

# ANNUAL REPORT 2014



## In This Issue

Message from the President & CEO  
About Macfadden  
Project Highlights  
Financial Highlights  
Employee Ownership





## Message From the President & CEO

**David M. Binns**  
*President & CEO*

Macfadden turned in another successful year in 2014, generating revenue of more than \$34 million, up nearly 10% from the prior year, with solid profitability equal to approximately 4% of total revenues. Of particular note in terms of our financial performance, we were able to fully pay off the remaining debt associated with our ESOP buyout. As a result, the 2014 ESOP contribution will result in all of the ESOP shares being fully allocated to the accounts of eligible ESOP participants. That means that all of us as employee-owners collectively own 100% of Macfadden's stock free and clear through our respective ESOP accounts!

Revenue growth in 2014 was fueled by expansion of work on our flagship contract with USAID's **Bureau of Democracy, Conflict and Humanitarian Assistance (DCHA)**. Under this contract Macfadden supports the Office of U.S. Foreign Disaster Assistance (OFDA), the Office of Transition Initiatives (OTI) and other DCHA offices in their work to respond to international disasters and support countries undergoing challenging political and economic transitions. For the first time in its 50-year history, OFDA was obliged to respond to four concurrent Level-3 emergencies in 2014, fielding Disaster Assistance Response Teams (DARTs) to address the Ebola pandemic in West Africa, and providing assistance to the complex humanitarian crises in Northern Iraq, Syria and South Sudan. As the DCHA institutional

support contract, Macfadden personnel rose to the challenge, deploying to 12 different countries on DARTs, producing over 528 GIS maps to help analyze complex situations, processing nearly \$1 billion in assistance grants, reaching nearly 1 million people with public service announcements to facilitate international donations and coordinating.

Also at USAID, Macfadden continues to support the helpdesk for **Global Acquisition and Assistance System (GLASS)** that automates the procurement process from planning to award closeout, as well as assisting with the administration of approximately \$20 million in grants for the USAID **Office of American Schools and Hospitals Abroad (ASHA)**. We also continued our more than 20-years of support for the Department of State's Office of the **Coordinator of U.S. Assistance to Europe and Eurasia (EUR/ACE)** to develop, direct and administer economic, democracy, rule of law and security and law enforcement assistance programs. A key element of Macfadden's support for EUR/ACE has been for Operation Provide Hope, which over a 20-year period conducting more than 1,000 airlifts and nearly 25,00 surface shipments of food, relief supplies and medical supplies to countries of the Former Soviet Union.

Macfadden's international work also included an agribusiness support program

which provides training and production supplies to more than 300 farmers in **Iraqi Kurdistan**, including agricultural capacity surveys in 34 villages throughout Kurdistan.

Our work with the U.S. Coast Guard, another long-term Macfadden client, included support for **Coast Guard Headquarters (CG-84)**, the **Finance Center (FINCEN)**, the **Security Center (SECCEN)** and the **Asset Logistics Division (ALD) of the Command, Control, Communication, Computer and Information Technology (C4IT) Service Center**. Our work there includes financial management, audit preparation and remediation, property management, technical writing, logistics support and personnel security production support services. Macfadden also provided budget and financial services support to the **Transportation Security Administration's Office of Security and Capabilities**.

Macfadden continued its more than 12 years experience at the Treasury Department, providing debt management services and solutions for the **Debt Management Services Operations Center (DMSOC)**, in Birmingham, AL. Similarly, we continued our long-standing support for the Food and Drug Administration's Automated Drug Information Management System (ADIMS). Throughout 2014 Macfadden supported the FDA's Center for Drug Evaluation and Research (CDER) with a full range of support for the ADIMS Steady State

# About Macfadden

Program. This program represents ongoing efforts to unify the various systems that collectively support drug application review information management activities.

Macfadden's continuing success is predicated on our ability to broaden and enhance the range of skills and services needed to meet the evolving needs of our federal government clients in an increasingly competitive federal government market. We continue to actively pursue new market opportunities, develop partnerships with small and large businesses, and invest in staff training and enhanced corporate support services to foster continued growth in our targeted markets. Our well-earned reputation for providing dependable management of complex programs, often in difficult operating environments, will continue to be our focus as we pursue new growth opportunities.

