



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

**Financial Statements
June 30, 2015 and 2014**



Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Table of Contents

Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Cash Flows.....	5
Statements of Functional Expenses.....	6 - 7
Notes to Financial Statements.....	8 - 20



Independent Auditors' Report

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

We have audited the accompanying financial statements of the Center for the Advancement of Jewish Education, Inc. (the "Agency"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Coral Gables

2121 Ponce De Leon Blvd.
11th Floor
Coral Gables, FL 33134
305.442.2200

Fort Lauderdale

515 East Las Olas Blvd.
5th Floor
Fort Lauderdale, Florida 33301
954.989.7462 1 -

Boca Raton

2255 Glades Rd.
Suite 324A
Boca Raton, FL 33431
561.395.3550



**Independent Auditors' Report
(continued)**

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, 2015, 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.

Prior Period Financial Statements

The financial statements of the Center for the Advancement of Jewish Education, Inc. as of June 30, 2014, were audited by other auditors whose report dated December 5, 2014, expressed an unmodified opinion on those statements.

Goldstein Schechter Koch P.A.

Coral Gables, Florida
August 15, 2016

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, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 270,076	\$ 180,801
Cash restricted for program services	98,403	79,508
Investments	468,381	465,273
Pledges receivable, less allowance for uncollectible pledges of \$0 in 2015 and \$34,135 in 2014	74,114	47,058
Greater Miami Jewish Federation, Inc. funding for next fiscal year	1,603,730	1,580,720
Prepaid expenses and other assets	47,325	16,247
Library collection	2,527	151,946
Furniture and equipment, net	24,458	28,904
Total assets	\$ 2,589,014	\$ 2,550,457
Liabilities and Net Assets		
Liabilities:		
Accounts payable, accrued liabilities and other liabilities	\$ 220,130	\$ 259,771
Due to Greater Miami Jewish Federation, Inc., net	442,617	523,335
Total liabilities	662,747	783,106
Net assets:		
Unrestricted	(154,476)	(339,696)
Temporarily restricted	1,744,425	1,770,729
Permanently restricted	336,318	336,318
Total net assets	1,926,267	1,767,351
Total liabilities and net assets	\$ 2,589,014	\$ 2,550,457

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, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other support:								
Contributions	\$ 464,939	\$ -	\$ -	\$ 464,939	\$ 369,857	\$ -	\$ -	\$ 369,857
Greater Miami Jewish Federation, Inc. funding for next fiscal year	-	1,485,955	-	1,485,955	-	1,485,955	-	1,485,955
Program revenue	321,758	-	-	321,758	285,475	-	-	285,475
March of the Living	838,086	-	-	838,086	795,626	-	-	795,626
Special events	230,923	-	-	230,923	206,261	-	-	206,261
In-kind contributions	30,000	-	-	30,000	-	-	-	-
Investment returns	9,003	-	-	9,003	5,267	-	-	5,267
Net assets released from restrictions:								
Satisfaction of program restrictions	1,512,259	(1,512,259)	-	-	1,715,012	(1,715,012)	-	-
Total revenues	3,406,968	(26,304)	-	3,380,664	3,377,498	(229,057)	-	3,148,441
Expenses:								
Program Services:								
Congregational School Education	133,504	-	-	133,504	172,750	-	-	172,750
Jewish New Teacher Project	241,042	-	-	241,042	307,536	-	-	307,536
Teacher Fringe Benefits and Licensing	289,380	-	-	289,380	285,833	-	-	285,833
Early Childhood Education	131,090	-	-	131,090	160,745	-	-	160,745
March of the Living	1,001,692	-	-	1,001,692	933,987	-	-	933,987
Dade Melton Adult Education	372,406	-	-	372,406	402,579	-	-	402,579
Diller Teen Fellows	207,398	-	-	207,398	213,996	-	-	213,996
Miami Jewish Film Festival	271,374	-	-	271,374	190,995	-	-	190,995
Total program services	2,647,886	-	-	2,647,886	2,668,421	-	-	2,668,421
Support Services:								
Management and general	573,862	-	-	573,862	442,582	-	-	442,582
Total expenses	3,221,748	-	-	3,221,748	3,111,003	-	-	3,111,003
Change in net assets	185,220	(26,304)	-	158,916	266,495	(229,057)	-	37,438
Net assets - beginning of year	(339,696)	1,770,729	336,318	1,767,351	(606,191)	1,999,786	336,318	1,729,913
Net assets - end of year	\$ (154,476)	\$ 1,744,425	\$ 336,318	\$ 1,926,267	\$ (339,696)	\$ 1,770,729	\$ 336,318	\$ 1,767,351

