

# Operations Manual



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Form 41 Financial

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# Data Base Products' "Form41" CD Product

## Product Description

Our Form41 product is published quarterly on CD and is supplemented by monthly floppy disk updates. It contains data from 1977 to current. It does not contain data for Group I under \$20 million since they file only semi-annually on abbreviated schedules. Also not included for any of the Carriers are Schedules B7, B12 and P2.

## Large Carriers

**T1 Traffic Stats**  
By Entity - Monthly

**T2 Traffic Stats**  
By Entity - by Eqpt  
Type - Quarterly

## Large Carriers

### Form41 Financials

**Group III - Op Rev >\$1 billion**  
B1, B7, B12, B43,  
P1.2, P2, P5.2,  
P6, P7, P10

**Group II - Op Rev > \$100 Million**  
B1, B7, B12, B43,  
P1.2, P2, P5.2, P6,  
P10

**Group I - Op Rev > \$20 Million**  
B1, B12, B43,  
P1.2, P2, P5.2,  
P6, P10

**Group I - Op Rev < \$20 Million<sup>1</sup>**  
B1.1, B43, P1.1,  
P5.1

<sup>1</sup> not included on CD



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# Form4I Installation

1. Place the CD in the CD drive and at the "Start" "Run" box type D:\f41w\install (where "D:\\" is drive letter assigned to your CD\_drive).
2. Click "O.K. to begin"
3. At the end of the installation a "readme" file will appear on your screen (attached is a hardcopy print out of that file).
4. After closing the "readme" file (we suggest that you copy the Form41 icon to your desktop or create a shortcut at this time) then follow the instructions in steps 1 through 5 of the readme file.

If it is necessary to change the "screen font" size, follow the instructions in the readme file under "ADDITIONAL SETUP PROCEDURES MAY BE NECESSARY". A copy of two screens which are similar to those you will see in the selection of "screen fonts" is attached for your ease of reference.

## Readme File

\*\*\*\* Before you can access any data, the appropriate \*\*\*\*  
\*\*\*\* CD-ROM "File Locations" must be set! \*\*\*\*  
\*\*\*\* To do this, follow these instructions: \*\*\*\*

After you close this Readme.f41 file:

- 1) Run Form41 by clicking on the appropriate icon.
- 2) At the "Configuration File Not Found" message, press your space bar to continue.
- 3) Go to "Global Settings" and click on "File Locations".
- 4) If necessary, change to the appropriate CD ROM drive letters. In most cases the CD-ROM drive letters will be correct.
- 5) Press <ESC> or "F2" to "Save and Exit".

### NOTES:

If you installed Form41 in a directory where previous DOS and/or Windows versions of the software resided, you may not see the "Configuration File Not Found" message (#2 above). The software should run without changes to "File Locations". (#'s 3,4,5 above).

To EXIT our software you must "Quit" in the usual manner.  
(The normal "Windows" method of closing will not work.)

### \*\*\*\*\* ADDITIONAL SETUP PROCEDURES MAY BE NECESSARY! \*\*\*\*\*

If your Screen appears strange, this means that your Windows default "Screen Font" is not appropriate for our software and needs to be set to another "Screen Font".

To change your "Screen Font":

- 1) Click the top left corner of the Form41 window to open an "Options" window.
- 2) Click on the "Screen Fonts" item.
- 3) Select "Terminal" if available or "MS LineDraw" or "8514oem".  
(The Font Size that you select will control the size of the window. The size of the window is not controllable otherwise.)  
You should not be afraid to experiment since you can change these options as many times as you wish.  
(The settings which you choose are saved in the file "DBPWIN.ini" in the "Windows" directory)

### \*\*\*\* CHANGES FROM THE "DOS" VERSION TO THE "WINDOWS" VERSION \*\*\*\*

- 1) The "Code Finder" Function Key "F10" has been changed to "F6".
- 2) The "Close and Save" Key Combination of <CTRL><ENTER> has been replaced by the Function Key "F2".

\*\*\*\*\* ENJOY THE DIFFERENCES \*\*\*\*\*

Even though our Windows Software does not use a Common User Interface, the users will still enjoy:

- 1) The ability to remain in a Windows environment while running our software.
- 2) The fact that our software is no longer limited to the "640K below the line memory" requirements.
- 3) Windows handles the "Swapping" of executables and the "Printer Interface".

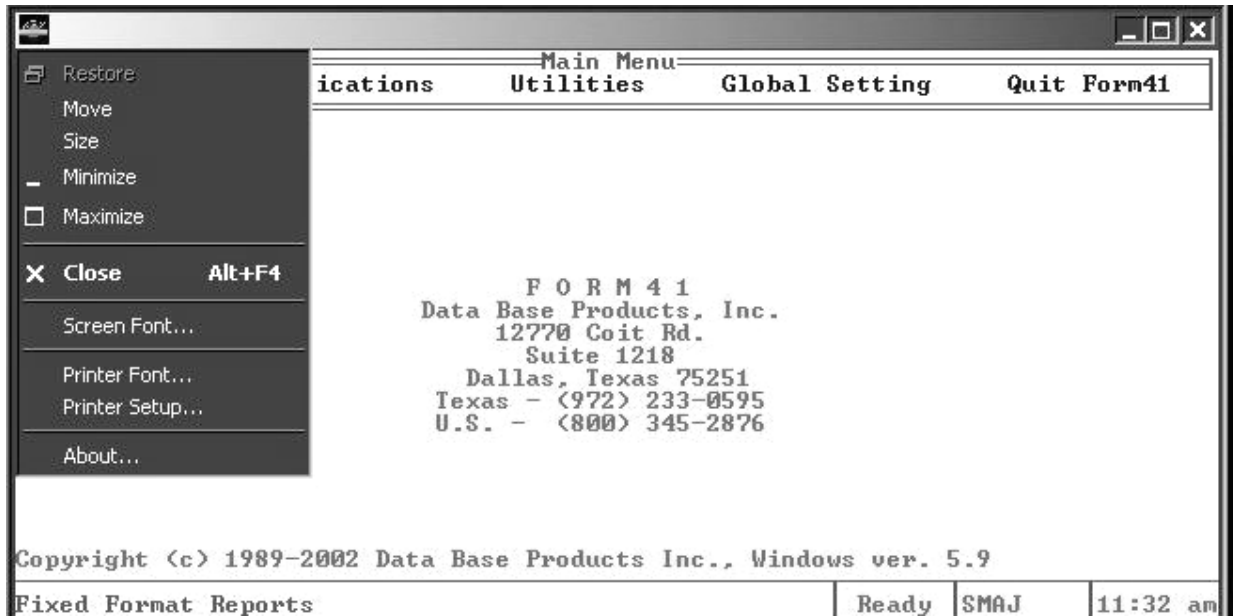
### \*\*\*\*\* CALL US IF YOU HAVE ANY PROBLEMS OR QUESTIONS \*\*\*\*\*

For Customer Support call:

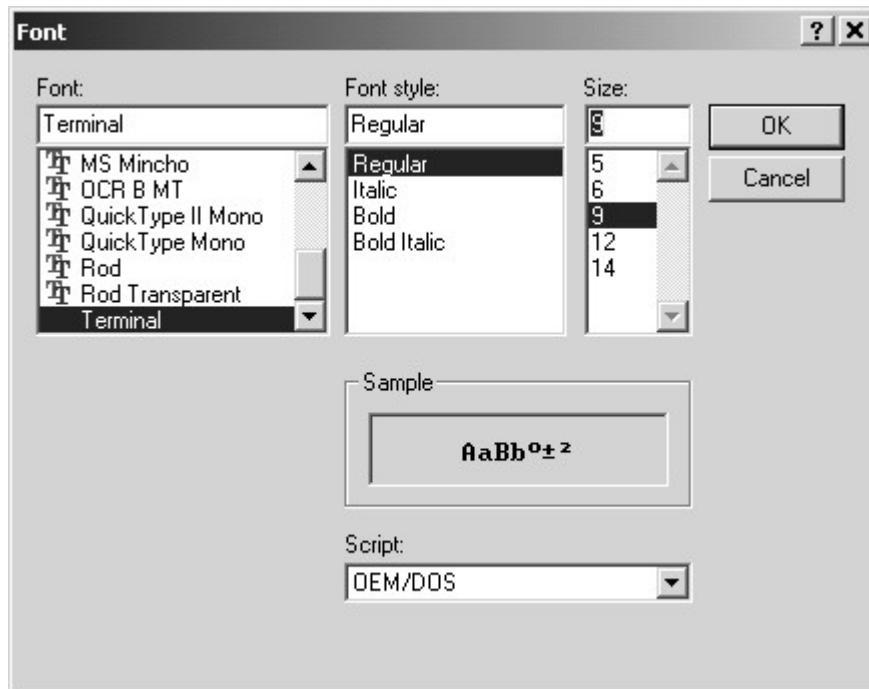
Our Local Number (972) 233-0595 or  
Nationally call (800) 345-2876.

# Changing the “Screen Font”

When you click on the top left corner of our window, the “Options” window as shown below will open:

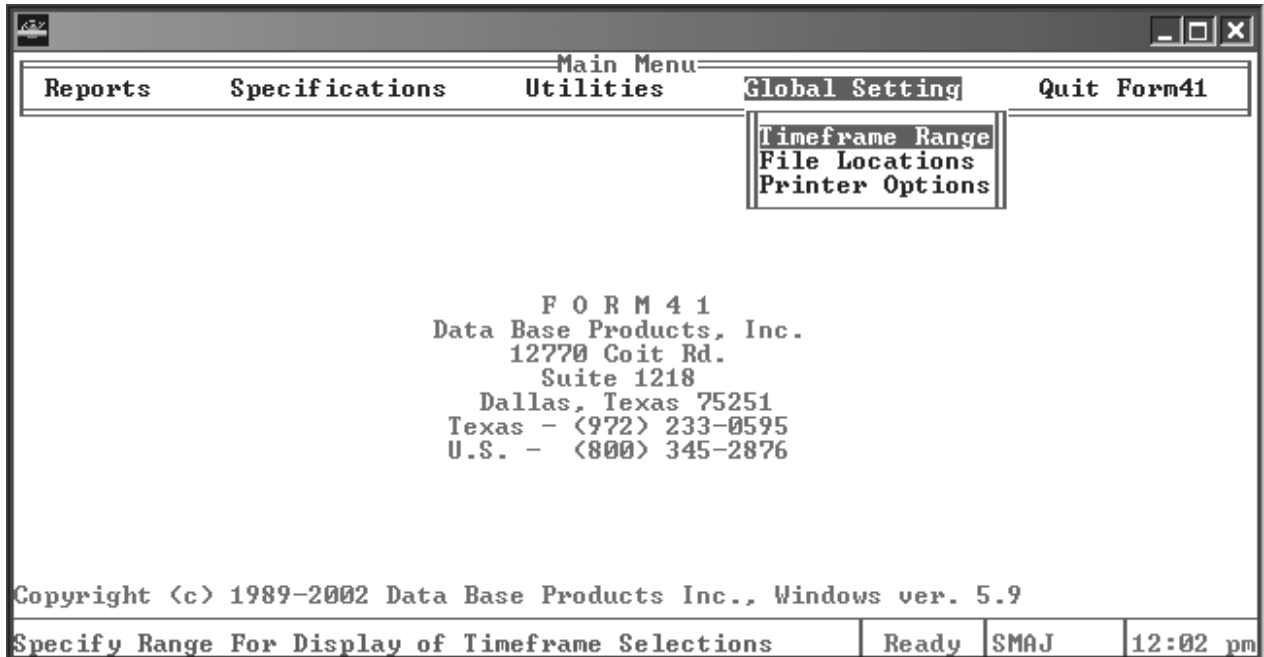


When you click on “Screen Font” the Fonts available on your computer will be displayed as selectable, as illustrated below:



# USING GLOBAL SETTINGS

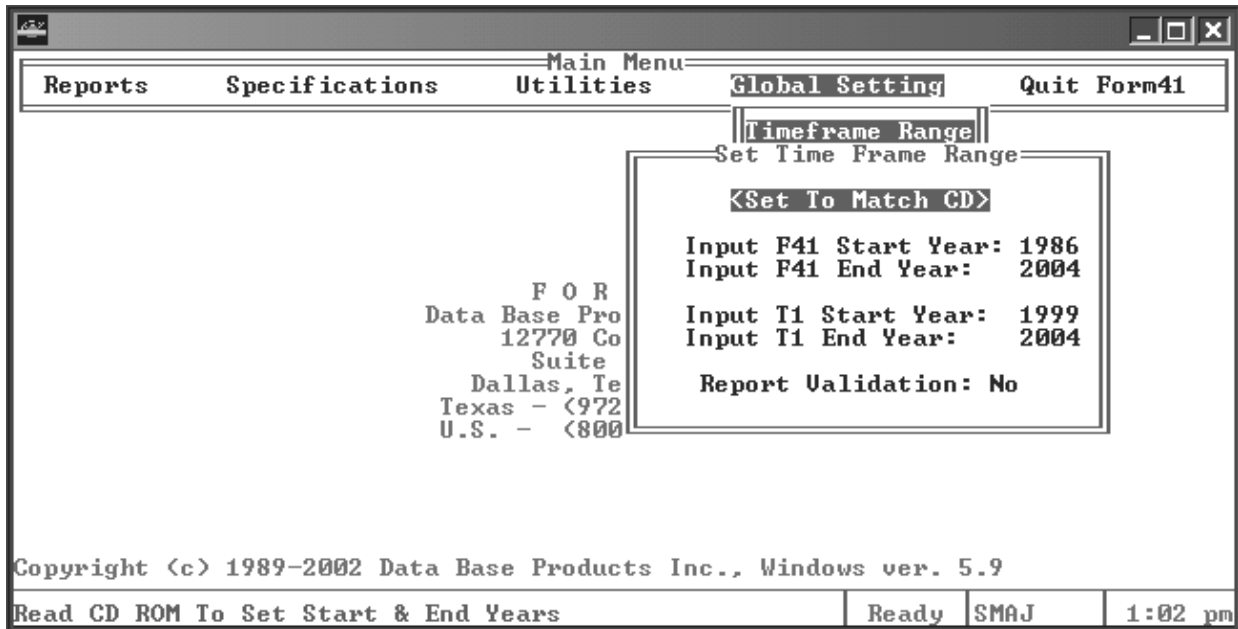
If using Form 41 for the first time, the user should choose “Global Settings”. Highlight this selection and press enter. Go to the “File Locations” screen first. Enter any changes needed. Exit by pressing <Ctrl> and enter simultaneously to confirm the default setting.



The “Set Time Frame” selection allows the user to set which years will be available when running reports. The range of years set here will be the range available for “Select Timeframe” in the Report Options menu.

<Set to Match CD> will be highlighted when the user first enters the selection frame. To execute this option, press spacebar. This action will automatically enter start and end years for F41 and T1. The user only needs to use this option when installing the system for the first time and when receiving updates for a quarter, which begins a new year (i.e. 04/1).

# USING GLOBAL SETTINGS

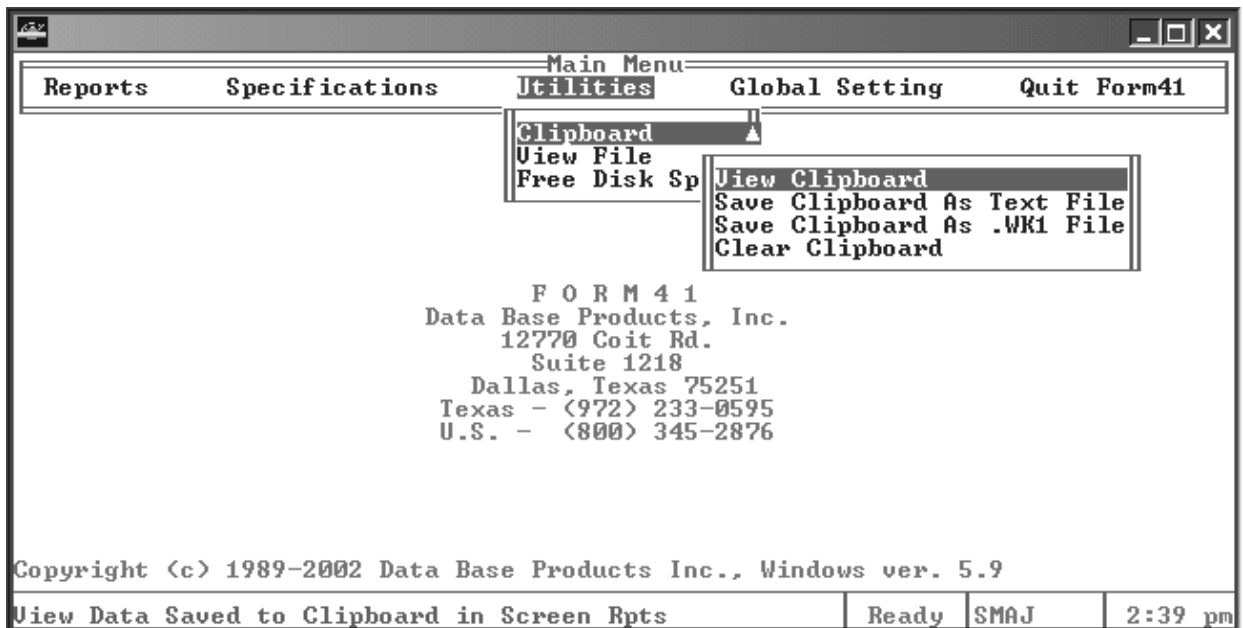


“Report Validation” is an automatic feature that detects if the Timeframe selected for the report contains a quarter for which there is not data on the CD then in use. If there is an unusual circumstance in which the user wants this feature turned off, position the highlighting cursor next to “Report Validation” and press the spacebar. This action toggles “Yes” and “No”.

# USING UTILITIES

The “Utilities” selection on the Main Menu is a collection of useful options that allows the user to use the “Clipboard” feature, view .TXT files; or learn the status of disk space.

The Clipboard feature is used to capture the “Filing Status” reports. Pressing function key F4 while viewing a Filing Status report will save the screen to the clipboard. Each additional save will append to the clipboard. The clipboard can be viewed, cleared, or saved to a text file or a .wk1 file from the Clipboard utility on this menu.

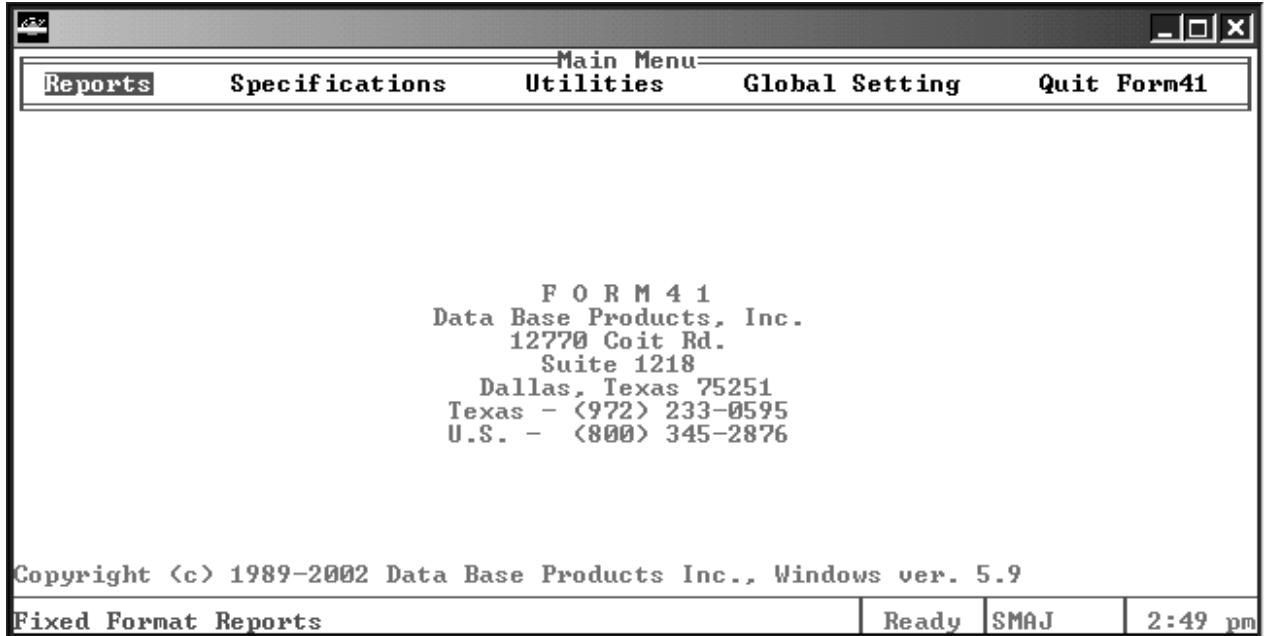


“Utilities” can also be used to view text report files created by running Form 41 reports. To view a file, which is in the C:\F41\SELECT subdirectory, the user only needs to enter the filename and extension.

