

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2014 AND 2013

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Governors
The Jefferson Awards for Public Service, Inc.
Wilmington, Delaware

We have audited the accompanying financial statements of The Jefferson Awards for Public Service, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Governors
The Jefferson Awards for Public Service, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jefferson Awards for Public Service, Inc. as of December 31, 2014 and 2013 , and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
August 5, 2015

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 153,219	\$ 390,503
Investments	3,169,368	3,067,489
Accounts and Grants Receivable	30,886	265,642
Pledges Receivable, Current Portion	904,500	-
Prepaid Expenses and Other Assets	54,495	19,030
Total Current Assets	4,312,468	3,742,664
Property and Equipment, Net of Accumulated Depreciation	115,404	10,349
OTHER ASSETS		
Pledges Receivable, Net of Current Portion	790,490	-
Total Assets	\$ 5,218,362	\$ 3,753,013
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of Credit	\$ 1,132,384	\$ 1,143,384
Notes Payable, Current Maturities	24,797	23,602
Accounts Payable	134,510	93,780
Accrued Expense and Other Liabilities	36,015	107,048
Total Current Liabilities	1,327,706	1,367,814
Notes Payable, Net of Current Maturities	442,229	466,962
Total Liabilities	1,769,935	1,834,776
NET ASSETS		
Unrestricted	1,768,437	1,918,237
Temporarily Restricted	1,679,990	-
Total Net Assets	3,448,427	1,918,237
Total Liabilities and Net Assets	\$ 5,218,362	\$ 3,753,013

See accompanying Notes to Financial Statements.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Corporate, Individual and Community Contributions	1,812,150	1,844,000	\$ 3,656,150	\$ 1,688,169	-	\$ 1,688,169
Program Fees	656,597	-	656,597	983,365	-	983,365
In Kind Contributions - Media Advertising	5,316,011	-	5,316,011	4,759,677	-	4,759,677
Contributed Services	1,083,095	-	1,083,095	407,173	-	407,173
Investment Income for Operations	180,000	-	180,000	180,000	-	180,000
Net Assets Released From Restrictions	164,010	(164,010)	-	-	-	-
Total Revenues and Support	<u>9,211,863</u>	<u>1,679,990</u>	<u>10,891,853</u>	<u>8,018,384</u>	<u>-</u>	<u>8,018,384</u>
EXPENSES						
Program	8,740,350	-	8,740,350	7,411,333	-	7,411,333
Management and General	463,945	-	463,945	440,986	-	440,986
Fundraising	186,020	-	186,020	198,862	-	198,862
Total Expenses	<u>9,390,315</u>	<u>-</u>	<u>9,390,315</u>	<u>8,051,181</u>	<u>-</u>	<u>8,051,181</u>
INCOME (LOSS) FROM OPERATIONS	(178,452)	1,679,990	1,501,538	(32,797)	-	(32,797)
NON-OPERATING INCOME						
Dividend and Interest Income	52,598	-	52,598	75,768	-	75,768
Net Realized Gain (Loss) on Sale of Investments	(24,346)	-	(24,346)	124,341	-	124,341
Net Unrealized Gain on Investments	400	-	400	144,876	-	144,876
Total Non-Operating Income	<u>28,652</u>	<u>-</u>	<u>28,652</u>	<u>344,985</u>	<u>-</u>	<u>344,985</u>
CHANGE IN NET ASSETS	(149,800)	1,679,990	1,530,190	312,188	-	312,188
Net Assets - Beginning of Year	<u>1,918,237</u>	<u>-</u>	<u>1,918,237</u>	<u>1,606,049</u>	<u>-</u>	<u>1,606,049</u>
NET ASSETS - END OF YEAR	<u>\$ 1,768,437</u>	<u>\$ 1,679,990</u>	<u>\$ 3,448,427</u>	<u>\$ 1,918,237</u>	<u>\$ -</u>	<u>\$ 1,918,237</u>

