

IMAGINE CREATE SHARE EXPLORE

2010 ANNUAL REPORT



Future of Flight[®]

FOUNDATION

GLOBAL INSPIRATION & INNOVATION

The Future of Flight Foundation is a unique 501 (c) (3) non-profit. In addition to providing Flights of Innovation, an education program immersing middle-school students in problem-solving scenarios using real-life aviation challenges, the Future of Flight Foundation also operates one of Washington's premier visitor attractions, The Future of Flight Aviation Center & Boeing Tour, which attracted over 187,000 visitors in 2010.

Located at Paine Field in Mukilteo, Washington, the tour is a unique public-private partnership with the Snohomish County Airport and The Boeing Company that is consistently rated a "must see" attraction, annually drawing visitors from 185 countries around the globe.

Dear Friends,

2010 was the Future of Flight's best year yet thanks to our dedicated, hardworking board, our creative staff and generous donors, partners and friends. Our vision statement, "give wings to innovative thinking," could be restated in 2010 to "give wings to long-sought goals."

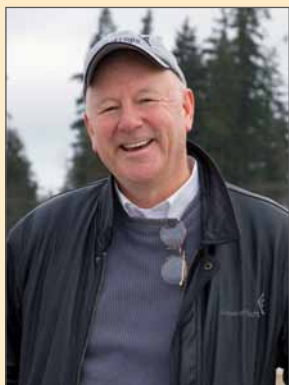
We welcomed over 187,000 paying guests from around the country and around the world, increasing attendance by 14% over 2009. By expanding the Foundation's education program, Flights of Innovation, we introduced imaginative thinking skills to an additional 300 students, and we expect to make even more strides in the future through a NASA grant we received in 2010. Donor contributions increased by 42% over 2009, enabling us to reach more students in our global exchange program and begin gallery enhancements. We celebrated the first flight of the 747-8, added the new GE90 exhibit and finished the design phase for a new wind tunnel.

2010 was our first full year under a new operating agreement with Snohomish County. The agreement creates incentives and benchmarks for the Foundation that will direct earned income toward offsetting Foundation overhead expenses. Consequently, a larger percentage of donor contributions will go toward exhibits and education. And after working closely with Washington State Department of Transportation to install signage along I-5, the freeway now boasts new Future of Flight signs on north and south bound I-5 at Exit 189.

With a solid infrastructure, innovative and committed supporters and improving finances, 2011 promises to bring even more opportunities to expand our education programs, add exhibits, host additional aircraft deliveries, increase the number of visitors and recruit additional board members.

Barry Smith

Barry Smith, Executive Director of the Future of Flight Foundation



Future of Flight Foundation Board:
Back row: Visakan Ganeson, Mark Gulbranson, Barry Smith, Jack Jones, Tom Sanger, John Quinlivan, Dan Rahkonen, Bill Lewallen
Front row: Bill Stafford, Jane Kilburn, Lynn Nixon, Shaiza Damji, Louise Stanton-Masten, Mark Faller, Missing: Jerrilee Mosier, Dave Waggoner

our Vision

The Future of Flight Foundation gives wings to innovative thinking.

our Mission

The Future of Flight Foundation highlights aviation and creates experiences that engage and immerse participants to:

- cultivate curiosity
- stimulate imagination
- encourage creativity & experimentation
- generate collaboration
- explore solutions

our Values





IMAGINE

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EXPLORE



THE FUTURE OF FLIGHT'S SUCCESSFUL Flights of Innovation education program introduces and encourages middle school students to pursue careers in Science, Technology, Engineering and Mathematics (STEM) through real-life scenarios based on aviation and environmental challenges.

