CENTER FOR THE ADVANCEMENT OF JEWISH EDUCATION, INC.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

MBAF
MORRISON BROWN ARGIZ & FARRA, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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MORRISON BROWN ARGIZ & FARRA, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)

Report on the Financial Statements

We have audited the accompanying financial statements of Center for the Advancement of Jewish Education, Inc. (the "Agency"), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows and functional expenses for the years 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 audits. We conducted our audits 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 the Center for the Advancement of Jewish Education, Inc. as of June 30, 2014 and 2013, and the changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Morrison, Brown, Argiz & Farra

Miami, Florida
December 5, 2014

CENTER FOR THE ADVANCEMENT OF JEWISH EDUCATION, INC.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS		**2014**		**2013**
Cash and cash equivalents	$	180,801	$	80,628
Restricted cash		79,508		226,668
Investments		31,467		31,369
Investments held by Greater Miami Jewish Federation, Inc.		433,806		433,136
Accounts receivable, net		47,058		20,075
Greater Miami Jewish Federation, Inc. funding for next fiscal year		1,580,720		1,537,761
Prepaid expenses and other assets		16,247		22,182
Library collection		151,946		151,946
Furniture and equipment, net		28,904		29,347
TOTAL ASSETS	**$**	**2,550,457**	**$**	**2,533,112**
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable, accrued liabilities and other liabilities	$	273,219	$	225,033
Due to Greater Miami Jewish Federation, Inc., net		180,322		222,731
Pension funding liability - Greater Miami Jewish Federation, Inc., net		329,565		355,435
TOTAL LIABILITIES		783,106		803,199
NET ASSETS				
Unrestricted		(339,696)		(606,191)
Temporarily restricted		1,770,729		1,999,786
Permanently restricted		336,318		336,318
TOTAL NET ASSETS		1,767,351		1,729,913
TOTAL LIABILITIES AND NET ASSETS	**$**	**2,550,457**	**$**	**2,533,112**

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

CENTER FOR THE ADVANCEMENT OF JEWISH EDUCATION, INC.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES								
Contributions	$ 122,017	$ 97,627	$ -	$ 219,644	$ 92,023	$ 19,135	$ -	$ 111,158
Greater Miami Jewish Federation, Inc. funding for next fiscal year	-	1,580,720	-	1,580,720	-	1,537,761	-	1,537,761
Program revenue	285,475	-	-	285,475	266,516	-	-	266,516
March of the Living	795,626	-	-	795,626	701,466	-	-	701,466
Special events	261,709	-	-	261,709	168,977	-	-	168,977
Interest	5,267	-	-	5,267	10,870	-	-	10,870
Net assets released from restrictions:								
Satisfaction of program restrictions	1,907,404	(1,907,404)	-	-	1,490,828	(1,490,828)	-	-
TOTAL REVENUES	3,377,498	(229,057)	-	3,148,441	2,730,680	66,068	-	2,796,748
EXPENSES								
Program Services:								
Congregational School Education	172,750	-	-	172,750	193,271	-	-	193,271
Jewish New Teacher Project	307,536	-	-	307,536	191,801	-	-	191,801
Teacher Fringe Benefits and Licensing	285,833	-	-	285,833	282,402	-	-	282,402
Early Childhood Education	160,745	-	-	160,745	54,611	-	-	54,611
March of the Living	933,987	-	-	933,987	702,554	-	-	702,554
Dade Melton Adult Education	402,579	-	-	402,579	411,654	-	-	411,654
Diller Teen Fellows	213,996	-	-	213,996	26,677	-	-	26,677
Miami Jewish Film Festival	190,995	-	-	190,995	153,405	-	-	153,405
TOTAL PROGRAM SERVICES	2,668,421	-	-	2,668,421	2,016,375	-	-	2,016,375
Support Services:								
Fundraising, management and general	442,582	-	-	442,582	546,925	-	-	546,925
TOTAL EXPENSES	3,111,003	-	-	3,111,003	2,563,300	-	-	2,563,300
CHANGE IN NET ASSETS	266,495	(229,057)	-	37,438	167,380	66,068	-	233,448
NET ASSETS - BEGINNING OF YEAR	(606,191)	1,999,786	336,318	1,729,913	(773,571)	1,933,718	336,318	1,496,465
NET ASSETS - END OF YEAR	**$ (339,696)**	**$ 1,770,729**	**$ 336,318**	**$ 1,767,351**	**$ (606,191)**	**$ 1,999,786**	**$ 336,318**	**$ 1,729,913**

