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*Managing Partner*

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*(1942-2012)*

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*(1964-2008)*

May 12, 2015

Board of Directors  
Government Accountability Project (GAP)  
Washington, DC

Dear Board of Directors:

We have audited the financial statements of Government Accountability Project (GAP) for the year ended December 31, 2014, and have issued our report thereon dated May 12, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 8, 2015. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Government Accountability Project (GAP) are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, listed as follows:

- Increase in health insurance expenses and increase in accounts payable of \$19,972

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 12, 2015.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### *Other Information in Documents Containing Audited Financial Statements*

This information is intended solely for the use of Board of Directors and management of the Government Accountability Project (GAP) and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Mohn Allen, P.C." in a cursive, slightly slanted script.

MohnAllen, P.C.

GOVERNMENT ACCOUNTABILITY PROJECT  
(a not-for-profit organization)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED  
DECEMBER 31, 2014 AND 2013

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Government Accountability Project  
Washington, DC

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Government Accountability Project (GAP) (a not-for-profit corporation) which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, changes in net assets 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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

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

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## **Opinion**

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the Government Accountability Project, as of December 31, 2014 and 2013, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses and schedules of program services expenses are presented for purposes 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Mohn Allen, P.C.*

May 12, 2015

GOVERNMENT ACCOUNTABILITY PROJECT  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013

	2014	2013
<b>ASSETS</b>		
Cash	\$ 270,272	\$ 350,642
Investments	446,117	353,511
GAP Litigation Fund	79,691	100,096
Interest and dividends receivable	4,937	5,155
Fees and services receivable	24,450	46,563
Grants and contributions receivable	650,000	266,000
Prepaid expenses	32,092	34,335
Book inventory	3,087	3,807
Property and equipment, net	8,427	12,670
Deposits	5,695	5,695
<b>TOTAL ASSETS</b>	<b>\$ 1,524,768</b>	<b>\$ 1,178,474</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 276,221	\$ 331,598
Lines of credit payable	370,745	132,638
Escrow client funds	27,203	300,261
<b>TOTAL LIABILITIES</b>	<b>674,169</b>	<b>764,497</b>
 <b>NET ASSETS</b>		
Unrestricted	200,599	177,096
Temporarily restricted	650,000	236,881
<b>TOTAL NET ASSETS</b>	<b>850,599</b>	<b>413,977</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,524,768</b>	<b>\$ 1,178,474</b>

GOVERNMENT ACCOUNTABILITY PROJECT  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
CHANGES IN UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Contributions	\$ 675,100	\$ 576,856
Grants	1,687,929	1,224,219
Fees recognized	422,000	46,186
Other income	24,926	7,172
Interest and dividends	18,430	18,683
Realized gain (loss) on investments and disposition of assets	(1,377)	-
Unrealized gain (loss) on investments	25,006	(22,823)
TOTAL UNRESTRICTED SUPPORT AND REVENUE	2,852,014	1,850,293
NET ASSETS RELEASED FROM RESTRICTIONS	236,881	519,167
TOTAL UNRESTRICTED SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS	3,088,895	2,369,460
EXPENSES		
Program services	2,596,154	3,093,994
Fundraising	209,682	255,686
General and administrative	259,556	149,116
TOTAL EXPENSES	3,065,392	3,498,796
CHANGES IN UNRESTRICTED NET ASSETS	23,503	(1,129,336)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
SUPPORT		
Grants	650,000	236,881
TOTAL TEMPORARILY RESTRICTED SUPPORT	650,000	236,881
NET ASSETS RELEASED FROM RESTRICTIONS	(236,881)	(519,167)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS	413,119	(282,286)
CHANGES IN NET ASSETS	436,622	(1,411,622)
NET ASSETS AT BEGINNING OF YEAR	413,977	1,825,599
NET ASSETS AT END OF YEAR	\$ 850,599	\$ 413,977



