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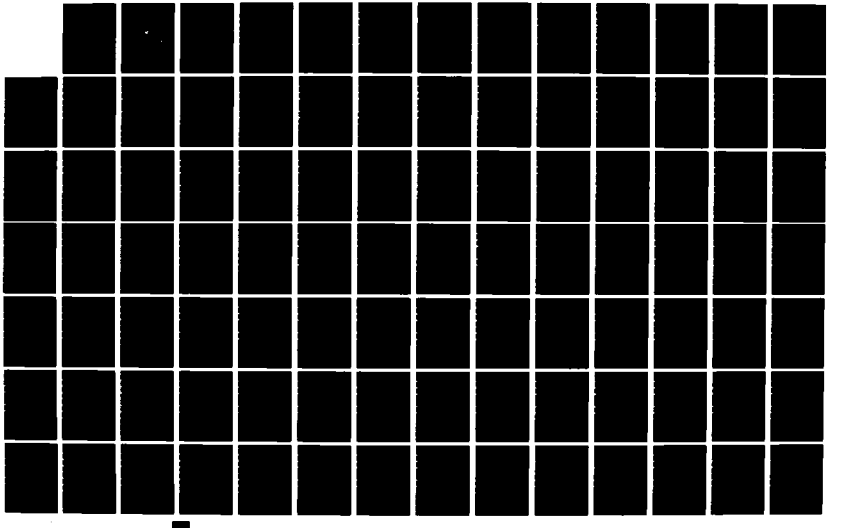

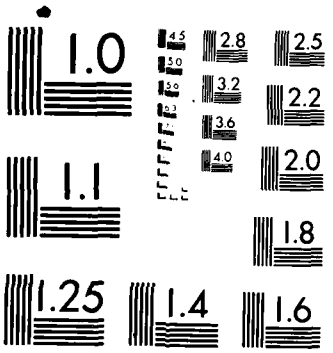

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NAVAL POSTGRADUATE SCHOOL
Monterey, California

THESIS

FINANCIAL MODEL ANALYSIS FOR
NAVY FLYING CLUBS

by

Barry Blane Boyd

September 1985

Thesis Advisor: Leslie Darbyshire

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Financial Model Analysis For Navy Flying Clubs

by

Barry Blane Boyd
Lieutenant, United States Navy
B.S., East Carolina University, 1973

Submitted in partial fulfillment of the
requirements for the degree of

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from the

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September 1985

Author: Barry B. Boyd
Barry B. Boyd

Approved by:
Leslie Darbyshire, Thesis Advisor

Barry Frew, Second Reader

Willis R. Greer,
Chairman, Department of Administrative Sciences

K.T. Marshall
Kneale T. Marshall,
Dean of Information and Policy Sciences

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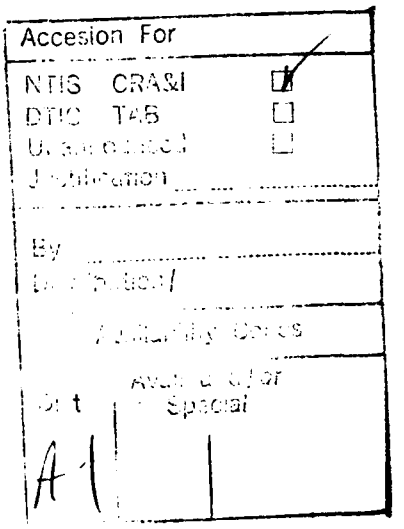

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I. INTRODUCTION

A. BACKGROUND

As a part of the Navy's goal to provide low-cost, off-duty recreation for its service members, the Navy Flying Club Program has been established. There are more than thirty ~~flying~~ clubs in operation in the continental United States and overseas. The clubs are self supporting and ~~are~~ locally managed. The clubs are operated as business entities, and as is the case with any business, there is always the potential for financial disaster. Clubs that consistently fail to break even financially are faced with forced disestablishment. While some flying clubs are thriving financial concerns, others are struggling to pay their bills and are in jeopardy of insolvency. What factors differentiate the financially successful flying clubs from the clubs barely meeting their obligations to their creditors? Is there a model that adequately describes flying club financial operations, and if so, is that model being correctly applied by club management?

B. OBJECTIVE

The objective of this thesis is to identify the model that describes the financial process within Navy flying clubs. Factors contributing significantly to the profit

earning process will be identified and their magnitudes and relationships will be investigated. Once the model has been identified, it can be utilized by flying club managers to analyze their operations and to pinpoint trouble spots that cause, or may lead to, financial difficulties.

C. SCOPE

Research for this thesis involved an investigation of library resources pertaining to Non-appropriated Fund activities within the Department of Defense, and to non-profit organizations in the private sector. The operational and financial data utilized was extracted from Fiscal Year 1984 Navy Flying Club Annual Reports. Copies of the reports were obtained from Commander, Naval Military Personnel, Washington, D.C. Detailed operating cost data were obtained from accounting records at the Monterey Navy Flying Club.

D. METHODOLOGY

Following a description of the Navy Flying Club Program, a systems study of flying club operations is conducted to identify traits of financially successful operations. Elements contributing significantly to flying club revenues and expenses are identified and incorporated into a financial model.

II. THE NAVY FLYING CLUB PROGRAM

The Navy Flying Club Program is designed to provide off-duty recreation for military personnel and their families. The clubs provide training in general aviation and include programs ranging from Private Pilot training to Airline Transport Pilot training. Flying clubs are non-profit organizations established to provide safe, light aircraft operations for members at the lowest possible cost.

Flying clubs are designated in NAVSO-P3520, "Nonappropriated Fund Accounting Procedures", as Category VI, morale, welfare and recreation activities. There is no central fund for the Navy Flying Club Program and flying clubs are not eligible for support or subsidies from appropriated or other nonappropriated accounts. While clubs are self supporting, off-duty activities, they are operated under the supervision of the U.S. Navy, and club assets are assets of the U.S. Government. The program manager for Navy flying clubs is the Commander, Naval Military Personnel Command, NMPC, Washington, D.C. In addition to operating within the procedures and guidelines established for nonappropriated fund instrumentalities (NAFI), clubs must also comply with procedures published by the Federal Aviation Administration (FAA) and the National Transportation Safety Board (NTSB).

Individual flying clubs are managed by a club manager and a board of directors. Flying clubs must have a

sponsoring activity. For example, the Naval Postgraduate School is the sponsoring activity for the Monterey Navy Flying Club. The commanding officer of the sponsoring activity is directly responsible for implementation of FAA policy, safety, maintenence, and flight procedures. The board of directors, elected by the club membership, ensures implementation of commanding officer's directives and guidance and ensures that the club operates in a safe, efficient and businesslike manner.

The club manager may be an employee of the club or be appointed by the commanding officer. The club manager conducts the club's daily business within the guidelines provided by applicable Department of Defense (DOD) and U.S. Navy directives and FAA and NTSB regulations. The club manager is responsible for maintaining accurate and complete financial information as the basis for ensuring that the club is self supporting. Financial statements are prepared at least annually, at the end of the fiscal year, and included in the annual report to NMPC. Club management may elect to prepare financial statements more frequently. Examples of the required financial statements are included in Appendix A.

NMPC requires that flying clubs be audited annually and that copies of the most recent audit be submitted with the

annual report. Areas specifically identified for inspection are:

1. Organization, Management and Administration
2. Aircraft, Equipment, and Supplies
3. Operations, Training, and Standardization
4. Safety and Aircraft Maintenance
5. Financial Management

Examples of items to be examined in the review of a club's financial management include:

1. Review accounts receivable and accounts payable.
2. Review pricing structure of resale items to ensure that retail prices are sufficient to cover costs of goods sold and applied overhead.
3. Ensure depreciation schedules have been derived for fixed (noncurrent) assets.
4. Ensure aircraft rental rates cover all expenses including insurance, depreciation, and reserves for overhaul.

Profitability, or at least zero losses, is a financial goal of Navy flying clubs. Flying clubs are nonprofit organizations and any profits realized are to be utilized for club improvements and the enhancement of the morale and welfare of its membership.

III. CHARACTERISTICS OF PROFITABLE CLUBS

A. CLUBS SURVEYED

At the end of Fiscal Year 1984, thirty-three flying clubs submitted annual reports to NMPC. Of these thirty-three annual reports submitted, twenty-nine were completed in sufficient detail to be included in a financial analysis. Table I on page 12 lists the clubs whose annual reports are used in this financial analysis. To establish the relative sizes of the clubs, the clubs are ranked by total membership in Table I. Table II on page 13 ranks the clubs by profits earned in FY 84.

The flying clubs span a wide spectrum in terms of total membership and profits earned. Clubs range in size from eighteen members to two-hundred sixty-seven members, and in profitability from a profit of almost fifty-one thousand dollars to a loss of almost twenty-two thousand dollars. A fact brought to light by Table I and Table II is that the large clubs, in terms of total membership, are not necessarily the most profitable. For example, Key West and Dahlgren are relativly small clubs but they earned significantly higher profits than their larger counterparts, Moffett Field and Dallas.

Before analyzing the clubs and attempting to identify traits of profitable and nonprofitable clubs, the clubs are

TABLE I

RANK BY TOTAL MEMBERSHIP

# Mem	Name	FY 84 Profit	# Hrs Flown
267	Monterey	3,445.28	7,785
254	Roosevelt Roads	3,215.78	3,350
240	Norfolk	- 2,439.91	5,885
230	Moffett Field	- 5,957.00	5,107
210	North Island	- 6,138.32	4,400
207	Memphis	50,828.84	3,709
189	Jacksonville	26,257.08	2,430
182	Atlanta	-21,764.21	2,759
180	U.S. Naval Acad	10,462.59	2,200
169	Dallas	-14,922.21	2,101
160	Whidbey Island	13,373.00	2,995
154	Barbers Point	852.55	5,686
150	Lemoore	1,686.12	1,640
111	Patuxent	13,102.42	1,511
98	Rota	- 8,524.90	1,526
83	Agana	14,281.24	1,515
79	China Lake	- 1,038.00	1,498
79	Warminster	3,136.78	936
72	Dahlgren	8,873.36	1,706
65	Lakehurst	- 1,786.45	684
64	New Orleans	-11,210.00	780
45	Cubi Point	2,558.80	841
39	Key West	9,782.59	794
39	Point Mugu	- 408.79	892
30	Kansas City	- 6,892.00	272
25	Guantanamo Bay	- 3,485.62	791
22	Trenton	667.11	264
18	Twin Cities	869.01	256

Table .[

RANK BY PROFITS

FY 84 Profit	Name	# Mem	# Hours Flown
50,828.84	Memphis	207	3,709
26,257.08	Jacksonville	189	2,430
14,281.24	Agana	83	1,515
13,373.00	Whidbey Island	160	2,995
13,102.42	Patuxent	111	1,511
10,462.59	U.S. Naval Acad.	180	2,200
9,782.59	Key West	39	794
8,873.36	Dahlgren	72	1,706
3,445.28	Monterey	267	7,785
3,215.78	Roosevelt Roads	254	3,350
3,136.78	Warminster	78	936
2,559.80	Cubi Point	45	841
1,686.12	Lemoore	150	1,640
869.01	Twin Cities	18	256
852.55	Barbers Point	154	5,686
667.11	Trenton	22	264
- 408.79	Point Mugu	39	892
- 1,038.00	China Lake	79	1,498
- 1,786.45	Lakehurst	65	684
- 2,439.91	Norfolk	240	5,885
- 3,485.62	Guantanamo Bay	25	791
- 5,957.00	Moffett Field	230	5,107
- 6,138.32	North Island	219	4,400
- 6,892.00	Kansas City	30	272
- 8,524.90	Rota	98	1,526
-11,210.00	New Orleans	64	780
-14,922.21	Dallas	160	2,101
-21,764.21	Atlanta	182	2,759

segregrated into groups according to total membership. Aggregration by total membership is necessary to compare operations having similar characteristics such as number of members and number of aircraft.

B. GROUPING BY TOTAL MEMBERSHIP

Operating under the assumption that those with the same range of membership will have similar operating characteristics, the flying clubs are separated into groups designated "Large", "Medium", and "Small". Large clubs are defined as clubs having 150 or more members. Medium clubs are defined as clubs having between 50 and 149 members. Small clubs are defined as clubs having less than 50 members. These groups are presented in Table III on page 15.

C. A SEARCH FOR TRAITS OF PROFITABLE CLUBS

1. Determining the Predictive Value of Variables

Before analyzing the financial statements, an attempt will be made to identify traits of profitable clubs that are not directly related to the financial statements. Within each group of clubs, the effectiveness of using numbers of hours flown, numbers of members per aircraft, and number of club employees as predictors of profitablilty will be investigated. Number of hours flown is chosen as a criterion to investigate the theory that poor profitability is directly related to reduced flying time. Numbers of members per aircraft is chosen to determine if there is an

TABLE III

LARGE FLYING CLUBS

# Mem	Name	FY 84 Profit	# Hrs Flown
267	Monterey	3,445.28	7,785
254	Roosevelt Roads	3,215.78	3,350
240	Norfolk	- 2,439.91	5,885
229	Moffett Field	- 5,957.00	5,107
219	North Island	- 6,138.32	4,400
207	Memphis	50,828.84	3,709
189	Jacksonville	26,257.08	2,430
182	Atlanta	-21,764.21	2,759
180	U.S. Naval Academy	10,462.59	2,200
169	Dallas	-14,922.21	2,101
160	Whidbey Island	13,373.00	2,995
154	Barbers Point	852.55	5,686
150	Lemoore	1,686.12	1,640

MEDIUM FLYING CLUBS

# Mem	Name	FY 84 Profit	# Hrs Flown
111	Patuxent	13,101.42	1,511
98	Pota	- 8,524.90	1,526
93	Agana	14,281.24	1,515
79	China Lake	- 1,038.00	1,498
78	Warminster	3,136.78	936
72	Dahlgren	8,873.36	1,706
65	Lakehurst	- 1,786.45	684
64	New Orleans	-11,210.00	780

SMALL FLYING CLUBS

# Mem	Name	FY 84 Profit	# Hrs Flown
45	Cubi Point	2,558.80	841
39	Key West	9,782.59	794
39	Point Mugu	- 408.79	892
30	Kansas City	- 6,892.00	272
25	Guantanamo Bay	- 3,485.62	791
22	Trenton	667.11	264
18	Twin Cities	969.01	256

optimal ratio of members to aircraft which is apparent in profitable operations. Finally, numbers of club employees is chosen as a criterion to determine if clubs with fewer employees are more profitable or less profitable than clubs with greater numbers of employees.

To investigate the predictive ability of numbers of hours flown, data for large flying clubs from Table III is rearranged in the following cross-tabulated matrix:

	Number of Hours Flown (thousands)					
	1.5-2	2-3	3-5	5-7	>7	total
No. of profitable large clubs	1	3	2	1	1	8
No. nonprofitable large clubs	0	2	1	2	0	4

The methodology utilized to assess predictability is based on modal prediction properties. [Ref. 1] A measure of predictability, lambda, will be determined which will indicate how well knowing the number of hours flown serves to predict whether or not a club will be profitable. A lambda equal to zero indicates no predictive value and a lambda equal to one indicates perfect predictive value. Lambda is determined as follows:

$$\text{Lambda} = \frac{\text{No. of errors without knowledge of no. hrs flown} - \text{no. of errors with knowledge of no. hrs flown}}{\text{no. errors with knowledge of no. hrs flown}}$$ [Ref. 2]

$$\text{Lambda} = \frac{4 - 4}{4} = 0$$

The number of hours flown by itself does not predict the potential for profitability for large flying clubs. To illustrate the finding, observe that Norfolk and Moffett field each flew more than 5000 hours and experienced losses whereas Jacksonville experienced the lowest number of hours flown for a large club and earned the second largest profit.

2. Analysis of the Predictive Value of Variables

Utilizing data from Appendix B, lambda calculations for measuring the ability of the number of hours flown, the number of members per aircraft, and the number of club employees, to predict flying club profitability are contained in Appendix C. The calculations are summarized in Table IV.

TABLE IV

LAMBDA CALCULATIONS FOR MEDIUM AND SMALL CLUBS

	Large	Medium	Small
No. of Hours Flown	0	.5	.67
No. Members per Aircraft	.4	.25	.67
No. of Club Employees	.5	0	NA

Knowing the members to aircraft ratio has low predictive value for predicting the potential for profitability in large flying clubs. The number of employees has moderate predictive value in predicting the potential for

profitability in large flying clubs. Of particular interest is that large clubs with no employees or two employees are always profitable in this sample. Flying clubs usually have a club manager and a club mechanic. These positions or functions can be performed by club employees (2 employees) or performed by contract (Ø employees). Two positions either filled by club employees or by contract exhibit the greatest frequency for profitability.

