

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

**Experimental Aircraft Association, Inc. and
EAA Aviation Foundation, Inc.**

February 28, 2025 and February 29, 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Experimental Aircraft Association, Inc.
Board of Trustees
EAA Aviation Foundation, Inc.

Opinion

We have audited the consolidated financial statements of Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc. (the "Company"), which comprise the consolidated statements of financial position as of February 28, 2025 and February 29, 2024 and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of February 28, 2025 and February 29, 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position as of February 28, 2025 and February 29, 2024; consolidating statements of activities for the years ended February 28, 2025 and February 29, 2024; Experimental Aircraft Association, Inc.'s consolidated statements of financial position as of February 28, 2025 and February 29, 2024; Experimental Aircraft Association Inc.'s consolidated statements of activities for the years ended February 28, 2025 and February 29, 2024; EAA Aviation Foundation, Inc.'s statements of financial position as of February 28, 2025 and February 29, 2024; and EAA Aviation Foundation, Inc.'s statements of activities for the years ended February 28, 2025 and February 29, 2024, are presented for purposes of additional analysis, rather than to present the financial position and results of operations of the individual entities and are not a required part of the consolidated financial statements. Such supplementary

information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the consolidating and supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Appleton, Wisconsin
June 25, 2025

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | February 28, 2025 | February 29, 2024 |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 11,568,059 | \$ 9,445,024 |
| Accounts receivable, less allowance for credit losses of \$70,049 in 2025 and \$49,531 in 2024 | 509,922 | 686,736 |
| Current portion of pledges receivable, less allowance for uncollectible pledges of \$35,487 in 2025 and \$76,152 in 2024 | 522,686 | 727,335 |
| Inventories | 1,512,694 | 1,310,563 |
| Prepaid expenses | 1,783,564 | 1,963,552 |
| Total current assets | 15,896,925 | 14,133,210 |
| Pledges receivable , less current portion, unamortized discount and allowance for uncollectible pledges of \$0 in 2025 and \$33,535 in 2024 | - | 491,465 |
| Investments - at fair value | 69,100,476 | 61,040,878 |
| Property and equipment | | |
| Land improvements | 8,790,941 | 7,697,668 |
| Buildings | 29,723,065 | 29,447,156 |
| Leasehold improvements | 24,867,295 | 24,153,357 |
| Office furniture and fixtures | 3,964,000 | 3,752,511 |
| Computer equipment and software | 7,850,611 | 7,316,959 |
| Transportation and maintenance equipment | 3,972,921 | 3,751,940 |
| Museum display equipment | 3,086,935 | 3,093,005 |
| Aircraft equipment | 151,159 | 99,927 |
| Aircraft parts | 1,129,731 | 1,010,016 |
| Film library | 152,574 | 152,574 |
| Flyable aircraft | 6,823,458 | 5,877,798 |
| Total property and equipment | 90,512,690 | 86,352,911 |
| Less accumulated depreciation and amortization | 49,940,676 | 47,298,245 |
| | 40,572,014 | 39,054,666 |
| Land | 4,461,413 | 4,461,413 |
| Capital addition projects in progress | 593,024 | 1,631,853 |
| Net property and equipment | 45,626,451 | 45,147,932 |
| Other assets | | |
| Operating lease ROU asset | 610,935 | 456,106 |
| Finance lease ROU asset, net | 43,840 | 72,483 |
| Collections | 13,124,477 | 11,984,477 |
| Beneficial interest in perpetual trust | 3,902,306 | 3,536,021 |
| Beneficial interest in split-interest agreements | 213,467 | 210,845 |
| Cash value of life insurance | 70,741 | 67,350 |
| Total other assets | 17,965,766 | 16,327,282 |
| Total assets | <u>\$ 148,589,618</u> | <u>\$ 137,140,767</u> |

The accompanying notes are an integral part of these consolidated financial statements.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - CONTINUED

| | <u>February 28, 2025</u> | <u>February 29, 2024</u> |
|---|------------------------------|------------------------------|
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 600,000 | \$ 600,000 |
| Current portion of gift annuity liability | 10,124 | 10,124 |
| Accounts payable | 1,884,558 | 1,627,672 |
| Accounts payable - related parties | 38,219 | 453,871 |
| Accrued expenses and other payables | 2,103,043 | 2,151,113 |
| Current portion of unearned income | 11,211,668 | 10,332,880 |
| Current portion of operating lease obligations | 248,129 | 156,890 |
| Current portion of finance lease obligations | <u>30,348</u> | <u>29,295</u> |
| Total current liabilities | 16,126,089 | 15,361,845 |
| Operating lease obligations , less current portion | 280,496 | 264,641 |
| Finance lease obligations , less current portion | 15,591 | 45,939 |
| Long-term debt , less current portion | 1,600,000 | 2,200,000 |
| Gift annuity liability , less current portion | 127,787 | 129,142 |
| Unearned income , less current portion | <u>10,606,534</u> | <u>10,440,732</u> |
| Total liabilities | 28,756,497 | 28,442,299 |
| Net assets | | |
| Without donor restrictions | 81,661,209 | 73,802,049 |
| With donor restriction | <u>38,171,912</u> | <u>34,896,419</u> |
| Total net assets | <u>119,833,121</u> | <u>108,698,468</u> |
| Total liabilities and net assets | <u><u>\$ 148,589,618</u></u> | <u><u>\$ 137,140,767</u></u> |

The accompanying notes are an integral part of these consolidated financial statements.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended February 28, 2025

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------------|
| Revenues, gains and other support | | | |
| Membership dues and subscriptions | \$ 6,910,906 | \$ - | \$ 6,910,906 |
| Advertising | 2,383,892 | - | 2,383,892 |
| Rentals | 6,410,570 | - | 6,410,570 |
| Admissions and registrations | 17,617,361 | - | 17,617,361 |
| Merchandise sales | 4,747,474 | - | 4,747,474 |
| Commissions and royalties | 2,777,770 | - | 2,777,770 |
| Investment return | 3,082,884 | 2,416,708 | 5,499,592 |
| Change in beneficial interests | - | 368,908 | 368,908 |
| Administrative fees | 1,740,298 | - | 1,740,298 |
| Donations, cash and pledges | 5,412,436 | 4,154,817 | 9,567,253 |
| Donations, contributed services and property | 2,462,099 | 15,960 | 2,478,059 |
| Donations, sponsorship | 2,585,929 | - | 2,585,929 |
| Loss on disposal of property and equipment | (1,507) | - | (1,507) |
| Miscellaneous | 899,661 | - | 899,661 |
| Net assets released from restrictions | <u>3,740,973</u> | <u>(3,740,973)</u> | <u>-</u> |
| Total revenues, gains and other support | 60,770,746 | 3,215,420 | 63,986,166 |
| Expenses | | | |
| AirVenture expenses | 16,136,205 | - | 16,136,205 |
| Membership services | 6,890,507 | - | 6,890,507 |
| Other program expenses | 20,979,606 | - | 20,979,606 |
| Management and general | 6,539,205 | - | 6,539,205 |
| Fundraising | <u>2,366,063</u> | <u>(60,073)</u> | <u>2,305,990</u> |
| Total expenses | <u>52,911,586</u> | <u>(60,073)</u> | <u>52,851,513</u> |
| CHANGE IN NET ASSETS | 7,859,160 | 3,275,493 | 11,134,653 |
| Net assets at beginning of year | <u>73,802,049</u> | <u>34,896,419</u> | <u>108,698,468</u> |
| Net assets at end of year | <u>\$ 81,661,209</u> | <u>\$ 38,171,912</u> | <u>\$ 119,833,121</u> |

The accompanying notes are an integral part of this consolidated financial statement.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended February 29, 2024

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------------|
| Revenues, gains and other support | | | |
| Membership dues and subscriptions | \$ 6,753,374 | \$ - | \$ 6,753,374 |
| Advertising | 2,291,729 | - | 2,291,729 |
| Rentals | 5,971,815 | - | 5,971,815 |
| Admissions and registrations | 16,731,599 | - | 16,731,599 |
| Merchandise sales | 4,039,344 | - | 4,039,344 |
| Commissions and royalties | 2,545,742 | - | 2,545,742 |
| Investment return | 2,889,836 | 3,043,452 | 5,933,288 |
| Change in beneficial interests | - | 514,875 | 514,875 |
| Administrative fees | 1,606,421 | - | 1,606,421 |
| Donations, cash and pledges | 3,975,889 | 5,975,979 | 9,951,868 |
| Donations, contributed services and property | 2,393,448 | - | 2,393,448 |
| Donations, sponsorship | 2,576,606 | - | 2,576,606 |
| Loss on disposal of property and equipment | (58,559) | - | (58,559) |
| Miscellaneous | 745,754 | - | 745,754 |
| Net assets released from restrictions | <u>6,058,595</u> | <u>(6,058,595)</u> | <u>-</u> |
| Total revenues, gains and other support | 58,521,593 | 3,475,711 | 61,997,304 |
| Expenses | | | |
| AirVenture expenses | 15,346,029 | - | 15,346,029 |
| Membership services | 7,115,120 | - | 7,115,120 |
| Other program expenses | 20,413,296 | - | 20,413,296 |
| Management and general | 6,754,166 | - | 6,754,166 |
| Fundraising | <u>2,840,877</u> | <u>(2,723)</u> | <u>2,838,154</u> |
| Total expenses | <u>52,469,488</u> | <u>(2,723)</u> | <u>52,466,765</u> |
| CHANGE IN NET ASSETS | 6,052,105 | 3,478,434 | 9,530,539 |
| Net assets at beginning of year | <u>67,749,944</u> | <u>31,417,985</u> | <u>99,167,929</u> |
| Net assets at end of year | <u>\$ 73,802,049</u> | <u>\$ 34,896,419</u> | <u>\$ 108,698,468</u> |

The accompanying notes are an integral part of this consolidated financial statement.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended

| | <u>February 28, 2025</u> | <u>February 29, 2024</u> |
|---|------------------------------|------------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 11,134,653 | \$ 9,530,539 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization of property and equipment | 2,724,227 | 3,396,326 |
| Amortization of right-of-use financing leases | 28,643 | 28,643 |
| Loss on disposal of property and equipment | 14,516 | 745 |
| Donations of collections | (1,140,000) | (287,615) |
| Donations of property and equipment | (311,118) | (875,000) |
| Donations of investments | (58,683) | (355,513) |
| Gain on investments | (3,448,465) | (4,397,279) |
| Change in beneficial interests | (368,907) | (514,876) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 176,814 | 10,483 |
| Pledges receivable | 696,114 | (52,016) |
| Inventories | (202,131) | 112,603 |
| Prepaid expenses | 179,988 | 57,304 |
| Accounts payable | 256,886 | 350,630 |
| Accounts payable - related parties | (415,652) | 234,135 |
| Accrued expenses and other payables | (49,425) | (350,392) |
| Unearned income | 1,044,590 | 2,176,474 |
| Change in operating right-of-use assets and lease obligations, net | (47,735) | 46,170 |
| | <u>10,214,315</u> | <u>9,111,361</u> |
| Cash flows from investing activities: | | |
| Proceeds from sale of investments | 18,985,098 | 20,139,680 |
| Purchases of investments | (23,537,548) | (20,397,151) |
| Purchases of property and equipment | (2,909,047) | (2,833,132) |
| Proceeds from disposal of property and equipment | 2,903 | - |
| (Increase) decrease in cash value of life insurance | (3,391) | 3,214 |
| | <u>(7,461,985)</u> | <u>(3,087,389)</u> |
| Net cash used in investing activities | (7,461,985) | (3,087,389) |
| Cash flows from financing activities: | | |
| Payments of long-term debt | (600,000) | (600,000) |
| Payments on finance lease obligations | (29,295) | (28,279) |
| | <u>(629,295)</u> | <u>(628,279)</u> |
| Net cash used in financing activities | (629,295) | (628,279) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <u>2,123,035</u> | <u>5,395,693</u> |
| Cash and cash equivalents at beginning of year | <u>9,445,024</u> | <u>4,049,331</u> |
| Cash and cash equivalents at end of year | <u>\$ 11,568,059</u> | <u>\$ 9,445,024</u> |
| Supplemental disclosure of cash flow information: | | |
| Interest paid | \$ 126,499 | \$ 129,567 |
| Non-cash financing activities: | | |
| Operating lease right-of-use assets acquired with operating lease obligations | \$ 367,344 | \$ - |

