

THE DAN MARINO FOUNDATION, INC.

FINANCIAL STATEMENTS

December 31, 2013

THE DAN MARINO FOUNDATION, INC.

FINANCIAL STATEMENTS

December 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Dan Marino Foundation, Inc.
Fort Lauderdale, Florida

We have audited the accompanying financial statements of The Dan Marino Foundation, Inc. (a not-for-profit organization) (the "Foundation"), which comprise the statement of financial position as of December 31, 2013, 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 State 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 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 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Dan Marino Foundation, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2013, 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.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
April 30, 2014

THE DAN MARINO FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2013

A S S E T S

ASSETS:

Cash and cash equivalents	\$	528,519
Pledges and grants receivable		327,184
Prepaid expenses and other assets		108,330
Investments		5,842,458
Property and equipment, net		<u>4,405,998</u>

Total assets	\$	<u><u>11,212,489</u></u>
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L I A B I L I T I E S A N D N E T A S S E T S

LIABILITIES:

Accounts payable and accrued expenses	\$	209,669
Deferred revenue		250,863
Mortgage payable		<u>1,887,751</u>

Total liabilities		<u>2,348,283</u>
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COMMITMENTS (Note 12) -

NET ASSETS:

Unrestricted		6,540,273
Temporarily restricted		323,933
Permanently restricted		<u>2,000,000</u>

Total net assets		<u>8,864,206</u>
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Total liabilities and net assets	\$	<u><u>11,212,489</u></u>
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The accompanying notes to the financial statements are an integral part of these statements.

THE DAN MARINO FOUNDATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUES:				
Public support:				
Grant and contract revenue, governmental and private	\$ 889,415	\$ 90,000	\$ -	\$ 979,415
Contributions	829,969	106,733	-	936,702
Special events (net of direct expenses of \$ 193,384)	260,756	127,200	-	387,956
Investment income, net	289,708	3,274	-	292,982
In-kind contributions	121,545	-	-	121,545
Other income, net	24,732	-	-	24,732
	<u>2,416,125</u>	<u>327,207</u>	<u>-</u>	<u>2,743,332</u>
Total public support and revenues				
Net assets released from restrictions	<u>416,597</u>	<u>(416,597)</u>	<u>-</u>	<u>-</u>
Total public support, revenues and net assets released from restrictions	<u>2,832,722</u>	<u>(89,390)</u>	<u>-</u>	<u>2,743,332</u>
EXPENSES:				
Program services	2,199,014	-	-	2,199,014
Support services:				
Management and general	82,373	-	-	82,373
Fundraising	258,968	-	-	258,968
	<u>2,540,355</u>	<u>-</u>	<u>-</u>	<u>2,540,355</u>
Total expenses				
Change in net assets	<u>292,367</u>	<u>(89,390)</u>	<u>-</u>	<u>202,977</u>
NET ASSETS, January 1, 2013				
	<u>6,247,906</u>	<u>413,323</u>	<u>2,000,000</u>	<u>8,661,229</u>
NET ASSETS, December 31, 2013				
	<u>\$ 6,540,273</u>	<u>\$ 323,933</u>	<u>\$ 2,000,000</u>	<u>\$ 8,864,206</u>

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

THE DAN MARINO FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2013

	Program Services								Supporting Services				
	Campus	Jobs Development Program	ITEM/VITA	Career Launch	Dan Marino Center	Marino Autism Research Institute	Step into Employment	WalkAbout Autism	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Payroll, benefits and taxes	\$ 591,052	\$ 182,088	\$ 35,732	\$ 139,664	\$ 13,959	\$ 9,306	\$ 201,161	\$ 85,374	\$ 1,258,336	\$ 22,031	\$ 109,716	\$ 131,747	\$ 1,390,083
Professional services	155,288	94,097	135,269	7,881	2,005	4,255	2,780	17,332	418,907	5,347	88,268	93,615	512,522
Donation distributions	2,100	-	-	-	500	-	-	175,888	178,488	25,750	500	26,250	204,738
Occupancy and interest	100,964	2,460	-	15,381	4,614	4,614	5,140	10,767	143,940	12,305	26,148	38,453	182,393
Provision for depreciaton and amortization	43,407	-	-	8,348	2,504	2,504	-	5,843	62,606	6,678	14,191	20,869	83,475
Office	16,891	7,303	320	2,021	483	483	3,293	2,458	33,252	1,288	3,356	4,644	37,896
Other personnel	12,322	6,203	39	4,131	466	466	3,055	1,417	28,099	1,243	3,521	4,764	32,863
Academic services	-	31,510	-	-	-	-	-	-	31,510	-	-	-	31,510
Miscellaneous	11,584	95	-	2,119	636	636	-	1,521	16,591	3,910	9,740	13,650	30,241
Travel and meetings	11,357	-	1,080	580	89	2,701	1,140	572	17,519	237	3,528	3,765	21,284
Grants and contracts	-	-	-	-	-	-	9,766	-	9,766	-	-	-	9,766
In-kind	-	-	-	-	-	-	-	-	-	3,584	-	3,584	3,584
Total	\$ 944,965	\$ 323,756	\$ 172,440	\$ 180,125	\$ 25,256	\$ 24,965	\$ 226,335	\$ 301,172	\$ 2,199,014	\$ 82,373	\$ 258,968	\$ 341,341	\$ 2,540,355