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 37,438	$ 233,448
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,343	213
Bad debt expense	23,300	10,988
Accretion on liabilities to Greater Miami Jewish Federation, Inc.	101,628	33,155
Pension funding liability - Greater Miami Jewish Federation, Inc.	(40,910)	(102,467)
Change in operating assets and liabilities:		
Restricted cash	147,160	(69,075)
Investments held by Greater Miami Jewish Federation, Inc.	(670)	(6,134)
Accounts receivable, net	(50,283)	20,999
Greater Miami Jewish Federation, Inc. funding for next year	(42,959)	(43,695)
Prepaid expenses and other assets	5,935	(3,481)
Accounts payable, accrued liabilities and other liabilities	48,186	(6,021)
Due to Greater Miami Jewish Federation, Inc.	(128,997)	(14,000)
TOTAL ADJUSTMENTS	65,733	(179,518)
NET CASH PROVIDED BY OPERATING ACTIVITIES	103,171	53,930
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture and equipment	(2,900)	(29,560)
Change in investments	(98)	174
NET CASH USED IN INVESTING ACTIVITIES	(2,998)	(29,386)
NET INCREASE IN CASH AND CASH EQUIVALENTS	100,173	24,544
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	80,628	56,084
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 180,801**	**$ 80,628**

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

CENTER FOR THE ADVANCEMENT OF JEWISH EDUCATION, INC.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	Program Services								Supporting Services	
	Congr. Prof. Learning Network Synagogue Sch. Scholarship Shoresh After School JSASIP Congregational School Ed.	Jewish NewTeacher Project Inst. Coach Academy Leadership & Fundraising Day School Market	Teacher Fringe Benefits and Licensing	Director Academy Professional Learning Early Childhood Education	March of the Living	Dade Melton Mussar Institute Ayeka Adult Education	Diller Teen Fellows	Miami Jewish Film Festival	Admin Fiscal Management	Total
Salaries	$ 127,750	$ 234,244	$ 24,187	$ 125,315	$ 104,038	$ 286,859	$ 118,249	$ 99,965	$ 215,673	$ 1,336,280
Employee health and retirement benefits	11,987	19,626	3,988	9,019	12,392	34,829	9,692	8,045	31,579	141,157
Payroll taxes	9,524	11,319	1,662	4,262	7,840	20,777	7,179	5,148	12,297	80,008
	149,261	265,189	29,837	138,596	124,270	342,465	135,120	113,158	259,549	1,557,445
Marketing and development	-	1,974	-	-	-	3,618	220	2,002	1,396	9,210
Occupancy	4,766	7,626	2,860	2,860	8,738	9,532	4,766	4,519	48,861	94,528
Supplies	148	600	-	287	418	94	420	14	8,547	10,528
Workshops and seminars	15,443	21,174	-	12,047	-	26,463	-	-	-	75,127
Enrollment fees	-	-	-	-	796,813	-	58,370	-	15,448	870,631
Printing and publication	-	-	-	-	-	-	-	-	8,618	8,618
Local meeting and travel	119	903	-	363	969	2,143	875	2,054	420	7,846
Postage	-	-	-	90	-	-	-	-	4,124	4,214
Telephone	230	367	138	138	400	460	230	125	13,497	15,585
Nonlocal meeting and travel	1,783	8,636	-	4,893	1,022	1,694	13,766	492	20,353	52,639
Repairs and maintenance	-	-	-	-	-	1,863	-	572	23,247	25,682
Professional fees and agency dues	947	782	59	1,001	258	3,147	39	765	7,582	14,580
Insurance	-	-	-	-	-	-	-	-	2,924	2,924
Pension matching contribution	-	-	120,489	-	-	-	-	-	-	120,489
Medical insurance matching contribution	-	-	132,450	-	-	-	-	-	-	132,450
Special events expense	-	-	-	-	-	-	-	67,176	-	67,176
Miscellaneous	53	285	-	470	1,099	11,100	190	118	24,673	37,988
Total functional expenses before depreciation	172,750	307,536	285,833	160,745	933,987	402,579	213,996	190,995	439,239	3,107,660
Depreciation	-	-	-	-	-	-	-	-	3,343	3,343
Total Functional Expenses	**$ 172,750**	**$ 307,536**	**$ 285,833**	**$ 160,745**	**$ 933,987**	**$ 402,579**	**$ 213,996**	**$ 190,995**	**$ 442,582**	**$ 3,111,003**