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 Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
Change in net assets	\$ 158,916	\$ 37,438
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,423	3,343
Bad debt expense	11,517	23,300
Net unrealized gain on investments	(3,107)	(768)
Provision for estimated uncollectible pledges	(34,135)	(23,135)
Impairment loss on library collection	149,419	-
Changes in operating assets and liabilities:		
Restricted cash	(18,895)	147,160
Pledges receivable, net	(4,439)	(27,148)
Greater Miami Jewish Federation, Inc. funding for next year	(23,010)	(42,959)
Prepaid expenses and other assets	(31,078)	5,935
Accounts payable, accrued liabilities and other liabilities	(39,641)	67,994
Due to Greater Miami Jewish Federation, Inc.	(80,718)	(88,087)
Net cash provided by operating activities	91,252	103,073
Cash flows from investing activities:		
Purchases of furniture and equipment	(1,977)	(2,900)
Net cash used in investing activities:	(1,977)	(2,900)
Net increase in cash and cash equivalents	89,275	100,173
Cash and cash equivalents - beginning of year	180,801	80,628
Cash and cash equivalents - end of year	\$ 270,076	\$ 180,801

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, 2015

	Program Services								Supporting Services		Total
	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	Management and General		
Salaries	\$ 99,066	\$ 172,560	\$ 24,037	\$ 92,890	\$ 112,086	\$ 263,827	\$ 121,495	\$ 113,854	\$ 174,008	\$ 1,173,823	
Employee health and retirement benefits	12,168	21,362	3,650	16,949	13,752	37,893	21,890	13,039	37,560	178,263	
Payroll taxes	6,709	11,178	1,646	4,380	8,135	20,015	11,270	7,055	10,924	81,312	
	117,943	205,100	29,333	114,219	133,973	321,735	154,655	133,948	222,492	1,433,398	
Marketing and development	-	1,974	-	-	-	744	-	17,930	962	21,610	
Occupancy	4,766	7,626	2,860	2,860	9,533	9,533	4,766	4,519	48,860	95,323	
Supplies	433	994	-	656	76	98	146	406	7,691	10,500	
Workshops and seminars	9,518	10,214	-	5,401	20,279	16,988	31,374	-	12,581	106,355	
Enrollment fees	-	-	-	-	825,160	-	10,371	-	59	835,590	
Printing and publication	-	-	-	-	1,408	3,408	155	1,950	11,993	18,914	
Local meeting and travel	327	464	-	130	1,201	1,852	1,981	1,000	199	7,154	
Postage	-	-	-	-	-	-	48	2,893	7,680	10,621	
Telephone	-	-	-	-	184	-	-	-	13,758	13,942	
Nonlocal meeting and travel	-	-	-	-	9,028	3,437	721	3,810	2,007	19,003	
Repairs and maintenance	-	10,115	-	4,528	-	1,323	-	99	15,800	31,865	
Professional fees and agency dues	-	104	-	407	200	2,188	219	786	5,571	9,475	
Insurance	-	4,325	620	464	-	-	-	-	13,823	19,232	
Pension matching contribution	-	-	117,012	-	-	-	-	-	-	117,012	
Medical insurance matching contribution	-	-	138,150	-	-	-	-	-	-	138,150	
Special events expense	-	-	-	-	-	-	-	104,033	-	104,033	
Bad debt expense	-	-	-	-	-	-	-	-	11,517	11,517	
Impairment loss on library collection	-	-	-	-	-	-	-	-	149,419	149,419	
In-kind contributions expense	-	-	-	-	-	-	-	-	30,000	30,000	
Miscellaneous	517	22	1,405	2,390	650	11,100	2,962	-	13,166	32,212	
Total functional expenses before depreciation	133,504	240,938	289,380	131,055	1,001,692	372,406	207,398	271,374	567,578	3,215,325	
Depreciation	-	104	-	35	-	-	-	-	6,284	6,423	
Total functional expenses	\$ 133,504	\$ 241,042	\$ 289,380	\$ 131,090	\$ 1,001,692	\$ 372,406	\$ 207,398	\$ 271,374	\$ 573,862	\$ 3,221,748	

