

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2016 AND 2015

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**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, 2016 and 2015, 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, 2016 and 2015, and the change 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
May 8, 2017

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 625,561	\$ 211,304
Investments	2,764,225	3,006,310
Accounts and Grants Receivable	129,103	301,032
Pledges Receivable, Current Portion	304,000	724,000
Prepaid Expenses and Other Assets	46,608	65,262
Total Current Assets	3,869,497	4,307,908
 Property and Equipment, Net of Accumulated Depreciation	 75,906	 95,098
OTHER ASSETS		
Pledges Receivable, Net of Current Portion and Discount	18,915	186,157
Total Assets	\$ 3,964,318	\$ 4,589,163
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Lines of Credit	\$ 2,100,000	\$ 1,442,016
Notes Payable, Current Maturities	-	25,983
Accounts Payable	27,932	284,061
Accrued Expense and Other Liabilities	245,267	27,055
Deferred Revenue	30,000	-
Total Current Liabilities	2,403,199	1,779,115
 Notes Payable, Net of Current Maturities	 -	 416,168
Total Liabilities	2,403,199	2,195,283
NET ASSETS		
Unrestricted	1,235,962	1,349,723
Temporarily Restricted	325,157	1,044,157
Total Net Assets	1,561,119	2,393,880
Total Liabilities and Net Assets	\$ 3,964,318	\$ 4,589,163

See accompanying Notes to Financial Statements.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Corporate, Individual and Community Contributions	946,480	295,012	1,241,492	\$ 932,583	606,015	\$ 1,538,598
Program Fees	544,511	-	544,511	686,583	-	686,583
Special Event Income	523,157	-	523,157	298,907	-	298,907
In Kind Contributions - Media Advertising	5,785,123	-	5,785,123	5,794,668	-	5,794,668
Contributed Services	791,889	-	791,889	1,225,328	-	1,225,328
Investment Income for Operations	180,000	-	180,000	180,000	-	180,000
Other Income	3,458	-	3,458	141,386	-	141,386
Net Assets Released From Restrictions	<u>1,014,012</u>	<u>(1,014,012)</u>	<u>-</u>	<u>1,241,848</u>	<u>(1,241,848)</u>	<u>-</u>
Total Revenues and Support	9,788,630	(719,000)	9,069,630	10,501,303	(635,833)	9,865,470
EXPENSES						
Program	9,295,308	-	9,295,308	9,859,536	-	9,859,536
Management and General	318,031	-	318,031	561,916	-	561,916
Fundraising	349,200	-	349,200	219,473	-	219,473
Total Expenses	<u>9,962,540</u>	<u>-</u>	<u>9,962,540</u>	<u>10,640,925</u>	<u>-</u>	<u>10,640,925</u>
LOSS FROM OPERATIONS	(173,910)	(719,000)	(892,910)	(139,622)	(635,833)	(775,455)
NON-OPERATING INCOME (LOSS)						
Dividend and Interest Income	28,462	-	28,462	62,732	-	62,732
Net Realized Gain (Loss) on Sale of Investments	596,723	-	596,723	(204,536)	-	(204,536)
Net Unrealized Loss on Investments	(565,036)	-	(565,036)	(137,288)	-	(137,288)
Total Non-Operating Income (Loss)	<u>60,149</u>	<u>-</u>	<u>60,149</u>	<u>(279,092)</u>	<u>-</u>	<u>(279,092)</u>
CHANGE IN NET ASSETS	(113,761)	(719,000)	(832,761)	(418,714)	(635,833)	(1,054,547)
Net Assets - Beginning of Year	<u>1,349,723</u>	<u>1,044,157</u>	<u>2,393,880</u>	<u>1,768,437</u>	<u>1,679,990</u>	<u>3,448,427</u>
NET ASSETS - END OF YEAR	<u>\$ 1,235,962</u>	<u>\$ 325,157</u>	<u>\$ 1,561,119</u>	<u>\$ 1,349,723</u>	<u>\$ 1,044,157</u>	<u>\$ 2,393,880</u>

See accompanying Notes to Financial Statements.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (832,761)	\$ (1,054,547)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Used by Operating Activities:		
Depreciation Expense	19,192	20,306
Donated Securities	(548,675)	-
Net Realized (Gain) Loss on Sale of Investments	(776,723)	24,536
Net Unrealized Loss on Investments	565,036	137,288
(Increase) Decrease in Assets		
Accounts and Grants Receivable	171,929	(270,146)
Pledges Receivable	587,242	784,833
Prepaid Expenses and Other Assets	18,654	(10,767)
Increase (Decrease) in Liabilities		
Accounts Payable	(256,129)	149,551
Accrued Expenses	218,212	(8,960)
Deferred Revenue	30,000	-
NET CASH USED BY OPERATING ACTIVITIES	(804,023)	(227,906)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(2,620,011)	(835,678)
Proceeds from Sales of Investments	3,622,458	836,912
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,002,447	1,234
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds on Lines of Credit	657,984	309,632
Repayments on Notes Payable	(442,151)	(24,875)
NET CASH PROVIDED BY FINANCING ACTIVITIES	215,833	284,757
NET INCREASE IN CASH AND CASH EQUIVALENTS	414,257	58,085
Cash and Cash Equivalents, Beginning of Year	211,304	153,219
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 625,561	\$ 211,304
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 84,647	\$ 79,645

See accompanying Notes to Financial Statements.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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, 2016 and 2015.

