

Experimental Aircraft Association, Inc.
Minutes of the Annual Membership Meeting, July 24, 2024

EAA CEO and Chairman of the Board Jack J. Pelton called the meeting to order at 8:30 a.m. on Wednesday, July 24, 2024, at the EAA Theater in the Woods in Oshkosh, Wisconsin.

Awards Presentation

Pelton presented Michael Wolf from Sporty's with the Chairman's Award, and Pete Bunce from GAMA with the Freedom of Flight Award.

Determination of Quorum/Secretary's Report

Pelton called on Jim Phillips to report on the number of people present in person or by proxy, for the purpose of determining a quorum. Phillips reported on the members present. As finally determined, after verification of proxies, the numbers were: 42 present in person, who had not submitted a proxy; 28,316 present by proxy held by Jack Pelton and Jim Phillips. There being only 250 members necessary for a quorum, Phillips declared that a quorum was present.

Notice of the Meeting

Phillips confirmed that the Notice of the Annual Meeting of the Corporation was published on the corporation's website and in the May 2023 and June 2023 issues of *EAA Sport Aviation* magazine, which was mailed to all U.S. resident members and posted on the corporation's website at least 20 days prior to the meeting as required by the bylaws of the corporation.

Election

Phillips announced the inspectors of the election: Emory Swinney, Kristine Pihlgren, and Carleen Murphy. Seven Class I directors were to be elected. The names of the nominees were published on the corporation's website. They were: Jeremy Behler, Ben Diachun, Mike Goulian, Keith Kocourek, David Pasahow, Lacy Pittman, and Charlie Precourt.

Resolution for Consideration

Pelton stated that the minutes of the board of director's meetings held since the last annual meeting were available on the website. He then asked for approval of the following resolution:

Resolved, that the reading of the minutes of the July 2022 annual membership meeting shall be waived, and such minutes will be made available to anyone present at the meeting who might desire to read them; and

Resolved further, that such minutes should be and are hereby approved.

The motion carried by voice vote.

Resolved, that all acts, decisions, and proceedings by the board of directors of the association since the last annual membership meeting, and the fiscal year 2023. The Annual Report presented by the chairman of the corporation, should be and are hereby approved and ratified.

The motion carried by voice vote.

Treasurer's Report

Pelton called on EAA Treasurer Stuart Auerbach to present the audited financial report for the fiscal year ended February 28, 2024, for the Experimental Aircraft Association and the EAA Aviation Foundation (which is referred to collectively as EAA).

The information I am reporting is from EAA's audited financial statements for the fiscal year ended February 28, 2024 (or fiscal 2024). Copies of these financial statements are available on our website at EAA.org.

EAA AirVenture 2023 was another record-setter on many levels, including attendance, which reached a record of approximately 677,000 (previous record of 650,000 in 2022). Seven days of near-perfect, hot, weather matched with outstanding programming made for an unforgettable event as EAA celebrated "70 years of Dreamers and Doers." More than 10,000 aircraft arrived at Wittman Regional Airport in Oshkosh and other airports in east-central Wisconsin. Over 13,000 sites in aircraft and drive-in camping housed an estimated 40,000 visitors. International visitors also returned in large numbers with 2,372 attendees registering at the International Visitors Tent from a record-tying 93 countries outside the U.S. More than 18.3 million people were reached by EAA's social media channels during AirVenture, up 78 percent over 2022, with engagement of 1.9 million. None of this would be possible without our dedicated members, staff, and volunteers. We are very grateful for the 5,500 volunteers who contributed more than 250,000 hours to make this event a success.

The EAA Education Center, which opened in July 2022 as a year-round extension of EAA's programming to engage and educate all ages in aviation, has continued to see increased use. This past year, the Pilot Proficiency Center hosted approximately 1,500 pilots from throughout the nation, seeking to improve their skills. New this year was the development and offering of an advanced IFR clinic with live ATC interaction. Meanwhile, the Youth Education Center has welcomed thousands of young people with hands-on aviation experiences. The EAA Education Center was also the base for the National Intercollegiate Flight Association (NIFA) SAFECON championships in May of 2023 which brought 500 collegiate aviators to Oshkosh and will be returning in May of 2025.

As I will report to you today, fiscal 2024 financial results were strong. During fiscal year 2023, EAA's membership increased by 28,000 to nearly 298,000 total members at fiscal year-end. Individual members decreased .5 percent, which was more than offset by the lifetime membership that increased 15 percent. Student members saw a significant spike, up 32 percent, after a 38 percent increase last year. All Other (mostly family

memberships) were up 5 percent. In FY 2024, member dues represented 11 percent of EAA's total income.