No strong predictors of potential for profitability emerge in the lambda calculations for Medium and Small flying clubs. Only one Small flying club had employees, thus invalidating lambda calculation for the number of club employees as a predictor of profitability.

Knowing the number of hours flown, the members to aircraft ratio, or the number of employees does not provide an effective predictor of potential profitability in flying clubs. Predicting the potential for profitability requires more detailed analysis of club financial operations utilizing past performance as a starting point for predicting future performance.

D. FINANCIAL STATEMENT ANALYSIS

1. Financial Statement Format

Appendix A contains examples of financial statements as required for annual reports to NMPC. The balance sheet is standard in that it accounts for current and noncurrent

assets, liabilities, and net worth of flying clubs. The key divisions of the NMPC drafted income statement are:

Sales (Flight Supplies)
Sales of Services (Aircraft rental and instruction)
Total Sales

Direct Expenses
Other Direct (expenses)
Depreciation
Total Direct Expenses

Other Revenue (Membership dues)

Other Expenses

Net Income

The financial model implied by the income statement format is that Sales and Services are to be matched against all expenses listed under Direct and Depreciation whereas Other Expenses are to be matched against Other Revenue. For ease of reference, Sales plus Sales of Services minus Direct Expenses and Depreciation is defined as Income from Operations. Other Revenue minus Other Expenses is defined as Other Income.

Appendix D contains the FY 84 financial statements for the flying clubs surveyed. Each club's financial statements have been compressed into a single column for ease of presentation and spreadsheet analysis. Subtotals for Income from Operations and Other Income, not found on the NMPC income statement format, have been included in the income statements in Appendix D.

2. Key Ratios

Continuing the search for properties inherent to profitable flying clubs, several key ratios from the financial statements are presented in Table V. The current, quick, and total debt to total net worth (TD/TNW) ratios are presented to determine if a club's debt structure affects its profitability. Also, a determination can be made as to whether clubs holding high inventories, as evidenced by the difference between the current and quick ratios, are more or less likely to be profitable. The fixed assets to total net worth ratio (FA/TNW) provides insight as to whether high fixed assets, usually in the form of club owned aircraft, affects profitability.

The large clubs key ratios in Table V indicates two clubs which stand out from the other large clubs. Both Memphis and Monterey have minimal current debt, which accounts for their extraordinarily high current and quick ratios, and no long term debt. The remainder of the profitable clubs, with the exception of Lemoore, have current ratios of greater than 3.0 whereas the nonprofitable clubs, with the exception of Norfolk, have current ratios of less than 2.0. On the average, large flying clubs having a current ratio of 3.0 or greater are more likely to be a profitable entity.

The total debt to tangible net worth ratio is not as revealing. With the exception of North Island, Memphis,

TABLE V

FISCAL YEAR 84 KEY RATIOS

Large Clubs

Profit	Name	Curr	Quick	TD/TNW	FA/TNW
50,828.84	Memphis	26.23	24.48	0.03	0.17
26,257.08	Jacksonville	5.73	4.58	0.19	0.39
13,373.00	Whidbey Island	3.73	3.29	0.33	0.10
10,462.59	Naval Academy	9.89	9.89	0.11	0.01
3,445.28	Monterey	24.25	22.55	0.02	0.47
3,215.78	Roosevelt Rds	3.31	1.43	0.66	0.60
1,686.12	Lemoore	2.27	2.00	0.74	0.05
852.55	Barbers Point	4.03	2.98	0.30	0.10
- 2,439.91	Norfolk	4.55	2.53	0.15	0.46
- 5,957.00	Moffett Field	1.90	1.82	0.48	0.53
- 6,138.32	North Island	1.35	0.81	2.06	0.28
-14,922.21	Dallas				0.08
-21,764.21	Atlanta	1.67	1.67	0.31	0.84

Medium Clubs

14,281.24	Agana	14.70	2.78	0.04	0.39
13,102.42	Patuxent	2.92	1.51	0.43	0.17
8,873.36	Dahlgren	3.97	2.99	0.15	0.44
3,136.78	Warminster	9.34	9.34	0.12	0.00
- 1,038.00	China Lake	1.80	1.72	3.36	0.00
- 1,786.45	Lakehurst	1.53	0.92	0.55	0.68
- 8,524.90	Rota	2.57	1.44	0.42	-3.00
-11,210.00	New Orleans	0.55	0.55	-2.38	-0.06

Small Clubs

9,782.59	Key West	9.24	9.24	0.09	0.47
2,558.80	Cubi Point	1.71	0.77	1.00	0.18
869.01	Twin Cities	2.02	2.02	20.35	18.50
567.11	Trenton	195.91	191.20	0.34	0.38
- 408.79	Point Mugu	2.97	2.66	0.51	0.00
- 3,485.62	Guantanamo Bay	0.57	0.57	1.54	2.11
- 6,892.00	Kansas City	0.44	0.37	-1.77	0.00

and Monterey, the large flying clubs do not exhibit a trend in total debt to tangible new worth which identifies them as profitable or nonprofitable.

The quick ratio and the percent reduction of the current ratio by removing the inventory (figures not presented) does not provide evidence that the size of a club's inventory has a direct bearing on profitability.

The fixed assets to tangible net worth ratio does indicate a possible relationship between fixed assets and profitability. An examination of the balance sheets in Appendix D indicates that the majority of club assets is in the form of club owned aircraft. Clubs owning more of the aircraft on their flight line exhibit a higher fixed asset to tangible net worth ratio than clubs leasing the majority of the aircraft on their flight line. The fixed asset to tangible net worth ratio for large clubs shown in Table V indicates that clubs with FA/TNW ratios of approximately .4 or more are less likely to be profitable than clubs with FA/TNW ratios of more than .4. Of the large and profitable clubs, 62% had FA/TNW ratios of .4 or less whereas 80% of the nonprofitable clubs had TA/TNW ratios of .4 or greater.

To further substantiate that the higher FA/TNW ratios associated with nonprofitable clubs are attributable to a higher proportion of club owned aircraft, Table VI provides the percentage of club owned aircraft for large clubs.

Table VI provides moderate support for the theory that clubs with a higher proportion of leaseback aircraft to club aircraft are more likely to be profitable than clubs owning the majority of the aircraft on their flight line. Only three of the eight profitable large clubs, 38%, owned more than half of their aircraft whereas three of the five nonprofitable clubs, 60%, owned more than half of their aircraft. The data suggests that a large flying club is

TABLE VI

PERCENTAGE OF AIRCRAFT OWNED BY LARGE CLUBS

Profit	Name	% Club Owned A/C
50,828.84	Memphis	100
26,257.08	Jacksonville	21
13,373.00	Whidby Island	17
10,462.59	Naval Academy	0
3,445.28	Monterey	52
1,686.12	Lemoore	23
852.55	Barbers Point	36
- 2,429.91	Norfolk	56
- 5,957.00	Moffett Field	9
- 6,138.32	North Island	6
-14,922.21	Dallas	73
-21,764.21	Atlanta	56

Source: FY 84 Annual Reports

more likely to be profitable if the majority of the aircraft on its flight line are leasebacks. An obvious exception appears to be Memphis. A closer examination of its balance sheet reveals extraordinary revenue of $62,000 in FY84. Forty thousand dollars is attributable to the sale of club

owned aircraft and aircraft simulators, and another six thousand dollars is attributable to an insurance settlement [Ref. 3]. Although Memphis is a profitable large flying club owning more than fifty percent of its aircraft, FY 84 profits were a qualified fifteen thousand dollars instead of the unqualified fifty thousand reported on the income statement.

Table V also provides key ratios for medium and small flying clubs. Looking first at the current ratios, medium clubs also support the theory that clubs with a current ratio of 3.0 or greater are more likely to be profitable that clubs having current ratios of less than 3.0. Small clubs are more likely to be profitable if their current ratio is approximately 2.0 or greater.

The quick ratio for both medium and small clubs does not reveal any tendency for the inventory level of medium or small clubs to directly affect profitability.

The total debt to tangible net worth ratio for medium clubs indicates that a medium size club is more likely to be profitable if it keeps a very low TD/TNW ratio. Seventy-five percent of the profitable medium clubs have a TD/TNW ratio of less than .2 whereas one-hundred percent of the nonprofitable, medium size clubs have a TD/TNW ratio of .4 or greater. The TD/TNW ratio for small clubs does not reveal any information about propensities for profitability.

The fixed asset to tangible net worth ratios for medium and small clubs do not provide any insight into predicting profitability. Table VII, Medium/Small Club Percentage of Aircraft Owned, does present some insight into predicting profitability. Seventy-five percent of the profitable, medium size clubs owned the majority of their aircraft as opposed to twenty-five percent of the nonprofitable medium clubs. One-hundred percent of the profitable small clubs owned the majority of their aircraft as opposed to thirty-three of the nonprofitable small clubs. For medium and small size flying clubs, profitable clubs are more likely to own the majority of their aircraft.

Table VIII summarizes the characteristics of profitable flying clubs exhibited in the FY 84 annual reports.

TABLE VII

MEDIUM/SMALL CLUB PERCENTAGE OF AIRCRAFT OWNED

Medium Clubs

Profit	Name	% Club owned A/C
14,281.24	Agana	100
13,102.42	Patuxent	25
8,873.36	Dahlgren	67
3,136.78	Warminster	100
- 1,038.00	China Lake	17
- 1,786.45	Lakehurst	100
- 8,524.90	Rota	43
-11,210.00	New Orleans	0

Small Clubs

9,782.59	Key West	100
2,558.80	Cubi Point	80
869.01	Twin Cities	100
667.11	Trenton	100
- 408.79	Point Mugu	14
- 3,485.62	Guantanamo Bay	67
- 6,892.00	Kansas City	50

Source: FY 84 Annual Reports

TABLE VIII

PROFITABLE CLUB CHARACTERISTICS

	Current Ratio	Club owned aircraft (C) vs Leaseback (L)
Large Clubs	3.0 or greater	L
Medium Clubs	3.0 or greater	C
Small Clubs	2.0 or greater	C

IV. FINANCIAL MODEL ANALYSIS

A. THE EXISTING MODEL

The existing financial model as prescribed by the NMPC income statement segments the flying clubs into two distinct financial subdivisions, "Operations" and "Other". Revenue from aircraft rental constitutes the largest source of revenue and is added to the sale of merchandise revenue and flight instruction revenue to yield total sales, or operations revenue. Direct, general and administrative, operating expenses and depreciation are subtracted from operations revenue to yield operations income. Dues plus miscellaneous other revenue minus other expenses yield other income. Operations income plus other income equals net income or loss on the balance sheet required for use by NMPC. An example is contained in Appendix A.

The financial model prescribed by NMPC renders financial management at the flying clubs difficult because it fails to match expenses against appropriate sources of revenue to give a true picture of the financial performance of each of the financial entities. For example, observe the operations income total on the financial statements contained in Appendix D. Operations income is a subtotal not required on the NMPC income statement but the subtotal is implied by the format. All twenty-eight clubs listed indicate a loss in

operations. This indicates that all of the clubs have financial difficulties in the operations area, or that the income statement fails to accurately describe the financial performance of club operations. Note that the flying clubs showing an overall net profit were clubs with sufficient "other income" to offset the loss realized in operations income.

The problem with the existing model is that making a profit in operations seems impossible and that determining how much of a loss can be endured in the operations, area while maintaining a profit, overall is difficult. All administrative expenses, both direct and indirect are, being applied against operations revenue masking the true financial performance of flight operations. Applying direct and indirect administrative expenses to operations is commonplace in the private sector, however, private entities are not usually favored with a significant fixed source of secondary income such as flying club dues. Table IX on page 29 illustrates the significant percentage of flying club revenue attributable to membership dues.

On the average twenty-seven percent of a club's revenue is a result of membership dues, yet only a small percentage of the expenses are matched against this other revenue. This mismatch of revenue and expenses overburdens flight operations and distorts the report of actual financial performance of flight operations on the income statement. In

the private sector a flight school and aircraft rental center, a fixed base operator (or FBO), must earn sufficient revenue from flight operations to cover direct, indirect, and administrative expenses since flight operations may well be the only source of revenue.

TABLE IX

PERCENTAGE OF FLYING CLUB REVENUE ATTRIBUTABLE TO MEMBERSHIP DUES

Club	Percentage	Club	Percentage
Agana	20	Memphis	16
Academy	25	Monterey	18
Atlanta	26	Moffett	15
Barbers Pt.	16	New Orleans	39
China Lake	26	Norfolk	19
Cubi Pt	21	North Is	21
Dahlgren	21	Patuxent	17
Dallas	42	PT Mugu	21
Gitmo	41	Roos. Rds.	31
Jax	22	Rota	39
Kansas City	39	Twin Cities	49
Key West	21	Trenton	33
Lakehurst	43	Warminster	22
Lemoore	30	Whidbey Is.	21

Since a major goal of flying clubs is to provide low-cost aviation for its membership, club aircraft rental rates are normally lower than the FBO counterparts and are therefore not sufficient to cover operating expenses and administrative expenses.

Almost one-fourth of flying club revenue is in the form of membership dues. The income statement should be realigned to shift some of the expenses from "operations" to

"other" giving a clearer picture of the overall financial situation. Only expenses directly associated with the actual operation of an aircraft such as fuel, insurance, and maintenance should be matched against flight revenue. Administrative expenses such as the club manager's salary and fixed costs including rent and utilities should be matched against "other" revenue. Operations revenue should be expected to cover only actual aircraft expenses. Other revenue should cover all indirect costs associated with operating a flying club.

Since the bottom line is not affected, one may ask what difference it makes where the expenses are shown on the income statement? Club managers and members of the board of directors are usually not trained in the intricacies of cost accounting and may need help to identify the source of a problem when club finances go awry. In its present format, the income statement does little more than clearly state the bottom line as to whether the club experienced a profit or a loss. When a flying club is experiencing a financial crisis and is consistently showing an overall loss, assuming all cost cutting measures have been taken, club management must decide to invoke a rate hike or to increase dues or both. How can the manager be provided with a guide to assist in making these and other financial decisions?

B. THE PROPOSED MODEL

To assist club management in making financial decisions, a new financial model should be adopted. The model consists of two entities as before, Aircraft Operations and General and Administrative. To ensure aircraft rental rates are maintained at the lowest possible level, aircraft revenue should be expected to cover only the direct costs of operating the aircraft. However, ALL aircraft costs must be accounted for. Fixed costs such as insurance and tie downs plus variable costs such as fuel, oil and maintenance are usually included in flying club rate structures, but depreciation, and overhaul costs are seldom included in the rate structure, and maintenance costs are usually understated. The proposed model calls for the realization of all aircraft operating expenses. Dues revenue under general and administrative will cover administrative salaries, benefits, rent and utilities. The proposed model in its simplest form is:

Aircraft Operations			General and Administrative		
Revenue:	Rate x Hours		Revenue:	Membership Dues	
- Fixed :	Insurance		- Fixed :	Admin wages, rent, utilities	
- Variable:	Fuel, oil, maint., overhaul				
	Ops Income	plus		G & A Income	
	= Net Income				

As with any organization, salaries constitute one of the largest expenses, especially in the large flying clubs. The proposed model allows for varying administrative salary costs as club sizes vary. Larger clubs with larger memberships will require more administrative support, however, their larger membership will produce larger general and administrative revenue. To illustrate, assume a club has 250 members and charges a monthly membership fee of $15. Annual revenue from membership dues will be $45,000 which is sufficient to support two full time moderately compensated administrative staff members, or one full time well compensated employee with sufficient reserves for utilities and rent. A medium size club with 100 members would realize revenue of $18,000 which would support one moderately salaried administrator, the club manager. Smaller clubs cannot afford a full time salaried club manager without imposing excessively high dues or raising aircraft rates above the FBO level. Small clubs with 50 or less members and only two or three airplanes can be managed on a voluntary or part-time basis.

To test the usefulness of the proposed financial model, the income statements for FY 84 have been rearranged into the proposed format and are presented in Appendix E. Note that subtotals for income from operations and general and administrative are provided. With the proposed format, only nineteen of the twenty-eight clubs show a loss in operations

income as compared to all twenty-eight under the existing format. The revised format gives a clearer picture as to the clubs actual performance in specific areas of operations.