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, 2016 AND 2015

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, 2016 and 2015, 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 0.45%. At December 31, 2016 and 2015, all unconditional promises to give were expected to be collected and no allowance was required. A discount on long term promises to give was \$85 and \$843 for the years ended December 31, 2016 and 2015, respectively.

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, 2016 AND 2015

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, 2016 AND 2015

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, 2016 and 2015:

	2016			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 3,822	\$ -	\$ -	\$ 3,822
Common Stock	1,878,442	-	-	1,878,442
Corporate Bonds	881,961	-	-	881,961
Total Investments at Fair Value	<u>\$ 2,764,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,764,225</u>
	2015			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 3,551	\$ -	\$ -	\$ 3,551
Common Stock	1,818,622	-	-	1,818,622
Corporate Bonds	1,184,137	-	-	1,184,137
Total Investments at Fair Value	<u>\$ 3,006,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,006,310</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 2016 and 2015 the Organization received \$295,012 and \$606,015 in temporarily restricted contributions, respectively.

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 years ended December 31, 2016 and 2015, was determined by the Board of Governors.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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, 2016 and 2015 was \$5,888,301 and \$6,074,907 respectively, of which \$5,785,123 and \$5,794,668 respectively, consisted of in kind donations of media advertising.

Reclassifications

Certain reclassifications have been made to the December 31, 2015 financial statements in order to present them in conformity with the December 31, 2016 financial statements. The reclassification had no effect on changes in net assets amounts previously reported.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 8, 2017, the date the financial statements were available to be issued.

NOTE 2 IN KIND CONTRIBUTIONS AND CONTRIBUTED SERVICES

The Organization recognized \$5,785,123 and \$5,794,668 of in kind media advertising in the financial statements as revenue for the years ended December 31, 2016 and 2015, 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, and was reported by function based on the nature of the contribution.

The Organization recognized \$791,889 and \$1,225,328 of contributed services in the financial statements as revenue for the years ended December 31, 2016 and 2015, 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, 2016 AND 2015

NOTE 3 PLEDGES RECEIVABLE

The following pledges receivable were outstanding at December 31:

	<u>2016</u>	<u>2015</u>
Receivable in Less than One Year	\$ 304,000	\$ 724,000
Receivable in One to Five Years	<u>19,000</u>	<u>187,000</u>
	323,000	911,000
Less: Discounts to Net Present Value	<u>(85)</u>	<u>(843)</u>
Total Pledges Receivable, Net	<u><u>\$ 322,915</u></u>	<u><u>\$ 910,157</u></u>

NOTE 4 INVESTMENTS

Investment values at December 31, 2016 and 2015 are as follows:

	<u>2016</u>	
	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$ 3,915	\$ 3,822
Common Stock	1,591,081	1,878,442
Corporate Bonds	<u>877,857</u>	<u>881,961</u>
Total Investments	<u><u>\$ 2,472,853</u></u>	<u><u>\$ 2,764,225</u></u>

	<u>2015</u>	
	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$ 3,506	\$ 3,551
Common Stock	959,917	1,818,622
Corporate Bonds	<u>1,186,479</u>	<u>1,184,137</u>
Total Investments	<u><u>\$ 2,149,902</u></u>	<u><u>\$ 3,006,310</u></u>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Furniture and Equipment	\$ 42,663	\$ 42,663
Software	111,165	111,165
Leasehold Improvements	<u>5,600</u>	<u>5,600</u>
Total Property and Equipment	159,428	159,428
Less: Accumulated Depreciation	<u>(83,522)</u>	<u>(64,330)</u>
Net Property and Equipment	<u><u>\$ 75,906</u></u>	<u><u>\$ 95,098</u></u>

Depreciation expense for the years ended December 31, 2016 and 2015 was \$20,469 and \$20,306, respectively.

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 6 LINES OF CREDIT

During 2016 the Organization paid in full the outstanding balance on the line of credit that permitted borrowing up to a maximum amount of \$1,500,000 which was due on demand with no specified expiration date. The line was secured by the organization's Charles Schwab investment account. The line beard interest at the bank's prime rate plus 0.75%. This line of credit was paid off by the new line of credit that permits borrowing of up to a maximum amount of \$2,100,000 which is due on demand with no specified expiration date. The line is secured by the organizations US Trust investment account. The line bears interest at the LIBOR floating rate plus the applicable margin of 2% (3.69% at December 31, 2016).