GOVERNMENT ACCOUNTABILITY PROJECT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 436,622	\$ (1,411,622)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,793	7,720
Realized (gain) loss on investments	1,377	-
(Increase) decrease in operating assets:		
Fees receivable	22,113	563,154
Grants receivable	(384,000)	123,718
GAP Litigation Fund	20,405	(100,096)
Interest and dividends receivable	218	-
Prepaid expenses	2,243	(2,260)
Inventory	720	1,391
Increase (decrease) in operating liabilities:		
Accounts payable	(55,376)	75,870
Client escrow funds	(273,058)	(4,729)
	(220,943)	(746,854)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	(220,943)	(746,854)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	(3,551)	-
Purchase of investments	(114,583)	(19,396)
Proceeds from sale of investments	20,600	-
	(97,534)	(19,396)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	(97,534)	(19,396)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of lines of credit	(146,893)	(207,362)
Proceeds from lines of credit	385,000	100,000
	238,107	(107,362)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	238,107	(107,362)
<b>NET INCREASE (DECREASE) IN CASH</b>	(80,370)	(873,612)
<b>CASH, BEGINNING OF YEAR</b>	350,642	1,224,254
<b>CASH, END OF YEAR</b>	\$ 270,272	\$ 350,642
<b>SUPPLEMENTAL INFORMATION:</b>		
Actual cash payments for interest	\$ 4,350	\$ 3,240

GOVERNMENT ACCOUNTABILITY PROJECT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 - NATURE OF ORGANIZATION

Government Accountability Project (GAP) is a not-for-profit organization incorporated in 1984 in the District of Columbia. GAP's purpose is to protect the public interest and promote government and corporate accountability by advancing occupational free speech, defending whistle blowers, and empowering citizen activists. GAP is supported primarily by grants and individual contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of GAP have been prepared on the accrual basis of accounting whereby, revenue is recognized when earned rather than when received, and expenses are recognized when the related liability is incurred rather than when paid.

Basis of Presentation

Financial statement presentation follows FASB Accounting Standards Codifications Topic 958 *Not-for-Profit Entities*. In accordance with the topic, GAP is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. GAP had no permanently restricted net assets for the years ended December 31, 2014 and 2013.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Property, Equipment and Depreciation

Property and equipment are capitalized at cost. Donated property is recorded at market value at the time of receipt. Depreciation is provided over the estimated useful lives of the assets using the straight-line method over five to seven years. Assets costing over \$1,000 are capitalized.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the schedule of activities and the schedule of functional expenses. Accordingly, certain costs have been allocated among programs and support services based upon personnel time spent on these activities.

GOVERNMENT ACCOUNTABILITY PROJECT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

GAP qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not considered to be a private foundation within the meaning of Section 509(a) of the Code. Contributions to GAP are tax deductible to donors under Section 170 of the Internal Revenue Code. GAP is required to report unrelated business income to the IRS and the District of Columbia taxing authority. GAP did not have any unrelated business income for the years ended December 31, 2014 and 2013.

GAP has adopted the accounting of uncertainty in income taxes as required by the Income Taxes topic (Topic 740) of the FASB Accounting Standards Codification. Topic 740 requires GAP to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is more than fifty percent likely of being realized upon ultimate settlement, which could result in GAP recording a tax liability that would reduce GAP's net assets.

Management has analyzed GAP's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2011-2013), or expected to be taken in its 2014 tax return. GAP is not aware of any tax positions for which it believes that there is a reasonable possibility that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

Cash and Cash Equivalents

For financial statement purposes, GAP considers all bank cash accounts and bank money market accounts to be cash and cash equivalents.

Concentration of Credit Risk

GAP maintains cash deposits with various banks. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. GAP had bank deposits at one institution that exceeded the FDIC insurance level by \$20,853 and \$173,789 at December 31, 2014 and 2013, respectively. GAP has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash.

