The Dan Marino Foundation, Inc.

Financial Statements
For the Year Ended December 31, 2014

The Dan Marino Foundation, Inc.

Table of Contents

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2014, 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 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 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, 2014, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of State Financial Assistance, as required by the Florida Single Audit Act, is presented for purposes of additional analysis and is not a required part of the 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2015, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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* in considering the Foundation's internal control over financial reporting and compliance.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 30, 2015

The Dan Marino Foundation, Inc.
Statement of Financial Position
December 31, 2014

ASSETS:		
Cash and cash equivalents	$	547,802
Pledges, grants, and tuition receivable		698,410
Prepaid expenses and other assets, net		77,861
Investments		5,963,553
Property and equipment, net		4,425,979
Total assets	$	11,713,605
LIABILITIES:		
Accounts payable and accrued expenses	$	179,300
Deferred revenue		356,323
Mortgage note payable		1,840,697
Total liabilities		2,376,320
NET ASSETS:		
Unrestricted		7,083,089
Temporarily restricted		254,196
Permanently restricted		2,000,000
Total net assets		9,337,285
Total liabilities and net assets	$	11,713,605

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, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUES:				
Public support:				
Grant and contract revenue, governmental and private	$ 1,559,055	$ 45,000	$ -	$ 1,604,055
Contributions	497,752	82,738	-	580,490
Special events (net of direct expenses of $ 237,259)	597,958	149,100	-	747,058
Fees for services	276,721	-	-	276,721
Investment income, net	121,479	72,438	-	193,917
Tuition revenue (net of tuition credits of $ 56,025)	70,665	-	-	70,665
In-kind contributions	31,588	-	-	31,588
Other income	23,212	-	-	23,212
Total public support and revenues	3,178,430	349,276	-	3,527,706
Net assets released from restrictions	419,013	(419,013)	-	-
Total public support, revenues and net assets released from restrictions	3,597,443	(69,737)	-	3,527,706
EXPENSES:				
Program services	2,616,335	-	-	2,616,335
Support services:				
Management and general	108,692	-	-	108,692
Fundraising	329,600	-	-	329,600
Total expenses	3,054,627	-	-	3,054,627
Change in net assets	542,816	(69,737)	-	473,079
NET ASSETS, January 1, 2014	6,540,273	323,933	2,000,000	8,864,206
NET ASSETS, December 31, 2014	$ 7,083,089	$ 254,196	$ 2,000,000	$ 9,337,285

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, 2014

	Program Services							Supporting Services			
	Marino Campus	**Career Services**	**MARI/ VITA**	**Jobs Development Program**	**Independent Living**	**WalkAbout Autism**	**Total Program Services**	**Management and General**	**Fundraising**	**Total Supporting Services**	**Total Expenses**
Payroll, benefits and taxes	$ 592,746	$ 202,067	$ 194,873	$ 304,919	$ 15,071	$ 63,952	$ 1,373,628	$ 58,104	$ 140,594	$ 198,698	$ 1,572,326
Professional services	129,667	11,448	280,051	242,277	13,279	15,811	692,533	2,729	120,949	123,678	816,211
Occupancy and interest	105,386	22,468	19,098	8,749	1,872	13,106	170,679	18,724	22,468	41,192	211,871
Provision for depreciation and amortization	68,490	16,438	10,958	-	1,370	9,589	106,845	13,696	16,438	30,134	136,979
Donation distributions	22,875	5,490	19,660	-	458	45,119	93,602	4,575	12,099	16,674	110,276
Office	27,898	3,046	7,594	12,505	1,808	2,412	55,263	2,016	3,396	5,412	60,675
Academic services	2,723	-	992	34,199	4,698	-	42,612	-	-	-	42,612
Travel and meetings	11,805	1,933	14,094	5,273	217	579	33,901	569	4,941	5,510	39,411
Other personnel	13,951	6,878	4,335	8,785	195	1,776	35,920	1,454	1,799	3,253	39,173
Miscellaneous	8,306	666	459	1,314	101	506	11,352	556	6,916	7,472	18,824
In-kind	-	-	-	-	-	-	-	6,269	-	6,269	6,269
Total	$ 983,847	$ 270,434	$ 552,114	$ 618,021	$ 39,069	$ 152,850	$ 2,616,335	$ 108,692	$ 329,600	$ 438,292	$ 3,054,627