Building shareholder value for our employee-owners means working to continuously improve the level of service that has made Macfadden an industry leader and to capture new opportunities to deliver high-quality solutions to support the safety and security of people, information and critical infrastructure assets around the world. Thank you for doing your part in helping us build on a nearly 30-year legacy of professionalism and quality service. Your hard work makes our success possible and we can all share in the pride of the success of our company.

Macfadden is an employee-owned, international, diversified professional services corporation committed to delivering results and exceeding expectations. We provide integrated information technology solutions and program management support services to federal agencies and commercial clients that impact the health, safety and security of the world around us.

With a proven record of performance, Macfadden has served many of our clients for 15 to 20 years. Our core business competencies include program management, financial management, knowledge management and information technology.

Headquartered in Silver Spring, Maryland, our staff of talented and highly skilled employees serves clients around the globe with multiple client sites worldwide.

- » **Program Management**
- » **Financial Management and Systems Support**
- » **Knowledge Management and Communications**
- » **Information Technology Solutions and Support**



We support government agencies responsible for the safety and security of citizens, information, and critical infrastructure assets around the world and programs that set standards for food safety and those who deliver aid to developing countries and to countries in crisis. We help develop secure information technology systems that protect critical national information systems. We support federal agency financial accounting systems and perform data entry tasks that are the foundation of responsible financial management. We are committed to delivering results and exceeding expectations through the innovative use of technology by our quality-minded staff.

## Project Highlights

### U. S. Agency for International Development (USAID)

For the past 21 years, Macfadden has been supporting the U.S. Agency for International Development's (USAID) mission to end extreme poverty and promote the development of resilient, democratic societies that are able to realize their potential. In 2014, Macfadden supported the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA) to respond quickly and effectively to disasters worldwide, assisted the Office of American Schools and Hospitals Abroad (ASHA) with development assistance to schools, libraries, and medical centers outside the United States and, helped the Global Acquisition and Assistance System (GLAAS) to ensure a high degree of worldwide consistency in acquisition-related business processes.

#### » USAID DCHA

DCHA is increasingly at the forefront of U.S. Government (USG) responses to complex humanitarian emergencies and disasters around the world. 2014 brought challenges on an unprecedented scale to DCHA and the Office of U.S. Foreign Disaster Assistance (OFDA) with four L3 emergencies. Macfadden successfully supported OFDA in fielding Disaster



Assistance Response Teams (DARTs) to address the Ebola pandemic throughout West Africa, assist the Yzidis in Northern Iraq, and continue support for the Complex Humanitarian Crisis in Syria and South Sudan. Macfadden contractor teams provided support to almost every office in the DCHA Bureau. Under our \$200 million prime institutional support contract, Macfadden continued to help ensure relief operations functioned smoothly and efficiently through the provision of services that included grants management; PSC recruitment and management; field program support; informational support services; cartographic and geographic support; training program development and administration; and administrative support services.

As a graduated small business, Macfadden recognizes the importance of small business participation in government contracting. In 2014, Macfadden made

substantial use of small business subcontractors under our DCHA contract. From the start of the contract, a key small business (SB) subcontractor, Greenleaf Integrative Strategies (Greenleaf) joined the team and was given responsibility for handling Personal Service Contracts (PSCs) recruiting and contracting services while training task was managed by a large company. Over the life of the contract, this SB partner was awarded nearly 50 percent of total subcontracted dollars and those revenues were a significant factor in that SB partner outgrowing the SB size standard by the time the original contract ended.

#### Commitment to Small Business

Macfadden has awarded 54% of total subcontracted dollars (over \$16 million) to small businesses under our DCHA institutional support contract.