See accompanying Notes to Financial Statements.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,530,190	\$ 312,188
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation Expense	13,906	3,977
Bad Debt Expense	16,800	55,000
Net Realized Gain on Sale of Investments	(155,654)	(124,341)
Net Unrealized Gain on Investments	(400)	(324,876)
(Increase) Decrease in Assets		
Accounts and Grants Receivable	217,956	(215,960)
Pledges Receivable	(1,694,990)	-
Prepaid Expenses and Other Assets	(35,465)	(6,437)
Increase (Decrease) in Liabilities		
Accounts Payable	40,730	(97,670)
Accrued Expenses	(71,033)	6,795
NET CASH USED BY OPERATING ACTIVITIES	(137,960)	(391,324)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(118,961)	-
Purchase of Investments	(792,875)	(571,370)
Proceeds from Sales of Investments	847,050	673,485
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(64,786)	102,115
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (Payments) Proceeds on Line of Credit	(11,000)	693,634
Repayments on Notes Payable	(23,538)	(275,447)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(34,538)	418,187
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(237,284)	128,978
Cash and Cash Equivalents, Beginning of Year	390,503	261,525
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 153,219	\$ 390,503
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 78,328	72,480

See accompanying Notes to Financial Statements.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

The Jefferson Awards for Public Service, Inc. (the "Organization") is a nonprofit Organization formed on June 22, 1972 which recognizes nationwide, the dedication, sacrifice, and accomplishments of individuals serving American people and strives to develop leadership. The Organization's support is derived primarily from private contributions and investment income.

Financial Statement Reporting

The financial statements of the Organization are reported on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted Net Assets: Net assets not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Governors.

Temporarily Restricted Net Assets: Temporarily restricted net assets represent net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When the stipulated time restriction ends, or the purpose of the restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: These are net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investment for general or specific purposes. There were no permanently restricted net assets as of December 31, 2014 and 2013.

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

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

The Organization maintains cash balances at a financial institution. Both interest and non-interest bearing accounts with the same insured depository institution will be insured by the Federal Deposit Insurance Corporation for a combined total of \$250,000. In the normal course of business, the Organization may have deposits that exceed the insured balance in its interest and non-interest bearing accounts.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable equity securities and debt securities are stated at fair value as determined by quoted market prices. Temporarily invested cash is stated at cost which approximates fair value. Investment income restricted by donors is reported as an increase in temporarily restricted net assets.

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments in the near-term could materially affect the amounts reported in the statements of financial position.

Accounts and Grants Receivable

The Organization does not accrue finance or interest charges. On a periodic basis, management evaluates its accounts and grants receivable balances based on the history of past write-offs, collections, and current credit conditions. An account is written off when it is determined that all collection efforts have been exhausted. At December 31, 2014, all accounts and grants receivable were expected to be collected and no allowance was required.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises are written off when deemed uncollectible by management.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give after one year are subjected to a discount factor of 0.36%. At December 31, 2014, all unconditional promises to give were expected to be collected and no allowance was required.

Property and Equipment

Property and equipment are stated at cost. Additions and major improvements are capitalized; expenditures for maintenance, repairs and minor renewals are expensed as incurred. Equipment purchases of \$1,000 or more are capitalized. Gains or losses on disposition are reflected in the statement of activities. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives for depreciation are 3-5 years for furniture and equipment, 7 years for software and the lesser of 7 years or the remaining lease term for leasehold improvements.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing various program and management and general expenses are summarized in the statement of activities. Expenses related to more than one function are charged to programs and supporting services on the basis of time and expense records.

Fair Value Measurements

The Organization measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Valuation methodologies used for assets measured at fair value are as follows:

Common Stock - The fair value of common stock is generally based on quoted market prices for the identical stock.