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, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	473,079
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation and amortization		136,979
Donated equipment		(6,050)
Net realized/unrealized (gain) on investments		(82,928)
(Increase) decrease in:		
Pledges, grants, and tuition receivable		(371,226)
Prepaid expenses and other assets		29,730
Increase (decrease) in:		
Accounts payable and accrued expenses		(30,369)
Deferred revenue		105,460
Net cash provided by (used in) operating activities		254,675
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments		1,778,376
Purchases of investments		(1,816,543)
Purchases of property and equipment		(150,171)
Net cash provided by (used in) investing activities		(188,338)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage note payable		(47,054)
Net cash provided by (used in) financing activities		(47,054)
Net increase (decrease) in cash and cash equivalents		19,283
CASH AND CASH EQUIVALENTS, January 1, 2014		528,519
CASH AND CASH EQUIVALENTS, December 31, 2014	$	547,802
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash paid during the year for interest on the mortgage	$	75,658

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

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 affect 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.

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, 2014. In addition, all pledges and grants receivable balances are due within the next year.

Note 2. Summary of Significant Accounting Policies (continued)

Donated services, and property and equipment: Contributed services are reported as contributions at their estimated 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, 2014, the Foundation recorded $ 25,538 of contributed services.

Donated property and equipment is reported, at estimated fair value, as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Without donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of the donor restrictions when the donated assets are placed in service, reclassifying temporarily restricted net assets to unrestricted net assets at that time. The Foundation received $ 6,050 in donated property and equipment during the year ended December 31, 2014.

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.

Unamortized loan costs: Loan costs are amortized using the straight-line method over the term of the related debt, and is included in other current assets in the accompanying Statement of Financial Position. The provision for amortization was $ 739 for the year ended December 31, 2014.

Property and equipment: Property and equipment are stated at cost or, if donated to the Foundation, at estimated fair value at the date of donation. 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

Investments: The Foundation reports its investments in equity securities with readily determinable fair values and all investments in debt securities at estimated 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."

Note 2. Summary of Significant Accounting Policies (continued)

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.

Tuition and fees for services: Tuition revenue is deferred until the services have been provided to the students, at which time, the tuition revenue is recognized. The Foundation provided tuition credits to students that met specific requirements. These tuition credits are prepaid and then recognized along with the tuition revenue.

The Foundation is a provider for Vocational Rehabilitation, a component of the Florida Department of Education (the "State"). As a provider, the State submits referrals to the Foundation for employment services. Upon the Foundation's completion of various employment benchmarks, the State issues payment for services to the Foundation.

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, 2015, which is the date the financial statements were available to be issued.

Note 3. Investments

Investments are presented in the financial statements at their estimated fair market values and consist of the following at December 31, 2014:

Corporate bonds	$	3,742,503
Equities		1,504,838
Money markets and equivalents		359,762
Certificate of deposits		356,450
Total	$	5,963,553

Investment income, net, for investments held and sold during the year is comprised of:

Net unrealized investment gains	$	100,214
Interest and dividends		142,339
Net realized investment losses		(17,286)
Advisory fees		(31,350)
Total	$	193,917

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 follows a defined and established 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.

	Fair Value Measurements at Reporting Date Using:			
Description	Fair Value December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)
Corporate bonds	$ 3,742,503	$ 3,742,503	$ -	$ -
Equities	1,504,838	1,504,838	-	-
Money market and equivalents	359,762	359,762	-	-
Certificate of deposits	356,450	356,450	-	-
Total	$ 5,963,553	$ 5,963,553	$ -	$ -

Note 5. Property and Equipment

Property and equipment consisted of the following at December 31, 2014:

Building and improvements	$ 3,451,734
Furniture and equipment	476,691
	3,928,425
Less accumulated depreciation	430,550
	3,497,875
Land	928,104
	$ 4,425,979

Depreciation expense was $ 136,240 for the year ended December 31, 2014.

Note 6. Mortgage Note 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, 2014 totaled $ 1,840,697.

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

Year Ending December 31,		
2015	$	48,800
2016		50,600
2017		52,900
2018		1,688,400
	$	1,840,700

Interest expense totaled approximately $ 75,700 for the year ended December 31, 2014.

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following as of December 31, 2014:

Various Events and Fundraisers	$	130,251
WalkAbout Autism - 2015 Event		68,788
Noble Charitable Trust		40,000
Be Your own Boss! Program		10,157
Autism Services Grants Council		5,000
	$	254,196

Temporarily restricted net assets are comprised of cash, cash equivalents and investments ($ 157,471) and short-term promises to give ($ 96,725).

Note 8. Permanently Restricted Net Assets

Permanently restricted net assets as of December 31, 2014 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.

At December, 31, 2014, MARI endowment fund consists of contributions from a donor totaling $ 2,000,000 (Permanently Restricted) and Foundation’s net matching contributions totaling $ 1,136,564 (Unrestricted).