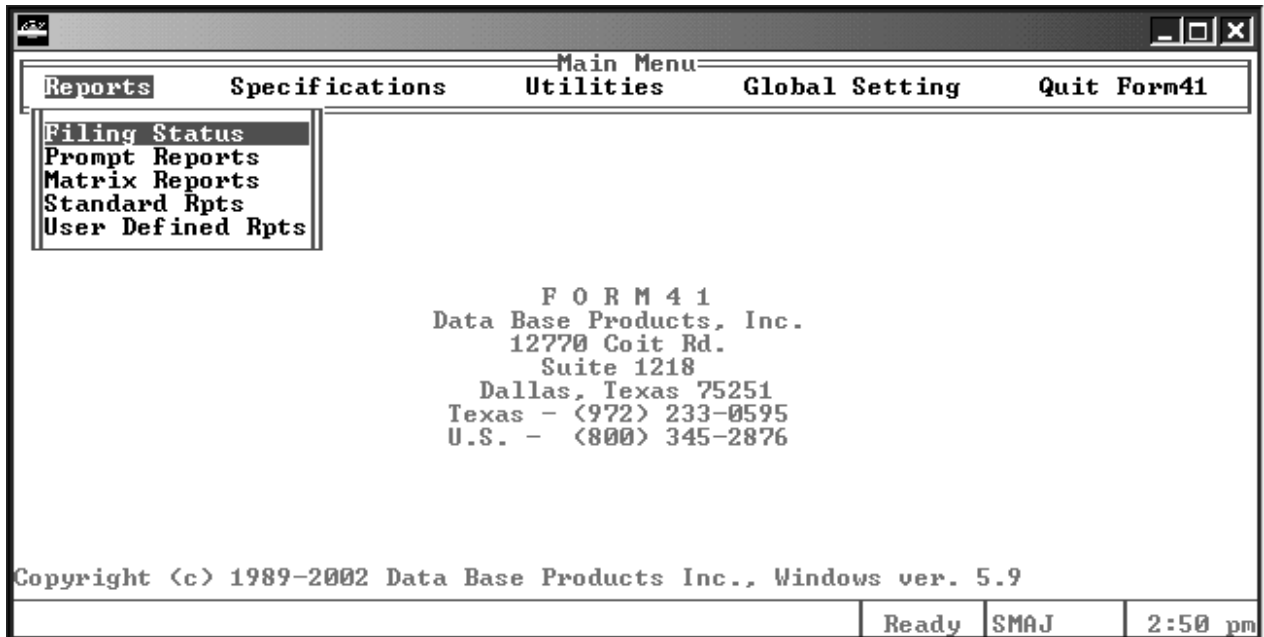
“Free Disk Space” calculates and displays the amount of disk space remaining on the drive you are using (usually C:). It also calculates and displays the amount of space occupied by various types of files, so that you can better determine how to free up additional space.

# ACCESSING THE FILING STATUS OF CARRIERS

On the Main Menu Screen highlight Reports with the cursor and press enter.

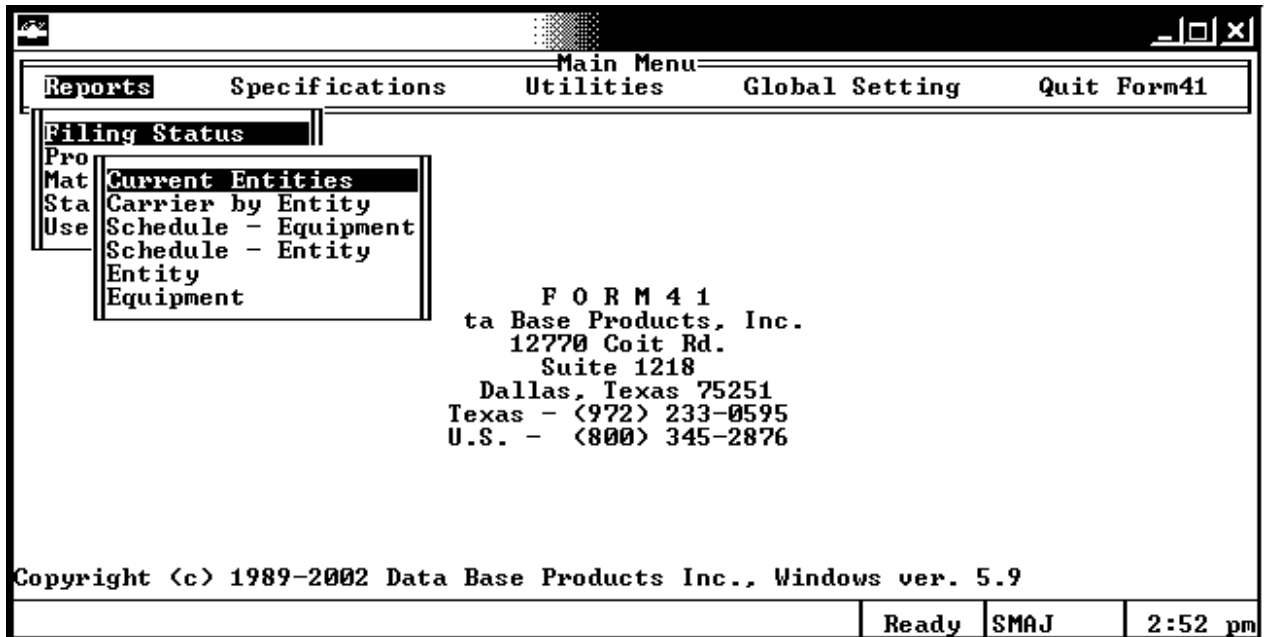


Highlight Filing Status with the cursor and press enter.

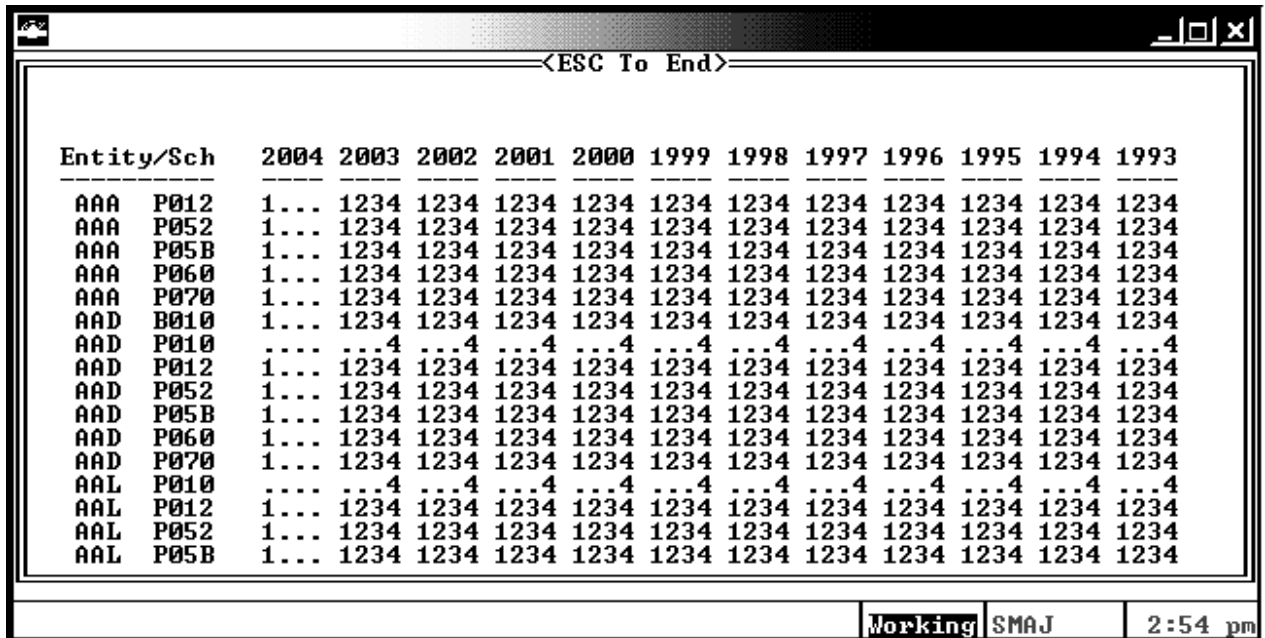


# ACCESSING THE FILING STATUS OF CARRIERS

Highlight Current Entities and press enter.



Use the up and down arrow keys to browse the list.



# SELECTING ITEMS TO BE INCLUDED IN REPORTS

At the Main Menu highlight Specifications and press enter.

Main Menu

Reports    **Specifications**    Utilities    Global Setting    Quit Form41

F O R M 4 1  
 Data Base Products, Inc.  
 12770 Coit Rd.  
 Suite 1218  
 Dallas, Texas 75251  
 Texas - (972) 233-0595  
 U.S. - (800) 345-2876

Copyright (c) 1989-2002 Data Base Products Inc., Windows ver. 5.9

Parameters and Specifications    Ready    SMAJ    2:56 pm

To access the Individual Carrier Selection Menu, first highlight Carriers and press enter. Then, select Scheduled Passengers, Other Carriers or Combined and press enter.

Specifications

**Carriers**    Accounts    Aircraft    Groups    Define Reports    Display Sets    Exit

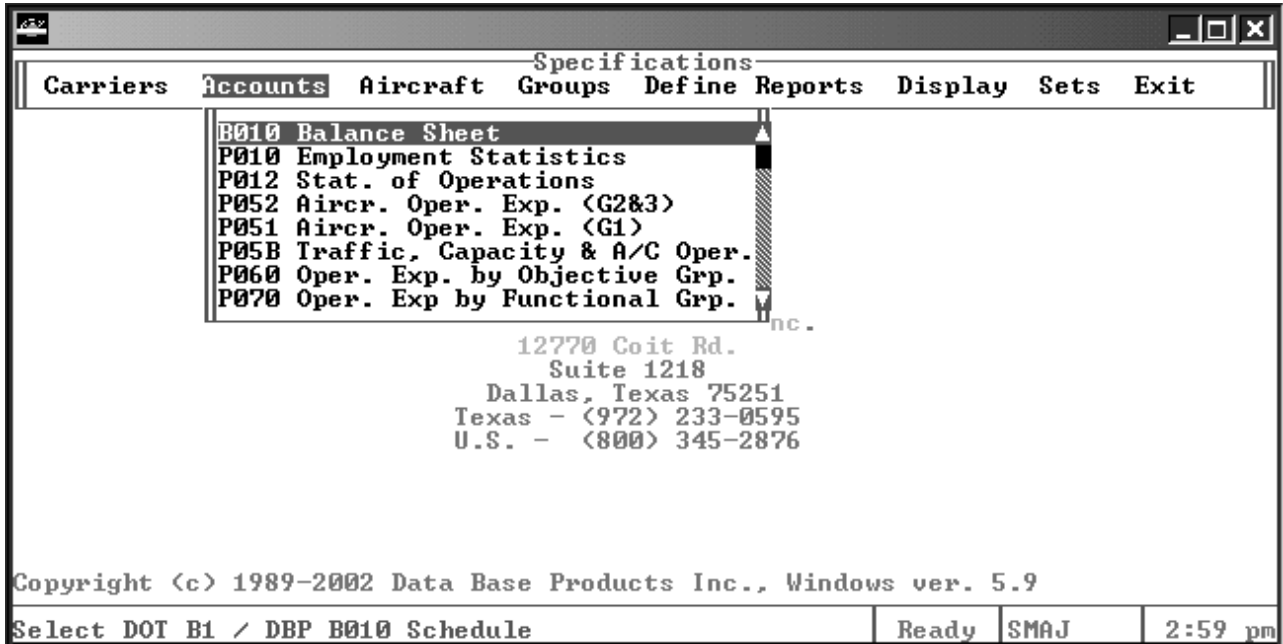
Sched. Pa	5TD - S1 - Air America
Other Car	5TI - S1 - Air America
Combined	5T^ - S1 - Air America
	PTD - S2 - Air Atlanta
	PT^ - S2 - Air Atlanta
	OCD - S2 - Air California
	OC^ - S2 - Air California
	QHA - S2 - Air Florida
	QHD - S2 - Air Florida
	QHL - S2 - Air Florida
	QH^ - S2 - Air Florida
	ZUD - S1 - Air Midwest
	ZU^ - S1 - Air Midwest
	NED - S1 - Air New England
	NE^ - S1 - Air New England
	CBD - S1 - Air One
	CB^ - S1 - Air One
	WUD - S1 - Air South, Inc.
	WU^ - S1 - Air South, Inc.
	ZWA - S2 - Air Wisconsin

Copyright    indows ver. 5.9

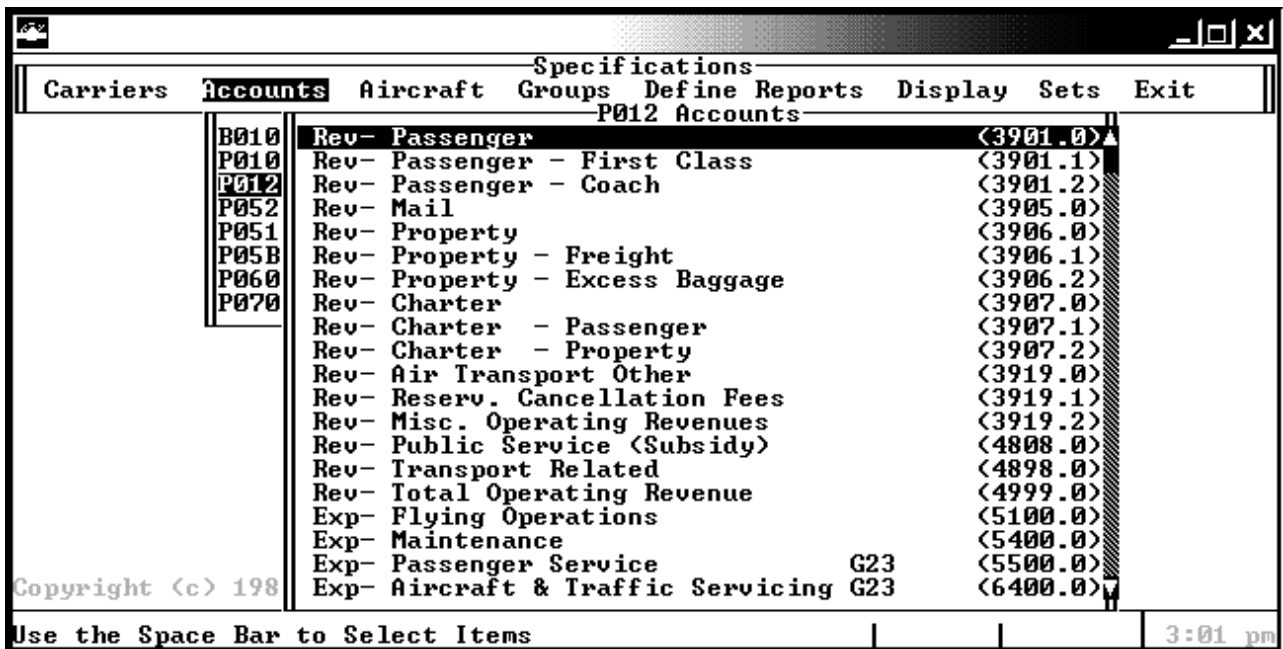
Use the Space Bar to Select Items    Ready    SMAJ    2:57 pm

# SELECTING ITEMS TO BE INCLUDED IN REPORTS

To select individual Form 41 Accounts, first highlight the Schedule, then press enter.

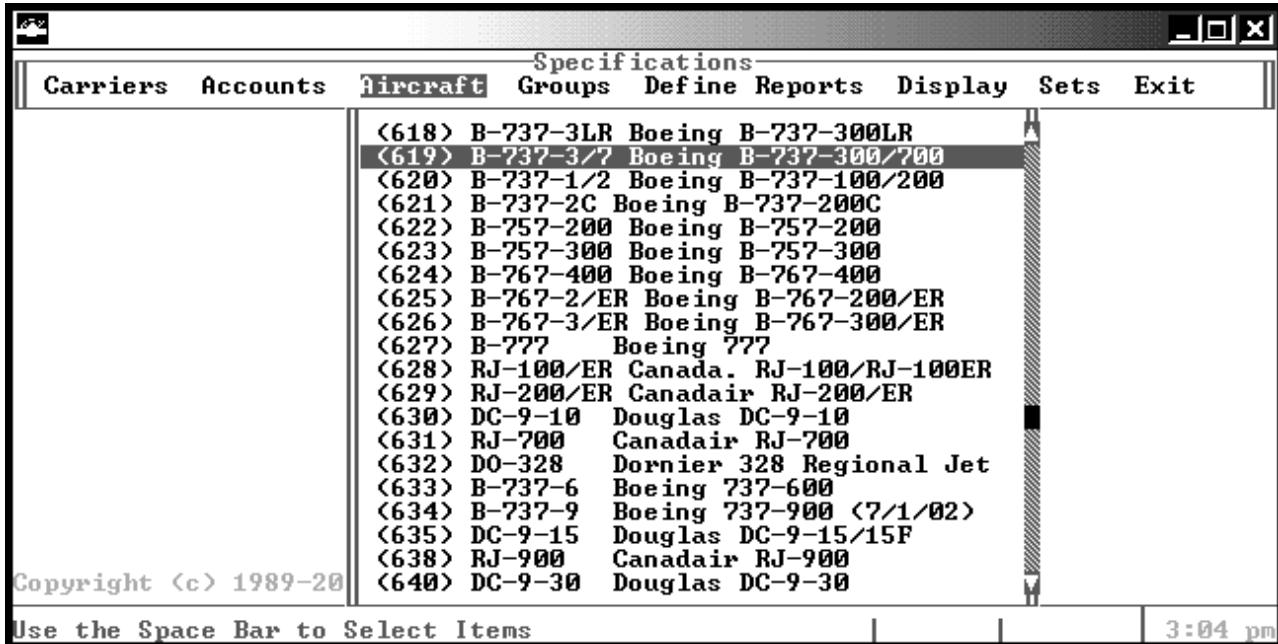


Using the cursor, move to the desired account and press the space bar to select.

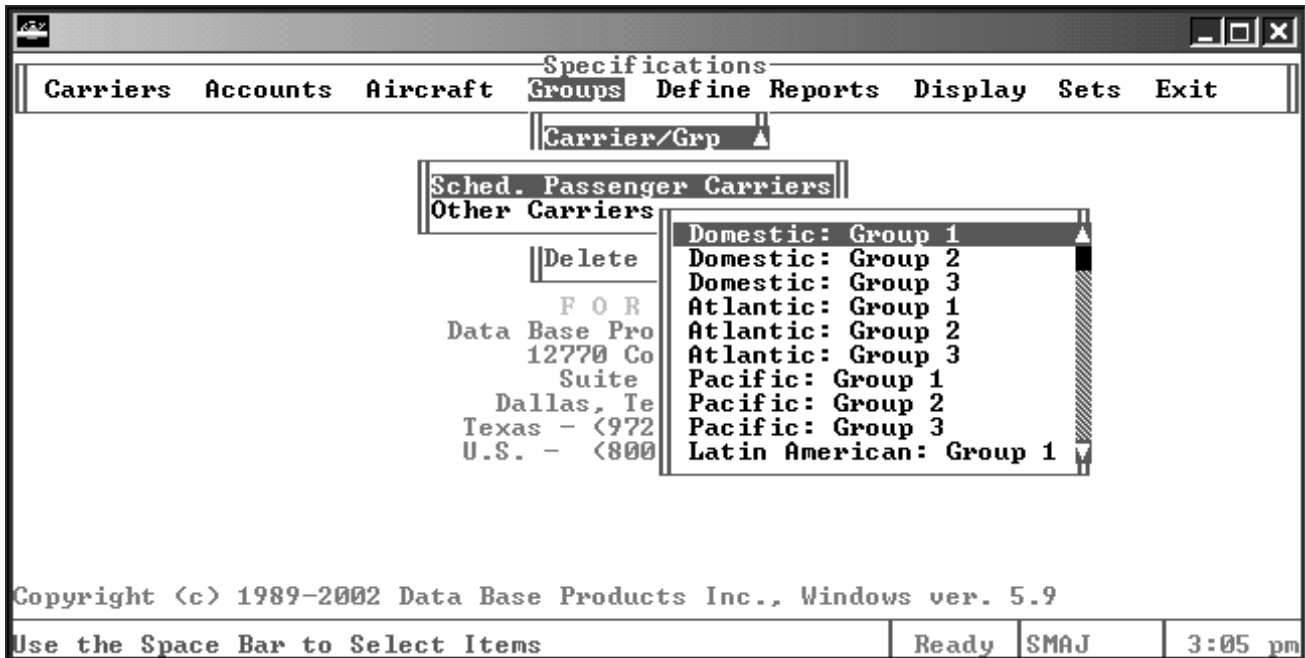


# SELECTING ITEMS TO BE INCLUDED IN REPORTS

To select Equipment Types, highlight Aircraft, press enter and select by pressing the space bar.



