

A101 Aviation Association, Inc.
Ephrata, Washington

Compiled Financial Statements

December 31, 2013

Bettinger Mifflin Rich CPA Group P.S.

Independent Accountants' Compilation Report

The Board of Directors
A101 Aviation Association, Inc.
Ephrata, Washington

We have compiled the accompanying statement of financial position of A101 Aviation Association Inc. (a non-profit organization) as of December 31, 2013, and the related statements of activities and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



July 23, 2014

A101 Aviation Association, Inc.
Statement of Financial Position
December 31, 2013

(See Independent Accountants' Compilation Report)

Assets

Current Assets:

General Fund Checking Account	\$ 3,205.05
Emergency/Disaster Account	3,150.47
Scholarship Account	32,308.50
Cash on hand	100.00
Inventory	5,006.38
Less restricted cash	<u>(27,109.60)</u>
Net Current Assets	<u>\$ 16,660.80</u>

Other Assets:

Restricted cash	\$ 27,109.60
Total Other Assets	<u>\$ 27,109.60</u>

TOTAL Assets \$ 43,770.40

Liabilities & Net Assets

Net Assets - Unrestricted	\$ 16,660.80
Net Assets - Temporarily Restricted	<u>27,109.60</u>
Total Net Assets	<u>43,770.40</u>
TOTAL Liabilities and Net Assets	<u>\$ 43,770.40</u>

The accompanying notes are an integral part of these financial statements.

A101 Aviation Association, Inc.
Statement of Activities
For the Year Ended December 31, 2013

(See Independent Accountants' Compilation Report)

	<u>TOTAL</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Support and Revenue			
General Program Services	\$ 7,691.90	\$ 7,691.90	\$ -
Store Revenue	1,405.00	1,405.00	-
Total cash contributions	<u>9,096.90</u>	<u>9,096.90</u>	<u>-</u>
Contributions of goods and services	374.29	374.29	-
Total Public Support	<u>9,471.19</u>	<u>9,471.19</u>	<u>-</u>
Other Income (Expense)			
Interest Income	3.07	3.07	-
Total other Revenue (Expense)	<u>3.07</u>	<u>3.07</u>	<u>-</u>
Net assets released from restrictions-			
Satisfaction of program restrictions	<u>-</u>	<u>1,500.00</u>	<u>(1,500.00)</u>
Total Support and Revenue	<u>\$ 9,474.26</u>	<u>\$ 10,974.26</u>	<u>\$ (1,500.00)</u>
Functional Expenses			
Administrative Expenses			
Accounting	\$ 974.29	\$ 974.29	\$ -
Insurance	425.00	425.00	-
Legal	330.00	330.00	-
Office supplies	275.43	275.43	-
Web Hosting	309.26	309.26	-
Total Administrative Expenses	<u>2,313.98</u>	<u>2,313.98</u>	<u>-</u>
Program Expenses			
Aircraft shipping	-	-	-
Scholarship assistance	1,500.00	1,500.00	-
Total Program Expenses	<u>1,500.00</u>	<u>1,500.00</u>	<u>-</u>
Fundraising Expenses			
Merchandise and shipping	948.21	948.21	-
Total Fundraising Expenses	<u>948.21</u>	<u>948.21</u>	<u>-</u>
Total Functional Expenses	<u>\$ 4,762.19</u>	<u>\$ 4,762.19</u>	<u>\$ -</u>
Change in Net Assets	<u>\$ 4,712.07</u>	<u>\$ 6,212.07</u>	<u>\$ (1,500.00)</u>
Beginning Net Assets	<u>39,058.33</u>	<u>10,448.73</u>	<u>28,609.60</u>
Ending Net Assets	<u>\$ 43,770.40</u>	<u>\$ 16,660.80</u>	<u>\$ 27,109.60</u>

The accompanying notes are an integral part of these financial statements.

A101 Aviation Association, Inc.
Statement of Cash Flows
Year Ended December 31, 2013

(See Independent Accountant's Compilation Report)

OPERATING ACTIVITIES	
Cash received from donors	\$ 9,096.90
Cash paid for services and supplies	(4,113.59)
Interest received	3.07
Net cash provided from (used by) operating activities	4,986.38
INVESTING ACTIVITIES	
Net cash provided from (used by) investing activities	-
FINANCING ACTIVITIES	
Net cash provided from (used by) financing activities	-
Increase (Decrease) in Cash	4,986.38
Cash at beginning of year	33,777.64
Cash at end of year	\$ 38,764.02
RECONCILIATION OF NET INCOME TO CASH PROVIDED FROM OPERATING ACTIVITIES:	
Net Increase (Decrease) in Net Assets	\$ 4,712.07
(Increase) Decrease in inventory	274.31
Increase (Decrease) in payables	-
Net cash provided from (used by) operating activities	\$ 4,986.38

The accompanying notes are an integral part of these financial statements.

A101 Aviation Association, Inc.
Notes to Compiled Financial Statements
December 31, 2013

(See Independent Accountants' Compilation Report)

Note 1 - Summary of Significant Accounting Policies:

Organization and Operation – A101 Aviation Association, Inc. ("The Association"), is a non-profit corporation organized as a war veterans association under I.R. C. §501(c)(19) whose purposes are to support the 101st Airborne Division – Air Assault, promote the social welfare of the community, perpetuate the memory and legacy of A/101 Aviation, perpetuate the memory of veterans and comfort those survived by them, attend veterans memorial services, conduct charitable and educational programs, sponsor social and relational activities for Association members, and to operate, award and maintain the A/101 Aviation Memorial Scholarship Fund.

