

Another Successful Year of Uniting

People and Airplanes

“You just can’t beat a combination
of dedicated people and airplanes.
They are the best.”

— Sport Aviation, August 1966

EAA'S ANNUAL REPORT

EAA'S MISSION IS to bring people and airplanes together. When we do that, magic can happen.

I'm happy to report that EAA had another successful year of providing a genuine aviation experience for thousands of people. We finished our fiscal year, which ended in February, with more members at a total of 188,161, a positive balance sheet, and progress on helping to make personal flying more available and less of a hassle. Details are in the following pages.

I credit our positive results to the prudent management of your board of directors because we faced some unexpected headwinds. The biggest surprise was the nearly half-million-dollar bill the FAA handed us for air traffic control services for our annual convention and fly-in at Oshkosh. And the change in policy came just a few months before the big event.

We had the reserves to weather that turbulence and now have in place a nine-year agreement with the FAA going forward. We are now assured that we can continue to welcome more than 10,000 airplanes to Oshkosh during the week of convention with no unexpected charges or changes in operating procedures.

The other headwinds we encountered were not surprises. The number of active pilots continues to decline, as does the number of registered private airplanes of all types. The average age of pilots and airplanes is still increasing. But EAA has developed strategies to stabilize, and I believe even reverse, the negative trends we have been tracking for many years.

Our Young Eagles program continues to be aviation's most prominent and effective way to introduce young people to flying. We are closing in on 2 million Young Eagles flown, all by EAA members who volunteer their airplanes and flying skills. I can't thank all you enough for your care and giving to the next generation.

EAA is also working very effectively to make it easier for already certificated pilots to keep flying by lobbying for reform in third-class medical certification. This has been a long

struggle, but our efforts are paying off. The FAA has announced new rules are being developed that will allow very expanded types of private flying using a driver's license instead of a third-class medical. The proposed rule changes have not been published as I write this, but I am convinced the changes will be significant and welcome.

EAA AirVenture Oshkosh, our annual fly-in, remains the single largest aviation event in the world and brings together more people and airplanes for one week than at any other place or time. Oshkosh not only shows the beauty and thrill of flying to hundreds of thousands, but also reignites the flying passion in all of us. As you can see in the financial statements in this report, Oshkosh is key to supporting all other EAA activities throughout the year.

The EAA AirVenture Museum continues to contain and display the premier collection of historic airplanes in many categories, telling the story of aviation from the first gliding and powered flights by the Wright brothers to the first privately designed and built spacecraft. EAA also takes flying history on the road with our faithfully restored B-17 *Aluminum Overcast* and our Ford Tri-Motor flying the country offering rides. Touring the two historic airplanes is a significant investment in keeping aviation history alive, but your directors are convinced it's worth the cost for as long as we can keep the airplanes operating.

As I review the solid results of a challenging year, I am once again reminded that none of this would be possible without the generous volunteer work of thousands of EAAers. Everything from buildings and grounds maintenance to flying Young Eagles is done by volunteers, and your board of directors and I can't thank each of you enough for your dedication.



Michelle Roufs, EAA 1124272, a student pilot from Newton, Kansas, flew to Oshkosh with her instructor in a Varga Kachina.

PHOTOGRAPH BY BRADY LANE



Financial Performance

FOR THE FISCAL YEAR that ended February 28, 2014, EAA and the EAA Aviation Foundation generated total revenues, gains, and other income of \$41.3 million, an increase of \$4.9 million or 13.6 percent.

AirVenture is EAA’s single largest source of revenue at 37 percent of the total, consisting of admissions, camping, exhibits, sponsorship, commissions, and other miscellaneous sources. AirVenture 2013 revenues totaled \$15.1 million, \$400,000 or 2.9 percent higher than the prior year.

Membership levels increased 4.4 percent to 189,000 during FY 2014. Related dues income generated was \$5.75 million, relatively even with the prior year. Membership dues represent approximately 14 percent of EAA’s total revenues.

