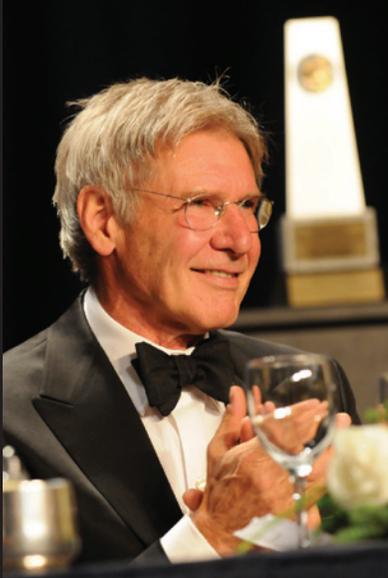




National Aeronautic Association Annual Report 2010



To All Board Members of the National Aeronautic Association



We are all too aware of the pressures of business and the general decline in the economy over the past few years. It affects the performance of our companies, and indeed, of our own individual finances. It is thus all the more rewarding to report to you that the National Aeronautic Association has not only weathered the current storm, but improved its position in the process.

As those of you who attended the 2010 Annual Meeting of the Board of the National Aeronautic Association know, our President, Jonathan Gaffney, was able to present a picture of a totally dedicated organization succeeding in its efforts in every category. The degree of success is amplified by the fact that it was obtained by a substantially reduced staff who nonetheless accomplished many more tasks. It was also characterized by a much greater out-reach program which has solidified relations with our associate members.

This staff effort has been ably supported by the Board, and I want to both thank you and congratulate you on this. Without that support and guidance, even Jonathan and his staff would have had difficulties achieving their successes. We both solicit your further aid, and in particular, your suggestions. I believe it is entirely fair to say that the 2010 Annual Board Meeting elicited more and better suggestions than any previous such event. Further, some of the suggestions were acted upon the same day as the meeting, an indication of the energy and enthusiasm that characterized the day.

This 2010 Annual Report is evidence that the NAA is on the right track, and that its contributions to the aerospace industry are being recognized by that industry. It is also apparent that the NAA staff is functioning at a very high level of professional expertise. I know you will join me in congratulating our entire staff on their efforts. If you would take a moment to distribute this presentation, along with your personal observations, to those who might be further interested in our progress, I would be grateful.

All of us at NAA look forward to working with you in the future, and I hope that you will feel free to contact me at any time with any ideas for improvement. And, should the opportunity arise, we also hope you will continue to reach out to others whose aviation and aerospace interests can be enhanced by joining NAA.

Thank you very much for your time and your interest, and I look forward to seeing you again, soon.

Sincerely

A handwritten signature in cursive script that reads "Walter J. Boyne".

Walter J. Boyne
Chairman

2010 Board of Directors and Staff

Officers

Chairman: Mr. Walter J. Boyne

Vice Chairman: Durwood “Skip” Ringo, DRS Technologies

General Counsel: George Carneal, Hogan Lovells

Treasurer: Roy Kiefer, Lockheed Martin

Secretary: Elizabeth Matarese, Innovative Solutions

President and CEO

Jonathan Gaffney

Board Members

Bob Blouin, Hawker Beechcraft Corporation

Edward M. Bolen, National Business Aviation Association

Richard Brown, Business Intelligence Solutions

Stephen Callaghan, Lockheed Martin

Steve Champness, Trade-A-Plane/Aero Club of Metropolitan Atlanta

David Coleal, Bombardier Learjet

Dave Franson, Wichita Aero Club

Randall Greene, Safe Flight Instrument Corporation

Arthur W. Greenfield, National Aeronautic Association

John S. Langford, Aurora Flight Sciences

Mark Lindsley, Northrop Grumman Corporation

Joe Lombardo, Gulfstream Aerospace Corporation

David Manke, UTC/Pratt & Whitney

Mary M. Miller, Signature Flight Support

Chris O’Callaghan, Soaring Society of America

Stan O’Connor, GE Aviation

Henry M. Ogrodzinski, National Association of State Aviation Officials

Lisa Piccione, Aero Club of Washington

Pat Prentiss, The Ninety-Nines, Inc.

