Financial Statements
For the Years Ended
March 31, 2021 and 2020

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO
International Limited, a UK company limited by guarantee.

LightHawk

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Tel: 303-803-1120
Fax: 303-830-8130
www.bdo.com

303 East 17th Avenue, Suite 600
Denver, CO 80203

Independent Auditor's Report

Board of Directors
LightHawk
Fort Collins, Colorado

Opinion

We have audited the financial statements of LightHawk (the "Organization"), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion – 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 2021 Financial Statements.

Other Matter - 2020 Financial Statements

The 2020 financial statements of the Organization were audited by ACM LLP ("ACM"), whose partners and professional staff joined BDO USA, LLP as of August 1, 2020, and has subsequently ceased operations. ACM LLP expressed an unmodified opinion on those financials statements in their report dated October 15, 2020.

Responsibilities of Management for the Financial Statements

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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

August 5, 2021

LightHawk

Statements of Financial Position

March 31,		2021		2020
Assets				
Current assets				
Cash and equivalents	$	**888,525**	$	721,042
Unconditional promises to give, current portion		**286,000**		227,416
Prepaid expenses		**51,093**		55,180
Total current assets		**1,225,618**		1,003,638
Non-current assets				
Equipment				
Equipment		**2,902**		2,902
Less accumulated depreciation		**(2,555)**		(2,208)
Equipment, net		**347**		694
Other assets				
Investments held for endowment		**1,127,487**		839,542
Unconditional promises to give, net of current portion		**700,000**		800,000
Total other assets		**1,827,487**		1,639,542
Total assets	**$**	**3,053,452**	$	2,643,874
Liabilities and net assets				
Current liabilities				
Accounts payable	$	**3,341**	$	10,000
Accrued payroll		**37,659**		47,129
Note payable		**160,115**		-
Total current liabilities		**201,115**		57,129
Long-term debt		**-**		-
Total current liabilities		**201,115**		57,129
Commitments and contingencies				
Net assets				
Without donor restrictions		**735,576**		535,983
With donor restrictions		**2,116,761**		2,050,762
Total net assets		**2,852,337**		2,586,745
Total liabilities and net assets	**$**	**3,053,452**	$	2,643,874

See accompanying notes to the financial statements.

LightHawk

Statements of Activities

Year Ended March 31,	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions	$ 392,509	$ 361,000	$ 753,509	$ 239,338	$ 1,501,500	$ 1,740,838
Donated services and materials	743,651	-	743,651	690,600	-	690,600
Net investment income (loss)	-	314,337	314,337	-	(68,261)	(68,261)
Grant revenue	180,400	-	180,400	-	-	-
Other revenue	1,391	-	1,391	26,945	-	26,945
Net assets released from restriction	609,338	(609,338)	-	439,409	(439,409)	-
Total support and revenue	1,927,289	65,999	1,993,288	1,396,292	993,830	2,390,122
Expenses						
Program services	1,497,711	-	1,497,711	1,453,505	-	1,453,505
General and administrative	96,512	-	96,512	186,053	-	186,053
Fundraising	133,473	-	133,473	218,407	-	218,407
Total expenses	1,727,696	-	1,727,696	1,857,965	-	1,857,965
Change in net assets	199,593	65,999	265,592	(461,673)	993,830	532,157
Net assets, beginning of year	535,983	2,050,762	2,586,745	997,656	1,056,932	2,054,588
Net assets, end of year	$ 735,576	$ 2,116,761	$ 2,852,337	$ 535,983	$ 2,050,762	$ 2,586,745

See accompanying notes to the financial statements.