Carriers, Schedules and Aircraft Types can also be selected by Group as shown below.



# CREATING USER DEFINED REPORTS

Creating User Defined Reports is really quite simple using the menu options available on Form 41. First select "Specifications" from the Main Menu and press enter. Then select "Define Reports" and press enter again.

```
Specifications
Carriers  Accounts  Aircraft  Groups  Define Reports  Display  Sets  Exit

FORM 41
Data Base Products, Inc.
12770 Coit Rd.
Suite 1218
Dallas, Texas 75251
Texas - (972) 233-0595
U.S. - (800) 345-2876

Copyright (c) 1989-2002 Data Base Products Inc., Windows ver. 5.9
Create or Modify User Defined Report  Ready  SMAJ  3:21 pm
```

Select "Build Report" from the next screen, "Report Definition Menu." Press enter.

```
Report Definition Menu
Build Report  Print Report  Delete Report  Exit

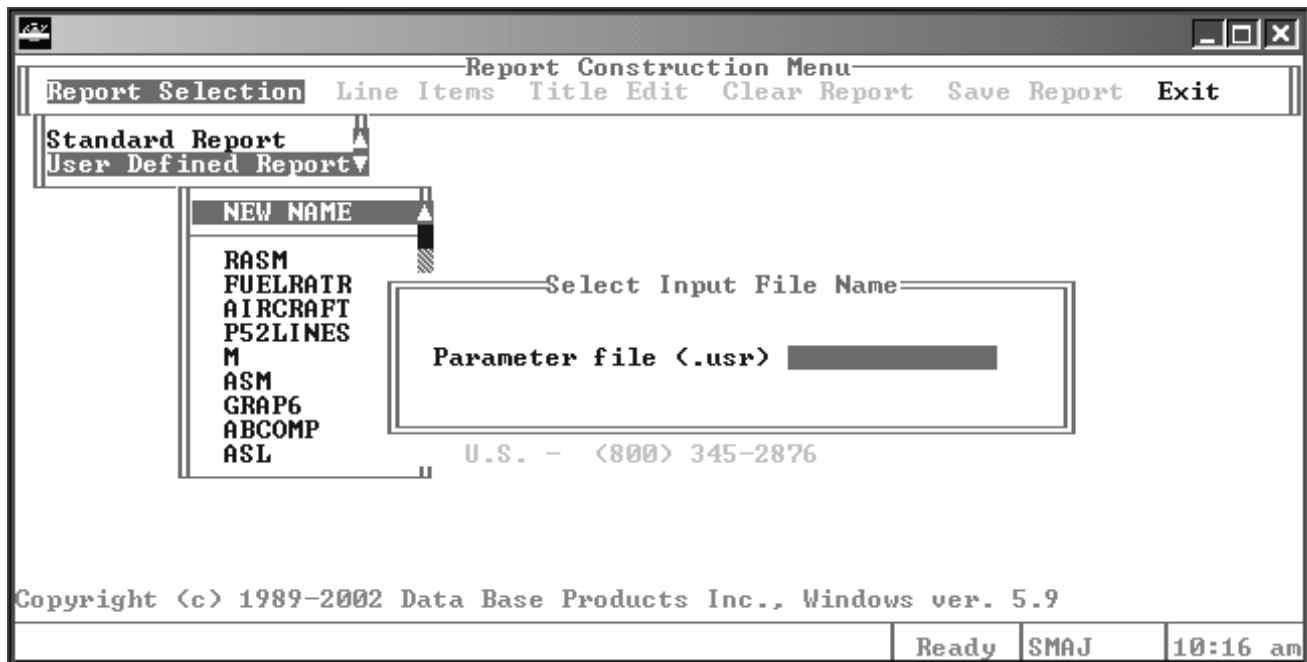
FORM 41
Data Base Products, Inc.
12770 Coit Rd.
Suite 1218
Dallas, Texas 75251
Texas - (972) 233-0595
U.S. - (800) 345-2876

Copyright (c) 1989-2002 Data Base Products Inc., Windows ver. 5.9
Modify Existing Report  Ready  SMAJ  3:22 pm
```

# CREATING USER DEFINED REPORTS

The menu, which now appears, is the “Report Construction Menu.” At this point the user can create a new User Defined Report or modify an existing Standard or User Defined Report. If a Standard Report is modified, it is saved as a User Defined report. The original Standard Report remains intact.

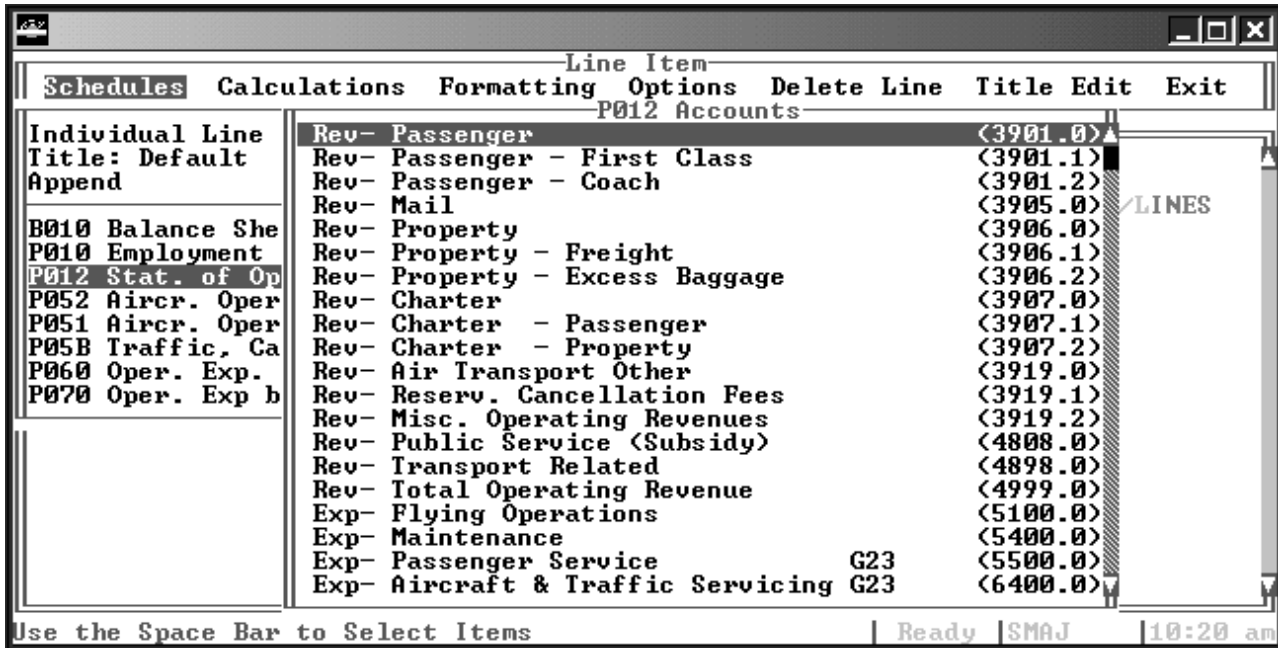
To create a new report, select “User Defined Report”, then “New Name.” The user is then prompted to insert a file name (report name) for the new report.



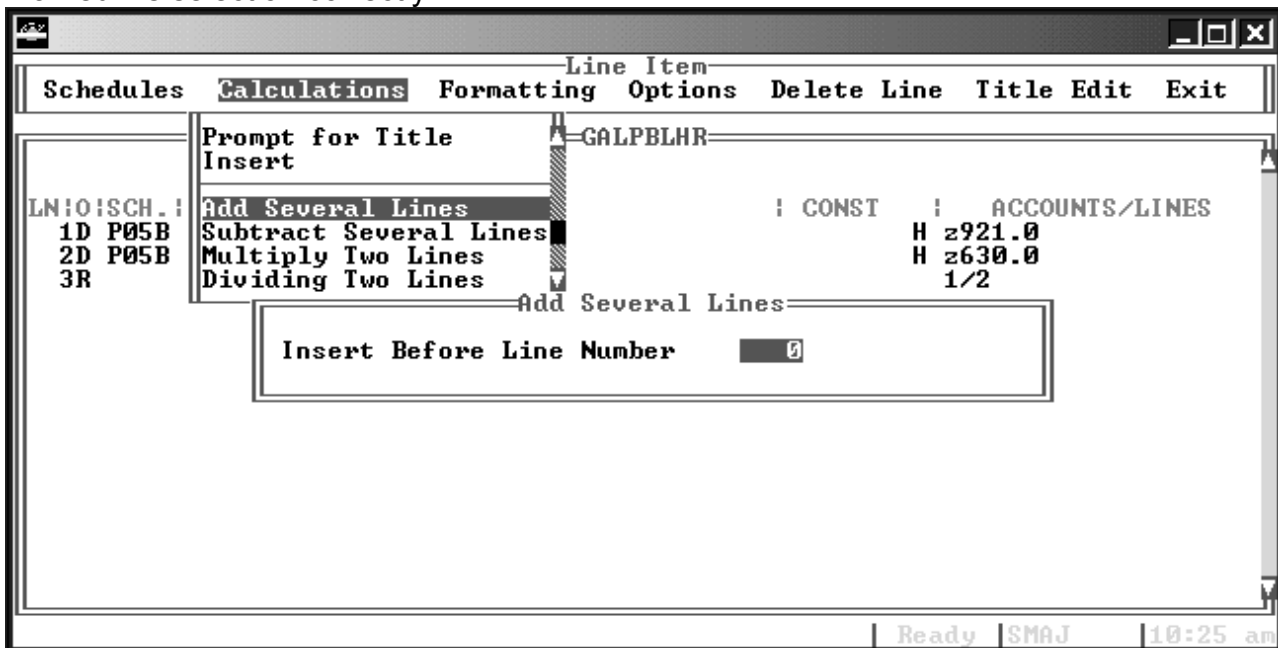
After completing this task, press “Line Items.” Select “Schedules.” At the top of the “Schedule” selection menu, three choices must be made. The user must select “Sum Account Numbers” or “Individual Line Items.” Pressing the space bar or enter will toggle through the selections. Use the arrow key to move down to select the title specification. Move down once again to “Insert”, “Append” or “Replace” a line item. On a new report, line items cannot be inserted or replaced. These selections are used for modifying reports.

After the desired specifications are selected, arrow down to the correct schedule. Press the space bar or enter for a list of the account numbers on the selected schedule. Accounts are selected and deselected by pressing the space bar or enter. After all required account numbers have been marked, press Esc to save. The user can select as many schedules/accounts numbers as desired.

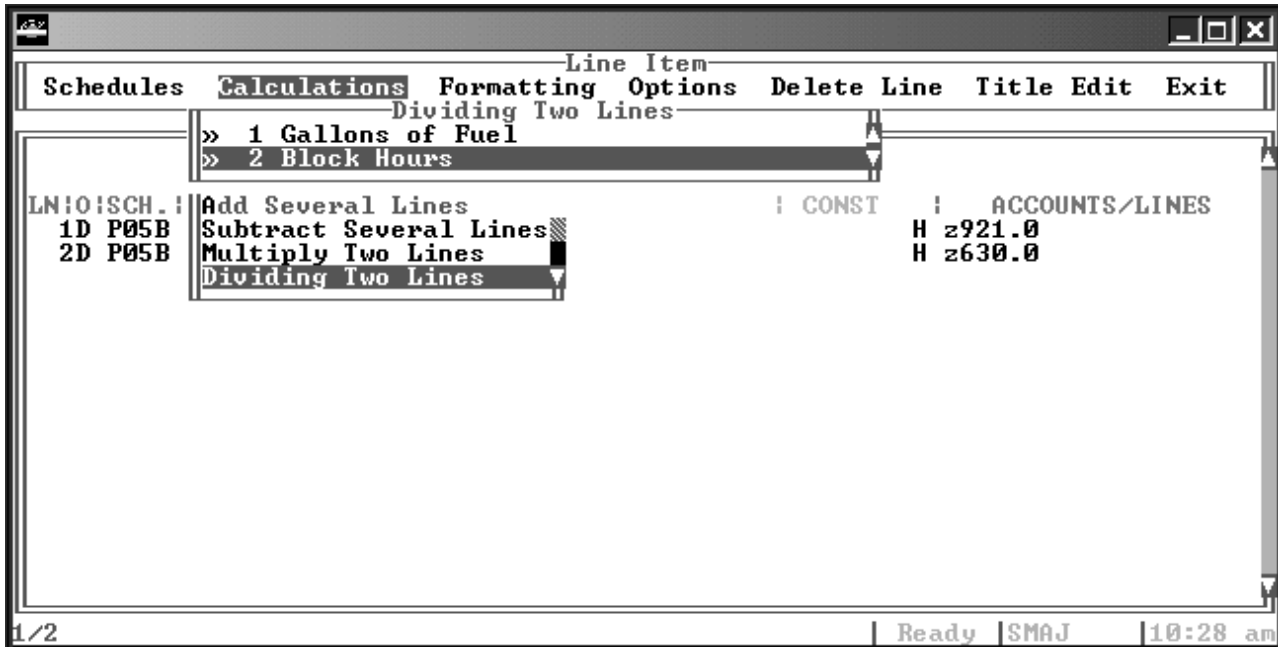
# CREATING USER DEFINED REPORTS



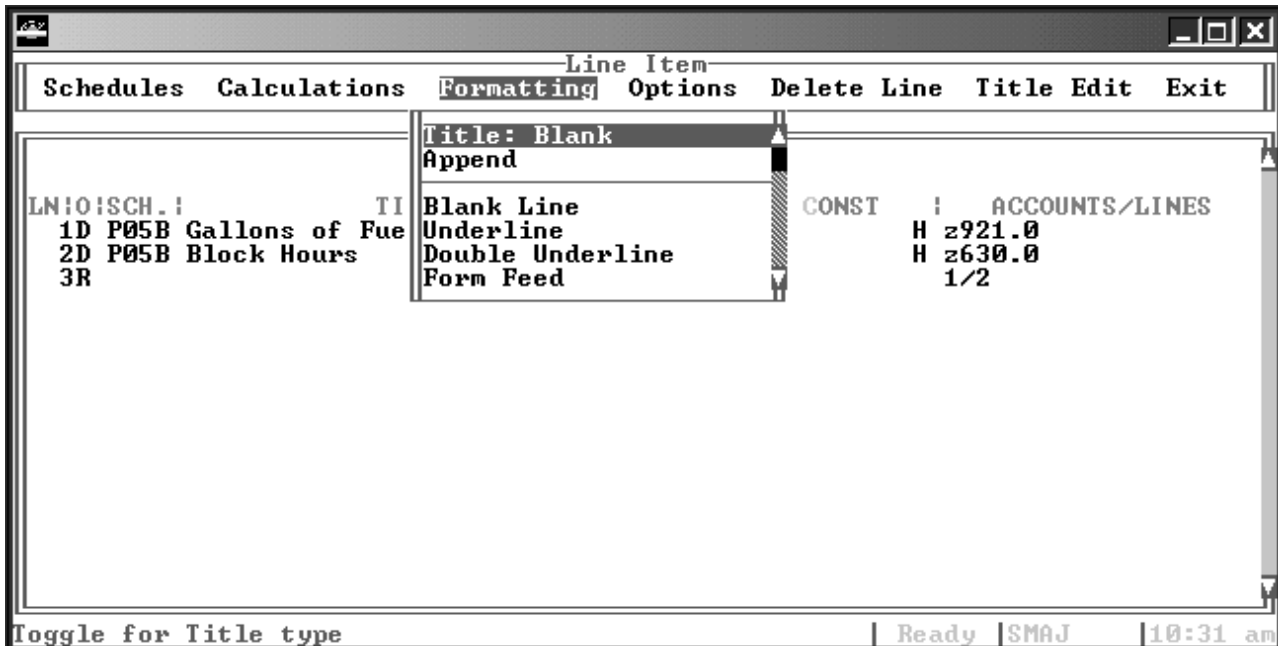
If the user wants to add, subtract, multiply or divide any of the line items created in the previous step, he should select "Calculations." Once again, decisions must be made for the title and placement of the new line items that will be created as a result of the calculations. Upon determining the type of calculation needed, highlight the appropriate selection and press enter or space bar. Toggle the line items to be included and press Esc. It is important to note that when dividing two line items, the user should first toggle the line number to be divided and then to select the line number to divide by. An example will display at the bottom of the screen for the user to determine if he has marked his selection correctly.



# CREATING USER DEFINED REPORTS



The “Formatting” option is used to insert or append blank lines, underlines, double underlines and form feeds. These choices are selected as described for previous options. The user will be prompted for the line number before which the selection should be inserted when “Insert” is chosen.



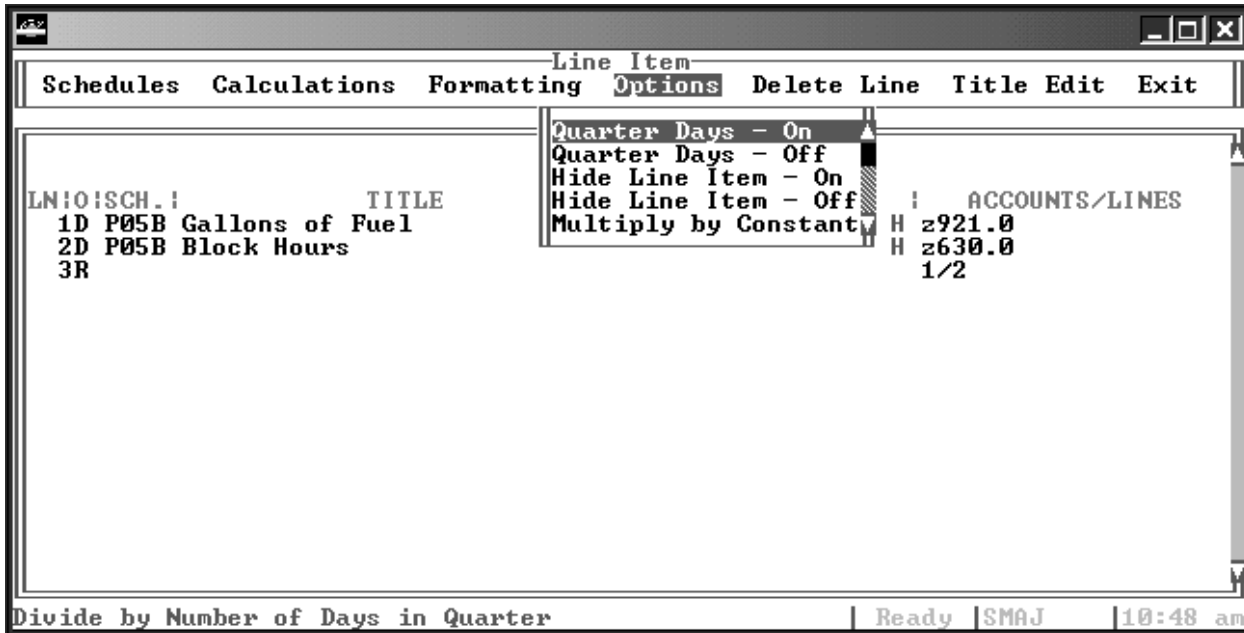
The “Options” are special functions to aid the user in creating reports. “Quarter Days-On” allows the user to divide a line item by the number of days in the time period selected in the Reports Option menu, thus getting an average daily figure. “Quarter Days-Off” selection will remove this selection. If the user prefers that certain line items not appear on his report, he should select “Hide Line Item-On.” Again, “Hide Line Item-Off” is used to deselect this option.