John Provenzano, Rockwell Collins

William F. Readdy, Discovery Partners

Alvin L. Sack, Whitney, Bradley & Brown

Edward M. Scott, United States Parachute Association

Ms. Susan L. Sheets, National Aircraft Resale Association

Mark Smith, Academy of Model Aeronautics

Bob Stangarone, Cessna Aircraft Company

Lisa Tate, U.S. Hang Gliding and Paragliding Association

Tony Velocci, *Aviation Week and Space Technology*

Robert J. Vilhauer, The Boeing Company

Staff

Arthur W. Greenfield, Director of Contest and Records

Nancy M. Sack, Director of Administration

Cassandra Bosco, TailWinds Communications, Director of Awards and Events

On The Cover

Some of the people who were recipients of NAA or FAI Awards or who joined us throughout 2010:

(L-R)

Top Row: Harrison Ford, Wright Trophy Recipient; Dr. John Grubbström, President, FAI; Linda Daschle, Public Benefit Flying Awards Sponsor; Ed Bolen, NBAA, Public Benefit Flying Awards Recipient; Captain Louis Hidema, USAF, 2009 Mackay Trophy Recipient Team Member.

Second Row: Elon Musk, SpaceX, FAI Gold Space Medal Recipient; Dennis Muilenburg, Boeing, Luncheon Speaker; Admiral Bill Gortney, USN, Director, Joint Staff, Luncheon Speaker; Gene Kranz, Elder Statesman Recipient.

Third Row: Barron Hilton, FAI Gold Medal Recipient; Lorraine Martin, Lockheed Martin, 41 C-5M Record Certificates; Nelda K. Lee, Stinson Trophy Recipient; Barry Valentine, Elder

Statesman Recipient; Dr. Peggy Chabrian, Brewer Trophy Recipient; The Honorable Randy Babbitt, FAA Administrator, Luncheon Speaker.

Fourth Row: General Philip Breedlove, Vice Chief of Staff of the Air Force with the 2010 Mackay Trophy Recipients; Justin Ogden, Civil Air Patrol, Public Benefit Flying Award Recipient; The Honorable Ashton Carter, Under Secretary of Defense for Acquisition, Technology, and Logistics, Luncheon Speaker; The Honorable Lori Garver, Deputy Administrator, NASA, Collier Recipient.

Bottom Row: Master Sergeant Kimberly Muhlecke, USAF, Katharine Wright Recipient; Robert Taylor, Elder Statesman Recipient; Walter Boyne, Chairman, NAA; The ISS Collier 2009 Trophy Recipient Team.

Message from the President

In 2010, NAA enjoyed one of its best years in over a decade as we were able to make progress in all the key mechanisms which make up any successful association — our finances, administration, and outreach.

FINANCES - For the 3rd consecutive year, we were able to manage a modest profit in our operations. We increased our income by 16% from 2009 which resulted in an overall increase in our net revenue by 76%. Most importantly, however, we maintained our expenses to within 2% of our operational targets which provides us a good base of experience for budgeting and managing our expenses in the years ahead. One of the net results of this effort is that we were able to increase our operational reserves from almost zero in 2007 to approximately \$600,000 at the end of 2010. One of the highlights of our year was the great fortune of bringing aboard Rolls-Royce, North America, as a Corporate Partner of NAA and to continue our three-year track record of retaining all of our Corporate and Affiliate members.

ADMINISTRATION - We continue to make significant progress in maintaining the administrative functions of NAA in an increasingly efficient manner. Three years ago we reduced our staffing levels by almost 50% yet we were able to continue to maintain progress with our four main responsibilities — Records, Awards, Air Sports/FAI, and our Luncheon Series. A big step in our ability to work more efficiently was a significant investment (in NAA terms) in replacing our entire computer system — most of which was 7-8 years old. In 2011 we will continue to look for greater efficiencies in how we maintain our primary responsibilities.

OUTREACH - The work of NAA continued to touch upon all the diverse components which make up our organization. We had an exceptional year in the administration of our Awards program. The International Space Station was the recipient of the Collier Trophy and Harrison Ford was awarded the Wright Brothers Memorial Trophy for his work in support of general aviation and humanitarian air-lift. Our “Class of 2010” Elder Statesmen consisted of four remarkable people — Gene Kranz, Barry Valentine, Lieutenant General Charles Metcalf, USAF (Ret) and Charles Taylor. The highlight of the year in awards, however, was the awarding of the FAI Gold Medal to Barron Hilton and the FAI Gold Space Medal to Elon Musk. Not only was this just the second time in the past 30 years that these two most important international aviation and aerospace awards were awarded to Americans, but FAI President Dr. John Grubbström of Sweden attended our Fall Awards Banquet to present them.