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

CENTER FOR THE ADVANCEMENT OF JEWISH EDUCATION, INC.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	Program Services								Supporting Services	
	Congr. Prof. Learning Network Synagogue Sch. Scholarship Shoresh After School JSASIP Congregational School Ed.	Jewish NewTeacher Project Inst. Coach Academy Leadership & Fundraising Day School Market	Teacher Fringe Benefits and Licensing	Director Academy Professional Learning Early Childhood Education	March of the Living	Dade Melton Mussar Institute Ayeka Adult Education	Diller Teen Fellows	Miami Jewish Film Festival	Admin Fiscal Management	Total
Salaries	$ 134,061	$ 125,580	$ 19,277	$ 37,250	$ 100,010	$ 269,290	$ 20,421	$ 66,085	$ 360,478	$ 1,132,452
Employee health and retirement benefits	18,993	16,219	3,569	5,191	14,910	35,980	3,773	-	20,155	118,790
Payroll taxes	10,967	7,039	2,097	2,931	6,862	17,528	2,090	-	23,272	72,786
	164,021	148,838	24,943	45,372	121,782	322,798	26,284	66,085	403,905	1,324,028
Marketing and development	-	1,974	-	-	-	9,355	-	-	1,811	13,140
Occupancy	14,304	14,304	4,008	6,000	-	14,304	-	4,348	42,796	100,064
Supplies	-	1,462	-	22	3,772	36,597	-	-	13,980	55,833
Workshops and seminars	14,946	11,923	-	1,101	5,464	-	-	-	-	33,434
Enrollment fees	-	-	-	-	550,010	6,133	-	-	-	556,143
Printing and publication	-	498	47	-	-	1,951	-	-	6,552	9,048
Local meeting and travel	-	460	-	39	729	1,812	-	-	340	3,380
Postage	-	229	-	-	563	979	-	-	7,434	9,205
Telephone	-	-	-	480	453	-	-	-	14,340	15,273
Nonlocal meeting and travel	-	11,266	-	604	1,471	4,185	-	-	455	17,981
Repairs and maintenance	-	518	-	468	189	546	-	-	9,004	10,725
Professional fees and agency dues	-	329	431	525	200	1,894	-	-	4,163	7,542
Insurance	-	-	-	-	-	-	-	-	17,324	17,324
Pension matching contribution	-	-	118,657	-	-	-	-	-	-	118,657
Medical insurance matching contribution	-	-	134,275	-	-	-	-	-	-	134,275
Special events expense	-	-	-	-	-	-	-	82,972	8,479	91,451
Miscellaneous	-	-	41	-	17,921	11,100	393	-	16,129	45,584
Total functional expenses before depreciation	193,271	191,801	282,402	54,611	702,554	411,654	26,677	153,405	546,712	2,563,087
Depreciation	-	-	-	-	-	-	-	-	213	213
Total Functional Expenses	**$ 193,271**	**$ 191,801**	**$ 282,402**	**$ 54,611**	**$ 702,554**	**$ 411,654**	**$ 26,677**	**$ 153,405**	**$ 546,925**	**$ 2,563,300**

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

1. GENERAL AND MANAGEMENT'S PLAN

General

Center for the Advancement of Jewish Education, Inc., (the "Agency"), a not-for-profit corporation, provides programs and services to enhance and expand formal and informal Jewish education for all ages and denominations. Revenues are derived principally from the Agency's programs and from contributions from Greater Miami Jewish Federation, Inc. ("Federation") and individuals.