Inventory

GAP maintains an inventory of books held for resale. The inventory is valued at cost using the first-in, first-out method.

GOVERNMENT ACCOUNTABILITY PROJECT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Investments

At times, GAP receives contributions of marketable securities. These contributions are reported at fair market value at the time they are received. GAP's policy is normally to sell all stocks and bonds when received. During 2011, GAP received an estate bequest contribution of fixed income bonds. GAP maintained these fixed income bonds as investments as of December 31, 2014 and 2013. (See Notes 3 and 4)

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Accounts Receivable

Accounts receivable are reported at their outstanding balances.

Management periodically evaluates the adequacy of the allowance for doubtful accounts by considering past receivables loss experience, known and inherent risks in the accounts receivable population, adverse situations that may affect an entity's ability to pay, and current economic conditions.

Management determined the allowance for doubtful accounts balance as of December 31, 2014 and 2013 should be \$75,453 and \$56,899, respectively.

During the year ended December 31, 2014, bad debt expense totaled \$19,671 which consisted of direct write offs of \$18,554 and an adjustment to decrease allowance for doubtful accounts of \$1,117.

During the year ended December 31, 2013, bad debt expense totaled \$5,939 which consisted of direct write offs of \$6,119 and an adjustment to decrease allowance for doubtful accounts of \$180.

GOVERNMENT ACCOUNTABILITY PROJECT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 3 – FAIR VALUE MEASUREMENTS

In accordance with Fair Value Measurement and Disclosures topic (Topic 820) of the FASB Accounting Standards codification, GAP has categorized its financial instruments, based on the priority of the inputs to the valuations technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation technique as follows:

Level 1 – These are instruments where values are based on unadjusted quoted prices for an identical asset in an active market GAP has the ability to access.

Level 2 – These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 – These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect certain assumptions by management about the assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

Financial assets recorded on the Statement of Financial Position are categorized based on the inputs to the valuation technique as follows for the year ended December 31, 2014:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Asset Category -				
Money Market Funds	\$ 132,290	\$ -	\$ -	\$ 132,290
Total Money Market Funds	132,290	-	-	132,290
Fixed Income Bonds and Equities				
Fixed Income Bonds	306,005	-	-	306,005
Equities	7,822	-	-	7,822
Total Bonds and Equities	313,827	-	-	313,827
Total Investments	\$ 446,117	\$ -	\$ -	\$ 446,117

GOVERNMENT ACCOUNTABILITY PROJECT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Financial assets recorded on the Statement of Financial Position are categorized based on the inputs to the valuation technique as follows for the year ended December 31, 2013:

Asset Category -	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market Funds	\$ 46,558	\$ -	\$ -	\$ 46,558
Total Money Market Funds	46,558	-	-	46,558
Fixed Income Bonds and Equities				
Fixed Income Bonds	303,795	-	-	303,795
Equities	3,158	-	-	3,158
Total Bonds and Equities	306,953	-	-	306,953
Total Investments	\$ 353,511	\$ -	\$ -	\$ 353,511

NOTE 4 - INVESTMENTS

Investments are carried at quoted market value of securities. Investments are composed of the following as of December 31, 2014 and 2013:

	2014	2013
<b>INVESTMENTS</b>		
Corporate stocks, bonds and money market funds	\$ 446,117	\$ 353,511
<b>RETURN ON INVESTMENTS</b>		
Total market value of investments	\$ 446,117	\$ 353,511
Cost of investments	(415,660)	(348,060)
Unrealized (loss) gain, end of year	30,457	5,451
Unrealized (gain) loss, beginning of year	5,451	28,274
Unrealized gain, current year	25,006	(22,823)
Realized gain (loss)	(1,377)	-
Total net (loss) gain	23,629	(22,823)
Interest and dividends	18,430	18,683
<b>TOTAL RETURN/(LOSS) ON INVESTMENTS</b>	<b>\$ 42,059</b>	<b>\$ (4,140)</b>

