

**101<sup>st</sup> Aviation Association, Inc.**  
**Ephrata, Washington**  
**Compiled Financial Statements**  
*December 31, 2014*

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**Kenneth R. Pelfrey**  
**Certified Public Accountant**  
**Chartered Global Management Accountant**

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*Member: American Institute of Certified Public Accountants*  
*Ohio Society of Certified Public Accountants*  
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*101<sup>st</sup> Airborne Division Association*  
*Veterans of Foreign Wars of the United States*  
*State Guard Association of the United States*

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**Independent Accountants' Compilation Report**

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

I have compiled the accompanying statement of financial position of A101 Aviation Association Inc. (a non-profit organization) as of December 31, 2014, and the related statements of activities and cash flows for the year then ended. I 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.

My 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.

*Kenneth R. Pelfrey, CPA*

Kenneth R. Pelfrey  
Certified Public Accountant  
July 2, 2015

**A101 Aviation Association, Inc.**  
**Statement of Financial Position**  
**December 31, 2014**  
(See Independent Accountants' Compilation Report)

**ASSETS**

**CURRENT ASSETS:**

General Fund Checking Account	\$ 4,892
Emergency/Disaster Account	4,151
Scholarship Account	31,422
Cash on Hand	100
Inventory	<u>5,006</u>
Less restricted cash	<u>(30,284)</u>

**NET CURRENT ASSETS** **\$ 15,287**

**OTHER ASSETS**

Restricted Cash	<b><u>\$30,284</u></b>
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**TOTAL OTHER ASSETS** **\$30,284**

**TOTAL ASSETS** **\$ 45,571**

**LIABILITIES & EQUITY**

**EQUITY:**

Unrestricted Funds	\$ 15,287
Temporarily Restricted Funds	\$ 30,284

**TOTAL LIABILITIES & EQUITY** **\$ 45,571**

See Accountant's Review Report  
The Notes to the Balance Sheet are an integral part of this statement.

**A101 Aviation Association, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**  
(See Independent Accountants' Compilation Report)

	<b>TOTAL</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>
Support and Revenue			
General Program Services	5392		5392
Store Revenue	282		282
Total cash contributions	5674		5674
Contributions of goods and services			
<b>Total Public Support</b>	5674	0	5674
Other Income (Expense)			
Interest Income	3	3	
Total Other Revenue (Expense)	3	3	
Net assets released from restrictions			
Satisfaction of program restrictions		2500	-2500
<b>Total Support and Revenue</b>	5677	2503	3174
Functional Expenses			
Administrative Expenses			
Accounting	125	125	
Insurance	425	425	
Legal	213	213	
Office Supplies	261	261	
Web Hosting	353	353	
Total Administrative Expenses	1377	1377	
Program Expenses			
Scholarship Assistance	2500	2500	
Total Program Expenses	2500	2500	
<b>Total Functional Expenses</b>	3877	3877	
<b>Change in Net Assets</b>	1801	-1374	3174
Beginning Net Assets	43770	16661	27110
<b>Ending Net Assets</b>	<b>45571</b>	<b>15287</b>	<b>30284</b>

**A101 Aviation Association, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2014**  
(See Independent Accountants' Compilation Report)

**OPERATING ACTIVITIES:**

Cash received from donors	\$5,674
Cash paid for services and supplies	(3,877)
Interest received	<u>3</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ 1800</u></b>

**INVESTING ACTIVITIES:**

<b>NET CASH PROVIDED FROM/INVESTING ACTIVITIES</b>	<b><u>0</u></b>
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**FINANCING ACTIVITIES**

<b>NET CASH FROM FINANCING ACTIVITIES:</b>	<b><u>0</u></b>
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<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 1,800</b>
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<b>CASH AND EQUIVALENTS - BEGINNING OF YEAR</b>	<b>\$ <u>38,764</u></b>
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<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 40,564</u></b>
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**RECONCILIATION OF NET INCOME TO CASH PROVIDED FROM OPERATING ACTIVITIES:**

<b>NET INCREASE(DECREASE) IN NET ASSETS</b>	<b>\$1,800</b>
<b>INCREASE(DECREASE) IN INVENTORY</b>	<b>0</b>
<b>INCREASE(DECREASE) IN PAYABLES</b>	<b><u>0</u></b>
<b>NET CASH PROVIDED FROM (USED BY) OPERATING ACTIVITIES</b>	<b>\$1,800</b>

**See Accountant's Review Report**  
**The Notes to Financial Statements are an integral part of these statements.**

**A101 Aviation Association, Inc.**  
Notes to Compiled Financial Statements  
December 31, 2014  
(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 101<sup>st</sup> 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 SPAS #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 SPAS 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 nonequity 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.

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, 2014.

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, 2014.

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, 2014.

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 '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.

**Note 2 - Restricted Net Assets:**

Summaries of the assets that make up restricted net assets are as follows for the year ended December 31, 2014:

**Note 3 - Donated Goods and Services:**

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

The Association received substantial non-qualifying contributed services from unpaid volunteers assisting in essential program efforts and administrative and fundraising capacities. Nonqualifying 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 SPAS 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 525 volunteer hours is worth approximately \$11,550 for the year ended December 31, 2014. 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, 2014.

**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.