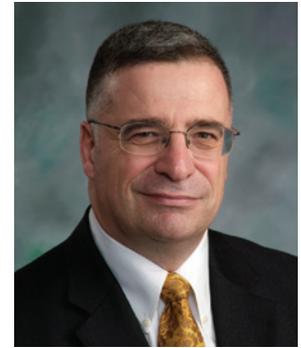
Our outreach continued with an excellent Luncheon Series with such notable leaders as Dr. Ashton Carter, Under Secretary of Defense for Acquisition, Technology, and Logistics; FAA Administrator Randy Babbitt; Dennis Muihlenburg, President and CEO, Boeing Defense, Space, and Security; and Vice Admiral Bill Gortney, Director, Joint Staff. Outreach also included our very successful e-newsletter, *The NAA Record*, which pulls together the latest news and information from our work in records and awards as well as information from air sport organizations and aero clubs across the United States. Finally, we traveled across the United States and Europe in 2010 to participate and support the work of our Air Sport Organizations, Corporate Partners, Aero Clubs, and Affiliates.

As NAA is a small — but important — part of a much larger aviation and aerospace industry, we understand clearly that we are subject to the same turbulence that has continued to impact our corporate partners, air sport organizations, affiliates, and aero clubs. As we look forward, we will maintain focus on our primary responsibilities and continue to run a lean, efficient, and functional organization. Our goal remains to be outstanding in “...the advancement of the art, sport, and science of aviation.”

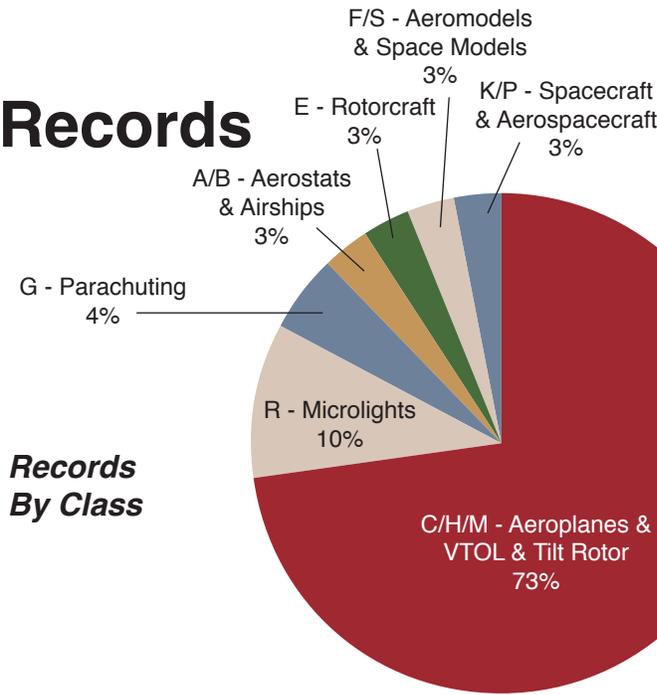
Many thanks, as always, for your support.