# CREATING USER DEFINED REPORTS

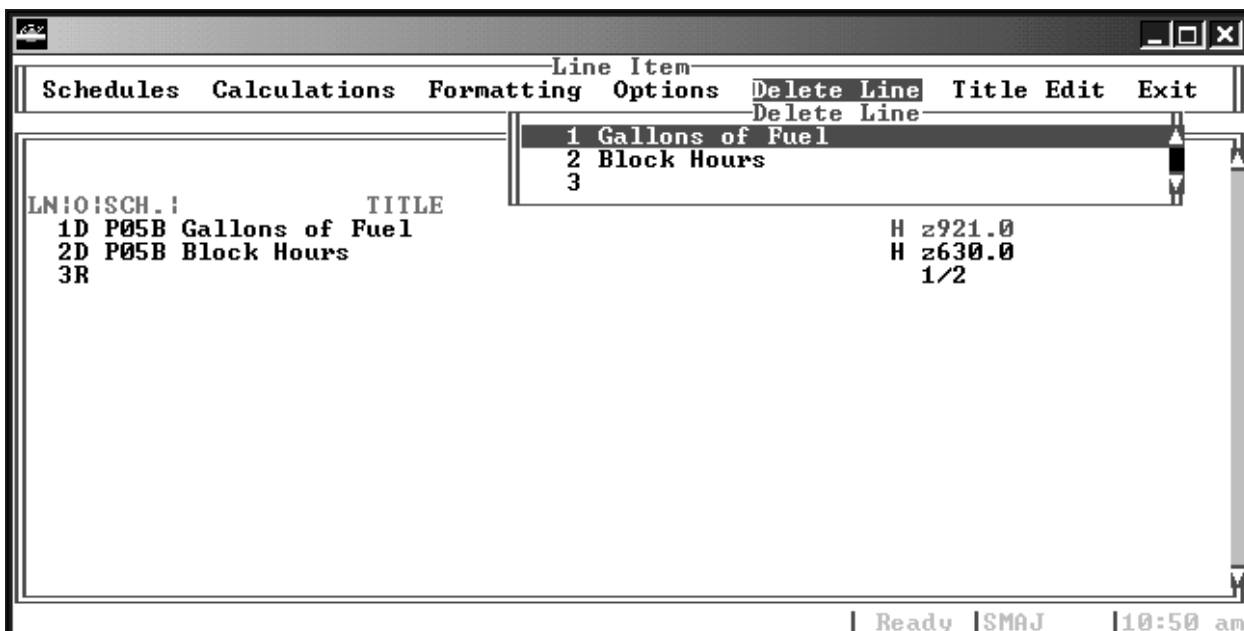
“Multiply by Constant” can be used to multiply by positive or negative amounts. This option is useful for dividing as well since multiplying by a decimal place is the equivalent of dividing by its reciprocal. For example:

$$500 \times .10 = 50 \quad \text{and} \quad 500 / 10 = 50$$

$$500 \times .01 = 5 \quad \text{and} \quad 500 / 100 = 5.$$



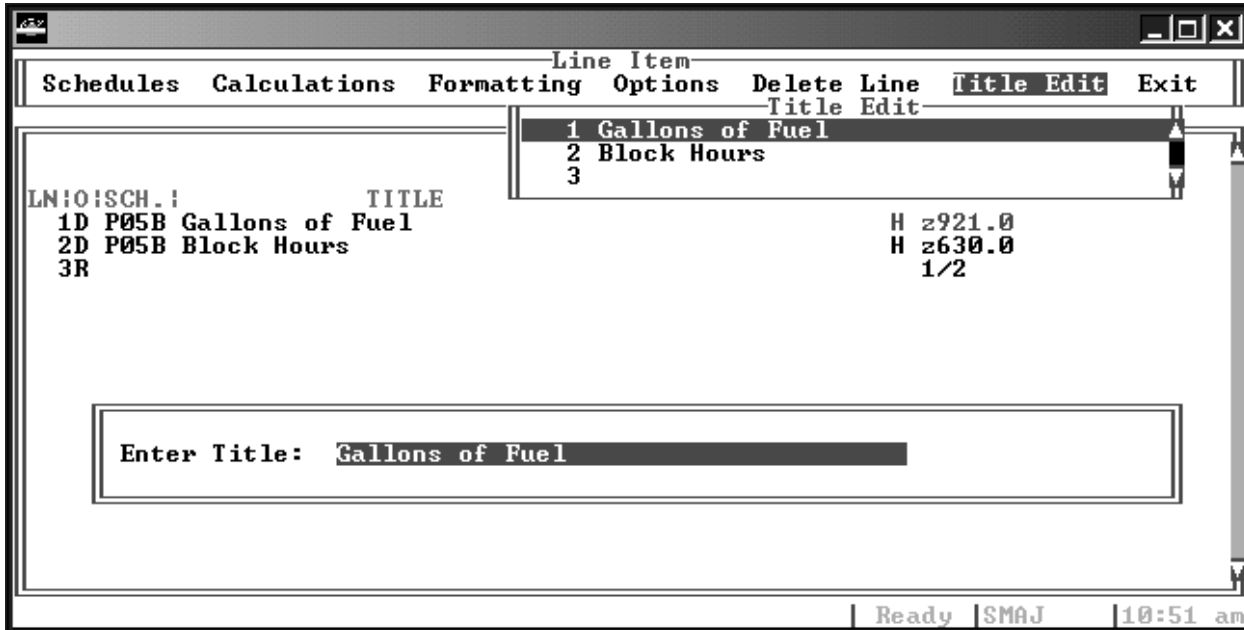
“Delete Line” can be used to remove lines where the user has made errors or changes his mind about selections that have been made.



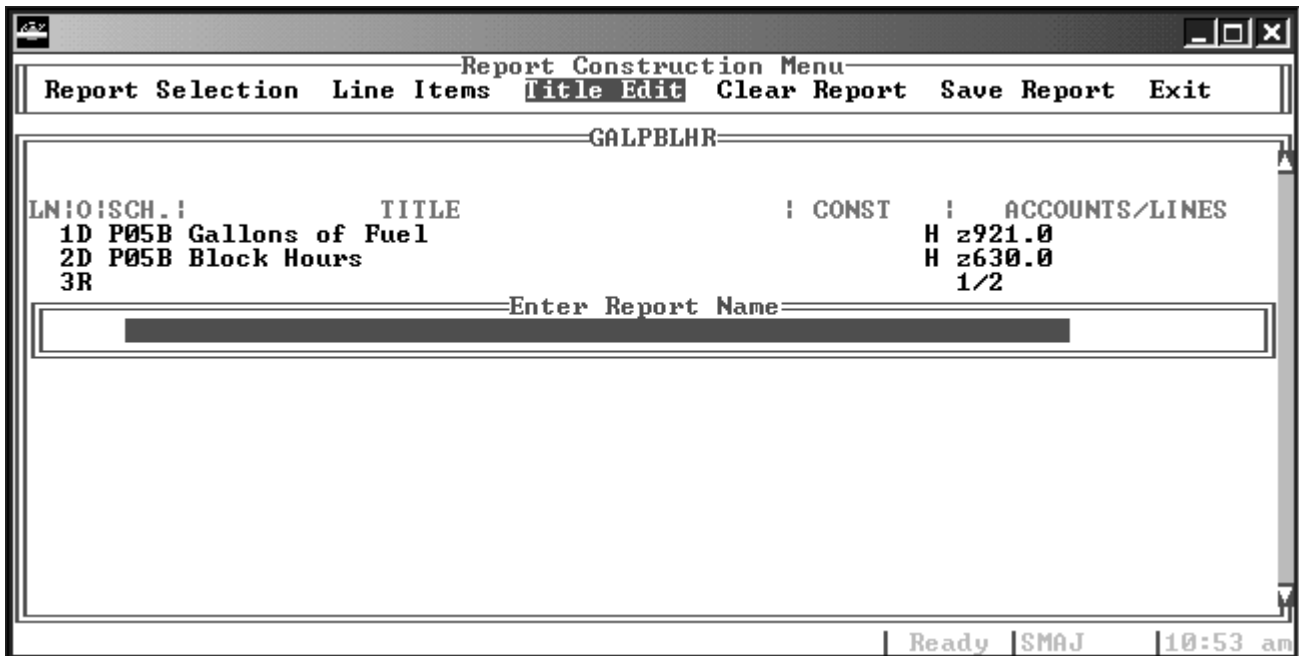
# CREATING USER DEFINED REPORTS

“Title Edit” is used to change the title on any of the existing line items in the report.

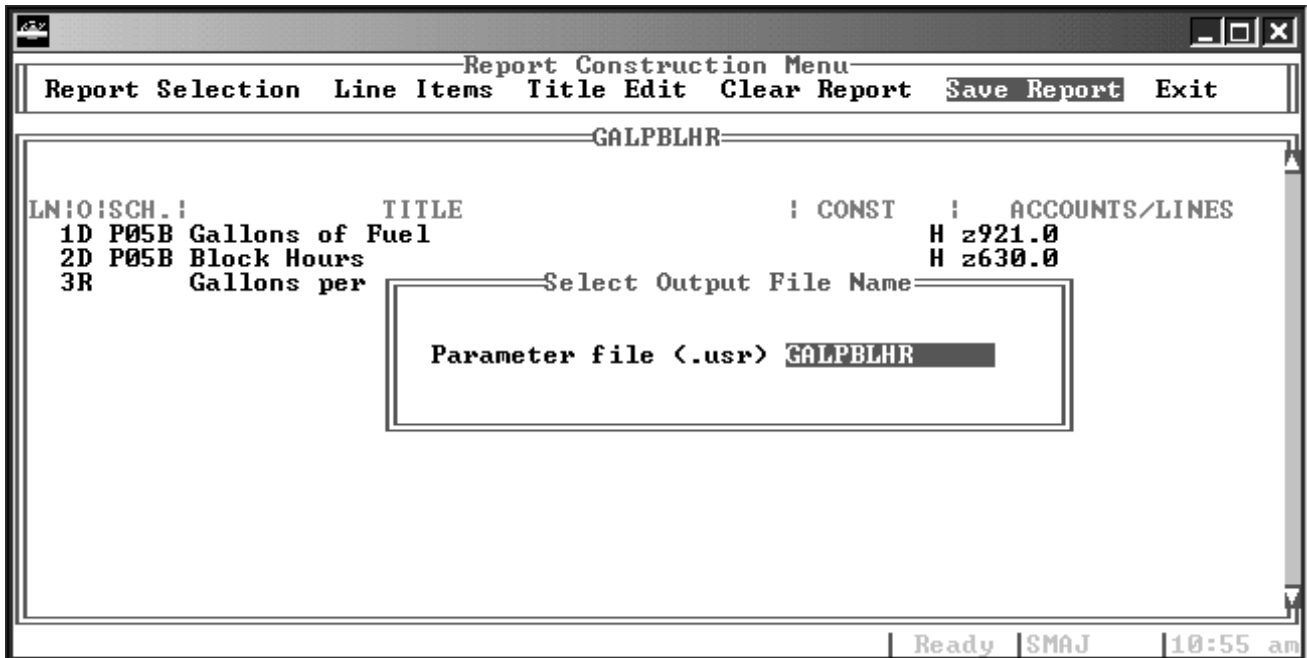
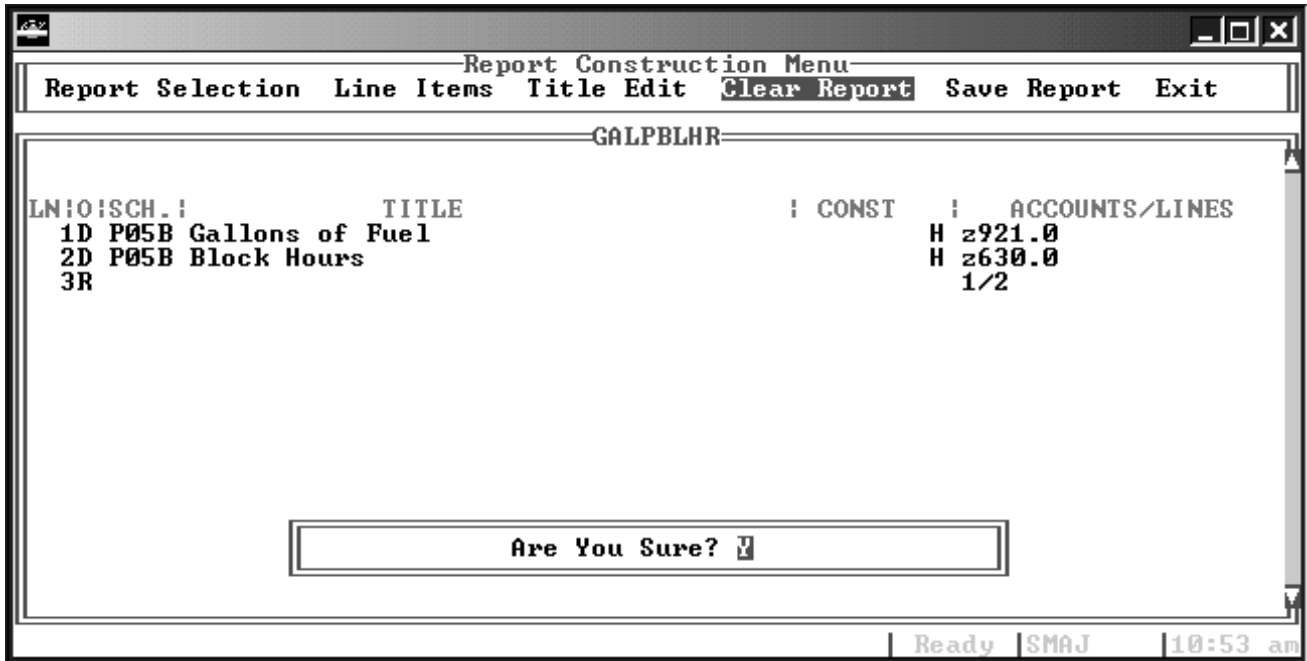
“Exit” takes the user back to the “Report Construction Menu.”



“Title Edit on this menu is for the Report Title, not individual line items. Also on this menu, the user can clear the report from the screen and/or save the report. Exit will return the user to the “Report Definition Menu.”

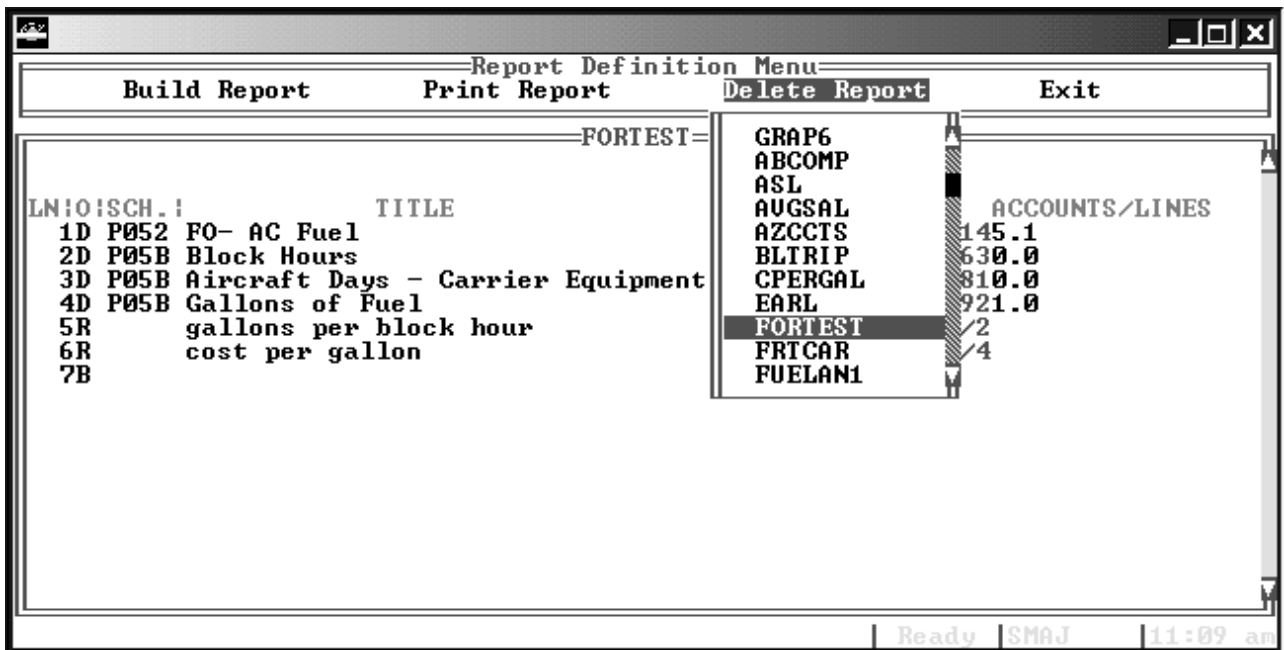
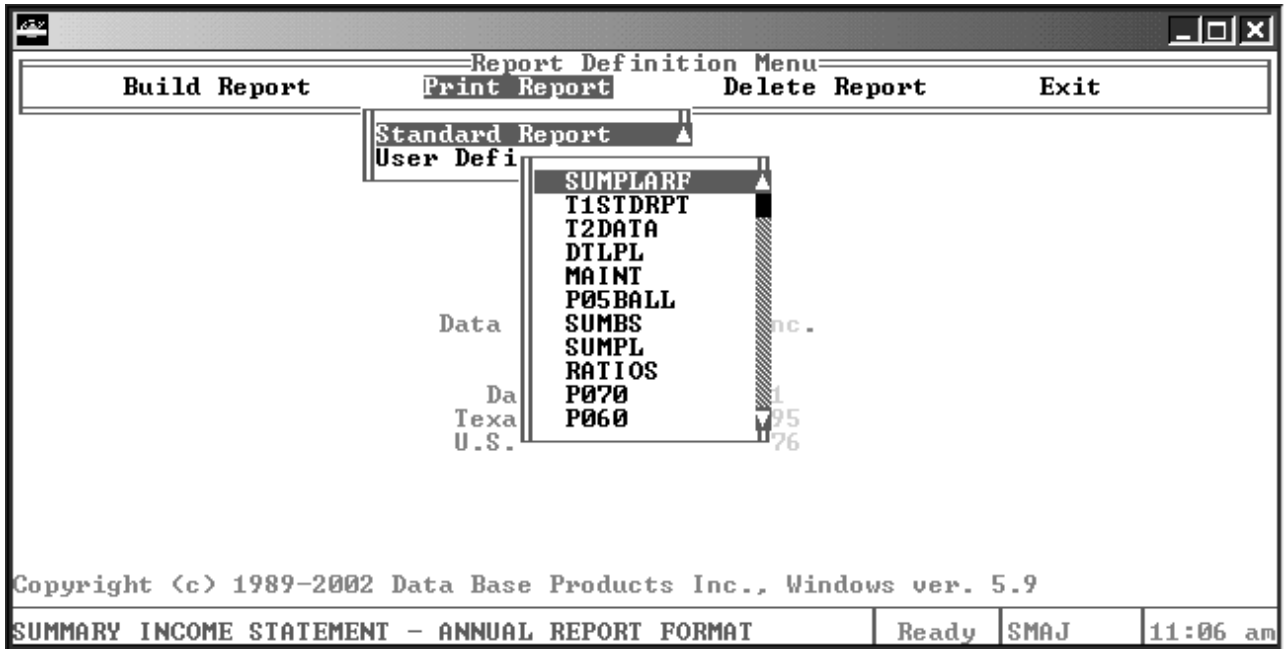


# CREATING USER DEFINED REPORTS



# CREATING USER DEFINED REPORTS

Select "Print Report" to print the report definitions for a selected report. Delete Report will permanently delete any user defined report. Exit returns the user the "Specifications" menu.



# RUNNING FORM 41 FINANCIAL REPORTS

The Report menu allows the user to run five different types of reports: Filing Status, Prompt, Matrix, Standard and User Defined.

The Filing Status report shows which quarters have data for the various Form 41 schedules and equipment types. The Filing Status needs no specifications selected. The user simply enters the entity and/or equipment type on the Report Options menu.

Prompt reports allow the user to select a particular financial schedule for an individual carrier and/or equipment type. No selections are needed on the Specifications menu for Prompt reports.

Matrix reports provide the information requested by the user. Information can be selected for individual account numbers for several carriers. Account numbers must be chosen from the Specifications menu for Matrix reports.

Standard reports are supplied by Data Base Products, Inc., while the User Defined reports are created and accumulated by the user of each system. The Standard reports are identified by the .STD extension and User Defined are identified by the .USR extension. Both Standard and User Defined reports are defined and saved under the Define Reports menu in Specifications.

The matrix below illustrates what Specifications are required for the various report types.

## Required "Specifications" Selections for Reports

<u>Report Type</u>	<u>Carriers</u>	<u>Accounts</u>	<u>Aircraft</u>
Filing Status			
Prompt			
Matrix	X	X	X <sup>1</sup>
Standard	X	<sup>2</sup>	X <sup>1</sup>
User Defined	X	<sup>2</sup>	X <sup>1</sup>

<sup>1</sup> Select Equipment only if report uses P051, P052 or P05B account numbers by individual equipment type.

<sup>2</sup> Selections are made automatically by report definition of selected report (Standard or User Defined).

# RUNNING FORM 41 FINANCIAL REPORTS

The Report Options menu, which appears after a particular report has been chosen, offers a great degree of flexibility to control the format, summary levels and output of the various reports. The selections can be grouped into the following categories:

1. Column Selection
2. Schedule Selection
3. Time Frame Selection
4. Summary Selections
  - a. Time Frame
  - b. Carrier
  - c. Equipment
5. Output
  - a. File Type
  - b. Output
  - c. Report Definitions

To make selections, highlight the desired setting and press the spacebar.