The accompanying notes are an integral part of these consolidated financial statements.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2025 and February 29, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Experimental Aircraft Association, Inc. (the "Association") is a membership organization dedicated to growing participation in aviation by promoting the "Spirit of Aviation"; cooperating with and assisting governmental agencies in the development of programs related to aviation activities; promoting and encouraging aviation safety in the design, construction and operation of all types of aircraft; and promoting and encouraging grass roots efforts relating to aviation research and development. The Association accomplishes its mission by providing aviation-related education programs and services, encouraging and supporting clear pathways that ignite and nurture interest, providing a welcoming and supportive environment, creating opportunities to participate in all aspects of aviation, fostering the camaraderie and community of aviators and enthusiasts, and making aviation more accessible. Each year the Association holds its annual convention and fly-in, AirVenture, in Oshkosh, Wisconsin. AirVenture's primary purpose is aviation-oriented education. AirVenture hosts approximately 861 exhibitors and more than 1,600 workshops, forums and special events during the weeklong event in pursuit of that goal.

The purpose of the EAA Aviation Foundation, Inc. (the "Foundation") is to receive, hold and invest endowment funds, and remit earnings therefrom to support the Association in promoting aviation education, safety and technology. The Foundation also owns and maintains certain buildings and museum assets to benefit the educational, charitable and scientific purpose of the Association.

A summary of the Association's and Foundation's significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows.

Principles of Consolidation

The consolidated financial statements as of and for the years ended February 28, 2025 and February 29, 2024, include the accounts of the Association and the Foundation, and the Association's subsidiaries, Blue Sky Holdings, LLC and EAA STC, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated 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

For purposes of the consolidated statements of cash flows, the Association and the Foundation consider all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Accounts Receivable

Receivables are stated net of any allowance for credit losses. The allowance for credit losses is determined by considering the number of days past due, collection history and any specific circumstances related to an individual account. Accounts receivable are written off when they become uncollectible and payments subsequently received are credited to the allowance for credit losses.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

Pledges Receivable

Promises to give that are expected to be collected within one year are recorded at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed at the estimated risk-free interest rate applicable to the years in which the amounts promised are expected to be received. Amortization of these discounts is included in donations revenue.

Inventories

Inventories consist of merchandise goods, print shop materials, office supplies and aircraft spare parts. Merchandise goods, print shop materials and office supplies are determined by the average-cost method. Aircraft spare parts are valued at cost.

Investments

Investment transactions are recorded on the trade date. Realized gains and losses on the sale of investments are calculated on the basis of specific identification of the securities sold. Unrealized gains and losses are included in the change in net assets. Investment management fees are classified as a reduction in investment return for financial reporting purposes.

Investment securities are exposed to various risks including, but not limited to, 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 investment securities will occur in the near term.

Property and Equipment

Property and equipment are recorded at cost, or, if donated, at the estimated fair value at the date of donation, and are depreciated and amortized using straight-line methods for book purposes over estimated useful lives. The lives used for depreciation and amortization purposes are as follows:

| | |
|--|------------------------------------|
| Land improvements | 40 years |
| Buildings | 40 years |
| Flyable aircraft | 35 years |
| Office furniture and fixtures | 7 years |
| Computer equipment and software | 3 years |
| Transportation and maintenance equipment | 5 to 7 years |
| Museum display equipment | 12 years |
| Aircraft parts | Dependent on aircraft flight hours |
| Aircraft equipment | 5 to 7 years |
| Film library | 8 years |

Leasehold improvements are depreciated over the lesser of their useful life or lease term.

Collections

The Foundation, together with the Association, maintain a collection of historic artifacts and archival materials related to the history of recreational aviation including aircraft, engines, aircraft components, books, periodicals, photographs, video and other artifacts. Collections are held for public exhibition, education or research. The Foundation and Association acquire its collections by purchase or by donation.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

Costs to acquire or restore collections are accumulated. Donated items are recorded at the estimated fair value as of the date of donation. Such values are meant to represent the intrinsic value of the item. Library items are recorded at cost when purchased or at fair value when donated. In accordance with U.S. GAAP, inexhaustible collections are not depreciated. Adjustments are recorded as required to reduce the collection to the lower of cost or fair value.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for general use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Beneficial Interest in Perpetual Trust

The Foundation is the beneficiary of a trust created by one donor. The assets of the trust are not now and are never intended to be the property of the Foundation. The Foundation has an irrevocable right to a portion of the net income of the trust. The Foundation has no right pursuant to the terms of the governing trust instrument to determine or affect trust instruments, to remove or appoint the trustee(s), or to request distributions of income or principal. As required under U.S. GAAP, the Foundation is required to record its interest in the trust at fair value and classify it as net assets with donor restrictions. Distributions received from the trust are recorded as investment return within net assets with donor restrictions and the change in fair value is recorded as gains or losses within net assets with donor restriction. Distributions received from the trust totaled \$71,849 and \$101,685 for the years ended February 28, 2025 and February 29, 2024, respectively.

Revenue Recognition

The Association and Foundation recognize revenue in accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). The Association recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the Association expects to be entitled to in exchange for those goods or services. The Association has identified membership dues and subscriptions, advertising fees, rentals, admissions and registrations, merchandise sales, commissions and royalties, and administrative fees as revenue categories subject to ASC 606. Generally, advance receipts are deferred to the applicable period when performance obligations are met, and receivables are generally due 30 days from the invoice date.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

A description of the Association's revenue categories accounted for under ASC 606 follows:

Membership dues and subscription revenues are recognized on a straight-line ratable basis over the terms of the various memberships. Membership dues, which include subscriptions, are purchased on an annual basis, and amounts received in advance are deferred to the applicable period. See Note G for discussion of unearned income. Subscription revenue is allocated based on comparable aviation publication market pricing and frequency. Membership dues revenue is allocated based on membership benefits received.

Advertising fees are recognized in the period in which the production costs are incurred for the related publication.

Events (including AirVenture) benefiting the Association and Foundation have various revenue streams, including admissions, registrations and rentals. Revenues from these events are recognized when the event occurs. Advance receipts from these events are deferred until the time of the event.

Merchandise sales are recognized when the sale occurs at the point of purchase.

Commissions and royalties are recognized over time as performance obligations are satisfied per each contract.

Administrative fees are recognized over time as performance obligations are satisfied per each contract. The promised services that meet the distinct criteria are combined with services that are substantially the same into one performance obligation as a series that have the same pattern of transfer. As such, revenue for those performance obligations is generally recognized as services are performed.

Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

Contributions

Contributions are recognized when cash, securities, or other assets; unconditional promises to give; or a notification of a beneficial interest is received. The Association and Foundation report contributions, including promises to give, as restricted support if they are received with donor stipulations that restrict the use of the donated assets. Conditional promises to give are recognized when the conditions on which they depend have been substantially met. Contributions that have restrictions that are met during the same year the contributions are received are recorded as net assets without donor restriction donation revenue. Contributions and pledges receivable are recorded at the present value of future estimated cash flows and net of an allowance for uncollectible contributions and pledges.

Sponsorship income is recognized as contributions when the Association or Foundation has substantially met conditions in accordance with the terms of the sponsorship agreement. Sponsorships support many programs, including AirVenture, and are recorded in the applicable period when the program activity or event takes place. Advance receipts for a future activity or events taking place in a subsequent fiscal year are included in unearned income and were \$289,086 and \$258,552 for the years ended February 28, 2025 and February 29, 2024, respectively.

Special events revenue is recorded equal to the fair value of the direct benefits to donors, and contribution revenue is recognized for the excess received when the event takes place.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

In-Kind Donations

The Association and Foundation receive significant donations of professional services and other items, including equipment and supplies, property and rentals at no cost. The estimated value of the donated services and other items received was \$2,478,059 and \$2,393,448 for the years ended February 28, 2025 and February 29, 2024, respectively. These amounts have been included in revenues, gains and other support, and expenses have been increased by a like amount in the consolidated statements of activities.

| | February 28, 2025 | February 29, 2024 |
|------------------------|----------------------|----------------------|
| Professional services | \$ 451,890 | \$ 454,810 |
| Equipment and supplies | 341,484 | 295,346 |
| Rentals | 329,826 | 170,405 |
| Property | 1,296,176 | 1,124,487 |
| Shares of stock | 58,683 | 348,400 |
| | <u>\$ 2,478,059</u> | <u>\$ 2,393,448</u> |

Donations of professional services are valued and are reported at their estimated fair value in the financial statements based on current market rates for similar professionals.

Donations of other items, which includes equipment and supplies, property, rentals, and other items that would normally be purchased, are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. These donations are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. In-kind donations are not sold and are only available for program use.

In addition, volunteers have donated significant amounts of time to the Association in various capacities, which have not been reflected in the consolidated financial statements since they do not meet the criteria for recognition.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such costs include maintenance and occupancy, depreciation and office and administrative expenses, which are allocated on the basis of square footage occupied or resources used, or on the basis of the total direct cost of the benefiting program. See Note O.

Advertising Costs

The Association and the Foundation expense advertising costs as they are incurred. Advertising expense was approximately \$660,000 and \$799,000 for the years ended February 28, 2025 and February 29, 2024, respectively.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

Income Taxes

The Association has received a determination letter from the Internal Revenue Service (“IRS”), dated November 3, 1993, stating that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The Foundation has received a determination letter from the IRS, dated October 30, 1964, stating that it is exempt from federal income tax under Section 501(c)(3) of the IRC. The Association and Foundation pay unrelated business income tax on certain of its activities, which are deemed to be unrelated to its exempt purpose.

As required by the uncertain tax position guidance, the Association and the Foundation recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Association and the Foundation applied the uncertain tax position guidance to all tax positions for which the statute of limitations remained open and determined there were no material unrecognized tax benefits as of February 28, 2025 and February 29, 2024.

There were no material interest or penalties related to income tax that have been accrued or recognized as of and for the years ended February 28, 2025 and February 29, 2024.

Leases

The Association records leases in accordance with ASC Topic 842, *Leases (Topic 842)*. The Association has also elected to not record leases whose total payments are less than \$1,000 over the term of the lease in accordance with Topic 842.