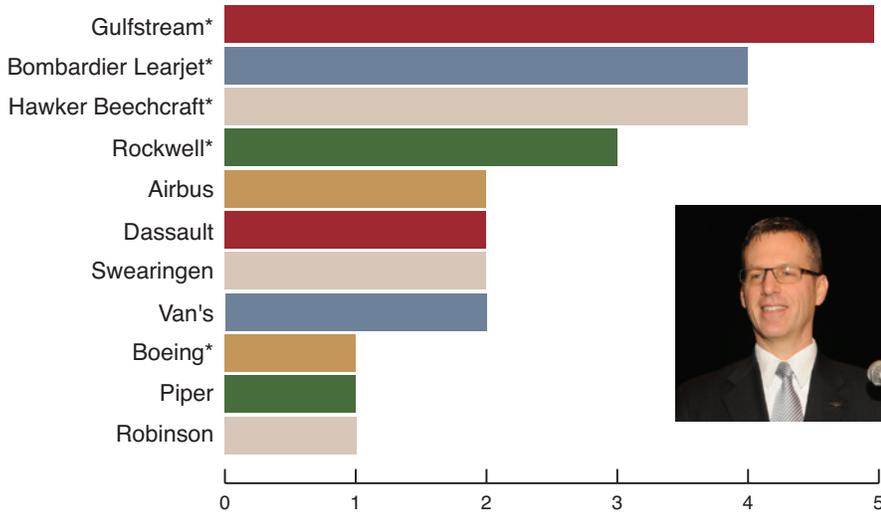
Jonathan Gaffney
President



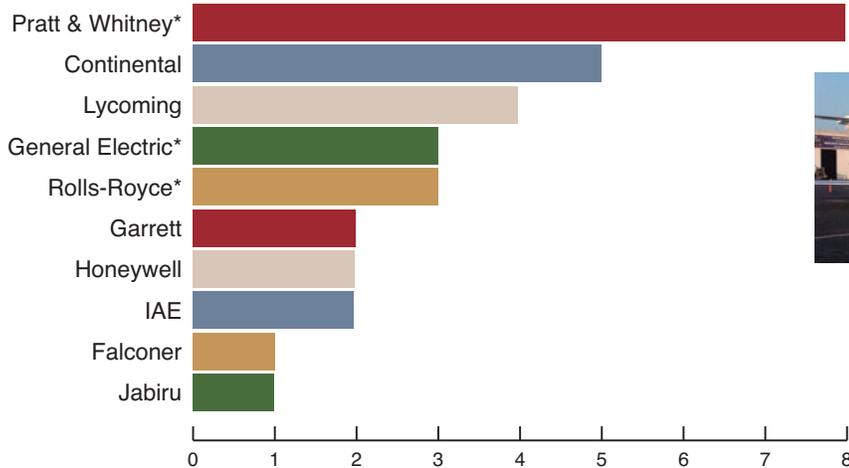
Records



Airplane & Rotorcraft Records by Airframe Manufacturer



Airplane & Rotorcraft Records by Engine Manufacturer



* denotes NAA Corporate Member

2010 NAA Award Winners



Katherine and Marjorie Stinson Award
Nelda K. Lee

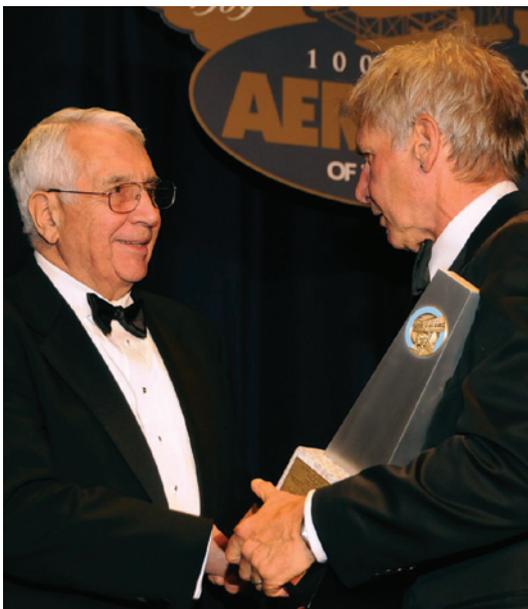
Robert J. Collier Trophy

NASA and the International Space Station Team of The Boeing Company, Draper Laboratory, Honeywell Corporation, Lockheed Martin Corporation, United Space Alliance and United Technologies Corporation.



Frank G. Brewer Trophy

Dr. Peggy Chabrian



Wright Brothers Memorial Trophy

Harrison Ford



Clarence Mackay Trophy

The Crew of PEDRO 16

Captain Robert Rosebrough, 1st Lieutenant Luke Will, Major Sergeant Dustin Thomas, and SSgt Tim Philpott, from the 33rd Rescue Squadron, Pacific Air Forces, United States Air Force



Public Benefit Flying Awards

Distinguished Volunteer Pilot – Gene Schmidt

Distinguished Volunteer – Captain Justin Ogden, Civil Air Patrol

Outstanding Achievement in Advancement of Public Benefit Flying – Bahamas Habitat

Public Benefit Flying Teamwork Award – National Business Aviation Association, AERObridge, and Bahamas Habitat



Wesley L. McDonald Elder Statesman of Aviation Awards

Gene Kranz; Major General Charles D. Metcalf, USAF (Ret.), Robert L. Taylor, and Barry Valentine