GOVERNMENT ACCOUNTABILITY PROJECT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2014 and 2013:

	2014	2013
Furniture and fixtures	\$ 4,072	\$ 4,072
Equipment	74,575	71,024
	78,647	75,096
Less: accumulated depreciation	(70,220)	(62,426)
	\$ 8,427	\$ 12,670

NOTE 6 – LINES OF CREDIT PAYABLE

GAP has a line of credit with Wells Fargo Bank. Interest is computed at prime plus 1%, and is payable monthly with principal payable on demand. Amounts payable at December 31, 2014 and 2013 were \$40,745 and \$32,638, respectively. During 2014 \$16,623 was repaid and \$25,000 was drawn on this line of credit. During 2013, \$7,632 was repaid on this line of credit.

GAP has a line of credit with RBC Wealth Management. Interest is currently at 7.25%, and is payable monthly with principal payable on demand. Amounts payable at December 31, 2014 and 2013 were \$330,000 and \$100,000, respectively. During 2014 \$130,000 was repaid and \$360,000 was drawn on this line of credit. During 2013 \$200,000 was repaid and \$100,000 was drawn on this line of credit.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2014	2013
Restricted for time	\$ 650,000	\$ 236,881

Temporarily restricted net assets as of December 31, 2014 totaled \$650,000 of which \$0 had been received as of December 31, 2014 to be used in 2015 and \$650,000 had been recorded as grants receivable based on grant agreements in affect as of December 31, 2014 to be used during 2015 through 2017.

Temporarily restricted net assets as of December 31, 2013 totaled \$236,881 of which \$202,174 had been received as of December 31, 2013 to be used in 2014 and \$34,167 had been recorded as grants receivable based on grant agreements in affect as of December 31, 2013 to be used during 2014.

GOVERNMENT ACCOUNTABILITY PROJECT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 8 – LEASE COMMITMENTS

GAP leases office space in Washington D.C under an agreement which was amended on May 3, 2013 and extended the lease for a period of four years commencing on November 1, 2013 and terminating on October 31, 2017 with monthly payments of \$17,198, and provides for annual 3% rent increases. Total rent expense for this lease was \$207,404 and \$185,142 for the years ended December 31, 2014 and 2013, respectively.

As of December 31, 2014, the future minimum annual rental payments under the non-cancellable-operating lease for D.C. are:

<u>Future Minimum Rental Payments</u>	
2015	213,626
2016	220,035
2017	187,924
	<u>\$ 621,585</u>

NOTE 9 – PENSION PLAN

Beginning in January of 2005, GAP employees were given the option to enroll in a qualified 403(b) (7) plan under which GAP deducts a percentage of the participant's income each pay period up to the legally allowed limit per the employee's election. The plan includes an employer's contribution of 3% of the employee's gross salary, immediately vested, with employer contributions beginning after six months for new employees. Pension expense for the years ending December 31, 2014 and 2013 was \$40,949 and \$41,054, respectively.

NOTE 11 – GAP Litigation Fund

In September 2013, GAP established a Restricted Earmarked Fund Account (EFA) in the amount of \$100,000 with an outside Foundation of Philanthropic Funds (Foundation). The Foundation agrees that the assets will be invested and held in a money market account offered by one of the Foundation's independent fund managers. GAP retains the right to make written instructions with respect to distributions from the EFA to GAP. A fee of 15 basis points annually, based on the average daily value of the assets held in each EFA, is assessed quarterly to provide for costs of program administration.

During 2014, a distribution from the fund was authorized totaling \$20,654 and the fund earned \$398 of interest and paid \$149 of fees. The fund has a balance of \$79,691 as of December 31, 2014.