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.

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.

Note 9. Endowments (continued)

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 accounting principles generally accepted 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, 2014.

For the year ended December 31, 2014, 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 for the year ended December 31, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ 1,147,787	$ -	$ 2,000,000	$ 3,147,787
Interest and dividends	-	74,959	-	74,959
Investment changes, net	-	(2,521)	-	(2,521)
Appropriation of endowment assets for expenditures (distributions), net	(11,223)	(72,438)	-	(83,661)
Endowment net assets, ending	$ 1,136,564	$ -	$ 2,000,000	$ 3,136,564

Endowment Net Asset Composition by category as of December 31, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 2,000,000	$ 2,000,000
Board-designated endowment funds	1,136,564	-	-	1,136,564
Total endowment funds	$ 1,136,564	$ -	$ 2,000,000	$ 3,136,564

Endowment assets at December 31, 2014 are invested as follows:

Corporate bonds	$ 2,653,441
Certificates of deposits	299,083
Money markets and equivalents	184,040
Total	$ 3,136,564

Note 10. Retirement Plan

The Foundation offers a safe harbor 401 (k) retirement plan covering eligible 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, 2014, amounted to approximately $ 21,900.

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, 2014, amounted to approximately $ 31,400.

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. The lease was terminated in October 2014.

Note 12. Commitments and Contingencies

Grants and contracts: The Foundation receives financial assistance from federal, state, and local governmental agencies in the form of grants and contracts. The disbursement of funds received under these programs generally requires compliance with terms and conditions specific in the grant/contract agreements and may be subject to audit by the grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In certain instances, the grantor may increase its grant of funds to the Foundation to offset amounts which would otherwise be repayable based on audits. In the opinion of management, all grant expenditures are in compliance with the terms of the agreements and applicable federal, state, and local laws and regulations.

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 during the year ended December 31, 2014.

SUPPLEMENTAL INFORMATION

The Dan Marino Foundation, Inc.
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2014

State Agency/Pass-through Entity State Project	CSFA Number	Contract/ Agreement Number		Expenditures		Transfers to Subrecipients
STATE FINANCIAL ASSISTANCE:						
Direct Project:						
State of Florida Agency for Persons with Disabilities:						
Jobs Development Program	67.033	WCX10	$	657,447	$	-
Indirect Project:						
State of Florida Department of Economic Opportunity:						
Passed through The Able Trust:						
Workforce Development Program	40.037	14-70		37,875		-
Total expenditures of state financial assistance			$	695,322	$	-

The accompanying notes to the supplemental information are an integral part of this schedule.

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance includes the grant activity of the Foundation and is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

Note 2. Contingency

The grants and contracts revenue received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor/contracting agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Foundation. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal, state and local laws and regulations.

Note 3. Interest

No funds, including interest earned on such funds, are due back to the state government.

INTERNAL CONTROLS AND COMPLIANCE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the 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, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 30, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

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

Report on Compliance for Each Major State Project

We have audited the Dan Marino Foundation, Inc.'s (a not-for-profit organization) (the "Foundation") compliance with the types of compliance requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement,* that could have a direct and material effect on the Foundation's major state project for the year ended December 31, 2014. The Foundation's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Foundation's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General.* Those standards and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major state project occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of the Foundation's compliance.

Opinion on the Major State Project

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred on the previous page. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Chapter 10.650*, Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 30, 2015

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of The Dan Marino Foundation, Inc.

2. No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statements of The Dan Marino Foundation, Inc. were disclosed during the audit.

4. No material weaknesses relating to the audit of the major state project is reported in the Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance Required by Chapter 10.650, *Rules of the Auditor General*.

5. The auditor's report on compliance for the major state project for The Dan Marino Foundation, Inc. expresses an unmodified opinion.

6. There are no audit findings relative to the major state project for The Dan Marino Foundation, Inc. reported in Part C of this schedule.

7. The project tested as major project is as follows:

State Project:	State CSFA No.
State of Florida Agency for Persons with Disabilities - Jobs Development Program	67.033

8. The threshold for distinguishing Types A and B projects was $ 208,597.

B. Findings – Financial Statements Audit

No matters were reported.

C. Findings and Questioned Costs – Major State Financial Assistance Project Audit

No matters were reported.

D. Other Issues

1. A separate management letter was not issued because there were no findings required to be reported in the management letter.

2. No summary schedule of prior audit findings is required because there were no prior audit findings related to state projects.

3. No corrective action plan is required because there were no findings reported under the Florida Single Audit Act.