



**ASSOCIATION OF GRADUATES
OF THE
UNITED STATES AIR FORCE ACADEMY**

Financial Statements

For the Year Ended June 30, 2020

And

Independent Auditors' Report

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2020	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
SUPPLEMENTAL SCHEDULES	
Schedule of Funds with Donor Restrictions – Non-Endowment	21
Schedule of Funds with Donor Restrictions – Restricted Endowment	23

INDEPENDENT AUDITORS' REPORT

Board of Directors
Association of Graduates of the United States Air Force Academy
Colorado Springs, Colorado

We have audited the accompanying financial statements of the Association of Graduates of the United States Air Force Academy (the Association), which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2020 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2020 the Association adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* as of and for the year ended June 30, 2020. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

We have previously audited the Association's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Funds with Donor Restrictions are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Stockman Kast Ryan + Co. LLP

November 5, 2020

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020 (with comparative totals for 2019)**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 765,576	\$ 1,405,666
Accounts receivable	70,228	29,838
Contributions receivable, net	311,804	297,587
Grants receivable	602,670	1,200,000
Investments	47,015,908	48,931,466
Investments – agency	1,138,081	1,134,836
Inventory and prepaid expenses	317,076	289,276
Property and equipment, net	3,991,505	4,376,452
Other assets		146,069
TOTAL ASSETS	<u>\$ 54,212,848</u>	<u>\$ 57,811,190</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 226,851	\$ 332,927
Agency deposits	1,138,081	1,134,836
Deferred revenue	10,575,626	10,336,436
Other liabilities	134,830	358,169
Total liabilities	<u>12,075,388</u>	<u>12,162,368</u>
 NET ASSETS		
Without donor restriction:		
Board designated for endowment	4,620,017	14,973,913
Board designated for reserve	2,891,563	2,891,563
Board designated for short term purposes	290,520	290,520
Available for operations	14,578,796	3,868,518
Invested in property and equipment	3,991,505	4,376,452
Total without donor restriction	26,372,401	26,400,966
With donor restriction	<u>15,765,059</u>	<u>19,247,856</u>
Total net assets	<u>42,137,460</u>	<u>45,648,822</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 54,212,848</u>	<u>\$ 57,811,190</u>

See notes to financial statements.

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020 (with comparative totals for 2019)**

	2020		Total	2019 Total
	Without Donor Restriction	With Donor Restriction		
SUPPORT AND REVENUE				
Contributions	\$ 252,377	\$ 2,947,524	\$ 3,199,901	\$ 3,038,159
Investment income, net	1,639,021	261,567	1,900,588	1,792,150
Membership dues	988,739		988,739	962,973
Homecoming and reunions	468,563		468,563	482,931
Publications and advertising	446,013		446,013	608,151
Merchandise, net of costs of \$359,233 and \$334,587, respectively	261,951		261,951	243,701
Royalties	237,893		237,893	136,990
Subsidy and grant from Air Force Academy Foundation				1,600,000
Other revenue	422,147		422,147	532,470
Total support and revenue before net assets released from restrictions	4,716,704	3,209,091	7,925,795	9,397,525
Net assets released from restrictions	6,691,888	(6,691,888)		
Total support and revenue	<u>11,408,592</u>	<u>(3,482,797)</u>	<u>7,925,795</u>	<u>9,397,525</u>
EXPENSES				
Program services	9,862,895		9,862,895	7,359,739
Supporting services:				
General and administrative	1,502,964		1,502,964	1,258,029
Fundraising	71,298		71,298	121,377
Total expenses	<u>11,437,157</u>	<u>—</u>	<u>11,437,157</u>	<u>8,739,145</u>
CHANGE IN NET ASSETS	<u>(28,565)</u>	<u>(3,482,797)</u>	<u>(3,511,362)</u>	<u>658,380</u>
NET ASSETS, Beginning of year	<u>26,400,966</u>	<u>19,247,856</u>	<u>45,648,822</u>	<u>44,990,442</u>
NET ASSETS, End of year	<u>\$ 26,372,401</u>	<u>\$ 15,765,059</u>	<u>\$ 42,137,460</u>	<u>\$ 45,648,822</u>

See notes to financial statements.

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020 (with comparative totals for 2019)**