The Association determines whether an agreement is, or contains, a lease at inception. If a lease exists, then the agreement is reviewed to determine lease classification. The lease term used in this review may include the effect of options to extend or terminate the lease when it is reasonably certain that the option will be exercised. The Association accounts for lease and nonlease components as separate components. The Association believes that allocating consideration to lease and nonlease components based on quoted contract prices is not materially different than allocating the consideration based on separate stand-alone selling prices, and thus quoted contract prices are used.

The Association’s existing lease arrangements consist of both operating leases and finance leases. Leases that have commenced are included as right-of-use (“ROU”) assets and as lease liabilities on the statements of financial position. Classification of lease liabilities as either current or noncurrent is based on the expected timing of payments due under the leasing agreements.

ROU assets represent the Association’s right to use an underlying asset for the lease term and lease liabilities represent the Association’s obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When determining the present value of the lease payments, the Association uses the interest rate implicit in the lease if known. If not, an incremental borrowing rate over the remaining lease term is used, for which the Association has elected to use the risk-free rate as a practical expedient. ROU assets are recognized at the lease commencement date based on the initial measurement of the corresponding lease liabilities and then adding initial direct costs incurred and lease payments made at or before the commencement date, and subtracting lease incentives received from the lessor.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

At the commencement of a lease, the Association only includes the initial lease term unless the option to extend is reasonably certain. The Association has elected to not record leases with a term of 12 months or less in accordance with Topic 842. The Association recognizes lease expense for these short-term leases on a straight-line basis over the lease term. For all other operating leases, the Association recognizes lease expense on a straight-line basis, taking into account any adjustments made to the ROU asset.

NOTE B - CONCENTRATION OF CREDIT RISK

The Association and the Foundation have cash deposited in financial institutions in which the balance may exceed the federal government agency insured limit. The Association and the Foundation have not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

NOTE C - DONOR CONCENTRATIONS

There were contributions from one donor representing 15.4% of the Association's and Foundation's donations for the year ended February 28, 2025.

There were contributions from two donors representing 22.1% of the Association's and Foundation's donations for the year ended February 29, 2024.

NOTE D - PLEDGES RECEIVABLE

Pledges receivable are summarized as follows:

| | February 28, 2025 | February 29, 2024 |
|--|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Unconditional promises to give before unamortized discount and allowance for uncollectible pledges receivable | \$ 558,173 | \$ 1,328,487 |
| Less: amortized discount | - | 33,535 |
| | <u>558,173</u> | <u>1,294,952</u> |
| Less: allowance for uncollectible pledges receivable | <u>35,487</u> | <u>76,152</u> |
| | <u>\$ 522,686</u> | <u>\$ 1,218,800</u> |
| Amounts due in: | | |
| Less than one year | \$ 558,173 | \$ 803,487 |
| One to five years | - | 525,000 |
| | <u>522,686</u> | <u>1,328,487</u> |
| Less: unamortized discount and allowance | <u>35,487</u> | <u>109,687</u> |
| | <u>\$ 522,686</u> | <u>\$ 1,218,800</u> |

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

NOTE E - INVESTMENTS

Investments at fair value consisted of the following:

| | February 28, 2025 | February 29, 2024 |
|-------------------------|----------------------|----------------------|
| Money market funds | \$ 9,618,141 | \$ 6,201,616 |
| Common stocks | 2,873,696 | 2,812,666 |
| Bond funds | 15,179,885 | 11,441,331 |
| Equity funds | 30,421,573 | 28,412,168 |
| Alternative investments | 11,007,181 | 12,173,097 |
| | <u>\$ 69,100,476</u> | <u>\$ 61,040,878</u> |

Investment return consists of the following:

| | February 28, 2025 | February 29, 2024 |
|--------------------------------|----------------------|----------------------|
| Investment fees | \$ (148,810) | \$ (142,085) |
| Interest and dividends | 2,199,937 | 1,612,811 |
| Realized gain on investments | 1,809,499 | 816,067 |
| Unrealized gain on investments | 1,638,966 | 3,646,495 |
| | <u>\$ 5,499,592</u> | <u>\$ 5,933,288</u> |

NOTE F - LONG-TERM DEBT

Long-term debt consists of the following:

| | February 28, 2025 | February 29, 2024 |
|--|----------------------|----------------------|
| \$10,000,000 Town of Nekimi, Wisconsin Industrial Development Revenue Bonds, Series 2008; interest only payments through 2014 with annual principal payment of \$600,000 beginning in 2015, final payment due September 2028; interest at 72.5% of both the 30-day SOFR rate plus 150 basis points (effective rate of 4.21% and 4.95% at February 28, 2025 and February 29, 2024, respectively); secured by all equipment and fixtures acquired with the proceeds of the bonds | \$ 2,200,000 | \$ 2,800,000 |
| | 2,200,000 | 2,800,000 |
| Less: current maturities | <u>600,000</u> | <u>600,000</u> |
| | <u>\$ 1,600,000</u> | <u>\$ 2,200,000</u> |

As of February 28, 2024, letters of credit to satisfy Wisconsin unemployment tax requirements are provided by the Association and Foundation through U.S. Bank, N.A. in the amounts of \$152,865 and \$150,626,

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

respectively. The letters of credit expire December 31, 2027. In addition, supporting lines of credit are provided for \$200,000 for the Association and \$5,000 for the Foundation. Both supporting lines of credit expire December 31, 2027. As of February 28, 2025 and February 29, 2024, there were no amounts outstanding on the supporting lines of credit. Interest on the supporting lines of credit is the prime rate plus 150 basis points.

U.S. Bank, N.A. provides the Association a line of credit in the amount of \$3,000,000, which has an expiration date of December 31, 2025. There were no outstanding balances at February 28, 2025 and February 29, 2024, on this line of credit. Interest on the line of credit is at the daily Secured Overnight Financing Rate (“SOFR”) plus 161 basis points.

The line of credit agreements and industrial development revenue bond contain a number of restrictive covenants, with which the Association was in compliance at February 28, 2025 and February 29, 2024.

Future maturities of long-term debt as of February 28, 2025 is as follows for the years ending:

| | | |
|------|----|------------------|
| 2026 | \$ | 600,000 |
| 2027 | | 600,000 |
| 2028 | | 600,000 |
| 2029 | | 400,000 |
| | | <u>400,000</u> |
| | \$ | <u>2,200,000</u> |

NOTE G - UNEARNED INCOME

Unearned income consists of the following items:

| | February 28, 2025 | February 29, 2024 |
|---|----------------------|----------------------|
| Unearned membership dues and subscription revenue | \$ 15,148,207 | \$ 14,852,331 |
| Exhibits | 4,620,238 | 4,090,353 |
| Other | 2,049,757 | 1,830,928 |
| | <u>21,818,202</u> | <u>20,773,612</u> |
| Total | | |
| | 21,818,202 | 20,773,612 |
| Less: current portion | <u>11,211,668</u> | <u>10,332,880</u> |
| | | |
| Long-term unearned income | <u>\$ 10,606,534</u> | <u>\$ 10,440,732</u> |

NOTE H - GIFT ANNUITIES

Assets held under a contractual obligation that provide a lifetime annuity to a non-charitable beneficiary are included in investments and are recorded at their fair value. The actuarially determined present value of the future annuity cash flows required to be paid to the donors or their beneficiaries is recorded as a liability in the consolidated statements of financial position. The discount rate used by the actuary was 6% as of February 28, 2025 and February 29, 2024. The difference between the fair value of the gift annuity assets and the actuarially determined present value of future annuity cash flows is recorded as donation revenue in the year the gift annuity is received. Subsequent changes are recorded in the consolidated statements of activities within management and general expenses.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

NOTE I - RETIREMENT PLANS

The Association sponsors a money purchase pension plan for its employees. The plan provides a participant, at retirement, with his or her share of the investment account balance. Contributions are based on employee annual compensation. The Association contributes an amount equal to 7.14% of the employees' annual compensation plus 5.60% of employees' compensation in excess of the Social Security Taxable Wage Base. The total provision for pension costs were approximately \$759,000 and \$695,000 for the years ended February 28, 2025 and February 29, 2024, respectively.

The Association also sponsors a 403(b) retirement plan which permits employees to defer a portion of their compensation, subject to annual IRS limitations. There were no employer contributions to the 403(b) retirement plan for the years ended February 28, 2025 and February 29, 2024.

NOTE J - LEASE ARRANGEMENTS

The Association has various leases for its office space and certain premises located at Wittman Regional Airport. The components of rent expense for the years ended were as follows:

| | February 28, 2025 | February 29, 2024 |
|-------------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Operating lease cost | \$ 248,743 | \$ 311,573 |
| Short-term lease cost | 164,048 | 139,394 |
| Finance lease cost | | |
| Amortization of ROU assets | 28,643 | 28,642 |
| Interest on lease liabilities | <u>2,132</u> | <u>3,148</u> |
| Total | <u>\$ 443,566</u> | <u>\$ 482,757</u> |

During the years ended February 28, 2025 and February 29, 2024, there were \$367,344 and \$0, respectively, of new leases entered into by the Association.

Weighted average remaining lease terms (in years) and weighted average discount rates for outstanding leases were as follows:

| | February 28, 2025 | February 29, 2024 |
|---|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Weighted-average remaining lease term - operating lease | 14.7 years | 5.2 years |
| Weighted-average discount rate - operating lease | 4.37% | 1.83% |
| Weighted-average remaining lease term - financing lease | 1.5 years | 2.5 years |
| Weighted-average discount rate - financing lease | 3.54% | 3.54% |

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

Estimated future minimum rental payments under these leases at February 28, 2025, are as follows:

| | Operating Leases | Finance Leases | Total |
|----------------------------|---------------------|-------------------|------------|
| 2026 | \$ 260,605 | \$ 31,427 | \$ 292,032 |
| 2027 | 154,033 | 15,713 | 169,746 |
| 2028 | 41,931 | - | 41,931 |
| 2029 | 11,166 | - | 11,166 |
| 2030 | 11,166 | - | 11,166 |
| Thereafter | 82,618 | - | 82,618 |
| Total gross lease payments | 561,519 | 47,140 | 608,659 |
| Less: imputed interest | 32,894 | 1,202 | 34,096 |
| Total lease liabilities | \$ 528,625 | \$ 45,938 | \$ 574,563 |

NOTE K - RELATED-PARTY TRANSACTIONS

Contributions include donations received from various related parties, including board members and trustees. The Association and Foundation recognized cash and non-cash contributions from related parties of approximately \$78,000 and \$451,000 during the years ended February 28, 2025 and February 29, 2024, respectively.

The Association has three related parties, International Aerobatic Club, Inc., Warbirds of America, Inc. and EAA Vintage Association, Inc. (collectively, the "Entities"). The Entities are separate corporations, but no person may become a member of any of the Entities without first being a member of the Association. Each of the Entities pays an administrative fee to the Association for clerical services rendered to them. As part of these clerical services, the Association and the Foundation receive cash on behalf of the Entities, which result in accounts payable to these related parties. The tax-exempt purposes of the Entities are similar to the Association's tax-exempt purpose. These Entities are independent corporations who report their own income and expenses. Other than the administrative fees charged to the Entities, no other financial transactions of the Entities are included in these consolidated financial statements.