## » USAID - DCHA Geographic Information Unit (GIU)

Supporting OFDA and the Office of Transition Initiatives (OTI), Macfadden GIS Analysts create custom maps, satellite images and other products that decision-makers and responders use to assess the impact of disasters. Macfadden provide expertise in cartography, custom programming, application development, remote sensing, and modeling. In 2014, Macfadden's GIS Analysts produced more than 528 maps including new maps and updates of existing ones, used in publications and briefings to the White House, Congress and senior policymakers. The OFDA GIS team also created an interactive time-series map of population displacement in South Sudan for Disaster Assistance Response Teams (DART) and Response Management Teams (RMT). For OFDA's 50th anniversary, the team completed an interactive web-based map.

## » USAID - DCHA Information Support Unit (ISU)

In 2014, Macfadden's team of over 20 Information Officers (IOs) produced information products including fact sheets, situation reports, policy papers and memos, case and briefing reports, and other documents as required, responding to a variety of needs for timely and reliable on the ground information. The number of humanitarian updates nearly doubled in FY14 Q4 compared to FY13 Q4. Macfadden IOs deployed to disaster sites collected and coordinated on-site information management and support regional offices, serving as members of DART and RMT.

**The ISU has produced over 1,233 products in 2014, including products for internal U.S. Government audiences, such as humanitarian updates, alerts, cables, dashboards, and cheat sheets, as well as public products, e.g., fact sheets and success stories.**

25 staff members were deployed to 12 countries where they served as part of DARTs supporting field-based coordination of USAID's humanitarian assistance. Additional staff members participated in RMTs to support the management of numerous humanitarian responses from Washington, DC.

## » USAID - DCHA Center for International Disaster Assistance (CIDI)

Macfadden manages the daily operations of USAID's DCHA CIDI, which works to inform the public, government agencies, the media, NGOs, Diaspora groups and others in the US about the best ways to provide donations that support international disaster relief. In 2014, USAID CIDI's Public Service Announcement (PSA) videos continued to penetrate new audiences and spread the message of appropriate monetary donations. To date, these PSAs have reached nearly one million people and have attracted over \$12.5 million in donated media. Also, USAID CIDI presented information to over 216 Diaspora groups and embassies on the subject of optimal donations during crises in their countries of origin. USAID CIDI reached out to the general American public through media placements in NPR's All Things Considered, The New York Times, Nonprofit Quarterly, Best Self magazine, The New York Amsterdam News, The Atlanta Tribune, AOL, Oregon Statesman-Journal, Huffington Post, The Washington Sun, The Washington Informer, Afro-American, and many more.

Throughout the Ebola Virus Disease response in West Africa, USAID CIDI was at the forefront of diaspora and appropriate donations and volunteering messaging. USAID CIDI partnered with the Ebola Response Management Team to create an Ebola landing page on [www.cidi.org](http://www.cidi.org) a private sector donation page, respond to donations questions, meet with diaspora groups, and maintain a list of 68 NGOs that were working on the ground in West



Africa. USAID CIDI staff also participated through thought leadership in events to help coordinate the Ebola response involving more than 1,000 attendees. CIDI also hosted a Diaspora, Donations and Disasters forum in the National Press Building. More than 50 people attended the forum which attracted over 19,000 impressions on Twitter and hundreds of people reached on Facebook.

## USAID - Global Acquisition and Assistance System (GLAAS) Operations & Maintenance

Macfadden currently supports USAID's agency-wide Global Acquisition and Assistance System (GLAAS), a computerized database used by USAID staff in Washington, D.C. and overseas that automates the procurement process from planning to award closeout. Macfadden provides Tier 2 and Tier 3 help desk support, in addition to system and application administration. The GLAAS Solution Center (SC) is responsible for analyzing issues and determining proper solution; if staff cannot resolve an issue at the Tier 2 level, it is escalated to the Tier 3 Help Desk to remedy. Macfadden provides USAID with top quality professional IT services and personnel to provide Operations and Maintenance (O&M) support and the Design, Modernization, and Enhancement (DME) of IT Systems and Infrastructure. In FY'14, the GLAAS Help Desk saw a tremendous increase in activity with more users accessing the system than ever before. The Macfadden team responded to and resolved twice as many Desk tickets than in FY '13.