Management's Plan

As of June 30, 2014, the Agency has an accumulated deficit within the unrestricted net assets of $339,696. The deficit is primarily due to amounts owed to the Federation. The Agency's board and the board of the Federation passed resolutions to make the Agency a wholly owned subsidiary of Federation. The change in control was effective July 1, 2012. Management of the Agency believes this change in organizational structure will create additional opportunities for programs and fundraising. The Agency will continue to fund its accumulated deficit through the continued support of the Federation with respect to its allocation for 2014 and favorable repayment terms for the net pension liability of $329,565 and the net line of credit liability of $180,322 in the Statement of Financial Position for the year ended June 30, 2014. The Agency relies on the continued support of the Federation in order to meet its financial commitments. The reduction of support from the Federation in future years could significantly impact the Agency's ability to provide program services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis and Presentation

The financial statements are prepared on the accrual basis of accounting. The Agency follows the provisions of an accounting standard where the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. On July 1, 2012, the Agency became a subsidiary of the Federation in a transaction accounted for as an acquisition. No consideration was transferred by the Federation. No adjustments to the carrying value of the Agency's assets or liabilities were recorded as a result of the transaction.

Unrestricted Net Assets

Unrestricted net assets consist of assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Agency and/or the passage of time. When a restriction is fulfilled or expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently Restricted Net Assets

Permanently restricted net assets consist of assets subject to donor-imposed stipulations that they be maintained permanently by the Agency. Generally, the donors of these assets permit the Agency to use all or part of the income earned on any related investments for general or specific purposes.

Support and Expenses

Contributions received and unconditional promises to give are measured at their net realizable values and are reported as an increase in net assets. The Agency reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as "Net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purpose of the Statements of Cash Flows, the Agency considers all highly liquid instruments to be cash equivalents.

Program Revenues

Program revenues consist primarily of tuitions and fees for the March of the Living program that are recognized when earned and related expenses are recognized when incurred. Accordingly, tuitions and fees collected in advance are deferred and reported as income in the month in which the services are rendered. As of June 30, 2014 and 2013, deferred income amounted to $65,554 and $91,063, respectively, and is included in the caption, "accounts payable, accrued liabilities and other liabilities" in the Statements of Financial Position. Deferred revenues in 2014 are primarily related to the 2015 Melton School Tuition.

Donated Assets and Services

Donated assets and services, for which there is a clear and measurable value, are recorded at their estimated fair value when received.

Accounts and Pledges Receivable, net

Receivables are reported at net realizable value which approximates fair value and consist of amounts due from pledges and bequests as well as monies due from funding sources. The allowance for doubtful accounts is the Agency's best estimate of the amount of probable credit losses in the Agency's existing accounts receivable. Past due balances are reviewed individually for collectability. As of June 30, 2014 and 2013, the allowance for doubtful accounts amounted to $34,135 and $11,000, respectively. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the Statements of Financial Position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the Statements of Activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. The Agency entered into an agreement with the Federation to hold certain assets of the Agency in the general investment assets of the Federation. The Federation has a pooled investment strategy with investments in a variety of mutual funds, hedge funds, government securities, equities, Israel Bonds and other types of investments.

Library Collection

The Agency's methodology for library books and materials is to classify them as inexhaustible assets that should not be depreciated. Library books and materials have an economic benefit or service potential that is used up slowly and their estimated useful lives are extraordinarily long. Some books have a cultural, aesthetic or historical value and efforts are usually applied to protect and preserve these assets in a manner greater than that for similar assets without such cultural, aesthetic or historical value. Therefore, the Agency does not depreciate its library books and materials.

Furniture and Equipment, net

Furniture and equipment are stated at cost, or if contributed, the fair market value at the time of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of furniture and equipment are recorded as temporarily restricted and released over the depreciable life. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

No provision for income taxes has been made since the Agency is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986.

The Agency recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdiction where the Agency files informational tax returns. The Agency is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2011.

Concentrations of Credit Risk

The Agency places its cash with financial institutions. At times such balances may temporarily be in excess of the insurance limits of the Federal Deposit Insurance Corporation. The Agency has not experienced any losses in such accounts.

Use of Estimates

Preparing the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America (''U.S. GAAP'') requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allocation of Functional Expenses

The costs of providing the various program support activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and support activities benefited.

Subsequent Events

The Agency has evaluated subsequent events through December 5, 2014, which is the date the financial statements were available to be issued.

Recent Accounting Pronouncements

<u>Services Received from Personnel of an Affiliate</u>

In April 2013, the Financial Accounting Standards Board ("FASB") issued an accounting standard update which requires not-for-profit entities to apply similar recognition and measurement bases for services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity and for which the recipient not-for-profit entity is not charged by the affiliate. The update requires that those services be measured at the cost recognized by the affiliate for the personnel providing those services unless such measurement would significantly overstate or understate the value of the service received, in which case the recipient not-for-profit entity may elect to recognize such services at the fair value of the service. The update is effective prospectively for fiscal years beginning after June 15, 2014, and interim periods thereafter, with early adoption permitted. The Agency is currently evaluating the effect the update will have on its financial statements.