LightHawk

Statements of Cash Flows

Year Ended March 31,		2021		2020
Cash flows from operating activities				
Change in net assets	$	**265,592**	$	532,157
Adjustments to reconcile change in net assets				
to net cash flows from operating activities:				
Forgiveness of note payable		**(180,400)**		-
Donated investments		**(68,278)**		(688,831)
Depreciation and amortization		**347**		346
Interest and dividends on investments		**(40,419)**		(22,947)
Net realized and unrealized gains on investments		**(273,918)**		91,208
Decrease (increase) in operating assets:				
Unconditional promises to give		**41,416**		(952,300)
Prepaid expenses		**4,087**		(24,255)
Increase (decrease) in operating liabilities:				
Accounts payable		**(6,659)**		(5,479)
Accrued payroll		**(9,470)**		(13,133)
Net cash flows from operating activities		**(267,702)**		(1,083,234)
Cash flows from investing activities				
Proceeds from sale of investments		**94,670**		715,086
Net cash flows from investing activities		**94,670**		715,086
Cash flows from financing activities				
Proceeds from notes payable		**340,515**		-
Net cash flows from financing activities		**340,515**		-
Net change in cash and cash equivalents		**167,483**		(368,148)
Cash and cash equivalents, beginning of year		**721,042**		1,089,190
Cash and cash equivalents, end of year	$	**888,525**	$	721,042
Supplemental disclosure of cash flow information				
Donated securities immediately converted to cash	$	**68,278**	$	688,831
Cash paid during the year for interest	$	**-**	$	150

See accompanying notes to the financial statements.

LightHawk

Statement of Functional Expenses - Year Ended March 31, 2021

		Supporting Services		
	Program Services	General & Administrative	Fundraising	Total
Salaries	$ 486,432	$ 62,363	$ 74,836	$ 623,631
Employee benefits	98,772	13,793	15,989	128,554
Payroll tax expenses	35,525	4,554	5,465	45,544
Subtotal	620,729	80,710	96,290	797,729
Advertising	7,486	1,528	7,226	16,240
Donated flight services and materials	702,316	-	-	702,316
Bank service fees	1,610	345	345	2,300
Depreciation	347	-	-	347
Equipment	6,974	-	-	6,974
Software	47,824	-	-	47,824
Insurance	40,450	1,480	1,480	43,410
Miscellaneous	4	1	8	13
Postage	2,483	265	1,561	4,309
Printing and publications	3,109	923	5,485	9,517
Professional fees	35,950	8,722	15,669	60,341
Recognition and awards	1,592	-	-	1,592
Rent	5,189	1,112	1,112	7,413
Supplies	6,560	509	1,414	8,483
Telephone	11,764	898	2,783	15,445
Travel	3,324	19	100	3,443
Total expenses	$ 1,497,711	$ 96,512	$ 133,473	$ 1,727,696

See accompanying notes to the financial statements.

LightHawk

Statement of Functional Expenses – Year Ended March 31, 2020

	Program Services	Supporting Services: General & Administrative	Supporting Services: Fundraising	Total
Salaries	$ 419,401	$ 96,949	$ 142,648	$ 658,998
Employee benefits	108,730	27,201	47,513	183,444
Payroll tax expenses	31,017	6,957	10,788	48,762
Subtotal	559,148	131,107	200,949	891,204
Advertising	15,371	2,256	1,380	19,007
Donated flight services and materials	647,134	-	-	647,134
Bank service fees	-	6,122	-	6,122
Event expense	59,337	2,644	591	62,572
Depreciation	346	-	-	346
Equipment	1,077	54	-	1,131
Software	48,639	84	-	48,723
Insurance	33,902	3,791	-	37,693
Miscellaneous	-	-	5	5
Postage	2,816	111	1,482	4,409
Printing and publications	8,795	92	430	9,317
Professional fees	19,919	22,079	5,930	47,928
Recognition and awards	1,647	-	-	1,647
Rent	11,408	8,268	-	19,676
Supplies	4,015	2,473	1,632	8,120
Telephone	10,255	3,582	3,133	16,970
Travel	29,696	3,390	2,875	35,961
Total expenses	$ 1,453,505	$ 186,053	$ 218,407	$ 1,857,965

See accompanying notes to the financial statements.

1. Summary of Significant Accounting Policies

The summary of significant accounting policies of LightHawk (the "Organization") is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. The accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") and have been consistently applied in the preparation of the financial statements.

