

2015

Financial Statements (Unaudited)

Year Ended December 31, 2015

AVIATION EDUCATION FOUNDATION OF COLORADO, INC.

Aviation Education Foundation of Colorado, Inc.

December 31, 2015

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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 12/31/2015	As at 12/31/2014
Cash		
Checking Account - Regular	15,073.01	4,916.42
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	0.00
Total Checking Account	15,858.01	5,701.42
Petty Cash	80.00	0.00
Savings	0.00	0.00
Total Other Cash	80.00	0.00
Total Cash	15,938.01	5,701.42
Other Current Assets		
Accounts Receivable	0.00	0.00
Donations Receivable	0.00	0.00
Grants Receivable	0.00	20,080.00
In-Kind Assets For Sale	0.00	700.00
Prepaid Program Expenses	0.00	170.72
Prepaid Expenses	0.00	0.00
Total Other Current Assets	0.00	20,950.72
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	15,938.01	26,652.14
	=====	=====
LIABILITIES		
Payables		
Accounts Payable	0.00	0.00
Deferred Revenue	0.00	20,080.00
Scholarships/Grants Payable	2,300.00	0.00
Total Payables	2,300.00	20,080.00

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TOTAL LIABILITIES	2,300.00	20,080.00
EQUITY	<hr/>	<hr/>
Net Assets		
Unrestricted Net Assets	5,787.14	2,532.23
Temporarily Restricted Net Assets	0.00	170.72
Permanently Restricted Net Assets	785.00	785.00
Current Net Assets	7,065.87	3,084.19
Total Net Assets	13,638.01	6,572.14
TOTAL EQUITY	13,638.01	6,572.14
LIABILITIES AND EQUITY	<hr/> 15,938.01 <hr/>	<hr/> 26,652.14 <hr/>

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STATEMENT OF ACTIVITIES (Unaudited)

REVENUE	1/1/2015 to 12/31/2015	1/1/2014 to 12/31/2014
Revenue From Direct Contributions		
Individual/Business Contributions	5,410.00	6,435.00
Corporate/Trust Contributions	4,402.07	0.00
Grants	20,061.00	29,920.00
Total Direct Contributions	29,873.07	36,355.00
Donated Goods & Services Revenue		
Donated Professional Services	7,845.00	10,145.00
Donated Other Services	4,020.00	4,560.00
Donated Use Of Facilities	320.00	320.00
Donated Use Of Equipment	3,750.00	3,750.00
Gifts-In-Kind - Goods	5,178.00	2,723.31
Total Donated Goods & Services	21,113.00	21,498.31
Investment Revenue		
Interest Income	4.00	1.51
Total Investment Income	4.00	1.51
Special Event Revenue		
Special Event - Gift	0.00	476.00
Special Event - Non-gift	3,334.72	115.00
Total Special Event Revenue	3,334.72	591.00
TOTAL REVENUE	54,324.79	58,445.82
EXPENSE		
Scholarships & Other Assistance		
Scholarships & Grants	10,282.50	21,379.55
Specific Assistance	0.00	487.50
Total Scholarships & Grants	10,282.50	21,867.05
Professional Services Expenses		
Donated Flight Training	0.00	3,611.00
Donated Orientation Flights	0.00	0.00
Donated Professional Fees	1,650.00	2,250.00

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Donated Aircraft - Training	0.00	0.00
Total Professional Services Expense	1,650.00	5,861.00
 General Administrative Expenses		
Donated Materials & Supplies	5,178.00	1,898.31
Donated Facilities	320.00	320.00
Books, Subscriptions, References	0.00	390.76
Supplies	20.01	0.00
Postage & Shipping	0.00	0.00
Printing & copying	361.71	0.00
Advertising, Web Services	0.00	0.00
Miscellaneous Expense	0.00	52.59
Filing / Legal Expenses	0.00	0.00
Bank Fees	56.63	115.00
Donated Fundraising Expense	0.00	125.00
Fundraising Expense	146.87	0.00
Cost of Direct Benefit	355.21	0.00
Total General Admin Expenses	6,438.43	2,901.66
 Summer Academy Expenses		
Flight Instructors	280.00	650.00
Airplane Rental	14033.58	9,950.66
Fuel Expense	0.00	234.94
Food Service	609.41	1,302.32
General Operating	0.00	0.00
Donated Fuel Expense	0.00	0.00
Donated Aircraft	3,750.00	3,750.00
Donated Flight Training	6,195.00	4,284.00
Donated Orientation Flights	4,020.00	4,560.00
Total Summer Academy Expenses	28,887.99	24,731.92
 TOTAL EXPENSE	 47,258.92	 55,361.63
 NET INCOME	 7,065.87	 3,084.19
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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 funds available at the beginning of 2015 (\$20,080.00) were fully utilized in 2015 for flight training scholarships.

NOTE 3 – RESTRICTIONS ON NET ASSETS

Permanently restricted net assets consist of assets to be held indefinitely until used and consisted of the following at December 31, 2015:

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

Current net assets of \$7,065.87 will increase Unrestricted net assets at December 31, 2015, to \$ 12,853.01.

