

**THE JEFFERSON AWARDS FOR PUBLIC  
SERVICE, INC.**

**FINANCIAL STATEMENTS AND INDEPENDENT  
AUDITORS' REPORT**

**DECEMBER 31, 2017 AND 2016**

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**

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**DECEMBER 31, 2017 AND 2016**

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*Independent Auditors' Report*

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

We have audited the accompanying financial statements of The Jefferson Awards for Public Service, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities 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 States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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

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

***Opinion***

In our opinion, the 2017 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, 2017, 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.

***Prior Period Financial Statements***

The financial statements of The Jefferson Awards for Public Service, Inc. as of December 31, 2016, were audited by other auditors whose report dated May 8, 2017, expressed an unmodified opinion on those statements.

*Belfint, Lyons & Shuman, P.A.*

June 29, 2018  
Wilmington, Delaware

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 AND 2016**

**ASSETS**

	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 237,652	\$ 625,561
Investments	3,082,482	2,764,225
Accounts and Grants Receivable	127,435	129,103
Pledges Receivable, Current Portion	270,000	304,000
Prepaid Expenses and Other Assets	80,681	46,608
<b>TOTAL CURRENT ASSETS</b>	<b>3,798,250</b>	<b>3,869,497</b>
<b>OTHER ASSETS</b>		
Pledges Receivable, Net of Current Portion and Discount	-	18,915
Property and Equipment, Net of Accumulated Depreciation	56,079	75,906
<b>TOTAL OTHER ASSETS</b>	<b>56,079</b>	<b>94,821</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,854,329</b>	<b>\$ 3,964,318</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of Credit	\$ 2,010,000	\$ 2,100,000
Accounts Payable	26,141	27,932
Accrued Expense and Other Liabilities	51,745	245,267
Deferred Revenues	10,000	30,000
<b>TOTAL LIABILITIES</b>	<b>2,097,886</b>	<b>2,403,199</b>
<b>NET ASSETS</b>		
Unrestricted	1,386,443	1,235,962
Temporarily Restricted	370,000	325,157
<b>TOTAL NET ASSETS</b>	<b>1,756,443</b>	<b>1,561,119</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,854,329</b>	<b>\$ 3,964,318</b>

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

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>			<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>						
Corporate, Individual, and Community Contributions	\$ 1,436,881	\$ 342,000	\$ 1,778,881	\$ 946,480	\$ 295,012	\$ 1,241,492
Program Fees	632,750	-	632,750	544,511	-	544,511
Special Event Income	678,550	-	678,550	523,157	-	523,157
In-Kind Contributions - Media Advertising	6,810,448	-	6,810,448	5,785,123	-	5,785,123
Contributed Services	1,198,347	-	1,198,347	791,889	-	791,889
Investment Income for Operations	180,000	-	180,000	180,000	-	180,000
Other Income	1,926	-	1,926	3,458	-	3,458
Net Assets Released from Restrictions	297,157	(297,157)	-	1,014,012	(1,014,012)	-
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<u>11,236,059</u>	<u>44,843</u>	<u>11,280,902</u>	<u>9,788,630</u>	<u>(719,000)</u>	<u>9,069,630</u>
<b>EXPENSES</b>						
Program	10,646,091	-	10,646,091	9,295,307	-	9,295,307
Management and General	314,368	-	314,368	318,031	-	318,031
Fundraising	295,616	-	295,616	349,202	-	349,202
<b>TOTAL EXPENSES</b>	<u>11,256,075</u>	<u>-</u>	<u>11,256,075</u>	<u>9,962,540</u>	<u>-</u>	<u>9,962,540</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	(20,016)	44,843	24,827	(173,910)	(719,000)	(892,910)
<b>NON-OPERATING INCOME</b>						
Non-operating Investment Income	170,497	-	170,497	60,149	-	60,149
<b>CHANGE IN NET ASSETS</b>	150,481	44,843	195,324	(113,761)	(719,000)	(832,761)
<b>NET ASSETS - Beginning of Year</b>	<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>
<b>NET ASSETS - End of Year</b>	<u>\$ 1,386,443</u>	<u>\$ 370,000</u>	<u>\$ 1,756,443</u>	<u>\$ 1,235,962</u>	<u>\$ 325,157</u>	<u>\$ 1,561,119</u>