Nature of Operations

The Organization is a Colorado not-for-profit corporation incorporated in 1981 under the laws of the State of Colorado, and is organized exclusively for charitable, educational, and scientific purposes. LightHawk is a non-profit environmental aviation organization that leverages the skill and generosity of volunteer pilots to benefit conservation projects.

The mission of the Organization is to "accelerate conservation success through the powerful perspective of flight." The Organization believes in the power of flight to accelerate conservation and that seeing the world from above causes people to care about what they see and stirs them into action when they return to the ground.

The Organization partners with conservation groups in the US, Canada, and Mexico to employ flights to protect land and water for people and nature. The Organization donates annually to Carbonfund.org to help offset potential climate impacts of the donated flights.

Basis of Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board, commonly referred to as the "FASB." References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification ("ASC").

The financial statements are prepared on the accrual basis under ASC 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates

In preparing financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, including money market funds, and which are not held for long-term purposes, to be cash and cash equivalents.

Equipment

Equipment expenditures over $1,000 are capitalized and recorded at cost, or if donated, at the estimated fair value at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of assets ranging from five to ten years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Repairs and maintenance costs are charged to expense when incurred.

Management assesses the carrying value of long-lived assets for impairment when circumstances indicate such amounts may not be recoverable from future operations. Generally, assets to be held and used in operations are considered impaired if the sum of the expected non-discounted future cash flows is less than the carrying amount of the asset. If impairment is indicated, the loss is measured based on the amount by which the carrying value exceeds its estimated fair value. Management does not believe that any indicators of impairment occurred during the years ended March 31, 2021 and 2020.

Investments

Investment purchases are recorded at cost and contributions to the Organization are recorded at their fair values on the date of contribution. Investments are reported at their fair value in the statement of financial position and change in fair value is included in the statement of activities. Net investment (loss) income consists of interest and dividend income, realized and unrealized gains and losses, and capital gains and losses, net of investment management fees.

Contributions and Promises to Give

Contributions are recognized when cash, other assets, a decrease in liabilities or expense, or an unconditional promise to give is received. In accordance with ASC 958-605 *Not-for-Profit Entities, Revenue Recognition,* contributions received are recorded as with and without donor restricted support depending on the existence or nature of donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional contributions received are recorded as deferred revenue until the condition is met. There were no conditional contributions as of March 31, 2021 and 2020.

Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are initially recorded at their estimated fair values. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. A discount was not recorded as management believes the amount is immaterial. Conditional promises to give are not recorded in the financial statements until the condition is met. There were no conditional promises to give at March 31, 2021 and 2020.

In years subsequent to initial recording, an allowance for uncollectible amounts is determined based on the relationship with the donor, historical experience, an assessment of the current economic environment, and analysis of subsequent events. As of March 31, 2021 and 2020, no allowance was considered necessary.

Donated Services, Equipment and Materials

Donated services are reported as contributions when services create or enhance nonfinancial assets or would be purchased if they require specialized skills and are provided by individuals possessing those skills. Donated equipment and materials are recorded at estimated fair values as revenue and expense, or capitalized assets, depending on the nature of the donation.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing their temporary cash and cash equivalents with reputable financial institutions. Amounts on deposit at any single financial institution are limited so as not to exceed Federal Deposit Insurance Corporation ("FDIC") or other insurance limits. The Organization had no deposits in excess of insured limits at March 31, 2021 or 2020.

Investments are subject to market risk, which is the risk that the value of the investment will decrease due to the fluctuations in security prices. Fluctuations can be caused by changes in interest rates, market dynamics, and other factors outside the Organization's control. Investments totaled $1,882,321 and $1,389,205 as of March 31, 2021 and 2020. This includes highly liquid investment balances of $754,834 and $549,663 included in cash and cash equivalents in the statements of financial position at March 31, 2021 and 2020, respectively. The remaining balances are included in investments held for endowment.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as described below:

- *Level 1* - Quoted market prices in active markets for identical assets and liabilities;
- *Level 2* - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data;
- *Level 3* - Unobservable inputs are used when little or no market data is available.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying Statement of Financial Position, as well as the general classification of such assets pursuant to the valuation hierarchy. There were no changes in methodology for the years ended March 31, 2021 and 2020.