To further illustrate the usefulness of the revised format, review the revised income statement for the Atlanta Flying Club in Appendix D. Atlanta suffered the largest loss for large clubs in FY 84. A quick glance at the revised income statement reveals that the club lost approximately $44K in aircraft operations, and had a profit of $22k in general and administrative for a net loss of $22K. Attention can be focused on aircraft operations for details of the problem. The first item which stands out is gasoline costs. Fuel costs of $41K are relatively high when compared to other flying clubs which had more flight hours but lower fuel costs. Next, routine maintenance costs appear to be inordinately high. Finally, the insurance premiums appear to be higher than the norm for clubs of comparable size. From these flags, conclusions may be drawn and recommendations can be made. First, the high fuel costs are usually associated with light twin aircraft or other complex aircraft. Atlanta is leasing a Beechcraft BE55 Baron and is charging $85 per hour rental. Assume the lease is the usual 50-50 arrangement where the club pays fuel and oil. A Beech Baron in the training environment can burn 30 gallons of fuel per hour. If fuel costs a conservative $1.50 per

gallon, the club is losing $2.50 each hour the Baron flies. From the magnitude of the fuel bill compared to the number of hours flown, the cost of aviation fuel in Atlanta is probably more than $1.50 per gallon. If the high cost of fuel is not reflected in the rate structure for all aircraft, then excessive fuel costs are a contributing factor to the loss in aircraft operations. Next, the excessive maintenance costs could indicate unusual costs such as painting or engine overhauls for which reserves were not available. A review of the annual report indicates that three club aircraft were painted in FY 84 and that the costs were expensed in FY 84. If the rate structure had included sufficient revenue to provide a reserve for painting, then reserves could have been utilized and the painting costs could have been treated as a capital improvement rather than an FY 84 expense. Finally, the high costs for insurance premiums indicates that the rate structure may need to be modified to cover the inordinately high insurance costs, or preferably a mix of aircraft with lower insurance premiums should be pursued. Since flying clubs are required to obtain insurance through NMPC, shopping for a company with lower premiums is not an option. Leases should be examined to ensure aircraft owners are held responsible for the full amount of insurance premiums.

The proposed structure allows the club manager, or an NMPC staff member reviewing annual reports, to have

applicable aircraft operating data in an easily read format for quick review. The club manager may not have the advantage of comparative data as utilized in the analysis above, however, if the income statement takes on a more functional format then perhaps the club manager may be able to establish useful historical data for comparative analysis. If inputs to NMPC become standarized in an easily automated format, then perhaps NMPC could provide feedback to the clubs which could be used by club managers for comparative analysis.

C. PROPOSED MODEL EXPANDED

The proposed model can be represented mathematically as follows:

$$P_O + P_G >= 0$$

P_O = Profit from aircraft operations

P_G = Profit from general and administrative

This simple mathematical model has powerful implications. For instance, a large club which can be managed by one administrative staff member and which pays no rent will have relatively small administrative costs. Club management would have the option to reduce membership dues from $15 to $10, for example, in order to keep the P_G portion of the equation near zero. Alternately, club management could allow P_G to show a surplus and then allow P_O to show a planned

deficit by reducing aircraft rental rates or holding rates steady during periods of increased operating costs. The surplus in P_G would offset the deficit in P_O. The P_G portion of the equation is easily predicted and consists of the following:

$$P_G = D \times N - (A + R + U + M)$$

P_G = Profit from general and administrative

D = Dues per month per member

N = Number of dues paying members

A = Cost of administrative salaries plus benefits

R = Monthly rent

U = Monthly utility costs

M = Monthly miscellaneous costs

All of the elements of the P_G portion of the model can be easily predicted utilizing historical data. Predicting the values of these elements is the first step to utilize the financial model. Once a value has been established for the P_G portion of the model, the value can be compared to the P_O portion of the financial model. The P_O portion is more complex but still manageable.

$$P_O = \sum_{i=1}^{n} P_i \quad \text{where}$$

$$P_i = \Sigma(R - (F + M_R + M_O))H - (I + T + D)$$

P_O = Profits from aircraft operations

P_i = Profit from an individual aircraft

R = Hourly rental rate for an aircraft

F = Fuel cost per hour for an aircraft (Price/gal x GPH)

M_R = Average hourly cost for routine maintenance

M_O = Hourly cost for overhaul reserve

H = Number of hours flown monthly

I = Monthly insurance premium for an aircraft

T = Monthly tie down fee

D = Depreciation

The P_i portion of the model represents the contribution margin per hour for an aircraft multiplied by the number of hours flown with fixed costs subtracted from the product to yield the monthly profit earned by the individual aircraft. The sum of all individual aircraft profits, $\sum_{i=1}^{n} P_i$ where n = number of aircraft on the flight line, equals P_O the aircraft operations profit.

The values for F,H,I,T and D are readily available and, with the exception of depreciation, are usually included in flying club rate structures. M_R and M_O are more elusive and are usually omitted from rate calculation, or if included, they are understated.

Clubs not currently including all these factors in their rate structure may fear that a significant rate hike will be necessary should they implement each of these factors into the rate structure. To begin accounting for all of the costs associated with operating club aircraft would not necessarily require an immediate rate hike. Considering the

complete financial model, $P_O + P_G >= 0$, a deficit in P_O is acceptable as long as a sufficient surplus exists in P_G to offset the deficit. What is important to realize is that club management must be aware of the true, total costs for operating each aircraft and then to make a conscious decision as to a rate structure which will result in breaking even for each aircraft, or to experience a deficit which will be offset by a surplus in another area. A surplus for one aircraft may offset a deficit experienced by another aircraft within the structure of $P_O = \sum_{i=1}^{n} P_i$.

Values for the elements of P_i , except M_R and M_O ,are readily available and should be utilized in determining the rate structure.

M_O is the least difficult of the two remaining elements to calculate. For instance, to calculate M_O for a Cessna 152 for Monterey Navy Flying Club in FY 84, divide the cost to overhaul a Lycoming O235 engine by the manufacturer's recommended time between overhauls (TBO). The result, from the example shown below, is $2.00 per hour which should be a part of the rental rate.

$$\frac{\text{Cost to overhaul}}{\text{TBO}} \qquad \frac{\$4000}{2000 \text{ hrs}} = \$2.00 \text{ per hour}$$

Often a club will purchase a mid-time engine and replace the run out engine in lieu of an overhaul. The rate calculated using the above procedure should still be applied to

the aircraft. Although a savings may occur and the cost to avoid an actual overhaul may be less than $2.00 hour, the overhaul cannot always be avoided and must be planned for. A surplus earned because of cost saving techniques on replacing run out engines can be used to offset unplanned maintenance or unexpected cost overruns. Club management must be aware of the true costs of an engine overhaul if no cost savings procedures are available and adopt an appropriate rate structure.

M_R is the most difficult factor to estimate. M_R can be broken down into two components: M_{RS}, which is scheduled routine maintenance such as 50 and 100 hour inspections, and M_{RU}, which is unscheduled maintenance such as avionics repairs, flight instrument repairs and repairs to other items whose time between failure or replacement cannot be accurately estimated.

Most items within M_R fall into the category of M_{RS}. An examination of maintenance records can provide reasonable estimates for M_{RS} and M_{RU}. Consider Table X and Table XI.

To illustrate application of the model for determining the rate structure, the breakeven rate for a Cessna 150 in FY 84 will be determined. The sample calculation is based on fy84 data for the Monterey Navy Flying Club.

$$P_O = (R - (F + M + M))H - (I + T + D)$$

$R = ?$

$F = 6.5$ GPH x $1.47 per gal = $9.56 per hour

TABLE X

CESSNA 152 FY 84 MAINTENANCE

Tot C152 Flt Hrs	Tot 100hr Insp csts	Tot 50hr Insp csts	Avg Life set tires	Avg Tire Repl cst	Msc Unsch Maint cst
1562hrs	$1156.50	$1126.75	416hrs	$158.00	$1054.68

$$M_R = M_{RS} + M_{RU}$$

$$M_{RS} = \frac{1156.50 + 1126.25}{1562} + \frac{158}{416} = \$1.84$$

$$M_{RU} = \frac{1054.68}{1156.50} = .91$$

$$M_P = 1.81 + .91 = \$2.75$$

Source: Appendix F

TABLE XI

ROUTINE MAINTENANCE ESTIMATES FY 84

Aircraft Type	M_{RS}	M_{RU}	M_R
Cessna 150	2.28	.50	2.78
Cessna 152	1.84	.91	2.75
Cessna 172	2.22	.30	2.52

M_R= $2.78 (Table XI)

M_O= $2.00

H = 454 hrs per year (Appendix F)

I = 1052.04 (Club records)

T = 0

D = $1600 ($8000 purchase price;5 yr schedule)

P_i= (R - (9.56+2.78+2.00)454 - (1052.04+1600)

P_i = 0 for breakeven

R = $20.18 per hour

In FY 84, the Monterey Flying Club's rental rate for a Cessna 150 was $19.50 per hour. On the average Cessna 150's operated at a $.50 loss per hour. P_O ,the total of all aircraft profits for FY 84 was $ -2124.72. This deficit in P_O was offset by a surplus in P_G of $5570 for a net income to the club of $3445. Utilizing the proposed model to calculate actual operating costs, Monterey's FY 84 rental rates were very close to actual operating costs. A surplus in general and administrative income allows flying clubs to charge at or slightly below the actual costs of operating club aircraft without showing a loss overall. Should any factor(s) in the model change such as a fuel price increase, then the rental rate may need adjusting. Projections for each upcoming month and/or year for P_O and P_G should be made.

V. ADDITIONAL TOPICS

A. LEASEBACK VERSUS CLUB OWNED AIRCRAFT

In an interview with a club manager concerning leasebacks versus club owned aircraft, the manager stated that club owned aircraft either earned large profits for the club or experienced large losses for the club whereas leasebacks always earned a small profit [Ref. 4]. The wide variations in maintenance costs for club owned aircraft, as supported by the data in Appendix F, explain the varying nature of profits for club owned aircraft. Overhauls and unplanned maintenance make earning a steady profit on club owned aircraft difficult at best. A predominantly leaseback structure would eliminate the need to apply the more elusive factors in the financial model. In a completely leaseback structure the financial model would reduce to the following:

$$P_O + P_G >= 0$$

P_G = D x N - (A + R + U + M) (as in chapter 4)

$$P_O = \sum_{i=1}^{n} P_i$$

P_i = (R - (F + L))H

R = Rental rate

F = Fuel costs per hour

L = Lease cost per hour

H = Number of hours flown

This simplified model containing fewer variables for club management to monitor would give club management clearer insight as to appropriate rental rates to ensure that the club breaks even on aircraft operations. The highly unpredictable maintenance costs are passed on to the owner who is allowed to take a tax deduction on maintenance costs, an advantage not afforded flying clubs. Since most flying club aircraft are older models usually incurring higher maintenance costs, clubs should consider a predominantly leaseback structure where profits are assured and the possibility for newer aircraft on the flightline may become a reality. The financial status of almost all clubs prohibits the purchase of relatively new aircraft.

B. DEPRECIATION

Depreciation is an often misunderstood item in the non-profit entity. Depreciation is a real cost and should be treated as such when determining the actual cost of operating an aircraft. If depreciation is not taken, a flying club may think revenue is sufficient to cover costs when in fact it is not. Assets have to be replaced and if they are written off in the year purchased, (expensed) the excess of income over expenses will fluctuate widely from year to year relative to the timing of asset replacement.[Ref. 5] The wide swing in profits of club owned aircraft supports this argument. M_O, the maintenance overhaul factor is a form of

depreciation. If revenue is not collected to cover the depreciation expense of an engine, the club will be faced with an overhaul and no funds to cover the costs of the overhaul. The club will be forced to treat the overhaul as a current year expense rather than a capital improvement for which a reserve has been established to cover overhaul costs.

C. BUDGETING

Budgeting should be an integral part of the financial management of flying clubs. Utilizing the model proposed in chapter 4, club management can predict the aircraft operations and the general and administrative profits for the next month or the next year. For clubs with many aircraft, a small computer capable of accomodating a spreadsheet program would simplify the calculations. Projected performance can be compared with actual performance and deviations can be investigated on a monthly basis to determine the cause for deviations and to decide if corrective measures should be taken. Utilizing a monthly budget would warn of impending financial difficulties and allow for corrective action during the fiscal year instead of applying hindsight at fiscal year end. A working financial model and a club management with an understanding of the elements that make up the model, combined with sound budgeting techniques, are the essential ingredients of a financially sound flying club.

VI. CONCLUSIONS

A. GENERAL

There is no single factor such as number of hours flown, or number of club employees which by itself predicts a club's potential for profitability. For a club to break-even, or perhaps to earn a modest profit, club management should have a working knowledge of the model describing the club's financial operations, and make decisions based on information gained from applying the model.

B. SPECIFIC

The income statement currently being utilized by the flying clubs as part of their annual report does not parallel the model which best describes the flying club financial process. A realignment of the income statement would assist club management's evaluation of financial performance.

APPENDIX A

FINANCIAL STATEMENTS

FLYING CLUB NAME MONTEREY NAVY FLYING CLUB

BALANCE SHEET AS OF SEPTEMBER 30, 1984

PREPARED BY T. E. Woolcock, Manager

Current				
104, 109	Cash		$ 13,960.12	
121	Investments, short term		3,412.46	
131, 132	Accounts receivable		13,620.82	
153	Inventories, resale		2,335.13	
154	Inventories, aircraft parts			
155	Inventories, fuel			
	Total Current Assets			$ 33,328.53
Non Current				
173	Furniture, Fixtures,	$ 900.00		
183	Less: Accum. Deprec.	900.00	0	
171	Vehicles			
181	Less: Accum. Deprec.			
175	Bldgs. & facilities			
185	Less: Accum. Deprec.			
178	Aircraft owned	60,123.60		
188	Less: Accum. Deprec.	31,242.31	28,881.29	
	Total Non Current Assets			28,881.29
Other				
161	Prepaid expenses			
191	Long-term investments			
195	Investments-funded reserves			
	Total Other Assets			
Total Assets				62,209.82

FLYING CLUB NAME MONTEREY NAVY FLYING CLUB

BALANCE SHEET AS OF September 30, 1984

CURRENT	LIABILITIES		
201	Accounts payable	$ 1,374.30	
211	Accrued wages		
213, 215	Employee benefits & taxes		
214, 229			
212	Accrued annual leave		
207	Insurance		
261	Short term loans		
	Total Current Liabilities		$ 1,374.30
LONG TERM			
272	Loans		
TOTAL LIABILITIES			1,374.30
	NET WORTH		
299	Funded reserves		
291	Retained earnings	60,835.52	
	Total Net Worth		60,835.52
	Total Liabilities and Net Worth		62,209.82

FLYING CLUB NAME MONTEREY NAVY FLYING CLUB

OPERATING STATEMENT

FOR THE YEAR ENDED September 30, 1984

	SALES			
302	Flight supplies and accessories		$ 16,275.19	
402	Less: Cost of flight supplies and accessories		14,834.29	
	Gross Profit on Sales			$ 1,440.90
	SALE OF SERVICES NON-VA			
303	Aircraft rental	$ 199,702.31		
305	In-flight instruction			
307	Ground instruction			
	Total Non-VA		199,702.31	
	SALE OF SERVICES VA			
304	Aircraft rental			
306	In-flight instruction			
308	Ground instruction			
	Total VA			
	Total Sale of Services			199,702.31
	TOTAL SALES			201,143.21
	DIRECT EXPENSE			
	Personnel Costs			
603	Salaries and wages-administrative	$ 19,129.92		
604	Salaries and wages-maintenance	21,733.50		
630	Social Security			
631	Retirement annuity contributions			
632	Group comprehensive medical contributions			
633	Retirement life insurance contributions			
622	Annual leave			
623	Sick leave			
	Total Personnel Costs			40,863.42
	Operating Costs			
	Non-VA			
423	Aircraft rental	42,303.95		
427	Ground instruction			
	Total Non-VA		42,303.95	
	VA			
424	Aircraft rental			
428	Ground instruction			
	Total VA			

FLYING CLUB NAME MONTEREY NAVY FLYING CLUB

OPERATING STATEMENT

FOR THE YEAR ENDING September 30, 1984

	OTHER DIRECT			
421	Gasoline	$ 99,783.15		
422	Oil	1,422.65		
425	Storage and tiedown			
426	Maintenance-routine	17,538.89		
429	Maintenance-overhaul			
641	Utilities and rent	6,759.82		
661	Telephone and postage	2,002.73		
721	Travel and per diem			
731	Freight and transportation			
701	Supplies			
781	Insurance premiums	12,190.53		
	Total Other Direct		$ 139,697.77	
	Total Operating Costs and Other Direct			$ 182,501.72
	TOTAL OPERATING COSTS			
	Depreciation			
762	Furniture, fixtures, eqpt.			
761	Vehicles			
763	Buildings and facilities			
765	Aircraft	7,795.26		
	Total Depreciation			7,795.26
	Total Direct Expense			231,160.40
	Other Income			
531	Other dues and assessments	45,388.25		
569	Contributions and donations			
	Interest income	1,107.01		
	Insurance proceeds			
	Total Other Income			46,495.26
	Other Expense			
799	Miscellaneous other expenses	12,963.94		
905	Interest expense	15.70		
904	Bad debt expense	53.15		
	Total Other Expense			13,032.79
999	NET INCOME (LOSS)			3,445.28

