COMMUNITY PARTNERSHIP FOR HOMELESS, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2010 AND 2009

MBAF

MORRISON BROWN ARGIZ & FARRA, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

MBAF
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CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Community Partnership for Homeless, Inc.

We have audited the accompanying statements of financial position of Community Partnership for Homeless, Inc. (the "Organization") as of September 30, 2010 and 2009 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Partnership for Homeless, Inc., as of September 30, 2010 and 2009 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2011, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Organization taken as a whole. The accompanying supplemental schedules (pages 22-23) are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Morrison, Brown, Argiz & Farra

Miami, Florida
February 14, 2011

COMMUNITY PARTNERSHIP FOR HOMELESS, INC.

STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30,

ASSETS	2010	2009
Cash and cash equivalents (including temporarily restricted cash of $1,898,900 and $2,371,604 for the years ended September 30, 2010 and 2009, respectively)	$ 9,197,534	$ 8,425,166
Other receivables	186,667	47,885
Prepaid expenses and other assets	98,608	91,170
Pledges receivable, net	2,001,514	2,370,052
Restricted cash	557,339	878,636
Investments	22,386,661	17,758,296
Other investment	600,000	-
Property, plant and equipment, net	12,730,825	13,168,662
TOTAL ASSETS	$ 47,759,148	$ 42,739,867
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 350,394	$ 276,231
Deferred revenues	3,424,710	1,175,935
TOTAL LIABILITIES	3,775,104	1,452,166
NET ASSETS		
Unrestricted	14,212,187	13,307,802
Temporarily restricted	11,734,726	10,545,853
Permanently restricted	18,037,131	17,434,046
TOTAL NET ASSETS	43,984,044	41,287,701
TOTAL LIABILITIES AND NET ASSETS	$ 47,759,148	$ 42,739,867

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

COMMUNITY PARTNERSHIP FOR HOMELESS, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT				
Miami-Dade County Homeless Trust	$ 7,778,649	$ 183,631	$ -	$ 7,962,280
Miami-Dade County Public Schools	171,386	-	-	171,386
State of Florida	201,992	-	-	201,992
TOTAL PUBLIC SUPPORT	8,152,027	183,631	-	8,335,658
REVENUES				
Revenues from private sources	3,557,940	233,589	603,085	4,394,614
Investment income, net	50,557	2,235,517	-	2,286,074
Other	15,525	-	-	15,525
In-kind revenues	635,976	-	-	635,976
TOTAL REVENUES	4,259,998	2,469,106	603,085	7,332,189
Net assets released from restrictions	1,463,864	(1,463,864)	-	-
TOTAL PUBLIC SUPPORT AND REVENUES	13,875,889	1,188,873	603,085	15,667,847
EXPENSES				
Homeless Assistance Center operations	9,959,905	-	-	9,959,905
General and administrative	2,118,041	-	-	2,118,041
Development	693,558	-	-	693,558
Continuum of care	200,000	-	-	200,000
TOTAL EXPENSES	12,971,504	-	-	12,971,504
INCREASE IN NET ASSETS	904,385	1,188,873	603,085	2,696,343
NET ASSETS, BEGINNING OF YEAR	13,307,802	10,545,853	17,434,046	41,287,701
NET ASSETS, END OF YEAR	$ 14,212,187	$11,734,726	$ 18,037,131	$ 43,984,044