## **USAID – Office of Schools and Hospitals Abroad (ASHA)**

---

In 2014, Macfadden completed its second year of outstanding institutional support under a prime contract with the USAID Office of American Schools and Hospitals Abroad (ASHA) assisting and administering approximately \$20 million in grants. ASHA is a public diplomacy program that provides development assistance to schools, libraries, and medical centers outside the United States that serve as study and demonstration centers for American ideas and practices. The Macfadden support team provided ASHA with a wide range of services including program management, monitoring and evaluation, financial analysis, communications analysis, information technology assistance, and administrative assistance. In addition to supporting ASHA in managing approximately 130 active grants and cooperative agreements in FY 2014, the Macfadden support team helped coordinate the technical evaluation of 130 applications and the award of 34 new agreements totaling \$23 million. The monitoring and evaluation team developed a comprehensive reporting tool, establishing performance milestones and standard indicators to better capture ASHA's strategic objectives of public diplomacy, gender equality and women's empowerment, community inclusion, innovation, and organizational strengthening. The finance team audited and provided in-depth recommendations to multiple U.S. non-profits, strengthening their capacity to manage U.S. government assistance.

The communications team successfully executed a three-day conference with attendance from partners worldwide as well as developed expert guidance to grant recipients on marking and branding regulations. The administrative team supported international travel and logistical arrangements for regional workshops as well as multiple TDYs worldwide.

## **U.S. Department of State – Office of the Coordinator of U.S. Assistance to Europe and Eurasia (EUR/ACE)**

---

Since 1993, Macfadden has supported EUR/ACE efforts to develop, direct and administer economic, democracy, rule of law, and security and law enforcement assistance programs. Over the life of the contract Macfadden also provided program monitoring and evaluation (M&E), IT support, and country assistance in addition to the OPH humanitarian assistance program. Our staff worked closely with U.S. government agencies, domestic and international organizations and foreign governments in delivering these programs. The Operation Provide Hope program officially ended in September, 2014, though Macfadden continues to support the EUR/ACE office. Operation Provide Hope made a tremendous difference in the lives of millions of people in these countries. Macfadden is proud to have been an important part of the program and to have helped OPH in their efforts to offer high quality medical care to millions, improve the quality of life for many vulnerable people residing in state orphanages, senior citizen homes and medical facilities, and provide

**Over the 23 years of the OPH program, 1,001 airlifts and 24,728 surface shipments of food, relief supplies, medicines, medical equipment, and medical supplies have been successfully delivered and distributed to beneficiaries and beneficiary institutions throughout the FSU.**

shelter, clothing and other relief to victims of natural disaster.

## **Agricultural Development Kurdistan**

---

In 2014, Macfadden's International Business Unit continued to grow with new and existing clients in Kurdistan. Our activities focus on the design and implementation of corporate social responsibility programs that improve livelihoods and strengthen local communities. Despite substantial disruptions to the Kurdish economy and increasing regional instability, Macfadden's team of international and Kurdish agribusiness experts provided training and production supplies to more than 300 farmers in addition to conducting agricultural capacity surveys in 34 villages throughout Kurdistan. In the year ahead, Macfadden's team will leverage our local knowledge to diversify our service offerings and will continue to build on our existing relationships and reputation to further our mission of investing in local communities to improve stability and create tangible, measurable returns on investment for our clients and local communities.

## **U. S. Coast Guard (USCG)**

---

Macfadden has proudly served the Coast Guard for over 25 years, earning trusted partner status through a combination of proactive problem solving, domain expertise, reliable execution, flexibility, and cost control. We are committed to helping the Coast Guard achieve organizational excellence, supporting mission-critical financial and personnel security systems and providing financial management and business operations support. Macfadden currently supports Coast Guard Headquarters (CG-84), the Finance Center (FINCEN), the Security Center (SECCEN) and the Asset Logistics Division (ALD) of the Command, Control, Communication, Computer and Information Technology (C4IT) Service Center.



## » **USCG- ALD C4IT Service Center**

During 2014 Macfadden continued to provide financial management, audit preparation and remediation, property management, technical writing, and logistics support services to the ALD C4IT Service Center. Currently supporting both the Financial Management and Internal Controls Branches, Macfadden staff members are located in Norfolk, Portsmouth, and Alexandria, VA, and Oakland, CA.