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		Total
	Congr. Prof. Learning Network Synagogue Sch. Scholarship Shoresh After School JSASIP Congregational School Ed.	Jewish New Teacher 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		
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	
Cash flows from investing activities	-	-	-	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	

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 1 – Nature of Organization and Significant Accounting Policies

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, 2015, the Agency has an accumulated deficit within the unrestricted net assets of \$154,476. 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 2015 and favorable repayment terms for the net pension liability of \$234,408 and the net line of credit liability of \$188,929 in the statement of financial position for the year ended June 30, 2015. 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.

Basis of Accounting

The financial statements of the Agency have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Agency’s net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – 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 – net 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.

Cash and Cash Equivalents

For purpose of the statements of cash flows, the Agency considers all highly liquid instruments available for current use with an initial maturity of three months or less to be cash equivalents.

Cash Restricted for Program Services

Restricted cash consists of cash collected from congregational schools to pay for teacher fringe benefits expense.

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 1 – Nature of Organization and Significant Accounting Policies – continued

Investments

Investments in government 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. The fair value of the assets invested with the Federation is determined by calculating the Agency's net asset value ("NAV") in the pool.

Pledges Receivable, net

Pledges, less a provision for estimated uncollectible amounts and unamortized discounts, are recorded as a receivable and revenue when pledges are made. The provision for uncollectible pledges is based, among other things, on the Agency's past collection experience and the impact of changes in current economic conditions.

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. Assets over \$500, which are expected to last over one year, are capitalized. 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 unrestricted support. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Program Revenues

Program revenues consist primarily of tuitions and fees for the March of the Living program that are recognized when earned. 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, 2015 and 2014, deferred income amounted to \$60,621 and \$65,554, respectively, and is included in the caption, accounts payable, accrued liabilities and other liabilities in the statements of financial position. Deferred revenues in 2015 are primarily related to the 2016 Diller Teen Program and Melton School Tuition.

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 1 – Nature of Organization and Significant Accounting Policies – continued

Contributions

Contributions, including 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.

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.

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 2012.

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

The preparation of 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 certain reported amounts and disclosure. Accordingly, 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.

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 1 – Nature of Organization and Significant Accounting Policies – continued

Financial Instruments

The carrying amounts of cash, restricted cash, pledges receivable, net, and due from Greater Miami Jewish Federation, Inc. approximate fair value because of the short maturity of these financial instruments. The carrying amounts of accounts payable, accrued liabilities, and other liabilities approximate fair value because of the short maturity of these financial instruments. Refer to Note 3 for fair value measurements of investments.

Subsequent Events

The Agency has evaluated subsequent events through August 15, 2016, which is the date the financial statements were available to be issued.

