

**COPA SAFETY AND EDUCATION FOUNDATION**

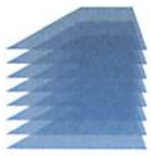
**REPORT ON REVIEWED  
CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

## COPA SAFETY AND EDUCATION FOUNDATION

### Table of Contents

	<u>Page</u>
<b>INDEPENDENT ACCOUNTANT'S REVIEW REPORT</b>	1
<b>FINANCIAL STATEMENTS:</b>	
Reviewed Consolidated Statement of Financial Position	2
Reviewed Consolidated Statement of Activities	3
Reviewed Consolidated Statement of Functional Expenses	4
Reviewed Consolidated Statement of Cash Flows	5
Notes to Reviewed Consolidated Financial Statements	6 - 10



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To: The Board of Trustees  
COPA Safety and Education Foundation

We have reviewed the accompanying consolidated financial statements of COPA Safety and Education Foundation (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021 and the consolidated related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modification that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of COPA Safety and Education Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Campbell Jones Cohen CPAs*

Campbell Jones Cohen CPAs  
Las Vegas, Nevada  
February 8, 2022

**COPA SAFETY AND EDUCATION FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

**ASSETS**

<b>Current Assets:</b>		
Cash and cash equivalents	\$ 249,724	
Pledges receivable	-	
Prepaid expenses	30,414	
<b>Total current assets</b>	<u>30,414</u>	\$ 280,138
<b>Property and Equipment, net (Note 3)</b>		<u>81,670</u>
<b>Total Assets</b>		<u>\$ 361,808</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>		
Accounts payable	\$ 8,357	
Credit cards payable	1,010	
Related party transactions (Note 1)	-	
<b>Total current liabilities</b>	<u>-</u>	\$ 9,367
<b>Net Assets: (Note 4)</b>		
Without donor restrictions	352,441	
With donor restrictions	-	
<b>Total net assets</b>	<u>-</u>	<u>352,441</u>
<b>Total Liabilities and Net Assets</b>		<u>\$ 361,808</u>

**COPA SAFETY AND EDUCATION FOUNDATION**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Activities</b>			
<b>Revenue and Other Support:</b>			
CPPP income	\$ 261,393	\$ -	\$ 261,393
Grant income	124,784	-	124,784
Sponsorship income	2,000	-	2,000
Donations	309,860	-	309,860
Special event income (Oshkosh Dinner)	14,800	-	14,800
<b>Total revenue and other support</b>	<u>712,837</u>	<u>-</u>	<u>712,837</u>
<b>Expenses:</b>			
<b>Program services</b>	417,114	-	417,114
<b>Supporting services:</b>			
Management and general	13,408	-	13,408
Fundraising	2,688	-	2,688
Total support services	<u>16,096</u>	<u>-</u>	<u>16,096</u>
<b>Total expenses</b>	<u>433,210</u>	<u>-</u>	<u>433,210</u>
<b>Change in Net Assets from Operations</b>	<u>279,627</u>	<u>-</u>	<u>279,627</u>
<b>Non-Operating Activities:</b>			
Other income/(expense)	333	-	333
Investment return, net	94	-	94
<b>Total non-operating activities</b>	<u>427</u>	<u>-</u>	<u>427</u>
<b>Change in Net Assets</b>	280,054	-	280,054
<b>Net Assets, Beginning of Year</b>	<u>72,387</u>	<u>-</u>	<u>72,387</u>
<b>Net Assets, End of Year</b>	<u>\$ 352,441</u>	<u>\$ -</u>	<u>\$ 352,441</u>

*See accompanying independent accountant's review report and notes to the consolidated financial statements.*