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

COMMUNITY PARTNERSHIP FOR HOMELESS, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT				
Miami-Dade County Homeless Trust	$ 7,469,555	$ 92,890	$ -	$ 7,562,445
Miami-Dade County Public Schools	178,933	-	-	178,933
State of Florida	247,928	-	-	247,928
TOTAL PUBLIC SUPPORT	7,896,416	92,890	-	7,989,306
REVENUES				
Revenues from private sources	3,824,365	219,006	1,219,114	5,262,485
Investment income, net	90,184	434,558	-	524,742
Other	15,330	-	-	15,330
In-kind revenues	771,684	-	-	771,684
TOTAL REVENUES	4,701,563	653,564	1,219,114	6,574,241
Net assets released from restrictions	1,701,722	(1,701,722)	-	-
TOTAL PUBLIC SUPPORT AND REVENUES	14,299,701	(955,268)	1,219,114	14,563,547
EXPENSES				
Homeless Assistance Center operations	9,884,202	-	-	9,884,202
General and administrative	2,427,319	-	-	2,427,319
Development	565,504	-	-	565,504
Continuum of care	200,000	-	-	200,000
TOTAL EXPENSES	13,077,025	-	-	13,077,025
INCREASE (DECREASE) IN NET ASSETS	1,222,676	(955,268)	1,219,114	1,486,522
NET ASSETS, BEGINNING OF YEAR	12,085,126	11,501,121	16,214,932	39,801,179
NET ASSETS, END OF YEAR	$ 13,307,802	$ 10,545,853	$ 17,434,046	$ 41,287,701

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

COMMUNITY PARTNERSHIP FOR HOMELESS, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30,

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 2,696,343	$ 1,486,522
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	599,579	690,110
Net realized and unrealized investment (gains) losses	(1,701,048)	62,667
Bad debt expense, net of allowance for uncollectible pledges	108,000	132,905
Amortization of discount on pledges receivable	178,043	85,728
Permanently restricted gifts	(603,085)	(1,219,114)
Contribution of other investment	(600,000)	-
Changes in operating assets and liabilities:		
Decrease in pledges receivables	82,495	872,878
(Increase) decrease in other receivables	(138,782)	94,426
(Increase) decrease in prepaid expenses and other assets	(7,438)	36,722
Increase (decrease) in accounts payable and accrued expenses	74,163	(21,782)
Increase (decrease) in deferred revenues	2,248,775	(672,465)
TOTAL ADJUSTMENTS	240,702	62,075
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,937,045	1,548,597
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant, and equipment	(161,742)	(139,121)
Purchase of investments, net of proceeds	(2,927,317)	(1,629,230)
NET CASH USED IN INVESTING ACTIVITIES	(3,089,059)	(1,768,351)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in restricted cash	321,297	399,459
Permanently restricted gifts	603,085	1,219,114
NET CASH PROVIDED BY FINANCING ACTIVITIES	924,382	1,618,573
NET INCREASE IN CASH AND CASH EQUIVALENTS	772,368	1,398,819
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	8,425,166	7,026,347
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 9,197,534	$ 8,425,166
SUPPLEMENTAL DISCLOSURES:		
NON-CASH OPERATING TRANSACTIONS		
In-kind services and donations	$ 635,976	$ 771,684
NON-CASH INVESTING TRANSACTION		
Contribution of other investment (Note 4)	$ 600,000	$

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010 AND 2009

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Community Partnership for Homeless, Inc. (the "Organization"), incorporated in Florida on July 23, 1993, is a not-for-profit organization that was organized to build up to three Homeless Assistance Centers for homeless, to organize the efforts of local organizations to create and implement a comprehensive plan to assist homeless individuals, and to educate residents on homeless issues, all in Miami-Dade County. The first center opened in October 1995. The second center opened in 1998. The Organization receives its support from the Miami-Dade County Homeless Trust, Miami-Dade County Public Schools, and other public and private organizations and individuals. Presently, there are no plans to build a third center.

FASB Accounting Standards Codification

On July 1, 2009, the Financial Accounting Standards Board ("FASB") issued "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles," which establishes the FASB Accounting Standards Codification (the "ASC") as the source of authoritative principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). This standard is effective for financial statements issued for interim and annual periods ending after September 15, 2009.

Financial Statement Presentation

The financial statements are prepared using the accrual basis of accounting. Net assets, revenue, gains and losses are classified into three classes of net assets based on the existence or absence of donor-imposed restrictions. In addition, the Organization is required to present a statement of cash flows. The three net asset categories are reflected in the accompanying financial statements as follows:

Unrestricted - Net assets which are free of donor-imposed restrictions. Includes all revenues, gains, and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations.