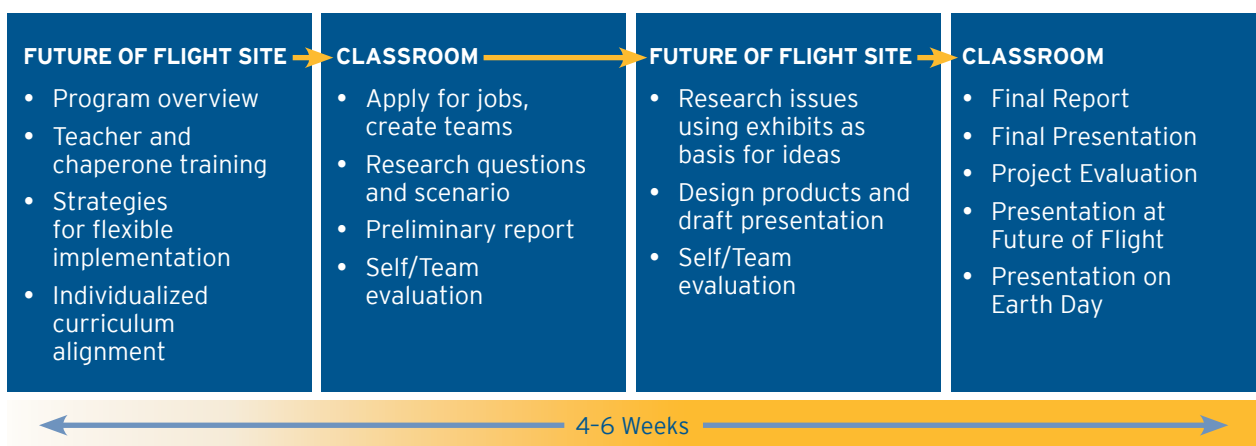
In 2010, Flights of Innovation reached 420 students and nine teachers from Voyager Middle School, Mukilteo School District; Totem Middle School and 10th Street School, both in Marysville School District; North Middle School from the Everett School District; and Madrona K-8, Edmonds School District.

In July 2010, the Foundation applied for and was awarded a grant from NASA for nearly \$50,000 to develop "Summer of Innovation," an intensive STEM teaching and learning program that targets middle school students and teachers, specifically schools who serve girls, minorities and low income students.

By facilitating collaborations between our student participants and industry leaders who work in science, technology, engineering, and mathematics occupations, the Future of Flight helps provide role models for students and encourages them to consider STEM pathway classes where they will learn skills to prepare them for the diverse post-high school education and training opportunities available in Washington State. Our partners are The Center for Excellence at Everett Community College, Workforce Development of Snohomish County, the Materials Science Education Program at Edmonds Community College and the Aerospace Joint Apprenticeship Committee.

As the popularity of Flights of Innovation grows, the Future of Flight Foundation continues to reach out to tomorrow's innovators in creative and meaningful ways.

PROGRAM OVERVIEW



2010 EXHIBITS

Over 60 exhibits at the Future of Flight encourage visitors to explore the wonders of flight and learn about the ever-changing aviation industry. We added two new exhibits in 2010 and we began planning for a wind tunnel.

GE 90 ENGINE



Thanks to a generous donation from GE Aviation, visitors to the Future of Flight can experience the world's most powerful engine up close, the GE90. Powering the Boeing 777, the GE90 produced a world's record thrust of 127,900 pounds during ground testing and holds a Guinness Book of World Records designation for generating unprecedented thrust for a jet engine.

THE INNOVATOR

The Future of Flight's new seven-seat simulator, The Innovator, puts visitors in the airplane cockpit on a thrilling ride that incorporates high-action flight footage, special effects and rollicking motion. Visitors can barnstorm in a biplane, dive into the secret chambers of the pyramids, fly a fighter mission and more.

WIND TUNNEL

During 2010, the Future of Flight Foundation received funding for the planning and design of a new Wind Tunnel exhibit where visitors will learn about flight dynamics and the importance of wind tunnels in aircraft design. The preliminary design was completed by a team of engineering students at the University of Washington. Two Mukilteo companies, Metalistics and Electroimpact, will complete the design and construction.



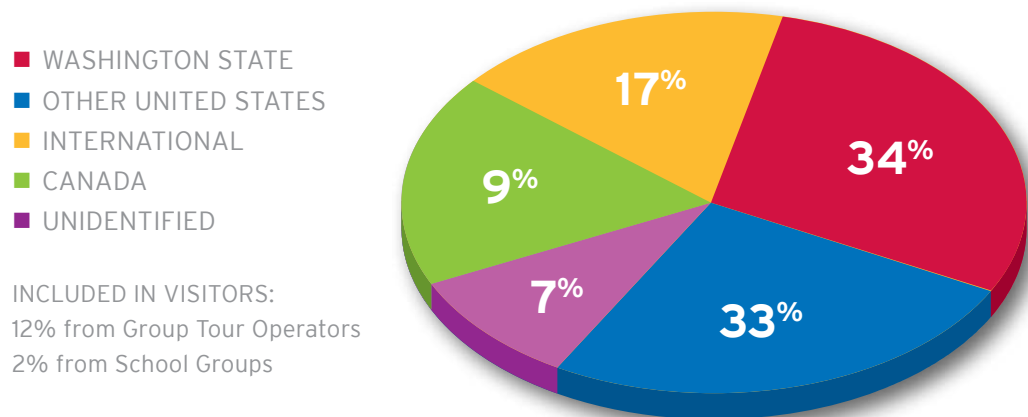
Sharing with Visitors from Around the World