Katharine Wright Memorial Award

Master Sergeant Kimberly L. Muhleck, USAF

Fédération Aéronautique Internationale Awards

Gold Air Medal

Barron Hilton

FAI Gold Space Medal

Elon Musk

De La Vaulx Medal

STS 128 & ISS 20/21 Crews

Korolev Diploma

The STS 125 Mission Crew

Montgolfier Ballooning Diplomas

Best Performance, Gas Ballooning — Cheri White

Major Contribution to the Development of the Sport of Ballooning — David Levin

Vladimir M. Komarov Diploma

The STS 127 Mission and resident International Space Station 2J/A Crews

The STS 128 Mission and resident International Space Station 17A Crews



Award Selection Committee Members

Robert J. Collier Trophy

Walter Boyne, Committee Chairman
The Honorable Norman Augustine
The Honorable Marion Blakey,
Aerospace Industries Association
Robert Blouin, Hawker Beechcraft
Corporation
Edward Bolen, National Business
Aviation Association
Stephen Callaghan, National
Aviation Club Awards and Events
Board, NAA
David Coleal, Bombardier Learjet
David Franson, Wichita Aero Club
Matthew Greene, Safe Flight
Instrument Corporation
Roy Kiefer, Lockheed Martin
Corporation
John Langford, Aurora Flight
Sciences
Thomas McKee, Northrop
Grumman Corporation
John Marino, FlightSafety
International
David Mathewson, Academy of
Model Aeronautics
Mary Miller, Signature Flight
Support
Stan O'Connor, GE Aviation
Henry Ogrodzinski, National
Association of State Aviation
Officials
Georgia Pappas, Aero Club of New
England, The Ninety-Nines
Steven Plummer, Rolls-Royce, North
America
Durwood (Skip) Ringo, DRS
Technologies
Alvin Sack, Whitney, Bradley &
Brown, Inc.
Monroe (Buddy) Sams, Gulfstream
Aerospace Corporation
Edward Scott, United States
Parachute Association

Robert Stangarone, Cessna Aircraft
Company
The Honorable Robert Sturgell,
Rockwell Collins
Mark Van Tine, Jeppesen
Anthony Velocci, Aviation Week and
Space Technology
Robert Vilhauer, The Boeing
Company
Jonathan Gaffney,
Committee Director

Wright Brothers Memorial Trophy

Captain Gene Cernan, USN, Ret.
(Former Wright Trophy Recipient)
Walter Boyne, Chairman, NAA
Alexis Allen, AIA
Mark Lewis, AIAA
David Castelvetter, ATA
Tony Velocci, Aviation Week and
Space Technology
Lisa Piccone, Aero Club of
Washington
George Carneal, Hogan Lovells
Jonathan Gaffney, NAA,
Committee Chairman

Frank G. Brewer Trophy

Frank Brewer, III
Debbie Gallaway (Former Brewer
Trophy Recipient)
Shelly Simi, Jeppesen
Katie Pribyl, GAMA
Phil Woodruff (Former Brewer
Trophy Recipient)
Carolyn Williamson, University
Aviation Association (Former
Brewer Trophy Recipient)
Rol Murrow, Wolfe Aviation Fund
Jonathan Gaffney, NAA,
Committee Chairman

Katharine Wright Memorial Award

Pat Prentiss, Ninety-Nines
Renee Martin-Nagle, Airbus
Sandy Anderson, NAA Contest and
Records Board
Dave Franson, Wichita Aero Club
Elizabeth Matarese, Innovative
Solutions
Jonathan Gaffney, NAA,
Committee Chairman

Katherine and Marjorie Stinson Award

Henry Ogrodzinski, National
Association of State Aviation
Officials
Dr. Peggy Chabrian, Women In
Aviation
Jonathan Gaffney, NAA,
Committee Chairman

Wesley L. McDonald Elder Statesman of Aviation Award

Bob Stangarone, Cessna Aircraft
Company
Dave Franson, Wichita Aero Club
Tom Connolly, Embry-Riddle
Aeronautical University
(Former Elder Statesman Recipient)
Dr. Peggy Chabrian,
Women In Aviation
Jonathan Gaffney, NAA,
Committee Chairman

Public Benefit Flying Awards

Lindy Kirkland, Air Care Alliance
Dan Meyer
Shannon Rochelle
Susan Sheets, NARA
Rick Durden
Mary Grady
Jonathan Gaffney, NAA,
Committee Chairman

Air Sports

Affiliated Air Sport Organizations:



*Academy of Model
Aeronautics (AMA)*
(1936)
www.modelaircraft.org



*Soaring Society
of America (SSA)*
(1932)
www.ssa.org



*United States Parachute
Association (USPA)*
(1946)
www.uspa.org



*United States Hang
Gliding and Paragliding
Association (USHPA)*
(1974)
www.ushpa.aero



*Balloon Federation
of America (BFA)*
(1961)
www.bfa.net

Helicopter
Club
of
America

*Helicopter Club
of America (HCA)*
(1979)



*United States Ultralight
Association (USUA)*
(1982)
www.usua.org



*International
Aerobatic Club*
(1970)
www.iac.org

Air Sports occupy a very important and historic role in the aviation and aerospace fabric of the United States. With a combined, total membership of over 200,000, the affiliated Air Sport Organizations (ASOs) of NAA bring to our industry the promotion of education, safety, competition, and the sheer enjoyment of sporting aviation. Spread throughout all 50 states, they bring to America the excitement and adventure of flying.

As the United States Representative to the Fédération Aéronautique Internationale (FAI), NAA is tasked with the responsibility of representing all Air Sports in the United States through these Air Sport Organizations, and our partnership with these organizations is an important one.

Our work with the ASOs is administrative, financial, and professional in nature. The NAA President and NAA Director of Contest and Records serve (collectively) on the Boards of all U.S. ASOs; Presidents/Executive Directors (or their designees) of the ASOs rotate serving on the NAA Board and the NAA Executive Committee; NAA provides guidance and support to the ASOs on regulatory and governmental issues as needed; NAA administers sporting licenses and records for ASO members; NAA assigns members designated by the ASOs as delegates to the FAI Commissions; and NAA administers the FAI international award nomination process in the United States, many of which are awarded for Air Sport activities.

In addition, NAA includes ASO members on many of our award selection committees, and we highlight air sport achievements and records at NAA Events.

FAI

As a founding member of the Fédération Aéronautique Internationale, NAA maintains a close and professional association with this world governing body of air sports.

Based in Lausanne, Switzerland, the organization is made up of nearly 100 member countries and was founded in 1905. As the world air sports federation, FAI oversees all air sport activity throughout the world, establishing rules for the certification of records and air sport events around the world and conferring medals and diplomas to deserving members of the aviation community.

Jonathan Gaffney is a Vice-President of FAI and Art Greenfield served as Vice-President and Secretary of the FAI General Aviation Commission.

In 2010, NAA participated in a number of important FAI projects and events, including participation in the FAI General Conference in Dublin, Ireland and the General Aviation Commission meeting in Lausanne, Switzerland.

Working with its affiliated Air Sport Organizations, we designated 26 Americans for assignment on 14 different FAI air sport and technical commissions.



General Aviation Commission (GAC)

Delegate: Arthur Greenfield, Washington,
District of Columbia
Alternate: Scott Neumann, Virginia

Gliding Commission (IGC)

Delegate: Eric Mozer, North Carolina
Alternate: Rick Sheppe, Vermont

Parachuting Commission (IPC)

Delegate: Marylou Laughlin, Connecticut
Alternate: Larry Bagley, Utah

Ballooning Commission (CIA)

Delegate: Mark Sullivan, New Mexico
Alternate: David Levin, Colorado

Aeromodeling Commission (CIAM)

Delegate: David Brown, Ohio
Alternate: Bob Brown, Pennsylvania

Hang Gliding and Para Gliding Commission (CIVL)

Delegate: Dennis Pagen, Pennsylvania
Alternate: Riss Estes, Texas

Airspace and Navigation Systems Commission (CANS)

Delegate: Bernald Smith, California

Environmental Commission (ENVC)

Delegate: Bernald Smith, California

Aerobatic Commission (CIVA)

Delegate: Michael Heuer, Tennessee
Alternate: Debby Rihn-Harvey, Texas

Aviation and Space Education Commission (CIEA)

Delegate: Debbie Gallaway, Washington, DC
Alternate: Gordon Schimmel, Massachusetts

Medico-Physiological Commission (CIMP)

Delegate: Dr. Geoffrey McCarthy, Oregon
Alternate: Dr. Richard Garrison, Oregon

Astronautic Records Commission (ICARE)

Delegate: Gregory Oliver, Texas
Alternate: William Barry, Washington,
District of Columbia

Microlight Commission (CIMA)