Related-party transactions and year-end balances are as follows:

| | February 28, 2025 | February 29, 2024 |
|--|----------------------|----------------------|
| Payments from the Entities for data processing and other administrative services | \$ 581,128 | \$ 560,977 |
| Accounts payable to the Entities | 38,219 | 453,871 |

NOTE L - CONTINGENT LIABILITIES AND COMMITMENTS

The Association self-funds employees' medical expenses through a program under which it is responsible for the first \$70,000 of covered medical expenses per incident at February 28, 2025 and February 29, 2024. Claims of any incident in excess of these amounts are covered by an excess loss insurance policy. Claims expense and insurance costs under this program, including administrative expenses, net of employee

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

contributions and any stop-loss recoveries, totaled approximately \$1,862,000 and \$1,885,000 for the years ended February 28, 2025 and February 29, 2024, respectively. The claims liability totaled approximately \$87,000 and \$151,000 as of February 28, 2025 and February 29, 2024, respectively, and is included in accrued expenses and other payables on the consolidated statements of financial position.

NOTE M - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (that is, an exit price). The exit price is based on the amount that the holder of the asset or liability would receive or need to pay in an actual transaction (or in a hypothetical transaction if an actual transaction does not exist) at the measurement date.

Fair value is generally determined based on quoted market prices in active markets for identical assets or liabilities. However, if quoted market prices are not available, other valuation techniques that place greater reliance on market data (observable inputs) or other estimates and assumptions (unobservable inputs) are used. The hierarchy consists of three broad levels as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs that are either directly or indirectly observable (other market data), and may 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; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Unobservable inputs developed using the Association's and the Foundation's estimates and assumptions, which reflect those that market participants would use.

The determination of where an asset or liability falls in the hierarchy requires significant judgment and depends on the lowest level input that is significant to the fair value measurement as a whole. The Association and the Foundation evaluate the hierarchy disclosures annually and, based on various factors, it is possible that an asset or liability may be classified differently from year to year. However, the Association and Foundation expect that changes in classification between different levels will be rare.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy. There have been no changes to the valuation methodologies used at February 28, 2025 and February 29, 2024. There were no transfers into or out of each level during the years ended February 28, 2025 and February 29, 2024.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

Investments

When quoted market prices are available in an active market, securities are classified within Level 1 of the fair value hierarchy. The fair value of money market funds, common stocks, bond and equity funds with a readily determinable fair value are based on quotes obtained from national securities exchanges. The hedge fund and equity funds do not have a readily determinable fair value and are valued at the February 28, 2025 and February 29, 2024, net asset value ("NAV") per share, which is used as a practical expedient to estimate fair value. The value is determined by reference to the fund's underlying assets and is provided by the fund administrator.

Beneficial Interest in Perpetual Trust and Split-Interest Agreement

Beneficial interests in perpetual trust and split-interest agreements are valued using the fair value of the assets in the trust unless facts and circumstances indicate that the fair value of the assets in the trust differs from the fair value of the beneficial interests.

Other Assets and Liabilities

The carrying amount of the Association's and the Foundation's financial instruments, which include accounts receivable, pledges receivable, accounts payable and accrued expenses, approximate their fair values at February 28, 2025 and February 29, 2024, due to their short maturities. The carrying value of long-term debt, including the current portion, approximates fair value because the interest rate approximates the current market rate of interest available to the Association and Foundation.

The following summarizes the valuation of financial instruments measured at fair value in the consolidated statements of financial position as of:

| | February 28, 2025 | | | |
|--|-------------------|---------------|---------|--------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Investments: | | | | |
| Money market funds | \$ 9,618,141 | \$ 9,618,141 | \$ - | \$ - |
| Common stocks | 2,873,696 | 2,873,696 | - | - |
| Bond funds | 15,179,885 | 15,179,885 | - | - |
| Equity funds | 30,421,573 | 30,421,573 | - | - |
| | | \$ 58,093,295 | \$ - | \$ - |
| Investments measured at NAV: | | | | |
| Hedge fund ^(a) | 3,860,338 | | | |
| Equity funds ^(b) | 7,146,843 | | | |
| | \$ 69,100,476 | | | |
| Other assets: | | | | |
| Beneficial interest in perpetual trust | \$ 3,902,306 | \$ - | \$ - | \$ 3,902,306 |
| Beneficial interest in split-interest agreements | 213,467 | - | - | 213,467 |

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

| | February 29, 2024 | | | |
|--|-------------------|---------------|---------|--------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Assets: | | | | |
| Investments: | | | | |
| Money market funds | \$ 6,201,616 | \$ 6,201,616 | \$ - | \$ - |
| Common stocks | 2,812,666 | 2,812,666 | - | - |
| Bond funds | 11,441,331 | 11,441,331 | - | - |
| Equity funds | 28,412,168 | 28,412,168 | - | - |
| | 48,867,781 | \$ 48,867,781 | \$ - | \$ - |
| | | | | |
| Investments measured at NAV: | | | | |
| Hedge fund ^(a) | 3,887,246 | | | |
| Equity funds ^(b) | 8,285,851 | | | |
| | \$ 61,040,878 | | | |
| | | | | |
| Other assets: | | | | |
| Beneficial interest in perpetual trust | \$ 3,536,021 | \$ - | \$ - | \$ 3,536,021 |
| Beneficial interest in split-interest agreements | 210,845 | - | - | 210,845 |

^(a) Hedge fund - The investment strategy of this category is to exceed S&P Index performance during difficult periods of equity performance. Redemption from these funds is permitted quarterly with a 20-day notice; however, there may be additional restrictions on the redemption of underlying funds. At its discretion, the fund may make quarterly tender offers in minimum amounts of \$100,000. There are no unfunded commitments.

^(b) Equity fund - The investment strategy of this category is to exceed S&P Index performance during difficult periods of equity performance. Redemption from these funds is permitted quarterly with a 45-day notice; however, there may be additional restrictions on the redemption of underlying funds. There is \$2,500,000 in unfunded commitments.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

The following is a reconciliation of beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended:

| | February 28, 2025 | February 29, 2024 |
|---|----------------------|----------------------|
| Beginning balance | \$ 3,746,866 | \$ 3,231,990 |
| Net gains, realized and unrealized, included in change in net assets | <u>368,907</u> | <u>514,876</u> |
| Ending balance | <u>\$ 4,115,773</u> | <u>\$ 3,746,866</u> |

NOTE N - NET ASSETS

Without Donor Restriction

This portion of net assets is not restricted by donor-imposed stipulations or the passage of time.

Board-Designated Endowment Funds

The Foundation board of trustees has designated a portion of the Foundation's net assets without donor restriction as funds functioning as endowment funds and they have been invested as such. The total amount of funds so designated totaled \$16,141,731 and \$14,725,560 at February 28, 2025 and February 29, 2024, respectively.

It is management's view that the applicable principles for categorization of the board-designated endowment fund should not be viewed as an indication that donations made over time to the Association or the Foundation to ensure the continuing availability of funds for education and preservation, including support of the operating costs of the Association, are available to the creditors of the Association.

Other Board-Designated Funds

The Foundation board of trustees has directed management to designate funds received from the sale of artifacts as unavailable for general operations. As of February 28, 2025 and February 29, 2024, funds so designated totaled \$1,283,652.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

With Donor Restrictions

Net assets with donor restrictions are those net assets subject to donor-imposed stipulations that will be met by actions of the Association, the Foundation, the passage of time or a combination thereof.

Net assets with donor restrictions are restricted for the following purpose or periods as of:

| | February 28, 2025 | February 29, 2024 |
|--|----------------------|----------------------|
| Subject to expenditure for specified purpose: | | |
| Scholarships | \$ 3,601,593 | \$ 3,307,512 |
| Internships | 129,209 | 129,209 |
| Operations | 25,805 | 25,805 |
| Programs | 2,336,870 | 2,442,016 |
| Young Eagles | 96,181 | 297,026 |
| Capital | 418,969 | 411,666 |
| Aircraft preservation | 94,798 | 55,337 |
| Museum operations | 28,263 | 14,346 |
| | <hr/> | <hr/> |
| | 6,731,688 | 6,682,917 |
| Subject to passage of time: | | |
| Promises to give, not restricted by donors but unavailable until due | 8,028 | 6,499 |
| Assets held under split-interest agreements | 213,468 | 210,846 |
| | <hr/> | <hr/> |
| | 221,496 | 217,345 |
| | <hr/> | <hr/> |
| Total subject to expenditure for specific purpose and passage of time | 6,953,184 | 6,900,262 |
| Endowments: | | |
| Subject to appropriation and expenditure for specified purpose: | | |
| Scholarships | 3,407,906 | 2,647,931 |
| Internships | 347,019 | 282,467 |
| Operations | 634,659 | 478,306 |
| Museum exhibits | 318,128 | 247,263 |
| Air Academy | 926,155 | 721,084 |
| Programs | 129,129 | 131,992 |
| Young Eagles | 1,318,099 | 955,453 |
| Museum operations | 143,248 | 115,982 |
| Underwater funds | (47,618) | (62,287) |
| | <hr/> | <hr/> |
| | 7,176,725 | 5,518,191 |
| Subject to endowment spending policy and appropriation: | | |
| Scholarships | 8,729,182 | 7,707,430 |
| Internships | 641,233 | 641,233 |
| Operations | 1,365,022 | 1,365,022 |
| Museum exhibits | 1,065,000 | 1,065,000 |
| Air Academy | 2,021,068 | 2,021,068 |
| Programs | 719,812 | 543,812 |
| Young Eagles | 5,187,534 | 5,187,534 |
| Museum operations | 410,845 | 410,845 |
| | <hr/> | <hr/> |
| | 20,139,696 | 18,941,944 |
| Not subject to spending policy or appropriation: | | |
| Beneficial interest in perpetual trusts - donor restricted for programs | 3,902,307 | 3,536,022 |
| | <hr/> | <hr/> |
| Total endowments | 31,218,728 | 27,996,157 |
| | <hr/> | <hr/> |
| Total net assets with donor restrictions | \$ 38,171,912 | \$ 34,896,419 |
| | <hr/> | <hr/> |

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

Net assets released from donor restrictions are as follows:

| | February 28, 2025 | February 29, 2024 |
|--|----------------------|----------------------|
| Satisfaction of purpose restrictions: | | |
| Scholarships | \$ 2,058,055 | \$ 2,027,609 |
| Young Eagles | 350,000 | 300,000 |
| Aircraft preservation | 60,681 | 99,311 |
| Project 21 | - | 2,567,181 |
| Other programs | 629,916 | 560,548 |
| | <hr/> | <hr/> |
| | 3,098,652 | 5,554,649 |
| Satisfaction of restricted purpose distributions: | | |
| Beneficial interest in perpetual trust | 71,849 | 101,685 |
| Restricted purpose spending policy distributions and appropriations: | | |
| Scholarships | 187,548 | 168,477 |
| Young Eagles | 195,028 | 186,079 |
| Museum exhibits | 48,265 | 47,408 |
| Museum operations | 20,560 | - |
| Operations | 58,658 | - |
| Air Academy | 43,868 | 297 |
| Other programs | 16,545 | - |
| | <hr/> | <hr/> |
| | 570,472 | 402,261 |
| | <hr/> | <hr/> |
| | \$ 3,740,973 | \$ 6,058,595 |

Endowment Net Assets

The Foundation endowment consists of individual funds established for a variety of educational, preservation and operational purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), adopted and enacted by the Wisconsin legislature, 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 net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the net assets with donor restrictions is classified as such until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the state of Wisconsin in its enacted version of UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the endowment funds; (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

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

the appreciation of investments; (6) other resources of the Foundation; and (7) the investment policy of the Foundation.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in net assets with donor restrictions were \$47,618 and \$62,287 as of February 28, 2025 and February 29, 2024, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions with donor restrictions and continued appropriation for certain programs that was deemed prudent by the board of trustees.

