

2011

## Financial Statements (Unaudited)

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Year Ended December 31, 2011

# **AVIATION EDUCATION FOUNDATION OF COLORADO, INC.**

# Aviation Education Foundation of Colorado, Inc.

## December 31, 2011

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### Contents

STATEMENT OF FINANCIAL POSITION (Unaudited).....	3
STATEMENT OF ACTIVITIES (Unaudited) .....	5
NOTES TO FINANCIAL STATEMENTS (Unaudited) .....	7
<i>NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION</i> .....	7
<i>NOTE 2 – RESTRICTIONS ON NET ASSETS</i> .....	9
<i>NOTE 3 – UNRESTRICTED NET ASSETS</i> .....	9
<i>NOTE 4 – DONATED SERVICES AND GIFTS-IN-KIND</i> .....	10
<i>NOTE 5 – SCHOLARSHIPS PAID</i> .....	11
<i>NOTE 6 – AVIATION SUMMER ACADEMY EXPENSES AND SUPPORT</i> .....	13

**DISCLAIMER:** Aviation Education Foundation of Colorado, Inc. has prepared these unaudited financial statements. In the opinion of the directors, the unaudited financial statements include all adjustments considered necessary for a fair presentation of its financial position and results of operations for the periods presented.

**Aviation Education Foundation of Colorado, Inc.**  
**December 31, 2011**

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**STATEMENT OF FINANCIAL POSITION (Unaudited)**

<b>ASSETS</b>	<b>As at 12/31/2011</b>	<b>As at 12/31/2010</b>
<b>Cash</b>		
Checking Account - Regular	6,281.11	5,920.81
Checking - Scholarship (Gonzalez)	550.00	550.00
Checking - Scholarship (Bartlett)	0.00	0.00
Checking - Scholarship (Susemihl)	385.00	385.00
Checking - Scholarship (Matching)	191.00	23.00
<b>Total Checking Account</b>	<b>7,407.11</b>	<b>6,878.81</b>
Petty Cash	0.00	0.00
Savings	0.00	0.00
<b>Total Other Cash</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Cash</b>	<b>7,407.11</b>	<b>6,878.81</b>
<b>Other Current Assets</b>		
Accounts Receivable - Pledges	0.00	0.00
In-Kind Assets For Sale	0.00	0.00
Prepaid Program Expenses	728.60	0.00
Prepaid Expenses	0.00	0.00
<b>Total Other Current Assets</b>	<b>728.60</b>	<b>0.00</b>
<b>Fixed Operating Assets</b>		
Fixed Assets - Furniture, Equip	0.00	0.00
Accum Deprec - Fixed Assets	0.00	0.00
<b>Total Fixed Assets</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL ASSETS</b>	<b>8,135.71</b>	<b>6,878.81</b>
	=====	=====
<b>LIABILITIES</b>		
<b>Payables</b>		
Accounts Payable	0.00	0.00
<b>Total Payables</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL LIABILITIES</b>	<b>0.00</b>	<b>0.00</b>
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**Aviation Education Foundation of Colorado, Inc.**  
**December 31, 2011**

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**EQUITY**

**Net Assets**

Unrestricted Net Assets	6,281.11	5,920.81
Temporarily Restricted Net Assets	919.60	23.00
Permanently Restricted Net Assets	935.00	935.00
<b>Total Net Assets</b>	<b>8,135.71</b>	<b>6,878.81</b>

**TOTAL EQUITY**

**8,135.71**                      **6,878.81**

**LIABILITIES AND EQUITY**

<b>8,135.71</b>	<b>6,878.81</b>
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# Aviation Education Foundation of Colorado, Inc.

## December 31, 2011

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### STATEMENT OF ACTIVITIES (Unaudited)