## 1. Column Selection:

The Column Selection setting will toggle between "Time Period", "Entities", "Time Period by Equipment" and "Equipment". The Column Selection setting determines which field's data will be displayed in the report columns. The Column Selection "Time Periods" setting will display the periods selected as columns in a time series fashion. The selection "Entities" will display the different carrier entities as columns. The selection "Time Period by Equipment" setting will display the time periods as columns with equipment type data displayed within each line of the report. The "Equipment" setting will display the different equipment types as columns. Samples of these different column settings are displayed on pages 24-36.

## 2. Schedule Selection:

The Schedule Selection decision has already been made when a user has chosen to run a Standard or User Defined Report. When running Prompt or Matrix Reports, the user may toggle between the various schedules to make a selection.

# RUNNING FORM 41 FINANCIAL REPORTS

## 3. Time Frame Selection:

When “Modify Time Frame” is selected, a period menu is displayed. This menu lists the quarters for several years. Each row contains the four quarters of a year. The year 1992 looks like: 92 92/1 92/2 92/3 92/4. Use the arrow keys to move the cursor from quarter to quarter. To select a quarter, move the blinking cursor to the quarter you want to select and press the space bar. Notice that the quarter now has a highlighted box around it. Highlight the quarters required and press the Esc key to exit the Period menu.

## 4. Summary Selections:

### a. Time Frame:

The “Time Frame Summary” level settings toggle between “Quarters”, “Sum All Qtrs” and “Sum Qtrs Annually”. The “Quarters” setting displays individual quarters selected. The “Sum All Qtrs” setting will total all the quarters that have been selected. “Sum Qtrs Annually” totals selected quarters by year. It is important to note that “Sum All Qtrs” is not available when “Time Period” has been selected as the “Column Selection”.

### b. Carrier:

The “Carrier Summary” level setting will toggle between “Entities Only”, “Entities and Sys Total” and “System Totals Only”. The “Entities Only” setting will display the data for the carrier entities that have been selected. The “Entities and Sys Total” setting will display both the individual carrier entities and the system totals which have been selected. “System Totals Only” displays the sum of all carrier entities selected and represent a carrier total. It is important to note that System Totals can only be displayed when the carrier entities system code has been selected in the Specifications menu. For example, to get American Airlines System data, the AA^ code should be selected from the carrier list in the Specifications menu.

### c. Equipment:

The “Equipment Summary” level setting will toggle between “Eqp Detail Only”, “Eqp Detail & Total” and “Total Eqp Types”. The “Eqp Detail Only” setting displays only the data for the equipment types that have been selected. The “Eqp Detail & Total” setting displays both the equipment types selected and the total for all equipment types. “Total Eqp Types” will ignore any individual equipment types that have been selected and display the total of all equipment types as reported by each carrier.

# RUNNING FORM 41 FINANCIAL REPORTS

## 5. Output:

The “Headings” setting does not toggle, but is already specified by report type. The headings “Codes” will display the three-digit equipment type number for the equipment types and the three-letter entity code for the carrier entities. “Long Names” displays the full character names for the equipment types and the carrier entities.

### a. File Types:

The File Type selections will toggle between “Screen” (which is not available on every report), “Printer” and “File”. When “Printer” is selected, the report is automatically sent to the printer and cannot be viewed on screen. The “File” selection when chosen in combination with “Text” under “Output” (see below) will allow the user to view the report on the screen. When “File” is toggled, the user must provide a file name. Select “Form Feeds” if page breaks are desired.

### b. Output:

The output selection is only available when “File” has been selected under “File Types” (see above). The “Text” option will direct the output to an ASCII .TXT file. The “.wk1” option will create a Lotus file that is sent to the subdirectory selected in “Global Settings” “File Locations” from the Main Menu of Form41.

### c. Report Definitions:

The Report Definition settings toggle between “Print” and “Do Not Print”. The “Print” setting will print out a footnote page, which shows the exact account codes that were used to create every line in the report. This “audit” page can be used to determine which accounts went into a line labeled “Labor Costs”. The “Do Not Print Setting” will not display this footnote page.

SUMMARY BALANCE SHEET (000's)  
Quarter <2003 4>  
Equipment <All Equipment Types>

	AA^	DL^	WN^	
	American Airlines	Delta Air Lines	Southwest Airlines	TOTAL
Cash & Short-term Inv.	3,122,799	2,101,125	1,864,436	7,088,360
Net Notes & Accts Rec.	707,326	1,451,434	120,935	2,279,695
Net Spare Parts &Supplies	475,251	156,268	92,173	723,692
Prepaid Items	232,349	252,107	240,714	725,170
Other	52,121	1,074,516	-	1,126,637
Total Current Assets	4,589,846	5,035,450	2,318,258	11,943,554
Total Inv. & Special Funds	3,365,540	2,525,932	8,230	5,899,702
Flight Equipment	18,130,847	17,880,650	8,455,011	44,466,508
Ground Equipment	3,824,825	3,926,514	950,406	8,701,745
Less Allow. for Deprec	(7,786,420)	(8,576,560)	(2,978,500)	(19,341,480)
Net Property & Equip.	14,169,252	13,230,604	6,426,917	33,826,773
Land	7,874	33,160	28,758	69,792
Progress Pmts. & W-I-P	1,188,596	595,481	923,128	2,707,205
Cap. Lses. net of Amort.	1,364,564	109,573	64,412	1,538,549
Total Operating Property	16,730,286	13,968,818	7,443,215	38,142,319
Net Nonoperating Prop.	-	48,245	-	48,245
Long-term Prepayments	433,260	479,443	87,079	999,782
Other Assets	1,352,209	1,839,238	31,923	3,223,370
Total Other Asset	1,785,469	2,318,681	119,002	4,223,152
Total Assets	26,471,141	23,897,126	9,888,705	60,256,972
Curr. Maturities L-T-D	464,713	583,287	195,787	1,243,787
Notes Payable	-	-	-	-
Accounts Payable	691,389	370,490	193,815	1,255,694
Curr. Oblig. Cap. Lses	169,641	19,260	10,452	199,353
Accrued Sal. & Wages	228,471	912,206	89,194	1,229,871
Accrued Vacation Pay	278,410	309,213	109,134	696,757
Accrued Interest	110,119	137,912	20,351	268,382
Accrued Taxes	151,675	761,328	47,900	960,903
Dividends Declare	-	12,704	3,551	16,255
Air Traffic Liab.	2,798,675	1,296,071	461,545	4,556,291
Other Current	1,443,817	1,809,996	601,480	3,855,293
Total Current Liab.	6,336,910	6,212,467	1,733,209	14,282,586
Long-term Debt	9,045,526	9,870,578	1,251,363	20,167,467
Pen.Liab. & Stk.Pur.Plan	21,738	4,958,602	-	4,980,340
Noncurr. Obgl.-CapLses	1,156,158	77,288	80,466	1,313,912
Other Noncurrent	4,848,001	3,068,543	27,744	7,944,288
Total Noncurrent	15,071,423	17,975,011	1,359,573	34,406,007
Defd. Income Taxes	-	(324,468)	1,420,053	1,095,585
Defd. Inv. Tax Credits	-	-	-	-
Other Defd. Credits	4,717,986	533,144	323,720	5,574,850
Total Deferred Credits	4,717,986	208,676	1,743,773	6,670,435
Total Capital Stock	1	546,332	789,391	1,335,724
Additional Capital Inv.	3,023,477	3,272,136	258,138	6,553,751
Total Paid in Capital	3,023,478	3,818,468	1,047,529	7,889,475
Retained Earnings	(2,678,656)	(1,609,413)	4,004,621	(283,448)
Net Unrel. Loss-Mktbl Sec.	-	-	-	-
Total Stockholders Equity	344,822	2,209,055	5,052,150	7,606,027
Less Treas. Stock	-	(2,708,083)	-	(2,708,083)
Net Stockholders Equity	344,822	(499,028)	5,052,150	4,897,944
Total Liab.& Stockh. Equity	26,471,141	23,897,126	9,888,705	60,256,972

SUMMARY PROFIT & LOSS-(P-1.2) (000's)

Quarter <2003 4>

Equipment <All Equipment Types>

	AA^ American Airlines	DL^ Delta Air Lines	WN^ Southwest Airlines	TOTAL
REVENUES:				
Passenger Revenues	3,580,086	2,614,520	1,430,898	7,625,504
Mail & Freight Revenues	166,342	136,770	25,086	328,198
Charter Revenue	9,118	17,201	4,458	30,777
Other Revenues	627,880	878,658	56,502	1,563,040
	-----	-----	-----	-----
Total Operating Rev.	4,383,426	3,647,149	1,516,944	9,547,519
EXPENSES:				
Flying Operations	1,282,953	1,125,959	476,143	2,885,055
Maintenance	431,393	283,818	170,076	885,287
Passenger Service	527,721	348,309	113,641	989,671
Aircraft & Traffic Svc	755,215	579,520	282,278	1,617,013
Promotion & Sales	391,447	292,814	159,842	844,103
General & Admin.	582,565	189,027	101,211	872,803
Depreciation & Amort.	309,868	278,381	99,143	687,392
Transport Related	407,742	752,007	3,669	1,163,418
	-----	-----	-----	-----
Total Operating Exp.	4,688,904	3,849,835	1,406,003	9,944,742
Operating Profit or Loss	(305,478)	(202,686)	110,941	(397,223)
Int. on L-T-D & Cap. Leases	60,760	175,231	19,294	255,285
Int. Expense - Other	(16,646)	6,844	(9,615)	(19,417)
Other Nonop. Exp. - Net	(129,069)	174,482	271	45,684
	-----	-----	-----	-----
Total Nonop. Expense <Inc.>	(84,955)	356,557	9,950	281,552
Income Before Tax	(220,523)	(559,243)	100,991	(678,775)
Income Tax Expense	(90,798)	(203,191)	35,210	(258,779)
	-----	-----	-----	-----
Income Before Other Items	(129,725)	(356,052)	65,781	(419,996)
Disc.Ops, Extr.It., Act.Ch.	-	-	-	-
	-----	-----	-----	-----
Net Income <Loss>	(129,725)	(356,052)	65,781	(419,996)
	=====	=====	=====	=====

SUMMARY INCOME STATEMENT - ANNUAL REPORT FORMAT (000's)

Quarter <2003 4>

Equipment <All Equipment Types>

	AA <sup>^</sup> American Airlines	DL <sup>^</sup> Delta Air Lines	WN <sup>^</sup> Southwest Airlines	TOTAL
Operating revenues:				
Passenger	3,580,086	2,614,520	1,430,898	7,625,504
Freight	166,342	136,770	25,086	328,198
Other	636,998	895,859	60,960	1,593,817
	-----	-----	-----	-----
Total operating revenues	4,383,426	3,647,149	1,516,944	9,547,519
Operating expenses:				
Salaries, wages and benefits	1,559,584	1,399,271	593,481	3,552,336
Fuel and oil	645,935	450,054	237,582	1,333,571
Maintenance materials and repairs	179,113	128,268	114,179	421,560
Agency commissions	115,074	56,529	14,252	185,855
Aircraft rentals	150,732	139,472	50,593	340,797
Landing fees and other rentals	262,149	188,936	91,084	542,169
Depreciation and amortization	309,868	278,382	99,143	687,393
Other operating expenses	1,466,449	1,208,931	205,689	2,881,069
	-----	-----	-----	-----
Total operating expenses	4,688,904	3,849,835	1,406,003	9,944,742
Operating income (loss)	(305,478)	(202,686)	110,941	(397,223)
Other expenses(income)				
Interest exp. on L-T-D & Cap. lease	60,760	175,231	19,294	255,285
Capitalized interest and other exp.	(16,646)	6,844	(9,615)	(19,417)
Nonoperating losses (gains)	(4,133)	(36,786)	-	(40,919)
Interest income and other	(124,936)	211,268	271	86,603
	-----	-----	-----	-----
Total other expenses (income)	(84,955)	356,557	9,950	281,552
Income before income tax	(220,523)	(559,243)	100,991	(678,775)
Income tax expense	(90,798)	(203,191)	35,210	(258,779)
	-----	-----	-----	-----
Income before other items	(129,725)	(356,052)	65,781	(419,996)
Disc. Ops, Extra. Items, Acct. Change	-	-	-	-
	-----	-----	-----	-----
Net income (loss)	(129,725)	(356,052)	65,781	(419,996)
	=====	=====	=====	=====

OPERATING EXPENSES BY OBJECTIVE GROUPINGS (P-6.0)  
Quarter <2003 4>  
Equipment <All Equipment Types>

	AAA American Airlines	AAD American Airlines	AAL American Airlines	AAP American Airlines	TOTAL
<b>SALARIES &amp; RELATED BENEFITS</b>					
<b>SALARIES:</b>					
General Mgmt. Per.	1,415,000	8,070,000	1,762,000	326,000	11,573,000
Flight Personnel	54,861,000	368,764,000	70,029,000	14,447,000	508,101,000
Maintenance Labor	15,609,000	169,459,000	26,453,000	3,423,000	214,944,000
Aircr. & Traffic Hndl.	10,231,000	212,752,000	34,874,000	1,566,000	259,423,000
Other Personnel	6,732,000	38,397,000	8,382,000	1,550,000	55,061,000
Total Salaries	88,848,000	797,442,000	141,500,000	21,312,000	1,049,102,000
<b>RELATED FRINGE BENEFITS</b>					
Personnel Expense	7,806,000	44,527,000	9,720,000	1,797,000	63,850,000
Empl. Benefits & Pens	30,685,000	275,409,000	48,869,000	7,360,000	362,323,000
Payroll Taxes	7,140,000	64,085,000	11,371,000	1,713,000	84,309,000
Total Fringe Benefits	45,631,000	384,021,000	69,960,000	10,870,000	510,482,000
<b>Total Salaries &amp; Benefits</b>	<b>134,479,000</b>	<b>1,181,463,000</b>	<b>211,460,000</b>	<b>32,182,000</b>	<b>1,559,584,000</b>
<b>MATERIALS PURCHASED:</b>					
Aircraft Fuel & Oil	77,246,000	460,192,000	89,758,000	18,739,000	645,935,000
Maintenance Materials	5,817,000	63,151,000	9,858,000	1,276,000	80,102,000
Passenger Food	35,994,000	80,795,000	24,568,000	8,506,000	149,863,000
Other Materials	3,248,000	18,527,000	4,044,000	748,000	26,567,000
Total Materials	122,305,000	622,665,000	128,228,000	29,269,000	902,467,000
<b>SERVICES PURCHASED:</b>					
Advertising & Oth. Promo.	3,708,000	24,693,000	5,439,000	792,000	34,632,000
Communications	3,836,000	41,647,000	6,501,000	841,000	52,825,000
Insurance	7,204,000	37,062,000	7,556,000	1,639,000	53,461,000
Outside Flight Eqpt.	7,190,000	78,059,000	12,185,000	1,577,000	99,011,000
Traff Comm-Passenger	12,593,000	79,112,000	17,905,000	2,904,000	112,514,000
Traff Comm-Cargo	752,000	853,000	606,000	349,000	2,560,000
Other Services	51,548,000	294,026,000	64,185,000	11,867,000	421,626,000
Total Services	86,831,000	555,452,000	114,377,000	19,969,000	776,629,000
LANDING FEES	3,738,000	77,742,000	12,743,000	572,000	94,795,000
RENTALS	12,544,000	260,862,000	42,760,000	1,920,000	318,086,000
DEPRECIATION	37,728,000	177,305,000	39,569,000	9,708,000	264,310,000
AMORTIZATION	3,045,000	37,308,000	5,069,000	136,000	45,558,000
OTHER	39,091,000	222,969,000	48,674,000	8,999,000	319,733,000
TRANSPORT RELATED EXPEN	49,851,000	284,344,000	62,071,000	11,476,000	407,742,000
<b>TOTAL OPERATING EXPENSES</b>	<b>489,612,000</b>	<b>3,420,110,000</b>	<b>664,951,000</b>	<b>114,231,000</b>	<b>4,688,904,000</b>

OPERATING EXPENSES BY FUNCTIONAL GROUPING (P-7.0)(GR III  
Quarter [ 2003:1,2,3,4 ]  
Equipment <All Equipment Types>

	AA^ American Airlines	CO^ Continental Airlines	DL^ Delta Air Lines	TOTAL
<b>DIRECT A/C OPERATING COSTS:</b>				
Total(Sum of P5-A/C Types)	8,210,379,000	3,647,766,000	6,162,161,000	18,020,306,000
<b>INDIRECT OP.EXP (SERV&amp;SALES)</b>				
<b>PASSENGER SERVICE EXPENSE</b>				
Flight Attendant Expense	1,332,535,000	511,216,000	976,785,000	2,820,536,000
Food Expense	606,019,000	179,118,000	280,515,000	1,065,652,000
Other In-Flight Expense	298,103,000	68,231,000	158,862,000	525,196,000
Total Pass. Service Exp	2,236,657,000	758,565,000	1,416,162,000	4,411,384,000
<b>AIRCRAFT SERVICING EXPENSE</b>				
Line Servicing Expense	330,622,000	95,977,000	335,450,000	762,049,000
Control Expense	190,057,000	115,474,000	178,091,000	483,622,000
Landing Fees	383,153,000	177,653,000	230,178,000	790,984,000
Total A/C Service Exp	903,832,000	389,104,000	743,719,000	2,036,655,000
<b>TRAFFIC SERVICING EXPENSE</b>				
Dir Assignable-passenger	1,167,364,000	729,002,000	918,570,000	2,814,936,000
Dir Assignable-bag&cargo	1,088,364,000	340,221,000	742,891,000	2,171,476,000
Not Directly Assignable	-	65,320,000	431,000	65,751,000
Tot Traf Servicing Exp	2,255,728,000	1,134,543,000	1,661,892,000	5,052,163,000
<b>RESERVATION &amp; SALES EXP.</b>				
Dir Assignable-passenger	1,434,922,000	462,056,000	1,018,859,000	2,915,837,000
Dir Assignable-bag&cargo	11,149,000	11,150,000	33,986,000	56,285,000
Not Directly Assignable	-	184,539,000	-	184,539,000
Total Res. & Sales Exp	1,446,071,000	657,745,000	1,052,845,000	3,156,661,000
<b>AD AND PUBLICITY EXPENSE</b>				
Dir Assignable-passenger	144,731,000	(40,990,000)	166,457,000	270,198,000
Dir.Assignable-bag&cargo	4,571,000	(2,000)	97,000	4,666,000
Not Directly Assignable	-	-	-	-
Tot Ad & Publicity Exp	149,302,000	(40,992,000)	166,554,000	274,864,000
GENERAL & ADMIN. EXPENSE	1,696,241,000	308,337,000	953,176,000	2,957,754,000
<b>MAINT. &amp; DEPR. GROUND</b>				
Maintenance Prop & Eqpt	68,181,000	4,915,000	87,587,000	160,683,000
Depreciation Prop & Eqpt	238,694,000	105,382,000	264,106,000	608,182,000
Total Maint.+Depr. Grd	306,875,000	110,297,000	351,693,000	768,865,000
DEPR EXP. MAINTENENCE EQPT*	25,504,000	2,850,000	3,960,000	32,314,000
AMORTIZ. (NON-FLIGHT EQPT)	34,034,000	70,080,000	79,311,000	183,425,000
SERVICE SALES & GEN OP EX	9,054,244,000	3,390,529,000	6,429,312,000	18,874,085,000
TRANSPORT RELATED EXPENSI	1,582,717,000	265,452,000	2,768,721,000	4,616,890,000
<b>TOTAL OPERATING EXPENSES</b>	<b>18,847,340,000</b>	<b>7,303,747,000</b>	<b>15,360,194,000</b>	<b>41,511,281,000</b>

Average Salaries & Wages per Employee - Groups 2 & 3 Only  
Carrier <American Airlines> <AA^>  
Equipment <All Equipment Types>