Recent Accounting Pronouncements

The Agency adopted the Accounting Standards Update (ASU) 2013-06, *Not-for-Profit Entities (Topic 958): Services Received from Personnel of an Affiliate*. This amendment 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 recognized contribution revenue of \$30,000 and \$0 for the years ended June 30, 2015 and 2014, respectively, for contributed services related to management and general support services. The value of contributed services is recorded in the period received as contributions and expenses and was measured based on the fair value of those services.

Reclassifications

Certain items in the 2014 financial statements have been reclassified to conform to the 2015 presentation. Net assets and changes in net assets are unchanged as a result of these reclassifications.

Note 2 – Investments and Fair Value Measurements

Investments consist of the following at June 30:

	2015	2014
Investments held by Greater Miami Jewish Federation, Inc.	\$ 438,001	\$ 433,806
State of Israel bonds	23,737	21,500
Government securities	6,643	9,967
Total investments	\$ 468,381	\$ 465,273

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 2 – Investments and Fair Value Measurements – continued

The following schedule summarized investment returns and their classification in the statement of activities for the years ended June 30:

	2015	2014
Interest income	\$ 6,766	\$ 5,267
Net realized and unrealized gains	2,237	-
Total investment returns	\$ 9,003	\$ 5,267

Investments are measured at fair value. U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of fair value hierarchy are as follows:

Level 1 inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the Agency has the ability to access at the measurement date. Level 1 inputs provide the most reliable measure of fair value as of the measurement date.

Level 2 inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 inputs are significant unobservable inputs for the asset or liability.

The level of fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. For the years ended June 30, 2015 and 2014, there were no Level 3 inputs used to value their investments.

The following tables represent the Agency’s investments measured at fair value on a recurring basis at June 30, 2015 and 2014 for each of the fair value hierarchy levels:

	Fair Value	Fair Value Measurements	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
June 30, 2015			
Fixed investments			
strategy pool	\$ 396,411	\$ -	\$ 396,411
Blended investment			
strategy pool	41,590	-	41,590
State of Israel bonds	23,737	-	23,737
Government securities	6,643	6,643	-
Total investments	\$ 468,381	\$ 6,643	\$ 461,738

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 2 – Investments and Fair Value Measurements – continued

June 30, 2014	Fair Value	Fair Value Measurements	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Fixed investments			
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	-
Total investments	\$ 465,273	\$ 9,967	\$ 455,306

Investments in bonds and government securities are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

The Agency has the ability to redeem its strategy pool investments at NAV upon request; as such, the Agency's investments are 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.

At June 30, 2015 and 2014, the Federation's fixed investment strategy pool had underlying securities in Level 2 of the fair value hierarchy. The balance in the blended strategy pool investment comprised of various investment types as follows:

Asset:	2015	2014
Mutual funds	48%	48%
Equity securities	17%	16%
Bond funds	5%	5%
Israel bonds	5%	5%
Alternative investments	24%	25%
Commodities	1%	1%
Fair value hierarchy		
Level 1	68%	70%
Level 2	4%	5%
Level 3	28%	25%

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.

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.

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 3 – Pledges Receivable, net

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

	2015	2014
Gross amounts due in less than one year	\$ 74,114	\$ 81,193
Less allowance for uncollectible accounts	-	(34,135)
<u>Total pledges receivable, net</u>	<u>\$ 74,114</u>	<u>\$ 47,058</u>

Note 4 – Greater Miami Jewish Federation, Inc. 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 \$1,485,955 for the years ended June 30, 2015 and 2014. This amount includes Teacher Fringe Benefit Allocation amounting to \$255,000 and \$283,080 for 2015 and 2014, 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.

Note 5 – Furniture and Equipment, Net

Furniture and equipment consist of the following at June 30:

	2015	2014
Furniture	\$ 82,074	\$ 82,074
Office equipment	277,677	275,700
	359,751	357,774
Less: accumulated depreciation	(335,293)	(328,870)
<u>Total furniture and equipment, net</u>	<u>\$ 24,458</u>	<u>\$ 28,904</u>

Depreciation expense was \$6,423 and \$3,343 for the years ended June 30, 2015 and 2014, respectively.