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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, 2015, CFI's donated \$6,195 as detailed below:

Donor	Description of Service	Value
Henry Bartlett	Flight Instruction	\$990.00
Gus Ziekle	Flight Instruction	\$1,575.00
Bobby Hosmer	Flight Instruction	\$1,702.50
Dave Elliott	Flight Instruction	\$1,927.50
		\$6,195.00

Before a new pilot can perform their first flight by themselves, they must carry a combined Student Pilot Certification and Medical. At December 31, 2015, 11 students received their examination and certificate from Senior Aviation Medical Examiner, Brigadier General Jerome Limoge valued at \$150 each for a total of \$1,650.00.

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>
Clothier, William H	Bonanza F35	11	\$660.00
Hall, Charles	F1 Rocket	1	\$60.00
Hall, Robert J	RV-6A	11	\$660.00
Henry, Hollis B	RV-8	3	\$180.00
Moore, Jeffrey	RV-7A	3	\$180.00
Sanders, Burrall	Cozy IIIx	1	\$60.00
Varnedoe, Wyman E	RV-8	6	\$360.00
Wiltrout, Boyce W	RV-6A	3	\$180.00
Wolford, Leland	RV-4	15	\$900.00
Zideman, Richard	RV-7A	13	\$780.00
	Total Donated Other Services	67	\$4,020.00

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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, 2015 that amount was \$320.00.

Donated Use of Equipment - During the 2015 Aviation Summer Flight Experience, Springs Aviation, FBO Meadow Lake Airport, donated 2 airplanes for use in flight training that is valued at \$3,750.00.

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 advertisement or sale of donated goods. Gifts-in-Kind at December 31, 2015, consisted of:

Donor	Description of Goods	Amount	How Valued?
Jeppesen Foundation	Private Pilot Part 61 Kits	\$3,550.86	Retail
Jeppesen Foundation	Flight Navigation Plotters	\$247.78	Retail
Jeppesen Foundation	2016 FAR/AIM	\$508.04	Retail
Jeppesen Foundation	Private Pilot Test Guide	\$38.18	Retail
Jeppesen Foundation	Guided Discovery of Flight	\$718.14	Retail
William Clothier	Fujitsu Litebook and HP Printer	\$115.00	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, 2015, 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 2015 is:

Ground School Instruction:	
Administrators / Instructors	\$ 93,808.00
Assistants / Mentors	\$ 49,656.00
Director Activities:	\$ 6,422.00
Development/Bookkeeping:	\$ 14,786.00
Others	\$ 1,326.00
 Total	 \$ 165,998.00

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In accordance with GAAP the value of these volunteer hours are not reflected in the financial statements.

NOTE 6 – SPECIAL EVENT REVENUE

AEFCO students, parents, directors, and supporters volunteered at fundraising events throughout the year. Due to their efforts, AEFCO raised an additional \$3,334.72 for flight training scholarships.

NOTE 7 – SCHOLARSHIPS PAID

AEFCO scholarships all require some percentage of matching by the student/family. Of the sixteen students receiving scholarships, 8 obtained Private Pilot Certification.

AEFCO Scholarships 2015													
Recipients	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total
Jake Arradondo (1)	500.00			500.00									1,000.00
Danielle Aulino (1)		300.00				300.00							600.00
Abigail Bogdovitz (1)									600.00				600.00
Andrew Bomberg (1)	600.00												600.00
Brandon Breeden (1)	300.00						300.00						600.00
Sean Brinlee		82.50											82.50
Jonah Butterfield						525.00							525.00
Connor Gold												500.00	500.00
Brianna Hardy (1)	500.00												500.00
Madison Harrington (1)									600.00				600.00
Shelby Johnson						525.00							525.00
William Jones												500.00	500.00
Lucas Mills							500.00		1,000.00				1,500.00
Adam Rush (1)								625.00	625.00				1,250.00
Joseph Sandoval									600.00				600.00
Joseph Smarsh	300.00												300.00
(1) Private Pilot - Sgl Engine (2) Private Pilot - Glider (3) Private Pilot - **Instrument Rating	2,200.00	382.50	-	500.00	-	1,350.00	800.00	625.00	3,425.00	-	-	1,000.00	10,282.50

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 2015 more than 49% of the flying made available to students was donated by flight schools, Certified Flight

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Instructors, and private pilots who support the program. Additional flight training during the summer program in the amount of \$14,313.58 was reimbursed from Aviation Education Grant funds awarded by the Colorado Aeronautics Board

Category	Expenses		
	Donated	Paid	Total
Flying Activities	\$ 13,965.00	\$ 14,313.58	\$ 28,278.58
Meals/General Expenses		\$ 609.41	\$ 609.41
Total	\$ 13,965.00	\$ 14,922.99	\$ 28,887.99

AEFCO Summer Flights 2015	
Recipients	Amount
Jake Arradondo (1)	826.58
Danielle Aulino (1)	1,111.00
Abigail Bogdovitz (1)	1,128.10
Andrew Bomberg (1)	1,520.00
Josiah Bookman (1)(2)	1,568.40
Brandon Breeden (1)	650.00
Jonah Butterfield	945.00
Christie Christensen	510.00
Mason Cresap	1,100.00
Aitanna Elder	500.00
Coral Gigas	310.00
Madison Harrington (1)	1,049.50
Shelby Johnson	934.50
Joseph Sandoval	1,078.00
Joseph Smarsh	1,082.50
(1) Private Pilot - Sgl Engine (2) Private Pilot - Glider (3) Private Pilot - **Instrument Rating	14,313.58

**Aviation Education Foundation of Colorado, Inc.
December 31, 2015**

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