	2020												2019 Total
	Program Services							Support Services					
	Academy and Other Services	Cost of Publications	Special Events and Chapter Support	Member Services	Reunions	Career Opportunities	Special Functions	Total	General and Administrative	Fundraising	Total	Total	
Grants	\$ 5,832,832							\$ 5,832,832	\$ 40,895	\$ 500	\$ 41,395	\$ 5,874,227	\$ 3,635,380
Salaries and wages	603,803	\$ 559,727	\$ 226,038	\$ 174,897	\$ 226,602	\$ 34,188	\$ 58,204	1,883,459	910,932	47,751	958,683	2,842,142	2,311,946
Office and facilities expenses	465,091	242,786	146,766	114,940	108,782	37,021	25,408	1,140,794	190,539	19,312	209,851	1,350,645	1,454,643
Social events and meetings	14,118	52	159,128		234,156	1,918	1,089	410,461	28,666		28,666	439,127	384,484
Cost of merchandise sold				359,233				359,233			—	359,233	334,587
Professional services	12,414	12,209	74,146			28,975		127,744	225,231	3,735	228,966	356,710	362,179
Professional printing	3,238	176,624	875	3,160	17,880	116	2,289	204,182	3,034		3,034	207,216	236,624
Postage and shipping	43,946	82,787	491	6,810		9	461	134,504	17,819		17,819	152,323	149,881
Advertising and corporate promotion	9,934	43,119	11,243	6,094	300	2,033	12,971	85,694	17,344		17,344	103,038	98,669
Employee travel and meals	3,644	9,985	16,021		4,247	3,397	5,268	42,562	19,204		19,204	61,766	63,314
Insurance and bonding	663							663	49,300		49,300	49,963	42,025
Total expense by function	6,989,683	1,127,289	634,708	665,134	591,967	107,657	105,690	10,222,128	1,502,964	71,298	1,574,262	11,796,390	9,073,732
Less expenses included with revenues on the statement of activities:													
Cost of merchandise sold				(359,233)				(359,233)			—	(359,233)	(334,587)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES	\$ 6,989,683	\$ 1,127,289	\$ 634,708	\$ 305,901	\$ 591,967	\$ 107,657	\$ 105,690	\$ 9,862,895	\$ 1,502,964	\$ 71,298	\$ 1,574,262	\$ 11,437,157	
PERCENTAGE	61%	10%	5%	3%	5%	1%	1%	86%	13%	1%	14%	100%	
COMPARATIVE TOTAL - 2019	\$ 4,949,142	\$ 792,349	\$ 565,004	\$ 278,409	\$ 498,361	\$ 98,782	\$ 177,692	\$ 7,359,739	\$ 1,258,029	\$ 121,377	\$ 1,379,406		\$ 8,739,145
PERCENTAGE	57%	9%	6%	3%	6%	1%	2%	84%	14%	1%	16%		100%

See notes to financial statements.

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020 (with comparative totals for 2019)**

	2020	2019
OPERATING ACTIVITIES		
Change in net assets	\$ (3,511,362)	\$ 658,380
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(902,456)	(624,923)
Depreciation	552,092	568,086
Contributions restricted for long-term purposes	(2,744,854)	(2,825,483)
Changes in operating assets and liabilities:		
Accounts receivable	(40,390)	234
Grants receivable	597,330	(800,000)
Inventory and prepaid expenses	(27,800)	(33,870)
Other assets	146,069	132,079
Accounts payable and accrued expenses	(106,076)	114,108
Agency deposits	3,245	(319,854)
Deferred revenue	239,190	320,500
Other liabilities	<u>(223,339)</u>	<u>39,462</u>
Net cash used in operating activities	<u>(6,018,351)</u>	<u>(2,771,281)</u>
INVESTING ACTIVITIES		
Proceeds from sales of investments	8,794,430	11,458,719
Purchases of investments	(5,979,661)	(10,556,761)
Purchases of property and equipment	<u>(167,145)</u>	<u>(307,642)</u>
Net cash provided by investing activities	<u>2,647,624</u>	<u>594,316</u>
FINANCING ACTIVITIES		
Net cash provided by financing activities —		
Collection of contributions restricted for long-term purposes	<u>2,730,637</u>	<u>3,061,495</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(640,090)	884,530
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,405,666</u>	<u>521,136</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$ 765,576</u></u>	<u><u>\$ 1,405,666</u></u>

See notes to financial statements.

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — The Association of Graduates of the United States Air Force Academy (the Association) is an organization serving the youngest of the service academies and its graduates. The Association is chartered to support the ideals, values and heritage of the United States Air Force Academy (the Academy); to encourage exceptional candidates to attend the Academy; to encourage and support fundraising for use in furthering the objectives of the Academy and the Association; to foster camaraderie; and to provide a wide variety of services to graduates, cadets and their parents. The Association is an important conduit for the support that exists throughout the country for the Academy and its mission. It provides the "extra margin of excellence", supporting worthy programs not supported by federal funds.

To ensure observance of any limitations or restrictions placed on the use of resources available to the Association, the financial records of the Association are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

Basis of Presentation — The Association reports information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions - Net assets available for use in general operations - not subject to donor restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Comparative Financial Information — The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Use of Estimates — The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure

of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents — The Association considers all liquid investments with original maturities of three months or less, and which are not held for long term investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for long term purposes, regardless of original length to maturity, are reported as investments and are excluded from this definition. The net amount of operating cash added to, or withdrawn from, the long-term investments is reported as an investing activity in the statement of cash flows.

Accounts Receivable — Accounts receivable are stated at the invoice amount. Management provides for probable uncollectible amounts through a provision for bad debts and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2020 and 2019, management considers all accounts receivable to be fully collectible and, accordingly, there is no valuation allowance.

