

2014

Financial Statements (Unaudited)

Year Ended December 31, 2014

AVIATION EDUCATION FOUNDATION OF COLORADO, INC.

Aviation Education Foundation of Colorado, Inc.

December 31, 2014

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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.
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STATEMENT OF FINANCIAL POSITION (Unaudited)

ASSETS	As at 12/31/2014	As at 12/31/2013
Cash		
Checking Account - Regular	4,916.42	2,474.35
Checking - Scholarship (Gonzalez)	550.00	550.00
Checking - Scholarship (Bartlett)	0.00	0.00
Checking - Scholarship (Susemihl)	235.00	235.00
Checking - Scholarship (Matching)	0.00	100.00
Total Checking Account	5,701.42	3,359.35
Petty Cash	0.00	0.00
Savings	0.00	0.00
Total Other Cash	0.00	0.00
Total Cash	5,701.42	3,359.35
Other Current Assets		
Accounts Receivable	0.00	0.00
Grants Receivable	20,080.00	50,000.00
In-Kind Assets For Sale	700.00	0.00
Prepaid Program Expenses	170.72	128.60
Prepaid Expenses	0.00	0.00
Total Other Current Assets	20,950.72	50,128.60
Fixed Operating Assets		
Fixed Assets - Furniture, Equip	0.00	0.00
Accum Deprec - Fixed Assets	0.00	0.00
Total Fixed Assets	0.00	0.00
TOTAL ASSETS	26,652.14	53,487.95
	=====	=====
LIABILITIES		
Payables		
Accounts Payable	0.00	0.00
Deferred Revenue	20,080.00	50,000.00
Notes Payable	0.00	0.00
Total Payables	20,080.00	50,000.00
TOTAL LIABILITIES	20,080.00	50,000.00

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STATEMENT OF ACTIVITIES (Unaudited)

REVENUE	1/1/2014 to 12/31/2014	1/1/2013 to 12/31/2013
Revenue From Direct Contributions		
Individual/Business Contributions	6,435.00	7,305.00
Corporate/Trust Contributions	0.00	1,000.00
Grants	29,920.00	0.00
Total Direct Contributions	36,355.00	8,305.00
Donated Goods & Services Revenue		
Donated Professional Services	10,145.00	4,229.50
Donated Other Services	4,560.00	5,820.00
Donated Use Of Facilities	320.00	320.00
Donated Use Of Equipment	3,750.00	5,924.50
Gifts-In-Kind - Goods	2,723.31	259.00
Total Donated Goods & Services	21,498.31	16,553.00
Investment Revenue		
Interest Income	1.51	2.69
Total Investment Income	1.51	2.69
Special Event Revenue		
Special Event - Gift	476.00	0.00
Special Event - Non-gift	115.00	0.00
Total Special Event Revenue	591.00	0.00
TOTAL REVENUE	58,445.82	24,860.69
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EXPENSE		
Scholarships & Other Assistance		
Scholarships & Grants	21,379.55	7,050.00
Specific Assistance	487.50	0.00
Total Scholarships & Grants	21,867.05	7,050.00
Professional Services Expenses		
Donated Flight Training	3,611.00	547.00
Donated Orientation Flights	0.00	0.00
Donated Professional Fees	2,250.00	1,500.00

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Donated Aircraft - Training	0.00	475.00
Total Professional Services Expense	5,861.00	2,522.00
 General Administrative Expenses		
Donated Materials & Supplies	1,898.31	259.00
Donated Facilities	320.00	320.00
Books, Subscriptions, References	390.76	0.00
Supplies	0.00	275.93
Postage & Shipping	0.00	0.00
Printing & copying	0.00	0.00
Advertising, Web Services	0.00	0.00
Miscellaneous Expense	52.59	200.71
Filing / Legal Expenses	0.00	0.00
Fundraising Expenses	115.00	0.00
Donated Fundraising Expense	125.00	0.00
Total General Admin Expenses	2,901.66	1,055.64
 Summer Academy Expenses		
Flight Instructors	650.00	400.00
Airplane Rental	9,950.66	0.00
Fuel Expense	234.94	2,616.64
Food Service	1,302.32	1,239.42
General Operating	0.00	0.00
Donated Fuel Expense	0.00	0.00
Donated Aircraft	3,750.00	5,449.50
Donated Flight Training	4,284.00	2,182.50
Donated Orientation Flights	4,560.00	5,820.00
Total Summer Academy Expenses	24,731.92	17,708.06
 TOTAL EXPENSE	 55,361.63	 28,335.70
 NET INCOME	 3,084.19	 (3,475.01)
	=====	=====

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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.