Donations are important to EAA’s mission of growing participation in aviation, providing essential support for Young Eagles, Air Academy, and a variety of other youth education and outreach programs. Cash donations were approximately \$5.3 million or roughly 14 percent of total revenue in FY 2014, which is relatively consistent with the prior year. Donated services and property was \$1 million in FY 2014, essentially even with the prior year.

Investment income represented \$3.8 million or 9 percent of EAA’s total income in FY 2014, an increase of \$2.1 million over the prior year. Substantial improvement in the investment markets during FY 2014 led to the year-over-year increase. Most of these gains are from investment holdings of the EAA Aviation Foundation.

EAA and EAA Aviation Foundation incurred total operating expenses of \$34.9 million in FY 2014, an increase of \$600,000 or less than 2 percent.

AirVenture is the largest area of operating expense at \$12.3 million or 35 percent of EAA’s total expenses in FY 2014. The cost of AirVenture increased by \$1.2 million over the prior year due to a number of investments made to enhance facilities, visitor amenities, features and attractions, event promotion, and most notably FAA air traffic controller costs. These investments are intended to ensure that AirVenture maintains its stature as the world’s premier aviation event.

While increasing investment in AirVenture, EAA also increased the level of funding to program offerings in all other areas. Program expenses were \$8.9 million in FY 2014, an increase of \$900,000 or nearly 11 percent. EAA’s programs offer myriad educational opportunities, advocacy initiatives that protect members’ rights to fly, and other services that support builders, restorers, and aircraft owners of all kinds.

Management and general expenses totaled \$3.9 million in FY 2014, a decrease of \$1.1 million or 22 percent. Most of the decrease relates to lower staffing costs, including the CEO/president role currently being supported by Chairman Jack Pelton on a volunteer basis, and a recent favorable trend in health care costs.

As a result of these FY 2014 operating activities, EAA and the EAA Aviation Foundation have generated an increase in net assets of \$6.3 million. Total net assets for the combined entities at fiscal year-end were \$62.5 million, an 11 percent increase over the prior year. Of this amount, \$45.9 million (73 percent) is unrestricted as to use, and \$16.6 million (27 percent) is subject to temporary or permanent use restrictions.

EAA management is pleased with the results of its fiscal 2014 operations and believes the financial condition of EAA and the EAA Aviation Foundation is sound. Going forward, management will continue to exercise vigilance in administration of EAA’s financial resources to provide valued programs and services to the membership while contributing to the overall health and vitality of aviation. *EAA*

Consolidated Statement of Financial Position

	February 28, 2014	February 28, 2013
Assets		
Current assets	13,742,876	9,821,613
Pledges receivable less current portion	44,296	66,562
Investments	25,928,273	22,638,349
Property and equipment	63,122,993	61,248,376
Less accumulated depreciation	(37,358,492)	(35,225,744)
Net property and equipment	25,764,501	26,022,632
Land	3,311,511	3,311,511
Display aircraft	10,631,960	10,305,217
Other assets	4,274,802	3,832,379
Total assets	83,698,219	75,998,263
Liabilities and net assets		
Current liabilities	10,199,487	9,307,440
Gift annuity liability, less current portion	169,301	172,244
Deferred compensation, less current portion	340,496	691,399
Long-term debt, less current maturities	8,257,187	8,064,424
Other long-term liabilities	79,523	182,270
Unearned income, less current portion	2,177,798	1,453,037
Net assets		
Unrestricted	45,899,109	40,518,724
Temporarily restricted	3,229,491	2,635,733
Permanently restricted	13,345,827	12,972,992
	62,474,427	56,127,449
Total liabilities and net assets	83,698,219	75,998,263