Contributions Receivable — Contributions receivable are recognized in the period received. The Association uses the allowance method to account for uncollectible contributions receivable. The allowance is based on historical experience and management's analysis of individual promises.

Investments — Investments are recorded at fair value. Realized and unrealized gains and losses are reflected in the statement of activities. Earnings and losses on investments are recognized as increases or decreases in net assets according to the nature of the restrictions on the original gift. Donated investments are recorded at fair market value on the date of donation. See Note 6 for information on fair value measurements.

Investments – Agency — The Association holds and invests monies for certain graduate classes of the Academy for those classes' activities at future dates and for other organizations. These funds are classified as agency deposits and are recorded at fair value.

Inventories — Inventories consist of items held for sale and are stated at the lower of first-in, first-out (FIFO) cost or net realizable value.

Property and Equipment — Property and equipment are recorded at cost for assets purchased by the Association and at estimated fair value at the date of donation for contributed assets. Depreciation of property and equipment is recorded using the straight-line method over estimated useful lives of 3 to 31½ years. The Association's policy is to capitalize assets costing \$1,000 or more with a useful life of one year or more.

Deferred Revenue — Deferred revenue is comprised of receipts for the Life Membership Fund (LMF) and royalties and dues.

The LMF contains the accounts used to invest, monitor and control fees received as a result of the Association's agreement to provide lifetime services to members who have chosen this membership option. The LMF and the current life membership fees are maintained and determined on a basis

that is designed to ensure that the original fee is adequate to fund the annual cost of membership over the average life of participants in the program. Current life membership fees are treated as additions to deferred revenue. The LMF fees are amortized over an assumed average life expectancy of 55 years after graduation.

Royalties and dues collected in periods before being earned are presented on the financial statements as deferred revenue.

Revenue Recognition — Contributions received are recorded as net assets with or without donor restrictions depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a donor restriction is met, 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.

Contributed Goods, Services and Facilities — Donated material and equipment are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Association reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Income Taxes — The Association is a qualified Association exempt from federal income taxes under the provisions of §501(c)(3) of the Internal Revenue Code. In addition, the Association qualifies for the charitable contribution deduction. The Association believes that it does not have any uncertain tax positions that are material to the financial statements.

Change in Accounting Principles — In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which replaces numerous requirements in U.S. GAAP, including industry-specific requirements, and provides companies with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. During the year ended June 30, 2020, management implemented ASU 2014-09 and adjusted the presentation in these financial statements accordingly. The ASU has been applied using a modified-retrospective approach during the year ended June 30, 2020 and had no effect on the financial statements.

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which provides clarity related to determination of contributions, including conditional contributions, and exchange transactions. During the year ended June 30, 2020, management implemented ASU 2018-08 and adjusted the presentation in these financial

statements accordingly. The ASU has been applied using a modified-prospective approach during the year ended June 30, 2020 and had no effect on the financial statements.

Subsequent Events — The Association has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

2. LIQUIDITY AND AVAILABILITY

The following table reflects the Association's financial assets as of June 30, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year from the statement of financial position date because of contractual restrictions and board designations. Amounts not available to meet general expenditures within one year include net assets with donor restrictions and board designated funds:

	2020	2019
Cash and cash equivalents	\$ 765,576	\$ 1,405,666
Accounts receivable	70,228	29,838
Contributions receivable, net	311,804	297,587
Grants receivable	602,670	1,200,000
Investments	47,015,908	48,931,466
Investments - agency	<u>1,138,081</u>	<u>1,134,836</u>
Total financial assets	<u>49,904,267</u>	<u>52,999,393</u>
Less amounts unavailable for general expenditures within one year, due to:		
Agency deposits held for other organizations	1,138,081	1,134,836
Restricted by donors with time restrictions		400,000
Restricted by donors with purpose restrictions	<u>15,365,059</u>	<u>18,048,673</u>
Total amounts unavailable for general expenditures within one year	<u>16,503,140</u>	<u>19,583,509</u>
Less amounts unavailable to management without Board's approval:		
Board designated for short term purposes	290,520	290,520
Board designated for program and support services	<u>7,511,580</u>	<u>17,865,476</u>
Total amounts unavailable to management without Board's approval	<u>7,802,100</u>	<u>18,155,996</u>
Total financial assets available to management to meet cash needs for general expenditures within one year	<u>\$ 25,599,027</u>	<u>\$ 15,259,888</u>

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available to support its operations and the United States Air Force Academy. Earnings from cash and investments, memberships, merchandise sales, an annual grant received from the Air Force Academy Foundation (formerly known as the USAFA Endowment), and other revenue sources, are

used to enable the Association to provide a variety of services to current cadets and graduates, and to further its heritage recognition mission. The Association seeks to maintain financial asset balances that generate income to support its programs. The Association manages an emergency cash flow and has established and monitors responsible investment guidelines and policies, and through quarterly analysis of cash flows and budgeted expenses, it funds the general operations of the organization and administers programs in support of the Academy. The Association manages its cash flow for a one-year cycle from the date of the statement of financial position.