Permanently Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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.

Cash and Cash Equivalents

Cash and cash equivalents include investments with original maturities of three months or less. At various times during the years ended September 30, 2010 and 2009, the Organization maintains its cash with major financial institutions which the Organization believes limits its risk.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash

Restricted cash represents cash restricted by donors for the Organization's endowment. Restricted cash is for long-term purposes and does not consist of cash equivalents.

Investments

The Organization reports its investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the Statements of Financial Position. Investment gains and losses (including realized and unrealized gains and losses on investments, interest and dividends) are included in the accompanying Statements of Activities.

Property, Plant and Equipment, Net

Property, plant and equipment are stated at cost of acquisition or fair value at the date of donation in the case of gifts. The Organization leases the land on which the first Homeless Assistance Center is located from the Miami-Dade County School Board over a period of 40 years at a cost of $1 per year. The appraised value of this leasehold is $425,000 and has been recorded by the Organization as in-kind revenue in a prior year. The leasehold is being amortized over a period of 40 years. Leasehold improvements are capitalized on the basis of cost and equipment acquired or donated is capitalized at cost or fair value at the date of acquisition or donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. In the absence of donor-imposed restrictions on the use of an asset, gifts of long-lived assets are reported as unrestricted support.

Estimated useful lives of property, plant and equipment are as follows:

	Years
Leasehold, buildings and leasehold improvements	40
Furniture and fixtures	10
Computer equipment	3
Automobiles	3

Deferred Revenues

The Organization records deferred revenues for monies received in advance for special events and other programs that have not taken place as of year end.

Pledges Receivable and Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions. Contributions with donor-imposed restrictions are reported as restricted support. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted. Conditional promises to give are recognized when the conditions are substantially met.

Unconditional pledges to give cash and other assets are reported at fair value at the date the pledge is received to the extent estimated to be collectible by the Organization. Pledges received with donor restrictions that limit the use of the donated assets are reported as temporarily or permanently restricted support.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, or when cash is collected on unconditional pledges in excess of current year pledge revenue, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Pledges receivable due in excess of one year are discounted at the present value of their estimated future cash flows. Unconditional promises and other receivables are recorded in the Statements of Financial Position at fair value estimated by discounted cash flow analyses, using an average discount rate of 5% for the years ended September 30, 2010 and 2009.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable and Contributions (continued)

Management reviews outstanding pledges on an ongoing basis. Management provides for probable uncollectible pledges through a provision for bad debt expense and an adjustment to the allowance based on its assessment of the current status of individual pledges receivable. Pledges receivable are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

In Kind Donations

The Organization has received office equipment, personal services, and other items as in-kind donations. These donations are recorded at management's estimate of fair market value at the date of donation.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is registered with the Internal Revenue Service as a non-profit organization under Internal Revenue Code Section 501(c)(3) and, accordingly, is exempt from income taxes, except for any taxes which may arise from unrelated business income.

On October 1, 2009, the Organization adopted the provisions of an accounting standard, which clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements in accordance with existing accounting guidance on income taxes, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interest and penalties on tax liabilities, if any, would be recorded as an expense in the Statements of Activities. No liability for unrecognized tax benefits was recorded as a result of implementing this standard.

Subsequent Events

The Organization has evaluated subsequent events through February 14, 2011, which is the date the financial statements were available to be issued.

Adoption of Accounting Pronouncements

<u>Fair Value Measurements- Liabilities</u>

In August 2009, the FASB issued an accounting standard update to guidance on fair value measurements and disclosure. The updated guidance clarifies that the fair value of a liability can be measured in relation to the quoted price of the liability when the liability trades as an asset in an active market, without adjusting the price for restrictions that prevent the transfer of the liability. This update is effective for annual and interim periods beginning after August 31, 2009. The Organization has adopted this accounting standard update effective October 1, 2009.