Mutual Funds - The Organization invests in various mutual funds and exchange traded funds. Where quoted market prices are available for such funds in an active market, the funds are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then the funds are valued at net asset value based on the fair value of the underlying investments. Funds with these observable inputs are classified as Level 2 securities in the valuation hierarchy.

Common Stocks - Common and preferred stocks are valued based on quoted market prices. These are Level 1 investments.

Bonds - Bonds are valued at evaluated bid quoted prices for similar assets or liabilities in active markets. These are Level 2 investments.

Advertising

ASC 720-35 *Other Expenses, Advertising Costs* requires direct response advertising to be capitalized when it can be shown that customers responded to a specific advertisement and there is probable future economic benefit. The Organization does not currently use direct response advertising; hence, advertising costs are expensed when incurred.

Functional Allocation of Expenses

The costs of providing the Organization's programs and other activities have been summarized on a functional basis in the statement of functional expenses. Certain categories of expenses are attributable to program expense or one or more supporting functions. Those expenses include but are not limited to salaries, payroll taxes, benefits, professional fees, and telephone. These expenses are allocated to program, general and administrative, and fundraising functions based on their utility of time and cost to each class. Other allocated costs include rent which is allocated based on square footage.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1). However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization had no unrelated business income during the years ended March 31, 2021 and 2020.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2018.

Recently Adopted Accounting Pronouncements

In May of 2014, the FASB issued ASU 2014-09, *Topic 606, Revenue from Contracts with Customers*. ASU 2014-09 for nonpublic entities should be applied for entities with an annual reporting period beginning after December 15, 2020 and interim reporting periods within annual reporting periods beginning after December 15, 2021. Early adoption is permitted beginning after December 15, 2016. Management adopted Topic 606 as of April 1, 2020, and the ASU has been applied retrospectively to all periods presented and the adoption of this standard did not have a material impact on the financial statements.

Recently Issued Accounting Pronouncements

In February of 2016, the FASB issued ASU 2016-02, *Topic 842, Leases*. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2020. For all other organizations the new guidance is effective for fiscal years beginning after December 15, 2022 and interim periods with fiscal years beginning after December 15, 2022. Management is currently evaluating the impact of adoption of this standard on its financial statements.

2. Availability of Resources and Liquidity

The following represents the Organization’s financial assets at March 31, 2021 and 2020:

As of March 31,	**2021**	**2020**
Cash and cash equivalents	$ 888,525	$ 721,042
Unconditional promises to give, current portion	286,000	227,416
Endowment appropriated for expenditure	28,726	26,980
Financial assets available to meet general expenditures over the next year	$1,203,251	$ 975,438

The Organization’s goal is generally to maintain financial assets to meet 10 months of operating expenses as of each fiscal year end. Total financial assets available as of March 31, 2021 cover more than 10 months of expenses, not including donated flights. The financial assets above are subject to donor imposed restrictions as detailed in Note 6, *Net Assets With Donor Restrictions*. The organization also has access to accumulated investment earnings from an endowment which are available for appropriation as disclosed in the Note 7, *Endowment*, and a line of credit of line of credit as described in Note 5, *Debt*. Additionally, as further described in Note 12, *Risks and Uncertainties*, the COVID-19 outbreak adds uncertainty as to the impact on the Organization’s future funding.

3. Unconditional Promises to Give

Promises to give are receivable as follows as of March 31, 2021:

Amounts Due		
Within one year	$	286,000
One to five years		500,000
Thereafter		200,000
Total unconditional promises to give	$	986,000

4. Investments Held for Endowment

Investments stated at fair value on a recurring basis consist of the following at:

March 31, 2021	Level 1	Level 2	Level 3	Total
Domestic equities	**$ 526,026**	**$ -**	**$ -**	**$ 526,026**
International equities	**234,498**	**-**	**-**	**234,498**
Government bonds	**-**	**233,778**	**-**	**233,778**
Corporate bonds	**-**	**56,234**	**-**	**56,234**
Mutual funds	**36,007**	**-**	**-**	**36,007**
Cash and money market funds	**40,944**	**-**	**-**	**40,944**
Total investments	**$ 837,475**	**$ 290,012**	**$ -**	**$ 1,127,487**