GOVERNMENT ACCOUNTABILITY PROJECT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 12 – SUBSEQUENT EVENTS

As required by the Subsequent Events topic (Topic 855) of the FASB Accounting Standards Codification, GAP has evaluated the impact of its financial statements and disclosures of certain transactions occurring subsequent to its year-end through May 12, 2015, which is the date GAP's financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

## Supplemental Information

GOVERNMENT ACCOUNTABILITY PROJECT  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014				2013			
	Program Services	Fundraising	General & Administrative	Total	Program Services	Fundraising	General & Administrative	Total
Salaries	\$ 1,252,138	\$ 78,217	\$ 150,881	<b>\$ 1,481,236</b>	\$ 1,339,928	\$ 44,066	\$ 73,354	<b>\$ 1,457,348</b>
Employee benefits and taxes	376,475	18,663	39,566	<b>434,704</b>	424,697	16,821	20,557	<b>462,075</b>
Total salaries and benefits	1,628,613	96,880	190,447	<b>1,915,940</b>	1,764,625	60,887	93,911	<b>1,919,423</b>
Advertising	2,535	71	208	<b>2,814</b>	3,835	36	39	<b>3,910</b>
Board expenses	4,129	199	505	<b>4,833</b>	2,831	234	175	<b>3,240</b>
Interest	4,052	85	213	<b>4,350</b>	1,941	11	20	<b>1,972</b>
Insurance - general	8,329	769	714	<b>9,812</b>	5,688	883	733	<b>7,304</b>
Deposition and arbitration fees	35,458	740	1,618	<b>37,816</b>	22,083	870	1,181	<b>24,134</b>
Direct mail	40,747	37,805	3,945	<b>82,497</b>	96,497	98,881	4,914	<b>200,292</b>
Dues and subscriptions	17,933	876	1,685	<b>20,494</b>	20,220	996	1,132	<b>22,348</b>
Equipment rental and repairs	6,804	350	742	<b>7,896</b>	7,896	274	337	<b>8,507</b>
Miscellaneous	4,956	231	522	<b>5,709</b>	5,198	277	324	<b>5,799</b>
Office rent and storage	179,586	9,643	21,016	<b>210,245</b>	169,878	9,507	8,496	<b>187,881</b>
Office supplies and expense	20,767	629	1,225	<b>22,621</b>	20,715	552	615	<b>21,882</b>
Postage	5,523	145	345	<b>6,013</b>	9,415	304	549	<b>10,268</b>
Printing and newsletter	52,216	734	5,911	<b>58,861</b>	98,409	790	3,388	<b>102,587</b>
Professional fees	501,548	32,831	26,382	<b>560,761</b>	744,675	35,986	29,333	<b>809,994</b>
Reports and publications	(1,075)	-	-	<b>(1,075)</b>	5,982	455	647	<b>7,084</b>
Telecanvassing	-	25,895	-	<b>25,895</b>	2,240	42,255	64	<b>44,559</b>
Telephone	21,336	1,074	2,335	<b>24,745</b>	20,462	1,096	994	<b>22,552</b>
Travel and meetings	56,158	342	872	<b>57,372</b>	84,564	1,253	1,523	<b>87,340</b>
Depreciation	6,539	383	871	<b>7,793</b>	6,840	139	741	<b>7,720</b>
<b>TOTAL EXPENSES</b>	<b>\$ 2,596,154</b>	<b>\$ 209,682</b>	<b>\$ 259,556</b>	<b>\$3,065,392</b>	<b>\$ 3,093,994</b>	<b>\$ 255,686</b>	<b>\$ 149,116</b>	<b>\$3,498,796</b>