Delegate: Roy Beisswenger, Illinois
Alternate: Daniel Grunloh, Illinois

Rotocraft Commission

Delegate: Jean Tinsley, California
Alternate: Walter Sonneborn, Texas

NAA Luncheon Program

The NAA Luncheon Series, organized by our National Aviation Club Awards and Events Board, brings together leaders in the aviation and aerospace industry with professionals from around the region. Directed by Steve Callaghan, the program continues to serve as a forum for industry information sharing and networking. 2009/2010 speakers included:



Vice Admiral Bill Gortney, USN, Director, Joint Staff



Brett Lambert, Deputy Assistant Secretary of Defense for Industrial Policy



Dennis Muilenburg, President & CEO, Boeing Defense, Space, and Security



The Honorable Dr. Ashton Carter, Under Secretary of Defense for Acquisition, Technology and Logistics



The Honorable Randy Babbitt, Administrator, Federal Aviation Administration



The Honorable Todd Tiahrt, 4th Congressional District, Kansas

2009 -2010 Season Table Holders:

The Boeing Company
Cobham
DRS Technologies, Inc.

EADS North America
GE Aviation
Lockheed Martin Corporation

Northrop Grumman Corporation
Rolls-Royce North America

UTC/Pratt & Whitney
Aurora Flight Sciences and Curtiss-Wright Corporation

2010/2011 Financial Information

<u>Income</u>	2010 Budgeted	2010 Actuals	2011 Budgeted
Corporate Dues	\$292,500.00	\$287,500.00	\$317,500.00
Air Sport Dues	\$102,600.00	\$101,433.82	\$100,173.28
Individual Dues	\$28,500.00	\$46,499.00	\$28,800.00
Affiliate Dues	\$20,000.00	\$17,000.00	\$20,000.00
Aero Club Dues	\$10,900.00	\$8,000.00	\$9,700.00
Record Fees	\$90,000.00	\$64,173.95	\$73,000.00
Sales	\$7,230.00	\$101,407.10	\$19,645.00
Events	\$212,000.00	\$239,878.00	\$167,500.00
Miscellaneous	\$6,600.00	\$21,113.90	\$17,755.00
TOTAL	\$770,830.00	\$887,011.77	\$754,043.28
<u>Expenses</u>			
Salary/Benefits	\$279,901.00	\$320,260.22	\$297,842.00
Contract Services	\$52,428.00	\$53,813.95	\$49,370.00
Building/Equipment	\$39,990.36	\$44,218.22	\$41,934.00
FAI Dues	\$100,855.00	\$102,131.07	\$102,665.00
Membership	\$17,750.00	\$18,035.97	\$18,250.00
Travel	\$13,050.00	\$14,155.71	\$16,000.00
Events	\$142,935.00	\$128,033.58	\$129,440.00
Miscellaneous	\$64,026.00	\$110,811.00	\$65,770.36
Publishing	\$28,800.00	\$26,875.00	\$28,800.00
TOTAL	\$742,735.00	\$818,397.72	\$750,071.36
	\$28,094.00	\$68,614.05	\$3,971.92

2010 Organizational Members

CORPORATE MEMBERS

Alenia North America, Inc.
Aurora Flight Sciences
The Boeing Company
Bombardier Learjet
Cessna Aircraft Company
DRS Technologies
GE Aviation
Gulfstream Aerospace Corporation
Hawker Beechcraft Corporation
Jeppesen
Lockheed Martin Corporation
Northrop Grumman Corporation
Rockwell Collins, Inc.
Safe Flight Instrument Corporation
Signature Flight Support
SpaceX
United Technologies Corp.
WBB Consulting, Inc.

AFFILIATE MEMBERS

Aerospace Industries Association
Air Care Alliance
Air Transport Association of America
American Institute of Aeronautics and Astronautics
Embry-Riddle Aeronautical University
General Aviation Manufacturers Association
National Association of State Aviation Officials
National Business Aviation Association, Inc.
The Ninety-Nines, Inc.

AERO CLUB MEMBERS

Aero Club of Metropolitan Atlanta
Aero Club of New England
Aero Club of Northern California
Aero Club of Southern California
Aero Club of Washington
Wichita Aero Club

SPECIAL SUPPORT OF PUBLIC BENEFIT FLYING

Linda Hall Daschle

INDIVIDUAL MEMBERS

2813



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Washington National Airport (DCA)
Washington, D.C. 20001
800.644.9777
www.naa.aero**