3. FUNCTIONAL EXPENSES ALLOCATION METHODS

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Association. Therefore, many expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services include payroll and related taxes and benefits, professional services, postage and shipping, and office and facilities expenses. All other expenses are attributed directly to individual projects, each of which is identified to a specific operational function.

4. AGREEMENTS WITH THE AIR FORCE ACADEMY FOUNDATION

The Association and the Air Force Academy Foundation (the Foundation), have entered into a Memorandum of Understanding (the MOU) to establish a collaborative, comprehensive friendraising and fundraising process designed to raise increasing levels of charitable support for the Academy and to better serve the needs of the graduate community. There was one MOU in effect during the year ended June 30, 2020. The MOU was effective January 1, 2019 and remains in effect through December 31, 2020. Either party may terminate the MOU with 60 days written notice.

Under the 2019 MOU, the Foundation will make an annual grant of \$800,000 to the Association.

The Association received \$800,000 during the years ended June 30, 2020 and 2019 from the Foundation as a result of the MOU. As of June 30, 2020 and 2019, the Association had receivables from the Foundation of \$400,000 and \$1,200,000, respectively, related to income from the MOU. The receivable as of June 30, 2020 is due in six equal monthly installments through December 31, 2020.

The Association and the Foundation had an Operating Support Contract (the Contract) under which the Foundation agreed to pay the Association for services provided, to include rent of office space, furniture and equipment, data entry services, information technology support for hardware and software system and utilities. Beginning on January 1, 2018, the Association and the Foundation entered into a new Contract under which the Foundation no longer makes payments to the Association for those services.

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at June 30:

	2020	2019
Due in less than one year	\$ 312,704	\$ 298,487
Allowance for doubtful contributions receivable	<u>(900)</u>	<u>(900)</u>
Contributions receivable, net	<u>\$ 311,804</u>	<u>\$ 297,587</u>

6. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Association is required to use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Association has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no significant changes in the methodologies used at June 30, 2020 and 2019.

Mutual Funds and Money Market Funds — Valued at quoted market prices.

Partnership Interests — Valued based on the net asset value (NAV) per share. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it was

determined to be probable that the investment would be sold at an amount different from the reported NAV. NAV is based upon the fair value of the underlying investments as determined by fund's management and its underlying investment managers. The partnership interests are invested in investment funds, limited partnerships, and private investment companies. The fair values of the underlying investments may differ significantly from the values that would have been used had a ready market for the underlying funds existed.

The following tables set forth by level, within the fair value hierarchy, the Association's assets stated at fair value as of June 30:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
2020:				
Investments:				
Mutual funds:				
Domestic equity	\$ 16,780,266			\$ 16,780,266
Fixed income	15,063,320			15,063,320
International equity	11,775,273			11,775,273
Alternatives	2,724,630			2,724,630
REIT/Real estate	1,719,473			1,719,473
Money market	<u>24</u>			<u>24</u>
Total investments in the fair value hierarchy	<u>\$ 48,062,986</u>	<u>\$ —</u>	<u>\$ —</u>	48,062,986
Investments measured at net asset value				<u>91,003</u>
Total				<u>\$ 48,153,989</u>
2019:				
Investments:				
Mutual funds:				
Fixed income	\$ 17,793,358			\$ 17,793,358
Domestic equity	15,908,336			15,908,336
International equity	11,547,262			11,547,262
Alternatives	2,824,120			2,824,120
REIT/Real estate	1,847,529			1,847,529
Money market	<u>23</u>			<u>23</u>
Total investments in the fair value hierarchy	<u>\$ 49,920,628</u>	<u>\$ —</u>	<u>\$ —</u>	49,920,628
Investments measured at net asset value				<u>145,674</u>
Total				<u>\$ 50,066,302</u>

Assets measured at fair value are included in the following amounts on the balance sheets as of June 30:

	2020	2019
Investments	\$ 47,015,908	\$ 48,931,466
Investments – agency	<u>1,138,081</u>	<u>1,134,836</u>
Total	<u>\$ 48,153,989</u>	<u>\$ 50,066,302</u>

There are no unfunded commitments related to the investments measured at net asset value. The following table summarizes investments measured at net asset value per share as of June 30:

Investment	Redemption Fair Value	Redemption Frequency	Notice Period
2020:			
Phoenix Global Real Estate Fund LP	\$ <u>91,003</u>	On the last day of any quarter, after 3 years	In liquidation
2019:			
Phoenix Global Real Estate Fund LP	\$ 91,003	On the last day of any quarter, after 3 years	In liquidation
Sandalwood Overseas Liquidating SPV SPC, Ltd	<u>54,671</u>	Annually, at the end of the fiscal year	60-day advanced written notice
Total	<u>\$ 145,674</u>		

Phoenix Global Real Estate Fund L.P. (Phoenix Global): The Phoenix Global investment strategy is to provide a superior long-term growth of capital through investments in portfolios concentrated in real estate and real estate related interest through various strategies. The Phoenix Global fund is in liquidation.