REVENUE	2011	2010
<b>Revenue From Direct Contributions</b>		
Individual/Business Contributions	3,075.00	2,650.00
Corporate Contributions	0.00	0.00
<b>Total Direct Contributions</b>	<b>3,075.00</b>	<b>2,650.00</b>
<b>Donated Goods &amp; Services Revenue</b>		
Donated Professional Services	1,573.00	400.00
Donated Other Services	2,975.00	2,135.00
Donated Use Of Facilities	480.00	300.00
Donated Use Of Equipment	1,500.00	1,500.00
Gifts-In-Kind - Goods	4,363.14	1,516.05
<b>Total Donated Goods &amp; Services</b>	<b>10,891.14</b>	<b>5,851.05</b>
<b>Investment Revenue</b>		
Interest Income	15.59	55.72
<b>Total Investment Income</b>	<b>15.59</b>	<b>55.72</b>
<b>Special Event Revenue</b>		
Special Event - Gift	0.00	0.00
Special Event - Non-gift	2,450.00	4,200.00
<b>Total Special Event Revenue</b>	<b>2,450.00</b>	<b>4,200.00</b>
<b>TOTAL REVENUE</b>	<b>16,431.73</b>	<b>12,756.77</b>
<hr/>		
<b>EXPENSE</b>		
<b>Scholarships &amp; Other Assistance</b>		
Scholarships & Grants	661.40	2,842.74
Specific Assistance	0.00	0.00
<b>Total Scholarships &amp; Grants</b>	<b>661.40</b>	<b>2,842.74</b>
<b>Contract Services Expenses</b>		
Donated Professional Services	0.00	0.00
Donated Introductory Flights	0.00	0.00
Donated Professional Fees	560.00	400.00
<b>Total Contract Services Expense</b>	<b>560.00</b>	<b>400.00</b>

# Aviation Education Foundation of Colorado, Inc.

## December 31, 2011

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### General Administrative Expenses

Donated Materials & Supplies	3,863.14	1,189.80
Donated Facilities	480.00	300.00
Books, Subscriptions, References	0.00	0.00
Supplies	132.85	0.00
Postage & Shipping	17.28	0.00
Printing & copying	18.98	0.00
Advertising, Web Services	157.35	127.85
Miscellaneous Expense	0.00	0.00
Filing / Legal Expenses	0.00	0.00
<b>Total General Admin Expenses</b>	<b>4,669.60</b>	<b>1,617.65</b>

### Summer Academy Expenses

Certified Flight Instructors	348.00	0.00
Airplane Rental	1,701.90	300.75
Fuel Expense	351.93	1,106.83
Food Service	1,093.28	1,048.76
General Operating	300.72	0.00
Donated Fuel Expense	0.00	326.25
Donated Aircraft Rental	1,500.00	1,500.00
Donated Flight Instruction	1,013.00	0.00
Donated Demonstration Flights	2,975.00	2,135.00
<b>Total Summer Academy Expenses</b>	<b>9,283.83</b>	<b>6,417.59</b>

<b>TOTAL EXPENSE</b>	<b>15,174.83</b>	<b>11,277.98</b>
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<b>NET INCOME</b>	<b>1,256.90</b>	<b>1,478.79</b>
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# Aviation Education Foundation of Colorado, Inc.

## December 31, 2011

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### NOTES TO FINANCIAL STATEMENTS (Unaudited)

#### *NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION*

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

#### **A. Business Operations**

The Aviation Education Foundation of Colorado, Inc. (AEFCO) was incorporated in Colorado in 2002 as a “nonprofit” corporation. AEFCO was organized to provide training and/or scholarships for youth with a desire to enter the aviation industry, to provide a knowledge base that keeps pace with aviation’s continual and rapid advancement for general aviation enthusiasts, students, general aviation pilots, aircraft designers and builders. To accomplish its objectives, AEFCO operates these programs:

- The Aviation Summer Academy is an 8-day “camp” where young people learn about aircraft systems, aerodynamics, weather, navigation and take special VIP tours of the Colorado Springs Air Traffic Control Facility and 302nd Airlift Wing, Peterson AFB. Certified Flight Instructors provide flight training and volunteer private pilots supplement with demonstration flights.
- Private Pilot Exam Prep Course is a year-long program where students meet twice monthly to prepare to pass the FAA Knowledge Exam.
- Scholarships/Grants
  - AEFCO Matching Fund Grant - AEFCO will offer Matching Fund Grants to selected students who can show an equal amount of funds being placed on deposit with an approved Certified Flight Instructor (CFI) or Fixed Base Operator (FBO) for flight instruction.
  - Hank Bartlett Scholarship – AEFCO funds may be authorized by the Board for an applicant who demonstrates need.
  - Pedro “Pete” Gonzalez Memorial Scholarship - is funded by EAA Chapter 72. AEFCO Board selects recipients who demonstrate a financial need.
  - Carl Susemilh Memorial Grant – is open to students who require assistance paying the Knowledge Test fees.

# Aviation Education Foundation of Colorado, Inc.

## December 31, 2011

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### **B. Basis of Accounting**

AEFCO follows standards of accounting and financial reporting prescribed for nonprofit organizations. AEFCO uses the cash basis of accounting, which recognizes revenue when cash is actually received and expenses are recorded when they are actually paid.