The Foundation has adopted investment and spending policies for endowment assets, both board-designated endowment and other board-designated funds and net assets with donor restrictions, which attempt to provide a predictable stream of funding to support the Association programs while seeking to maintain the purchasing power of endowment assets. The Foundation has a spending policy of appropriating for distribution each year a percentage of its endowment funds average fair value over the prior three calendar year ends preceding the fiscal year in which the distribution is planned. The Foundation has adopted a spending policy percentage of 4% for 2025 and 2024. The Foundation Trustees meet regularly with investment managers to evaluate investment performance and monitor investment policies.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

Changes in endowment net assets:

| | <u>Board- Designated Funds</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|--|------------------------------------|----------------------|
| Endowment net assets, February 28, 2023 | \$ 13,230,726 | \$ 24,861,995 | \$ 38,092,721 |
| Investment return, net | 1,635,715 | 2,883,000 | 4,518,715 |
| New additions: | | | |
| Contributions | <u>650,231</u> | <u>158,989</u> | <u>809,220</u> |
| Total new additions | 650,231 | 158,989 | 809,220 |
| Appropriation of endowment assets for expenditures | (791,112) | (402,260) | (1,193,372) |
| Change in beneficial interest in perpetual trust | <u>-</u> | <u>494,433</u> | <u>494,433</u> |
| Endowment net assets, February 29, 2024 | 14,725,560 | 27,996,157 | 42,721,717 |
| Investment return, net | 1,336,818 | 2,258,781 | 3,595,599 |
| New additions: | | | |
| Contributions | <u>888,803</u> | <u>1,167,978</u> | <u>2,056,781</u> |
| Total new additions | 888,803 | 1,167,978 | 2,056,781 |
| Appropriation of endowment assets for expenditures | (809,450) | (570,473) | (1,379,923) |
| Change in beneficial interest in perpetual trust | <u>-</u> | <u>366,285</u> | <u>366,285</u> |
| Endowment net assets, February 28, 2025 | <u>\$ 16,141,731</u> | <u>\$ 31,218,728</u> | <u>\$ 47,360,459</u> |

NOTE O - FUNCTIONAL EXPENSES

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Expenses are presented by functional classification in accordance with the overall service mission of the Association and Foundation. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include wages, benefits, professional services, administrative expenses, information technology, marketing, postage, printing, equipment rental, insurance, maintenance, occupancy, depreciation and others. These expenses are allocated on the basis of headcount, time and effort, activity-based metrics, and square footage.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

For the year ended February 28, 2025, functional expense consists of the following:

| | Program Activities | | | | Supporting Activities | | | Total |
|---------------------------|----------------------|---------------------|------------------------|------------------------|------------------------|---------------------|---------------------------|----------------------|
| | AirVenture | Membership Services | Other Program Services | Total Program Services | Management and General | Fundraising | Total Supporting Services | |
| Personnel | \$ 2,859,807 | \$ 2,480,317 | \$ 8,382,083 | \$ 13,722,207 | \$ 3,818,336 | \$ 1,012,863 | \$ 4,831,199 | \$ 18,553,406 |
| Cost of goods sold | 133,014 | 423 | 2,391,241 | 2,524,678 | 668 | 13,074 | 13,742 | 2,538,420 |
| Postage and printing | 90,035 | 2,471,780 | 278,452 | 2,840,267 | 11,715 | 20,702 | 32,417 | 2,872,684 |
| Marketing | 287,956 | 152,807 | 119,169 | 559,932 | 2,932 | 97,565 | 100,497 | 660,429 |
| Fees for services | 4,206,311 | 838,534 | 1,188,810 | 6,233,655 | 664,693 | 588,784 | 1,253,477 | 7,487,132 |
| Meetings and travel | 743,550 | 87,257 | 338,274 | 1,169,081 | 37,499 | 39,911 | 77,410 | 1,246,491 |
| Equipment rental | 3,499,319 | 39,745 | 192,149 | 3,731,213 | 25,533 | 130,545 | 156,078 | 3,887,291 |
| Fulfillment and support | 728,124 | 227,296 | 2,898,427 | 3,853,847 | 23,220 | 203,195 | 226,415 | 4,080,262 |
| Financial service fee | - | - | 1,380 | 1,380 | 5 | - | 5 | 1,385 |
| Office and administrative | 992,900 | 246,602 | 752,869 | 1,992,371 | 1,024,646 | 57,086 | 1,081,732 | 3,074,103 |
| Aircraft expenses | 132,774 | 12,265 | 928,501 | 1,073,540 | 33,319 | 2,222 | 35,541 | 1,109,081 |
| Maintenance and occupancy | 1,288,056 | 11,375 | 836,819 | 2,136,250 | 144,890 | 13,479 | 158,369 | 2,294,619 |
| Insurance | 603,121 | 145,757 | 1,158,311 | 1,907,189 | 310,197 | 80,540 | 390,737 | 2,297,926 |
| Depreciation | 571,238 | 176,349 | 1,513,121 | 2,260,708 | 441,552 | 46,024 | 487,576 | 2,748,284 |
| Total expenses | \$ 16,136,205 | \$ 6,890,507 | \$20,979,606 | \$ 44,006,318 | \$ 6,539,205 | \$ 2,305,990 | \$ 8,845,195 | \$ 52,851,513 |

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

For the year ended February 29, 2024, functional expense consists of the following:

| | Program Activities | | | | Supporting Activities | | | Total |
|---------------------------|----------------------|---------------------|------------------------|------------------------|------------------------|---------------------|---------------------------|----------------------|
| | AirVenture | Membership Services | Other Program Services | Total Program Services | Management and General | Fundraising | Total Supporting Services | |
| Personnel | \$ 3,096,099 | \$ 2,633,334 | \$ 7,060,482 | \$ 12,789,915 | \$ 3,991,490 | \$ 1,046,856 | \$ 5,038,346 | \$ 17,828,261 |
| Cost of goods sold | 164,733 | 453 | 2,100,612 | 2,265,798 | 126 | 10,617 | 10,743 | 2,276,541 |
| Postage and printing | 64,260 | 2,499,400 | 256,656 | 2,820,316 | 10,883 | 45,466 | 56,349 | 2,876,665 |
| Marketing | 326,849 | 190,079 | 168,663 | 685,591 | 5,746 | 107,163 | 112,909 | 798,500 |
| Fees for services | 3,742,312 | 693,252 | 942,568 | 5,378,132 | 581,700 | 607,737 | 1,189,437 | 6,567,569 |
| Meetings and travel | 676,514 | 105,814 | 549,601 | 1,331,929 | 32,144 | 41,268 | 73,412 | 1,405,341 |
| Equipment rental | 2,996,827 | 45,827 | 219,034 | 3,261,688 | 18,966 | 141,218 | 160,184 | 3,421,872 |
| Fulfillment and support | 536,816 | 291,153 | 3,278,595 | 4,106,564 | 17,724 | 470,520 | 488,244 | 4,594,808 |
| Financial service fee | - | - | 823 | 823 | 23 | - | 23 | 846 |
| Office and administrative | 1,057,807 | 313,959 | 832,365 | 2,204,131 | 1,085,535 | 97,140 | 1,182,675 | 3,386,806 |
| Aircraft expenses | 222,756 | 10,985 | 1,092,506 | 1,326,247 | 35,115 | 17,757 | 52,872 | 1,379,119 |
| Maintenance and occupancy | 1,279,678 | 12,073 | 792,750 | 2,084,501 | 168,585 | 21,134 | 189,719 | 2,274,220 |
| Insurance | 570,792 | 148,587 | 1,138,500 | 1,857,879 | 271,148 | 102,887 | 374,035 | 2,231,914 |
| Depreciation | 610,586 | 170,204 | 1,980,141 | 2,760,931 | 534,981 | 128,391 | 663,372 | 3,424,303 |
| Total expenses | \$ 15,346,029 | \$ 7,115,120 | \$20,413,296 | \$ 42,874,445 | \$ 6,754,166 | \$ 2,838,154 | \$ 9,592,320 | \$ 52,466,765 |

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

NOTE P - LIQUIDITY

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds according to an approved investment policy that invests funds based on operational, short-term and long-term needs. The Association invests in liquid investments with no or limited redemption limitations. The Association has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and lines of credit. See Note F for information about the Association's lines of credit and Note M for information on investment instruments.

In addition to financial assets available to meet general expenditures over the next 12 months, the Association operates with a budget that anticipates collecting sufficient revenue to cover general expenditures, debt service requirements and capital expenditures.

The following table reflects the Association's financial assets as of February 28, 2025 and February 29, 2024 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual or donor restrictions and board designations.

| | February 28, 2025 | February 29, 2024 |
|--|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Cash and cash equivalents | \$ 10,271,653 | \$ 8,877,862 |
| Investments | 22,219,129 | 20,645,968 |
| Accounts receivable | 494,922 | 572,400 |
| | <u> </u> | <u> </u> |
| Total financial assets | 32,985,704 | 30,096,230 |
| Less: amounts not available to be used within one year | | |
| Funds subject to time and purpose restrictions | <u>(912,182)</u> | <u>(1,022,009)</u> |
| | <u>\$ 32,073,522</u> | <u>\$ 29,074,221</u> |

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated endowments, contributions without donor restrictions and contributions with donor restrictions for use in supporting the Association's current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and Association support commitments. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation's governing body meets annually to review and approve the Association's support commitments. See Note N for more information on the Foundation's endowments and spending policy. Due to this timing, the Foundation strives to maintain investments instruments available to meet annual general expenditures as noted above. See Note M for more information on investment instruments held by the Foundation and limitation on redemptions as noted.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

February 28, 2025 and February 29, 2024

The Foundation's governing board has designated its unrestricted resources for endowment and other purposes. Those amounts are identified as board designated. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board. Therefore, these funds are included financial assets available to meet general expenditures within one year as noted in the table below:

| | February 28, 2025 | February 29, 2024 |
|---|----------------------|----------------------|
| Cash and cash equivalents | \$ 1,296,406 | \$ 567,162 |
| Investments | 46,881,347 | 40,394,910 |
| Pledges receivable | 522,686 | 727,335 |
| Accounts receivable | 15,000 | 114,336 |
| | <hr/> | <hr/> |
| Total financial assets | 48,715,439 | 41,803,743 |
| Less: amounts not available to be used within one year: | | |
| Endowments to be kept in perpetuity | (20,139,695) | (18,941,944) |
| Funds subject to time and purpose restrictions | (13,217,727) | (11,396,444) |
| | <hr/> | <hr/> |
| | \$ 15,358,017 | \$ 11,465,355 |
| | <hr/> | <hr/> |

NOTE Q - SUBSEQUENT EVENTS

The Association and Foundation evaluated their February 28, 2025, consolidated financial statements for subsequent events through June 25, 2025, the date the consolidated financial statements were available to be issued. The Association and Foundation are not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