Sandalwood Overseas Liquidating SPV SPC, Ltd (Sandalwood): Sandalwood is a Cayman Islands exempted company and was organized for the purpose of facilitating in-kind redemptions related to certain illiquid positions of Sandalwood Overseas Fund SPC, Ltd. Sandalwood is invested in one affiliated private investment company. The investment was liquidated during the year ended June 30, 2020.

Net investment income was composed of the following for the years ended June 30:

	2020	2019
Interest and dividends	\$ 1,007,400	\$ 1,175,597
Net realized and unrealized gains	902,456	624,923
Investment management and custodial fees	<u>(9,268)</u>	<u>(8,370)</u>
Investment income, net	<u>\$ 1,900,588</u>	<u>\$ 1,792,150</u>

Included in total investments is an investment of \$91,003 that was in liquidation as of June 30, 2020 and 2019. Final liquidation of the investment is expected sometime in the near future. Accordingly, these amounts may not be readily redeemable for cash and may not be fully recoverable.

7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2020	2019
Buildings and improvements	\$ 10,375,640	\$ 10,318,127
Equipment	<u>2,464,939</u>	<u>2,355,307</u>
Total	12,840,579	12,673,434
Less accumulated depreciation	<u>8,849,074</u>	<u>8,296,982</u>
Total	<u>\$ 3,991,505</u>	<u>\$ 4,376,452</u>

Depreciation expense was \$552,092 and \$568,086 during the years ending June 30, 2020 and 2019, respectively.

8. BOARD DESIGNATED NET ASSETS

Board designated net assets consists of the following at June 30:

	2020	2019
The Francis C. Bennett Soaring Margin of Excellence Fund was designated to provide funds to support the Soaring program of the Academy. There were no net assets without donor restriction designated to the Fund during the years ended June 30, 2020 and 2019.	\$ 3,626,440	\$ 3,547,278
The Board Designated AOG Reserve Fund was established to provide emergency support to the Association's operations when other funds might not be readily available. There were no net assets without donor restriction designated to the Fund during the years ended June 30, 2020 and 2019.	2,891,563	2,891,540
The AOG Heritage and Initiatives Preservation Fund is designated to provide maintenance funds for properties on land leased to the Association, to fund planning needs for future heritage programs, and to support potential donor heritage initiatives. There were no net assets without donor restriction designated to the Fund during the years ended June 30, 2020 and 2019.	898,997	975,426
Board designated funds for short term purposes. There were no net assets without donor restriction designated to the Fund during the years ended June 30, 2020 and 2019.	290,520	290,520

	2020	2019
<p>The Graduate Engagement Fund is designated to fund new and improve current graduate engagement initiatives to allow the Association to better achieve its mission of providing leadership, communication, and support to all Academy graduates and friends of the Academy and promote camaraderie among them. There were no net assets without donor restriction designated to the Fund during the year ended June 30, 2020 and \$150,000 of unrestricted net assets designated to the Fund during the year ended June 30, 2019.</p>	94,580	150,869
<p>The Long Blue Line Endowment Fund was designated to provide operating funds for services and support to the Academy, cadet programs of the Academy and graduate programs of the Academy. There were no net assets without donor restriction designated to the Fund during the year ended June 30, 2020. All amounts previously designated were undesignated in May 2020 and returned to net assets without donor restriction.</p>		8,091,761
<p>The Francis C. Bennett Scholarship Enhancement Fund was designated to supplement other existing post-graduate scholarships, which are presently underfunded as identified by the Graduate Scholarship Committee. All amounts previously designated were undesignated in May 2020 and returned to net assets without donor restriction.</p>		1,149,572
<p>The Cadet Commanders' Leadership Enrichment Seminar Fund (CLES) is designated to support the Dean's education program at the Academy. All amounts previously designated were undesignated in May 2020 and returned to net assets without donor restriction.</p>		440,556
<p>The Graduate Dependent Scholarship Endowment Fund is designated to provide a service to the graduate community by supporting post-secondary education for children of Academy graduate members. All amounts previously designated were undesignated in May 2020 and returned to net assets without donor restriction.</p>		346,533

	2020	2019
The Francis C. Bennett Aviation Support Fund is designated to provide operating funds to the Academy to support the non-soaring aviation programs of the Academy. All amounts previously designated were undesignated in May 2020 and returned to net assets without donor restriction.	<u> </u>	<u>271,941</u>
Total	<u>\$ 7,802,100</u>	<u>\$ 18,155,996</u>

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions may be expended for the following purposes at June 30:

	2020	2019
Program and support services	\$ 7,383,554	\$ 10,181,221
Endowment funds	5,760,206	5,700,977
Building maintenance and improvements	2,221,299	2,165,658
Time restrictions	<u>400,000</u>	<u>1,200,000</u>
Total	<u>\$ 15,765,059</u>	<u>\$ 19,247,856</u>

Net assets with donor restrictions include endowment fund assets to be held indefinitely. The income from the assets can be used for future needs of the Association.