FLYING CLUB NAME MONTEREY NAVY FLYING CLUB

STATEMENT OF NET WORTH

AS OF September 30, 1984

	299 Funded Reserves	291 Retained Earnings
Beginning of year balance		$ 57,390.24
Add: Profit (999)		3,445.28
Deduct: Loss (999)		
Transfer of retained earnings to funded reserve		
Transfer of retained earnings from funded reserve		
End of year balances		60,835.52

APPENDIX B

FLYING CLUB DATA

Name	# Empl.	# Mem.	# A/C	# Mem/AC
Agana	1	83	4	20.75
Atlanta	1	182	9	20.22
Barbers Point	2	154	22	7.00
China Lake	0	79	6	13.17
Cubi Point	4	45	5	9.00
Dahlgren	0	72	6	12.00
Dallas	1	160	11	14.55
Guantanamo Bay	0	25	4	6.25
Jacksonville	1	189	13	14.54
Kansas City	0	30	4	7.50
Key West	0	39	3	13.00
Lakehurst	0	65	4	16.25
Lemoore	0	150	13	11.54
Memphis	3	207	15	13.80
Moffett Field	5	230	14	16.43
Monterey	0	267	21	12.71
New Orleans	0	64	3	21.33
Norfolk	0	240	16	15.00
North Island	3	219	11	19.91
Patuxent	1	111	8	13.88
Point Mugu	0	39	7	5.57
Roosevelt Roads	2	254	9	28.22
Rota	1	98	7	14.00
Trenton	0	22	1	22.00
Twin Cities		18	1	18.00
U.S. Naval Acad.	0	180	8	22.50
Warminster	0	78	4	19.50
Whidbey Island	2	160	11	14.55

APPENDIX C

LAMBDA CALCULATIONS

Number of Hours Flown

	Number of Hours Flown (thousands)					
	1.5-2	2-3	3-5	5-7	>7	Tot
No. of profitable large clubs	1	3	2	1	1	8
No. of nonprofitable large clubs	0	2	1	2	0	4

$$\text{Lambda} = \frac{4-4}{4} = 0$$

	Number of Hours Flown				
	500-800	800-1100	1100-1400	1400-1700	Tot
No. of profitable medium clubs	0	1	0	4	5
No. of nonprofitable medium clubs	2	0	0	2	4

$$\text{Lambda} = \frac{4-2}{4} = .5$$

	Number of Hours Flown				
	200-700	700-1200	1200-1700	> 1700	Tot
No. of profitable small clubs	2	0	1	1	4
No. of nonprofitable small clubs	0	2	0	1	3

$$\text{Lambda} = \frac{3-1}{3} = .67$$

Number of Members per Aircraft

	No. of Members Per Aircraft					
	<10	10-15	15-20	20-25	>25	Tot
No. of profitable large clubs	1	5	0	1	1	8
No. of nonprofitable large clubs	0	2	2	1	0	5

$$\text{Lambda} = \frac{5-3}{5} = .4$$

No. of profitable medium clubs	0	2	1	1	0	4
no. of nonprofitable medium clubs	0	2	2	0	0	4

$$\text{Lambda} = \frac{4-2}{4} = .25$$

No. of profitable small clubs	0	2	1	1	0	4
No. of nonprofitable small clubs	1	0	0	1	1	3

$$\text{Lambda} = \frac{3-1}{3} = .67$$

Number of Club Employees

	No. of Club Employees						
	0	1	2	3	4	5	Tot
No. of profitable large clubs	2	1	3	1	0	0	7
No. of nonprofitable large clubs	0	2	0	1	0	1	4

$$\text{Lambda} = \frac{4-2}{4} = .5$$

No. of profitable medium clubs	3	2	0	0	0	0	5
No. of nonprofitable medium clubs	3	2	0	0	0	0	5

$$\text{Lambda} = \frac{5-5}{5} = 0$$

Only one small club had employees. Lambda calculations for small clubs is not applicable.

APPENDIX D

BALANCE SHEETS

	AGANA	N. ACAD.	ATLANTA	BARB.PT
ASSETS				
CURENT:				
CASH	11993.35	13276.27	6763.58	3027.57
INVESTMENTS,SHT TM	0.00	25010.99		6880.17
ACCTS RECEIVABLE	1806.64	7672.75	26496.39	35525.42
INV, RESALE	3811.61			1276.57
INV, A/C PARTS	55378.49			16550.81
INV, FUEL				2501.34
MISC.				12286.18
TOTAL CURR ASSETS	72990.09	45960.01	33259.97	78048.06
NONCURRENT:				
FURNITURE,FIXTURES		672.65	685.25	3147.23
LESS: ACCUM. DEPR.		168.00	578.67	2377.39
VEHICLES				
LESS: ACCUM. DEPR.				
BLDGS & FACILITIES			6980.56	
LESS: ACCUM. DEPR.			3297.09	
AIRCRAFT OWNED	59213.27		88794.43	33798.13
LESS: ACCUM. DEPR.	14956.69		30586.43	28190.23
TOT NON CUR ASSETS	44256.58	504.65	61998.05	6377.74
OTHER:				
PREPAID EXPENSES			1199.86	396.00
TOTAL ASSETS	0.00	46464.66	96457.88	84821.80
LIABILITIES				
CURRENT:				
UNEARNED INCOME				5170.18
ACCOUNTS PAYABLE	1268.00	1305.00	14470.13	1973.85
ACCRUED WAGES				
EMPL BENEF.& TAXES	3697.39		2220.15	1416.00
ACCURED ANNUAL LV				1024.68
INSURANCE		3342.30		4415.06
SHORT TERM LOANS			3213.54	5355.10
TOTAL CURRENT LIAB	4965.39	4647.30	19903.62	19354.87
LONG TERM:				
LOANS			2740.70	
TOTAL LIABILITIES	4965.39	4647.30	22644.32	19354.87
NET WORTH				
FUNDED RESERVES			10700.00	
RETAINED EARNINGS	112281.28	41817.36	63113.56	65466.93
TOTAL NET WORTH	112281.28	41817.36	73813.56	65466.93
TOTAL LIAB & N W	117246.67	46464.66	96457.88	84821.80

	CHINA LAKE	CUBI PT	DAHLGREN	DALLAS
ASSETS				
CURENT:				
CASH	8928.00	10823.15	3672.67	16521.76
INVESTMENTS,SHT TM			8822.03	
ACCTS RECEIVABLE	8759.00	8940.01	7281.21	8147.37
INV, RESALE		1764.38	912.43	753.85
INV, A/C PARTS		20465.03	5659.70	5440.50
INV, FUEL	755.00	2226.92		2320.00
MISC.			128.82	
TOTAL CURR ASSETS	18442.00	44219.49	26476.86	33183.48
NONCURRENT:				
FURNITURE,FIXTURES		1612.93		4454.53
LESS: ACCUM. DEPR.		1319.76		3461.08
VEHICLES				
LESS: ACCUM. DEPR.				
BLDGS & FACILITIES				3170.97
LESS: ACCUM. DEPR.				2602.95
AIRCRAFT OWNED		33021.00	43307.50	55037.00
LESS: ACCUM. DEPR.		28558.50	24117.24	53596.73
TOT NON CUR ASSETS	0.00	4755.67	19190.26	3001.74
OTHER:				
PREPAID EXPENSES		2613.11	4726.08	
TOTAL ASSETS	18442.00	51588.27	50393.20	36185.22
LIABILITIES				
CURRENT:				
UNEARNED INCOME				
ACCOUNTS PAYABLE	4996.00		6662.81	
ACCRUED WAGES		337.48		
EMPL BENEF.& TAXES		10244.89		
ACCURED ANNUAL LV		368.65		
INSURANCE	5265.00	14863.42		
SHORT TERM LOANS				
TOTAL CURRENT LIAB	10261.00	25814.44	6662.81	0.00
LONG TERM:				
LOANS	3950.00			
TOTAL LIABILITIES	14211.00	25814.44	6662.81	0.00
NET WORTH				
FUNDED RESERVES	58.00			
RETAINED EARNINGS	4173.00	25773.83	43730.51	36185.22
TOTAL NET WORTH	4231.00	25773.83	43730.51	36185.22
TOTAL LIAB & N W	18442.00	51588.27	50393.32	36185.22

	GITMO	GROTON	JAX	KANSAS CIT
ASSETS				
CURENT:				
CASH	332.73	6660.82	6508.10	1258.00
INVESTMENTS,SHT TM	508.30	3278.60	33053.60	618.00
ACCTS RECEIVABLE	722.00	1210.55	3919.62	
INV, RESALE			416.49	
INV, A/C PARTS			10483.71	313.00
INV, FUEL				
MISC.				
TOTAL CURR ASSETS	1563.03	11149.97	54381.52	2189.00
NONCURRENT:				
FURNITURE,FIXTURES	2000.00		2067.71	
LESS: ACCUM. DEPR.	667.67		400.56	
VEHICLES			4389.32	
LESS: ACCUM. DEPR.				
BLDGS & FACILITIES				
LESS: ACCUM. DEPR.				
AIRCRAFT OWNED	7000.00	36000.00	36355.00	
LESS: ACCUM. DEPR.	700.00	24137.20	23269.29	
TOT NON CUR ASSETS	7632.33	11862.80	19142.18	0.00
OTHER:				
PREPAID EXPENSES			2547.11	
TOTAL ASSETS	9195.36	23012.77	76070.81	2189.00
LIABILITIES				
CURRENT:				
UNEARNED INCOME				
ACCOUNTS PAYABLE	1435.21		9493.30	
ACCRUED WAGES	50.00			
EMPL BENEF.& TAXES				
ACCURED ANNUAL LV				
INSURANCE	1252.82			
SHORT TERM LOANS				5028.00
TOTAL CURRENT LIAB	2738.03	0.00	9493.30	5028.00
LONG TERM:				
LOANS	2838.31			
TOTAL LIABILITIES	5576.34	0.00	9493.30	5028.00
NET WORTH				
FUNDED RESERVES				
RETAINED EARNINGS	3619.02	23012.77	49102.48	-2839.00
TOTAL NET WORTH	3619.02	23012.77	49102.48	-2839.00
TOTAL LIAB & N W	9195.36	23012.77	58595.78	2189.00

	KEY WEST	LAKEHURST	LEMOORE	MEMPHIS
ASSETS				
CURENT:				
CASH	1634.00	4598.53	5742.43	18764.03
INVESTMENTS,SHT TM	11766.98		10591.10	103225.64
ACCTS RECEIVABLE	5196.07	3475.70	6159.67	2092.58
INV, RESALE		19.90	472.76	
INV, A/C PARTS		2677.00	1196.58	5500.00
INV, FUEL		2680.01	1392.06	3483.00
MISC.				1581.70
TOTAL CURR ASSETS	18597.05	13451.14	25554.60	134646.95
NONCURRENT:				
FURNITURE,FIXTURES	3963.19		2489.16	
LESS: ACCUM. DEPR.	1003.90		1759.96	
VEHICLES				
LESS: ACCUM. DEPR.				
BLDGS & FACILITIES	3238.80			
LESS: ACCUM. DEPR.				
AIRCRAFT OWNED	52670.00	16613.08	24600.00	195889.15
LESS: ACCUM. DEPR.	39983.65	5651.55	24600.00	169086.27
TOT NON CUR ASSETS	18884.44	10961.53	729.20	26802.88
OTHER:				
PREPAID EXPENSES	7.23	388.56	261.08	
TOTAL ASSETS	37488.72	24801.23	26544.88	161449.83
LIABILITIES				
CURRENT:				
UNEARNED INCOME	341.75	6481.45		3402.02
ACCOUNTS PAYABLE	1670.25	2301.56	10292.58	1731.75
ACCRUED WAGES			314.75	
EMPL BENEF.& TAXES			22.03	
ACCURED ANNUAL LV			276.12	
INSURANCE			347.00	
SHORT TERM LOANS				
TOTAL CURRENT LIAB	2012.00	8783.01	11252.48	5133.77
LONG TERM:				
LOANS	1592.40			
TOTAL LIABILITIES	3604.40	8783.01	11252.48	5133.77
NET WORTH				
FUNDED RESERVES				
RETAINED EARNINGS	40393.57	16018.22	15292.40	156316.06
TOTAL NET WORTH	40393.57	16018.22	15292.40	156316.06
TOTAL LIAB & N W	43997.97	24801.23	26544.88	161449.83

	MONTEREY	MOFFETT	NEW ORLEANS	NEWPORT
ASSETS				
CURRENT:				
CASH	13960.12	61478.00	15842.38	1242.01
INVESTMENTS,SHT TM	3412.46			3758.83
ACCTS RECEIVABLE	13620.82	5549.00	101.25	1874.84
INV, RESALE	2335.13			25.00
INV, A/C PARTS		2319.00		350.00
INV, FUEL		466.00	266.29	
MISC.				
TOTAL CURR ASSETS	33328.53	69812.00	16209.92	7250.68
NONCURRENT:				
FURNITURE,FIXTURES	900.00	4659.00	2995.00	
LESS: ACCUM. DEPR.	900.00	1592.00	2250.00	
VEHICLES				
LESS: ACCUM. DEPR.				
BLDGS & FACILITIES		39922.00		
LESS: ACCUM. DEPR.		1996.00		
AIRCRAFT OWNED	60123.60			36900.00
LESS: ACCUM. DEPR.	31242.31			23000.00
TOT NON CUR ASSETS	28881.29	40993.00	745.00	13900.00
OTHER:				
PREPAID EXPENSES				
TOTAL ASSETS	62209.82	110805.00	16954.92	21150.68
LIABILITIES				
CURRENT:				
UNEARNED INCOME				
ACCOUNTS PAYABLE	1374.30	26847.00	29531.73	2880.98
ACCRUED WAGES			-286.57	
EMPL BENEF.& TAXES		4136.00		
ACCURED ANNUAL LV		5814.00		
INSURANCE				
SHORT TERM LOANS				
TOTAL CURRENT LIAB	1374.30	36797.00	29245.16	2880.98
LONG TERM:				
LOANS				3600.00
TOTAL LIABILITIES	1374.30	36797.00	29245.16	6480.98
NEW WORTH:				
FUNDED RESERVES				
RETAINED EARNINGS	60835.52	77108.00	-12290.24	14669.70
TOTAL NET WORTH	60835.52	77108.00	-12290.24	14669.70
TOTAL LIAB & N W	62209.82	113905.00	16954.92	21150.68

	NORFOLK	NORTH IS.	ORLANDO	PATUXET
ASSETS				
CURRENT:				
CASH	31387.29	11918.90	2528.79	20700.53
INVESTMENTS,SHT TM		4268.54	11203.91	335.09
ACCTS RECEIVABLE	28907.17	5537.85	3446.43	5941.35
INV, RESALE	48569.38	3417.35		866.25
INV, A/C PARTS		9312.18		24097.50
INV, FUEL		1499.83		200.00
MISC.	446.10			
TOTAL CURR ASSETS	109309.94	35954.65	17179.13	52140.72
NONCURRENT:				
FURNITURE,FIXTURES	8079.15	5644.64	2611.32	1503.78
LESS: ACCUM. DEPR.	4630.47	1977.83	1310.92	
VEHICLES				
LESS: ACCUM. DEPR.				
BLDGS & FACILITIES	49207.40			
LESS: ACCUM. DEPR.	17837.21			
AIRCRAFT OWNED	94520.00		29893.25	6051.84
LESS: ACCUM. DEPR.	57754.00		16868.17	756.48
TOT NON CUR ASSETS	71584.87	3666.81	14325.48	6799.14
OTHER:				
PREPAID EXPENSES			127.50	
TOTAL ASSETS	180894.81	39621.46	31632.11	58939.86
LIABILITIES				
CURRENT:				
UNEARNED INCOME			336.72	6685.28
ACCOUNTS PAYABLE	16993.87	23640.07	3432.16	
ACCRUED WAGES	1577.26	1420.00		
EMPL BENEF.& TAXES	812.21			
ACCURED ANNUAL LV	1154.21	1600.00		
INSURANCE	3492.42			
SHORT TERM LOANS				11149.99
TOTAL CURRENT LIAB	24029.97	26660.07	3768.88	17835.27
LONG TERM:				
LOANS				
TOTAL LIABILITIES	24029.97	26660.07	3768.88	17835.27
NEW WORTH:				
FUNDED RESERVES		944.00	10500.91	
RETAINED EARNINGS	156864.84	12017.39	17362.32	41101.59
TOTAL NET WORTH	156864.84	12961.39	27863.23	41101.59
TOTAL LIAB & N W	180894.81	39621.46	31632.11	58936.86