Consolidated Statement of Activities

	February 28, 2014				February 28, 2013
	Unrestricted	Temporarily restricted	Permanently restricted	Consolidated	
Revenues, gains, and other support					
Admissions and registrations	10,130,116			10,130,116	9,297,213
Membership dues and subscriptions	5,762,435			5,762,435	5,752,480
Donations	1,900,331	3,281,620	93,294	5,275,245	4,949,681
Investment income	1,648,503	1,874,393	279,541	3,802,437	1,717,464
Merchandise sales	2,250,019			2,250,019	2,013,427
Advertising	2,870,822			2,870,822	2,621,887
Sponsorship	2,269,296			2,269,296	2,636,096
Rental income	4,805,308			4,805,308	4,556,213
Commissions and royalties	1,454,057			1,454,057	1,174,611
Donated services and property	1,064,282			1,064,282	1,035,542
Other	1,589,460			1,589,460	586,997
Assets released from restriction	4,562,255	(4,562,255)			
Total revenues, gains, and other support	40,306,884	593,758	372,835	41,273,477	36,341,611
Expenses					
Program expenses	8,890,855			8,890,855	7,986,537
AirVenture expenses	12,271,897			12,271,897	11,058,016
Membership services	6,341,462			6,341,462	6,946,470
Management and general	3,881,892			3,881,892	4,946,189
Cost of merchandise	1,957,378			1,957,378	1,796,855
Fundraising	1,578,384			1,578,384	1,513,442
Other	4,631			4,631	69,293
Total expenses	34,926,499			34,926,499	34,316,802
Change in net assets	5,380,385	593,758	372,835	6,346,978	2,024,809
Beginning of year	40,518,724	2,635,733	12,972,992	56,127,449	54,102,640
End of year	45,899,109	3,229,491	13,345,827	62,474,427	56,127,449

This report was compiled from the audit of Experimental Aircraft Association and the EAA Aviation Foundation Inc. recently completed by Grant Thornton LLP. Copies of the complete audit report, including footnotes, are available at www.EAA.org.

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Revenues, gains, and other support..... \$41.3 million

1. Admissions and registrations 24.5%

2. Membership dues and subscriptions..... 14.0%

3. Donations..... 15.4%

4. Investment income..... 9.2%

5. Merchandise sales..... 5.5%

6. Advertising..... 7.0%

7. Sponsorship 5.5%

8. Rentals 11.6%

9. Commissions and royalties 3.5%

10. Other 3.9%

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Expenses..... \$34.9 million

1. Program expenses 25.5%

2. AirVenture expenses 35.1%

3. Membership services..... 18.2%

4. Management and general 11.1%

5. Cost of merchandise 5.6%

6. Fundraising..... 4.5%

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Thank you for your **support and for sharing your love of flight** through EAA.

\$250,000+

James and Jane Slattery

\$100,000-\$249,999

Emil Buehler Perpetual Trust
Cessna Aircraft Company
Van & Betty J. Eller Living Trust
Robert Hagedorn
David Lau
Norman Moyer
Phillips 66

\$50,000-\$99,999

Daher-Socata
Dodie Gann
Global Aerospace
Jeppesen
Austin E. Knowlton Foundation
Charlotte Vern Olson Trust
Jack and Rose Pelton
Jack Roush
Dale and Kathy Schneider
Walton Family Foundation

\$20,000-\$49,999

Stuart Auerbach and Marilyn O'Reagan
Ted and Grace Bachhuber Foundation Inc.
Bill and Debra Bachschmidt
Tom and Hetty Ball
Jerrold and Janice Barto
Beau and Debra Bradley
William Buerschinger
August A. Busch III Charitable Trust
William Cole
Jim and Julie Cook
Ron and Diane Fagen
Tracy Forrest
Jerry and Lori Fussell
Garmin
Ned Greenop
John Grillo
Honda Aircraft Company
Agustin Huneeus
David and Florence Kleine
John and Adrienne Mars
Jim and Miriam Mulva
Ed and Pat Noel
Virginia L. Peterson Trust
John and Elizabeth Seibold
Michael Slattery
Rich and Sue Sugden
Richard Taylor
Terry and Janice Turke
Shane and Ginny Vanderwaal
Waste Management
Joe Whisenhunt
Williams International