10. ENDOWMENT FUNDS

The Association's endowment funds are restricted for the purpose of supporting the operations of the Association. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Colorado has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The act provides statutory guidance for management investment and expenditure of endowment funds held by not-for-profit organizations. The Association has interpreted 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 Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Association considers the

following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Foundation
- 7) The investment policies of the Foundation

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds		\$ 5,760,206	\$ 5,760,206
Board-designated endowment funds	<u>\$ 4,620,017</u>	<u> </u>	<u>4,620,017</u>
Total funds	<u>\$ 4,620,017</u>	<u>\$ 5,760,206</u>	<u>\$ 10,380,223</u>

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, Beginning of year	\$ 14,973,913	\$ 5,700,977	\$ 20,674,890
Net investment income	89,346	131,624	220,970
Contributions		29,729	29,729
Board designation of net assets without donor restriction	(10,443,242)		(10,443,242)
Appropriation of endowment assets for expenditures	<u> </u>	<u>(102,124)</u>	<u>(102,124)</u>
Endowment net assets, End of year	<u>\$ 4,620,017</u>	<u>\$ 5,760,206</u>	<u>\$ 10,380,223</u>

Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds		\$ 5,700,977	\$ 5,700,977
Board-designated endowment funds	<u>\$ 14,973,913</u>	<u> </u>	<u>14,973,913</u>
Total funds	<u>\$ 14,973,913</u>	<u>\$ 5,700,977</u>	<u>\$ 20,674,890</u>

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, Beginning of year	\$ 13,104,225	\$ 5,673,100	\$ 18,777,325
Net investment income	235,214	107,965	343,179
Contributions	2,291,520	75,374	2,366,894
Board designation of net assets without donor restriction	(657,046)		(657,046)
Appropriation of endowment assets for expenditures	<u> </u>	<u>(155,462)</u>	<u>(155,462)</u>
Endowment net assets, End of year	<u>\$ 14,973,913</u>	<u>\$ 5,700,977</u>	<u>\$ 20,674,890</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. Deficiencies of this nature were \$1,460 and \$817 as of June 30, 2020 and 2019, respectively and are included in endowment net assets with donor restriction.

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The Association expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

11. EMPLOYEE RETIREMENT PLAN

The Association established a qualified 401(k) profit sharing plan (the Plan) covering all employees who are twenty-one years of age or older, have completed one year of service, and are not covered by a collective bargaining agreement. The employees may make elective contributions of up to 100% of compensation, subject to statutory limitations, and the Association will make matching contributions equal to 25% of the employee's elective deferrals of up to 5% of compensation. In addition, the Association may make discretionary contributions to the Plan. The Plan provides for full vesting of matching and discretionary contributions after six years of service. The Association made contributions of \$71,563 and \$62,637 for the years ended June 30, 2020 and 2019, respectively.

Additionally, the Association established a qualified 457(b) deferred compensation plan (Deferred Compensation Plan) for key employees. Participants of the Deferred Compensation Plan are allowed to make voluntary salary reduction contributions with no limitations. Under the Deferred

Compensation Plan, the employer is allowed to make discretionary non-elective contributions to each participant's account. Contributions to the Deferred Compensation Plan are immediately vested. The Association made distributions from the Deferred Compensation Plan of \$146,069 and \$132,079 during the years ended June 30, 2020 and 2019, respectively. No contributions were made to the Deferred Compensation Plan during the years ended June 30, 2020 and 2019.

12. SIGNIFICANT CONCENTRATIONS

The Association maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits.

As of June 30, 2020 and 2019, the Association received approximately 84% and 83% of the contributions from one donor, respectively. Additionally, as of June 30, 2020 and 2019, the Association had contribution receivables, net, of approximately 99% due from one donor.

The Association invests in investment securities which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in the Association's financial statements.

13. SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Association's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global response to curb its spread, the Association is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