	PT MUGU	ROOS. RDS	ROTA	TWIN CITIE
ASSETS				
CURRENT:				
CASH	5015.78	4583.01	2518.38	2601.08
INVESTMENTS,SHT TM			2112.68	
ACCTS RECEIVABLE	6679.94	19446.53	8020.81	125.22
INV, RESALE		3410.93	443.15	
INV, A/C PARTS	1000.00	15038.28	9255.56	
INV, FUEL	360.00	12985.34	343.17	
MISC.				
TOTAL CURR ASSETS	13055.72	55464.09	22693.75	2726.30
NONCURRENT:				
FURNITURE,FIXTURES		1008.00	1391.20	
LESS: ACCUM. DEPR.		808.78	71053.40	
VEHICLES				
LESS: ACCUM. DEPR.				
BLDGS & FACILITIES				
LESS: ACCUM. DEPR.				
AIRCRAFT OWNED		107930.07	14800.00	14000.00
LESS: ACCUM. DEPR.		66455.03	7940.00	
TOT NON CUR ASSETS	0.00	41674.26	-62802.20	14000.00
OTHER:				
PREPAID EXPENSES		13670.21		
TOTAL ASSETS	13055.72	110808.56	-40108.45	16726.30
LIABILITIES				
CURRENT:				
UNEARNED INCOME				938.00
ACCOUNTS PAYABLE	4397.51	8199.23	8815.80	409.00
ACCRUED WAGES				
EMPL BENEF.& TAXES		2299.10		
ACCURED ANNUAL LV		6252.27		
INSURANCE				
SHORT TERM LOANS				
TOTAL CURRENT LIAB	4397.51	16750.60	8815.80	1347.00
LONG TERM:				
LOANS		29039.03		14081.03
TOTAL LIABILITIES	4397.51	45789.63	8815.80	15428.03
NEW WORTH:				
FUNDED RESERVES				
RETAINED EARNINGS	8658.21	69617.73	21075.75	758.27
TOTAL NET WORTH	8658.21	69617.73	21075.75	758.27
TOTAL LIAB & N W	13055.72	115407.36	29891.55	16186.30

	TRENTON	WARMINSTER	WHIDBEY I
ASSETS			
CURRENT:			
CASH	55409.18	8000.92	21337.00
INVESTMENTS,SHT TM	5794.56	18399.70	24847.00
ACCTS RECEIVABLE	3819.38	2093.30	8175.00
INV, RESALE	101.47		1007.00
INV, A/C PARTS			2417.00
INV, FUEL	1498.68		3917.00
MISC.			
TOTAL CURR ASSETS	66623.27	28493.92	61700.00
NONCURRENT:			
FURNITURE,FIXTURES	400.00		4198.00
LESS: ACCUM. DEPR.	400.00		1277.00
VEHICLES			
LESS: ACCUM. DEPR.			
BLDGS & FACILITIES			4535.00
LESS: ACCUM. DEPR.			2391.00
AIRCRAFT OWNED	27101.00	14500.00	149.00
LESS: ACCUM. DEPR.	20405.42	14500.00	149.00
TOT NON CUR ASSETS	6695.58	0.00	5065.00
OTHER:			
PREPAID EXPENSES			
TOTAL ASSETS	73318.85	28493.92	66765.00
LIABILITIES			
CURRENT:			
UNEARNED INCOME		3050.00	4932.00
ACCOUNTS PAYABLE			11597.00
ACCRUED WAGES			
EMPL BENEF.& TAXES			
ACCURED ANNUAL LV			
INSURANCE	340.07		
SHORT TERM LOANS			
TOTAL CURRENT LIAB	340.07	3050.00	16529.00
LONG TERM:			
LOANS	5614.42		
TOTAL LIABILITIES	5954.49	3050.00	16529.00
NEW WORTH:			
FUNDED RESERVES	4500.00		
RETAINED EARNINGS	13039.36	25443.92	50237.00
TOTAL NET WORTH	17539.36	25443.92	50237.00
TOTAL LIAB & N W	23493.85	28493.92	66766.00

INCOME STATEMENTS

	AGANA	N. ACAD.	ATLANTA	BARB.PT
REVENUE				
SALES:				
FLT SUPPLIES/ACC	7105.62	8435.00	6168.21	4872.60
LESS: C O G SOLD	7233.47	7159.34	6753.65	3148.94
GROSS PROF/SALES	-127.85	1275.66	-585.44	1723.66
NON VA SERVICES:				
AIRCRAFT RENTAL	49720.25	53735.70	93501.29	133374.70
IN-FLIGHT INSTR	0.00			1600.10
GROUND INSTR	0.00	4040.00		
VA SERVICES:				
AIRCRAFT RENTAL	0.00			
IN-FLIGHT INSTR	0.00			
GROUND INSTR	2990.00			
TOTAL SERVICES	52710.25	57775.70	93501.29	134974.80
TOT OPS REVENUE	52582.40	59051.36	92915.85	136698.46
EXPENSES				
PERSONNEL:				
SAL/WAGES ADMIN	15391.68		5112.00	30081.54
SAL/WAGES MAINT	9010.74		19228.16	19440.00
SOCIAL SECURITY	815.27		1641.92	4491.85
RETIREMENT ANN CON	0.00			
GROUP COMP MEDICAL	0.00			1870.44
RETIREMENT LIFE IN	0.00			
ANNUAL LEAVE	0.00			2099.21
SICK LEAVE	0.00			
TOTAL PERSONNEL	25217.69	0	25982.08	57983.04
NON-VA:				
AIRCRAFT RENTAL	0.00	35683.35	17137.81	82387.23
GROUND INSTRUCTION	2400.00	2424.00		99.33
FLIGHT INSTRUCTION				
TOTAL NON-VA	2400.00	38107.35	17137.81	82486.56
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	AGANA	N. ACAD.	ATLANTA	BARB.FT
OTHER DIRECT:				
GASOLINE	15764.49	24412.23	41399.16	46875.99
OIL	490.48			893.50
STORAGE/TIE DOWN				
MAINT-ROUTINE	6334.94		23835.88	
MAINT-OVERHAUL			6453.03	1081.12
UTILITIES & RENT	0.00			
TELEPHONE/POSTAGE	394.73		1271.55	345.76
TRAVEL/PER DIEM			275.64	
FREIGHT/TRANSPORT.	513.11		25.48	
SUPPLIES			2025.63	1076.46
INSURANCE PREMIUMS	4208.92		20387.05	
MISC./ ACCOUNTING	558.70			
TOTAL OTHER DIRECT	28265.37	24412.23	95673.42	50272.83
DEPRECIATION:				
FURNITURE,FIXT,EQ		168.00	87.68	118.92
VEHICLES				
BLDGS, FACILITIES			467.00	
AIRCRAFT	3738.23		6903.32	
TOTAL DEPRECIATION	3738.23	168.00	7458.00	118.92
TOT OPERATING COST	59621.29	62687.58	146251.31	190861.35
INCOME FROM OPS	-7038.89	-3636.22	-53335.46	-54162.89
OTHER INCOME				
OTHER DUES/ASSESMT	13699.98	20018.15	32965.01	33075.60
CONTRIBUTIONS	867.41		257.64	14580.89
INTEREST	1242.42	2604.02	1508.03	1788.09
INSURANCE PROCEEDS		91.91		16456.05
TOT OTHER INCOME	15809.81	22714.08	34730.68	65900.63
OTHER EXPENSES				
MSC OTHER EXPENSES	0.00	8230.28	1013.15	1959.19
INTEREST EXPENSE	0.00		2146.28	
BAD DEBT EXPENSE	0.00	384.99		701.50
LOSS DISP FIXED ASS				8224.50
TOTAL OTHER EXP	0.00	8615.27	3159.43	10885.19
INCOME FROM OTHER	15809.81	14098.81	31571.25	55015.44
NET INCOME(LOSS)	8770.92	10462.59	-21764.21	852.55
EXTRAORD. INC/LOSS	5510.32			
NET	14281.24			

	CHINA LAKE	CUBI PT	DAHLGREN	DALLAS
REVENUE				
SALES:				
FLT SUPPLIES/ACC		2602.00	1161.22	1596.80
LESS: C O G SOLD		1986.31	1054.50	879.47
GROSS PROF/SALES	0.00	615.69	106.72	717.33
NON VA SERVICES:				
AIRCRAFT RENTAL	40526.00	22628.95	46959.60	56576.10
IN-FLIGHT INSTR	5330.00	3831.31		
GROUND INSTR	1054.00	566.45		
VA SERVICES:				
AIRCRAFT RENTAL				
IN-FLIGHT INSTR				
GROUND INSTR				
TOTAL SERVICES	46910.00	27026.71	46959.60	56576.10
TOT OPS REVENUE	46910.00	27642.40	47066.32	57293.43
EXPENSES				
PERSONNEL:				
SAL/WAGES ADMIN		11982.97		8750.00
SAL/WAGES MAINT				
SOCIAL SECURITY		20.24		
RETIREMENT ANN CON				
GROUP COMP MEDICAL		32.09		
RETIREMENT LIFE IN				
ANNUAL LEAVE		297.95		
SICK LEAVE		314.96		
TOTAL PERSONNEL		12648.21	0.00	8750
NON-VA:				
AIRCRAFT RENTAL	20129.00	1795.20	9305.40	19230.30
GROUND INSTRUCTION	1054.00	2607.27		
FLIGHT INSTRUCTION	5974.00			
TOTAL NON-VA	27157.00	4402.47	9305.40	19230.30
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	CHINA LAKE	CUBI PT	DAHLGREN	DALLAS
OTHER DIRECT:				
GASOLINE	18842.00	9280.82	21397.24	26008.51
OIL	325.00	499.26		16124.27
STORAGE/TIE DOWN				
MAINT-ROUTINE	2038.00	4859.63	9265.75	15090.64
MAINT-OVERHAUL	0.00	1270.00		3521.09
UTILITIES & RENT		505.38		
TELEPHONE/POSTAGE	598.00	409.01		1223.26
TRAVEL/PER DIEM				
FREIGHT/TRANSPORT.		275.23		
SUPPLIES	89.00	194.23	625.53	1622.96
INSURANCE PREMIUMS	10212.00	3607.77	8852.88	15413.74
MISC./ ACCOUNTING			1920.18	1700.00
TOTAL OTHER DIRECT	32104.00	20901.33	42061.58	80704.47
DEPRECIATION:				
FURNITURE,FIXT,EQ		219.96		226.92
VEHICLES				
BLDGS, FACILITIES				332.68
AIRCRAFT		37.50	4341.52	1713.96
TOTAL DEPRECIATION		257.46	4341.52	2273.56
TOT OPERATING COST	59261.00	38209.47	55708.50	110958.33
INCOME FROM OPS	-12351.00	-10567.07	-8642.18	-53664.90
OTHER INCOME				
OTHER DUES/ASSESMT	16270.00	8995.50	13336.58	42791.49
CONTRIBUTIONS		4518.27	3706.37	
INTEREST	86.00	814.97	481.59	1692.48
INSURANCE PROCEEDS		94.22		
TOT OTHER INCOME	16356.00	14422.96	17524.54	44483.97
OTHER EXPENSES				
MSC OTHER EXPENSES	5043.00	1025.36		1558.87
INTEREST EXPENSE			9.00	
BAD DEBT EXPENSE		272.00		4182.41
LOSS DISP FIXED ASS				
TOTAL OTHER EXP	5043.00	1297.36	9.00	5741.28
INCOME FROM OTHER	11313.00	13125.60	17515.54	38742.69
NET INCOME(LOSS)	-1038.00	2558.53	8873.36	-14922.21
EXTRAORD.INC/LOSS				
NET				

	GITMO	GROTON	JAX	KANSAS CIT
REVENUE				
SALES:				
FLT SUPPLIES/ACC			3561.50	
LESS: C O G SOLD			6242.75	
GROSS PROF/SALES	0.00	0.00	-2681.25	0.00
NON VA SERVICES:				
AIRCRAFT RENTAL	17614.50	24394.46		11163.00
IN-FLIGHT INSTR				
GROUND INSTR				
VA SERVICES:				
AIRCRAFT RENTAL			76580.74	
IN-FLIGHT INSTR				
GROUND INSTR				
TOTAL SERVICES	17614.50	24394.46	76580.74	11163.00
TOT OPS REVENUE	17614.50	24394.46	73899.49	11163.00
EXPENSES				
PERSONNEL:				
SAL/WAGES ADMIN			16262.24	
SAL/WAGES MAINT				
SOCIAL SECURITY			1131.85	
RETIREMENT ANN CON				
GROUP COMP MEDICAL				
RETIREMENT LIFE IN				
ANNUAL LEAVE				
SICK LEAVE				
TOTAL PERSONNEL	0.00	0.00	17394.09	0
NON-VA:				
AIRCRAFT RENTAL	8800.00		16738.26	3550.00
GROUND INSTRUCTION				
FLIGHT INSTRUCTION				
TOTAL NON-VA	8800.00	0.00	16738.26	3550.00
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	GITMO	GROTON	JAX	KANSAS CIT
OTHER DIRECT:				
GASOLINE	8728.24	11986.04	32264.58	4995.00
OIL				195.00
STORAGE/TIE DOWN		1200.00		3782.00
MAINT-ROUTINE	5480.36	13076.59	18139.05	2700.00
MAINT-OVERHAUL				3790.00
UTILITIES & RENT				366.00
TELEPHONE/POSTAGE	591.15	120.00	1222.91	
TRAVEL/PER DIEM				
FREIGHT/TRANSPORT.			6.54	
SUPPLIES	498.26	1279.47	1799.88	99.00
INSURANCE PREMIUMS	6600.78	0.00	15069.88	3443.00
MISC./ ACCOUNTING				
TOTAL OTHER DIRECT	21898.79	27662.10	68502.84	19370.00
DEPRECIATION:				
FURNITURE,FIXT,EQ	667.67		400.56	
VEHICLES				
BLDGS, FACILITIES			36.28	
AIRCRAFT	700.00	3000.00	697.86	
TOTAL DEPRECIATION	1367.67	3000.00	1134.70	0.00
TOT OPERATING COST	32066.46	30662.10	103769.89	22920.00
INCOME FROM OPS	-14451.96	-6267.64	-29870.40	-11757.00
OTHER INCOME				
OTHER DUES/ASSESMT	12344.03	5316.00	29493.60	7261.00
CONTRIBUTIONS			30802.93	
INTEREST			853.60	18.00
INSURANCE PROCEEDS		434.75		
TOT OTHER INCOME	12344.03	5750.75	61150.13	7279.00
OTHER EXPENSES				
MSC OTHER EXPENSES	1377.69	162.44	4785.60	2414.00
INTEREST EXPENSE			219.05	
BAD DEBT EXPENSE				
LOSS DISP FIXED ASS				
TOTAL OTHER EXP	1377.69	162.44	5004.65	2414.00
INCOME FROM OTHER	10966.34	5588.31	56145.48	4865.00
NET INCOME(LOSS)	-3485.62	-679.33	26275.08	-6892.00
EXTRAORD.INC/LOSS				
NET				