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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.

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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 – REVENUE FROM GRANTS

The Colorado Department of Transportation (CDOT) Aeronautical Board awarded an Education Grant in the amount of \$50K with matching funds \$5555.00 required from AEFCO. The Grant Agreement was signed by David Gordan, Aeronautics Division Director and became effective on December 6, 2013. The Grant expires June 2016.

Description	Debit	Credit
Grants Receivable	\$ 20,080.00	
Deferred Revenue		\$ 20,080.00

Grants Receivable and Deferred Revenue represent funds remaining that will be awarded as flight scholarships through June 2016.

Draws against the grant in the amount of \$29,920.00 were reimbursements for flight scholarships awarded by AEFCO to students and flight training during the summer program that was paid by AEFCO.

NOTE 3 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets consist of donations whose use is restricted by time or purpose. Throughout the year, donations were received designated for the AEFCO Matching Grant Fund. At December 31, 2014, \$100 of those funds remained unused and reverted to Unrestricted net assets. In addition, 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 grant was awarded or renewed by AEFCO. Those temporarily restricted assets are reflected as Prepaid Program Expenses at December 31, 2014.

Prepaid Program Expenses \$ 170.72

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See Note 7 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, 2014:

Scholarship/Grant	Purpose	
Pedro "Pete" Gonzalez Memorial Scholarship	Flight Training based on financial need	\$ 550.00
Carl Susemihl Memorial Grant	Knowledge Test fees	235.00
		=====
		\$ 785.00

NOTE 4 - UNRESTRICTED NET ASSETS

Unrestricted net assets at December 31, 2014, consisted of the following of undesignated funds of \$ 2,532.23.

NOTE 5 - 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 has support of Certified Flight Instructors (CFI) who provide flight instruction and waive the fees that would normally be charged. At December 31, 2014, CFI's donated \$3,564.00 as detailed below:

Donor	Description of Service	Value
Henry Bartlett	Flight Instruction	\$3,282.00
Gus Ziekle	Flight Instruction	\$270.00
Bobby Hosmer	Flight Instruction	\$769.50
Dave Elliott	Flight Instruction	\$2,335.50
Jeremy Bushnell	Flight Instruction	\$648.00
Kevin Mastanik	Flight Instruction	\$589.50
		\$7,895.00

Before a new pilot can perform their first flight by themselves, they must carry a combined Student Pilot Certification and Medical. At December 31, 2014, 15 students received their examination and certificate from Senior Aviation Medical Examiner, Brigadier General Jerome Limoge valued at \$150 each for a total of \$2,250.00.

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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 \$60.00 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.

<i>Donor</i>	<i>Aircraft</i>	<i>Flights</i>	<i>Amount</i>
Bookman, Benjamin I	Cherokee 180	2	\$120.00
Clothier, William H	Bonanza F35	10	\$600.00
Hall, Robert J	RV-6A	10	\$600.00
Henry, Hollis B	RV-8	10	\$600.00
Sanders, Burrall	Cozy IIIx	5	\$300.00
Tomlinson, Tracy	Trike	2	\$120.00
Varnedoe, Wyman E	RV-8	10	\$600.00
Wiltrout, Boyce W	RV-6A	3	\$180.00
Wolford, Leland	RV-4	18	\$1,080.00
Wright, Larry B	Cessna 172	4	\$240.00
Zideman, Richard		2	\$120.00
Total Donated Other Services		76	\$4,560.00

Donated Use of Facilities - Facilities and associated operating expenses are donated to AEFCO by the Meadow Lake Airport Association. At December 31, 2014 that amount was \$320.00.

Donated Use of Equipment - During the 2014 Aviation Flight Experience “camp”, Springs Aviation, FBO Meadow Lake Airport, donated 2 airplanes for use in flight training that is valued at \$3,750.00.