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

THE DAN MARINO FOUNDATION, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 202,977
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Provision for depreciation and amortization	83,475
Donated equipment	(96,545)
Net realized/unrealized (gain) on investments	(194,486)
(Increase) decrease in:	
Pledges and grants receivable	(138,938)
Prepaid expenses and other assets	16,289
Increase (decrease) in:	
Accounts payable and accrued expenses	130,874
Deferred revenue	<u>230,030</u>
Net cash provided by operating activities	<u>233,676</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales and maturities of investments	1,742,782
Purchases of investments	(776,139)
Purchases of property and equipment	<u>(1,411,255)</u>
Net cash used in investing activities	<u>(444,612)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payments on mortgage payable	<u>(48,216)</u>
Net cash used in financing activities	<u>(48,216)</u>
Net decrease in cash and cash equivalents	(259,152)
 CASH AND CASH EQUIVALENTS, January 1, 2013	 <u>787,671</u>
 CASH AND CASH EQUIVALENTS, December 31, 2013	 \$ <u><u>528,519</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:	
Cash paid during the year for interest on the mortgage	\$ <u><u>83,108</u></u>

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

THE DAN MARINO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 – ORGANIZATION AND OPERATIONS

The Dan Marino Foundation, Inc. (the "Foundation") is a not-for-profit organization whose mission is empowering individuals with autism and other developmental disabilities.

In 2014, the Foundation commenced operations of the Marino Campus. The Marino Campus is the first of its kind – an educational institution that builds on the strengths of people with disabilities to help prepare them for good jobs and greater independence. True to the spirit of a progressive concept called “neurodiversity,” the Marino Campus embraces learning differences and celebrates unique minds. The Marino Campus is in the heart of Downtown Fort Lauderdale, an area rich with business, educational and cultural opportunities. Marino Campus features three programs of study in an inclusive, supporting learning environment. Areas of study include Hospitality, Computer Technology and Entrepreneurship.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation:

The financial statements have been prepared using the accrual basis of accounting under the guidance of Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*.

Net assets:

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, which are defined as follows:

Unrestricted net assets consist of net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets represent net assets with a donor-imposed restriction that is satisfied either by the passage of time or by actions of the Foundation.

Permanently restricted net assets result primarily from contributions and other inflows of assets subject to donor restrictions requiring that the assets be maintained by the Foundation in perpetuity.

Use of estimates:

The Foundation makes estimates and assumptions that effect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

The Foundation considers all accounts maintained at financial institutions with a maturity of three months or less when purchased to be cash equivalents. The Foundation also maintains money markets funds and equivalents with its investment custodian and reports these balances as a component of its investment holdings.

THE DAN MARINO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and other receivables:

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 Foundation reports the support as unrestricted.

Pledges receivable due in excess of one year are discounted at the present value of their estimated future cash flows. Management provides for probable uncollectible amounts based on its assessment of recent collection history and current donor relationships. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Foundation did not record an allowance for pledges receivable for the year ended December 31, 2013. In addition, all pledges and grants receivable balances are due within the next year.

Contributed services:

Contributed services are reported as contributions at their fair value if such services create or enhance non-financial assets, would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. During the year ended December 31, 2013, the Foundation recorded \$ 25,000 of contributed services.

Concentration of credit risk and market risk:

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of temporary cash deposits in excess of the Federal Deposit Insurance Corporation (the "FDIC") insured limits. The Foundation limits its exposure by placing its deposits with quality financial institutions. At times, such balances may be in excess of the insurance limits of the FDIC. The Foundation has not experienced losses in such accounts.

Management considers credit risk associated with pledges receivable to be low due to the diversity of the donors and the recurring nature of many donations. Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. The Foundation has an investment policy and utilizes management oversight, and periodically reviews its investment portfolios to monitor these risks.

Property and equipment:

Property and equipment are stated at cost or, if donated to the Foundation, at fair value at the date of donation. If donors stipulate the period of time during which the assets must be used, the contributions are recorded as temporarily restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support when placed in service. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets which is as follows:

Building and improvements	39 years
Furniture and equipment	3-7 years

THE DAN MARINO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments:

The Foundation reports their investments in equity securities with readily determinable fair values and all investments in debt securities at fair value in the Statement of Financial Position. Money market funds are valued at amortized cost, which approximates fair value. Investment gains (losses) (including realized and unrealized gains and losses on investments, interest and dividends) are included in the Statement of Activities under the caption "Investment income, net."