**COPA SAFETY AND EDUCATION FOUNDATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Pilot Training Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting	\$ 2,531	\$ 10,125	\$ -	\$ 12,656
Advertising	-	-	1,540	1,540
Awards and grants	452	-	-	452
Bank charges	24,100	502	-	24,602
Depreciation	10,422	-	-	10,422
Information technology	1,748	-	1,045	2,793
Insurance	3,614	402	-	4,016
Office expense	411	1,543	103	2,057
Postage and shipping	7,521	836	-	8,357
Professional fees	17,350	-	-	17,350
Taxes	343	-	-	343
Training event expenses	331,751	-	-	331,751
Travel	11,902	-	-	11,902
Meals	4,969	-	-	4,969
<b>Totals</b>	<u>\$ 417,114</u>	<u>\$ 13,408</u>	<u>\$ 2,688</u>	<u>\$ 433,210</u>

*See accompanying independent accountant's review report and notes to the consolidated financial statements.*



**COPA SAFETY AND EDUCATION FOUNDATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Cash Flows From Operating Activities:</b>	
Change in net assets	\$ 280,054
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>	
Depreciation	10,422
Increase (decrease) in pledges receivable	8,628
Increase (decrease) in related party transactions	(15,153)
Increase (decrease) in prepaid expenses	5,375
(Increase) decrease in accounts payable	1,010
(Increase) decrease in credit cards payable	<u>(79,307)</u>
<b>Net cash provided by operating activities</b>	211,029
<b>Cash Flows From Investing Activities:</b>	
Purchase of fixed assets	<u>(85,470)</u>
<b>Net increase in cash and cash equivalents</b>	125,559
<b>Cash and cash equivalents, beginning of year</b>	<u>124,165</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 249,724</u></u>

**Supplemental Disclosure of Cash Flow Information**

Amounts paid for interest and taxes for the year ended December 31, 2021 were \$0 and \$343, respectively.

# COPA SAFETY AND EDUCATION FOUNDATION

## NOTES TO REVIEWED CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### NATURE OF ACTIVITIES

COPA Safety and Education Foundation (or “the Organization”) is a non-profit 501 (c)(3) organization organized and incorporated under the laws of the state of Minnesota. Its goal is to develop and promote education and safety for owners and pilots of Cirrus Aircraft. It has a disregarded entity called COPA Training, LLC. COPA Training (or “Training”) conducts training courses across the country and internationally for Cirrus owners and pilots. As of December 31, 2021, COPA Training also had online courses available, free of charge, from time to time.

#### BASIS OF PRESENTATION

The financial statements of the COPA Safety and Education Foundation have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), which require COPA Safety and Education Foundation to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of COPA Safety and Education Foundation’s management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of COPA Safety and Training Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial information of the COPA Safety and Education Foundation (Safety) and its financial interrelated entity, the COPA Training Foundation LLC (Training). The Training Foundation’s sole member is the Safety Foundation and therefore it is required to be consolidated with the Safety Foundation. All inter-organizational transactions have been eliminated.

#### MEASURE OF OPERATIONS

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to COPA Safety and Education Foundation Investments, ongoing activities and interest and dividends earned on investments. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

#### CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.



## COPA SAFETY AND EDUCATION FOUNDATION

### NOTES TO REVIEWED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### REVENUE

The Safety and Education Foundation does not receive any of the dues revenue charged by their related organization, the Cirrus Owners and Pilots Association (COPA). COPA Safety and Education Foundation receives revenue in the form of contributions, grants from donors, and program fees generated by the COPA Pilot Proficiency Program (CPPP) training events. The Safety and Education Foundation occasionally receives special event income and sponsorship income, as well. COPA may, at its sole discretion, provide grants, from time to time, to COPA Safety and Education Foundation. However, such grants are not guaranteed.

##### PLEDGES RECEIVABLE

The Organization did not have any pledges receivable at December 31, 2021.

##### CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject COPA Safety and Education Foundation (SEF) to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. COPA Safety and Education Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

##### RELATED PARTY TRANSACTIONS

The Organization is related to Cirrus Owners and Pilots Association (COPA), a membership organization for Cirrus owners and pilots. COPA Safety and Education Foundation conducts training programs that many COPA members choose to attend. During 2021, COPA Safety and Education Foundation received support from COPA, in the form of debt forgiveness, totaling \$89,784, recorded in grant income. Additionally, COPA conducted an online and in-person auction at the migration event, and passed proceeds through to the SEF totaling \$128,025. This is included in donation income. COPA also includes a page on their website describing the COPA Safety and Education Foundation's activities and training opportunities.

##### PROPERTY AND EQUIPMENT, NET

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to seven years. COPA Safety and Education Foundation's policy is to capitalize renewals and betterments acquired for greater than \$1,000 and expense normal repairs and maintenance as incurred. COPA Safety and Education Foundation's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lives assets may not be recovered.

During 2021 the Safety and Education Foundation purchased new simulators for use in training programs in North American and Europe, valued at \$85,470. This purchase was funded with donations received during 2021.

## COPA SAFETY AND EDUCATION FOUNDATION

### NOTES TO REVIEWED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### CONTRIBUTIONS

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and (or) nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are 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 statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

##### FUNCTIONAL EXPENSES

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated amount program activities and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Accounting	Time and effort
Advertising	Time and effort
Awards and grants	Time and effort
Bank charges	Time and effort
Depreciation	Time and effort
Information technology	Time and effort
Insurance	Time and effort
Office expense	Time and effort
Postage and shipping	Time and effort
Professional fees	Time and effort
Taxes	Time and effort
Training event expenses	Time and effort
Travel	Time and effort
Meals	Time and effort

##### ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## COPA SAFETY AND EDUCATION FOUNDATION

### NOTES TO REVIEWED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### INCOME TAXES

COPA Safety and Education Foundation is exempt from income tax under Internal Revenue Code section 501(c)(3), and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code; however, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income. COPA Safety and Education Foundation has processes presently in place to ensure the maintenance of its tax exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. COPA Safety and Education Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The state of Minnesota attorney general report has been filed through December 31, 2020. The federal informational form 990 filing for 2021 is due May 15, 2022.

#### NOTE 2 - AVAILABILITY AND LIQUIDITY

The following represents COPA Safety and Education Foundation financial assets at December 31:

Financial assets at yearend:	
Cash and cash equivalents	\$ 249,724
Pledges receivable	<u>          -</u>
Total financial assets	249,724
Less amounts not available to be used within one year:	
Net assets with donor restrictions	-
Less net assets with purpose restrictions to be met in less than a year	<u>          -</u>
	<u>          -</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 249,724</u>

COPA Safety and Education Foundation's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$15,000). This operating expense estimate does not include the cost of CPPP training events.

#### NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

Property and equipment	\$ 163,322
Less: accumulated depreciation	<u>(81,652)</u>
Property and equipment, net	<u>\$ 81,670</u>

Depreciation expense for the year ending December 31, 2021 was \$10,422.



## COPA SAFETY AND EDUCATION FOUNDATION

### NOTES TO REVIEWED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 4 - NET ASSETS

There were no net assets with donor restrictions for the year ending December 31, 2021.

Net assets without donor restrictions were as follows for the year ended December 31:

Undesignated	\$ 352,441
--------------	------------

There were no net assets released from donor restrictions for the year ending December 31, 2021.

#### NOTE 5 - FOREIGN ACTIVITY

The Organization conducted activity outside of the United States in 2021. Purchases and receipts have been translated using an average exchange rate for the year for each currency at December 31, 2021, and the amount is immaterial. The organization did not have any foreign bank accounts during 2021.

#### NOTE 6 - CONTINUING ECONOMIC UNCERTAINTY RELATED TO COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 have included restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. The extent to which COVID-19 impacts the Organization’s results will depend upon future developments, which are highly uncertain and cannot be predicted.

#### NOTE 7 - DATE OF MANAGEMENT’S REVIEW

The Organization has evaluated subsequent events through February 8, 2022, which is the date the financial statements were available to be issued.