	KEY WEST	LAKEHURST	LEMOORE	MEMPHIS
REVENUE				
SALES:				
FLT SUPPLIES/ACC	976.59	1637.27	7161.82	17586.47
LESS: C O G SOLD	854.96	1296.25	6765.91	12994.52
GROSS PROF/SALES	121.63	341.02	395.91	4591.95
NON VA SERVICES:				
AIRCRAFT RENTAL	21315.00	13853.43	41303.32	96469.00
IN-FLIGHT INSTR		192.00		22696.10
GROUND INSTR		61.40		4015.00
VA SERVICES:				
AIRCRAFT RENTAL				
IN-FLIGHT INSTR				
GROUND INSTR				
TOTAL SERVICES	21315.00	14106.83	41303.32	123180.10
TOT OPS REVENUE	21436.63	14447.85	41699.23	127772.05
EXPENSES				
PERSONNEL:				
SAL/WAGES ADMIN	2400.00	975.00	10716.62	41748.48
SAL/WAGES MAINT	1015.00	2786.50		17962.49
SOCIAL SECURITY			898.04	4315.23
RETIREMENT ANN CON				
GROUP COMP MEDICAL				
RETIREMENT LIFE IN			1219.18	
ANNUAL LEAVE			613.81	
SICK LEAVE			338.49	
TOTAL PERSONNEL	3415.00	3761.5	13786.14	64026.2
NON-VA:				
AIRCRAFT RENTAL			13015.25	
GROUND INSTRUCTION				
FLIGHT INSTRUCTION				27241.30
TOTAL NON-VA	0.00	0.00	13015.25	27241.30
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	KEY WEST	LAKEHURST	LEMOORE	MEMPHIS
OTHER DIRECT:				
GASOLINE	7043.75	8546.43	18941.49	35516.79
OIL	124.97	485.77	313.18	423.00
STORAGE/TIE DOWN		46.50	9.00	
MAINT-ROUTINE	5270.30	4444.03	4928.52	25156.81
MAINT-OVERHAUL				
UTILITIES & RENT				1793.74
TELEPHONE/POSTAGE	838.75	534.07	729.42	1211.24
TRAVEL/PER DIEM				2462.60
FREIGHT/TRANSPORT.			12.13	390.75
SUPPLIES	583.53	124.86	1275.98	2156.19
INSURANCE PREMIUMS	3435.05	4385.03	1668.30	12183.40
MISC./ ACCOUNTING			3585.78	
TOTAL OTHER DIRECT	17296.35	18566.69	31463.80	81294.52
DEPRECIATION:				
FURNITURE,FIXT,EQ	120.00		251.40	1362.00
VEHICLES				
BLDGS, FACILITIES				92.36
AIRCRAFT	2921.40	1600.64		8911.47
TOTAL DEPRECIATION	3041.40	1600.64	251.40	10365.83
TOT OPERATING COST	23752.75	23928.83	58516.59	182927.85
INCOME FROM OPS	-2316.12	-9480.98	-16817.36	-55155.80
OTHER INCOME				
OTHER DUES/ASSESMT	7481.16	10949.00	18009.00	37315.00
CONTRIBUTIONS	6631.94		46.04	5211.92
INTEREST	617.84	142.57	1027.89	5394.40
INSURANCE PROCEEDS				62633.22
TOT OTHER INCOME	14730.94	11091.57	19082.93	110554.54
OTHER EXPENSES				
MSC OTHER EXPENSES	2434.73	2520.33	240.65	3857.20
INTEREST EXPENSE	197.50	4.00		647.53
BAD DEBT EXPENSE		872.71	338.80	65.17
LOSS DISP FIXED ASS				
TOTAL OTHER EXP	2632.23	3397.04	579.45	4569.90
INCOME FROM OTHER	12098.71	7694.53	18503.48	105984.64
NET INCOME(LOSS)	9782.59	-1786.45	1686.12	50828.84
EXTRAORD. INC/LOSS				
NET				

	MONTEREY	MOFFETT	NEW ORLEANS	NEWPORT
REVENUE				
SALES:				
FLT SUPPLIES/ACC	16275.19	9478.00	4290.02	
LESS: C O G SOLD	14834.29		1731.58	
GROSS PROF/SALES	1440.90	9478.00	2558.44	0.00
NON VA SERVICES:				
AIRCRAFT RENTAL	199702.31	168211.00	18714.30	18285.70
IN-FLIGHT INSTR	0.00	41008.00	99.00	
GROUND INSTR	0.00			
VA SERVICES:				
AIRCRAFT RENTAL	0.00			
IN-FLIGHT INSTR	0.00			
GROUND INSTR	0.00			
TOTAL SERVICES	199702.31	209219.00	18813.30	18285.70
TOT OPS REVENUE	201143.21	218697.00	21371.74	18285.70
EXPENSES				
PERSONNEL:				
SAL/WAGES ADMIN	19129.92	53635.00	6064.50	641.00
SAL/WAGES MAINT	21733.50	18820.00		
SOCIAL SECURITY	0.00	7330.00	942.94	
RETIREMENT ANN CON	0.00			
GROUP COMP MEDICAL	0.00			
RETIREMENT LIFE IN	0.00			
ANNUAL LEAVE	0.00	5814.00		
SICK LEAVE	0.00			
TOTAL PERSONNEL	40863.42	85599	7007.44	641.00
NON-VA:				
AIRCRAFT RENTAL	42803.95	18060.00	17129.90	
GROUND INSTRUCTION		32982.00		
FLIGHT INSTRUCTION				
TOTAL NON-VA	42803.95	51042.00	17129.90	0.00
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	MONTEREY	MOFFETT	NEW ORLEANS	NEWPORT
OTHER DIRECT:				
GASOLINE	99783.15	63323.00	2312.95	9645.13
OIL	1422.65			158.40
STORAGE/TIE DOWN				390.00
MAINT-ROUTINE	17538.89	3153.00	272.47	14115.89
MAINT-OVERHAUL				
UTILITIES & RENT	6759.82			29.02
TELEPHONE/POSTAGE	2002.73	3621.00	172.97	72.00
TRAVEL/PER DIEM				
FREIGHT/TRANSPORT.		271.00		
SUPPLIES		24746.00	220.11	400.88
INSURANCE PREMIUMS	12190.53	29456.00	-697.85	3393.41
MISC.				
TOTAL OTHER DIRECT	139697.77	124570.00	2280.65	28204.73
DEPRECIATION:				
FURNITURE,FIXT,EQ		428.00	600.00	
VEHICLES				
BLDGS, FACILITIES		998.00		
AIRCRAFT	7795.26			2100.00
TOTAL DEPRECIATION	7795.26	1426.00	600.00	2100.00
TOT OPERATING COST	231160.40	262637.00	27017.99	30945.73
INCOME FROM OPS	-30017.19	-43940.00	-5646.25	-12660.03
OTHER INCOME				
OTHER DUES/ASSESMT	45388.25	38167.00	13915.78	7370.30
CONTRIBUTIONS		499.00		
INTEREST	1107.01	4280.00	202.30	523.23
INSURANCE PROCEEDS				6578.71
TOT OTHER INCOME	46495.26	42946.00	14118.08	14472.24
OTHER EXPENSES				
MSC OTHER EXPENSES	12963.94	4956.00	785.96	51.00
INTEREST EXPENSE	15.70			832.59
BAD DEBT EXPENSE	53.15	7.00		221.00
LOSS DISP FIXED ASS				
TOTAL OTHER EXP	13032.79	4963.00	785.96	1104.59
INCOME FROM OTHER	33462.47	37983.00	13332.12	13367.65
NET INCOME(LOSS)	3445.28	-5957.00	7685.87	707.62
EXTRAORD. INC/LOSS				
LOSS				

	NORFOLK	NORTH IS.	ORLANDO	PATUXET
REVENUE				
SALES:				
FLT SUPPLIES/ACC	7461.98	49290.23		1176.63
LESS: C O G SOLD	7139.15	48150.71		1100.00
GROSS PROF/SALES	322.83	1139.52	0.00	76.63
NON VA SERVICES:				
AIRCRAFT RENTAL	168831.34	102225.32	34629.41	42631.33
IN-FLIGHT INSTR	26801.16	33865.76		
GROUND INSTR	3895.00			7000.00
VA SERVICES:				
AIRCRAFT RENTAL		16641.33		
IN-FLIGHT INSTR		5513.00		
GROUND INSTR				
TOTAL SERVICES	199527.50	158245.41	34629.41	49631.33
TOT OPS REVENUE	199850.33	159384.93	34629.41	49707.96
EXPENSES				
PERSONNEL:				
SAL/WAGES ADMIN	15545.81	29948.14		4652.40
SAL/WAGES MAINT	7476.64	6942.03		
SOCIAL SECURITY	1356.12	2389.12		1780.64
RETIREMENT ANN CON				
GROUP COMP MEDICAL				
RETIREMENT LIFE IN				
ANNUAL LEAVE	1089.21	1405.50		
SICK LEAVE	861.25			
TOTAL PERSONNEL	26329.03	40684.79	0	6433.04
NON-VA:				
AIRCRAFT RENTAL	43484.05	92112.08	6141.84	18126.75
GROUND INSTRUCTION		35808.26		
FLIGHT INSTRUCTION	33345.16			
TOTAL NON-VA	76829.21	127920.34	6141.84	18126.75
VA:				
AIRCRAFT RENTAL		14994.00		
GROUND INSTRUCTION		5829.00		
TOTAL VA	0.00	20823.00	0.00	0.00

	NORFOLK	NORTH IS.	ORLANDO	PATUXET
OTHER DIRECT:				
GASOLINE	57971.97		23810.86	10634.39
OIL			280.08	
STORAGE/TIE DOWN	528.16		3374.97	
MAINT-ROUTINE	31727.58	1013.26	15780.68	12451.03
MAINT-OVERHAUL				7354.28
UTILITIES & RENT	2637.98			
TELEPHONE/POSTAGE	3888.74	2200.76	888.56	988.81
TRAVEL/PER DIEM	120.74			
FREIGHT/TRANSPORT.	306.10			
SUPPLIES	2819.19	4479.23	435.10	374.27
INSURANCE PREMIUMS	18727.01	2200.00	6421.68	4610.25
MISC.	2310.27			212.49
TOTAL OTHER DIRECT	121037.74	9893.25	50991.93	36625.52
DEPRECIATION:				
FURNITURE,FIXT,EQ		560.00	259.92	
VEHICLES				
BLDGS, FACILITIES				
AIRCRAFT	15531.24		1618.34	2338.78
TOTAL DEPRECIATION	15531.24	560.00	1878.26	2338.78
TOT OPERATING COST	239727.22	199881.38	59012.03	63524.09
INCOME FROM OPS	-39876.89	-40496.45	-24382.62	-13816.13
OTHER INCOME				
OTHER DUES/ASSESMT	46243.84	43042.21	33625.60	10555.66
CONTRIBUTIONS	760.39		296.90	166.00
INTEREST	2290.58	1609.44	853.00	224.05
INSURANCE PROCEEDS				
TOT OTHER INCOME	49294.81	44651.65	34775.50	10945.71
OTHER EXPENSES				
MSC OTHER EXPENSES	1801.88	10293.52	10171.34	
INTEREST EXPENSE	58.07		147.30	2030.71
BAD DEBT EXPENSE				
LOSS DISP FIXED ASS	9997.88			
TOTAL OTHER EXP	11857.83	10293.52	10318.64	2030.71
INCOME FROM OTHER	37436.98	34358.13	24456.86	8915.00
NET INCOME(LOSS)	-2439.91	-6138.32	74.24	-4901.13
EXTRAORD.INC/LOSS				
LOSS				

	PT MUGU	ROOS. RDS	ROTA	TWIN CITIE
REVENUE				
SALES:				
FLT SUPPLIES/ACC		4162.90	581.98	
LESS: C O G SOLD		3528.05	519.01	
GROSS PROF/SALES	0.00	634.85	62.97	0.00
NON VA SERVICES:				
AIRCRAFT RENTAL	26875.92	119390.75	13358.32	5740.45
IN-FLIGHT INSTR			8148.33	
GROUND INSTR				
VA SERVICES:				
AIRCRAFT RENTAL				
IN-FLIGHT INSTR				
GROUND INSTR				
TOTAL SERVICES	26875.92	119390.75	21506.65	5740.45
TOT OPS REVENUE	26875.92	120025.60	21569.62	5740.45
EXPENSES				
PERSONNEL:				
SAL/WAGES ADMIN		13583.56	8635.51	
SAL/WAGES MAINT		16184.23	10187.41	
SOCIAL SECURITY		2901.83	275.30	
RETIREMENT ANN CON				
GROUP COMP MEDICAL				
RETIREMENT LIFE IN				
ANNUAL LEAVE		5906.46	300.69	
SICK LEAVE		2841.83	43.26	
TOTAL PERSONNEL	0	41417.91	19442.17	0
NON-VA:				
AIRCRAFT RENTAL	10328.83	17847.60		
GROUND INSTRUCTION				
FLIGHT INSTRUCTION				
TOTAL NON-VA	10328.83	17847.60	0.00	0.00
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	PT MUGU	ROOS. RDS	ROTA	TWIN CITIE
OTHER DIRECT:				
GASOLINE	8472.11		5311.65	2780.31
OIL				
STORAGE/TIE DOWN	200.00			
MAINT-ROUTINE	256.00		12605.03	2446.59
MAINT-OVERHAUL	8633.87		312.50	
UTILITIES & RENT				
TELEPHONE/POSTAGE	1043.93		841.26	
TRAVEL/PER DIEM				
FREIGHT/TRANSPORT.			190.82	
SUPPLIES	91.00		402.09	
INSURANCE PREMIUMS	3731.73		-1917.51	984.29
MISC.				
TOTAL OTHER DIRECT	22428.64	0.00	17745.84	6211.19
DEPRECIATION:				
FURNITURE,FIXT,EQ			94.10	
VEHICLES				
BLDGS, FACILITIES				
AIRCRAFT			2590.00	
TOTAL DEPRECIATION	0.00	0.00	2684.10	0.00
TOT OPERATING COST	32757.47	59265.51	39872.11	6211.19
INCOME FROM OPS	-5881.55	60760.09	-18302.49	-470.74
OTHER INCOME				
OTHER DUES/ASSESMT	7075.00		13800.28	5587.00
CONTRIBUTIONS			18.85	67.13
INTEREST			117.23	
INSURANCE PROCEEDS				
TOT OTHER INCOME	7075.00	0.00	13936.36	5654.13
OTHER EXPENSES				
MSC OTHER EXPENSES	1602.24		1197.92	289.14
INTEREST EXPENSE				4025.24
BAD DEBT EXPENSE			2960.85	
LOSS DISP FIXED ASS				
TOTAL OTHER EXP	1602.24	0.00	4158.77	4314.38
INCOME FROM OTHER	5472.76	0.00	9777.59	1339.75
NET INCOME(LOSS)	-408.79	60760.09	-8524.90	869.01
EXTRAORD.INC/LOSS				
LOSS				

	S TRENTON	WARMINSTER	WHIDBEY I	
OTHER DIRECT:				
GASOLINE	2874.77	12040.80	28423.00	
OIL	91.80			
STORAGE/TIE DOWN				
MAINT-ROUTINE	1842.06	10043.00	4397.00	
MAINT-OVERHAUL		5746.50		
UTILITIES & RENT			3186.00	
TELEPHONE/POSTAGE	44.00	66.80	1395.00	
TRAVEL/PER DIEM			27.00	
FREIGHT/TRANSPORT.				
SUPPLIES		15.64	1837.00	
INSURANCE PREMIUMS	2009.93	1195.21	1127.00	
MISC.			179.00	
TOTAL OTHER DIRECT	6862.56	29107.95	40571.00	0.00
DEPRECIATION:				
FURNITURE,FIXT,EQ			150.00	
VEHICLES				
BLDGS, FACILITIES				
AIRCRAFT	2231.84			
TOTAL DEPRECIATION	2231.84	0.00	150.00	0.00
TOT OPERATING COST	10074.30	31577.97	115551.00	0.00
INCOME FROM OPS	-2602.50	-6643.11	-15341.00	0.00
OTHER INCOME				
OTHER DUES/ASSESMT	4001.00	7573.00	26996.00	
CONTRIBUTIONS		550.05		
INTEREST	717.40	1977.68	3200.00	
INSURANCE PROCEEDS				
TOT OTHER INCOME	4718.40	10100.73	30196.00	0.00
OTHER EXPENSES				
MSC OTHER EXPENSES	333.00		1160.00	
INTEREST EXPENSE	1115.79	320.84		
BAD DEBT EXPENSE			322.00	
LOSS DISP FIXED ASS				
TOTAL OTHER EXP	1448.79	320.84	1482.00	0.00
INCOME FROM OTHER	3269.61	9779.89	28714.00	0.00
NET INCOME(LOSS)	667.11	3136.78	13373.00	0.00
EXTRAORD.INC/LOSS				
LOSS				