The Future of Flight celebrated its fifth anniversary on December 17, 2010, capping our most successful year yet in terms of visitor counts. We welcomed over 187,000 visitors in 2010, an increase of 14% over 2009. We expect to welcome our millionth visitor in 2011.

Approximately 34% of our visitors are from Washington State, 33% are from other states, 9% arrive from Canada, 17% are from 183 other countries around the globe, and 7% are unidentified. Over the past five years, these visitors have spent over \$69 million in Snohomish County, according to Washington State Department of Commerce economic impact data provided by Dean Runyan Associates.

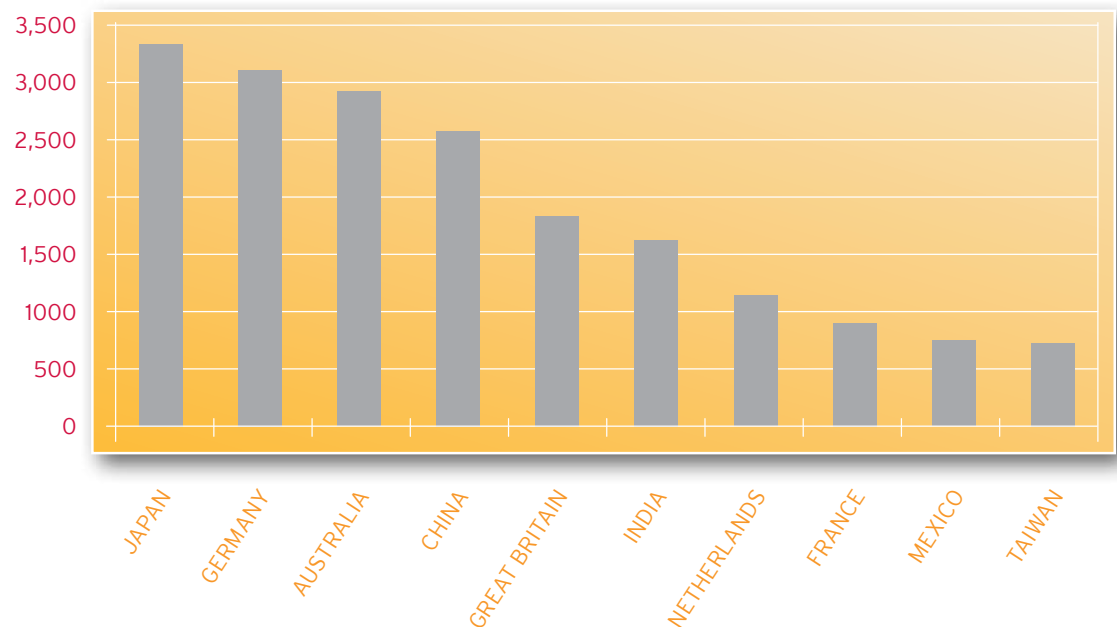
VISITOR DISTRIBUTION

Our 2010 international visitors arrive from all corners of the globe.



VISITORS BY COUNTRY

Top Ten Visiting Countries excluding the United States and Canada.





2010 was a tremendous year for the Future of Flight Foundation and fundraising was no exception. Several government entities, corporations, foundations and many new and returning individual contributors provided gifts.

The City of Mukilteo awarded a grant for \$15,000 for the design of the new wind tunnel exhibit for our gallery. The Boeing Company also awarded \$50,000 for this upcoming wind tunnel exhibit. Snohomish County awarded two grants: one for \$7,500 for marketing of two new exhibits in our gallery, the Innovator and the GE90 Turbo Fan Jet Engine, and one for \$34,646 under the Energy Efficiency and Conservation Block Grant for a wind turbine on our roof, a wind powered light pole and an electric car charger.