Moving to financial results, in Fiscal 2024, EAA generated total income of \$62 million, an increase of \$16.1 million or 35 percent over results in fiscal 2023. EAA's Operating income from program operations was \$56.1 million, up nearly \$7.5 million or 15 percent over FY 2023. Investment income was \$5.9 million compared with a \$2.7 million loss in the prior year. Downward trends in investment markets began negatively impacting EAA in the latter part of fiscal 2022 and continued well throughout fiscal year 2023, finally recovering in fiscal year 2024.

Looking more granularly, \$25.1 million of the total income from operations was attributable to the AirVenture 2023 event, which exceeded the prior year by \$2.9. Donations income of nearly \$12.2 million was approximately \$1.8 million higher than the prior year. The elevated level of donations over the past couple of years includes funds raised for EAA's new Education Center, AeroEducate, and the Ray Scholars program. All Other Income was \$18.8 million, a \$2.8 million increase over the prior year reflecting a return to a pre-pandemic level of program activities.

Looking more deeply at the \$18.8 million of other income, membership dues were \$6.8 million, an increase over the prior year of \$500,000. Merchandise sales hit a record with \$4.0 million versus \$3.4 million in prior year resulting from a strategy of year-round sales via the Barnstormer Boutique and e-commerce platform, Shopify.

On the expense side, EAA incurred nearly \$52 million of operating expenses in fiscal 2024, an increase of \$6.2 million or 13 percent over the prior year.

Year-round program expenses in fiscal 2024 increased \$3.4 million to 20.4 million, representing 39 percent of EAA's total expenses. As you know, EAA has programs that run throughout the year in areas of education, information resources, advocacy initiatives, and a range of services that support builders, restorers, aircraft owners and aviation enthusiasts of all kinds. EAA continues to be engaged in several strategic initiatives focused on creating pathways for new participants to engage in aviation, and to promote innovation and pilot proficiency.

Expenses for AirVenture 2023, included in fiscal 2024 results, were \$15.3 million or 29 percent of total expenses. This represents an increase of \$800,000 or 6 percent over AirVenture 2022, due to expanded services, features and attractions, as well as significant cost increases due to inflation.

Membership service expenses in fiscal 2024 were \$7.1 million or 14 percent of total expenses. The increase of \$1.5 million over the prior year relates to additional personnel as well as increases in postage/printing and various service fees. These expenses fund some of our most valued member offerings, including our publications, advocacy and government affairs efforts, and member call center.

Management and general expenses amounted to nearly \$6.8 million or 13 percent of total expenses this past year. These expenses include our initiatives for growth and development of membership, and investments in information technology to advance the state of automation, quality of member support systems and to develop a more robust digital platform.

Fundraising expenses were \$2.8 million or 5 percent of total expenses this past year. During fiscal 2024, the organization continued its strategic focus on fundraising through the EAA Aviation Foundation, Inc. as the dedicated fund-raising arm for EAA.

Finally, a few comments on EAA's financial position.

- At fiscal year-end, EAA had total assets of more than \$137.1 million, a substantial portion of which are liquid and available to cover our debt repayment, operating reserve requirements and continued investment in furthering the organization's mission over time. EAA's financial reserve position was key to absorbing the impact of the cancellation of AirVenture 2020 and the curtailed operations of fiscal 2021.
- EAA's net property and equipment increased by more than \$1.8 million to \$45.1 million in fiscal year 2024. The majority of this was invested in the development of the AirVenture site and advanced information technology capabilities and infrastructure.

EAA had total liabilities of \$28.4 million, an increase of \$1.5 million from the prior year. Note: Beginning in fiscal year 2023, accounting standards required all leases longer than 12 months to be recorded as assets and liabilities on the balance sheet. This year, \$500,000 of operating and finance leases are reflected in our total liabilities with the offset classified as other assets.

- EAA's net assets at fiscal year-end were nearly \$109 million, an increase of almost \$10 million from the prior year as previously discussed. Of this amount, \$74 million or 68 percent is unrestricted as to use, and \$35 million or 32 percent is subject to donor restrictions.

In conclusion, EAA's management and the Board believe that EAA continues to generate strong results, producing sustainable cash flow and an appropriate level of liquidity. While cautious about developments and challenges in the economic environment as well as increased costs associated with AirVenture, the organization is positioned to continue building its financial strength and investing in programs and activities that bring value to our membership and drive measurable progress toward our mission of promoting The Spirit of Aviation.