Corporate Bonds - The fair value for corporate bonds is generally based on quoted market prices for the identical bond; however, quoted market prices may vary for a variety of reasons including the number of market makers and the volume of identical bonds traded on the date of valuation. If an identical bond is not traded on the valuation date, estimated fair value may be determined by using other significant observable inputs, such as quoted prices for similar bonds.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2014 and 2013:

	2014			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 4,214	\$ -	\$ -	\$ 4,214
Common Stock	1,917,808	-	-	1,917,808
Corporate Bonds	1,247,346	-	-	1,247,346
Total Investments at Fair Value	<u>\$ 3,169,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,169,368</u>
	2013			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 4,587	\$ -	\$ -	\$ 4,587
Common Stock	1,910,537	-	-	1,910,537
Corporate Bonds	1,152,365	-	-	1,152,365
Total Investments at Fair Value	<u>\$ 3,067,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,067,489</u>

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specified purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When temporary restrictions expire, temporarily restricted net assets become unrestricted net assets and are reported in the statements of activities as net assets released from restrictions. During 2014 the Organization received \$1,844,000 in temporarily restricted contributions. During 2013 the Organization did not receive any additional support that was classified as temporarily restricted or permanently restricted.

Revenue Recognition of Program Fees

Program fees are recognized as income when earned.

Investment Income for Operations

The Organization allocates a portion of investment income to operations. The allocation of investment income for operations of \$180,000 for 2014 and 2013 was determined by the Board of Governors.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes. The Organization is not aware of any activities that would jeopardize its tax-exempt status. Donors may deduct contributions to the Organization as provided by the Internal Revenue Service Code.

The Organization follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard had no impact on the Organization's financial statements.

Advertising

Costs incurred for advertising are expensed when incurred. Advertising expense for the years ended December 31, 2014 and 2013 was \$5,437,691 and \$4,865,805 respectively, of which \$5,316,011 and \$4,759,677 respectively, consisted of in kind donations of media advertising.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 5, 2015, the date the financial statements were available to be issued.

NOTE 2 IN KIND CONTRIBUTIONS AND CONTRIBUTED SERVICES

The Organization recognized \$5,316,011 and \$4,759,677 of in kind media advertising in the financial statements as revenue for the years ended December 31, 2014 and 2013, respectively. This advertising, including media time or space for public service announcements or other purposes, was used for the Organization's benefit and encouraged the public to contribute to the Organization and help the Organization communicate its message or mission. This donated media advertising was measured at fair value and the related expense was recognized, was reported by function, based on the nature of the contribution.

The Organization recognized \$1,083,095 and \$407,173 of contributed services in the financial statements as revenue for the years ended December 31, 2014 and 2013 respectively. Those donated services were of a specialized skill that the Organization would have had to purchase if not contributed. The donated services were measured at fair value and the related expense was reported by function, based on the nature of the contribution.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 3 PLEDGES RECEIVABLE

The following pledges are receivable were outstanding at December 31:

	<u>2014</u>	<u>2013</u>
Receivable in Less than One Year	\$ 904,500	\$ -
Receivable in One to Five Years	794,500	-
	<u>1,699,000</u>	<u>-</u>
Less: Discounts to Net Present Value	(4,010)	-
Total Pledges Receivable, Net	<u>\$ 1,694,990</u>	<u>\$ -</u>

NOTE 4 INVESTMENTS

Investment values at December 31, 2014 and 2013 are as follows:

	<u>2014</u>	
	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$ 3,486	\$ 4,214
Common Stock	932,697	1,917,808
Corporate Bonds	1,246,858	1,247,346
Total Investments	<u>\$ 2,183,041</u>	<u>\$ 3,169,368</u>

	<u>2013</u>	
	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$ 3,275	\$ 4,587
Common Stock	927,292	1,910,537
Corporate Bonds	1,150,995	1,152,365
Total Investments	<u>\$ 2,081,562</u>	<u>\$ 3,067,489</u>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Furniture and Equipment	\$ 42,663	\$ 34,423
Software	111,165	-
Leasehold Improvements	5,600	5,600
Total Property and Equipment	<u>159,428</u>	<u>40,023</u>
Less: Accumulated Depreciation	(44,024)	(29,674)
Net Property and Equipment	<u>\$ 115,404</u>	<u>\$ 10,349</u>