It was a proud moment when The National Aeronautics and Space Administration (NASA) awarded our Education Program nearly \$50,000 to plan a summer program based on our Flights of Innovation program to interest middle school students in Science, Technology, Engineering and Math. The Puget Sound Energy Foundation (\$2,000), the Boeing Company (\$55,000), the Center for Excellence in Aerospace and Advanced Manufacturing (\$10,000), and many individuals also contributed more than \$115,000 to our education program this year.



Above Left: Preparing a mini presentation of his research – student from Voyager Middle School.

Left: Problem-solving at the Future of Flight – students from Voyager Middle School.

FUNDRAISING and friend raising events at the Future of Flight Foundation were successful, fun and well attended. The First Flight of the 747-8 was celebrated on our observation deck in February providing networking opportunities for our Partners in Innovation and other supporters. Tesla Motors partnered with us on Earth Day in April to allow visitors to test drive their really fast, electric roadster in exchange for a donation to the Foundation. The Foundation held a Fall breakfast in November, emceed by Jim Dever of King 5 News. Many new businesses and individuals attended to hear Jack L. Jones, VP of Field Operations and

Deliveries, of The Boeing Company give the latest update on 747, 767, 777 and 787 Programs.

In-kind gifts are also important, especially when it is an exhibit in our Gallery for our over 187,000 annual visitors. GE Aviation provided us with a gift (including shipping) of a beautiful GE90 Turbo Fan jet engine that powers the Boeing 777 airplanes. Other corporations supported the Future of Flight Foundation mission, exhibits and education programs by providing unrestricted gifts ranging from \$2,500 to over \$100,000. Those include PRV Aerospace, LLC (Giddens Industries, Precision Machine Works, Inc., Aero Design & Manufacturing, Inc. and Tell Tool, Inc.); Rolls Royce; Global Aerosystems, LLC; Northwest Duty Free Stores; 360 Hotel Group; Hamilton Sundstrand; Hilton Garden Inn; Danner Corporation; Moss Adams, LLP; Pratt & Whitney; and Tony's Events & Catering.

The Future of Flight Foundation thanks all of our 2010 contributors!



Left: Visitors test drive the Tesla electric roadster.

Below: The First Flight of the 747-8.



“It was a **valuable experience** to be part of the summer Work and Travel Program in 2010 working for the Future of Flight. Not only did we meet and serve guests from all around the world, we also **sharpened our language** and interpersonal skills.”

➤ Joanne Chan, 2010 Intern from Hong Kong

IMAGINE the surprise when a visitor is greeted by someone fluent in their native language. Each summer, Future of Flight's international interns enliven the visitor experience by providing tours in multiple languages, greeting visitors at the ticket desk and working in our office. The intern program expands the Foundation's global outreach and helps fulfill our mission of providing educational experiences that inspire innovative thinking and generate international collaboration.



Above: Interns Joanne Chan and Maggie Qu.

Left: Interns Him Nok and Gavin Hsu.

“As an avionics student, being able to see all the different facets of the industry is invaluable. It was incredible to meet some of the **best talents in the business** who shared with us their expertise and professionalism.”

➤ Bryan Huang, student from Australia



IN 2008, the Future of Flight Foundation and the American Foundation of the Royal Air Force Museum created a global apprentice exchange program to help meet the growing need for skilled aerospace labor.

Three years in the making, the program has successfully introduced students from the United States, the United Kingdom, Korea and Australia to cutting-edge aerospace technology, provided mentoring and networking opportunities with leaders within the industry and furthered cultural perspectives and understanding. This year the program expanded to include six students, added a new country (Australia) and two new sponsors.

Left: Martin Shaw, Nate Pugh and Bryan Huang visit the Boeing Philadelphia Rotorcraft factory.

Right: Nate Pugh (U.K), Damian Cianci (instructor from U.S.), Martin Shaw (U.K), and Bryan Huang (Australia), show off their new composite snowboards built as part of their Advanced Materials class in the U.S.