Note 6 – Due to Greater Miami Jewish Federation, Inc., Net

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

	2015	2014
Interest free line of credit, net	\$ 188,929	\$ 180,322
Pension funding liability, net	234,408	329,565
Other	19,280	13,448
<u>Pension funding liability – Greater Miami Jewish Federation, Inc.</u>	<u>\$ 442,617</u>	<u>\$ 523,335</u>

The interest free line of credit as of June 30, was as follows:

	2015	2014
Interest free line of credit, payable in installments, through year ending 2021, gross	\$ 200,000	\$ 226,000
Less: discount on present value of interest free payable	(11,071)	(45,678)
<u>Total interest free line of credit, net</u>	<u>\$ 188,929</u>	<u>\$ 180,322</u>

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 6 – Due to Greater Miami Jewish Federation, Inc., Net – continued

There is no interest on the line of credit and, accordingly, the Agency discounted the liability and recorded a temporarily restricted contribution. In 2015, the discount decreased by approximately \$34,600. In 2014, the discount increased due to a change in the discount rate used and the Agency released from restriction approximately \$11,500, 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:

Year Ending June 30,	Amount
2016	\$ 35,000
2017	35,000
2018	35,000
2019	35,000
2020	35,000
Thereafter	25,000
Total	\$ 200,000

Frozen Multi-employer 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 Federation Plan 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, 2015 and 2014, the present value of accumulated plan benefits exceeded the Federation Plan’s total net assets. This resulted in a total remaining pension liability of \$194,611 and \$174,998 as of June 30, 2015 and 2014, respectively, which is reflected on the Federation’s financial statements.

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

	2015	2014
Due to Greater Miami Jewish Federation – pension funding	\$ 210,259	\$ 286,759
Less: discount	(38,130)	(15,040)
Net pension funding liability, net of discount – A	172,129	271,719
Plus: underfunded pension obligation – B	62,279	57,846
Pension funding liability, net	\$ 234,408	\$ 329,565

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, 2015 and 2014, 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.

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 6 – Due to Greater Miami Jewish Federation, Inc., Net – continued

Frozen Multi-employer Defined Benefit Pension Plan

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 of the Federation; however, with the written concurrence of the Federation Plan administrator, the trustees may appoint an investment manager.

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

	2015	2014
Fair value of plan assets	\$ 2,307,173	\$ 2,465,762
Projected benefit obligation	2,501,784	2,640,760
Funded status	\$ (194,611)	\$ (174,998)

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

	2015	2014
Liability for pension benefits	\$ 194,611	\$ 174,998
Net liability	\$ 194,611	\$ 174,998

For the year ended June 30, 2015, pension assets were allocated to be approximately 30% in debt securities, 48% in equity securities and 22% in cash or cash equivalents. 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. 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:

	Amount
2016	\$ 406,000
2017	414,000
2018	117,000
2019	622,000
2020	161,000
Thereafter	607,000
Total	\$ 2,327,000

Payout of pension assets during the year ended June 30, 2015 amount to approximately \$144,000.

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.

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 7 – Pension Funding Liability – Greater Miami Jewish Federation, Inc., Net

Background of Multiemployer Plan

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, 2015, 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 2015 and 2014 is for the plan years beginning July 1, 2014 and July 1, 2013, 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:

<u>Pension Fund</u>	<u>Employer Number</u>	<u>2015</u>	<u>2014</u>	<u>Pending/ Implemented</u>	<u>2015</u>	<u>2014</u>	<u>Surcharge Imposed</u>	<u>Expiration Date Bargaining Agreement</u>
Pension Plan of Greater Miami Jewish Federation	432-000-K	Green	Green	N/A	\$ -	\$ 128,133	No	N/A

Note 8 – Employee Benefit Plans

Defined Contribution Plan

The Agency 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 \$117,012 and \$120,489 for the years ended June 30, 2015 and 2014, respectively, and are included within the statements of functional expenses.