Notable accomplishments in 2014 included a year-long project of implementing a new enterprise tool to allow for the budget requestors to capture current year and future year budgeted/projected expenditures. In addition, they successfully executed the C4ITSC and CG-6 Budget Boards and ended both boards with a balanced FY '15 Budget. The Financial Execution team has been able to work closely with new customers and completed multiple tasks during this transition. Overall, 99.9% of all the funds were expended in FY'14 and all of the commitments were cleared.

Macfadden's logistics analyst and financial analyst played an instrumental role in Phase I and Phase II of introducing Higher Level Assembly Components System (HLA) aimed to improve the Coast Guard's ability to

accurately account for its inventory, improve the management of the property, and obtain a clean audit or unsolicited opinion. Macfadden's Quality Assurance Manager assigned to the Financial / Procurement Management Branch was tasked to review, edit, or revise 12 HLAs listed in CG-8 SharePoint totaling 1,179 components. Macfadden worked with the Inventory Management, Engineers, and the assigned HLA Managers in improving a tracking system for the surplus, locations, transfers, name, and part changes on all HLA and IEPs equipment at TISCOM. Macfadden also assisted in creating a service catalogue where they determined and recommended improvements in current standards and the implementation of Coast Guard wide alert for future changes. The Macfadden team analyzed and evaluated Coast Guard systems and upper management needs, documented requirements, defined scope and objectives, and formulated Access, SQL Server, and Microsoft Excel base templates to parallel overall business strategies.

## **U.S. Coast Guard – FINCEN**

Macfadden has been providing mission-critical support at the USCG FINCEN on a variety of projects for more than 15 years. During 2014 Macfadden continued to provide technical and functional systems support and Tier II and III end-user

support for the FINCEN Core Accounting System (CAS) to include Oracle Federal Financials, Financial Procurement Desktop (FPD), Contract Information Management System (CIMS) and other feeder systems and interfaces. Macfadden's FINCEN team provided critical functional business operational support for CAS modules (e.g. General Ledger, Purchasing, Accounts Payable, and Accounts Receivable). Key task areas supported included problem resolution, business process support, functional system support, Tier II and III functional support, functional testing, business or functional analysis, and reporting and customer support for USCG, the Transportation Security Administration (TSA) and the Domestic Nuclear Detection Office (DNDO).

Macfadden also supported critical or surge activities such as monthly reconciliations, abnormal balances, audit issues, year-end and month-end closings to include research and resolution of issues, and running data scripts. The Macfadden team provided support to have Markview users added to the yearly revalidation process - this validation process ensures that system users are authorized to have access to Markview. They provided system testing for Oracle 11g database upgrade - required for security compliance and also provided project management, analysis and testing

for the new ETS2 Travel System. Macfadden provided support and created reports for the Checkfree system upgrade and participated in the TASC BETC and TPMA testing.

## USCG - SECCEN

---

Throughout 2014 Macfadden continued to provide Personnel Security Production Support Services (PERSEC) for the USCG SECCEN in Chesapeake, Virginia. The Macfadden team provided end-user support to SECCEN Operational Partners who required assistance with PERSEC systems such as the Electronic Fingerprint Transaction System (EFTS) and the Electronic Questionnaires for Investigations Processing (eQIP) tool. Macfadden also continued to support the privately owned Vehicle Decal and Personnel Suitability Program by providing routine data analysis and reporting of cost and production metrics to support SECCEN resource planning. Macfadden stood up the USCG SECCEN CGPortal presence and assisted in the Federal manpower assessment review. Macfadden also supported the daily import/export of Adjudicative data on behalf of the USCG.

## USCG - Headquarters Technical Writing and Financial Systems Support

---

Macfadden provided the Office of Financial Policy & Systems, Financial Policy Division at USCG HQ in Washington DC with technical writing and financial management support. Technical writing activities focused primarily on the maintenance of the USCG Financial Resource Management Manual (FRMM). In addition, Macfadden provided financial support for the Assistant Commandant for Resources. Macfadden staff assisted with monitoring and reporting on prior year financial transitions and provided additional budget analysis support. Services provided included updating and maintaining key USCG publications including the Financial Management Support Manual and property management documents such as those

used to track disposal, decommissioning and retirement of USCG boats and vessels. Macfadden also created a lifecycle document detailing the publication process.