“The exchange’s mission is to **inspire** the education of the next generation of aviation innovators. I’m here to tell you **it’s working.**”

➤ Luke Thomson, student from The United States

2010 ANNUAL FUND DONORS

INDIVIDUALS

Ann Averill
Mike Bahrami
James A. Bauer
Robert E. and
Ila M. Breidenthal
Derek L. Brown
Mary Brueggeman
Adrian Henry Butler
Joseph J. Cameron
Richard N. Carlburg
Charlie Chaffin
Robert J. Collett
Carrie Ann Darnell
Wade Douglas
ING. Oliver Drobnik
Mark and Leslie Faller
Patrick K. Faley
Harlan Falkin
Megan Fiess
Estavre Fischer
J. Michael Fitzpatrick
Craig Fluvog
Ann Foster
Brianna A. Foster
Visakan Ganeson
David Gossett
Margaret E. Groves
Mark Gulbranson
John C. Hall
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Todd Kalyniuk
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Jane L. Kilburn
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Craig McHugh
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Kent Moeller
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Steven Scott Partridge
John and Celeste Quinlivan
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Jeremy D. Rogers
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Jake Schultz
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Melisa Smith
Bill Stafford
Mike Stephenson
Joanne Takusagawa
Andy J. Telesca
Ted Thomas
Carrie Thurnau
Sid Tobiason
Russell G. Toro
Barbara L. Salo-Ulvin and
Mark Ulvin
Dave and P.J. Waggoner
Hiroyuki Waki
Jenni Wakida
Bradlee & Karlene Wick
Stephanie Wright
Belinda Young

INDIVIDUALS IN-KIND

Mary Brueggeman
Ed Kaplanian
Bill and Diane Lewallen
Interiors by Lynn Colwell

CORPORATE

360 Hotel Group
Aerospace Joint
Apprenticeship Committee
Boeing Employee Gift Match
Program
Coulomb Industries
Creative Gifting, LLC
Danner Corporation

Fingerprint Imaging
GE Aviation
Global Aerosystems
Hamilton Sundstrand
Hilton Garden Inn
Moss Adams LLP
Mukilteo Chamber of
Commerce
NW Duty Free Stores, Inc.
Onamac Industries, Inc.
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Pratt & Whitney
PRV Aerospace LLC
Rolls-Royce
Shockey Planning Group, Inc.
Tesla Motors, Inc.
The Boeing Company
Tracy Wade Design LLC
Vector Industries

CORPORATE IN-KIND

ABC Special Event Rentals
Celebrate Catering
Ivar's
GE Aviation
NW Duty Free Stores
The Boeing Company
Tony's Catering and Events

FOUNDATIONS

IEEE/AESS
Puget Sound Energy
Foundation
The Royal Air Force Museum
American Foundation

GOVERNMENT

Center of Excellence for
Aerospace and
Advanced Materials
Manufacturing
City of Mukilteo
NASA
Queensland University of
Technology
Snohomish County Office of
Economic Development
Snohomish County Facilities
Management Department
Snohomish County Paine Field
Snohomish County Workforce
Development and Training

Partners in Innovation

GE Aviation



The Boeing Company

NASA



Center of Excellence for
Aerospace and Advanced
Materials Manufacturing

City of Mukilteo



PRV Aerospace, LLC

Rolls Royce



Aerospace & Electronic Systems
Society (AESS)

IEEE/AESS

Snohomish County Office
of Economic Development



ABC Special Event Rentals

Hamilton Sundstrand



360 Hotel Group

Danner Corporation



Hilton Garden Inn

Moss Adams, LLP

Global Aerosystems, LLC



Northwest Duty Free Stores, Inc.

Puget Sound Energy Foundation



Tony's Events & Catering

Pratt & Whitney



Tesla

Faithfully Stewarding Finances

Future of Flight Foundation Statement of Revenue and Expenses for the year ended December 31, 2010 (audited) with comparative totals for 2009.

REVENUE				
	Unrestricted Funds	Temporarily Restricted	Total 2010	Total 2009
Contributions	\$137,278	\$179,657	\$316,935	\$319,345
Earned revenue	\$241,740		\$241,740	\$286,852
Special events (net of direct expenses of \$8,852)	\$4,293		\$4,293	\$3,123
County reimbursement revenue	\$761,309		\$761,309	\$795,877
Net assets released from restriction	\$171,303	\$(171,303)		
Total Support & Revenue	\$1,315,923	\$8,354	\$1,324,277	\$1,405,197

EXPENSES				
Programs (Exhibits & Education)	\$1,116,659		\$1,116,659	\$1,078,697
General Administration	\$80,901		\$80,901	\$86,656
Fundraising	\$190,786		\$190,786	\$243,913
Total Operating Expenses	\$1,388,346		\$1,388,346	\$1,409,266
Change in Net Assets From Operating Activities	\$(72,423)	\$8,354	\$(64,069)	\$(4,069)
Non-Operating Activities				
Investment Return	\$535		\$535	\$497
Loss on Fixed Assets	(\$253,428)		(\$253,428)	
Changes in Net Assets from Non-Operating Activities	(\$252,893)		(\$252,893)	\$497
Total Change in Net Assets	\$(325,316)	\$8,354	\$(316,962)	\$(3,572)
Beginning of Year Net Assets	\$17,216,695	\$99,256	\$17,315,951	\$17,319,523
End of Year Net Assets	\$16,891,379	\$107,610	\$16,998,989	\$17,315,951



