Explanation of AOPA IRS Form 990 for 2011

AOPA is fully compliant with all reporting requirements, including compensation, and our 990 filing is annually reviewed by an accounting firm. It has been, and will continue to be, AOPA's practice to publicly post a link to its annual 990 IRS returns on the AOPA website for review by AOPA members.

Areas of Interest

Part I and Part VII– Summary and Compensation

AOPA's compensation practices are reviewed by an independent compensation consultant to ensure that our compensation policies and practices are reasonable and comparable to other organizations similar to AOPA. Ultimately, our goal is to attract and retain the talent we need to best serve our members; therefore our compensation and benefits structure is based on competitive market rates.

Part I includes total compensation for all AOPA employees, while Part VII focuses on compensation of key staff and independent contractors. Current officers, directors, and trustees (regardless of amount of compensation) must be listed in Section A of Part VII, as well as current key employees and the organization's five current highest compensated employees who received compensation of more than $100,000.

Highlights:

- AOPA salaries/other compensation/benefits (for all employees, not just officers) decreased by $2.8 million between 2011 and 2010. This corresponds to a drop in total salaries as a percentage of total revenue to 34 percent in 2011, as compared to 45 percent in 2010.
- GuideStar, an independent gatherer of information regarding nonprofit organizations, states that "typically" salaries in non-profits can be more than 50 percent of revenue: "When revenues are down and prospects for increasing or even continuing support from foundations, government, and individuals are not bright, nonprofits have to make some tough decisions about how to spend their scarce dollars. Typically, salaries represent well over 50 percent of an organization's budget…"
- Compensation/deferred compensation for the reported employees/former employees in Schedule J decreased by $25,000 in 2011, as compared to AOPA's 2010 filing. This included a four percent decrease in total compensation for Craig Fuller.

- Additionally, while the 2011 990 form reports that $774,251 in deferred compensation was paid to former AOPA President Phil Boyer, those funds were previously reported on 990 returns when Boyer was an active employee, as required by the IRS, and so are not a new expense in 2011.

Part VIII – Statement of Revenue

Part VIII contains information about AOPA's ability to garner financial support and thus be able to continue its operations (i.e.: how much revenue is derived from membership dues versus other income such as investment earnings).

Highlights:

- Total revenue in 2011 increased to $34,470,816, compared to $32,631,227 in 2010.
- Membership dues revenue was up in 2011, $16,051,829, compared with $15,390,752 in 2010.

Part IX – Statement of Functional Expenses

Part IX breaks down AOPA's total expenses between programs and management/general expenses.

Highlights:

- A very large majority of AOPA's expenses go to programs. In 2011, 87.5 percent of expenses were spent on programs ($27,850,761) and 12.5 percent went to management and general expenses ($3,980,481).

Part X – Balance Sheet

Part X demonstrates the financial health of AOPA and shows from one year to the next the change in net assets and fund balances.

Highlights

- For 2011, AOPA reported a small decrease of 3.1 percent in total assets ($90,333,696) and its total liabilities ($16,784,550) remained virtually the same with an increase of less than one percentage point.