As of December 31, 2016 and 2015, the outstanding balance on the lines of credit was \$2,100,000 and \$1,442,016, respectively.

NOTE 7 NOTE PAYABLE

In July 2013, the organization executed a \$500,000 promissory note, secured by the organization's 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 \$442,151 as of December 31, 2015. As of December 31, 2016 the organization paid off the entire outstanding balance.

Interest expense on all debt amounted to \$85,924 and \$79,645 for the years ended December 31, 2016 and 2015, 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. The Organization also leases office space in New York, New York on a month to month basis. Rent expense for the years ended December 31, 2016 and 2015 was \$86,224 and \$71,384, respectively.

At December 31, 2016 the following is a schedule by years of future minimum payments for the non-cancelable operating leases described above:

<u>Years Ending December 31,</u>	
2017	<u>\$ 67,023</u>

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 8 LEASE COMMITMENTS (CONTINUED)

The Organization has a \$38,485 contractual commitment with a hotel for its 2017 DC Ceremony event as of December 31, 2016.

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets comprise the following at December 31:

	<u>2016</u>	<u>2015</u>
Time Restricted	<u>\$ 325,157</u>	<u>\$ 1,044,157</u>

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 \$30,832 and \$22,409 for the years ended December 31, 2016 and 2015, respectively.



CliftonLarsonAllen LLP
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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, 2016 and 2015, and our report thereon dated May 8, 2017, 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
May 8, 2017

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

2016

	<u>Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & Wages and Payroll Fees	\$ 1,420,395	\$ 167,105	\$ 83,553	\$ 1,671,053
Payroll Taxes	119,205	14,024	7,012	140,241
Employee Benefits	147,574	17,362	8,681	173,617
Contract Employees	52,916	-	2,785	55,701
In-Kind Contributions - Media Advertising	5,785,123	-	-	5,785,123
Contributed Services	791,889	-	-	791,889
Event Expense - Non-Training	344,257	-	147,539	491,796
Event Expense - Training	85,870	4,519	-	90,389
Travel and Meals	97,194	12,149	12,149	121,492
Public Relations, Promotion and Marketing	119,697	-	21,123	140,820
Office Supplies	19,290	1,135	2,269	22,694
Investment Management Fees	-	20,941	-	20,941
Professional Fees	27,410	9,790	33,887	71,087
Postage and Shipping	8,824	-	1,557	10,381
Printing and Publication	11,957	-	2,110	14,067
Rent and Occupancy	60,357	12,934	12,934	86,224
Bank and Processing Fees	4,573	857	286	5,716
Technology and Communication	112,494	6,617	13,235	132,346
Insurance	22,662	7,554	-	30,216
Interest expense	42,962	42,962	-	85,924
Miscellaneous	1,468	82	82	1,631
Total Operating Expenses	<u>9,276,116</u>	<u>318,031</u>	<u>349,200</u>	<u>9,943,348</u>
Other Expenses				
Depreciation Expense	19,192	-	-	19,192
Total Expenses	<u>\$ 9,295,308</u>	<u>\$ 318,031</u>	<u>\$ 349,200</u>	<u>\$ 9,962,540</u>

THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

2015

	Program	Management & General	Fundraising	Total
Salaries & Wages and Payroll Fees	\$ 1,292,554	\$ 242,354	\$ 80,785	\$ 1,615,693
Payroll Taxes	110,194	20,661	6,887	137,742
Employee Benefits	194,206	36,414	12,138	242,757
Contract Employees	34,065	6,387	2,129	42,581
In-Kind Contributions - Media Advertising	5,794,668	-	-	5,794,668
Contributed Services	1,200,821	12,253	12,253	1,225,328
Event Expense - Non-Training	531,367	-	59,041	590,408
Event Expense - Training	91,815	17,488	-	109,303
Travel and Meals	87,373	16,382	5,461	109,216
Public Relations, Promotion and Marketing	247,360	46,380	15,460	309,200
Office Supplies	9,117	1,709	570	11,396
Investment Management Fees	-	16,992	-	16,992
Professional Fees	65,323	38,105	5,444	108,871
Postage and Shipping	4,014	753	251	5,018
Printing and Publication	3,546	665	222	4,432
Rent and Occupancy	49,969	17,846	3,569	71,384
Bank and Processing Fees	14,838	2,782	927	18,548
Technology and Communication	77,571	14,545	4,848	96,964
Insurance	13,390	4,782	956	19,129
Interest expense	7,965	63,716	7,965	79,645
Miscellaneous	9,074	1,702	567	11,344
Total Operating Expenses	<u>9,839,230</u>	<u>561,916</u>	<u>219,473</u>	<u>10,620,619</u>
Other Expenses				
Depreciation Expense	<u>20,306</u>	<u>-</u>	<u>-</u>	<u>20,306</u>
Total Expenses	<u>\$ 9,859,536</u>	<u>\$ 561,916</u>	<u>\$ 219,473</u>	<u>\$ 10,640,925</u>



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.