3. INVESTMENTS

Investments stated at fair value, consist of the following at June 30:

	2014	2013
State of Israel bonds	$ 21,500	$ 21,500
Government securities	9,967	9,869
Total investments	**$ 31,467**	**$ 31,369**
Investments held by Greater Miami Jewish Federation, Inc.	**$ 433,806**	**$ 433,136**

The State of Israel bonds mature through 2015.

Certain of the Agency's investments are held and administrated by the Federation. Certain assets are invested in the pooled blended investment strategy of the Federation. The pooled investment strategy includes investments in a variety of mutual funds, hedge funds, government securities, equities, Israel Bonds and other types of investments. All monies held at the Federation are recorded at their fair market value and totaled approximately $434,000 and $433,000 at June 30, 2014 and 2013, respectively. The investment income net of fees for the years ended June 30, 2014 and 2013 totaled approximately $5,000 and $11,000, respectively, as reflected in the Statements of Activities.

4. FAIR VALUE MEASUREMENTS

The FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurement and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.
- Level 2 Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The values of the assets invested with the Federation are determined by calculating the Agency's net asset value ("NAV") in the pool. The Agency has the ability to redeem the investment at NAV upon request; as such, the Agency's investment is reflected at NAV in the Statements of Financial Position and reported as Level 2 under the fair value hierarchy in accordance with U.S. GAAP.

4. FAIR VALUE MEASUREMENTS (CONTINUED)

At June 30, 2014 and 2013, approximately $390,000 and $392,000, respectively, of the total investment balance was invested in the Federation's fixed investment strategy pool with underlying securities in each level of the fair value hierarchy. The remaining balance was invested in the blended strategy pool comprised of various investment types. The blended strategy pool is invested as follows:

Asset:	**2014**	**2013**
Mutual funds and equities	48%	59%
Money market	16%	14%
Bond funds	5%	5%
Israel bonds	5%	5%
Altemative investments	25%	15%
Commodities	1%	2%
Fair value hierarchy		
Level 1	70%	80%
Level 2	5%	5%
Level 3	25%	15%

The investment strategy for blended investment strategy pool and the fixed investment strategy pool funds is capital appreciation and a predictable stream of income, respectively. There are no funding commitment requirements or redemption restrictions. The funds are redeemable from the Federation upon demand.

The carrying amounts of cash, restricted cash, pledges and receivables approximate fair value because of the short maturity of these financial instruments. The carrying amounts of accounts payable and accrued liabilities approximate fair value because of the short maturity of these financial instruments.

Although the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables represent the Agency's financial instruments measured at fair value on a recurring basis at June 30, 2014 and 2013 for each of the fair value hierarchy levels:

		Fair Value Measurement		
Description	**06/30/2014**	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Other Unobservable Inputs (Level 3)**
Assets:				
Fixed investment strategy pool	$ 390,340	$ -	$ 390,340	$ -
Blended investment strategy pool	43,466	-	43,466	-
State of Israel bonds	21,500	-	21,500	-
Government securities	9,967	9,967	-	-
	$ 465,273	**$ 9,967**	**$ 455,306**	**$ -**

		Fair Value Measurement		
Description	**06/30/2013**	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Other Unobservable Inputs (Level 3)**
Assets:				
Fixed investment strategy pool	$ 392,007	$ -	$ 392,007	$ -
Blended investment strategy pool	41,129	-	41,129	-
State of Israel bonds	21,500	-	21,500	-
Government securities	9,869	9,869	-	-
	$ 464,505	**$ 9,869**	**$ 454,636**	**$ -**

5. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following at June 30:

	2014	**2013**
Program revenue and contribution receivables	$ 81,193	$ 31,075
Less allowance for doubtful accounts	(34,135)	(11,000)
	$ 47,058	**$ 20,075**

6. GREATER MIAMI JEWISH FEDERATION FUNDING FOR NEXT FISCAL YEAR

A portion of the total revenue of the Agency is received from the Federation. The Federation provided the Agency with annual allocations of $1,580,720 and $1,537,761 for the years ended June 30, 2014 and 2013, respectively. This amount includes Teacher Fringe Benefit Allocation amounting to $283,080 and $260,000 for 2014 and 2013, respectively. These allocations were recorded as temporarily restricted revenue. The Agency transfers this support to unrestricted net assets through net assets released from restrictions once the Agency expends the funds. These allocations are received on a monthly basis.