## Transportation Security Agency (TSA)

---

Macfadden provides Budget/Finance support to the TSA, Office of Security and Capabilities (OSC). This includes assisting the OSC staff within the various programs and the support organizations with business planning, budget presentation, and budget analysis and execution. Macfadden also procures services in preparation of integrated OSC budget documents by gathering and consolidating programmatic documents from the budget and finance staff within the various programs and support organizations within OSC. In 2014, the Macfadden team expanded their responsibility to include all Tracking Tool entries, Reconciliations, and Branch Level reporting within OSC. Macfadden also created and enhanced weekly and monthly reports extending the scope of tracked elements within OSC's FY14 budget of \$1.1 Billion. The team assisted with updating SOW, Work Instructions, and Budget Tool enhancement requirements for generation and testing.

## U.S. Department of the Treasury – Enterprise Content Management

---

Macfadden has proudly supported the Treasury Department's Financial Management Services (FMS) Debt Management Service Operations Center (DMSOC) for the past 12 years. Macfadden's Birmingham, AL-based IT team has successfully completed their fourth year on the current contract providing debt management services and solutions for the Debt Management Services Operations Center (DMSOC), a division of the U.S. Department of the Treasury. The key focus for DMSOC is to capture, store, and deliver critical business process documents using



Integrated Document Management System (IDMS) in order to facilitate efficient Inter-Agency debt collection.

The IDMS solution is supported by Macfadden on Treasury-FMS systems that are either currently operational or in production. Macfadden provides Tier 2 and Tier 3 support, and serves as a vital link between system owners, operators, and end users. Our onsite Senior System Engineers are responsible for monitoring, responding to, and resolving customer complaints received by telephone, by email, or through the FMS Service Desk.

The big spotlight for 2014 was the migration of IDMS to another data center. Previously, IDMS environments were hosted locally in Birmingham, but in 2014, new production

### Key Accomplishments for 2014:

- Transitioned Treasury's Record and Document Management System from 1-Tier Architecture to a 3-Tier Architecture which provides benefits/improvements such as scalability, security, performance, and availability.
- Relocated Treasury's Production Record and Document Management System from Birmingham to Kansas City which would have postponed a building move that occurs late spring if not completed before tax season.
- Completed major upgrade of Treasury's Record and Document Management System to latest release.



and development AIX environments were established and the applications, along with the 4 terabytes of data, were migrated. The goal is to have all applications out of the Birmingham location prior to the Birmingham building move in May 2015. The Macfadden team is working closely with Fiscal Service personnel in helping to meet their objective.

## **U. S. Department of Health & Human Services (HHS)**

---

Macfadden has provided exceptional program management and information technology solutions at HHS for over 20 years. Our work supports HHS' mission to advance public health, turning data into knowledge that improves operational performance and enhances critical decisions. We bring in-depth familiarity with HHS enterprise architecture and environments from both a technical and a business process perspective ensuring that systems and solutions meet the real, day-to-day needs of scientists and regulators.

## **Unified Financial Management System (UFMS)**

---

During 2014, Macfadden continued to provide program management support (PMO) to the HHS, Office of Finance, Office

of Program Management and Systems Policy in Washington, DC. Macfadden's team provided direct support to federal PMO personnel in areas such as IT Program/ Project Management, Oracle Business Intelligence and Oracle Federal Financials subject matter expertise, IT Audit Support/Internal Controls, Financial Systems Policy, and Acquisition Planning. The team provided varied support in a number of key areas. For example, to support the PMO in the management and operation of the HHS Enterprise Financial Business Intelligence System (FBIS), our SMEs participated in functional, user, and technical meetings; reviewed FBIS project plan activities and status; developed and submitted weekly Operations and System Health Reports; and continually updated the FBIS Risk Management Plan and Risk Register. Also, the team supported the A-123 Appendix D assessment of FBIS to include providing briefings on Controls List and Risks and conducting interviews with PMO, systems integrator, and IV&V team members. In support of the Policy Compliance Program, the team developed an OpDiv support documentation checklist, and organized policy documentation in the network directory. In the area of general departmental operations, we continued to develop and enhance policy and procedure documents, including the OFSPO Operations Reference Guide and

the COR's Quick Reference Guide for On-Boarding. We created a new on-boarding QA checklist to incorporate new forms and to address on-boarding risks.