### **C. Basis of Presentation**

Under of the provisions of generally accepted accounting principles, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of AEFCO and changes therein are classified and reported as follows:

Unrestricted net assets are not subject to donor-imposed stipulations. Board designated or appropriated amounts are legally unrestricted and are reported as part of the unrestricted class.

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of AEFCO or the passage of time.

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by AEFCO.

### **D. Revenue Recognition**

Contributions are recognized when received from the donor. Contributions that are not restricted by the donor are reported as increases in unrestricted net assets.

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.

Sales and special events revenue are recognized when received.

### **E. Tax Exemption**

The Internal Revenue Service has determined AEFCO to be exempt from federal income tax under Section 501(c)(3) of the internal Revenue Code. AEFCO has been classified as a publicly supported organization which is not a private organization under Section 509(a) of the Code.



# Aviation Education Foundation of Colorado, Inc.

## December 31, 2011

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AEFCO is not aware of any uncertain tax positions that would require disclosure or accrual in accordance with generally accepted accounting principles.

### F. Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles.

#### *NOTE 2 – RESTRICTIONS ON NET ASSETS*

Temporarily restricted net assets at December 31, 2011, consisted of assets supporting the AEFCO Matching Fund Grant. Direct donations are deposited under the Matching Grant fund. To mitigate interruption of student’s flight training, AEFCO entered into an agreement in 2011 to place funds on deposit with Springs Aviation to be transferred to a student when a Matching Grant was awarded or renewed by AEFCO. Those temporarily restricted assets are reflected as Prepaid Program Expenses at December 31, 2011.

AEFCO Matching Grant Fund	\$ 191.00
Prepaid Program Expenses	\$ 728.60

See Note 6 for additional information for scholarship payments.

Permanently restricted net assets consist of assets to be held indefinitely until used and consisted of the following at December 31, 2011:

Scholarship/Grant	Purpose	
Pedro “Pete” Gonzalez Memorial Scholarship	Flight Training based on financial need	\$ 550.00
Carl Susemihl Memorial Grant	Knowledge Test fees	385.00
		=====
		<b>\$ 935.00</b>

#### *NOTE 3 – UNRESTRICTED NET ASSETS*

Unrestricted net assets at December 31, 2011, consisted of the following of undesignated funds of \$ 6,281.11.

# Aviation Education Foundation of Colorado, Inc.

## December 31, 2011

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### *NOTE 4 – DONATED SERVICES AND GIFTS-IN-KIND*

Donated services are recognized at fair value when received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

Donated Professional Services - AEFCO recognizes donated flight instruction by Certified Flight Instructors as donated professional services. During the year ended December 31, 2011, donated professional services consisted of:

Donor	Description of Service	Value
JTQ Aviation	Flight Instruction	\$ 513.00
Dave Elliott	Flight Instruction	\$ 500.00
Jerry Limoge, AME	Student Medical Exams (7)	\$ 560.00
		<b>\$ 1,573.00</b>

Donated Other Services - Substantial services are provided by non-compensated private pilots performing demonstration flights with students during the Aviation Summer Academy. Pilots are donating their time, airplane, and all associated expenses. **AEFCO is conservatively applying a value of \$35.00 per flight derived from direct expenses.** Direct expenses include fuel and oil directly consumed by the aircraft in the demonstration flight and transportation to get to and from the airport.

Donor	Aircraft	Flights	Value
Clothier, William	Bonanza F35	19	\$665.00
Densmore, James	Cessna 180	8	\$280.00
Elliott, David	J-3 Cub	3	\$105.00
Hall, Robert	RV-6A	5	\$175.00
Sanders, Burrall	Coze IIIx	13	\$455.00
Shook, Mark	Cessna 150	2	\$70.00
Shook, Thomas	Cessna 150	3	\$105.00
Varnedoe, Wyman	RV-8	10	\$350.00
Wolford, Lee	RV-4	22	\$770.00
			=====
	<b>Total Donated Other Services</b>		<b>\$2,975.00</b>

AEFCO also receives donated services that do not require specific expertise but which are nonetheless central to AEFCO's operations. The estimated value of these services for the year ended December 31, 2011, based on the estimated dollar value of volunteer time calculated by *Independent Sector* of \$21.36 per hour, amounts to approximately \$10,680. In accordance with GAAP the value of these services is not reflected in the financial statements.

# Aviation Education Foundation of Colorado, Inc.

## December 31, 2011

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Donated Use of Facilities - Facilities and associated operating expenses are donated to AEFCO by the Meadow Lake Airport Association. At December 31, 2011, that amount was \$480.00.