Chairman of the Board Report

Pelton presented the Chairman of the Board Report.

At the end of fiscal year 2023, EAA memberships were in the high 200,000s. We have exceeded over 300,000 members, which is phenomenal. There is a big increase in youth members, which will help ensure we can grow the future of aviation. Lifetime

memberships are growing, not because it's a financial deal for people to join. It's because they believe in what we're doing, and that's very rewarding to all of us at EAA. If you become a lifetime member when you're younger, you will save money over time.

Last year, AirVenture had a record year. We're hoping this year will be just as successful. May, June and July were very interesting Wisconsin months. They were probably the wettest period in the last 15 years. It created a lot of challenges for our team. Literally two weeks ago, 25 percent of the grounds could not be occupied, due to rain saturation. But the weather took a turn, our team jumped right in, and we were able to get the convention off and running.

I would like to characterize last year as an expansive year for executing all our programs. We put a lot in place last year. This year we were able to recognize the things that happened that are going to benefit us. Most important was our Youth Education Center. There was over \$7 million invested over a couple of years. It was all paid for by donors. We're trying to run the organization, so that our capital initiatives are funded through the foundation, and not on the back of the membership. We are very proud of that. The foundation paid for that entire initiative, and it's debt-free. That center had an expansive year of programming. We had over 6,000 kids come through the Youth Education Center, and we offered over 19 different options of in-person educational programs for grades K-12. That included over 482 Title One students, which may never have had the opportunity to see what aviation is all about. We had 579 scouts for Scout Day program, and over 200 young women participate in Girls on the Fly and GirlVenture. In addition to the full year of education, we had our AirAcademy and Sport Pilot Academy. KidVenture alone reached over 22,000 kids. We are very proud of these numbers. In the coming year we plan to expand our offerings and modernize content for the new growing youth population, not only in the number of kids we serve, but the number of weeks we have Air Academies.

We have offered our free online web-based program, AeroEducate, that allows students, teachers, and parents to explore aviation careers. This was made available to over 50,000 people in the last year. Our webinar series has had strong attendance. It gives us the ability to get information and knowledge out to our members. Over 27,000 attendees have taken advantage of those webinars in the last year. What's very important for us is the survey score rating that we have at the end. The survey is based on a 1 to 5 five rating scale. They all achieved 4.5 in the quality of what was delivered, which is very encouraging.

The Pilot Proficiency Center was off to a very solid first year of year-round proficiency training with over 30 plus program offerings that were offered outside of AirVenture. AirVenture alone had over 3,400 students, and 105 workshops.

The museum continues to look at ways to expand new offerings. Last year we had a record of over 90,000 visitors to the museum. We're looking at ways to update the KidVenture area within the museum, along with implementing self-guided interactive tours using audio and video on personal devices, and AI technology to bring it to life.

We are just shy of 900 chapters worldwide. The quality of our chapters is improving. They used to be measured by volume and quantity of chapters. We moved to providing chapters with programming and rating systems, that will put a higher measure (gold, silver, and bronze) on the quality of what chapters deliver. We focus on providing leadership to chapters through our leadership academies and boot camps, to help them grow and understand what is best in class amongst the chapters across the nation. A lot of programs have been put in place with our Young Eagles Build and Fly program, where we get young people into chapters, who aren't old enough to learn to fly, to be able to build a radio-controlled airplane and through the chapter learn to fly. They're also using their hands and their minds, which was a very integral part of what Paul believed is important in our EAA mission. We have flying clubs, Flying Start, Eagle Flights, and our IMC VMC clubs to name a few.

Young Eagles is back with a vengeance. Last year we flew levels that were close to 2016. Over 61,000 Young Eagles have taken flights, which is great news. The real story is it's all done by volunteer pilots and volunteers on the ground who take their time, aircraft, and fuel to be able to offer these flights. We have been worried and wondering what will happen when we start seeing the decline in pilots, because of aging out or other things that may get in the way. This year we added over 1,200 new pilots to the Young Eagles program. It's exciting, and ensuring the program continues at the size we've seen in the past. Before this fiscal year is over, we have a line of sight to fly over 2.4 million Young Eagles for the history of the program. That is something that nobody else has ever done.

There's a lot of byproducts from the Young Eagles program. One of them is the chapter Ray Scholarship program. It takes a Young Eagles flight to get started on the path to be able to have access to a Ray Scholar. We now have over 500 recipients to Ray Scholarships, which is a \$10,000 scholarship to allow somebody to learn to fly. We started the program with what people thought was maybe a little bit of an audacious goal. We believe the delivery and programs of current flight training across the United States is poor. According to most surveys, only 20 to 30 percent of people who start learning to fly obtain their private pilot's license.