7. FURNITURE AND EQUIPMENT, NET

Furniture and equipment consist of the following at June 30:

	2014	2013
Furniture	$ 82,074	$ 82,074
Office equipment	275,700	272,788
Total	357,774	354,862
Less: accumulated depreciation	(328,870)	(325,515)
	$ 28,904	**$ 29,347**

Depreciation expense was $3,343 and $213 for the years ended June 30, 2014 and 2013, respectively.

8. DUE TO GREATER MIAMI JEWISH FEDERATION, INC., NET

The amounts due to the Federation consist of the following at June 30:

	2014	2013
Interest free line of credit, payable in installments, through FYE 2019	$ 226,000	$ 252,000
Less: Discount on present value of interest free payable	(45,678)	(29,269)
	$ 180,322	**$ 222,731**

There is no interest on the line of credit and, accordingly, the Agency discounted the liability and recorded a temporarily restricted contribution. In 2014, the discount increased by approximately $16,000. In 2013, the discount decreased due to a change in the discount rate used and the Agency released from restriction approximately $20,000, which is included in “net assets released from restriction” in the Statements of Activities.

The line of credit was discounted using the straight line method, which is not materially different from the effective interest rate method, using an average rate of approximately 4%. At the end of each year, the Agency will amortize the discount on the line of credit by recording interest expense and increasing the payable.

Approximate principal payments on the amounts due to the Federation are due as follows:

Years Ending June 30,	
2015	$ 35,000
2016	35,000
2017	35,000
2018	35,000
2019	35,000
Thereafter	51,000
	$ 226,000

9. PENSION FUNDING LIABILITY – GREATER MIAMI JEWISH FEDERATION, INC., NET

401(a) Money Purchase Plan

The Agency participates in a 401(a) money purchase plan, administered by the Federation, covering all eligible employees of the Agency. To become a participant, an employee must complete one year of service and be 21 years of age. The Agency's contributions to the 401(a) money purchase plan for the years ended June 30, 2014 and 2013 were approximately $42,000 and $77,000, respectively.

Multiemployer Defined Benefit Pension Plan

The Agency participates in a noncontributory defined benefit pension plan ("Federation Plan") covering substantially all of its administrative employees which is part of the pension plan of the Federation. Effective July 1, 1999, the plan became frozen and was amended to cease benefit accruals for any participant as of June 30, 1999 and exclude all employees from becoming participants on or after the effective date of the amendment. As of June 30, 2014 and 2013, the present value of accumulated plan benefits exceeded the Federation Plan's total net assets. This resulted in a total remaining pension liability of $174,998 and $301,796 as of June 30, 2014 and 2013, respectively, which is reflected on the Federation's financial statements.

Amounts due to the Federation related to the Federation Plan

As a result of its involvement in the Federation Plan, the Agency has recorded a pension funding liability as follows at June 30:

	2014	2013
Due to Greater Miami Jewish Federation - pension funding	$ 286,759	$ 352,944
Less: discount	(15,040)	(89,195)
Net Due to Greater Miami Jewish Federation, net of discount - A	271,719	263,749
Plus: underfunded pension obligation - B	57,846	91,686
Pension funding liability - Greater Miami Jewish Federation, Inc.	**$ 329,565**	**$ 355,435**

A - Since 1999, the Agency has been unable to fund the Federation Plan for its complete portion of the liability. As a result, the Federation has made payments on the Agency's behalf. At June 30, 2014 and 2013, the Agency reflects a liability to the Federation for these amounts. The amounts are due on June 30, 2027 and bear no interest. Accordingly, the Agency discounted the liability using an average rate of approximately 5% using the straight line method, which is not materially different from the effective interest rate method.

B - Historically, the Federation has assessed the other employers in the Federation Plan, including the Agency, each employers' pro rata share of the unfunded pension liability. The amounts assessed to the Agency bear no interest and are due on demand.