Income taxes:

The Foundation is a not-for-profit corporation which is exempt from Federal income tax under Section 501 (c)(3) of the Internal Revenue Code and, accordingly, generally would not incur income taxes. As a result, the financial statements do not reflect a provision for income taxes.

Revenue and expense recognition:

Revenues consist of contributions, donations and grants that are recognized when earned and related costs and expenses are recognized when incurred.

Grant and contract revenue:

Grant and contract revenue is recognized when the allowable costs as defined by the individual grant or contract are incurred and/or the unit of service has been provided.

Allocation of functional expenses:

The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Certain administrative personnel perform duties which include both program and support functions. The expenses associated with these personnel are allocated based on the estimated hours devoted to each function. Other common administrative expenses are allocated based on the estimated utilization by the respective function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Date of management review:

Subsequent events were evaluated by management through April 30, 2014, which is the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

Investments are presented in the financial statements at their fair market values and consist of the following at December 31, 2013:

Corporate bonds	\$	3,336,716
Equities		1,333,007
Money markets and equivalents		815,893
Certificate of deposits		<u>356,842</u>
Total	\$	<u><u>5,842,458</u></u>

THE DAN MARINO FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2013

NOTE 3 – INVESTMENTS (continued)

Investment income, net, relative to these investments held and sold during the year is comprised of:

Net unrealized investment gains	\$	176,929
Interest and dividends		126,301
Net realized investment gains		17,557
Advisory fees		<u>(27,805)</u>
Total	\$	<u><u>292,982</u></u>

NOTE 4 – FAIR VALUE MEASUREMENTS

In accordance with the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 820, *Fair Value Measurement and Disclosures*, the Foundation defined and established a framework for measuring fair value and expanded disclosures about fair value measurements. Various inputs are used in determining the value of the Foundation's investments. These inputs are summarized in three levels listed below:

- Level 1 – inputs are quoted market prices (unadjusted) in active markets for identical investments that the reporting entity can access at the measurement date.
- Level 2 – inputs are other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly. (e.g. quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmarks interest rates and yield curves, and/or securities indices.)
- Level 3 – inputs are significant unobservable inputs. (e.g. information about assumptions, including risk, market participants would use in pricing a security.)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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.

Description	Fair Value Measurements at Reporting Date Using:			
	Fair Value December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)
Corporate bonds	\$ 3,336,716	\$ 3,336,716	\$ -	\$ -
Equities	1,333,007	1,333,007	-	-
Money market and equivalents	815,893	815,893	-	-
Certificate of deposits	<u>356,842</u>	<u>356,842</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,842,458</u>	<u>\$ 5,842,458</u>	<u>\$ -</u>	<u>\$ -</u>

THE DAN MARINO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2013:

Building and improvements	\$	1,806,875
Furniture and equipment		319,976
		2,126,851
Less accumulated depreciation		294,310
		1,832,541
Land		928,104
Construction in progress		1,645,353
		\$ 4,405,998

Depreciation expense was \$ 82,736 for the year ended December 31, 2013.

NOTE 6 – MORTGAGE PAYABLE

The Foundation has a mortgage note payable to a bank which bears interest at a fixed rate of 4.00% per annum. The loan is collateralized by a first mortgage on the real property and an assignment of all rents. Principal and interest payments of \$ 10,226 are due monthly; and a balloon payment of approximately \$ 1,684,000, plus accrued interest, is due on March 21, 2018. The total amount outstanding as of December 31, 2013 totaled \$ 1,887,751.

The aggregate annual maturities on the mortgage note payable are approximately as follows:

<u>Year Ending</u> <u>December 31,</u>		
2014	\$	46,900
2015		48,800
2016		50,600
2017		52,900
2018		1,688,600
		\$ 1,887,800

Interest expense totaled approximately \$ 83,100 for the year ended December 31, 2013.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following as of December 31, 2013:

Various Events and Fundraisers	\$	151,500
WalkAbout Autism - 2014 Event		82,433
Be Your Own Boss! Program		50,000
Noble Charitable Trust		40,000
		\$ 323,933

Temporarily restricted net assets are comprised of cash, cash equivalents and investments (\$ 217,333) and short-term promises to give (\$ 106,600).

THE DAN MARINO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 8 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of December 31, 2013 consist of an endowment fund established in 2005 to support the programs of the Marino Autism Research Institute ("MARI") (Note 9). Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the Foundation indefinitely and net investment earnings from the fund is to support the MARI programs.