<u>Fair Value Measurements</u>

In September 2009, the FASB issued an accounting standard update which amends existing guidance on fair value measurements and disclosures. The update allows an entity to measure the fair value of an investment that has no readily determinable fair market value, on the basis of the net asset value per share as provided by the investee. The update is effective for annual and interim periods beginning after December 15, 2009, with early adoption permitted. The Organization has adopted this accounting standard update effective October 1, 2009.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncement

Fair Value Measurements

In January 2010, the FASB issued an accounting standard update on fair value measurements and disclosures. The update requires more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. This update is not expected to have an effect on the Organization's financial statements.

2. PLEDGES RECEIVABLE, NET

The following are schedules of payments due relating to outstanding pledges receivable from various corporations, organizations and individuals. These payments have been discounted using a rate of 5% for 2010 and 2009. Pledges receivable, net is as follows at September 30:

	2010	2009
Pledges due in:		
Less than one year	$ 1,291,485	$ 1,098,658
One to five years	835,000	1,420,000
More than five years	200,000	350,000
Total	2,326,485	2,868,658
Less: Discount on long-term pledges	(129,971)	(308,014)
Less: Allowance for uncollectible pledges	(195,000)	(190,592)
Total discount and allowance	(324,971)	(498,606)
Pledges receivable, net	$ 2,001,514	$ 2,370,052

For the years ended September 30, 2010 and 2009, bad debt expense totaled $108,000 and $132,905, respectively.

3. INVESTMENTS

Investments are presented in the financial statements at their fair market values and consist of the following at September 30:

	2010	2009
Corporate stocks	$ 11,783,089	$ 8,576,588
U.S. government obligations	2,999,775	943,652
Corporate bonds	7,603,797	7,185,662
Partnerships	-	1,039,894
State of Israel Bond	-	12,500
Total	$ 22,386,661	$ 17,758,296

3. INVESTMENTS (CONTINUED)

The following schedules summarize the investment return and its classification in the Statements of Activities for the years ended September 30, 2010 and 2009:

	Unrestricted	Temporarily Restricted
2010		
Interest and dividend income	$ 38,804	$ 546,222
Net realized and unrealized gains on investments	11,753	1,689,295
	$ 50,557	$ 2,235,517

	Unrestricted	Temporarily Restricted
2009		
Interest and dividend income	$ 91,264	$ 496,145
Net realized and unrealized losses on investments	(1,080)	(61,587)
	$ 90,184	$ 434,558

4. OTHER INVESTMENT

During the year ended September 30, 2010 the Organization was a 60% beneficiary of assets disbursed from a charitable remainder annuity trust ("Charitable Trust"). The Charitable Trust assets consisted of cash and real property located in Miami, Florida. The Organization recorded as an unrestricted contribution and other investment 60% of the fair market value of the Trust assets, which amounted to $600,000 during the year ended September 30, 2010.

Brickell Trust 8th Street Property, LLC ("LLC"), a Florida limited liability company, was incorporated on June 3, 2010. The LLC was organized as a joint venture between the Organization and the other six beneficiaries of the Charitable Trust assets to acquire, own, develop, finance, sell, lease or otherwise dispose of the real property and interests in real property, and to do any and all things necessary, convenient or incidental to that purpose and to engage in such other lawful activities as are reasonably necessary or useful to the furtherance of the foregoing purpose, upon and subject to the terms and conditions of the LLC Agreement.

5. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, consists of the following at:

	September 30, 2010	September 30, 2009
Land	$ 265,000	$ 265,000
Buildings	146,960	146,960
Leasehold	511,618	511,618
Leasehold improvements	17,201,307	17,105,511
Furniture and fixtures	1,937,266	1,914,926
Computer equipment	1,428,850	1,385,244
Automobiles	691,020	691,020
	22,182,021	22,020,279
Less: accumulated depreciation	(9,451,196)	(8,851,617)
Total	$ 12,730,825	$ 13,168,662

Depreciation expense was $599,579 and $690,110 for the years ended September 30, 2010 and 2009, respectively.