		2003 1	2003 2	2003 3	2003 4	TOTAL
S&W- General Mgmt. Per.		11,598,000	12,079,000	11,334,000	11,573,000	46,584,000
Empl General Mgmt. Per.	21	49	49	49	49	49
FO- Pilots and Copilots	G23	430,221,000	356,918,000	319,027,000	305,451,000	1,411,617,000
Empl Pilots & Copilots	23	10,857	10,857	10,857	10,857	10,857
FO- Other Flight Personnel	G23	-	-	-	-	-
Empl Oth Flt Pers-Flt Ops	5100 24.1	-	-	-	-	-
S&W - Other Flt Pers - Pasgr Service		257,513,000	221,337,000	199,965,000	202,650,000	881,465,000
Empl Oth Flt Per-Psgr/GenSvc&Adm	24.2	18,421	18,421	18,421	18,421	18,421
S&W- Maintenance Labor		285,060,000	247,811,000	220,668,000	214,944,000	968,483,000
Empl Maintenance Labor	25	16,747	16,747	16,747	16,747	16,747
S&W- Aircr. & Traffic Hndl. Per.		347,083,000	292,024,000	266,686,000	259,423,000	1,165,216,000
Empl A/C & Traff. Hndl. Per.	G1 26	-	-	-	-	-
Empl Gen A/C & Traff. Hndl. Per.	26.1	624	624	624	624	624
Empl A/C Control Personnel	26.2	231	231	231	231	231
Empl Psgr. Handling Personnel	26.3	15,461	15,461	15,461	15,461	15,461
Empl Cargo Handling Personnel	26.4	14,029	14,029	14,029	14,029	14,029
S&W- Other Personnel		83,276,000	78,485,000	57,611,000	55,061,000	274,433,000
Empl Trainees & Instructors	28.1	353	353	353	353	353
Empl Record Keeping & Stst. Pers.	31	7,556	7,556	7,556	7,556	7,556
Empl Traffic Solicitors	33	219	219	219	219	219
Empl Other Personnel	99.1	223	223	223	223	223
S&W- Total Salaries		1,414,751,000	1,208,654,000	1,075,291,000	1,049,102,000	4,747,798,000
Empl Total Weighted Avg CY Empl		84,770	84,770	84,770	84,770	84,770
Salaries & Wages Per Employee Group						
Avg. Salary - Gen Mgmt. Personnel		236,694	246,510	231,306	236,184	950,694
Avg. Salary - Pilots and Co-pilots		39,626	32,874	29,384	28,134	130,019
Avg. Salary - Other Personnel -Flt Op		-	-	-	-	-
Avg. Salary - Other Flt - Pasgr/Gen		13,979	12,015	10,855	11,001	47,851
Avg. Salary - Maintenance Labor		17,022	14,797	13,177	12,835	57,830
Avg. Salary - A/C & Traffic Hndlg Per		11,438	9,623	8,788	8,549	38,399
Avg. Salary - Other Personnel		9,972	9,398	6,899	6,593	32,862
Avg. Salary - All Employees		16,689	14,258	12,685	12,376	56,008

Average Salaries & Wages per Employee - Groups 2 & 3 Only  
Carrier <American Airlines> <AAD>  
Equipment <All Equipment Types>

		2003 1	2003 2	2003 3	2003 4	TOTAL
S&W- General Mgmt. Per.		8,315,000	8,673,000	7,919,000	8,070,000	32,977,000
Empl General Mgmt. Per.	21	35	35	35	35	35
FO- Pilots and Copilots	G23	344,753,000	287,329,000	252,196,000	240,814,000	1,125,092,000
Empl Pilots & Copilots	23	8,142	8,142	8,142	8,142	8,142
FO- Other Flight Personnel	G23	-	-	-	-	-
Empl Oth Flt Pers-Flt Ops	5100 24.1	-	-	-	-	-
S&W - Other Flt Pers - Pasgr Service		165,629,000	141,463,000	125,351,000	127,950,000	560,393,000
Empl Oth Flt Per-Psgr/GenSvc&Adm	24.	12,358	12,358	12,358	12,358	12,358
S&W- Maintenance Labor		228,430,000	199,495,000	174,442,000	169,459,000	771,826,000
Empl Maintenance Labor	25	13,336	13,336	13,336	13,336	13,336
S&W- Aircr. & Traffic Hndl. Per.		290,607,000	245,287,000	219,964,000	212,752,000	968,610,000
Empl A/C & Traff. Hndl. Per.	G1 26	-	-	-	-	-
Empl Gen A/C & Traff. Hndl. Per.	26.1	519	519	519	519	519
Empl A/C Control Personnel	26.2	192	192	192	192	192
Empl Psgr. Handling Personnel	26.3	12,840	12,840	12,840	12,840	12,840
Empl Cargo Handling Personnel	26.4	11,651	11,651	11,651	11,651	11,651
S&W- Other Personnel		59,702,000	56,349,000	40,252,000	38,397,000	194,700,000
Empl Trainees & Instructors	28.1	250	250	250	250	250
Empl Record Keeping & Stst. Pers.	31	5,346	5,346	5,346	5,346	5,346
Empl Traffic Solicitors	33	154	154	154	154	154
Empl Other Personnel	99.1	157	157	157	157	157
S&W- Total Salaries		1,097,436,000	938,596,000	820,124,000	797,442,000	3,653,598,000
Empl Total Weighted Avg CY Empl		64,980	64,980	64,980	64,980	64,980
Salaries & Wages Per Employee Group						
Avg. Salary - Gen Mgmt. Personnel		237,571	247,800	226,257	230,571	942,200
Avg. Salary - Pilots and Co-pilots		42,343	35,290	30,975	29,577	138,184
Avg. Salary - Other Personnel -Flt Op		-	-	-	-	-
Avg. Salary - Other Flt - Pasgr/Gen		13,403	11,447	10,143	10,354	45,347
Avg. Salary - Maintenance Labor		17,129	14,959	13,081	12,707	57,875
Avg. Salary - A/C & Traffic Hndl Per		11,531	9,733	8,728	8,442	38,434
Avg. Salary - Other Personnel		10,107	9,539	6,814	6,500	32,961
Avg. Salary - All Employees		16,889	14,444	12,621	12,272	56,227

MAINTENANCE COSTS

Quarter <2003 4>

Carrier <Southwest Airlines> <WN^>

		612	616	619	620	9999	DETAIL SUM
		B737-7/LR	B-737-5	B-737-3/7	B-737-1/2	All Eq Types	
Mtn- Maint Airf. Labor	G23	10,172,000	1,487,000	11,980,000	1,184,000	24,823,000	24,823,000
Mtn- Maint Eng. Labor	G23	1,410,000	206,000	1,661,000	164,000	3,441,000	3,441,000
Mtn- Maint Other Labor	G23	-	-	-	-	-	-
Mtn- Maint Airf. Outside Rep.	G23	3,333,000	1,541,000	14,366,000	7,449,000	26,689,000	26,689,000
Mtn- Maint Eng. Outside Rep.	G23	8,515,000	300,000	51,932,000	1,043,000	61,790,000	61,790,000
Mtn- Maint Othr Flt.Eqpt. O/SRep.	G23	-	-	-	-	-	-
Mtn- Maint AC Interch. Chrgs-O/S	G23	-	-	-	-	-	-
Mtn- Maint Materials - Airframe	G23	994,000	459,000	4,283,000	2,221,000	7,957,000	7,957,000
Mtn- Maint Materials - Engines	G23	79,000	3,000	479,000	10,000	571,000	571,000
Mtn- Maint Airfrm Airworth. Provs	G23	-	-	-	-	-	-
Mtn- Maint Airfrm Airworth. Chgs.	G23	-	-	-	-	-	-
Mtn- Maint Airfrm O/H Deferred	G23	-	1,236,000	9,960,000	985,000	12,181,000	12,181,000
Mtn- Maint Airfrm Amort. of O/H	G23	-	-	-	-	-	-
Mtn- Maint AC Eng. Airworth. Prov	G23	-	-	-	-	-	-
Mtn- Maint AC Eng. Airworth. Chgs	G23	-	-	-	-	-	-
Mtn- Maint AC Eng. O/H Def. (cr.)	G23	-	-	-	-	-	-
Mtn- Maint AC Eng. Amort. of O/H	G23	-	-	-	-	-	-
Mtn- Total Dir Maint-Flt.Eqpt(P6)	G23	24,503,000	5,232,000	94,661,000	13,056,000	137,452,000	137,452,000
Mtn- Appl. Maint Bur-Flt.Eqpt(P6)	G23	10,953,000	1,601,000	12,899,000	1,275,000	26,728,000	26,728,000
Mtn- Total Flt. Eq. Maint. (Memo)	G23	35,456,000	6,833,000	107,560,000	14,331,000	164,180,000	164,180,000
ASM's - Sched.+NonSched. Serv.		8,005,076	930,674	8,711,915	677,342	18,325,007	18,325,007
Rev. Arcft. Miles- Sch+NSch Serv.		58,431,211	7,628,477	63,590,617	5,551,799	135,202,104	135,202,104
Block Hours		152,151	23,755	183,672	19,256	378,834	378,834
Aircraft Days - Carrier Routes		13,204	2,300	17,848	2,163	35,515	35,515
Gallons of Fuel		111,112,047	17,505,280	142,710,531	16,193,349	287,521,207	287,521,207
Departures Performed - Sched. Serv.		73,561	18,365	126,188	20,257	238,371	238,371
Departures Performed - Sch+NSch Ser		73,724	18,366	126,238	20,257	238,585	238,585
FO- AC Fuel	G23	97,115,000	14,195,000	114,373,000	11,308,000	236,991,000	236,991,000
DE- Pilot and Copilot S&W + Ben.	G1	-	-	-	-	-	-
DE- Aircraft Fuel and Oil	G1	-	-	-	-	-	-
DE- Maintenance - Flight Eqpt.	G1	-	-	-	-	-	-
DE- Total Direct Expense	G1	-	-	-	-	-	-
FO- Pilots and Copilots	G23	57,357,000	8,383,000	67,551,000	6,678,000	139,969,000	139,969,000
FO- Other Flight Personnel	G23	-	-	-	-	-	-
FO- Total Flying Operations (P1)	G23	175,060,000	30,903,000	249,338,000	20,842,000	476,143,000	476,143,000
Maint. - Flt. Eq. / Block Hr.	G1	-	-	-	-	-	-
Maint. / Block Hr.	G23	233	288	586	744	433	433
Gallons / Block Hr.	G123	730	737	777	841	759	759
Fuel Cost / Gallon	G1	-	-	-	-	-	-
Fuel Cost / Gallon	G23	0.87	0.81	0.8	0.7	0.82	0.82
Avg # A/C	G123	144	25	194	23.51	386	386
Block Hours / day	G123	11.52	10.33	10.29	8.9	10.67	10.67
Avg. Block Hrs. / Trip	G123	2.06	1.29	1.45	0.95	1.59	1.59
Pilot & Copilot Pay / Trip	G23	778	456	535	330	587	587
Other Flt. Per. / Trip	G23	0	0	0	0	0	0
Tot Flt. Ops. / Trip	G23	2,375	1,683	1,975	1,029	1,996	1,996
Tot. Flt. Eq. Mtn. / Trip	G23	481	372	852	707	688	688
Gallons / Trip	G123	1,507	953	1,130	799	1,205	1,205
Pilot & Copilot S&W&B / Trip	G1	0	0	0	0	0	0
Maint Flt. Eq. / Trip	G1	0	0	0	0	0	0

Quarter [ 2003:1,2,3,4 ]  
Equipment <All > EquipmentTypes>]

	AA^ American Airlines	CO^ Continental Airlines	DL^ Delta Air Lines	TOTAL
<b>FLYING OPERATIONS</b>				
Pilots and Copilots	1,411,617,000	539,389,000	1,412,253,000	3,363,259,000
Other Flight Personnel	-	-	-	-
Trainees and Instructors	62,259,000	-	44,097,000	106,356,000
Personnel Expenses	93,288,000	32,092,000	78,879,000	204,259,000
Prof. & Tech. Fees & Exp.	-	-	49,000	49,000
AC Interch. -Outside	-	-	-	-
AC Fuel	2,418,391,000	1,052,236,000	1,601,292,000	5,071,919,000
AC Oil	2,557,000	2,945,000	3,113,000	8,615,000
AC Rentals	665,657,000	659,141,000	558,086,000	1,882,884,000
Other Supplies	-	-	4,000	4,000
Insur. Purch. - General	29,049,000	21,057,000	7,488,000	57,594,000
Insur. Purch. - Other	-	-	-	-
Empl. Benefits and Pensions	479,518,000	254,175,000	407,079,000	1,140,772,000
Injuries, Loss and Damage	-	-	-	-
Taxes-Payroll	120,261,000	37,168,000	86,341,000	243,770,000
Taxes-Other Than Payroll	167,960,000	52,457,000	129,583,000	350,000,000
Other Expense	-	-	510,000	510,000
	-----	-----	-----	-----
Total Flying Operations	5,450,557,000	2,650,660,000	4,328,774,000	12,429,991,000
	-----	-----	-----	-----
<b>DIRECT MAINTENANCE-FLIGHT EQUIP</b>				
Maint Airf. Labor	297,802,000	100,756,000	196,386,000	594,944,000
Maint Eng. Labor	74,091,000	(167,000)	33,862,000	107,786,000
Maint Airf. Outside Rep.	110,541,000	113,208,000	66,228,000	289,977,000
Maint Eng. Outside Rep.	268,525,000	185,218,000	183,879,000	637,622,000
Maint AC Interch. Chrgs-O/S	-	-	-	-
Maint Materials - Airframe	139,303,000	55,437,000	183,508,000	378,248,000
Maint Materials - Engines	110,742,000	3,576,000	17,627,000	131,945,000
Maint Airfrm Airworth. Provs	-	-	-	-
Maint Airfrm O/H Deferred	-	-	-	-
Maint AC Eng. Airworth. Prov	-	-	-	-
Maint AC Eng. O/H Def. (cr.)	-	-	-	-
	-----	-----	-----	-----
Total Dir Maint-Flt.Eqpt	1,001,004,000	458,028,000	681,490,000	2,140,522,000
	-----	-----	-----	-----
Appl. Maint Bur-Flt.Eqpt	843,572,000	303,237,000	399,695,000	1,546,504,000
	-----	-----	-----	-----
Total Flt. Eq. Maint. (Memo)	1,844,576,000	761,265,000	1,081,185,000	3,687,026,000
	-----	-----	-----	-----
Net Obsl & Deter.- Exp.Parts	45,785,000	13,239,000	12,062,000	71,086,000
	-----	-----	-----	-----
Depr. Airframes	587,685,000	121,084,000	499,014,000	1,207,783,000
Depr. Aircraft Engines	103,827,000	40,739,000	77,396,000	221,962,000
Depr. Airframe Parts	26,780,000	13,208,000	31,885,000	71,873,000
Depr. Engine Parts	3,915,000	3,219,000	89,150,000	96,284,000
Depr. Other Flt Eqp.	-	41,463,000	-	41,463,000
Amort. Cap. Leases Flt.Eqpt.	147,254,000	2,889,000	42,664,000	192,807,000
<b>EXPENSE OF INTERCHANGE AIRCRAFT</b>				
Exp. of Interch. AC- Flt. Ops	-	-	1,000	1,000
Exp. of Interch. AC- Maint.	-	-	-	-
	-----	-----	-----	-----
Total Aircraft Operating Expenses	8,210,379,000	3,647,766,000	6,162,131,000	18,020,276,000
<b>OTHER DEPRECIATION &amp; AMORTIZATION</b>				
Amort. Developmental & Pre	34,034,000	-	79,311,000	113,345,000

Amort. Other Intangibles	-	51,929,000	-	51,929,000
Depr. Hangar & Maint. Equip	25,504,000	2,850,000	3,960,000	32,314,000
Depr. Ground Property	238,694,000	105,382,000	264,106,000	608,182,000
Amort. Capital Leases Other	-	18,151,000	-	18,151,000

FUEL COST & CONSUMPTION REPORT

Quarter <2003 4>

Carrier <Southwest Airlines> <WN^>

	612	616	619	620	9999	DETAIL SUM
	B737-7/LR	B-737-5	B-737-3/7	B-737-1/2	All Eqp Types	
Aircraft Fuel Exp.(GII&III)	97,115,000	14,195,000	114,373,000	11,308,000	236,991,000	236,991,000
DE- Aircraft Fuel and Oil	G1 -	-	-	-	-	-
Fuel Costs (Gr I, II or III)	97,115,000	14,195,000	114,373,000	11,308,000	236,991,000	236,991,000
Gallons of Fuel (from T-2)	111,112,047	17,505,280	142,710,531	16,193,349	287,521,207	287,521,207
Block Hours (from T-2)	152,151	23,755	183,672	19,256	378,834	378,834
Gallons per Block Hour	730	737	777	841	759	759
Cost per Gallon	0.87	0.81	0.8	0.7	0.82	0.82
A S M's (000's) (fr T-2)	8,005,076	930,674	8,711,915	677,342	18,325,007	18,325,007
A/C Miles (from T-2)	58,431,211	7,628,477	63,590,617	5,551,799	135,202,104	135,202,104
Average Seats	137	122	137	122	136	136
A/C Days (from T-2)	13,204	2,300	17,848	2,163	35,515	35,515
Block Hours per Day	11.52	10.33	10.29	8.9	10.67	10.67
Avg. # of A/C	144	25	194	24	386	386
Depart.Perf.- Sch+NSch (from T-2)	73,724	18,366	126,238	20,257	238,585	238,585
Average Fuel Cost / Trip	1,317	773	906	558	993	993

'T' Schedule Data and Ratios  
Quarter <2003 4>  
Carrier <Southwest Airlines> <WN^>

	612	616	619	620	DETAIL SUM
	B737-7/LR	B-737-5	B-737-3/7	B-737-1/2	
RPM's - Sched. Service (000's)	5,264,427	606,956	5,399,950	391,623	11,662,956
Rev. Ton Miles- Sch Serv.	545,034,701	62,183,786	557,243,708	39,868,999	1,204,331,194
Avl. Ton Miles- Sch Serv.	1,068,242,648	131,779,354	1,188,508,590	96,022,509	2,484,553,101
ASM's - Sched. Serv. (000's)	7,976,402	930,578	8,707,272	677,342	18,291,594
Rev. Airborne Hours	134,849	19,698	158,777	15,694	329,018
Block Hours	152,151	23,755	183,672	19,256	378,834
Aircraft Days - Carrier Routes	13,204	2,300	17,848	2,163	35,515
Psgr Load Factor	66.00	65.22	62.02	57.82	63.76
Weight Load Factor	51.02	47.19	46.89	41.52	48.47
Block Hrs / Day	11.52	10.33	10.29	8.90	10.67
Average Number of Aircraft	144	25	194	24	386
ASM's / Aircraft per Day	604	405	488	313	515

Quarter <2003 4>  
Carrier <Midwest Express Airlines> <YXD>

	630	640	655	9999			
	DC-9-10	DC-9-30	MD-80	All Eqp Types	DETAIL	SUM	
Enplaned Passengers - Sched. Serv.	-	-	-	571,191	-	-	YXD 20034
RPM's - Scheduled Rev. Serv. (000's)	5,289	58,178	328,171	553,564	553,564	-	YXD 20034
Revenue Ton Miles-Sched. Serv.(000's)	548	6,013	33,779	56,990	56,990	-	YXD 20034
Available Ton Miles-Sch. Serv.(000's)	1,040	12,275	48,431	100,691	100,691	-	YXD 20034
ASM's - Scheduled Rev. Serv. (000's)	7,846	95,607	454,010	821,095	821,095	-	YXD 20034
Revenue Aircrft. Miles-Sched. Serv.	130,759	1,146,645	3,385,618	7,658,837	7,658,837	-	YXD 20034
Departures Performed - Sched. Serv.	179	1,594	3,247	8,971	8,971	-	YXD 20034
Revenue Aircraft Dpt. Perf.- Non Sch	14	150	281	445	445	-	YXD 20034
Enplaned Passengers - Sch+NSch Ser	-	-	-	581,943	-	-	YXD 20034
RPM's - Sch. + NonSch. Serv. (000's)	5,587	59,716	334,007	561,236	561,236	-	YXD 20034
Rev. Ton Miles- Sch+NSch Serv.(000's)	578	6,167	34,362	57,757	57,757	-	YXD 20034
Freight Rev.Ton Miles-Sch+NSch(000's)	18	94	489	918	918	-	YXD 20034
Mail Rev. Ton Miles - Sch+NSch(000's)	1	101	473	716	716	-	YXD 20034
Avl. Ton Miles- Sch+NSch Serv.(000's)	1,114	13,166	51,040	104,266	104,266	-	YXD 20034
ASM's - Sch. + NonSch. Serv. (000's)	8,404	101,054	469,652	842,742	842,742	-	YXD 20034
Rev. Arcft. Miles- Sch+NSch Serv.	140,073	1,229,904	3,568,004	7,933,796	7,933,796	-	YXD 20034
NonRevenue Aircraft Miles	-	-	-	-	-	-	YXD 20034
Departures Performed - Sch+NSch Ser	193	1,744	3,528	9,416	9,416	-	YXD 20034
Rev. Airborne Hours	333	2,930	7,935	18,205	18,205	-	YXD 20034
NonRevenue Airborne Hours	-	-	-	-	-	-	YXD 20034
Block Hours	393	3,437	8,947	20,965	20,965	-	YXD 20034
Total Airborne Hours	333	2,930	7,935	18,205	18,205	-	YXD 20034
Aircraft Days - Carrier Equipment	91	521	1,196	2,689	2,689	-	YXD 20034
Aircraft Days - Carrier Routes	91	521	1,196	2,689	2,689	-	YXD 20034
Gallons of Fuel	293,103	2,781,490	8,946,863	17,286,598	#####	-	YXD 20034
Gallons of Oil	-	-	-	-	-	-	YXD 20034