GOVERNMENT ACCOUNTABILITY PROJECT  
SCHEDULE OF PROGRAM SERVICES EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<i>Environmental and Energy (includes Nuclear)</i>	<i>International</i>	<i>National Security</i>	<i>Food Integrity</i>	<i>Corporate / Government Accountability</i>	<i>PROGRAM TOTAL</i>
Salaries	\$ 21,237	\$ 103,365	\$ 238,359	\$ 290,525	\$ 598,652	\$ 1,252,138
Employee benefits and taxes	3,997	23,620	58,080	89,111	201,667	376,475
Total salaries and benefits	25,234	126,985	296,439	379,636	800,319	1,628,613
Advertising	37	251	457	679	1,111	2,535
Board expenses	36	259	642	1,041	2,151	4,129
Interest	24	178	275	425	3,150	4,052
Insurance - general	193	1,259	1,502	2,113	3,262	8,329
Deposition and arbitration fees	157	1,054	2,644	5,216	26,387	35,458
Direct mail	435	2,279	5,364	13,973	18,696	40,747
Dues, subscriptions and education	260	2,927	2,787	4,102	7,857	17,933
Equipment rental and repairs	82	743	1,033	1,621	3,325	6,804
Miscellaneous	42	436	1,377	992	2,109	4,956
Office rent and storage	2,006	12,278	27,731	45,164	92,407	179,586
Office supplies and expense	145	912	1,773	3,828	14,109	20,767
Postage	27	302	1,157	2,262	1,775	5,523
Printing and newsletter	473	3,430	7,935	12,431	27,947	52,216
Professional fees	44,814	38,754	34,541	129,250	254,189	501,548
Reports and publications	-	-	-	-	(1,075)	(1,075)
Telecanvassing	-	-	-	-	-	-
Telephone	231	2,015	3,397	5,055	10,638	21,336
Travel and meetings	76	12,532	9,526	9,242	24,782	56,158
Depreciation	63	750	911	1,557	3,258	6,539
TOTAL EXPENSES	\$ 74,335	\$ 207,344	\$ 399,491	\$ 618,587	\$ 1,296,397	\$ 2,596,154

See Auditor's Report and Notes to Financial Statements.

GOVERNMENT ACCOUNTABILITY PROJECT  
SCHEDULE OF PROGRAM SERVICES EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<i>Environmental and Energy (includes Nuclear)</i>	<i>International</i>	<i>National Security</i>	<i>Food Integrity</i>	<i>Corporate / Government Accountability</i>	<i>PROGRAM TOTAL</i>
Salaries	\$ 8,787	\$ 85,179	\$ 253,937	\$ 275,147	\$ 716,878	\$ 1,339,928
Employee benefits and taxes	2,773	19,787	61,205	91,028	249,904	424,697
Total salaries and benefits	11,560	104,966	315,142	366,175	966,782	1,764,625
Advertising	19	161	292	457	2,906	3,835
Board expenses	25	43	325	562	1,876	2,831
Interest	1	7	31	48	1,854	1,941
Insurance - general	105	172	1,265	2,213	1,933	5,688
Deposition and arbitration fees	113	4,919	2,918	4,202	9,931	22,083
Direct mail	427	3,667	12,316	19,003	61,084	96,497
Dues, subscriptions and education	113	3,405	3,076	4,848	8,778	20,220
Equipment rental and repairs	62	694	1,005	2,427	3,708	7,896
Miscellaneous	40	358	1,026	1,341	2,433	5,198
Office rent and storage	1,284	9,276	26,270	41,952	91,096	169,878
Office supplies and expense	83	901	1,674	2,886	15,171	20,715
Postage	46	1,199	1,447	1,676	5,047	9,415
Printing and newsletter	274	1,837	8,706	41,777	45,815	98,409
Professional fees	38,262	64,670	94,375	115,002	432,366	744,675
Reports and publications	55	189	962	1,562	3,214	5,982
Telecanvassing	5	12	240	261	1,722	2,240
Telephone	151	1,094	3,795	4,867	10,555	20,462
Travel and meetings	605	11,089	12,253	17,958	42,659	84,564
Depreciation	53	515	1,046	1,676	3,550	6,840
TOTAL EXPENSES	\$ 53,283	\$ 209,174	\$ 488,164	\$ 630,893	\$ 1,712,480	\$ 3,093,994