We made a proposal to the Ray Foundation that said we think we can achieve over 80 percent success in people that go through the program. They asked us, "Why do you believe that?" And we said, "It's a formula that the chapters have in engaging with their young people. If they hand pick, mentor, and assure that they're there to help get these young people through their private pilot's license, we think we can turn the whole formula upside down." They took a gamble and a risk, to fund us. Here we are, multiple years later with over 500 recipients who have achieved their private pilot's license, and the success rate has been over 85 percent.

Air tours have been a challenge. As you know, in the past we flew two trimotors, a B-25, and B-17. We no longer have the second trimotor, because that was on lease. The museum who leased it to us decided that they wanted it back for their own use. Our current EAA-owned trimotor is continuing to perform extremely well. We fly a lot, and we are keeping it very busy. It's a great experience for our chapters to be able to host people and fly their families. They can see their community from a different dimension.

Unfortunately, our B-17, which we all know, had some maintenance issues. It's back in the museum, and available for people to see. To get the B-17 back in the air, it needs parts and money. It equates to time, and a good plan. Our B-25 is on a touring schedule based on demand, because it's not as popular as the B-17. We don't take it to places that don't have enough riders to cover the costs.

This morning I'm going to spend more time on advocacy than other areas. It's important because it's a big highlight for our convention on many levels. We have a remarkable history at EAA in getting things done. This year is turning into a historic year for a positive impact on what is going to be achieved very soon. The FAA Reauthorization Bill has some big wins for general aviation.

It's the first-time general aviation was specifically called out with actionable issues the FAA must address. We can thank Congressman Sam Graves, who has been our champion, and EAA member in Congress for ensuring that happens. General aviation airports were funded at a much higher dollar number than in the past, and that's to ensure that they are maintained, and have funding to support airport growth like adding hangars. Basic Med was expanded to allow the operation of aircraft up to 12,500 pounds gross weight, with up to seven seats. Airports that sold 100LL in 2022 are required to continue selling it until December of 2030 or when an alternative fuel becomes available.

The most exciting is MOSAIC, which is the modernization of special air worthiness certificates that we have been working on for several years. Last year we reported that the notice of proposed rulemaking was out, and we were going to be within the comments, which take several months. In the reauthorization bill, they gave us a big helping hand by legislating that the FAA must implement the MOSAIC final rule no later than 24 months after the president signed the bill, which was in May of this year. Here are some MOSAIC details. I'm starting with the end first. Look at all registered single-engine piston aircraft today, including homebuilts. The new MOSAIC definition doesn't define what a light sport aircraft will be. Over 60 percent of all registered airplanes will qualify to be flown as a light sport aircraft. That is incredible. The definition got away from defining the light sport aircraft by just a fixed weight limit.

Twenty years ago, EAA was instrumental in moving the light sport role forward and implementing it. It's now 20 years later. We have proven that class of aircraft is not only safe, but affordable. It's an opportunity to lower the barrier for people to get involved in aviation, and we're very proud, as an association, that we had a big hand in it.

Five years later, we looked at how do we advocate expanding performance, weight, and technology. We wanted to make the definition become more inclusive and improve the safety of what would be allowed to be flown as a light sport aircraft. Today the new rule that was out for comment that will be closed here shortly. In a nutshell, it allows for aircraft to have no weight limit. A 54-knot clean stall speed (was 45), a 250-knot cruise, which basically says that there aren't a whole lot of fixed or single-engine piston airplanes that can even fly that fast.

It will allow a light sport aircraft to have controllable pitch props, and retractable gear. There will be four seats with one passenger, and any type of propulsion system will now be allowed to be offered in a light sport aircraft, which was a limitation in the past. Any experimental light sport aircraft does not have to adhere to the 51-percent rule in being built. We've provided comments along with the other associations working together on believing that the 54-knot clean stall speed should be higher, potentially 58 knots, and we also objected to the noise certification requirements that were in it, because we believe they were too onerous and that a new vision is needed to be looked at, as to how do you certify an airplane relative to noise.

The final rule is going to be issued early next year. We believe most everything that is in it will remain intact and possibly some of the comments that we have made and asked for will also be included. Is it going to be a game changer? When you look at the number of airplanes that will now be able to be flown as a light sport aircraft, it really changes the opportunity in many ways.