\$10,000-\$19,999

Steve and Cindy Aughinbaugh
Aviation Education Foundation

Craig and Gisele Barto
Eileen Bjorkman
Cirrus Aircraft Corporation
Citation Jet Pilots
Richard and Mary Compton
ConocoPhillips
Marsha Dickson
John Dunham
Embraer
Fagen Fighters WWII Museum
Falcon Insurance
Norbert Fiedler
Randy Foutch
GE Aviation
Michael and Wendy Graham
Charles and Lisa Gregg
William and Gerry Griffith
Michael and Maria Herman
Nathan and Christa Houser
The Hubbard Broadcasting Foundation
Johnson Family Foundation
Clay Keath
Rick King
Keith Kocourek
Bradley Mottier
Marilyn Niccum
Northrup Grumman Foundation
Parker Cleveland Wheels & Brakes
Richard A. Perritt Charitable Foundation
PHD Hospitality
Cliff Robertson Ethics Foundation
David and Andrea Robertson
Peter and Fawn Rogers
Jeannie Rose
Dan and Keena Schwinn
Cyrus Sigari
SportAir USA
Richard Swenson
Ron Tarrson
Jim and Angela Thompson
Jack and Joy Timken
Tinker Murdock Family Fund
Gary and Lisa Turchin
John and Lori Turner
Jon Vesely
Marc and Amy Wheeler
Dee Winston
Paul Wood

\$5,000-\$9,999

Aircraft Spruce
AirFleet Capital
Alaska Airlines
Allianz
Aircraft Owners and Pilots Association
ATK
Richard and Adrienne Beattie
BendixKing
Brent Blue
Raymond Bottom
Rick Brewer

Wyche and Rhonda Coleman
James and Ann Cooling
Norm and Kathy DeWitt
Chuck and Eileen Drake
James Dricken
Bruce Fine
ForeFlight
Alan Gaudenti
Robert and Diane Gingell
James and Marge Gorman
Gulfstream
Jeff and Martha Hamilton
Richard R. & Gretchen E. Harper Fund
Jack Harrington
Helicopter Association International
Greg and Suzanne Herrick
Doreen Hillard
International Society of Transport Aircraft
Trading Foundation
Jackson Walker LLP
Jim and Cindy Janes
Don and Nieves Jones
Herb and Carol Jorgensen
Kansas Aircraft
Karrels Foundation
Richard Kimberly
Bill and Beth Knighton
John E. Kuenzl Foundation Inc.
Ronald Lohr
Marsh USA Inc.
Phil and Stephanie Martineau
Robert Menke
David Mills
National Business Aviation Association
Grant Norwitz
Jim Phillips
Piaggio American Inc.
Max Reising
Alan and Jane Ritchie
Aniceto Rivera
Myrt Rose
Scott Seibold
Sennheiser
Robert Sherman
Craig and Sue Sincok
Terry and Kimberly Slawinski
Sporty's Pilot Shop
Robert and Wendy Stallings
Daniel Sullivan
Tubreaux Aviation
United Technologies Corporation
University of Wisconsin-Green Bay
Ventura County Chapter of the Ninety-Nines
Estate of Marianne M. Wadsworth
Thomas Wathen
Robert and Susan Wilson
Wings Over the Rockies

\$2,500-\$4,999

Patricia Adikes-Hill
Foster and Lauren Bachschmidt



Jeff and Gail Clarke
 Continental Motors Inc.
 Courtesy Aircraft
 Ken and Tanja DeHoff
 EAA Chapter 706 Inc.
 Embry-Riddle Aeronautical University
 Jim Emery
 David Flinn
 David and Lyn Gemperle
 Richard Gravel
 Stephen Greak
 Great Rivers Aviation LLC
 Ken and Melissa Griffey
 Michael Hackwith
 Travis Hamilton
 Clay Healey
 James Hefelfinger
 Jared Isaacman
 The Zora Jacobson Revocable Trust
 Johnson County Community Foundation
 Ben and Audra Lee
 Richard and Betty Meyer
 Larry Noe
 David O'Maley
 Gordon Rock
 Ryan Family Charitable Foundation
 Don and Judy Seibold
 Jerome Simon
 Simons Rockwell Ford of Bath Inc.
 Sun 'n Fun Fly-In
 William Talen
 Ed Turley
 John and Suzy Vette
 Craig and Connie Willan
 Women in Aviation, International
 Wreyford Family Foundation
 Anne Wright
 Arnold Zimmerman
 James Zimmerman
 Herbert Zwahlen