Depreciation expense for the years ended December 31, 2014 and 2013 was \$13,906 and \$3,977, respectively.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 6 LINE OF CREDIT

The Organization has a line of credit that permits borrowing up to a maximum amount of \$1,500,000 which is due on demand with no specified expiration date. The line is secured by the organization's Charles Schwab investment account. The line bears interest at the bank's prime rate plus 0.75% (4.00% at December 31, 2014 and 2013). As of December 31, 2014 and 2013, the outstanding balance on the line of credit was \$1,132,384 and \$1,143,384, respectively.

NOTE 7 NOTE PAYABLE

In July 2013, the organization executed a \$500,000 promissory note, secured by the organization Charles Schwab investment account, bearing interest at a rate of 4.85%, providing for monthly principal payments of \$3,934, plus interest, through July 2020, with a balloon payment of \$311,645 due at the note's maturity. The outstanding balance on this promissory note was \$467,026 and \$490,564 as of December 31, 2014 and 2013, respectively.

At December 31, 2014, the future maturities on the note payable are as follows:

<u>Year Ending December 31,</u>	
2015	\$ 24,797
2016	25,983
2017	27,351
2018	28,726
2019	30,171
Thereafter	<u>329,998</u>
Total	<u><u>\$ 467,026</u></u>

Interest expense on all debt amounted to \$78,328 and \$72,480 for the years ended December 31, 2014 and 2013, respectively.

NOTE 8 LEASE COMMITMENTS

The Organization leases office space in Wilmington, Delaware under a non-cancelable operating lease, which expires June 2017. In March 2014, the Organization negotiated a reduction in the payments due under the terms of that lease. In November 2014, the Organization entered into a one year lease for office space in New York, New York. Rent expense for the years ended December 31, 2014 and 2013 was \$49,628 and \$33,795, respectively.

At December 31, 2014 the following is a schedule by years of future minimum payments for the non-cancelable operating lease described above:

<u>Years Ending December 31,</u>	
2015	\$ 97,525
2016	23,525
2017	<u>11,763</u>
Total	<u><u>\$ 132,813</u></u>

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 8 LEASE COMMITMENTS (CONTINUED)

The Organization has a \$139,000 contractual commitment with a hotel for its 2015 Ceremony event as of December 31, 2014.

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets comprise the following at December 31:

	2014	2013
Purpose Restricted	\$ 10,000	\$ -
Time Restricted	1,669,990	-
Total	\$ 1,679,990	\$ -

NOTE 10 RETIREMENT BENEFITS

The Organization sponsors an IRS Section 408(p) SIMPLE qualified retirement plan. The plan covers all full-time employees who are at least 21 years old. The Organization matches up to 3% of the employee's salary. The Organization's matching contributions were \$56,179 and \$57,764 for the years ended December 31, 2014 and 2013, respectively.



CliftonLarsonAllen

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**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

Board of Governors
The Jefferson Awards for Public Service, Inc.
Wilmington, Delaware

We have audited the financial statements of The Jefferson Awards for Public Service, Inc. as of and for the years ended December 31, 2014 and 2013, and our report thereon dated August 5, 2015, which contained an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for the purpose of additional analysis and are 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 audits of those 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
August 5, 2015