February 28, 2025

| | Experimental Aircraft Association, Inc.* | EAA Aviation Foundation, Inc. | Eliminations | Consolidated Total |
|--|---|----------------------------------|------------------------|-----------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 10,271,653 | \$ 1,296,406 | \$ - | \$ 11,568,059 |
| Accounts receivable, less allowance for credit losses of \$70,049 | 494,922 | 15,000 | - | 509,922 |
| Accounts receivable - related parties | - | 353,461 | (353,461) | - |
| Current portion of pledges receivable, less allowance for uncollectible pledges of \$35,487 | - | 522,686 | - | 522,686 |
| Inventories | 1,512,694 | - | - | 1,512,694 |
| Prepaid expenses | 1,709,000 | 74,564 | - | 1,783,564 |
| | <u>13,988,269</u> | <u>2,262,117</u> | <u>(353,461)</u> | <u>15,896,925</u> |
| Total current assets | | | | |
| Investments - at fair value | 22,219,129 | 46,881,347 | - | 69,100,476 |
| Property and equipment | | | | |
| Land improvements | 8,028,086 | 762,855 | - | 8,790,941 |
| Buildings | 8,601,453 | 21,121,612 | - | 29,723,065 |
| Leasehold improvements | 24,867,295 | - | - | 24,867,295 |
| Office furniture and fixtures | 3,964,000 | - | - | 3,964,000 |
| Computer equipment and software | 7,850,611 | - | - | 7,850,611 |
| Transportation and maintenance equipment | 3,972,921 | - | - | 3,972,921 |
| Museum display equipment | 3,086,935 | - | - | 3,086,935 |
| Aircraft equipment | 151,159 | - | - | 151,159 |
| Aircraft parts | 1,129,731 | - | - | 1,129,731 |
| Film library | 152,574 | - | - | 152,574 |
| Flyable aircraft | 6,823,458 | - | - | 6,823,458 |
| | <u>68,628,223</u> | <u>21,884,467</u> | <u>-</u> | <u>90,512,690</u> |
| Less accumulated depreciation and amortization | 38,297,733 | 11,642,943 | - | 49,940,676 |
| | <u>30,330,490</u> | <u>10,241,524</u> | <u>-</u> | <u>40,572,014</u> |
| Land | 4,109,957 | 351,456 | - | 4,461,413 |
| Capital addition projects in progress | 593,024 | - | - | 593,024 |
| | <u>35,033,471</u> | <u>10,592,980</u> | <u>-</u> | <u>45,626,451</u> |
| Net property and equipment | | | | |
| Other assets | | | | |
| Operating lease ROU asset | 20,138,823 | - | (19,527,888) | 610,935 |
| Finance lease ROU asset, net | 43,840 | - | - | 43,840 |
| Collections | 374,574 | 12,749,903 | - | 13,124,477 |
| Beneficial interest in perpetual trust | - | 3,902,306 | - | 3,902,306 |
| Beneficial interest in split-interest agreements | - | 213,467 | - | 213,467 |
| Cash value of life insurance | - | 70,741 | - | 70,741 |
| | <u>20,557,237</u> | <u>16,936,417</u> | <u>(19,527,888)</u> | <u>17,965,766</u> |
| Total other assets | | | | |
| Total assets | <u>\$ 91,798,106</u> | <u>\$ 76,672,861</u> | <u>\$ (19,881,349)</u> | <u>\$ 148,589,618</u> |

* Experimental Aircraft Association, Inc. balances are inclusive of Blue Sky Holdings, LLC and EAA STC, LLC.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

February 28, 2025

| | Experimental Aircraft Association, Inc.* | EAA Aviation Foundation, Inc. | Eliminations | Consolidated Total |
|---|---|----------------------------------|-----------------|-----------------------|
| LIABILITIES AND NET ASSETS | | | | |
| Current liabilities | | | | |
| Current portion of long-term debt | \$ 600,000 | \$ - | \$ - | \$ 600,000 |
| Current portion of gift annuity liability | - | 10,124 | - | 10,124 |
| Accounts payable | 1,849,469 | 35,089 | - | 1,884,558 |
| Accounts payable - related parties | 391,680 | - | (353,461) | 38,219 |
| Accrued expenses and other payables | 1,961,010 | 142,033 | - | 2,103,043 |
| Current portion of unearned income | 11,166,078 | 45,590 | - | 11,211,668 |
| Current portion of operating lease obligations | 981,691 | - | (733,562) | 248,129 |
| Current portion of finance lease obligations | 30,348 | - | - | 30,348 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total current liabilities | 16,980,276 | 232,836 | (1,087,023) | 16,126,089 |
| Operating lease obligations , less current portion | 19,294,122 | - | (19,013,626) | 280,496 |
| Finance lease obligations , less current portion | 15,591 | - | - | 15,591 |
| Long-term debt , less current portion | 1,600,000 | - | - | 1,600,000 |
| Gift annuity liability , less current portion | - | 127,787 | - | 127,787 |
| Unearned income , less current portion | 10,606,534 | - | - | 10,606,534 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities | 48,496,523 | 360,623 | (20,100,649) | 28,756,497 |
| Net assets | | | | |
| Without donor restrictions | 42,389,401 | 39,052,508 | 219,300 | 81,661,209 |
| With donor restriction | 912,182 | 37,259,730 | - | 38,171,912 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total net assets | 43,301,583 | 76,312,238 | 219,300 | 119,833,121 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities and net assets | \$ 91,798,106 | \$ 76,672,861 | \$ (19,881,349) | \$ 148,589,618 |

* Experimental Aircraft Association, Inc. balances are inclusive of Blue Sky Holdings, LLC and EAA STC, LLC.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATING STATEMENT OF ACTIVITIES

For the year ended February 28, 2025

| | Experimental Aircraft Association, Inc. * | | | EAA Aviation Foundation, Inc. | | | Eliminations | Consolidated |
|--|---|-------------------------|----------------------|-------------------------------|-------------------------|----------------------|---------------------|-----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | | |
| Revenues, gains and other support | | | | | | | | |
| Membership dues and subscriptions | \$ 6,910,906 | \$ - | \$ 6,910,906 | \$ - | \$ - | \$ - | \$ - | \$ 6,910,906 |
| Advertising | 2,383,892 | - | 2,383,892 | - | - | - | - | 2,383,892 |
| Rentals | 6,410,570 | - | 6,410,570 | 1,553,000 | - | 1,553,000 | (1,553,000) | 6,410,570 |
| Admissions and registrations | 17,617,361 | - | 17,617,361 | - | - | - | - | 17,617,361 |
| Merchandise sales | 4,747,474 | - | 4,747,474 | - | - | - | - | 4,747,474 |
| Commissions and royalties | 2,773,286 | - | 2,773,286 | 4,484 | - | 4,484 | - | 2,777,770 |
| Investment return | 1,862,447 | - | 1,862,447 | 1,220,437 | 2,416,708 | 3,637,145 | - | 5,499,592 |
| Change in beneficial interests | - | - | - | - | 368,908 | 368,908 | - | 368,908 |
| Administrative fees | 3,399,137 | - | 3,399,137 | - | - | - | (1,658,839) | 1,740,298 |
| Donations, cash and pledges | 5,799,674 | - | 5,799,674 | 5,412,436 | 4,154,817 | 9,567,253 | (5,799,674) | 9,567,253 |
| Donations, contributed services and property | 1,261,906 | - | 1,261,906 | 1,200,193 | 15,960 | 1,216,153 | - | 2,478,059 |
| Donations, sponsorship | 2,585,929 | - | 2,585,929 | - | - | - | - | 2,585,929 |
| Loss on disposal of property and equipment | (1,507) | - | (1,507) | - | - | - | - | (1,507) |
| Miscellaneous | 898,362 | - | 898,362 | 1,299 | - | 1,299 | - | 899,661 |
| Net assets released from restrictions | 1,238,232 | (109,827) | 1,128,405 | 3,631,146 | (3,631,146) | - | (1,128,405) | - |
| Total revenues, gains and other support | 57,887,669 | (109,827) | 57,777,842 | 13,022,995 | 3,325,247 | 16,348,242 | (10,139,918) | 63,986,166 |
| Expenses | | | | | | | | |
| AirVenture expenses | 16,136,205 | - | 16,136,205 | - | - | - | - | 16,136,205 |
| Membership services | 6,890,507 | - | 6,890,507 | - | - | - | - | 6,890,507 |
| Other program expenses | 22,490,134 | - | 22,490,134 | 6,969,041 | - | 6,969,041 | (8,479,569) | 20,979,606 |
| Management and general | 6,119,354 | - | 6,119,354 | 866,766 | - | 866,766 | (446,915) | 6,539,205 |
| Fundraising | 559,235 | - | 559,235 | 2,111,157 | (60,073) | 2,051,084 | (304,329) | 2,305,990 |
| Foundation to association investment income transfer | - | - | - | 1,128,405 | - | 1,128,405 | (1,128,405) | - |
| Total expenses | 52,195,435 | - | 52,195,435 | 11,075,369 | (60,073) | 11,015,296 | (10,359,218) | 52,851,513 |
| CHANGE IN NET ASSETS | 5,692,234 | (109,827) | 5,582,407 | 1,947,626 | 3,385,320 | 5,332,946 | 219,300 | 11,134,653 |
| Net assets at beginning of year | 36,697,167 | 1,022,009 | 37,719,176 | 37,104,882 | 33,874,410 | 70,979,292 | - | 108,698,468 |
| Net assets at end of year | \$ 42,389,401 | \$ 912,182 | \$ 43,301,583 | \$ 39,052,508 | \$ 37,259,730 | \$ 76,312,238 | \$ 219,300 | \$ 119,833,121 |

* Experimental Aircraft Association, Inc. balances are inclusive of Blue Sky Holdings, LLC and EAA STC, LLC.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