## **Food and Drug Administration (FDA) Automated Drug Information Management System (ADIMS)**

---

Throughout 2014 Macfadden supported the FDA's Center for Drug Evaluation and Research (CDER) with a full range of support for the ADIMS Steady State Program. This program represents ongoing efforts to unify the various systems that collectively support drug application review information management activities within CDER through redesign and/or integration. In 2014, the Macfadden team developed and deployed four releases of LX systems and six releases of the SRSID application, each comprising major enhancements and additions. They developed, tested and readied a home-grown data masking solution for hiding sensitive sponsor data from the Development and Text environments. This project was later taken over by the Enterprise Data Masking team. The team also provided ongoing support to CDER's Electronic Submissions Processing (ESP) systems, which includes testing new releases of Global Submit tools and of CDER's proprietary Automated Submission Receipt (ASR) system, as well as daily helpdesk support to the entire CDER community.

## Financial Highlights & Employee Ownership

For the second consecutive year, Macfadden achieved 10% growth in revenue, to over \$34 million, with solid profitability. We were also able to pay off our remaining corporate debt associated with the two-stage ESOP buyout. Our work across eight different federal agencies, including significant growth on our institutional support contract with USAID's DCHA bureau was key to our strong financial performance. New opportunities in international agricultural development and capacity building hold promise for continued expansion into new markets and we continue to invest in new business development initiatives to pursue future growth opportunities.

All of Macfadden's stock is held by an Employee Stock Ownership Plan (ESOP) which acquired the shares from our founder, Jim Macfadden, in two separate transactions in 2004 and 2007. With the final ESOP debt payment completed, the 2014 ESOP contribution will result in all of the ESOP's shares being allocated to the accounts of all eligible full-time employees of Macfadden who are at least 18 years of age, have worked a minimum of 900 hours in a given year, and who are employees in good standing as of the end of the plan year (December 31).

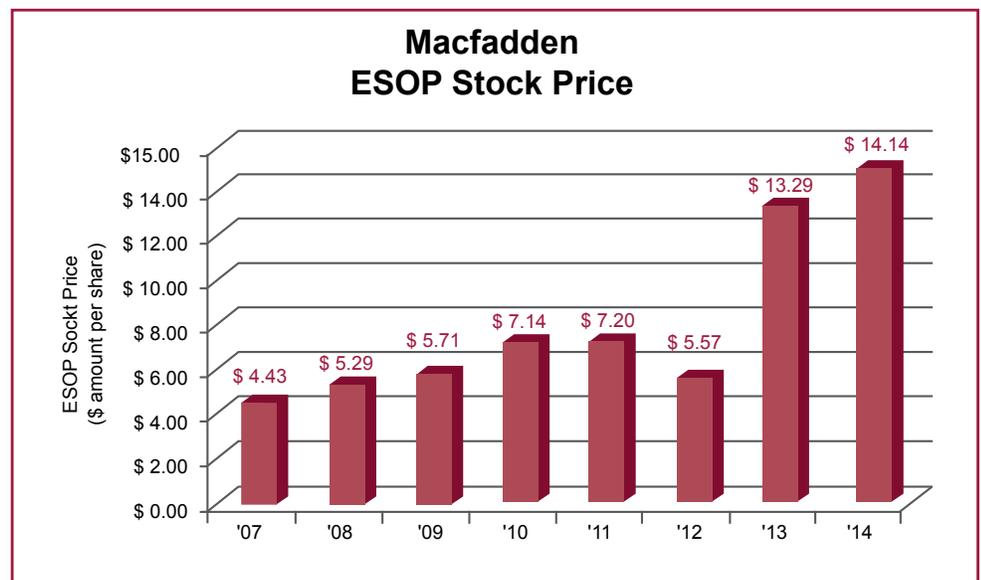
As a federally regulated employee benefit retirement plan, the Macfadden ESOP is invested exclusively in the stock of Macfadden itself, enabling employees