\$1,000-\$2,499

Victor Abbey
 Deb Abrahams
 Bill Adams
 Mark Aloe
 Analytical Mechanics Associates Inc.
 Louis and Sue Andrew
 Jack Arthur
 Aspen Avionics
 Spanky Assiter
 Aviall
 Aviation Resource Center of Wisconsin
 Aviation Supplies & Academics
 AvPro Inc.
 Christian Bailey
 Sigrid Baumann
 Paul Beck
 John Bingham
 Bob Lowth Ford Inc.
 Dwight Bowden
 Pat Bradley

Arthur Brandt
 Stacey Chiochio
 Steven Clark
 Jim Click
 Larry Coho
 John Cronin
 Davies Ford
 Peter DeCraene
 Deerwood Bank
 James Denman
 Janine Diana
 EAA Chapter 132 Inc.
 EAA Chapter 160 Inc.
 EAA Chapter 1454 Inc.
 Eagle Bank
 John Earley
 Dean S. Edmonds
 Kevin Egan
 John and Barbara Elford
 Sharon Elske
 Stephanie Esla
 ExxonMobil
 Amber Favaregh
 David Fetter
 Firstair Group Inc.
 Fletcher Family Foundation
 Donald Forslund
 Piero Fracella
 Bryant Gaines
 CarolAnn Garratt
 Robert Gilmore
 Gayle Gorman-Green
 Mike Gouliau
 Richard and Pat Graham
 Rex Gray
 Greenaway Foundation
 Ross Gresley
 Adam Grosser
 Michael and Sheela Hall
 James Hawkes
 Guy Hill
 Josh and Julie Hochberg
 Steve Hocking
 Ray Hofman
 Rita Hollman
 Michael and Billie Howard
 Layton Humphrey
 Steve Hutchens
 IBM Corp.
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 Peter James
 Brandon Jewett
 Richard Kane
 Pete and Nancy Kelley
 Joseph Kieszkowski
 Dale and Patricia Klapmeier
 Lynn Krogh
 Roger Krone
 Robert Kupon
 Michael Legendre
 Lightspeed Aviation
 Daniel Lindquist

John and Elissa Lines
 Steve and Carol MacCabe
 Dale Machalleck
 Daniel and Cate Majka
 David and Martha Martin
 Joseph Masessa
 Bruce and Jolene McCaw
 Debra McFarland
 Megan McLaughlin
 Tim Moore
 Terence O'Brien
 David Oreck
 James Origer
 Park Industries
 Scott Pearson
 Rachel Peters
 Pat and Barbara Phillips
 Darren and Lisa Pleasance
 Anais Pouille
 Charles Precourt
 Clay and Carol Presley
 Timothy Raupp
 James Ray
 William Rewey
 Mike Rinn
 Todd Ritzman
 Douglas Roeever
 Claire Rolfs
 Robert Ross
 Paul Royko
 Kenneth Schmetter
 Charles Schnatter
 Louis and Christine Seno
 Don Smith
 Peggy Smith
 Timothy Staats
 Fred and Carol Stadler
 David and Jan Stadt
 Cynthia Staffeldt
 John Starynski
 STS Aviation Group
 David Stubben
 Todd Suko
 Ted and Dottie Teach
 John and Nora Teipen
 Eric Treland
 United Airlines Foundation
 Steve Vatale
 Vern Eide Ford
 Vigyan
 John Watkins
 Richard Weiss
 David Willeford
 Patrick Wilson
 Oswald Wilson
 David and Pat Witte
 Charles Wyndham
 Yankton Regional Aviation Association
 Peter Zajkowski
 David and Eloise Zeller
 Gilda Zillinger