SUPPLEMENTAL SCHEDULES

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**SCHEDULE OF FUNDS WITH DONOR RESTRICTIONS – NON-ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Beginning Balance</u>	<u>Contributions and Reclassification</u>	<u>Investment Earnings</u>	<u>Total Revenue</u>	<u>Expenses and Releases</u>	<u>Grants and Allocations</u>	<u>Ending Balance</u>
Nutter Scholarship Fund	\$ 259,502	\$ 11,232		\$ 11,232		\$ (15,000)	\$ 255,734
Superintendent's Discretionary Fund	140,661	53,592		53,592		(100,000)	94,253
Superintendent's Other Discretionary Fund	5,818,829	2,626,008		2,626,008		(4,494,600)	3,950,237
DFAS (Astronautics Dept)	16,133					(8,400)	7,733
Wing Open Boxing	1,368						1,368
Tony M. Johnson Math Teaching Award	2,988					(120)	2,868
Academics General - License Plates	3,750	1,850		1,850			5,600
AOG SEA Plaques and Memorials	10,887					(5,000)	5,887
Class of '60 Gift	469						469
Class of '61 Gift	2,854						2,854
Class of '64 Gift	77,672						77,672
Class of '65 Gift	4,114						4,114
Class of '66 Gift	133,438						133,438
Class of '68 Gift	12,405						12,405
Class of '69 Gift	6,572						6,572
Class of '72 Gift	5,921						5,921
Class of '73 Gift	774					(774)	
Class of '74 Gift	57,835					(1,601)	56,234
Class of '75 Gift	375					(375)	
Class of '76 Gift	9,774						9,774
Class of '77 Gift	10,506						10,506
Class of '78 Gift	8,053						8,053
Class of '81 Gift	71,742						71,742
Class of '83 Gift	1,762						1,762
Class of '84 Gift	16,753						16,753
Class of '85 Gift	20,732						20,732
Class of '87 Gift	1,564						1,564
Class of '88 Gift	14,753						14,753
Class of '89 Gift	5,154						5,154
Class of '90 Gift	20,195						20,195
Class of '91 Gift	103,900						103,900
Class of '92 Gift	92,702						92,702
Class of '94 Gift	1,100						1,100
Class of '95 Gift	163						163
Class of '96 Gift	850						850
Class of '02 Gift	51						51
Class of '10 Gift	224,062	16,443		16,443			240,505

(Continued)

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**SCHEDULE OF FUNDS WITH DONOR RESTRICTIONS – NON-ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Beginning Balance</u>	<u>Contributions and Reclassification</u>	<u>Investment Earnings</u>	<u>Total Revenue</u>	<u>Expenses and Releases</u>	<u>Grants and Allocations</u>	<u>Ending Balance</u>
Visiting Lecturer Systems Engineering	758,613		\$ 2	2		(758,550)	65
McConn Scholarship	691,428		13,559	13,559	\$ (4,389)	(154,148)	546,450
Kruzel Defense Policy	27,550		656	656	(204)	(1,225)	26,777
Falcon Foundation	230,860		5,440	5,440	(1,707)	(10,389)	224,204
Falcon Foundation Ackerman	446,143		10,512	10,512	(3,299)	(20,076)	433,280
Admissions - Hennek	58,579		1,394	1,394	(433)	(2,638)	56,902
Football - Hennek	64,443		1,656	1,656	(488)	(2,875)	62,736
LaCrosse and Fencing	36,889		948	948	(280)	(1,625)	35,932
Warrior Remembrance	497,881		11,391	11,391		(38,500)	470,772
Storyteller Exhibit Maintenance Endowment	85,860		2,135	2,135	(665)		87,330
Falcon Heritage Forum Keynote Speaker	101,255		2,518	2,518	(784)		102,989
Falcon Heritage Forum Travel	51,006		1,268	1,268	(395)		51,879
Class of 65 endowment	143,165		3,560	3,560	(1,109)		145,616
Character - Legasey	186,905		5,364	5,364	(1,243)	(50,000)	141,026
Character - Schlossberg	281,616		6,821	6,821	(2,121)	(7,692)	278,624
Character - Moore	62,234		1,507	1,507	(469)	(1,701)	61,571
Character - West	165,162		4,000	4,000	(1,244)	(4,505)	163,413
ACES Program	50,033		1,244	1,244	(387)		50,890
Honor Education - Class of '75	363,402		8,657	8,657	(2,690)	(16,000)	353,369
Roslyn Schulte Character/Leadership	90,636		2,174	2,174	(680)	(2,750)	89,380
Class of '80 Excellence in Ethics	144,128		3,341	3,341	(1,037)	(10,241)	136,191
Joseph D. Helton Memorial Award	7,483		186	186		(58)	7,611
O'Malley Award	32,697		813	813	(253)		33,257
Character - AOG	138,507		3,444	3,444	(1,073)		140,878
Class of '80 Oral History/Cadet CLD Fund	220,547		5,485	5,485	(1,708)		224,324
Chuck Bush Memorial Fund	7,105		165	165	(52)	(681)	6,537
AOG Class of 2023 Legacy Program	33,685		838	838	(261)		34,262
CGA-Coleman			2,384	2,384	(2,384)		
AOG Heritage Initiatives & Preservation Fund	208,704	6,000	28,481	34,481	(50,572)	(313)	192,300
Grants receivable	1,200,000	202,670		202,670		(800,000)	602,670
Total	<u>\$ 13,546,879</u>	<u>\$ 2,917,795</u>	<u>\$ 129,943</u>	<u>\$ 3,047,738</u>	<u>\$ (79,927)</u>	<u>\$ (6,509,837)</u>	<u>\$ 10,004,853</u>

(Concluded)