to benefit from the growth in the value of the company. In 2014 the Company repurchased nearly \$350,000 of stock from departed employees and contributed an amount equal to 3.5 percent of annual pay to qualified ESOP participants. (The Company also contributes up to 2 percent of annual pay in the form of matching contributions to employees who participate in the Macfadden 401K plan).

An ESOP Committee comprised of senior managers oversees the administration of the plan. Macfadden's ESOP is represented by an independent trustee who ensures the plan is managed exclusively in the interest of plan participants by monitoring the valuation process and voting the shares. An independent financial services firm conducts an annual appraisal of the ESOP stock to determine its fair market

value, and the plan's accounts are managed by a third-party administrator.

The independent ESOP appraiser determines the fair market value of the stock based on a variety of factors including the Company's current revenues and

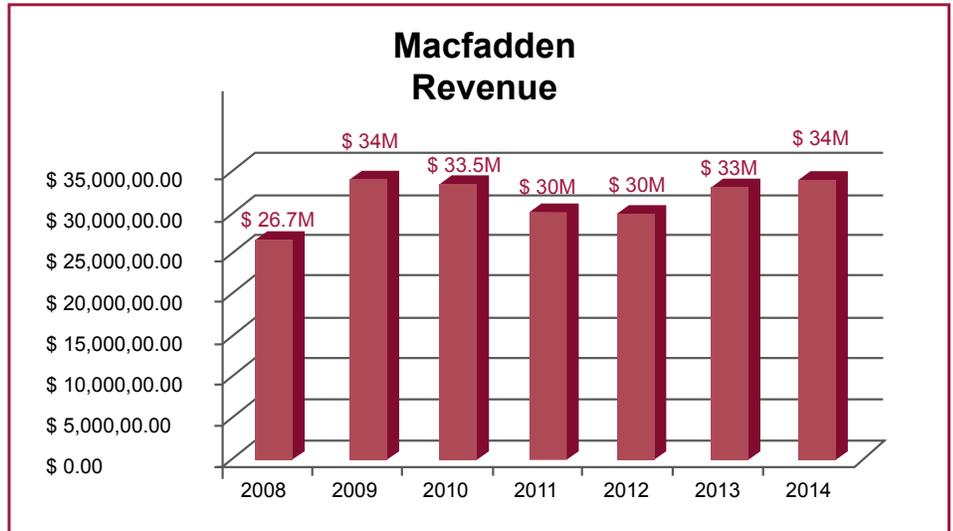


earnings, corporate assets, projected revenues and profitability, future growth potential, the performance of comparable companies, industry trends and the general economic outlook. In 2013, the ESOP appraiser valued Macfadden's stock at \$13.29 per share, more than double the value from the prior year. In 2014 our consistent growth in revenue and ability to pay off the remaining ESOP debt enabled us to sustain that increase in shareholder value, resulting in a 2014 ESOP valuation of \$14.14 per share, an increase of nearly 7% from the prior year.

The long-term value of the ESOP's stock is ultimately determined by our ability to effectively compete for new business to expand and diversify our business. While there is no way to guarantee the future value of the ESOP, working together to deliver outstanding service is how we

can continue to distinguish ourselves as a professional services company and to build shareholder value for all of our employee-owners. The many positive performance assessments we received from our clients over the past year are a testament to the hard work and quality of

service Macfadden employees provide to our clients every day. That performance has been and will continue to be the backbone of our success.





Connect with us...



[www.facebook.com/  
macfadden](http://www.facebook.com/macfadden)



[www.twitter.com  
@macfonline](http://www.twitter.com/@macfonline)



[www.linkedin.com/  
company/macfadden](http://www.linkedin.com/company/macfadden)