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 8 – Employee Benefit Plans – continued

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, 2015 and 2014 were approximately \$52,000 and \$42,000, respectively.

Note 9 – Restrictions on Net Assets

Temporarily restricted net assets are as follows at June 30:

	2015	2014
Greater Miami Jewish Federation, Inc. Allocation	\$ 1,485,955	\$ 1,485,955
Accumulated investment earnings – permanently restricted net assets	101,683	97,490
Discount on liabilities to the Federation	49,201	60,718
Orah Fund	2,500	2,500
Film festival	6,683	-
Education and other	98,403	124,066
<u>Total temporarily restricted net assets</u>	<u>\$ 1,744,425</u>	<u>\$ 1,770,729</u>

Permanently restricted net assets consist of endowment funds restricted for investment in perpetuity, the income from which is generally expendable to support the following at June 30:

	2015	2014
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
<u>Total permanently restricted net assets</u>	<u>\$ 336,318</u>	<u>\$ 336,318</u>

All monies from the permanently and temporarily restricted endowment funds held by the Federation are recorded at their fair market value and they amounted to \$438,001 and \$433,806 at June 30, 2015 and 2014, respectively, including \$101,682 and \$97,490 in unrealized gains which are included as temporarily restricted net assets as of June 30, 2015 and 2014, respectively.

Note 10 – 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.

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 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 (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) 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.

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 10 – Endowments - continued

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. 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 various funds, (2) the purposes of the donor-restricted endowment funds, (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, and (7) the Agency's investment policies.

For the years ended June 30, 2015 and 2014, 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, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 101,683	\$ 336,318	\$ 438,001

Summary of endowment net assets at June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 97,488	\$ 336,318	\$ 438,806

Change in endowment net assets at June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	\$ -	\$ 97,488	\$ 336,318	\$ 433,806
Investment returns	-	6,345	-	6,345
Investment fees	-	(2,150)	-	(2,150)
Endowment net assets, ending	\$ -	\$ 101,683	\$ 336,318	\$ 438,001

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
Investment returns	-	2,339	-	2,339
Investment fees	-	(1,669)	-	(1,669)
Endowment net assets, ending	\$ -	\$ 97,488	\$ 336,318	\$ 433,806

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, 2015 and 2014. In accordance with U.S. GAAP, gains have been reported as temporarily restricted net assets.

Center for the Advancement of Jewish Education, Inc.
(A Wholly Owned Subsidiary of the Greater Miami Jewish Federation, Inc.)
Notes to Financial Statements
June 30, 2015 and 2014

Note 10 – Endowments - continued

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.

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 3) 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.

Note 11 – 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 for the years ended June 30, 2015 and 2014. The following is a schedule of future rental minimum lease payments required under the Agency's operating leases as of June 30:

Year	Amount
2016	\$ 99,361
2017	4,040
2018	4,040
2019	4,040
2020	3,293
Total	\$ 114,774

Note 12 – Impairment Loss on Library Collection

During 2015, the Agency obtained an appraisal of a library collection comprising approximately 360 works. The appraiser employed the market comparison approach to arrive at the appraised fair market value of \$2,527. This resulted in an impairment loss of \$149,419 which is reported in management and general expenses in the statement of activities as of June 30, 2015.



Coral Gables

2121 Ponce de Leon Blvd..
11th Floor
Coral Gables, FL 33134
305.442.2200

Fort Lauderdale

515 East Las Olas Blvd.
5th Floor
Fort Lauderdale, FL 33301
954.989.7462

Boca Raton

2255 Glades Rd.
Suite 324A
Boca Raton, FL 33431
561.395.3550



CPAs & CONSULTANTS
GOLDSTEIN SCHECHTER KOCH