Background of Multiemployer Plan

The type of investments allowed under the Federation Plan include bank accounts, certificates of deposit, common stocks, preferred stocks, bonds, notes, debentures, mortgages, U.S. Treasury Bonds, Notes and Bills. Investment decisions are made by the trustees; however, with the written concurrence of the Federation Plan administrator, the trustees may appoint an investment manager.

9. PENSION FUNDING LIABILITY – GREATER MIAMI JEWISH FEDERATION, INC., NET (CONTINUED)

Background of Multiemployer Plan (Continued)

Information related to the Federation Plan's total obligations is presented below at June 30:

	2014	2013
Fair value of plan assets	$ 2,465,762	$ 2,139,771
Projected benefit obligation	2,640,760	2,441,567
Funded status	**$ (174,998)**	**$ (301,796)**

The Federation's parent-only portion of the liability for pension benefits at June 30:

	2014	2013
Liability for pension benefits	$ 174,998	$ 298,567
Net Liability	**$ 174,998**	**$ 298,567**

The defined benefit plan expense of the Federation consisted of for the years ended June 30:

	2014	2013
Service cost	$ -	$ 6,550
Expected return on assets and net amortization and deferral	-	39,416
	$ -	**$ 45,966**

For the year ended June 30, 2014, pension assets were allocated to be approximately 35% in debt securities, 51% in equity securities and 14% in cash or cash equivalents. For the year ended June 30, 2013, pension assets were allocated to be approximately 34% in debt securities, 51% in equity securities and 15% in cash or cash equivalents. At times, these allocations may vary due to changes in market conditions.

Expected payout of pension assets for the years ended June 30 are as follows:

2015	$ 298,000
2016	406,000
2017	115,000
2018	619,000
2019	156,000
Thereafter	1,047,000
	$ 2,641,000

The Federation's expected long-term return on plan assets assumption is based on periodic review and modeling of the plan's asset allocation and liability structure over a long-term horizon. Expectations of returns for each asset class are the most important of the assumptions used in the review and modeling and are based on comprehensive review of historical data and economic/financial market theory. The expected long-term rate of return on assets was selected from within the reasonable range of rates determined by (a) historical real returns, net of inflation, for the asset classes covered by the investment policy and (b) projections of inflation over the long-term period during which benefits are payable to plan participants.

9. PENSION FUNDING LIABILITY – GREATER MIAMI JEWISH FEDERATION, INC., NET (CONTINUED)

Background of Multiemployer Plan (Continued)

The Federation's investment policy includes various guidelines and procedures designed to ensure assets are invested in a manner necessary to meet expected future benefits earned by participants. The investment guidelines consider a broad range of economic conditions. Central to the policy are target allocation ranges by major asset categories. The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters, achieve asset returns that meet or exceed the plan's actuarial assumptions and achieve asset returns that are competitive with like institutions employing similar investment strategies.

The Federation's overall investment strategy is to achieve a mix of approximately 65-75 percent of investments for long-term growth and 25-35 percent for near-term benefit payments with a wide diversification of asset types, fund strategies, and fund managers. The target allocations for plan assets are between 30-70 percent equity securities, 30-70 percent corporate bonds, with a long term asset mix guideline of 50% equity and 50% fixed income. Equity securities primarily include investments in large-cap and small-cap companies primarily located in the United States and developing and emerging international markets. Fixed income securities include corporate bonds with various durations. The investment policy is periodically reviewed by the Federation. The policy is established and administered in a manner so as to comply at all times with applicable government regulations.

The Federation Plan for the year ended June 30, 2014, is outlined in the table below. The "Employer Number" column provides the Plan's employer number. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2013 and 2012 is for the plan years beginning July 1, 2012 and July 1, 2011, respectively. The zone status is based on information that the Federation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80 % funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

For the plans in the green zone, which represents at least 80% funded, an FIP or RP is not required. Such information related to the Plan is comprised of the following:

		PPA Zone Status		FIP/RP Status	Contributions			Expiration Date of Collective
Pension Fund	Employer Number	2014	2013	Pending/ Implemented	2014	2013	Surcharge Imposed	Bargaining Agreement
Pension Plan of Greater Miami Jewish Federation	432-000-K	Green	Green	N/A	$ 128,133	$ -	No	N/A

10. DEFINED CONTRIBUTION PLAN

The Agency also has a defined contribution 403(b) plan for qualified teachers funded by annuity accounts maintained by a funding agent. Under the plan, the teachers contribute 4% of their salaries; each school contributes up to 4% of their qualified teachers' salaries, and the Teacher Fringe Benefits Program of the Agency contributes 4% up to a maximum of $1,000 of the qualified teachers' salaries. The Teacher Fringe Benefits Program expenses for the plan were $120,489 and $118,657 for the years ended June 30, 2014 and 2013, respectively, and are included within the Statements of Functional Expenses.