APPENDIX E

REVISED INCOME STATEMENTS

	AGANA	N. ACAD.	ATLANTA	BARB.FT
OPS REVENUE				
SALES:				
FLT SUPPLIES/ACC	7105.62	8435.00	6168.21	4872.60
LESS: C O G SOLD	7233.47	7159.34	6753.65	3148.94
GROSS PROF/SALES	-127.85	1275.66	-585.44	1723.66
NON VA SERVICES:				
AIRCRAFT RENTAL	49720.25	53735.70	93501.29	133374.70
IN-FLIGHT INSTR	0.00			1600.10
GROUND INSTR	0.00	4040.00		
VA SERVICES:				
AIRCRAFT RENTAL	0.00			
IN-FLIGHT INSTR	0.00			
GROUND INSTR	2990.00			
TOTAL SERVICES	52710.25	57775.70	93501.29	134974.80
TOT OPS REVENUE	52582.40	59051.36	92915.85	136698.46
OPS EXPENSES				
	15391.68		5112.00	30081.54
PERSONNEL:				
SAL/WAGES MAINT	9010.74		19228.16	19440.00
SICK LEAVE	0.00			
ANNUAL LEAVE	0.00			2099.21
RETIREMENT LIFE IN	0.00			
GROUP COMP MEDICAL	0.00			1870.44
RETIREMENT ANN CON	0.00			
SOCIAL SECURITY	815.27		1641.92	4491.85
SUM BENEFITS	815.27	0.00	1641.92	8461.50
ADMIN BEN FACTOR	514.23		344.84	5139.88
TOTAL PERSONNEL	9311.78	0.00	20525.24	22761.62
NON-VA:				
AIRCRAFT RENTAL	0.00	35683.35	17137.81	82387.23
GROUND INSTRUCTION	2400.00	2424.00		99.33
FLIGHT INSTRUCTION				
TOTAL NON-VA	2400.00	38107.35	17137.61	82486.56
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	AGANA	N. ACAD.	ATLANTA	BARB.PT
OTHER DIRECT:				
GASOLINE	15764.49	24412.23	41399.16	46875.99
OIL	490.48			893.50
STORAGE/TIE DOWN				
MAINT-ROUTINE	6334.94		23835.88	
MAINT-OVERHAUL			6453.03	1081.12
INSURANCE PREMIUMS	4208.92		20387.05	
TOTAL OTHER DIRECT	26798.83	24412.23	92075.12	48850.61
DEPRECIATION:				
AIRCRAFT	3738.23		6903.32	
TOTAL DEPRECIATION	3738.23	0.00	6903.32	0.00
TOT OPERATING COST	42248.84	62519.58	136641.49	154098.79
INCOME FROM OPS	10333.56	-3468.22	-43725.64	-17400.33
G & A INCOME				
DUES/ASSESSMENTS	13699.98	20018.15	32965.01	33075.60
CONTRIBUTIONS	867.41		257.64	14580.89
INTEREST	1242.42	2604.02	1508.03	1788.09
INSURANCE PROCEEDS		91.91		16456.05
TOT G&A INCOME	15809.81	22714.08	34730.68	65900.63
G&A EXPENSES				
SAL/WAGES ADMIN	15391.68		5112.00	30081.54
ADMIN BENEFITS	514.23	0.00	344.84	5139.88
UTILITIES & RENT	0.00			
TELEPHONE/POSTAGE	394.73		1271.55	345.76
TRAVEL/PER DIEM			275.64	
FREIGHT/TRANSPORT.	513.11		25.48	
SUPPLIES			2025.63	1076.46
MISC./ ACCOUNTING	558.70			
DEPRECIATION:				
FURNITURE,FIXT,EQ		168.00	87.68	118.92
VEHICLES				
BLDGS, FACILITIES			467.00	
INTEREST EXPENSE	0.00		2146.28	
BAD DEBT EXPENSE	0.00	384.99		701.50
LOSS DISP FIXED ASS				8224.50
MSC OTHER		8230.28	1013.15	1959.19
TOTAL G&A EXPENSES	17372.45	8783.27	12769.25	47647.75
INCOME FROM G&A	-1562.64	13930.81	21961.43	18252.88
NET INCOME(LOSS)	8770.92	10462.59	-21764.21	852.55
EXTRAORD.INC/LOSS	5510.32			
NET	14281.24	10462.59	-21764.21	852.55

	CHINA LAKE	CUBI PT	DAHLGREN	DALLAS
OPS REVENUE				
SALES:				
FLT SUPPLIES/ACC		2602.00	1161.22	1596.80
LESS: C O G SOLD		1986.31	1054.50	879.47
GROSS PROF/SALES	0.00	615.69	106.72	717.33
NON VA SERVICES:				
AIRCRAFT RENTAL	40526.00	22628.95	46959.60	56576.10
IN-FLIGHT INSTR	5330.00	3831.31		
GROUND INSTR	1054.00	566.45		
VA SERVICES:				
AIRCRAFT RENTAL				
IN-FLIGHT INSTR				
GROUND INSTR				
TOTAL SERVICES	46910.00	27026.71	46959.60	56576.10
TOT OPS REVENUE	46910.00	27642.40	47066.32	57293.43
OPS EXPENSES				
		11982.97		8750.00
PERSONNEL:				
SAL/WAGES MAINT				
SICK LEAVE		314.96		
ANNUAL LEAVE		297.95		
RETIREMENT LIFE IN				
GROUP COMP MEDICAL		32.09		
RETIREMENT ANN CON				
SOCIAL SECURITY		20.24		
SUM BENEFITS	0.00	665.24	0.00	0.00
ADMIN BEN FACTOR		665.24		0.00
TOTAL PERSONNEL	0.00	0.00	0.00	0.00
NON-VA:				
AIRCRAFT RENTAL	20129.00	1795.20	9305.40	19230.30
GROUND INSTRUCTION	1054.00	2607.27		
FLIGHT INSTRUCTION	5974.00			
TOTAL NON-VA	27157.00	4402.47	9305.40	19230.30
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	CHINA LAKE	CUBI PT	DAHLGREN	DALLAS
OTHER DIRECT:				
GASOLINE	18842.00	9280.82	21397.24	26008.51
OIL	325.00	499.26		16124.27
STORAGE/TIE DOWN				
MAINT-ROUTINE	2038.00	4859.63	9265.75	15090.64
MAINT-OVERHAUL	0.00	1270.00		3521.09
INSURANCE PREMIUMS	10212.00	3607.77	8852.88	15413.74
TOTAL OTHER DIRECT	31417.00	19517.48	39515.87	76158.25
DEPRECIATION:				
AIRCRAFT		37.50	4341.52	1713.96
TOTAL DEPRECIATION	0.00	37.50	4341.52	1713.96
TOT OPERATING COST	58574.00	23957.45	53162.79	97102.51
INCOME FROM OPS	-11664.00	3684.95	-6096.47	-39809.08
G & A INCOME				
DUES/ASSESSMENTS	16270.00	8995.50	13336.58	42791.49
CONTRIBUTIONS		4518.27	3706.37	
INTEREST	86.00	814.97	481.59	1692.48
INSURANCE PROCEEDS		94.22		
TOT G&A INCOME	16356.00	14422.96	17524.54	44483.97
G&A EXPENSES				
SAL/WAGES ADMIN		11982.97		8750.00
ADMIN BENEFITS	0.00	665.24	0.00	0.00
UTILITIES & RENT		505.38		
TELEPHONE/POSTAGE	598.00	409.01		1223.26
TRAVEL/PER DIEM				
FREIGHT/TRANSPORT.		275.23		
SUPPLIES	89.00	194.23	625.53	1622.96
MISC./ ACCOUNTING			1920.18	1700.00
DEPRECIATION:				
FURNITURE,FIXT,EQ		219.96		226.92
VEHICLES				
BLDGS, FACILITIES				332.68
INTEREST EXPENSE			9.00	
BAD DEBT EXPENSE		272.00		4182.41
LOSS DISP FIXED ASS				
MSC OTHER	5043.00	1025.36		1558.87
TOTAL G&A EXPENSES	5730.00	15549.38	2554.71	19597.10
INCOME FROM G&A	10626.00	-1126.42	14969.83	24886.87
NET INCOME(LOSS)	-1038.00	2558.53	8873.36	-14922.21
EXTRAORD.INC/LOSS				
NET	-1038.00	2558.53	8873.36	-14922.21

	GITMO	GROTON	JAX	KANSAS CIT
OPS REVENUE				
SALES:				
FLT SUPPLIES/ACC			3561.50	
LESS: C O G SOLD			6242.75	
GROSS PROF/SALES	0.00	0.00	-2681.25	0.00
NON VA SERVICES:				
AIRCRAFT RENTAL	17614.50	24394.46		11163.00
IN-FLIGHT INSTR				
GROUND INSTR				
VA SERVICES:				
AIRCRAFT RENTAL			76580.74	
IN-FLIGHT INSTR				
GROUND INSTR				
TOTAL SERVICES	17614.50	24394.46	76580.74	11163.00
TOT OPS REVENUE	17614.50	24394.46	73899.49	11163.00
OPS EXPENSES				
			16262.24	
PERSONNEL:				
SAL/WAGES MAINT				
SICK LEAVE				
ANNUAL LEAVE				
RETIREMENT LIFE IN				
GROUP COMP MEDICAL				
RETIREMENT ANN CON				
SOCIAL SECURITY			1131.85	
SUM BENEFITS	0.00	0.00	1131.85	0.00
ADMIN BEN FACTOR			1131.85	
TOTAL PERSONNEL	0.00	0.00	0.00	0.00
NON-VA:				
AIRCRAFT RENTAL	8800.00		16738.26	3550.00
GROUND INSTRUCTION				
FLIGHT INSTRUCTION				
TOTAL NON-VA	8800.00	0.00	16738.26	3550.00
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	GITMO	GROTON	JAX	KANSAS CIT
OTHER DIRECT:				
GASOLINE	8728.24	11986.04	32264.58	4995.00
OIL				195.00
STORAGE/TIE DOWN		1200.00		3782.00
MAINT-ROUTINE	5480.36	13076.59	18139.05	2700.00
MAINT-OVERHAUL				3790.00
INSURANCE PREMIUMS	6600.78	0.00	15069.88	3443.00
TOTAL OTHER DIRECT	20809.38	26262.63	65473.51	18905.00
DEPRECIATION:				
AIRCRAFT	700.00	3000.00	697.86	
TOTAL DEPRECIATION	700.00	3000.00	697.86	0.00
TOT OPERATING COST	30309.38	29262.63	82909.63	22455.00
INCOME FROM OPS	-12694.88	-4868.17	-9010.14	-11292.00
G & A INCOME				
DUES/ASSESSMENTS	12344.03	5316.00	29493.60	7261.00
CONTRIBUTIONS			30802.93	
INTEREST			853.60	18.00
INSURANCE PROCEEDS		434.75		
TOT G&A INCOME	12344.03	5750.75	61150.13	7279.00
G&A EXPENSES				
SAL/WAGES ADMIN			16262.24	
ADMIN BENEFITS	0.00	0.00	1131.85	0.00
UTILITIES & RENT				366.00
TELEPHONE/POSTAGE	591.15	120.00	1222.91	
TRAVEL/PER DIEM				
FREIGHT/TRANSPORT.			6.54	
SUPPLIES	498.26	1279.47	1799.88	99.00
MISC./ ACCOUNTING				
DEPRECIATION:				
FURNITURE,FIXT,EQ	667.67		400.56	
VEHICLES				
BLDGS, FACILITIES			36.28	
INTEREST EXPENSE			219.05	
BAD DEBT EXPENSE				
LOSS DISP FIXED ASS				
MSC OTHER	1377.69	162.44	4785.60	2414.00
TOTAL G&A EXPENSES	3134.77	1561.91	25864.91	2879.00
INCOME FROM G&A	9209.26	4188.84	35285.22	4400.00
NET INCOME(LOSS)	-3485.62	-679.33	26275.08	-6892.00
EXTRAORD.INC/LOSS				
NET	-3485.62	-679.33	26275.08	-6892.00

	KEY WEST	LAKEHURST	LEMOORE	MEMPHIS
OPS REVENUE				
SALES:				
FLT SUPPLIES/ACC	976.59	1637.27	7161.82	17586.47
LESS: C O G SOLD	854.96	1296.25	6765.91	12994.52
GROSS PROF/SALES	121.63	341.02	395.91	4591.95
NON VA SERVICES:				
AIRCRAFT RENTAL	21315.00	13853.43	41303.32	96469.00
IN-FLIGHT INSTR		192.00		22696.10
GROUND INSTR		61.40		4015.00
VA SERVICES:				
AIRCRAFT RENTAL				
IN-FLIGHT INSTR				
GROUND INSTR				
TOTAL SERVICES	21315.00	14106.83	41303.32	123180.10
TOT OPS REVENUE	21436.63	14447.85	41699.23	127772.05
OPS EXPENSES				
	2400.00	975.00	10716.62	41748.48
PERSONNEL:				
SAL/WAGES MAINT	1015.00	2786.50		17962.49
SICK LEAVE			338.49	
ANNUAL LEAVE			613.81	
RETIREMENT LIFE IN			1219.18	
GROUP COMP MEDICAL				
RETIREMENT ANN CON				
SOCIAL SECURITY			898.04	4315.23
SUM BENEFITS	0.00	0.00	3069.52	4315.23
ADMIN BEN FACTOR	0.00	0.00	3069.52	3017.11
TOTAL PERSONNEL	1015.00	2786.50	0.00	19260.61
NON-VA:				
AIRCRAFT RENTAL			13015.25	
GROUND INSTRUCTION				
FLIGHT INSTRUCTION				27241.30
TOTAL NON-VA	0.00	0.00	13015.25	27241.30
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	KEY WEST	LAKEHURST	LEMOORE	MEMPHIS
OTHER DIRECT:				
GASOLINE	7043.75	8546.43	18941.49	35516.79
OIL	124.97	485.77	313.16	423.00
STORAGE/TIE DOWN		46.50	9.00	
MAINT-ROUTINE	5270.30	4444.03	4928.52	25156.81
MAINT-OVERHAUL				
INSURANCE PREMIUMS	3435.05	4385.03	1668.30	12183.40
TOTAL OTHER DIRECT	15874.07	17907.76	25860.49	73280.00
DEPRECIATION:				
AIRCRAFT	2921.40	1600.64		8911.47
TOTAL DEPRECIATION	2921.40	1600.64	0.00	8911.47
TOT OPERATING COST	19810.47	22294.90	38875.74	128693.38
INCOME FROM OPS	1626.16	-7847.05	2823.49	-921.33
G & A INCOME				
DUES/ASSESSMENTS	7481.16	10949.00	18009.00	37315.00
CONTRIBUTIONS	6631.94		46.04	5211.92
INTEREST	617.84	142.57	1027.89	5394.40
INSURANCE PROCEEDS				62633.22
TOT G&A INCOME	14730.94	11091.57	19082.93	110554.54
G&A EXPENSES				
SAL/WAGES ADMIN	2400.00	975.00	10716.62	41748.48
ADMIN BENEFITS	0.00	0.00	3069.52	3017.11
UTILITIES & RENT				1793.74
TELEPHONE/POSTAGE	838.75	534.07	729.42	1211.24
TRAVEL/PER DIEM				2462.60
FREIGHT/TRANSPORT.			12.13	390.75
SUPPLIES	583.53	124.86	1279.98	2156.19
MISC./ ACCOUNTING			3585.78	
DEPRECIATION:				
FURNITURE,FIXT,EQ	120.00		251.40	1362.00
VEHICLES				
BLDGS, FACILITIES				92.36
INTEREST EXPENSE	197.50	4.00		647.53
BAD DEBT EXPENSE		872.71	338.80	65.17
LOSS DISP FIXED ASS				
MSC OTHER	2434.73	2520.33	240.65	3857.20
TOTAL G&A EXPENSES	6574.51	5030.97	20220.30	58804.37
INCOME FROM G&A	8156.43	6060.60	-1137.37	51750.17
NET INCOME(LOSS)	9782.59	-1786.45	1686.12	50828.84
EXTRAORD.INC/LOSS				
NET	9782.59	-1786.45	1686.12	50828.84