February 29, 2024

| | Experimental Aircraft Association, Inc.* | EAA Aviation Foundation, Inc. | Eliminations | Consolidated Total |
|--|---|----------------------------------|------------------------|-----------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 8,877,862 | \$ 567,162 | \$ - | \$ 9,445,024 |
| Accounts receivable, less allowance for credit losses of \$49,531 | 572,400 | 114,336 | - | 686,736 |
| Accounts receivable - related parties | - | 2,493,671 | (2,493,671) | - |
| Current portion of pledges receivable, less allowance for uncollectible pledges of \$76,152 | - | 727,335 | - | 727,335 |
| Inventories | 1,310,563 | - | - | 1,310,563 |
| Prepaid expenses | 1,840,476 | 123,076 | - | 1,963,552 |
| | <u>12,601,301</u> | <u>4,025,580</u> | <u>(2,493,671)</u> | <u>14,133,210</u> |
| Pledges receivable , less current portion, unamortized discount and allowance for uncollectible pledges of \$33,535 | - | 491,465 | - | 491,465 |
| Investments - at fair value | 20,645,968 | 40,394,910 | - | 61,040,878 |
| Property and equipment | | | | |
| Land improvements | 6,934,813 | 762,855 | - | 7,697,668 |
| Buildings | 8,523,913 | 20,923,243 | - | 29,447,156 |
| Leasehold improvements | 24,153,357 | - | - | 24,153,357 |
| Office furniture and fixtures | 3,752,511 | - | - | 3,752,511 |
| Computer equipment and software | 7,316,959 | - | - | 7,316,959 |
| Transportation and maintenance equipment | 3,751,940 | - | - | 3,751,940 |
| Museum display equipment | 3,093,005 | - | - | 3,093,005 |
| Aircraft equipment | 99,927 | - | - | 99,927 |
| Aircraft parts | 1,010,016 | - | - | 1,010,016 |
| Film library | 152,574 | - | - | 152,574 |
| Flyable aircraft | 5,877,798 | - | - | 5,877,798 |
| | <u>64,666,813</u> | <u>21,686,098</u> | <u>-</u> | <u>86,352,911</u> |
| Less accumulated depreciation and amortization | <u>36,061,748</u> | <u>11,236,497</u> | <u>-</u> | <u>47,298,245</u> |
| | 28,605,065 | 10,449,601 | - | 39,054,666 |
| Land | 4,109,957 | 351,456 | - | 4,461,413 |
| Capital addition projects in progress | 1,433,483 | 198,370 | - | 1,631,853 |
| | <u>34,148,505</u> | <u>10,999,427</u> | <u>-</u> | <u>45,147,932</u> |
| Other assets | | | | |
| Operating lease ROU asset | 29,950,978 | - | (29,494,872) | 456,106 |
| Finance lease ROU asset, net | 72,483 | - | - | 72,483 |
| Collections | 374,574 | 11,609,903 | - | 11,984,477 |
| Beneficial interest in perpetual trust | - | 3,536,021 | - | 3,536,021 |
| Beneficial interest in split-interest agreements | - | 210,845 | - | 210,845 |
| Cash value of life insurance | - | 67,350 | - | 67,350 |
| | <u>30,398,035</u> | <u>15,424,119</u> | <u>(29,494,872)</u> | <u>16,327,282</u> |
| Total assets | <u>\$ 97,793,809</u> | <u>\$ 71,335,501</u> | <u>\$ (31,988,543)</u> | <u>\$ 137,140,767</u> |

* Experimental Aircraft Association, Inc. balances are inclusive of Blue Sky Holdings, LLC and EAA STC, LLC.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

February 29, 2024

| | Experimental Aircraft Association, Inc.* | EAA Aviation Foundation, Inc. | Eliminations | Consolidated Total |
|---|---|----------------------------------|------------------------|-----------------------|
| LIABILITIES AND NET ASSETS | | | | |
| Current liabilities | | | | |
| Current portion of long-term debt | \$ 600,000 | \$ - | \$ - | \$ 600,000 |
| Current portion of gift annuity liability | - | 10,124 | - | 10,124 |
| Accounts payable | 1,564,893 | 62,779 | - | 1,627,672 |
| Accounts payable - related parties | 2,947,542 | - | (2,493,671) | 453,871 |
| Accrued expenses and other payables | 2,050,825 | 100,288 | - | 2,151,113 |
| Current portion of unearned income | 10,279,004 | 53,876 | - | 10,332,880 |
| Current portion of operating lease obligations | 402,153 | - | (245,263) | 156,890 |
| Current portion of finance lease obligations | 29,295 | - | - | 29,295 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total current liabilities | 17,873,712 | 227,067 | (2,738,934) | 15,361,845 |
| Operating lease obligations , less current portion | 29,514,250 | - | (29,249,609) | 264,641 |
| Finance lease obligations , less current portion | 45,939 | - | - | 45,939 |
| Long-term debt , less current portion | 2,200,000 | - | - | 2,200,000 |
| Gift annuity liability , less current portion | - | 129,142 | - | 129,142 |
| Unearned income , less current portion | 10,440,732 | - | - | 10,440,732 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities | 60,074,633 | 356,209 | (31,988,543) | 28,442,299 |
| Net assets | | | | |
| Without donor restrictions | 36,697,167 | 37,104,882 | - | 73,802,049 |
| With donor restriction | 1,022,009 | 33,874,410 | - | 34,896,419 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total net assets | 37,719,176 | 70,979,292 | - | 108,698,468 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities and net assets | <u>\$ 97,793,809</u> | <u>\$ 71,335,501</u> | <u>\$ (31,988,543)</u> | <u>\$ 137,140,767</u> |

* Experimental Aircraft Association, Inc. balances are inclusive of Blue Sky Holdings, LLC and EAA STC, LLC.

Experimental Aircraft Association, Inc. and EAA Aviation Foundation, Inc.

CONSOLIDATING STATEMENT OF ACTIVITIES

For the year ended February 29, 2024

| | Experimental Aircraft Association, Inc. * | | | EAA Aviation Foundation, Inc. | | | Eliminations | Consolidated |
|--|---|-------------------------|----------------------|-------------------------------|-------------------------|----------------------|--------------------|-----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | | |
| Revenues, gains and other support | | | | | | | | |
| Membership dues and subscriptions | \$ 6,753,374 | \$ - | \$ 6,753,374 | \$ - | \$ - | \$ - | \$ - | \$ 6,753,374 |
| Advertising | 2,291,729 | - | 2,291,729 | - | - | - | - | 2,291,729 |
| Rentals | 5,971,815 | - | 5,971,815 | 1,500,000 | - | 1,500,000 | (1,500,000) | 5,971,815 |
| Admissions and registrations | 16,731,599 | - | 16,731,599 | - | - | - | - | 16,731,599 |
| Merchandise sales | 4,039,344 | - | 4,039,344 | - | - | - | - | 4,039,344 |
| Commissions and royalties | 2,539,963 | - | 2,539,963 | 5,779 | - | 5,779 | - | 2,545,742 |
| Investment return | 1,585,843 | - | 1,585,843 | 1,303,993 | 3,043,452 | 4,347,445 | - | 5,933,288 |
| Change in beneficial interests | - | - | - | - | 514,875 | 514,875 | - | 514,875 |
| Administrative fees | 3,142,229 | - | 3,142,229 | - | - | - | (1,535,808) | 1,606,421 |
| Donations, cash and pledges | 4,984,255 | - | 4,984,255 | 3,975,889 | 5,975,979 | 9,951,868 | (4,984,255) | 9,951,868 |
| Donations, contributed services and property | 1,948,048 | - | 1,948,048 | 445,400 | - | 445,400 | - | 2,393,448 |
| Donations, sponsorship | 2,576,606 | - | 2,576,606 | - | - | - | - | 2,576,606 |
| Gain (loss) on disposal of property and equipment | (58,559) | - | (58,559) | - | - | - | - | (58,559) |
| Miscellaneous | 740,542 | - | 740,542 | 5,212 | - | 5,212 | - | 745,754 |
| Net assets released from restrictions | 1,102,948 | (145,892) | 957,056 | 5,912,703 | (5,912,703) | - | (957,056) | - |
| Total revenues, gains and other support | 54,349,736 | (145,892) | 54,203,844 | 13,148,976 | 3,621,603 | 16,770,579 | (8,977,119) | 61,997,304 |
| Expenses | | | | | | | | |
| AirVenture expenses | 15,346,029 | - | 15,346,029 | - | - | - | - | 15,346,029 |
| Membership services | 7,115,120 | - | 7,115,120 | - | - | - | - | 7,115,120 |
| Other program expenses | 21,652,657 | - | 21,652,657 | 6,144,894 | - | 6,144,894 | (7,384,255) | 20,413,296 |
| Management and general | 6,305,142 | - | 6,305,142 | 841,555 | - | 841,555 | (392,531) | 6,754,166 |
| Fundraising | 1,064,394 | - | 1,064,394 | 2,019,760 | (2,723) | 2,017,037 | (243,277) | 2,838,154 |
| Foundation to association investment income transfer | - | - | - | 957,056 | - | 957,056 | (957,056) | - |
| Total expenses | 51,483,342 | - | 51,483,342 | 9,963,265 | (2,723) | 9,960,542 | (8,977,119) | 52,466,765 |
| CHANGE IN NET ASSETS | 2,866,394 | (145,892) | 2,720,502 | 3,185,711 | 3,624,326 | 6,810,037 | - | 9,530,539 |
| Net assets at beginning of year | 33,830,773 | 1,167,901 | 34,998,674 | 33,919,171 | 30,250,084 | 64,169,255 | - | 99,167,929 |
| Net assets at end of year | \$ 36,697,167 | \$ 1,022,009 | \$ 37,719,176 | \$ 37,104,882 | \$ 33,874,410 | \$ 70,979,292 | \$ - | \$ 108,698,468 |

* Experimental Aircraft Association, Inc. balances are inclusive of Blue Sky Holdings, LLC and EAA STC, LLC.

EXPERIMENTAL AIRCRAFT ASSOCIATION, INC.

Experimental Aircraft Association, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | <u>February 28, 2025</u> | <u>February 29, 2024</u> |
|---|------------------------------|------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 10,271,653 | \$ 8,877,862 |
| Accounts receivable, less allowance for credit losses of \$70,049 in 2025 and \$49,531 in 2024 | 494,922 | 572,400 |
| Inventories | 1,512,694 | 1,310,563 |
| Prepaid expenses | <u>1,709,000</u> | <u>1,840,476</u> |
| Total current assets | 13,988,269 | 12,601,301 |
| Investments - at fair value | 22,219,129 | 20,645,968 |
| Property and equipment | | |
| Land improvements | 8,028,086 | 6,934,813 |
| Buildings | 8,601,453 | 8,523,913 |
| Leasehold improvements | 24,867,295 | 24,153,357 |
| Office furniture and fixtures | 3,964,000 | 3,752,511 |
| Computer equipment and software | 7,850,611 | 7,316,959 |
| Transportation and maintenance equipment | 3,972,921 | 3,751,940 |
| Museum display equipment | 3,086,935 | 3,093,005 |
| Aircraft equipment | 151,159 | 99,927 |
| Aircraft parts | 1,129,731 | 1,010,016 |
| Film library | 152,574 | 152,574 |
| Flyable aircraft | <u>6,823,458</u> | <u>5,877,798</u> |
| Total property and equipment | 68,628,223 | 64,666,813 |
| Less accumulated depreciation and amortization | <u>38,297,733</u> | <u>36,061,748</u> |
| | 30,330,490 | 28,605,065 |
| Land | 4,109,957 | 4,109,957 |
| Capital addition projects in progress | <u>593,024</u> | <u>1,433,483</u> |
| Net property and equipment | 35,033,471 | 34,148,505 |
| Other assets | | |
| Operating lease ROU asset | 20,138,823 | 29,950,978 |
| Finance lease ROU asset, net | 43,840 | 72,483 |
| Collections | <u>374,574</u> | <u>374,574</u> |
| Total other assets | <u>20,557,237</u> | <u>30,398,035</u> |
| Total assets | <u>\$ 91,798,106</u> | <u>\$ 97,793,809</u> |