11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows at June 30:

	2014	2013
Greater Miami Jewish Federation, Inc. Allocation	$ 1,485,955	$ 1,650,767
Accumulated investment earnings - permanently restricted net assets	97,490	96,818
Discount on liabilities to the Federation	60,718	118,465
Melton	-	8,319
Orah Fund	2,500	2,500
Film festival	-	600
Education and other	124,066	122,317
	$ 1,770,729	**$ 1,999,786**

12. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are as follows at June 30:

	2014	2013
March of the living	$ 100,000	$ 100,000
Adult education	113,000	113,000
High school in Israel and other teen programs	40,000	40,000
Other	83,318	83,318
	$ 336,318	**$ 336,318**

All monies held at the Federation are recorded at their fair market value and they amounted to $433,806 and $433,136 at June 30, 2014 and 2013, respectively, including $97,490 and $96,818 in unrealized gains which are included as temporarily restricted net assets as of June 30, 2014 and 2013, respectively.

13. ENDOWMENTS

The Agency's endowment consists of individual funds established for a variety of purposes. Its endowment is comprised of donor-restricted funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

In June 2011, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Agency has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by FUPMIFA.

13. ENDOWMENTS (CONTINUED)

In accordance with FUPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the Agency and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Agency

(7) The investment policies of the Agency.

For the years ended June 30, 2014 and 2013, the Agency has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

Summary of endowment net assets at June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 97,490	$ 336,318	$ 433,808

Summary of endowment net assets at June 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 96,818	$ 336,318	$ 433,136

Change in endowment net assets at June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ -	$ 96,818	$ 336,318	$ 433,136
Net investment appreciation	-	2,339	-	2,339
Released from restriction and appropriated for expenditure	-	-	-	-
Investment fees	-	(1,667)	-	(1,667)
Endowment net assets, ending	$ -	$ 97,490	$ 336,318	$ 433,808

13. ENDOWMENTS (CONTINUED)

Change in endowment net assets at June 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ -	$ 90,684	$ 336,318	$ 427,002
Net investment appreciation	-	10,308	-	10,308
Released from restriction and appropriated for expenditure	-	(2,010)	-	(2,010)
Investment fees	-	(2,164)	-	(2,164)
Endowment net assets, ending	**$ -**	**$ 96,818**	**$ 336,318**	**$ 433,136**

Summary of endowment assets at June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investments	**$ -**	**$ 97,490**	**$ 336,318**	**$ 433,808**

Summary of endowment assets at June 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investments	**$ -**	**$ 96,818**	**$ 336,318**	**$ 433,136**

Permanently Restricted Net Assets:	**2014**	**2013**
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or law	**$ 336,318**	**$ 336,318**

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Agency to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2014 and 2013. In accordance with U.S. GAAP, gains have been reported as temporarily restricted net assets.

Return Objectives and Risk Parameters

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Agency must hold in perpetuity or for a donor-specified period(s). The Agency expects its endowment funds, over time, to provide a rate of return in excess of the original permanently restricted principal. Actual returns in any given year may vary.

13. ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Agency's assets are invested with the Federation pooled blended strategy (NOTE 4) and fixed income strategy. The Federation targets a diversified asset allocation that places a greater emphasis on equity-based alternative investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Agency has a policy of appropriating monies for distribution during years in which the March of the Living takes place. In establishing this policy, the Agency considered the long-term expected return on its endowment. Accordingly, over the long term, the Agency expects the current spending policy to allow its endowment to grow.

14. COMMITMENTS

The Agency has various operating leases, the most significant of which is its lease of the Miami premises from the Federation, which is a year-to-year lease that can be renewed annually. Rent expense was approximately $95,000 and $103,000 for the years ended June 30, 2014 and 2013, respectively. The following is a schedule of future rental minimum lease payments required under the operating leases as of June 30:

2015	$ 1,113
	$ 1,113