March 31, 2020	Level 1	Level 2	Level 3	Total
Domestic equities	$ 372,550	$ -	$ -	$ 372,550
International equities	182,106	-	-	182,106
Government bonds	-	203,169	-	203,169
Corporate bonds	-	25,432	-	25,432
Mutual funds	27,090	-	-	27,090
Cash and money market funds	29,195	-	-	29,195
Total investments	$ 610,941	$ 228,601	$ -	$ 839,542

5. Debt

During July of 2017, the Organization entered into a secured line of credit agreement with an available line of credit is based on the collateral investment accounts held with the creditor. There is a variable interest rate, which includes a base rate calculated based on commercially recognized interest rates, industry conditions relating to the extension of credit, and general market conditions plus a rate ranging from minus 2.75% to plus .75%, depending on the assets under management. As of March 31, 2021 and 2020, the available line of credit was $236,587 and $518,581, respectively, and as of March 31, 2021 and 2020 the interest rate was 3.25% (base rate minus 1.5%) and 3.75% (base rate, minus 1.25%), respectively. No draws have been made on the line of credit during the years ended March 31, 2021 and 2020.

As a result of the economic stimulus efforts by the U.S. Government related to the COVID-19 outbreak, as discussed in Note 12, *Risks and Uncertainties*, the Organization received funding on January 28, 2021 and April 9, 2020 for Paycheck Protection Program loans through the Small Business Administration for $180,400 and $160,115, respectively. These loans may be forgiven if loan funds are used for approved expenses and the Organization maintains its workforce. The loan for $180,400 was forgiven on December 20, 2020 and is included in grant revenue on the statements of activities.

6. Net Assets with Donor Restrictions

For financial reporting purposes, the Organization uses two geographic categories – Western and Eastern Region – to segregate its net assets with donor restrictions. Although financial reporting is presented using two broad categories, there are more specific donor stipulations within these categories used for internal purposes.

At March 31, net assets with donor restrictions are restricted for the following purposes:

March 31,		**2021**		**2020**
Subject to the passage of time				
Unconditional promises to give	$	**986,000**	$	1,027,416
Endowment Subject to endowment				
spending policy and appropriation		**1,098,761**		812,562
Subject to expenditure for a specific purpose:				
Western Region		**27,000**		155,784
Eastern Region		**5,000**		52,000
Other		**-**		3,000
Total	$	**2,116,761**	$	2,050,762

During the years ended March 31, net assets released from donor restrictions are as follows:

Year Ended March 31,		**2021**		**2020**
Expiration of time restrictions				
Payments on promises to give	**$**	**233,500**	$	170,200
Satisifaction of purpose restrictions				
Western Region		**222,700**		105,808
Eastern Region		**122,000**		133,425
Other		**3,000**		3,000
Appropriations from donor restricted endowment		**28,138**		26,976
Total	**$**	**609,338**	$	439,409

7. Endowment

The endowment consists of two funds established to support the general mission of the Organization. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions required to be maintained in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions to be maintained in perpetuity is classified as accumulated investment income until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization;
- The investment policies of the Organization.

Income and Spending

Almost all of the Organization's endowment is composed of one contribution. In May 1999, the Michael and Kathleen Azeez Foundation donated various stocks to the Organization with a value of $520,120 establishing an endowment fund (the "Fund") to be held and administered solely for the long-term benefit of the Organization. The investment policy states that 3% of the trailing 12-quarter average value of the Fund is to be distributed to the Organization and may be expended to promote its charitable purpose. Annual changes in the fair value of the Fund are reported in net assets with donor restrictions. The investment policy of the Fund is controlled by a committee whose policy is directed by market conditions.

