540
	4,055,808
Less: Accumulated depreciation	(912,001)
Total net property and equipment	<u>\$ 3,143,807</u>

Depreciation and amortization expense for the year ended December 31, 2008 was \$123,652.

NOTE 4 - LINE OF CREDIT:

WJCF has an unsecured \$100,000 line of credit from a bank. The line of credit bears interest at the lender's prime rate plus 3.25% per annum (8.75% at December 31, 2008) with interest payable monthly. Advances outstanding against this line of credit were \$79,192, as of December 31, 2008.

NOTE 5 - CAPITAL LEASE PAYABLE:

WJCF leases its facilities from the City of Pasadena under the terms of a non-cancelable capital lease of which payments are made in the form of "monthly base rent and monthly tenant improvement rent."

Pursuant to the Third Amendment to the Lease Agreement dated July, 1994, WJCF pays capital lease payments in the form of base rent of \$1,553 per month and tenant improvement payments of \$3,610 per month including interest at the rate of 5.40% and 5.33% per annum over 16 years, respectively. Thereafter, until the end of the lease term, the rent will be \$1 per month. The original lease term ends April 1, 2044, at which time WJCF has renewal options extending through April 1, 2088.

WESTERN JUSTICE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 5 - CAPITAL LEASE PAYABLE: (Continued)

As of December 31, 2008 the future minimum lease payments are as follows:

<u>Year</u>	
2009	\$ 61,953
2010	61,953
2011	61,953
2012	61,953
2013	61,953
Thereafter	<u>20,651</u>
Total	330,416
Less: Amount representing interest	<u>(43,520)</u>
Capital lease payable	\$ <u>286,896</u>

As of December 31, 2008, the gross amount of assets and accumulated amortization recorded under this capital lease totaled \$467,736 and \$65,535, respectively. Amortization expense related to these assets for 2008 was \$5,140. Interest paid during 2008 in connection with the above lease was \$16,678.

WJCF subleases portions of its facilities to other nonprofit organizations. Lease rates are adjusted annually based upon changes in the Consumer Price Index. Rental income during 2008 totaled \$407,357.

The expected future minimum lease receipts for each of the years succeeding December 31, 2008 based solely upon existing leases and the expiration dates of those leases, not including revenue associated with any new leases, are as follows:

<u>Year</u>	
2009	\$ 165,936
2010	33,863
2011	<u>1,360</u>
Total	\$ <u>201,159</u>

WESTERN JUSTICE CENTER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets at December 31, 2008 consist of the following:

Renovation of Headquarters Building	\$ 205,326
Parent Peacebuilding Program	3,070
Roosevelt School Conflict Resolution Education	10,000
Pledge receivable restricted by time	<u>25,000</u>
Total temporarily restricted net assets	<u>\$ 243,396</u>

NOTE 7 - RETIREMENT PLAN:

WJCF has a deferred compensation plan whereby WJCF contributes 3% of the annual gross earnings of eligible employees. Pension expenses charged to operations for the year ended December 31, 2008 were \$15,559.