Here are our takeaways. It will allow you to learn to fly in half the time. You'll be able to fly at half the cost, and you will have all the fun. When you think about today. Going out to an FBO or a flight school who has, I'll pick a favorite, 172s on the line. Those will now be eligible, so somebody can learn to fly and take that first step to a sport pilot, and then they'll also have access, because they would be able to rent that airplane going forward, which quite often was not the case with sport aircraft because they weren't available. It also allows people to explore the opportunity of becoming a CFI, maybe not as a career. Today the CFI world is pretty much directed to individuals who are building time to move on to the airlines.

Here you could have a full-time career and get into becoming a CFI at a much lower hurdle in time and money and then be able to give back by instructing these current FBOs that now will have lots of airplanes for you to be able to train or teach in. So, we think this certainly is going to be a game changer and I can't wait to see the impact as we see it unveiled over the next coming years. Our current advocacy efforts, it seems like every, I always talk to our advocacy team about, I'm hoping to put you out of business, but that never seems to be the case. Every time we get through, whether it be a reauthorization or a new significant regulatory change, there's always more on the horizon. Our current biggest issue that we're working very closely on is the pending elimination of aviation lead in the fuel that must be done by the year 2030.

There are three fuels that are currently being tested. G100UL from General Aviation Modification, Inc (GAMI) and 100R from Swift Fuels are pursuing Supplemental Type Certificates (STC). LyondellBasell/VP Racing is pursuing FAA Fleet Authorization for their UL100E, which is a straight consensus standard certification. For the homebuilt experimental community, there's a lot of confusion as to what does a new fuel mean, and what does it take to operate in your airplane. In the experimental amateur built world, the owner, operator, and builder are responsible for the safety and operation of the airplane, so how do I get my airplane qualified to be able to use new fuel? It takes a few steps. First, you must understand the composition of the fuel and what engine can operate

with that fuel. We think that will be satisfied from data from these three fuel manufacturers.

Next you must understand the material compatibility of your systems within the airplane, which again, between the homebuilt kit manufacturers, what the FAA testing has already achieved, and the various fuels that are under test. They're going to provide us with that data, which we will help as the focal point for you to gather and get the data you need to be able to provide the information for you to make that decision. We believe you also have to flight test your airplane, but that's going to be a critical part of it. EAA has a flight test manual available, which will help guide you down the path of what that will take, to do that type of flight test. Flight testing is essentially ensuring the performance of your airplane is unchanged with this new fuel. It's a big task. There's still some time left to get to where we need to go, but we think that having a seat at the table, directing and helping to guide what's necessary. We will continue to do that as your advocacy arm.

The most important is our volunteers. Programs are successful because of our volunteers. They're either full-time, part-time, or event specific. The Young Eagles program is all done by volunteers. Every year, 5,000 people tirelessly come out and give their time to make this event possible. That happens year-round throughout the chapters and here at headquarters, and you can't put a price tag on it. It absolutely would not be affordable to do this without our volunteers. Simply impossible. I want to thank everyone for sharing their passion and making EAA's mission possible through your dedication, time, and support.

Member Question & Answer Session

Jim Bennett. EAA 867988, Independence, Missouri. Impressed with EAA reception of comments. Appreciates the bathrooms and showers, which are more readily available for early arrivals. Wanted to know if wristbands be available at check-in for lifetime members for the Oasis. The membership tent is also great place to get wristbands. It would alleviate long lines and stress at the Lifetime Oasis check-in.

Dale Seitzer. EAA 625915, Roseville, Minnesota. The question is the amount of money under investments? What are we using the money for? We don't want to chase risk, because you will get lower returns.

We are fighting public noise complaints under MOSAIC. I see a lot of swifts and amateur-built aircraft with straight pipes. The 182s have extremely noisy propellers. We should have some noise rules. Rotax engines do meet the European noise standards. We need to work toward a direction to lower noise.

Mark Peterson, EAA 442468, Poplar Grove, Illinois. I would like to address vehicle traffic in Camp Scholler. I know there are signs and rules that you must be a licensed driver to operate a vehicle. There are all kinds of ATV, minibikes, golf carts, etc. in the campground that are being operated by kids that are not licensed drivers. I see the signs and rules, but I don't see any enforcement. Also, a lot of these kids are driving vehicles at night that don't have headlights or taillights.

Election Results

Pelton called on Emory Swinney to present the election results for Class I Directors (three-year term).

The Class I Directors elected are:

Shelly de Zevallos

Eric Gurley

Jack Pelton

Darren Pleasance

Dan Schwinn

Lou Seno

Adjournment

With there being no further business to discuss and a motion duly made and seconded, the meeting was adjourned at 9:35 a.m.