6. TEMPORARILY RESTRICTED NET ASSETS

The Organization's temporarily restricted net assets consist of assets which have been restricted by the donor either as to the purpose or the passage of time. The time restrictions will be met in future periods and the purpose restrictions will be met when net assets are used for the specific purpose.

Contributions received for the acquisition of property, plant and equipment are reported as temporarily restricted assets as long as those assets continue to be in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of depreciation expense relating to the donated property, plant and equipment.

7. PERMANENTLY RESTRICTED NET ASSETS

The permanently restricted net assets consist of endowment donations to the Organization. The donors have instructed the Organization that the principal cannot be expended; however, the earnings generated by the original donated principal are available to be expended. Any earnings are included in temporarily restricted or unrestricted net assets as earnings are expended. Permanently restricted net assets were $18,037,131 and $17,434,046 as of September 30, 2010 and 2009, respectively.

8. FAIR VALUE MEASUREMENTS

The FASB 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 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 Organization 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2010 and 2009.

Corporate stocks are valued at the closing price reported on the active market in which the individual securities are traded.

U.S. government obligations are valued at the closing price reported in the active market in which the individual securities are traded.

Corporate bonds are valued at the closing price reported in the active market in which the bond is traded.

Partnerships are valued at the closing price reported in the active market in which the funds are traded.

8. FAIR VALUE MEASUREMENTS (CONTINUED)

State of Israel Bond consists of an individual bond issued by the State of Israel. These securities are held to maturity.

Other investment is valued at the fair market of the donated assets at date of contribution.

The fair value of pledges receivable is estimated by discounting the future cash flows using a discount rate applied to expected future cash flows from estimated collections.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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. The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

Items Measured at Fair Value on a Recurring Basis

The following tables represent the Organization's financial instruments measured at fair value on a recurring basis at September 30, 2010 and 2009 for each of the fair value hierarchy levels:

		Fair Value Measurements at September 30, 2010		
Description	9/30/2010	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Corporate stock	$ 11,783,089	$ 11,783,089	$ -	$ -
U.S. government obligations	2,999,775	2,999,775	-	-
Corporate bonds	7,603,797	7,603,797	-	-
	$ 22,386,661	$ 22,386,661	$	$

		Fair Value Measurements at September 30, 2009		
Description	9/30/2009	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Corporate stock	$ 8,576,588	$ 8,576,588	$ -	$ -
U.S. government obligations	943,652	943,652	-	-
Corporate bonds	7,185,662	7,185,662	-	-
Partnerships	1,039,894	-	1,039,894	-
State of Israel bond	12,500	-	12,500	-
	$ 17,758,296	$ 16,705,902	$ 1,052,394	$

8. FAIR VALUE MEASUREMENTS (CONTINUED)

Items Measured at Fair Value on a Nonrecurring Basis

The following table represents the Organization's assets measured at fair value on a nonrecurring basis at September 30, 2010 for each of the fair value hierarchy levels:

		Fair Value Measurements at September 30, 2010		
Description	9/30/2010	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Pledges receivable	$ 603,120	$ -	$ -	$ 603,120
Other investment	600,000	-	-	600,000
	$ 1,203,120	$	$	$ 1,203,120

There were no financial liabilities measured at fair value on a recurring or non-recurring basis at September 30, 2010 and 2009.

9. ENDOWMENT

The Organization's endowment consists of individual funds established for a variety of purposes. Its endowment is comprised of donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, 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 August 2008, the FASB issued guidance on the net asset classification of donor-restricted endowment funds for an organization that is subject to the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and also required related financial statement disclosures. The Organization adopted the disclosure provisions of the guidance effective October 1, 2009 and will adopt the accounting disclosures once the state of Florida enacts a version of UPMIFA.

The Organization 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 or losses 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 unexpended earnings 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 Organization.

The Organization 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 Organization 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 Organization

(7) The investment policies of the Organization.