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	<u>Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & Wages and Payroll Fees	\$ 981,611	\$ 184,052	\$ 61,351	\$ 1,227,014
Payroll Taxes	82,745	15,515	5,172	103,432
Employee Benefits	127,968	23,994	7,998	159,960
Marketing	41,089	7,704	2,568	51,361
In Kind Contributions - Media Advertising	5,316,011	-	-	5,316,011
Contributed Services	1,056,638	15,874	10,583	1,083,095
Professional Fees				
Finance and Operations	7,340	4,282	612	12,234
Accounting	16,573	9,667	1,381	27,621
Fundraising	-	-	1,093	1,093
Public Relations	8,782	1,647	549	10,978
Technology Consultant	4,427	233	-	4,660
Legal and Other	6,708	6,708	-	13,416
Total Professional Fees	<u>43,830</u>	<u>22,537</u>	<u>3,635</u>	<u>70,002</u>
Travel				
Transportation and Lodging	316,973	59,432	19,811	396,216
Conferences and Meetings	2,220	432	-	2,652
Total Travel	<u>319,193</u>	<u>59,864</u>	<u>19,811</u>	<u>398,868</u>
Events	407,763	-	45,307	453,070
Contract Employees	107,622	20,179	6,726	134,527
Fees and Bank Charges	14,854	2,785	928	18,567
Bad Debt Expense	13,440	2,520	840	16,800
Printing & Copying	58,775	11,020	3,673	73,468
Postage & Shipping	11,949	2,240	747	14,936
Office Supplies	24,341	4,564	1,521	30,426
Telephone & Communication	9,090	1,704	568	11,362
Rent	34,740	12,407	2,481	49,628
Technology and Web Activities	56,255	10,548	3,516	70,319
Interest	7,833	62,662	7,833	78,328
Insurance	10,431	3,726	745	14,902
Miscellaneous	266	50	17	333
Total Operating Expenses	<u>8,726,444</u>	<u>463,945</u>	<u>186,020</u>	<u>9,376,409</u>
Other Expenses				
Depreciation Expense	13,906	-	-	13,906
Total Expenses	<u>\$ 8,740,350</u>	<u>\$ 463,945</u>	<u>\$ 186,020</u>	<u>\$ 9,390,315</u>

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

2013

	Program	Management & General	Fundraising	Total
Salaries & Wages and Payroll Fees	\$ 746,513	\$ 139,971	\$ 46,657	\$ 933,141
Payroll Taxes	64,484	12,091	4,030	80,605
Employee Benefits	173,018	32,441	10,814	216,273
Marketing	73,136	13,713	4,571	91,420
In Kind Contributions - Media Advertising	4,759,677	-	-	4,759,677
Contributed Services	407,173	-	-	407,173
Professional Fees				
Finance and Operations	17,567	10,247	1,464	29,278
Accounting	19,169	11,182	1,597	31,948
Fundraising	-	-	36,583	36,583
Public Relations	9,140	1,714	571	11,425
Technology Consultant	37,050	1,950	-	39,000
Legal and Other	37,356	37,356	-	74,712
Total Professional Fees	120,282	62,449	40,215	222,946
Travel				
Transportation and Lodging	174,439	32,707	10,902	218,048
Conferences and Meetings	25,091	4,881	-	29,972
Total Travel	199,530	37,588	10,902	248,020
Events	425,701	-	47,300	473,001
Contract Employees	133,505	25,032	8,344	166,881
Fees and Bank Charges	48,757	9,142	3,047	60,946
Bad Debt Expense	44,000	8,250	2,750	55,000
Printing & Copying	57,265	10,737	3,579	71,581
Postage & Shipping	21,062	3,949	1,316	26,327
Office Supplies	26,102	4,894	1,631	32,627
Telephone & Communication	11,457	2,148	716	14,321
Rent	23,656	8,449	1,690	33,795
Technology and Web Activities	54,911	10,296	3,432	68,639
Interest	7,248	57,984	7,248	72,480
Miscellaneous	9,879	1,852	620	12,351
Total Operating Expenses	7,407,356	440,986	198,862	8,047,204
Other Expenses				
Depreciation Expense	3,977	-	-	3,977
Total Expenses	<u>\$ 7,411,333</u>	<u>\$ 440,986</u>	<u>\$ 198,862</u>	<u>\$ 8,051,181</u>