Basis of Accounting

The Association presents financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial Statement Presentation –

The Association presents its financial statements in accordance with FASB ASC 958-210-50-3 (formerly SFAS #116 & #117). Under the provisions of these statements the Association 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, as follows:

Permanently restricted – represents amounts received with donor-imposed stipulations which neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Association.

Temporarily restricted - represents amounts received with donor-imposed stipulations which restrict the use of an asset until a future period or only for certain types of expenditures. Until the stipulated restriction has been met, these amounts remain temporarily restricted net assets. At the time the Association meets the donor-stipulated restriction, the amount is transferred from temporarily restricted revenue to unrestricted revenue.

Unrestricted - represents amounts received without donor-imposed stipulations which are available to use in accordance with the scope and mission of the Organization under the control of Organization management. Unrestricted net assets include such amounts not expended as well as other assets acquired under the terms of donor-imposed stipulations.

Donated goods and services – The accompanying financial statements are presented in accordance with FASB ASC 958-605-50-1 (formerly SFAS No. 116). Under the provisions of this statement, the Association has included the value of donated goods and qualifying services as a part of total revenue and expenses. Donated assets and services are recorded at estimated fair market value.

Cash Equivalents - For purposes of these financial statements, management considers all non-equity investments with original maturity of twelve months or less to be cash equivalents. All bank certificates of deposit and market rate accounts are considered cash equivalents.

A101 Aviation Association, Inc.
Notes to Compiled Financial Statements
December 31, 2013

(See Independent Accountants' Compilation Report)

Note 1 - Summary of Significant Accounting Policies (continued):

Estate and Trust Receivables – The Organization records estate receivables when notified of its beneficiary status and a verifiable amount of receipt. Based upon analysis of anticipated distributions, amounts projected to be received beyond one year are classified as non-current assets.

Uninsured Cash Balances - Statement of Financial Accounting Standards No. 105 identifies financial institution deposit balances in excess federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions. Amounts in excess of insured limits were \$0 at December 31, 2013.

Inventory Valuation - Inventory consists principally of quid pro quo items given away with relational dollar value donations. Such inventory is valued at cost if purchased and at estimated fair value if donated.

Beneficial Interests in Funds Held by Others – Amounts represent trusts and funds held and managed by others. The Organization records such amounts when notified by donor or donor representative. Based upon analysis of anticipated distributions, amounts projected to be received beyond one year are classified as non-current assets. The Association had \$0 beneficial interests in funds held by others at December 31, 2013.

Property, Equipment, and Depreciation - Property and equipment used by the Association are recorded at cost if purchased and at estimated fair market value if donated. Depreciation is computed using the straight-line method, half-year convention, over the estimated useful lives of the assets. The Association had \$0 items of capitalized property and equipment at December 31, 2013.

Fund Raising Costs and Advertising - The Organization relies upon its members and civic and community groups in promoting the need for support of veteran programs and its Memorial Scholarship program. Donated amounts for supplies, signs, radio and television advertising are recorded as in kind support with an offsetting amount as fundraising expense. Costs incurred directly by the Association include periodic informational newsletters, which are expensed as incurred. (See also 'Inventory' note above.)

Functional Allocation of Expenses – The costs of providing program and supporting services have been summarized on a functional basis in the statement of activities.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

A101 Aviation Association, Inc.
Notes to Compiled Financial Statements
December 31, 2013

(See Independent Accountants' Compilation Report)

Note 2 - Restricted Net Assets

Summaries of the assets that make up restricted net assets are as follows for the year ended December 31, 2013:

	2013	
	Temporarily Restricted	Permanently Restricted
Scholarship Funds	\$ 26,343.53	\$ -
Reunion Funds	550.00	-
Emergency/Disaster Relief Funds	716.07	-
Total	\$ 27,609.60	\$ -

Note 3 - Donated Goods and Services:

The following summary of donated goods and services is reflected in the accompanying financial statements:

<u>Donated:</u>	
Accounting services - expensed	\$ 374.29
TOTAL Donated Goods and Services	\$ 374.29

The Association received substantial non-qualifying contributed services from unpaid volunteers assisting in essential program efforts and administrative and fundraising capacities. Non-qualifying volunteer services have not been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under FASB ASC 958-605-50-1 (formerly SFAS No. 116) have not been satisfied and no reliable basis exists for determining an appropriate value for those services. The fair value of management's estimate of at least 521 volunteer hours is worth approximately \$9,210 for the year ended December 31, 2013. Management estimates the dollar value of volunteer time according to the annual Bureau of Labor and Statistics value of average hourly earnings of all production and non-supervisory workers on private non-farm payrolls.

Note 4 - Federal Income Taxes:

A/101 Aviation Association, Inc. is a tax-exempt organization under the Internal Revenue Code Section 501(c)(19). As such, the organization is subject to income taxes only on unrelated business income. During the year ended December 31, 2013, the Association had no unrelated business income; and, accordingly, no provision for federal income taxes has been reported in the accompanying financial statements.

Note 5 - Related Party Transactions:

There are no material related party transactions to be reported for the year ended December 31, 2013.

Note 6 - Subsequent Events:

Subsequent events have been evaluated by management through the independent accountants' compilation report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.