During late 2006, a donor contributed $10,000 to the Organization to establish a second endowment fund. In the following years, additional contributions to the endowment increased the balance by $4,000. Income from this endowment will be released for spending at a rate of 3% based on a rolling average of the twelve quarters investment value. In accordance with the endowment, no appropriations will be made until the amount available for release exceeds $1,000.

Changes in endowment net assets for the years ended March 31, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, March 31, 2019	$ 26,259	$ 907,799	$ 934,058
Contributions	-	-	-
Investment income	-	(68,261)	(68,261)
Distributions	(26,255)	-	(26,255)
Appropriated for expenditure	26,976	(26,976)	-
Endowment net assets, March 31, 2020	**$ 26,980**	**$ 812,562**	**$ 839,542**
Contributions	**-**	**-**	**-**
Investment income	**(26,392)**	**314,337**	**287,945**
Distributions	**-**	**-**	**-**
Appropriated for expenditure	**28,138**	**(28,138)**	**-**
Endowment net assets, March 31, 2021	**$ 28,726**	**$ 1,098,761**	**$ 1,127,487**

Endowment composition by type for is as follows as of:

March 31, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Original donor-restricted gift amount to be maintained in perpetuity	$ -	$ 534,120	$ 534,120
Accumulated investment income	-	564,641	564,641
Appropriated for expenditure	28,726	-	28,726
Total endowment net assets	$ 28,726	$ 1,098,761	$ 1,127,487

March 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Original donor-restricted gift amount to be maintained in perpetuity	$ -	$ 534,120	$ 534,120
Accumulated investment income	-	278,442	278,442
Appropriated for expenditure	26,980	-	26,980
Total endowment net assets	$ 26,980	$ 812,562	$ 839,542

8. Retirement Plan

The Organization has a 401(k) profit-sharing plan that is available to all employees over the age of twenty-one who have completed one year of at least 1,000 hours of service. Employees may elect to defer up to the Internal Revenue Service ("IRS") maximum contribution limit. For each plan year, the Organization may make discretionary contributions. The Organization contributed $23,905 and $32,095 during the years ended March 31, 2021 and 2020, respectively.

9. Donated Services, Equipment and Materials

Support from donated services, equipment, and materials for the year ended is as follows:

Year Ended March 31,	2021	2020
Donated flight services	$ 171,443	$ 182,950
Pilot and aircraft support	530,873	464,184
Other	41,335	43,466
	$ 743,651	$ 690,600

The use or distribution of donated services, equipment and materials during the year ended March 31, 2021 and 2020, were allocated to program services according the natural category to which they relate in the statement of functional expenses.

10. Concentrations

During the year ended March 31, 2021, approximately 27% of contributions revenue was received from two donors, each of which was more than 10% of total contribution revenue. At March 31, 2021, unconditional promises to give were comprised of pledges from six contributors of which one pledge was 81% and one pledge was 13% of total unconditional promises to give.

During the year ended March 31, 2020, approximately 57% of contributions revenue was received from one donor. At March 31, 2020, unconditional promises to give were comprised of pledges from four contributors of which one pledge was 88% of total unconditional promises to give.

11. Lease Commitments

The Organization leases office space under an operating lease agreement with a term expiring July 31, 2020. The lease expense for the years ended March 31, 2021 and 2020 was $7,850 and $18,840, respectively, and is included in rent on the statement of functional expenses. The lease was not renewed when it expired in July 2020.

12. Risks and Uncertainties

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization ("WHO"), has caused business disruption in a variety of industries, markets and geographic regions.

As a result of the spread of the COVID-19, public events and Organization's activities have been limited and economic uncertainties have risen which could have a negative financial impact on donations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while management expects this matter to negatively impact the Organization's business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time. See Note 2 for additional disclosure.

13. Subsequent Events

In accordance with ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through August 5, 2021 which is the date these financial statements were available to be issued. Other than matters described below, there were no subsequent events that required recognition or additional disclosure in these financial statements.

On June 21, 2021, the Organization applied with the Small Business Administration ("SBA") an application of forgiveness for the Paycheck Protection Loan dated January 28, 2021 in the amount of $160,115. The Organization has not received a notification from the SBA that the loan was forgiven in full.