Donated Use of Equipment - During the Aviation Summer Academy, Springs Aviation donated an aircraft and CFI to provide flight instruction. At December 31, 2011 that amount was \$1500.00.

Gifts-in-Kind Goods – Goods received are valued at the retail cost, if AEFCO were required to purchase, or the fair market assessment, usually upon sale of donated goods. Gifts-in-Kind at December 31, 2011, consisted of:

Donor	Description of Goods	Amount	How Valued?
Jeppesen Foundation	Part 61 Private Pilot Kits, FAR/AIMS Manuals, Textbooks, Test Banks, Plotters	\$ 3,637.14	Retail
MyPilot Store	Charts	\$ 226.00	Retail
John Galbraith	RV4 Empenage Kit	\$ 500.00	Fair Market (Sold)
		<b>\$ 4,363.14</b>	

### ***NOTE 5 – SCHOLARSHIPS PAID***

While not required, the majority of the scholarships awarded for flight training are matching scholarships. The recipient or family is required to pay for flight training up to the authorized amount before AEFCO funds can be applied. Donations received specifically for the Matching Scholarship are recognized as temporarily restricted net assets and disbursed accordingly. The AEFCO Board may authorize Matching Scholarships from those donations that are unrestricted net assets.

#### Matching Scholarships Paid - Summary

	2011	2010
Specified Individuals (Unrestricted)	\$ 640.00	\$ 1,365.74
Specified Individuals (Temporarily Restricted)	\$	\$ 1,477.00
Prepay Program (Temporarily Restricted)	\$ 21.40	
Total – Matching Scholarships Paid	<u>\$ 661.40</u>	<u>\$ 2,842.74</u>

## Aviation Education Foundation of Colorado, Inc. December 31, 2011

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### Matching Scholarships Paid - Detail

Recipient	Authorized	Paid 2011	Paid 2010	Remaining
<b>Matching (Unrestricted)</b>				
Dan Sawyer	\$165.74		\$165.74	
Luke Billingsley	\$600.00		\$600.00	
Tyler Wilson	\$1,000.00	\$340.00	\$600.00	\$60.00
Craig Miller	\$300.00	\$300.00		
<b>Total Matching (Unrestricted)</b>		<b>\$640.00</b>	<b>\$1,365.74</b>	
<b>Matching (Temporarily Restricted)</b>				
Jeremy Worley	\$300.00		\$300.00	
Luke Billingsley	\$600.00		\$600.00	
Craig Miller	\$600.00		\$577.00	\$23.00
<b>Total Matching (Temporarily Restricted)</b>			<b>\$1,477.00</b>	
<b>Prepay (Temporarily Restricted)</b>				
Tyler Wilson	\$147.00	\$147.00		
Esther Tschappler (Return)		(\$125.60)		
<b>Total Prepay (Temporarily Restricted)</b>		<b>\$21.40</b>		
<b>Total Scholarships Paid</b>		<b>\$661.40</b>	<b>\$2,842.74</b>	<b>\$83.00</b>

### AEFCO Matching Fund Grant (Temporarily Restricted)

Description	Checking		Prepay Program
	2010	2011	2011
Donations	\$1,500.00	\$750.00	\$750.00
Adjustments		\$168.00	\$125.60
Payments	\$1,477.00	\$750.00	\$147.00
<b>Total</b>	<b>\$23.00</b>	<b>\$168.00</b>	<b>\$728.60</b>

Temporarily Restricted at December 31, 2011 - \$ 919.60

# Aviation Education Foundation of Colorado, Inc.

## December 31, 2011

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### *NOTE 6 – AVIATION SUMMER ACADEMY EXPENSES AND SUPPORT*

The Aviation Summer Academy has become a cornerstone program for AEFCO. Students attend an 8-day “camp” in June where they are introduced to motivational speakers from both private and military careers. They tour aviation businesses that construct or assist builders of experimental aircraft and maintenance hangars for commercial airlines. Consistently the favorite activity is flying, both flight instruction and demonstration flights. In 2011 more than 69% of the flying made available to students was donated by flight schools, Certified Flight Instructors, and private pilots who support the program.

Category	Expenses		
	Donated	Paid	Total
Flying Activities	5488.00	2401.83	7889.83
Meals/General Expenses		1394.52	1394.00
<b>Total</b>	<b>5488.00</b>	<b>3796.35</b>	<b>9283.83</b>

**Aviation Education Foundation of Colorado, Inc.**  
**December 31, 2011**

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