

In an effort to keep our members well informed on our financial status, the ISTAT Board of Directors is pleased to publish a summary of our audited 2014 financials for your review. This report contains copies of our audited balance sheet, income statement and cash flow statement for 2014. Please note that this report contains both ISTAT and the Foundation activity for this period as noted on the heading of each report. The audit was conducted by certified public accountants BKD LLP CPA's and Advisors. A complete copy of our 2014 audited financial statement is held on permanent file at ISTAT headquarters and is available upon request for review by active members.

Sincerely,
Douglas W. Runte, CFA, ISTAT Treasurer

International Society of Transport Aircraft Trading (ISTAT)

Statements of Activities and Changes in Net Assets



	For the Year Ended December 31,	
	2014	2013
Support and Revenues		
Royalties - <i>JETTRADER</i> Magazine	\$ 20,595	\$ 11,574
Royalties - membership directory	13,638	7,500
Air show receptions	45,500	90,000
Air show - chalet	100,720	68,500
Certified appraiser exam fees	6,795	1,250
Conferences - (Americas, Asia and European)	3,743,882	3,212,497
Membership dues	864,773	781,635
Special events - golf	106,595	91,520
VAT refund	-	17,674
Total support and revenues	4,902,498	4,282,150
Expenses		
Program services:		
Air show receptions	154,590	193,629
Air show - chalet	484,234	441,358
Certified appraiser exam costs	52,767	57,812
Conferences - (Americas, Asia and European)	2,969,858	2,601,868
Leadership	42,886	35,326
<i>JETTRADER</i> Magazine	17,624	15,302
Membership directory	6,896	7,323
Scholarships and grants	643,378	457,010
Special events - golf	56,935	74,026
Management and general	794,427	604,016
Total expenses	5,224,595	4,487,670
Change in net assets before investment income - net	(322,097)	(205,520)
Investment income - net	156,930	488,005
Change in net assets	(165,167)	282,485
Net Assets:		
Beginning of year	<u>6,098,155</u>	<u>5,815,670</u>
End of year	<u>\$ 5,932,988</u>	<u>\$ 6,098,155</u>

International Society of Transport Aircraft Trading (ISTAT)



Statements of Financial Position

ASSETS

	For the Year Ended December 31,	
	2014	2013
Cash and cash equivalents	\$ 963,596	\$ 658,462
Accounts receivable	56,080	42,888
Prepaid expenses	529,449	171,660
Investments	5,336,061	5,929,131
	<u>\$ 6,885,186</u>	<u>\$ 6,802,141</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 262,124	\$ 287,611
Due to Foundation	40,598	100,000
Deferred revenue	649,476	316,375
Total Liabilities	952,198	703,986
Net assets:		
Unrestricted	5,932,988	6,098,155
	<u>\$ 6,885,186</u>	<u>\$ 6,802,141</u>

Statements of Cash Flows

	For the Year Ended December 31,	
	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ (165,167)	\$ 282,485
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains on investments	108,498	(338,325)
(Increase) decrease in accounts receivable	(13,192)	(38,987)
(Increase) decrease in prepaid expenses	(357,789)	56,285
Increase (decrease) in accounts payable	(25,487)	236,145
Changes in due to (from) Foundation, net	(59,402)	110,655
Increase (decrease) in deferred revenue	333,101	(59,250)
Net cash provided by operating activities	(179,438)	249,008
Cash flows from investing activities:		
Purchase of investments	(636,000)	(3,680,800)
Proceeds from sale of investments	1,120,572	2,181,121
Net cash used in investing activities	484,572	(1,499,679)
Net increase (decrease) in cash and cash equivalents	305,134	(1,250,671)
Cash and cash equivalents:		
Beginning of year	658,462	1,909,133
End of year	<u>\$ 963,596</u>	<u>\$ 658,462</u>



**International Society of Transport Aircraft Trading Foundation and Subsidiary Consolidated
Statements of Activities and Changes in Net Assets**

For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues:				
Contributions	\$ 27,245	\$ 290,300	\$ -	\$ 317,545
Contribution - ISTAT	375,000	200,000	-	575,000
Special events - Golf	49,659	-	-	49,659
Roundtable	255,850	-	-	255,850
Net assets released from restrictions - Note 10	138,340	(138,340)	-	-
Total support and revenues	<u>846,094</u>	<u>351,960</u>	<u>-</u>	<u>1,198,054</u>
Expenses:				
Program services:				
Roundtable	17,792	-	-	17,792
Scholarships and grants	692,543	-	-	692,543
Management and general	96,710	-	-	96,710
Total expenses	<u>807,045</u>	<u>-</u>	<u>-</u>	<u>807,045</u>
Changes in net assets before investment income - net	39,049	351,960	-	391,009
Investment income - net	<u>100,575</u>	<u>-</u>	<u>-</u>	<u>100,575</u>
Change in net assets	139,624	351,960	-	491,584
Net assets:				
Beginning of year	<u>2,204,888</u>	<u>879,520</u>	<u>1,060,020</u>	<u>4,144,428</u>
End of year	<u>\$2,344,512</u>	<u>\$1,231,480</u>	<u>\$1,060,020</u>	<u>\$4,636,012</u>

**International Society of Transport Aircraft Trading Foundation and Subsidiary Consolidated
Statements of Financial Position**

ASSETS

	<u>For the Year Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 786,722	\$ 693,614
Accounts receivable	57,500	800
Pledge receivable	-	120,000
Due from ISTAT	40,548	100,000
Investments	<u>3,922,133</u>	<u>3,303,466</u>
	<u>\$4,806,903</u>	<u>\$4,217,880</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$160,891	\$73,452
Deferred Revenue	<u>10,000</u>	<u>-</u>
Total liabilities	<u>170,891</u>	<u>73,452</u>
Net assets:		
Unrestricted	2,344,512	2,204,888
Temporarily restricted - Note 7	1,231,480	879,520
Permanently restricted - Note 8	<u>1,060,020</u>	<u>1,060,020</u>
Total net assets	<u>4,636,012</u>	<u>4,144,428</u>
	<u><u>\$4,806,903</u></u>	<u><u>\$4,217,880</u></u>

International Society of Transport Aircraft Trading Foundation and Subsidiary Consolidated Statements of Cash Flows

	For the Year Ended December 31,	
	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in net assets	\$ 491,584	\$ 724,736
Transfer of net assets to Airlink	-	(48,790)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains on investments – net	98,244	(345,397)
Increase (decrease) in accounts receivable	(56,700)	(800)
(Increase) decrease in pledges - net	120,000	(120,000)
(Increase) decrease in due from ISTAT	59,452	(100,000)
Increase in accounts payable	87,439	41,438
Increase in deferred revenue	<u>10,000</u>	<u>-</u>
Net cash provided by operating activities	<u>810,019</u>	<u>151,187</u>
Cash flows from investing activities		
Purchase of investments	(790,270)	(1,858,378)
Proceeds from sale of investments	<u>73,359</u>	<u>1,762,091</u>
Net cash used in investing activities	<u>(716,911)</u>	<u>(96,287)</u>
Net increase in cash and cash equivalents	93,108	54,900
Cash and cash equivalents:		
Beginning of year	<u>693,614</u>	<u>638,714</u>
End of year	<u><u>\$786,722</u></u>	<u><u>\$693,614</u></u>