Air Carrier Traffic Statistics Monthly  
Carrier <Midwest Express Airlines> <YXD>  
Equipment <All Equipment Types>

	2003 10	2003 11	2003 12	TOTAL		
=====					YXD	0000
ALL SERVICES (000)					YXD	0000
-----					YXD	0000
Revenue Passenger Miles	189,369	175,547	196,318	561,234	YXD	0000
Passenger Revenue Ton Miles	18,937	17,555	19,632	56,123	YXD	0000
Freight, Express & Mail Ton Miles	478	613	543	1,634	YXD	0000
Total Revenue Ton Miles Data	19,415	18,168	20,175	57,757	YXD	0000
Total Available Ton Miles	35,285	32,964	36,017	104,266	YXD	0000
NonScheduled as a % of Total Avail.	3	4	4	3	YXD	0000
=====					YXD	0000
SCHEDULED SERVICES					YXD	0000
-----					YXD	0000
Rev. Pass. Miles First Class (000)	187,680	173,720	192,165	553,565	YXD	0000
Rev. Passenger Miles Coach (000)	-	-	-	-	YXD	0000
Total Rev. Passenger Miles (000)	187,680	173,720	192,165	553,565	YXD	0000
-----					YXD	0000
ASM's First Class (000)	278,768	258,329	283,998	821,095	YXD	0000
ASM's Coach Plus Economy (000)	-	-	-	-	YXD	0000
Total ASM's (000)	278,768	258,329	283,998	821,095	YXD	0000
-----					YXD	0000
First Class Load Factor (%)	67	67	68	67	YXD	0000
Coach Load Factor (%)	-	-	-	-	YXD	0000
Total Load Factor (%)	67	67	68	67	YXD	0000
-----					YXD	0000
Revenue Passenger Enplanements	196,047	180,016	195,128	571,191	YXD	0000
-----					YXD	0000
Revenue Ton-Miles Passenger (000)	18,768	17,372	19,216	55,356	YXD	0000
Revenue Ton-Miles Freight (000)	370	275	272	918	YXD	0000
Revenue Ton-Miles Express (000)	-	-	-	-	YXD	0000
Revenue Ton-Miles US Mail (000)	107	338	271	716	YXD	0000
Revenue Ton-Miles Foreign (000)	-	-	-	-	YXD	0000
Total Revenue Ton-Miles (000)	19,246	17,985	19,760	56,990	YXD	0000
-----					YXD	0000
Total Available Ton-Miles (000)	34,323	31,749	34,618	100,691	YXD	0000
Total Revenue Load Factor (%)	56	57	57	57	YXD	0000
-----					YXD	0000
Aircraft Rev. Miles Passenger (000)	2,645	2,405	2,609	7,659	YXD	0000
Aircraft Rev. Miles All-Cargo (000)	-	-	-	-	YXD	0000
Total Aircraft Revenue Miles (000)	2,645	2,405	2,609	7,659	YXD	0000
Total Aircraft Revenue Hours	5,987	5,581	5,975	17,543	YXD	0000
-----					YXD	0000
Aircraft Miles Scheduled (000)	2,664	2,414	2,671	7,749	YXD	0000
Sched. Aircraft Miles Completed (000)	-	-	-	-	YXD	0000
% Scheduled Aircraft Miles Completed	-	-	-	-	YXD	0000
Aircraft Revenue Departures Performed	3,124	2,831	3,016	8,971	YXD	0000
-----					YXD	0000
Revenue Passenger Per Aircraft Mile	71	72	74	72	YXD	0000
Available Seats Per Aircraft Mile	105	107	109	107	YXD	0000
Revenue Load Per Aircraft Mile (Tons)	7	7	8	7	YXD	0000
Capacity Per Aircraft Mile (Tons)	13	13	13	13	YXD	0000
Overall Flight Stage Length (Miles)	847	850	865	854	YXD	0000
On-Flight Pass. Trip Length (Miles)	957	965	985	969	YXD	0000
=====					YXD	0000
NON-SCHEDULED SERVICES					YXD	0000
-----					YXD	0000
Civilian Rev. Passenger Miles (000)	1,690	1,828	4,153	7,671	YXD	0000
Military Rev. Passenger Miles (000)	-	-	-	-	YXD	0000
Total Revenue Passenger Miles (000)	1,690	1,828	4,153	7,671	YXD	0000
Total Available Seat Miles (000)	6,138	7,055	8,455	21,648	YXD	0000
Passenger Revenue Ton-Miles (000)	169	183	415	767	YXD	0000
Civ./Freight/Oth. Rev. Ton-Miles(000)	-	-	-	-	YXD	0000
Mil./Freight/Oth. Rev. Ton-Miles(000)	-	-	-	-	YXD	0000
Total Revenue Ton-Miles (000)	169	183	415	767	YXD	0000
Civilian Available Ton-Miles (000)	962	1,215	1,398	3,574	YXD	0000
Military Available Ton-Miles (000)	-	-	-	-	YXD	0000
Total Available Ton Miles (000)	962	1,215	1,398	3,574	YXD	0000
Aircraft Revenue Miles (000)	79	92	104	275	YXD	0000
Aircraft Revenue Hours	199	219	245	663	YXD	0000
Aircraft Revenue Departures	158	138	149	445	YXD	0000
Revenue Passenger Enplanements	3,397	2,951	4,404	10,752	YXD	0000
=====					YXD	0000



# Code of Federal Regulations, Part 241

## Section 03 - Definitions for Purposes of This System of Accounts and Reports Excerpt of Financial Reporting Related Terms

**Account, clearing.** An account used as a medium for the temporary accumulation of costs that are redistributed to appropriate applicable accounts.

**Acquisition, date of.** The date on which the title to owned property or equipment (or the right to use or control the reassignment of leased property or equipment) passes to the air carrier.

**Act.** The Federal Aviation Act of 1958, as amended.

**Addition, property.** Additional equipment, land, structures, and other tangible property; extensions of fuel, water, and oil distribution equipment; additions to buildings and other structures; and additional safety devices applied to equipment not previously thus equipped. (See also Modification.)

**Affiliated group.** A combination of companies comprised of the air carrier, any person controlling the air carrier or under common control with the air carrier, and organizational divisions (as defined in sections 1-6) of and persons controlled by the air carrier.

**Agency, cargo.** Any person (other than the air carrier performing the direct air transportation or one of its bona fide regular employees or an indirect air carrier lawfully engaged in air transportation under authority conferred by any applicable part of the Economic Regulations of the Department) who for compensation or profit: (1) Solicits, obtains, receives or furnishes directly or indirectly property or consolidated shipments of property for transportation upon the aircraft of an air carrier subject to this part, or (2) procures or arranges for air transportation of property upon aircraft of an air carrier subject to this part by charter, lease, or any other arrangement.

**Agent, ticket.** Any person (other than the air carrier performing the direct air transportation or one of its bona fide regular employees, or an air carrier which subcontracts the performance of charter air transportation which it has contracted to perform) who for compensation or profit: (1) Solicits, obtains, receives, or furnishes directly or indirectly passengers or groups of passengers for transportation upon the aircraft of an air carrier subject to this part, or (2) procures or arranges for air transportation of passengers or groups of passengers upon aircraft of an air carrier subject to this part by charter, lease, or any other arrangement.

**Agreement.** Any oral or written agreement, contract, understanding, or arrangement, and any amendment, revision, modification, renewal, extension, cancellation or termination thereof.

**Air carrier.** Any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation.

**Air carrier, charter.** An air carrier holding a certificate issued under section 401(d)(3) of the Federal Aviation Act of 1958, as amended.

**Air carrier, large certificated.** An air carrier holding a certificate issued under section 401 of the Federal Aviation Act of 1958, as amended, that: (1) Operates aircraft designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds; or (2) conducts operations where one or both terminals of a flight stage are outside the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the U.S. Virgin Islands.

**Air carrier, surviving.** An entity (air carrier) which, as the result of a business combination, has acquired the net assets, and carries on the operations of, one or more predecessor air carriers, and which may be newly organized at the time of the combination or may be one of the predecessor air carriers.

**Aircraft.** Any contrivance now known or hereafter invented, used or designed for navigation of or flight in the air.

**Aircraft days assigned to service - carrier's equipment.** The number of days that aircraft owned or acquired through rental or lease (but not interchange) are in the possession of the reporting air carrier and are available for service on the reporting carrier's routes plus the number of days such aircraft are in service on routes of others under interchange agreements. Includes days in overhaul, or temporarily out of service due to schedule cancellations. Excludes days that newly acquired aircraft are on hand but not available for productive use, days rented or leased to others (for other than interchange) and days in possession but formally withdrawn from air transportation service.

**Aircraft days assigned to service - carrier routes -** same as aircraft days assigned to service-carrier's equipment but excluding the number of days owned or rented equipment are in the possession of others under interchange agreements and including the number of days aircraft of others are in the possession of the air carrier under interchange agreements.

**Aircraft type.** A distinctive model as designated by the manufacturer.

**Airport.** A landing area regularly used by aircraft for receiving or discharging passengers or cargo.

**Airworthiness (or Airworthy).** When applied to a particular aircraft or component part, it denotes the ability of such aircraft or component part to perform its function satisfactorily through a range of operations determined by the Federal Aviation Administration.

**Allocate.** To assign an item or group of items of investment, revenue, or cost to an object, activity, process, or operation, in accordance with cost responsibilities, benefits received, or other measure of apportionment.

**Allocation, bases of.** Bases of distribution whereby revenues, expenses, and/or costs are equitably apportioned among revenue, expense, property and equipment, and other accounts.

**Amortization.** The gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies or over the period during which it is anticipated the benefit will be realized.

**Asset, contingent.** An asset the existence, value, or ownership of which depend upon the occurrence or nonoccurrence of a specific event or upon the performance or nonperformance of a specified act.

**Associated company.** A company in which the accounting air carrier holds 5 percent or more of the outstanding proprietary interest; or a company which holds 5 percent or more of the outstanding proprietary interest of the accounting air carrier; or a company that, directly or through one or more intermediaries, controls or is controlled by, or is under common control with the accounting air carrier. Companies owned or controlled jointly with other air carriers shall be regarded as associated companies for purposes of this system of accounts. (See also Control.)

**Betterment.** Any improvement to property or equipment through the substitution of superior parts for inferior parts retired, the object of which is to make such property more useful or of greater capacity than at the time of acquisition or installation. (See also Modification.)

**Board.** The Civil Aeronautics Board.

**Cargo.** All traffic other than passengers.

**Cargo transported.** Cargo on board each flight stage.

**Company, predecessor.** An air carrier whose net assets and operations have been taken over by one or more other air carriers.

**Compensation (of personnel).** Remuneration to air carrier employees for personal services. Includes salaries, wages, overtime pay, cost-of-living differentials, bonuses, etc., as distinguished from per diem allowances or reimbursement for expenses incurred by personnel for the benefit of the air carrier.

**Continental United States.** The 48 contiguous States and the District of Columbia.

**Control (including the terms Controlling, Controlled by, and Under common control).** The possession, directly or indirectly, of the power positively to direct, or cause the direction of or negate the direction of, the management and policies of a company, whether such power is through one or more intermediary companies or alone or in conjunction with or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract, or any other direct or indirect means.

**Controlling person.** (See Person Controlling an air carrier)

**Cost.** The amount of cash (or its equivalent) actually paid for property, materials and supplies, and services, including that amount paid to put the property or materials and supplies in readiness for use. It includes such items as transportation charges, installation charges, and customs duties, less any cash or other discounts.

**Cost, book.** The amount at which an asset is recorded in an account without the deduction of amounts in related allowances or other accounts.

**Cost, depreciated.** The cost of property and equipment less the related allowances for depreciation.

**Cost, removal.** The cost of demolishing, dismantling, tearing down, or otherwise removing property and equipment, including the cost of related transportation and handling.

**Debt, expense on.** Expenses incurred by or for the air carrier in connection with the issuance and sale of evidences of debt (exclusive of the sale of reacquired securities), such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

**Deferred taxes.** Tax effects which are deferred for allocation to income tax expense of future periods.

**Department.** Department of Transportation.

**Depreciation (of depreciable property and equipment).** The loss in service value, not restored by current maintenance, incurred in the course of service from causes known to be in current operation, against which the carrier is not protected by insurance, and the effect of which can be forecast with reasonable accuracy. The causes of depreciation include wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.

**Discount (of securities issued or assumed by the air carrier).** The excess of (1) the par or stated value of securities over (2) the then current money value of the consideration received from their sale less the amount included for dividends or for interest accrued.

**DOT.** Department of Transportation.

**Equipment.** Tangible property other than land, structures, and improvements.

**Equity security.** Any instrument representing ownership shares (for example, common, preferred, and other capital stock), or the right to acquire (for example, warrants, rights, and call options) or dispose of (for example, put options) ownership shares in an enterprise at fixed or determinable prices. The term does not encompass preferred stock that by its terms either must be redeemed by the issuing enterprise or

is redeemable at the option of the investor, nor does it include treasury stock or convertible bonds.

**Equivalent unit.** A new unit substituted for an existing unit that is worn out, is damaged beyond repair, or has become inadequate in service, the substituted unit having substantially no greater capacity than the unit for which substituted.

**Estimated economic life of leased property.** The estimated remaining period during which the property is expected to be economically usable by one or more users, with normal repairs and maintenance, for the purpose for which it was intended at the inception of the lease, without limitation by the lease term.

**Expense, capital stock.** Expenses incurred by or for the air carrier in connection with the initial issuance and sale of capital stock (exclusive of the sale of reacquired capital stock), such as fees and commissions paid to promoters, underwriters, brokers, and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock; including fees, commissions, and advertising; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; and the cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates.

**Freight.** Property, other than mail, transported by air.

**Generally accepted accounting principles (GAAP).** The body of authoritative accounting knowledge governing the recording, presenting and disclosing of financial transactions, as incorporated in the pronouncements of the Financial Accounting Standards Board.

**Group basis (in depreciation accounting).** A plan under which (1) depreciation is based upon the application of a single depreciation rate to the total book cost of all property included in a given depreciable property and equipment account or class, despite differences in service life of individual items of property and equipment, (2) the full original cost, less any salvage realized, of an item of depreciable property or equipment retired is charged to the allowance for depreciation regardless of the age of the item, and (3) no gain or loss is recognized on the retirement of individual items of property or equipment.

**Horsepower, maximum continuous for reciprocating engines.** The brake horsepower developed in standard atmosphere at a specified altitude and under the maximum conditions of crankshaft rotational speed and engine manifold pressure, and approved for use during periods of unrestricted duration.

**Horsepower, maximum continuous for turbine engines.** The brake horsepower developed at specified altitudes, atmospheric temperatures, and flight speeds and under the maximum conditions of rotor shaft rotational speed and gas temperature, and approved for use during periods of unrestricted duration.

**Hours, aircraft.** The airborne hours of aircraft computed from the moment an aircraft leaves the ground until it touches the ground at the end of a flight.

**Hours flown, revenue aircraft.** The aircraft hours of flights performed in revenue service.

**Hours per aircraft per day - carrier's equipment, revenue.** Average hours of productive use per day in revenue service of reporting carrier's equipment determined by dividing (1) Aircraft days assigned to service - carrier's equipment into (2) Revenue aircraft hours minus Revenue hours on other carrier's interchange equipment plus Total hours by others on the carrier's interchange equipment.

**Hours per aircraft per day - carrier's routes, revenue.** Average hours of productive use per day in revenue service on reporting carrier's routes determined by dividing (1) Aircraft days assigned to service carrier's routes into (2) Revenue aircraft hours.

**Hours, ramp-to-ramp.** The aircraft hours computed from the moment the aircraft first moves under its own power for purposes of flight, until it comes to rest at the next point of landing.

**Thrust, maximum continuous for turbine engines.** The jet thrust developed at specified altitudes, atmospheric temperatures, and flight speeds and under the maximum conditions of rotor shaft rotational speed and gas temperature, and approved for use during periods of unrestricted duration.

**Improvement.** An addition or alteration to land, a building, or a unit of equipment that results in a better piece of property, in the sense of greater durability, or in increased productivity or efficiency. (See also Modification.)

**Income tax expense.** The amount of income taxes (whether or not currently payable or refundable) allocable to a period in the determination of net income.

**Income taxes.** Taxes based on income determined under provisions of the United States Internal Revenue Code and foreign, State, and other taxes (including franchise taxes) based on income.

**Insurance, self.** The assumption by an air carrier of a risk of loss or liability arising from an accident or other contingent event.

**Interchange agreement.** An agreement under which aircraft of one air carrier are utilized to provide one-plane service over its own routes and the routes of other air carriers.

**Interperiod tax allocation.** The process of apportioning income taxes among periods.

**Inventory, perpetual.** A book inventory kept in continuous agreement with stock on hand by means of a detailed record.

**Investor controlled company (for purposes of applying the equity method of accounting).** Any business entity in which the accounting air carrier is able to exercise significant influence over operating and financial policies of the issuing company. Significant influence will be presumed, unless established to the contrary by waiver request, with ownership of 20 percent or more of the outstanding voting capital stock. Ability to exercise influence may be indicated in several ways, such as representation on the Board of Directors, participation in policy-making

processes, material intercompany transactions, interchange of managerial personnel, or technological dependency. Investor controlled companies shall also be regarded as associated companies for purposes of this system of accounts (see also Associated company).

**Item, delayed.** An item relating to transactions that occurred during a prior accounting period and that requires further accounting treatment for a true statement of financial condition or operating results. It includes adjustments of errors in the operating revenue, operating expense, and other income accounts for prior periods.

**Liability, contingent.** A possible source of obligation of an air carrier dependent upon the fulfillment of conditions regarded as uncertain.

**Modification.** An alteration in a structure or unit of equipment that changes its design and is made to correct an error, increase production, improve efficiency of operation, or for some other reason.

**Obsolescence.** The process of becoming out of date due to progress of the arts and sciences, changed economic conditions, legislation, etc., which ultimately results in the retirement or other disposition of property.

**Passenger, nonrevenue.** Person receiving air transportation from the air carrier for which remuneration is not received by the air carrier. Air carrier employees or others receiving air transportation against whom token service charges are levied are considered nonrevenue passengers. Infants for whom a token fare is charged are not counted as passengers.

**Passenger, revenue.** Person receiving air transportation from the air carrier for which remuneration is received by the air carrier. Air carrier employees or others receiving air transportation against whom token service charges are levied are considered nonrevenue passengers. Infants for whom a token fare is charged are not counted as passengers.

**Premium (as applied to securities issued or assumed by the air carrier).** The excess of (1) the then current money value of the consideration received from their sale, less the amount included therein for dividends or interest accrued, over (2) their par or stated value.

**Pretax accounting income.** Income or loss for a period exclusive of related income tax expense.

**Property (as applied to traffic).** (See Cargo.)

**Replacement.** Substitution of new for existing facilities that are worn out, damaged beyond repair, or have become inadequate in service.

**Residual value.** The predetermined portion of the cost of a unit of property or equipment excluded from depreciation. It shall represent a fair and reasonable estimate of recoverable value as at the end of the service life over which the property or equipment is depreciated and shall give due consideration to the proceeds anticipated from disposition of the property or equipment and the extent to which costs

attaching to property or equipment are otherwise recoverable through charges against income.

**Retirement.** The permanent withdrawal of assets from services of the corporate entity through sale, abandonment, demolition, or other disposal.

**Retirement, date of.** The date on which property or equipment is permanently withdrawn from services of the corporate entity.

**Salvage value.** The amount received for property retired, less the expenses incurred in connection with the sale or in the preparation of the property for sale; or, if retained, the amount at which the material recovered is charged to materials and supplies or other appropriate account.

## Schedules P5.2, P6 and P7

The following tables were developed to assist the analyst in understanding the components of various line items on the P5.2, P6 and P7 financial schedules. The information was derived using a combination of regulations, directives, and the CAB Chart of Accounts combined with supplemental information provided by the DOT.



