



## Explanation of AOPA IRS 2012 Form 990

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. View the returns at: <http://www.aopa.org/About-AOPA/Governance.aspx>

### 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 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. Officers, directors, and trustees (regardless of amount of compensation) must be listed in Section A of Part VII, as well as key employees and the organization's five highest compensated employees who received compensation of more than \$100,000.

#### Highlights:

- AOPA salaries/other compensation/benefits for all employees, not just officers, increased by \$1.5 million between 2011 and 2012. Part of this is due to AOPA's seven regional managers becoming full time employees in 2012.
- AOPA salaries/other compensation/benefits for officers decreased nearly 2 percent in 2012.
- Total salaries paid to AOPA employees were 35 percent of revenue in 2012. GuideStar, an independent gatherer of information regarding nonprofit organizations, states that, "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 \$476,000 in 2012, as compared to AOPA's 2011 filing. This included a 10 percent decrease in total compensation for Craig Fuller.
- Additionally, while the 2012 990 form reports that \$372,841 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 2012.

### **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 2012 increased 7.5 percent to \$37,057,234, compared to \$34,470,816 in 2011.
- Membership dues revenue was up 1 percent in 2012, \$16,214,173, compared with \$16,051,829 in 2011.

### **Part IX – Statement of Functional Expenses**

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

#### Highlights:

- A large majority of AOPA's expenses go to programs. In 2012, 87.5 percent of expenses were spent on programs and 12.5 percent went to management and general expenses.

### **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 2012, AOPA reported an increase of 8 percent in total assets and its total liabilities increased 11 percent.