DEDICATED FUTURE OF FLIGHT STAFF

Front Row: Donna Beaudry, Mailene Ogalino-Cline, Sandy Ward, Melody Meyers, Ulla Johnson, Toni Olson, Ed Kaplanian.

Back Row: Bob Cooper, Juan Chavez, Eli Yockey, Summer Dahozy, Mary Brueggeman, Barry Smith and Peter Bro.

Not Pictured: Amanda Goertz, Vinh Le, Bogdan Linchuk, Zack Mennie, Adam Natal, Andrew Stewart.



VOLUNTEERS OUT-NUMBER STAFF

The Future of Flight's 19 staff members and 57-plus volunteers keep the turbines humming, behind the scenes and in the public eye, and are an integral part of the success achieved in 2010.

Volunteers contributed more than 6,000 hours in 2010. Dedicated employees work long hours to meet the Foundation's mission and goals, and volunteers lead gallery tours, help develop Foundation strategy, even answer phones during our busy summer season.



Top Left: Volunteers Linda McCullough and Zarya Graham enjoying the Future of Flight gallery.

Below Left: Volunteer Laura Nathan.

FINDING THE FUTURE OF FLIGHT GETS EASIER

How does a visitor from Burundi find the Future of Flight? For that matter, how does anyone unfamiliar with Puget Sound freeways and traffic make their way to our doors? A GPS might help, but sometimes the simplest solution is the best. Thanks to determined board members Dan Rahkonen, Bill Stafford and Mark Gulbranson and leadership at the Washington State Department of Transportation, directional signs along I-5 were modified to guide visitors to the Future of Flight, making it much easier for our friend from Burundi, or our aunt from Tacoma, to make their tour on time.



Satisfied with the Future of Flight's new signage, board President Dan Rahkonen and board member Bill Stafford pause along I-5 to commemorate their success.

POSSIBILITIES ARE ENDLESS AT THE FUTURE OF FLIGHT

The Future of Flight Foundation manages event and room rentals under an operating contract with Snohomish County, owner of the Future of Flight building.

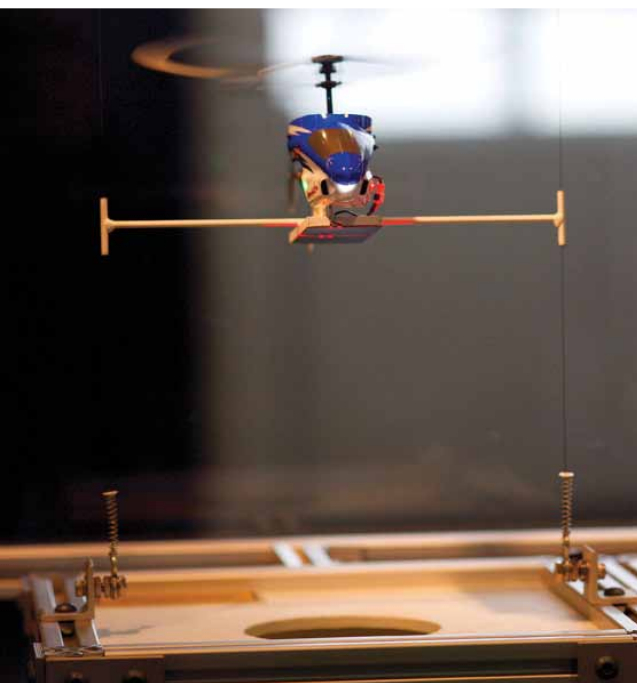
The County uses its rental income from the Foundation's management services to help retire County-issued construction bonds that built the FOF building.

The Foundation uses its management fees from providing the County such services to help supplement Foundation programs and services.

Opposite page clockwise from top left: Archbishop Murphy Tolo dance; Geekfest 2010; dreaming big at the Future of Flight; the Marsidi wedding; Laser Motive breaking a world record for number of hours powering an aircraft with a laser beam.



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Future of Flight®

FOUNDATION

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