The MARI endowment fund consists of contributions from a donor totaling \$ 2,000,000 and Foundation's net matching contributions totaling \$ 1,147,787.

NOTE 9 – ENDOWMENTS

The Foundation's endowment consists of an individual fund established to support the MARI programs. Its endowment is comprised of a donor-restricted endowment fund and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment fund earnings:

1. The duration and preservation of the fund.
2. The purposes of the Foundation and the donor-restricted endowment fund.
3. General economic conditions.
4. The expected total return from income and the appreciation of investments.
5. Other resources of the Foundation.
6. The investment policies of the Foundation.

Interpretation of relevant law:

Previously, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Foundation 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 fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation 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 Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA.

THE DAN MARINO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 9 – ENDOWMENTS (continued)

Objectives and risk parameters:

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets on an inflation adjusted basis. Endowment assets include those assets of donor restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk. The Foundation 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 Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places emphasis on investments in equities and corporate bonds to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy:

The Foundation has a policy that is dictated by the specific needs of the purpose(s) or program(s) designated by the donor, grantor or Board of Directors.

Funds with deficiencies:

From time to time, the fair value of assets associated with individual temporarily and permanently donor restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles in the United States of America, deficiencies of this nature are reported in unrestricted net assets to the extent that the deficiencies fall below the permanently restricted corpus. There were no deficiencies as of December 31, 2013.

For the year ended December 31, 2013, the Foundation 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.

Changes in endowment net assets as of December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning	\$ 1,207,348	\$ 126,954	\$ 2,000,000	\$ 3,334,302
Interest and dividends	-	62,125	-	62,125
Investment changes, net	-	(58,851)	-	(58,851)
Appropriation of endowment assets for expenditures (distributions), net	<u>(59,561)</u>	<u>(130,228)</u>	<u>-</u>	<u>(189,789)</u>
Endowment net assets, ending	<u>\$ 1,147,787</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ 3,147,787</u>

THE DAN MARINO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 9 – ENDOWMENTS (continued)

Endowment Net Asset Composition by category as of December 31, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
Board-designated endowment funds	1,147,787	-	-	1,147,787
Total endowment funds	\$ 1,147,787	\$ -	\$ 2,000,000	\$ 3,147,787

Endowment assets at December 31, 2013 are invested as follows:

Corporate bonds	\$ 2,343,158
Money markets and equivalents	504,874
Certificates of deposits	299,755
Total	\$ 3,147,787

NOTE 10 – RETIREMENT PLAN

The Foundation offers a safe harbor 401 (k) retirement plan covering certain electing employees. Contributions are based upon the amount of compensation each participant elects to defer yearly, which may be “before tax” or “after tax – Roth 401(k).” Generally, such deferral amount may not exceed the lesser of 100% of total compensation or \$ 17,500 (\$ 23,000 if over age 50) for each participant. The Foundation provides a 100% match of the employee’s elective contributions not exceeding 4% of the individual’s total annual compensation. In addition, the Foundation may also, at its option, make a profit sharing contribution to the Plan. The total 401(k) plan expense to the Foundation, for the year ended December 31, 2013, amounted to approximately \$ 27,000.

NOTE 11 – RELATED PARTY TRANSACTIONS

A Board Member for the Foundation is also employed by the investment firm that provides advisory services to the Foundation. Advisory fees, for the year ended December 31, 2013, amounted to approximately \$ 28,000.

The Foundation leases office space to an Organization represented by the Chairman of the Board of Directors. Monthly lease payments to the Foundation amounted to approximately \$ 1,400 plus property and sales taxes.

NOTE 12 – COMMITMENTS

Lease agreements:

The Foundation currently leases office equipment under various agreements which are payable in monthly installments aggregating approximately \$ 3,100, plus certain excess usage charges. Such leases expire at various times from May 2018 through August 2018. Total rent expense in connection with these agreements, and other month-to-month arrangements, amounted to approximately \$ 26,000, for the year ended December 31, 2013.

THE DAN MARINO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 12 – COMMITMENTS (continued)

The following is a schedule of approximate future base minimum lease payments relating to these leases:

<u>Year Ending</u> <u>December 31,</u>	
2014	\$ 37,300
2015	37,300
2016	37,300
2017	37,300
2018	<u>21,500</u>
	<u>\$ 170,700</u>

In addition, the Foundation has a month-to-month storage arrangement. Total rent expense in connection with this arrangement amounted to approximately \$ 2,000 for the year ended December 31, 2013.

Letter of Credit:

In 2013, the Foundation applied and received, from a financial institution, a letter of credit in the amount of \$ 57,087. The letter of credit is related to the construction of the Marino Campus. The letter of credit is collateralized by a certificate of deposit in the same amount. There have been no draws made against the letter of credit for the year ended December 31, 2013.