Experimental Aircraft Association, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - CONTINUED

| | February 28, 2025 | February 29, 2024 |
|---|------------------------------|------------------------------|
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 600,000 | \$ 600,000 |
| Accounts payable | 1,849,469 | 1,564,893 |
| Accounts payable - related parties | 391,680 | 2,947,542 |
| Accrued expenses and other payables | 1,961,010 | 2,050,825 |
| Current portion of unearned income | 11,166,078 | 10,279,004 |
| Current portion of operating lease obligations | 981,691 | 402,153 |
| Current portion of finance lease obligations | 30,348 | 29,295 |
| | <hr/> | <hr/> |
| Total current liabilities | 16,980,276 | 17,873,712 |
| Operating lease obligations , less current portion | 19,294,122 | 29,514,250 |
| Finance lease obligations , less current portion | 15,591 | 45,939 |
| Long-term debt , less current portion | 1,600,000 | 2,200,000 |
| Unearned income , less current portion | 10,606,534 | 10,440,732 |
| | <hr/> | <hr/> |
| Total liabilities | 48,496,523 | 60,074,633 |
| Net assets | | |
| Without donor restrictions | 42,389,401 | 36,697,167 |
| With donor restriction | 912,182 | 1,022,009 |
| | <hr/> | <hr/> |
| Total net assets | 43,301,583 | 37,719,176 |
| | <hr/> | <hr/> |
| Total liabilities and net assets | \$ 91,798,106 | \$ 97,793,809 |
| | <hr/> | <hr/> |

Experimental Aircraft Association, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended February 28, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|----------------------|
| Revenues, gains and other support | | | |
| Membership dues and subscriptions | \$ 6,910,906 | \$ - | \$ 6,910,906 |
| Advertising | 2,383,892 | - | 2,383,892 |
| Rentals | 6,410,570 | - | 6,410,570 |
| Admissions and registrations | 17,617,361 | - | 17,617,361 |
| Merchandise sales | 4,747,474 | - | 4,747,474 |
| Commissions and royalties | 2,773,286 | - | 2,773,286 |
| Investment return | 1,862,447 | - | 1,862,447 |
| Administrative fees | 3,399,137 | - | 3,399,137 |
| Donations, cash and pledges | 5,799,674 | - | 5,799,674 |
| Donations, contributed services and property | 1,261,906 | - | 1,261,906 |
| Donations, sponsorship | 2,585,929 | - | 2,585,929 |
| Loss on disposal of property and equipment | (1,507) | - | (1,507) |
| Miscellaneous | 898,362 | - | 898,362 |
| Net assets released from restrictions | 1,238,232 | (109,827) | 1,128,405 |
| | <u>57,887,669</u> | <u>(109,827)</u> | <u>57,777,842</u> |
| Total revenues, gains and other support | | | |
| Expenses | | | |
| AirVenture expenses | 16,136,205 | - | 16,136,205 |
| Membership services | 6,890,507 | - | 6,890,507 |
| Other program expenses | 22,490,134 | - | 22,490,134 |
| Management and general | 6,119,354 | - | 6,119,354 |
| Fundraising | 559,235 | - | 559,235 |
| | <u>52,195,435</u> | <u>-</u> | <u>52,195,435</u> |
| Total expenses | | | |
| CHANGE IN NET ASSETS | <u>5,692,234</u> | <u>(109,827)</u> | <u>5,582,407</u> |
| Net assets at beginning of year | <u>36,697,167</u> | <u>1,022,009</u> | <u>37,719,176</u> |
| Net assets at end of year | <u>\$ 42,389,401</u> | <u>\$ 912,182</u> | <u>\$ 43,301,583</u> |

Experimental Aircraft Association, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended February 29, 2024

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|----------------------|
| Revenues, gains and other support | | | |
| Membership dues and subscriptions | \$ 6,753,374 | \$ - | \$ 6,753,374 |
| Advertising | 2,291,729 | - | 2,291,729 |
| Rentals | 5,971,815 | - | 5,971,815 |
| Admissions and registrations | 16,731,599 | - | 16,731,599 |
| Merchandise sales | 4,039,344 | - | 4,039,344 |
| Commissions and royalties | 2,539,963 | - | 2,539,963 |
| Investment return | 1,585,843 | - | 1,585,843 |
| Administrative fees | 3,142,229 | - | 3,142,229 |
| Donations, cash and pledges | 4,984,255 | - | 4,984,255 |
| Donations, contributed services and property | 1,948,048 | - | 1,948,048 |
| Donations, sponsorship | 2,576,606 | - | 2,576,606 |
| Gain on disposal of property and equipment | (58,559) | - | (58,559) |
| Miscellaneous | 740,542 | - | 740,542 |
| Net assets released from restrictions | 1,102,948 | (145,892) | 957,056 |
| | <u>54,349,736</u> | <u>(145,892)</u> | <u>54,203,844</u> |
| Total revenues, gains and other support | | | |
| | 54,349,736 | (145,892) | 54,203,844 |
| Expenses | | | |
| AirVenture expenses | 15,346,029 | - | 15,346,029 |
| Membership services | 7,115,120 | - | 7,115,120 |
| Other program expenses | 21,652,657 | - | 21,652,657 |
| Management and general | 6,305,142 | - | 6,305,142 |
| Fundraising | 1,064,394 | - | 1,064,394 |
| | <u>51,483,342</u> | <u>-</u> | <u>51,483,342</u> |
| Total expenses | | | |
| | 51,483,342 | - | 51,483,342 |
| CHANGE IN NET ASSETS | <u>2,866,394</u> | <u>(145,892)</u> | <u>2,720,502</u> |
| Net assets at beginning of year | <u>33,830,773</u> | <u>1,167,901</u> | <u>34,998,674</u> |
| Net assets at end of year | <u>\$ 36,697,167</u> | <u>\$ 1,022,009</u> | <u>\$ 37,719,176</u> |

EAA AVIATION FOUNDATION, INC.

EAA Aviation Foundation, Inc.

STATEMENTS OF FINANCIAL POSITION

| | February 28, 2025 | February 29, 2024 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,296,406 | \$ 567,162 |
| Accounts receivable | 15,000 | 114,336 |
| Accounts receivable - related parties | 353,461 | 2,493,671 |
| Current portion of pledges receivable, less allowance for uncollectible pledges of \$35,487 in 2025 and \$76,152 in 2024 | 522,686 | 727,335 |
| Prepaid expenses | 74,564 | 123,076 |
| Total current assets | 2,262,117 | 4,025,580 |
| Pledges receivable , less current portion, unamortized discount and allowance for uncollectible pledges of \$0 in 2025 and \$33,535 in 2024 | - | 491,465 |
| Investments - at fair value | 46,881,347 | 40,394,910 |
| Property and equipment | | |
| Land improvements | 762,855 | 762,855 |
| Buildings | 21,121,612 | 20,923,243 |
| | 21,884,467 | 21,686,098 |
| Less accumulated depreciation and amortization | 11,642,943 | 11,236,497 |
| | 10,241,524 | 10,449,601 |
| Land | 351,456 | 351,456 |
| Capital addition projects in progress | - | 198,370 |
| Net property and equipment | 10,592,980 | 10,999,427 |
| Other assets | | |
| Collections | 12,749,903 | 11,609,903 |
| Beneficial interest in perpetual trust | 3,902,306 | 3,536,021 |
| Beneficial interest in split-interest agreements | 213,467 | 210,845 |
| Cash value of life insurance | 70,741 | 67,350 |
| Total other assets | 16,936,417 | 15,424,119 |
| Total assets | \$ 76,672,861 | \$ 71,335,501 |

EAA Aviation Foundation, Inc.

STATEMENTS OF FINANCIAL POSITION - CONTINUED

| | February 28, 2025 | February 29, 2024 |
|--|------------------------------|------------------------------|
| | | |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Current portion of gift annuity liability | \$ 10,124 | \$ 10,124 |
| Accounts payable | 35,089 | 62,779 |
| Accrued expenses and other payables | 142,033 | 100,288 |
| Current portion of unearned income | 45,590 | 53,876 |
| | | |
| Total current liabilities | 232,836 | 227,067 |
| Gift annuity liability , less current portion | 127,787 | 129,142 |
| | | |
| Total liabilities | 360,623 | 356,209 |
| Net assets | | |
| Without donor restrictions | 39,052,508 | 37,104,882 |
| With donor restrictions | 37,259,730 | 33,874,410 |
| | | |
| Total net assets | 76,312,238 | 70,979,292 |
| | | |
| Total liabilities and net assets | <u>\$ 76,672,861</u> | <u>\$ 71,335,501</u> |

EAA Aviation Foundation, Inc.

STATEMENT OF ACTIVITIES

For the year ended February 28, 2025

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|----------------------|
| Revenues, gains and other support | | | |
| Rentals | \$ 1,553,000 | \$ - | \$ 1,553,000 |
| Commissions and royalties | 4,484 | - | 4,484 |
| Investment return | 1,220,437 | 2,416,708 | 3,637,145 |
| Change in beneficial interests | - | 368,908 | 368,908 |
| Donations, cash and pledges | 5,412,436 | 4,154,817 | 9,567,253 |
| Donations, contributed services and property | 1,200,193 | 15,960 | 1,216,153 |
| Miscellaneous | 1,299 | - | 1,299 |
| Net assets released from restrictions | <u>3,631,146</u> | <u>(3,631,146)</u> | <u>-</u> |
| Total revenues, gains and other support | 13,022,995 | 3,325,247 | 16,348,242 |
| Expenses | | | |
| Other program expenses | 6,969,041 | - | 6,969,041 |
| Management and general | 866,766 | - | 866,766 |
| Fundraising | 2,111,157 | (60,073) | 2,051,084 |
| Foundation to Association investment income transfer | <u>1,128,405</u> | <u>-</u> | <u>1,128,405</u> |
| Total expenses | <u>11,075,369</u> | <u>(60,073)</u> | <u>11,015,296</u> |
| CHANGE IN NET ASSETS | <u>1,947,626</u> | <u>3,385,320</u> | <u>5,332,946</u> |
| Net assets at beginning of year | <u>37,104,882</u> | <u>33,874,410</u> | <u>70,979,292</u> |
| Net assets at end of year | <u>\$ 39,052,508</u> | <u>\$ 37,259,730</u> | <u>\$ 76,312,238</u> |

EAA Aviation Foundation, Inc.

STATEMENT OF ACTIVITIES

For the year ended February 29, 2024

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|----------------------|
| Revenues, gains and other support | | | |
| Rentals | \$ 1,500,000 | \$ - | \$ 1,500,000 |
| Commissions and royalties | 5,779 | - | 5,779 |
| Investment return | 1,303,993 | 3,043,452 | 4,347,445 |
| Change in beneficial interests | - | 514,875 | 514,875 |
| Donations, cash and pledges | 3,975,889 | 5,975,979 | 9,951,868 |
| Donations, contributed services and property | 445,400 | - | 445,400 |
| Miscellaneous | 5,212 | - | 5,212 |
| Net assets released from restrictions | <u>5,912,703</u> | <u>(5,912,703)</u> | <u>-</u> |
| Total revenues, gains and other support | 13,148,976 | 3,621,603 | 16,770,579 |
| Expenses | | | |
| Other program expenses | 6,144,894 | - | 6,144,894 |
| Management and general | 841,555 | - | 841,555 |
| Fundraising | 2,019,760 | (2,723) | 2,017,037 |
| Foundation to Association investment income transfer | <u>957,056</u> | <u>-</u> | <u>957,056</u> |
| Total expenses | <u>9,963,265</u> | <u>(2,723)</u> | <u>9,960,542</u> |
| CHANGE IN NET ASSETS | <u>3,185,711</u> | <u>3,624,326</u> | <u>6,810,037</u> |
| Net assets at beginning of year | <u>33,919,171</u> | <u>30,250,084</u> | <u>64,169,255</u> |
| Net assets at end of year | <u>\$ 37,104,882</u> | <u>\$ 33,874,410</u> | <u>\$ 70,979,292</u> |