	MONTEREY	MOFFETT	NEW ORLEANS	NEWPORT
OPS REVENUE				
SALES:				
FLT SUPPLIES/ACC	16275.19	9478.00	4290.02	
LESS: C O G SOLD	14834.29		1731.58	
GROSS PROF/SALES	1440.90	9478.00	2558.44	0.00
NON VA SERVICES:				
AIRCRAFT RENTAL	199702.31	168211.00	18714.30	18285.70
IN-FLIGHT INSTR	0.00	41008.00	99.00	
GROUND INSTR	0.00			
VA SERVICES:				
AIRCRAFT RENTAL	0.00			
IN-FLIGHT INSTR	0.00			
GROUND INSTR	0.00			
TOTAL SERVICES	199702.31	209219.00	18813.30	18285.70
TOT OPS REVENUE	201143.21	218697.00	21371.74	18285.70
OPS EXPENSES				
	19129.92	53635.00	6064.50	641.00
PERSONNEL:				
SAL/WAGES MAINT	21733.50	18820.00		
SOCIAL SECURITY	0.00	7330.00	942.94	
RETIREMENT ANN CON	0.00			
GROUP COMP MEDICAL	0.00			
RETIREMENT LIFE IN	0.00			
ANNUAL LEAVE	0.00	5814.00		
SICK LEAVE	0.00			
SUM BENEFITS	0.00	13144.00	942.94	0.00
ADMIN BEN FACTOR	0.00	9729.88	942.94	0.00
TOTAL PERSONNEL	21733.5	22234.120	0	0
NON-VA:				
AIRCRAFT RENTAL	42803.95	18060.00	17129.90	
GROUND INSTRUCTION		32982.00		
FLIGHT INSTRUCTION				
TOTAL NON-VA	42803.95	51042.00	17129.90	0.00
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	MONTEREY	MOFFETT	NEW ORLEANS	NEWPORT
OTHER DIRECT:				
GASOLINE	99783.15	63323.00	2312.95	9645.13
OIL	1422.65			158.40
STORAGE/TIE DOWN				390.00
MAINT-ROUTINE	17538.89	3153.00	272.47	14115.89
MAINT-OVERHAUL				
INSURANCE PREMIUMS	12190.53	29456.00	-697.85	3393.41
TOTAL OTHER DIRECT	130935.22	95932.00	1887.57	27702.83
DEPRECIATION:				
AIRCRAFT	7795.26			2100.00
TOTAL DEPRECIATION	7795.26	0.00	0.00	2100.00
TOT OPERATING COST	203267.93	169208.12	19017.47	29802.83
INCOME FROM OPS	-2124.72	49488.88	2354.27	-11517.13
G & A INCOME				
OTHER DUES/ASSESMT	45388.25	38167.00	13915.78	7370.30
CONTRIBUTIONS		499.00		
INTEREST	1107.01	4280.00	202.30	523.23
INSURANCE PROCEEDS				6578.71
TOT OTHER INCOME	46495.26	42946.00	14118.08	14472.24
OTHER EXPENSES				
SAL/WAGES ADMIN	19129.92	53635.00	6064.50	641.00
ADMIN BENEFITS	0.00	9729.88	942.94	0.00
UTILITIES & RENT	6759.82			29.02
TELEPHONE/POSTAGE	2002.73	3621.00	172.47	72.00
TRAVEL/PER DIEM				
FREIGHT/TRANSPORT.		271.00		
SUPPLIES		24746.00	220.11	400.88
MISC./ACCOUNTING				
DEPRECIATION:				
FURNITURE,FIXT,EQ		428.00	600.00	
VEHICLES				
BLDGS, FACILITIES		998.00		
INTEREST EXPENSE	15.70			832.59
BAD DEBT EXPENSE	53.15	7.00		221.00
LOSS DISP FIXED ASS				
MSC OTHER	12963.94	4956.00	785.96	51.00
TOTAL G&A EXPENSES	40925.26	98391.88	8786.48	2247.49
INCOME FROM OTHER	5570.00	-55445.88	5331.60	12224.75
NET INCOME(LOSS)	3445.28	-5957.00	7685.87	707.62
EXTRAORD. INC/LOSS				
NET	3445.28	-5957.00	7685.87	707.62

	NORFOLK	NORTH IS.	ORLANDO	PATUXET
OPS REVENUE				
SALES:				
FLT SUPPLIES/ACC	7461.98	49290.23		1176.63
LESS: C O G SOLD	7139.15	48150.71		1100.00
GROSS PROF/SALES	322.83	1139.52	0.00	76.63
NON VA SERVICES:				
AIRCRAFT RENTAL	168831.34	102225.32	34629.41	42631.33
IN-FLIGHT INSTR	26801.16	33865.76		
GROUND INSTR	3895.00			7000.00
VA SERVICES:				
AIRCRAFT RENTAL		16641.33		
IN-FLIGHT INSTR		5513.00		
GROUND INSTR				
TOTAL SERVICES	199527.50	158245.41	34629.41	49631.33
TOT OPS REVENUE	199850.33	159384.93	34629.41	49707.96
OPS EXPENSES				
	15545.81	29948.14		4652.40
PERSONNEL:				
SAL/WAGES MAINT	7476.64	6942.03		
SOCIAL SECURITY	1356.12	2389.12		1780.64
RETIREMENT ANN CON				
GROUP COMP MEDICAL				
RETIREMENT LIFE IN				
ANNUAL LEAVE	1089.21	1405.50		
SICK LEAVE	861.25			
SUM BENEFITS	3306.58	3794.62	0.00	1780.64
ADMIN BEN FACTOR	2232.75	3080.54		1780.64
TOTAL PERSONNEL	8550.4661	7656.1055	0	0
NON-VA:				
AIRCRAFT RENTAL	43484.05	92112.08	6141.84	18126.75
GROUND INSTRUCTION		35808.26		
FLIGHT INSTRUCTION	33345.16			
TOTAL NON-VA	76829.21	127920.34	6141.84	18126.75
VA:				
AIRCRAFT RENTAL		14994.00		
GROUND INSTRUCTION		5829.00		
TOTAL VA	0.00	20823.00	0.00	0.00

	NORFOLK	NORTH IS.	ORLANDO	PATUXET
OTHER DIRECT:				
GASOLINE	57971.97		23810.86	10634.39
OIL			280.08	
STORAGE/TIE DOWN	528.16		3374.97	
MAINT-ROUTINE	31727.58	1013.26	15780.68	12451.03
MAINT-OVERHAUL				7354.28
INSURANCE PREMIUMS	18727.01	2200.00	6421.68	4610.25
TOTAL OTHER DIRECT	108954.72	3213.26	49668.27	35049.95
DEPRECIATION:				
AIRCRAFT	15531.24		1618.34	2338.78
TOTAL DEPRECIATION	15531.24	0.00	1618.34	2338.78
TOT OPERATING COST	209865.64	159612.71	57428.45	55515.48
INCOME FROM OPS	-10015.31	-227.78	-22799.04	-5807.52
G & A INCOME				
OTHER DUES/ASSESMT	46243.84	43042.21	33625.60	10555.66
CONTRIBUTIONS	760.39		296.90	166.00
INTEREST	2290.58	1609.44	853.00	224.05
INSURANCE PROCEEDS				
TOT OTHER INCOME	49294.81	44651.65	34775.50	10945.71
OTHER EXPENSES				
SAL/WAGES ADMIN	15545.81	29948.14		4652.40
ADMIN BENEFITS	2232.75	3080.54	0.00	1780.64
UTILITIES & RENT	2637.98			
TELEPHONE/POSTAGE	3888.74	2200.76	888.56	988.81
TRAVEL/PER DIEM	120.74			
FREIGHT/TRANSPORT.	306.10			
SUPPLIES	2819.19	4479.23	435.10	374.27
MISC./ACCOUNTING	2310.27			212.49
DEPRECIATION:				
FURNITURE,FIXT,EQ		560.00	259.92	
VEHICLES				
BLDGS, FACILITIES				
INTEREST EXPENSE	58.07		147.30	2030.71
BAD DEBT EXPENSE				
LOSS DISP FIXED ASS	9997.88			
MSC OTHER	1801.88	10293.52	10171.34	
TOTAL G&A EXPENSES	41719.41	50562.19	11902.22	10039.32
INCOME FROM OTHER	7575.40	-5910.54	22873.28	906.39
NET INCOME(LOSS)	-2439.91	-6138.32	74.24	-4901.13
EXTRAORD. INC/LOSS				
NET	-2439.91	-6138.32	74.24	-4901.13

	PT MUGU	ROOS. RDS	ROTA	TWIN CITIE
OPS REVENUE				
SALES:				
FLT SUPPLIES/ACC		4162.90	581.98	
LESS: C O G SOLD		3528.05	519.01	
GROSS PROF/SALES	0.00	634.85	62.97	0.00
NON VA SERVICES:				
AIRCRAFT RENTAL	26875.92	119390.75	13358.32	5740.45
IN-FLIGHT INSTR			8148.33	
GROUND INSTR				
VA SERVICES:				
AIRCRAFT RENTAL				
IN-FLIGHT INSTR				
GROUND INSTR				
TOTAL SERVICES	26875.92	119390.75	21506.65	5740.45
TOT OPS REVENUE	26875.92	120025.60	21569.62	5740.45
OPS EXPENSES				
		13583.56	8635.51	
PERSONNEL:				
SAL/WAGES MAINT		16184.23	10187.41	
SOCIAL SECURITY		2901.83	275.30	
RETIREMENT ANN CON				
GROUP COMP MEDICAL				
RETIREMENT LIFE IN				
ANNUAL LEAVE		5906.46	300.69	
SICK LEAVE		2841.83	43.26	
SUM BENEFITS	0.00	11650.12	619.25	0.00
ADMIN BEN FACTOR		5316.15	284.10	
TOTAL PERSONNEL	0	22518.198	10522.563	0
NON-VA:				
AIRCRAFT RENTAL	10328.83	17847.60		
GROUND INSTRUCTION				
FLIGHT INSTRUCTION				
TOTAL NON-VA	10328.83	17847.60	0.00	0.00
VA:				
AIRCRAFT RENTAL				
GROUND INSTRUCTION				
TOTAL VA	0.00	0.00	0.00	0.00

	PT MUGU	ROOS. RDS	ROTA	TWIN CITIE
OTHER DIRECT:				
GASOLINE	8472.11		5311.65	2780.31
OIL				
STORAGE/TIE DOWN	200.00			
MAINT-ROUTINE	256.00		12605.03	2446.59
MAINT-OVERHAUL	8633.87		312.50	
INSURANCE PREMIUMS	3731.73		-1917.51	984.29
TOTAL OTHER DIRECT	21293.71	0.00	16311.67	6211.19
DEPRECIATION:				
AIRCRAFT			2590.00	
TOTAL DEPRECIATION	0.00	0.00	2590.00	0.00
TOT OPERATING COST	31622.54	40365.80	29424.23	6211.19
INCOME FROM OPS	-4746.62	79659.80	-7854.61	-470.74
G & A INCOME				
OTHER DUES/ASSESMT	7075.00		13800.28	5587.00
CONTRIBUTIONS			18.85	67.13
INTEREST			117.23	
INSURANCE PROCEEDS				
TOT OTHER INCOME	7075.00	0.00	13936.36	5654.13
OTHER EXPENSES				
SAL/WAGES ADMIN		13583.56	8635.51	
ADMIN BENEFITS	0.00	5316.15	284.10	0.00
UTILITIES & RENT				
TELEPHONE/POSTAGE	1043.93		841.26	
TRAVEL/PER DIEM				
FREIGHT/TRANSPORT.			190.82	
SUPPLIES	91.00		402.09	
MISC./ACCOUNTING				
DEPRECIATION:				
FURNITURE,FIXT,EQ			94.10	
VEHICLES				
BLDGS, FACILITIES				
INTEREST EXPENSE				4025.24
BAD DEBT EXPENSE			2960.85	
LOSS DISP FIXED ASS				
MSC OTHER	1602.24		1197.92	289.14
TOTAL G&A EXPENSES	2737.17	18899.71	14606.65	4314.38
INCOME FROM OTHER	4337.83	-18899.71	-670.29	1339.75
NET INCOME(LOSS)	-408.79	60760.09	-8524.90	869.01
EXTRAORD.INC/LOSS				
NET	-408.79	60760.09	-8524.90	869.01

	TRENTON	WARMINSTER	WHIDBEY I
OPS REVENUE			
SALES:			
FLT SUPPLIES/ACC	30.00		4722.00
LESS: C O G SOLD	30.00		4976.00
GROSS PROF/SALES	0.00	0.00	-254.00
NON VA SERVICES:			
AIRCRAFT RENTAL	6491.90	23564.70	79520.00
IN-FLIGHT INSTR	979.90	1370.16	17727.00
GROUND INSTR			3217.00
VA SERVICES:			
AIRCRAFT RENTAL			
IN-FLIGHT INSTR			
GROUND INSTR			
TOTAL SERVICES	7471.80	24934.86	100464.00
TOT OPS REVENUE	7471.80	24934.86	100210.00
OPS EXPENSES			
		900.00	21958.00
PERSONNEL:			
SAL/WAGES MAINT			
SOCIAL SECURITY			
RETIREMENT ANN CON			
GROUP COMP MEDICAL			
RETIREMENT LIFE IN			
ANNUAL LEAVE			
SICK LEAVE			
SUM BENEFITS	0.00	0.00	0.00
ADMIN BEN FACTOR		0.00	0.00
TOTAL PERSONNEL	0	0	0
NON-VA:			
AIRCRAFT RENTAL			35189.00
GROUND INSTRUCTION			1913.00
FLIGHT INSTRUCTION	979.90	1570.02	
TOTAL NON-VA	979.90	1570.02	37102.00
VA:			
AIRCRAFT RENTAL			
GROUND INSTRUCTION			15770.00
TOTAL VA	0.00	0.00	15770.00

	S TRENTON	WARMINSTER	WHIDBEY I
OTHER DIRECT:			
GASOLINE	2874.77	12040.80	28423.00
OIL	91.80		
STORAGE/TIE DOWN			
MAINT-ROUTINE	1842.06	10043.00	4397.00
MAINT-OVERHAUL		5746.50	
INSURANCE PREMIUMS	2009.93	1195.21	1127.00
TOTAL OTHER DIRECT	6818.56	29025.51	33947.00
DEPRECIATION:			
AIRCRAFT	2231.84		
TOTAL DEPRECIATION	2231.84	0.00	0.00
TOT OPERATING COST	10030.30	30595.53	86819.00
INCOME FROM OPS	-2558.50	-5660.67	13391.00
G & A INCOME			
OTHER DUES/ASSESMT	4001.00	7573.00	26996.00
CONTRIBUTIONS		550.05	
INTEREST	717.40	1977.68	3200.00
INSURANCE PROCEEDS			
TOT OTHER INCOME	4718.40	10100.73	30196.00
OTHER EXPENSES			
SAL/WAGES ADMIN		900.00	21958.00
ADMIN BENEFITS	0.00	0.00	0.00
UTILITIES & RENT			3186.00
TELEPHONE/POSTAGE	44.00	86.80	1395.00
TRAVEL/PER DIEM			27.00
FREIGHT/TRANSPORT.			
SUPPLIES		15.64	1837.00
MISC./ACCOUNTING			179.00
DEPRECIATION:			
FURNITURE,FIXT,EQ			150.00
VEHICLES			
BLDGS, FACILITIES			
INTEREST EXPENSE	1115.79	320.84	
BAD DEBT EXPENSE			322.00
LOSS DISP FIXED ASS			
MSC OTHER	333.00		1160.00
TOTAL G&A EXPENSES	1492.79	1303.28	30214.00
INCOME FROM OTHER	3225.61	8797.45	-18.00
NET INCOME(LOSS)	667.11	3136.78	13373.00
EXTRAORD.INC/LOSS			
NET	667.11	3136.78	13373.00

APPENDIX F

AIRCRAFT MAINTENANCE DATA

Cessna 150s

Aircraft #	3045V	714HM	7322A	TOT	
Total Hours Flown	364 hrs	599 hrs	400 hrs	1363 hrs	a
100 Hr Insp Costs	489.00	655.98	605.45	1750.43	b
50 Hr Insp Costs	214.70	405.89	319.20	939.79	c
Life per set of tires	500 hrs	600 hrs	500 hrs	500 AVG	d
Cost per set of tires	131.00	138.00	188.35	152 AVG	e
Msc Unsched Maint.	335.85	12.52	331.25	679.60	f

$$M_{RS} = \frac{b + c}{a} + \frac{e}{f} = 2.28$$

$$M_{RU} = \frac{f}{a} = .50$$

Cessna 152s

Aircraft #	46146	5177B	757HH	TOT	
Total Hours Flown	746 hrs	459 hrs	357 hrs	1562 hrs	a
100 Hr Insp Costs	655.90	329.40	201.20	1186.50	b
50 Hr Insp Costs	833.35	91.20	202.20	1126.75	c
Life per set of tires	400 hrs	400 hrs	450 hrs	416 AVG	d
Cost per set of tires	189.35	117.00	167.00	158 AVG	e
Msc Unsched Maint.	881.18	136.00	37.50	1054.68	f

$$M_{RS} = \frac{b + c}{a} + \frac{e}{f} = 1.84$$

$$M_{RU} = \frac{f}{a} = .91$$

Cessna 172s

Aircraft #	78176	92682	TOT	
Total Hours Flown	594 hrs	511 hrs	1105 hrs	a
100 Hr Insp Costs	556.75	752.13	1308.88	b
50 Hr Insp Costs	133.90	537.80	671.70	c
Life per set of tires	300 hrs	400 hrs	350 AVG	d
Cost per set of tires	150.00	150.00	150 AVG	e
Misc Unsched Maint.	50.00	281.00	331.00	f

$$M_{RS} = \frac{b + c}{a} + \frac{e}{f} = 2.22$$

$$M_{RU} = \frac{f}{a} = .30$$

Source: FY 84 Maintenance Records, Monterey Navy Flying Club

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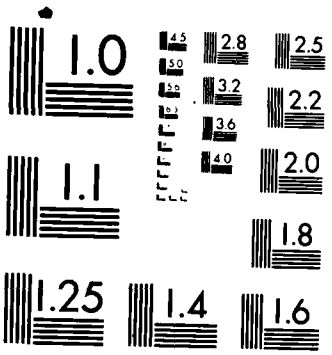

MICROCOPY RESOLUTION TEST CHART
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