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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 advertisement or sale of donated goods. Gifts-in-Kind at December 31, 2014, consisted of:

Donor	Description of Goods	Amount	How Valued?
Jeppesen Foundation	Private Pilot Syllabus	\$550.00	Retail
Jeppesen Foundation	Private Pilot Manual	\$840.00	Retail
Richard Martin	Graphics Service for Video	\$300.00	Retail
Richard Martin	Instrument Training Textbook	\$33.31	Retail
Ed Talbot	Dell Computer	\$300.00	Retail
Elbert County School	Partially complete aircraft	\$700.00	Appraisal
		\$ 2723.31	

Volunteer Time - AEFCO receives donated services that are professional or central to AEFCO's operations. In the past, the estimated value of these services was based on the estimated single dollar value of volunteer time calculated by *Independent Sector*. A volunteer performing a professional task (instruction or accounting) is worth more in the market place than a volunteer doing food service. Therefore, for the year ended December 31, 2014, AEFCO adopted the **Economic Impact Of Volunteers Calculator** created by Points of Light to make the calculation. The calculator estimates the appropriate wage rate for volunteer time based on the value of specific tasks according to market conditions as reported by the US Department of Labor.

The value of the volunteer time for 2014 is:

Ground School Instruction:	\$ 112,967.40
Director Activities:	\$ 6,021.00
Grant Proposal/Bookkeeping:	\$ 10,259.20
Others	\$ 2,994.22
Total	\$ 132,271.82

In accordance with GAAP the value of these volunteer services is not reflected in the financial statements.

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NOTE 6 – SPECIAL EVENT REVENUE

AEFCO held a breakfast fundraiser in May 2014. Revenues for the event totaled \$476.00 and were all donations. Of those revenues, \$115.00 are the cost of food (Special Event Non-gift) with the remaining \$384.00 Special Event Gift.

Additionally, raffle tickets with no associated costs totaled \$92 included in Special Event Gift.

NOTE 7 – SCHOLARSHIPS PAID

AEFCO scholarships all require some percentage of matching by the student/family. In 2014 AEFCO was able to increase flight training scholarship awards by 203% using Aviation Education Grant funds from the Colorado Aeronautics Board. Of the sixteen students receiving scholarships, 11 obtained Private Pilot Certification and one, with advanced training scholarship, obtained his Instrument Certification.

AEFCO Scholarships Paid 2014													
Recipients	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total
Grant Sedgwick (1)	439.50		500.00	500.00									1,439.50
Kevin Baker (1)	316.25		600.00										916.25
Collin Landwehr (1)	567.46					750.00	250.00						1,567.46
Connor Ellison	879.88												879.88
Brett Bixler (1)		500.00		500.00									1,000.00
Brigitte Nguyen	500.00	500.00			500.00	326.74							1,826.74
Brianna Hardy	500.00		500.00				500.00	500.00				500.00	2,500.00
Andrew Abink (1)	600.00		700.00			650.00							1,950.00
Loagyn Guill (1)		600.00		600.00								1,000.00	2,200.00
Cole Martin				500.00		512.50	81.26						1,093.76
Rachel Dines							1,065.00						1,065.00
Adam Rush									523.75				523.75
Jackson Weiland (1)							500.00	94.66		624.55			1,219.21
Ben Bookman (1) (2) (3)								669.00					669.00
K C Springer (1)								253.00					253.00
Nathan Hawkins (1)										672.00			672.00
Jessica O'Connor											437.50	666.50	1,104.00
Josiah Bookman (2)						500.00							500.00
(1) Private Pilot - Sgl Engine (2) Private Pilot - Glider (3) Private Pilot - **Instrument Rating	3,803.09	1,600.00	2,300.00	2,100.00	500.00	2,739.24	2,396.26	1,516.66	523.75	1,296.55	437.50	2,166.50	21,379.55

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NOTE 8 – 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 2014 more than 51% of the flying made available to students was donated by flight schools, Certified Flight Instructors, and private pilots who support the program. Additional flight training during the summer program was reimbursed from Aviation Education Grant funds awarded by the Colorado Aeronautics Board.

Category	Expenses		
	Donated	Paid	Total
Flying Activities	\$ 12,594.00	\$ 10,835.60	\$ 23,429.60
Meals/General Expenses		\$ 1,302.32	\$ 1,302.32
Total	\$ 12,594.00	\$ 12,137.92	\$ 24,731.92

**Aviation Education Foundation of Colorado, Inc.
December 31, 2014**

Aviation Education Foundation of Colorado, Inc.

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