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**SCHEDULE OF FUNDS WITH DONOR RESTRICTIONS – RESTRICTED ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	Beginning Balance	Contributions and Reclassifications	Investment Earnings	Expenses and Transfers	Grants and Allocations	Ending Balance	Portion to be Held in Perpetuity
General Ira C. Eaker Endowment for Defense Policy Lecture Series	\$ 103,802		\$ 2,581	\$ (804)		\$ 105,579	\$ 67,168
Frank E. & H. E. Hedrick Endowment for Cadet and Faculty Enrichment	227,862		5,876	(1,688)	\$ (10,150)	221,900	151,524
Dr. Henry Kissinger Endowment for National Security Studies	36,373		866	(269)	(1,600)	35,370	20,058
John K. Gerhart Scholarship for French Study	468,724		11,399	(3,546)	(10,862)	465,715	278,658
Donald R. Backlund Endowment for USAFA Military Symposium	20,535		485	(152)	(900)	19,968	11,725
Roger Stringer Award for Outstanding Cadet in Intercollegiate Speech	21,108		508	(159)	(600)	20,857	11,550
Henry S. Walker Endowment for POW Museum	45,564		1,133	(353)		46,344	13,695
Col. Franklin C. Wolfe Humanities Scholarship	57,694		1,409	(427)	(2,567)	56,109	43,511
WWI Overseas Flyers - American Aviation in WWI	52,904		1,316	(410)		53,810	13,957
Cadet Leadership Enrichment	233,495		5,756	(1,794)	(1,730)	235,727	145,853
A.J. Mione Cadet Award for Outstanding Physics Research	37,734		935	(291)	(105)	38,273	19,435
Graduate Dependent Scholarship	98,209		(2,025)	(725)	(434)	95,025	95,103
Joseph A. Reich, Sr. Lecture Series	126,187		3,138	(977)		128,348	91,557
305th Bombardment Group Memorial Association - Leadership Education	154,979		3,854	(1,200)		157,633	75,020
Richard Lawson - Award for Outstanding Cadet in Communications	280,411		11,371	(2,120)	(8,900)	280,762	218,000
Jerry C. Lindh - Cadet Honor Awards	18,098		450	(140)		18,408	8,898
Ross A. LaTorra - Men's Rugby	15,883		375	(118)	(700)	15,440	11,053
Computer Science Department Awards	11,744		278	(87)	(500)	11,435	8,338
Warren Sneed - Wings of Blue Jump Team	39,477	\$ 150	931	(291)	(1,933)	38,334	28,092
General Kenneth L. Tallman - Liaison Officer Service Awards	12,691		276	(177)	(1,547)	11,243	12,691
General & Mrs. L.I. Davis - Astronautics Community Projects	55,440		1,274	(396)	(2,350)	53,968	32,676
Graduate and Non-Graduate Awards	92,247		2,235	(698)	(1,989)	91,795	57,084
Laura A. Piper - Squadron Award	3,129		103	(34)	(704)	2,494	2,235
Class of '62 - Academy and AOG Projects	41,903		948	(298)	(2,814)	39,739	24,470
Robert B. Spear - Men's Basketball Player Award	17,330		468	(146)		17,652	8,535
William R. Grace - Maintenance of the Sand Volleyball Court	41,612		1,035	(322)		42,325	20,741
William F. Goodner - Biology Teaching Excellence	18,158		443	(136)	(450)	18,015	9,805
Pace Weber - Outstanding Men's Lacrosse Player Award	8,695		220	(68)		8,847	4,900
Kenneth Thiele - Graduate History Scholarship	28,121		699	(218)		28,602	13,628
William Heiser - Senior Faculty Teaching Award	32,243		779	(245)	(1,288)	31,489	20,000
Q. C. Snyder - Management Department Support	3,943		96	(30)	(135)	3,874	2,700
Richard Buschmann - Graduate Dependent Scholarship	14,321		356	(111)		14,566	10,345
Class of '74 - Award for Character Development	33,071		780	(245)	(1,450)	32,156	21,500
Class of '59 - NCLS Keynote Speaker	137,483		3,274	(1,017)	(6,100)	133,640	101,000
Powell Family Endowment	14,029		331	(104)	(625)	13,631	10,000
Tober Family - Astronautics Programs	371,393		8,999	(2,799)	(10,000)	367,593	238,615
Peter Brown - Summer Research Institute	24,063		589	(183)	(408)	24,061	15,000

(Continued)

**ASSOCIATION OF GRADUATES OF
THE UNITED STATES AIR FORCE ACADEMY**

**SCHEDULE OF FUNDS WITH DONOR RESTRICTIONS – RESTRICTED ENDOWMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Beginning Balance</u>	<u>Contributions and Reclassifications</u>	<u>Investment Earnings</u>	<u>Expenses and Transfers</u>	<u>Grants and Allocations</u>	<u>Ending Balance</u>	<u>Portion to be Held in Perpetuity</u>
Harold Gilbert Character/Leadership Endowment	180,747		4,304	(1,337)	(7,168)	176,546	124,328
Building Operations and Maintenance	2,165,658	1,862	53,779			2,221,299	2,167,520
Long Blue Line Endowment	353,917	27,717				381,634	361,698
Total	<u>\$ 5,700,977</u>	<u>\$ 29,729</u>	<u>\$ 131,624</u>	<u>\$ (24,115)</u>	<u>\$ (78,009)</u>	<u>\$ 5,760,206</u>	<u>\$ 4,572,666</u>

(Concluded)