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

**JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 195,324	\$ (832,761)
Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities		
Depreciation and Amortization	19,827	19,192
Donated Investments	(218,938)	(548,675)
Net Realized Gain on Sale of Investments	(92,991)	(776,723)
Net Unrealized (Gain) Loss on Investments	(184,580)	565,036
(Increase) Decrease in Assets		
Accounts and Grants Receivable	1,668	171,929
Pledges Receivable	52,915	587,242
Prepaid Expenses and Other Assets	(34,073)	18,654
Increase (Decrease) in Liabilities		
Accounts Payable	(1,791)	(256,129)
Accrued Expenses	(193,522)	218,212
Deferred Revenue	(20,000)	30,000
	<b>(476,161)</b>	<b>(804,023)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(907,640)	(2,620,011)
Proceeds from Sale of Investments	1,085,892	3,622,458
	<b>178,252</b>	<b>1,002,447</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Proceeds from (Repayments of) Lines of Credit	(90,000)	657,984
Repayments on Notes Payable	-	(442,151)
	<b>(90,000)</b>	<b>215,833</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(387,909)</b>	<b>414,257</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<b>625,561</b>	<b>211,304</b>
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	<b>\$ 237,652</b>	<b>\$ 625,561</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	<b>\$ 75,016</b>	<b>\$ 84,647</b>

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

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Operations* - The Jefferson Awards for Public Service, Inc. (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 net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* - 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 the related investment for general or specific purposes. There were no permanently restricted net assets as of December 31, 2017 and 2016.

*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 two financial institutions. 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 balances. Uninsured deposits were \$29,238 and \$0, as of December 31, 2017 and 2016, respectively.



**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2017**

**NOTE 1: NATURE OF ACTIVITIES AND 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 collections efforts have been exhausted. As of December 31, 2017 and 2016, all accounts and grants receivable were expected to be collected and no allowance was required.

*Pledges Receivable* - 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 receivable after one year are subjected to a discount factor of 0.45%. As of December 31, 2017 and 2016, 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 statements 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.

*Functional Allocation of Expenses* - The costs of providing various programs and supporting services 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.

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2017**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*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 THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2017**

**NOTE 1: NATURE OF ACTIVITIES AND 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, 2017 and 2016:

	2017			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 3,909	\$ -	\$ -	\$ 3,909
Common Stock	1,975,797	-	-	1,975,797
Corporate Bonds	1,102,776	-	-	1,102,776
Total Investments, at Fair Value	<u>\$ 3,082,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,082,482</u>

  

	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>

**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.

**Revenue Recognition of Program Fee** - 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, 2017 and 2016, was determined by the Board of Governors.

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2017**

**NOTE 1: NATURE OF ACTIVITIES AND 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. The Organization's federal Form 990 is subject to examination by the IRS, generally for three years after filing.

**Advertising** - Costs incurred for advertising are expensed when incurred. Advertising expense for the years ended December 31, 2017 and 2016 was \$6,870,593 and \$5,888,301, respectively, of which \$6,810,448 and \$5,785,123, respectively, consisted of in-kind donations of media advertising.

**Reclassifications** - Certain reclassifications have been made to the December 31, 2016 financial statements in order to present them in conformity with the December 31, 2017 financial statements. The reclassification had no effect on changes in net assets or total net asset amounts previously reported.

**Subsequent Events** - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which was the date the financial statements were available to be issued.

**NOTE 2: IN-KIND CONTRIBUTIONS**

The Organization recognized \$6,810,448 and \$5,785,123 of in-kind media advertising in the financial statements as revenue for the years ended December 31, 2017 and 2016, 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 \$1,198,347 and \$791,889 of contributed services in the financial statements as revenue for the years ended December 31, 2017 and 2016, 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 THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2017**

**NOTE 3: PLEDGES RECEIVABLE**

The following pledges receivable were outstanding as of December 31:

	<u>2017</u>	<u>2016</u>
Receivable in Less than One Year	\$ 270,000	\$ 304,000
Receivable in One to Five Years	-	19,000
	<u>270,000</u>	<u>323,000</u>
Less Discounts to Net Present Value	-	(85)
Total Pledges Receivable - Net	<u>\$ 270,000</u>	<u>\$ 322,915</u>

**NOTE 4: INVESTMENTS**

Investments as of December 31, 2017 and 2016 were as follows:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Value</u>	<u>Cost</u>	<u>Value</u>
Mutual Funds	\$ 4,560	\$ 3,909	\$ 3,915	\$ 3,822
Common Stock	1,499,544	1,975,797	1,591,081	1,878,442
Corporate Bonds	<u>1,102,426</u>	<u>1,102,776</u>	<u>877,857</u>	<u>881,961</u>
Total Investments	<u>\$ 2,606,530</u>	<u>\$ 3,082,482</u>	<u>\$ 2,472,853</u>	<u>\$ 2,764,225</u>

Investment income is presented in the statements of activities as follows for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Investment Income for Operations	\$ 180,000	\$ 180,000
Non-operating Investment Income	<u>170,497</u>	<u>60,149</u>
Total Investment Income	<u>\$ 350,497</u>	<u>\$ 240,149</u>

The components of investment income are as follows for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Dividend and Interest Income	\$ 72,926	\$ 28,462
Realized Gains	92,991	776,723
Unrealized Gains (Losses)	<u>184,580</u>	<u>(565,036)</u>
Total Investment Income	<u>\$ 350,497</u>	<u>\$ 240,149</u>

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2017**

**NOTE 5: PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</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>(103,349)</u>	<u>(83,522)</u>
Net Property and Equipment	<u>\$ 56,079</u>	<u>\$ 75,906</u>

**NOTE 6: LINE OF CREDIT**

As of December 31, 2017 and 2016, the Organization had a line of credit that permits borrowing of up to a maximum amount of \$2,100,000. The line of credit is due on demand with no specified expiration date. The line is secured by an investment account held by the Organization. The value of the collateralized investment account as of December 31, 2017 and 2016 was \$3,115,765 and \$3,065,446, respectively. The line bears interest at the LIBOR daily floating rate plus 2% (4.11% and 3.69% as of December 31, 2017 and 2016, respectively). As of December 31, 2016 and 2017, the outstanding balance on the line of credit was \$2,010,000 and \$2,100,000, respectively.

Interest expense amounted to \$75,016 and \$85,924 for the years ended December 31, 2017 and 2016, respectively.

**NOTE 7: LEASE COMMITMENTS**

The Organization leases office space in Wilmington, Delaware under a noncancelable operating lease, which expires October, 2022. 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, 2017 and 2016 was \$69,152 and \$86,224, respectively.

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2017**

**NOTE 7: LEASE COMMITMENTS - CONTINUED**

The following is a schedule by years of future minimum payments for the noncancelable operating leases described above:

Year Ending December 31	Amount
2018	\$ 17,430
2019	17,430
2020	17,430
2021	17,430
2022	14,525
	\$ 84,245

**NOTE 8: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets comprised the following as of December 31:

	2017	2016
Time Restricted	\$ 270,000	\$ 325,157
Purpose Restricted - Membership Model	100,000	-
	\$ 370,000	\$ 325,157

**NOTE 9: 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. In December 2017, the Organization made the decision to discontinue its matching policy effective January 1, 2018. Prior to discontinuation, the Organization matched up to 3% of employee salary. The Organization's matching contributions were \$30,685 and \$30,832 for the years ended December 31, 2017 and 2016, respectively.



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*Independent Auditors' Report on Supplementary Information*

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

We have audited the financial statements of The Jefferson Awards for Public Service, Inc. as of and for the year ended December 31, 2017, and our report thereon dated June 29, 2018, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2017 schedule of functional expenses on page 16 is presented for the purpose 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 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.

The 2016 schedule of functional expenses on page 17 was subjected to auditing procedures applied in the 2016 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly presented in all material respects in relation to the 2016 financial statements as a whole.

*Belfint, Lyons & Shuman, P.A.*

June 29, 2018  
Wilmington, Delaware



**SUPPLEMENTARY INFORMATION**

**THE JEFFERSON AWARDS FOR PUBLIC SERVICE, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2017**

	<b>2017</b>			
	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and Wage Payroll Fees	\$ 1,378,737	\$ 162,204	\$ 81,102	\$ 1,622,043
Payroll Taxes	114,719	13,496	6,748	134,963
Employee Benefits	145,891	17,164	8,581	171,636
Contract Employees	57,773	-	3,041	60,814
In-Kind Contributions - Media Advertising	6,810,448	-	-	6,810,448
Contributed Services	1,198,347	-	-	1,198,347
Event Expense - Non-Training	319,760	-	137,040	456,800
Event Expense - Training	122,394	6,442	-	128,836
Travel and Meals	104,962	13,120	13,121	131,203
Public Relations, Promotion, and Marketing	72,890	-	12,863	85,753
Office Supplies	19,502	1,147	2,295	22,944
Investment Management Fees	-	28,961	-	28,961
Professional Fees	26,744	9,552	1,910	38,206
Postage and Shipping	17,182	-	3,032	20,214
Printing and Publication	14,680	-	2,591	17,271
Rent and Occupancy	48,406	10,373	10,373	69,152
Bank and Processing Fees	7,086	1,329	442	8,857
Technology and Communication	103,200	6,071	12,141	121,412
Insurance	19,999	6,666	-	26,665
Interest Expense	37,508	37,508	-	75,016
Miscellaneous	6,036	335	336	6,707
<b>TOTAL OPERATING EXPENSES</b>	<b>10,626,264</b>	<b>314,368</b>	<b>295,616</b>	<b>11,236,248</b>
<b>OTHER EXPENSES</b>				
Depreciation and Amortization	19,827	-	-	19,827
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 10,646,091</b>	<b>\$ 314,368</b>	<b>\$ 295,616</b>	<b>\$ 11,256,075</b>

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

	2016			
	Program	Management and General	Fundraising	Total
Salaries and Wage 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	60,356	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	1,467	82	82	1,631
<b>TOTAL OPERATING EXPENSES</b>	<b>9,276,115</b>	<b>318,031</b>	<b>349,202</b>	<b>9,943,348</b>
<b>OTHER EXPENSES</b>				
Depreciation and Amortization	19,192	-	-	19,192
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 9,295,307</b>	<b>\$ 318,031</b>	<b>\$ 349,202</b>	<b>\$ 9,962,540</b>