## Schedule P-5.2

<b>AIRCRAFT OPERATING EXPENSES</b> <b>GROUP II AND III AIR CARRIERS</b>
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### FLYING OPERATIONS

5123.0	Pilots and Copilots - Salaries	Captains Copilots Check pilots Chief pilots Reserve pilots Test pilots
5124.0	Other Flight Personnel - Salaries	Communications officer Engineering officer Navigation officer
5128.1	Trainees and Instructors - Salaries	Instructors Trainees
5136.0	Personnel Expenses -	Hotel and lodging Parking Crew meals Taxicabs Moving expense Auto rentals Laundry and valet expense Communications expense
5141.0	Professional & Technical Fees & Expenses	Consultants
5143.7	Aircraft Interchange Charges -	Aircraft interchange charges from outside companies
5145.1	Aircraft Fuels -	Cost of aircraft fuel used in flight operations.
5145.2	Aircraft Oils -	Cost of oil used in flight operations.
5147.0	Rentals -	
5153.0	Other Supplies -	Safety Training
5155.1	Insurance Purchased - General -	Insurance for flight equipment - Hull Insurance
5157.0	Employee Benefits and Pensions -	Educational programs Medical programs Recreational programs Group accident and health insurance - company contributions Group life insurance - company contributions Provisions for self-insurance Retirement plan - company contributions Workers' compensation insurance 401-K contributions -
5158.0	Injuries, Loss and Damage -	Excess of losses over insurance recoveries - restored Assets - flight equipment
5168.0	Taxes-Payroll -	Federal unemployment insurance FICA Other payroll State unemployment insurance
5169.0	Taxes-Other Than Payroll -	Tax on aircraft fuel
5171.0	Other Expenses -	Employee service pins Employee uniforms and insignia
5199.0	Total Flying Operations . -	Total of accounts for Flying Operations

DIRECT MAINTENANCE-FLIGHT EQUIPMENT

5225.1	Labor - Airframes -	Labor - Airframes Apprentice mechanic Chief mechanic Cleaner (flight equipment maintenance) Crew chief Electrician Engineer Foreman Inspector Lead mechanic Mechanic Mechanic helper
5225.2	Labor - Aircraft Engines -	Labor - Aircraft Engines Apprentice mechanic Chief mechanic Cleaner Crew chief Electrician Engineer Foreman Inspector Lead mechanic Mechanic Mechanic helper
5243.1	Airframe Repairs - Outside	Airframe repairs made by outside company
5243.2	Aircraft Engine Repairs - Outside	Aircraft engine repairs made by outside company
5243.7	Aircraft Interchange Charges -	Aircraft Interchange charges
5246.1	Maintenance Materials - Airframes	Materials used to repair airframes
5246.2	Maintenance Materials - Aircraft Engines -	Materials used to repair aircraft engines
5272.1	Airworthiness Allowance Provision - Airframes.	Current provision for airframe overhaul costs
5272.3	Airframe Overhauls Deferred (Cr.) -	Current amortization of cost for airframe overhauls previously deferred to subaccount 1601.2 Unamortized Airframe Overhauls
5272.6	Airworthiness Allowance Provision - Aircraft Engines -	Current provision for engine overhaul costs
5272.8	Aircraft Engine Overhauls Deferred (Cr.) -	Current amortization of cost for airframe overhauls previously deferred to subaccount 1602.2 Unamortized Aircraft Engine Overhauls
5278.0	Total Direct Maintenance - Flight Equipment -	Total of accounts listed
5279.6	APPLIED MAINTENANCE BURDEN FLIGHT EQUIPMENT -	Total of expenses in subfunction 5300
5299.0	Total Flight Equipment Maintenance Memo -	Sum of amounts in 52780 and 52796
7073.9	NET OBSOLESCENCE & DETERIORIZATION - EXPENDABLE PARTS -	Provision for losses in value of expendable parts inventory

#### DEPRECIATION - FLIGHT EQUIPMENT

7075.1	Depreciation - Airframes -	Depreciation expense for airframes
7075.2	Depreciation - Aircraft Engines -	Depreciation expense for aircraft engines
7075.3	Depreciation - Airframe Parts -	Depreciation expense for airframe parts
7075.4	Depreciation - Engine Parts -	Depreciation expense for engine parts
7075.5	Depreciation - Other Flight Equipment -	Depreciation expense for other flight equipment
7076.1	Amortization Expense - Capital Leases - Flight Equipment -	Amortization of flight equipment under capital leases
7076.6	Total Depreciation & Amortization - Flight Equipment -	Total of flight equipment depreciation and amortization

#### EXPENSE OF INTERCHANGE AIRCRAFT

7098.1	Flying Operations -	Summary memo of total of interchange aircraft - flight operations expenses
7098.2	Maintenance -	Summary memo of total of interchange aircraft - maintenance
7098.9	Total Aircraft Operating Expenses -	Total of flight operations, direct maintenance, obsolescence and deterioration of expendable parts, aircraft depreciation and amortization and expense of interchange aircraft.

#### OTHER DEPRECIATION & AMORTIZATION

7074.1	Amortization - Developmental & Preoperating Costs -	Amortization expense of developmental and preoperating costs
7074.2	Amortization - Other Intangibles -	Amortization expense of other intangibles
7075.8	Depreciation - Hangar & Maintenance Equipment -	Depreciation expense for hangar and maintenance equipment
7075.9	Depreciation - General Ground Property -	Depreciation expense of ground property
7076.2	Amortization - Capital Leases -	Amortization of equipment under capital leases other than flight equipment



## Schedule P-6.0

OPERATING EXPENSES BY OBJECTIVE GROUPINGS
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Line 1	<b>SALARIES &amp; RELATED FRINGE BENEFITS</b>	
Line 2	<b>SALARIES:</b>	
Line 3	General Management. Personnel - Sum of objective Account 21 for all functions	Compensation of elective officers and immediate assistants and equivalent personnel responsible for the formulation and administration of general company policy. President Vice Presidents Assistant to president, vice president of general officer Controller Treasurer Corporate secretary Division manager
Line 4	Flight Personnel - Sum of objective Accounts 23 and 24 for all functions	<b>Salaries for:</b> Captains Check pilot Chief pilot Copilot Pilot Reserve pilot Test pilot Flight attendants Communications officer Engineering officer Navigation officer
Line 5	Maintenance Labor - Sum of objective Accounts 25.1 + 25.2 + 25.3 + 25.6 + 25.9 + 28.2 for all functions + proration for Line 5 (See footnote 1 for proration methodology)	<b>Salaries for Airframes, Aircraft Engines, Other Flight Equipment and Ground Equipment:</b> Apprentice mechanic Carpenter Chief mechanic Cleaner Crew chief Electrician Engineer Foreman Inspector Lead mechanic Mechanic Mechanic's helper Nonproductive shop labor - vacation and sick leave Shop labor not identified with specific maintenance projects
Line 6	Aircraft & Traffic Handling Personnel - Sum of objective Accounts 26 + 26.1 + 26.2 + 26.3 + 26.4 for all functions	<b>Salaries for:</b> Analyst - procedures Baggage clerk Baggage handler Cargo clerk Cargo handler Cashier - ticket office Chauffeur – passenger vehicles

		Cleaner - aircraft Clerk Control tower operator Counterman - airport Counter ticket salesman - city Doorman - Draftsman - flight control Express agent Flight director Flight dispatcher Flight regulations supervisor Flight specifications supervisor Freight agent Gate agent Mail handling clerk Meteorologist Mechanic - line service Passenger ramp agent Passenger sales ticketing clerk Porter-baggage Rates clerk Reservations clerk Reservations manager Refreshing crew Regional manager Secretary Station manager Stenographer Tariff specialist Typist Waybill clerk
Line 7	Other Personnel - Sum of objective Accounts 28.1 + 30 + 31 + 32 + 33 + 34 + 35 for all functions	<b>Salaries for:</b> Accountant Advertising specialist Analyst - budget Artist Attorney Auditor Budget personnel Buyers Caretaker Cargo salesmen Cashier Chauffeur Cleaner Clerks Computer operator District sales managers Economist Engineering officer trainee - flight Flight simulator instructor Flight attendant trainee General counsel Guard Industrial relations personnel

		Insurance specialist Inventory clerk Janitor Key punch operator Law clerk Lawyer Maintenance record clerk Mechanic trainee Mechanic instructor Medical personnel Nurse Office machine operator Passenger salesmen Passenger service instructor Photographer Pilot instructor - flight Pilot instructor - ground Pilot trainee - flight Programmer Publicity representative Purchasing agent Purchasing specialist Purser trainee Receiving clerk Regional sales managers Reservations and ticketing instructor Reservations trainee Safety personnel Sales instructor Sales trainee Secretary Statistician Stenographer Stock handler Storekeeper Switchboard operator Tax analyst Teletype operator Ticket clerk trainee Timekeeper Typist Watchman
Line 8	Total Salaries - Sum of Lines 3+4+5+6+7	
Line 9	<b>RELATED FRINGE BENEFITS</b>	
Line 10	Personnel Expense - Sum of objective Account 36 for all functions	Auto fuel and parking expense Auto mileage allowances Auto rentals Communications expense Employee memberships, dues and registrations Flight crew meals Hotel and lodging Laundry and valet expense Meals and entertainment Meeting room rentals

		Moving, storage and relocation expense Passport expenses Transportation expense
Line 11	Employee Benefits & Pensions - Sum of objective Account 57 for all functions	Direct annuity payments Educational programs Medical programs Recreational programs Group accident and health insurance - contributions Group life insurance - company contributions Provisions for self-insurance Retirement plan - company contributions Workman's compensation insurance
Line 12	Payroll Taxes - Sum of objective Account 68 for all functions	Federal unemployment insurance FICA Other payroll State unemployment insurance
Line 13	Total Fringe Benefits - Sum of Lines 10 + 11 + 12	
Line 14	Total Salaries and Related Fringe Benefits - Sum of Lines 8 + 13	
Line 15	<b>MATERIALS PURCHASED</b>	
Line 16	Aircraft Fuel & Oil - Sum of objective Accounts 45 + 45.1 + 45.2 for all functions + objective Account 69 for 5100 function only	Aircraft fuels Aircraft oils Fuel taxes (non-refundable)
Line 17	Maintenance Materials - Sum of objective Accounts 46.1 + 46.2 + 46.3 + 46.6 + 46.9 + 49 + 54 for all functions + proration for Line 17 (See footnote 1.)	Materials - airframes Materials - aircraft engines Materials - other flight equipment Materials - flight equipment (Group I air carriers) Materials - ground property and equipment <b>Shop and Servicing Supplies:</b> Automotive supplies Chemicals and solvents Cleaning compounds and supplies Composition materials Electrical supplies Fuels and lubricants Glass and glass products Hardware items Lumber and wood products Paints, lacquers and thinners Plumbing supplies Rubber and plastic goods Sheet metal Small tools Special clothing and devices Textiles and leather goods Tube, bar and strip materials <b>Inventory adjustments for:</b> Flight equipment expendable parts (Account 1310) Miscellaneous materials and supplies Account 1330

Line 18	Passenger Food - Sum of objective Account 51 for all functions	Beverage purchases Commissary supplies Communications expense Food purchases Food service uniforms Outside catering charges
Line 19	Other Materials - Sum of objective Accounts 38 + 50 + 53 for all functions	<b>Utilities:</b> Light, Heat, Power and Water <b>Stationery, printing and office supplies:</b> Blue prints Chemicals and solvents Cleaning compounds and supplies Drafting and engineering supplies Flight crew supplies Labels and small signs Manuals and publications (company) Printing and duplicating supplies Shipping and mailing supplies Standard forms - company Standard forms - Government Stationery and paper products Textiles and leather goods Tickets and ticket stock <b>Other Supplies:</b> Cleaning compounds Electrical Medical Photographic Safety Training
Line 20	Total Materials - Sum of Lines 16 +17 +18 +19	
Line 21	<b>SERVICES PURCHASED</b>	
Line 22	Advertising & Other. Promotions - Sum of objective Accounts 59 + 60 + 62 for all functions	<b>Tariffs, Schedules and Timetables:</b> Distribution Printing Production Advertising: Billboard Direct mail Directories, guides and programs Displays Magazines and trade publications Newspapers Posters and signs Radio Television <b>Other Promotional and Publicity Expenses:</b> Entertainment expense Open house expenses Photographic expenses Promotional materials Publicity releases Visual motion pictures, slides, etc.

Line 23	Communications - Sum of objective Account 37 for all functions	Air-ground radio service Equipment installation charges Equipment rental Intercommunication equipment Navigation facility user charges Telegraph and cable message charges Telephone equipment Telephone toll charges Teletype equipment
Line 24	Insurance - Sum of objective Accounts 55 + 56 for all functions	<b>Insurance - General:</b> Buildings and contents Flight equipment - [Hull Insurance] Materials and supplies Motor vehicles Other property and equipment Third party liability Insurance purchased Provisions for self-insurance <b>Insurance - Traffic Liability:</b> Passenger liability Passenger baggage and personal property Cargo liability Provisions for self-insurance
Line 25	Outside Flight Equipment Maintenance- Sum of objective Accounts 43.1 + 43.2 + 43.3 + 43.6 + 43.7 + 43.8 + 43.9 for 5200 function only + proration for Line 25 (See footnote 1.	Airframe repairs Aircraft engine repairs Other flight equipment repairs Flight equipment repairs (Group I air carriers) Aircraft interchange charges General interchange service charges Other services
Line 26	Traffic Commissions-Passenger- Sum of objective Accounts 39 + 39.1 for all functions See footnote 2	<b>Commissions - passenger</b>
Line 27	Traffic Commissions-Cargo - Sum of objective Accounts 39 + 39.2 for all functions See footnote 2	<b>Commissions - cargo</b>
Line 28	Other Services - Sum of objective Accounts 40 + 41 for all functions + objective Accounts 43.7 + 43.8 + 43.9 for all functions except 5200	<b>Legal fees and expenses:</b> Attorney fees and expenses Law books Legal forms and supplies Litigation costs Retainer fees Transcript and witness expenses <b>Professional and Technical Fees and Expenses:</b> Appraisal fees Architect Audit Consultants Engineering Laboratory Market and traffic surveys Medical <b>General Services Purchases - Outside:</b> Aircraft interchange charges General interchange service charges

		<b>Other services including:</b> Bank service charges Credit and billing services Housekeeping and support services Security services
Line 29	Total Services - Sum of Lines 22 + 23 + 24 + 25 +26 +27+28	
Line 30	<b>LANDING FEES</b> - Sum of objective Account 44 for all functions	Landing fees
Line 31	<b>RENTALS-</b> Sum of objective Account 47 for all functions	<b>Rentals:</b> Aircraft Buildings and other improvements Communication and meteorological equipment Computers Electrical accounting machines Electronic data processing equipment Furniture, fixtures and office equipment Hotel, restaurant and food service equipment Maintenance and engineering equipment Passenger entertainment equipment Passenger service equipment Ramp equipment Storage and distribution equipment Surface transport vehicles and equipment
Line 32	<b>DEPRECIATION</b> - Sum of objective Accounts 73.1 + 73.2 + 75.1 + 75.2 + 75.3 + 75.4 + 75.5 + 75.8 + 75.9 for 7000 function	<b>Provisions for Obsolescence and Deterioration - Expendable Parts:</b> Current provisions Inventory decline credits <b>Depreciation expense for:</b> Airframes Aircraft engines Airframe parts Aircraft engine parts Other flight equipment Maintenance equipment and hangars Ground property and equipment
Line 33	<b>AMORTIZATION</b> - Sum of objective Accounts 74.1 + 74.2 + 76 for 7000 function	<b>Amortization of:</b> Developmental and preoperating expenses Other intangibles Capital leases
Line 34	<b>OTHER-</b> Sum of objective Accounts 58 + 61 + 63+64+65+66+67+67+71+ 77.8 + 77.9 for all functions + 69 for all functions except 5100	<b>Injuries, Loss and Damage:</b> <b>Excess of losses over insurance recoveries - other assets</b> Buildings and contents Flight equipment Motor vehicles <b>Excess of losses over insurance recoveries - other -</b> Cargo Materials and supplies Passenger baggage and personal property Passenger Third party Foreign exchange gains and losses

		<p><b>Interrupted Trips Expense:</b>  Communications  Denied boarding expense  Ground transportation  Hotel and lodging  Laundry and valet</p> <p><b>Meals Memberships:</b>  Aeronautical associations  Business associations  Credit associations  Scientific and research institutes  Trade associations</p> <p><b>Corporate and Fiscal Expenses:</b>  Annual report costs  Directors' fees  Proxy expense  Registrar and transfer agent fees  Report filing fees  Securities and Exchange Commission fees  Statutory representation service  Stock exchange fees  Stock certificate costs  Trustee fees</p> <p><b>Uncollectible Accounts:</b>  Adjustments to reserve  Losses from uncollectible accounts (where reserve not established)  Provisions for uncollectible accounts</p> <p><b>Clearance, Customs and Duties:</b>  Brokerage fees  Clearance fees - aircraft  Customs fees  Duties  Immigration service charges  Shipment boding charges  Revenue stamp purchases</p> <p><b>Other expenses:</b>  Cash over and short  Employee service pins  Employee uniforms and insignia  Help wanted advertising  House organ for internal distribution</p> <p><b>Uncleared Expense Credits:</b>  Uncleared interchange expense credits  Other uncleared expense credits</p> <p><b>Taxes - Other Than Payroll:</b>  Capital stock taxes  Foreign taxes  Franchise taxes  Fuel taxes (non-refundable)  Gross receipts taxes  License fees  Motor vehicle license fees  Permit fees</p>
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		Personal property taxes Real property taxes
Line 35	<b>TRANSPORT RELATED EXPENSE</b> - Total of 7100 function	Expenses related to the generation of Transport Related Revenues - which come from the United States Government as direct grants or aids for providing air transportation facilities and all services which grow from and are incidental to the air transportation services performed by the air carrier
Line 36	<b>TOTAL OPERATING EXPENSES</b> - Sum of Lines 14+20+2g+30+31 +32+33+34+35	

Footnote 1: Proration [of accrued and deferred overhaul expenses] for Lines 5, 17 and 25:

Step 1. Sum accounts:

5272.1 and 5372.1	Airworthiness Allowance Provisions - Airframe
5272.3 and 5372.3	Airframe Overhauls Deferred
5272.6 and 5372.6	Airworthiness Allowance Provisions - Aircraft Engines
5272.8 and 5372.8	Aircraft Engine Overhauls Deferred

Step 2. Proration for Line 5:

Sum from Step 1 x Line 5 (before proration) / Lines 5 + 17 + 25 (before proration)

Step 3. Proration for Line 17:

Sum from Step 1 x Line 17 (before proration) / Lines 5 + 17 + 25 (before proration)

Step 4. Proration for Line 25:

Sum from Step 1 x Line 25 (before proration) / Lines 5 + 17 + 25 (before proration)

Footnote 2: Under this Schedule P-6.0, Group I carriers are required to report a separate amount for Traffic Commissions - Passenger (6939.1) and Traffic Commissions - Cargo (6939.2). Previously, this group reported only Total Traffic Commissions (6939).



# Schedule P-7.0

OPERATING EXPENSES BY FUNCTIONAL GROUPINGS GROUP III AIR CARRIERS ONLY
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Line 1	AIRCRAFT OPERATING EXPENSES DIRECT OPERATING COSTS):	
Line 2	Total'	Account 7098.9 for total all aircraft types from Schedule P-5.2
Line 3	SERVICING, SALES AND GENERAL OPERATING EXPENSES (INDIRECT OPERATING COSTS):	
Line 4	PASSENGER SERVICE EXPENSE:	
Line 5	Flight attendant expense	Sum of the following accounts: 5521 General Management Personnel 5524 Flight Attendant 5528.1 Flight Attendant Trainees and Instructors 5530 Communications Personnel 5531 Recordkeeping and Statistical Personnel 5535 Other Personnel 5536 Personnel Expenses 5557 Employee Benefits and Pensions 5568 Taxes - Payroll
Line 6	Food expense	Account 5551 Passenger Food Expense
Line 7	Other in-flight expense	Account 5599 Total Passenger Service - Line 5 + Line 6
Line 8	Total Passenger Service Expense	Sum of Lines 5 + 6 + 7
Line 9	AIRCRAFT SERVICING EXPENSE:	
Line 10	Line servicing expense	Account 6126.1 General Aircraft and Traffic Handling Personnel + Allocation 1 (See Footnotes) + Allocation 2 See Footnotes
Line 11	Control expense	Sum of the following accounts: 6126.2 Aircraft Control Personnel 6130 Communications Personnel 6137 Communications Expense + Allocation 3 (See Footnote) + Allocation 4 See Footnote
Line 12	Landing fees	Account 6144 Landing Fees
Line 13	Total Aircraft Servicing Expense	Sum of Lines 10 + 11 + 12
Line 14	TRAFFIC SERVICING EXPENSE:	
Line 15	Directly assignable to passenger	Account 6226.3 Passenger Handling Personnel + Allocation 5 (See Footnote) + Allocation 6 See Footnote
Line 16	Directly assignable to baggage and cargo	Sum of the following accounts: 6226.4 Cargo Handling Personnel 6256 Insurance Traffic Liability + Allocation 7 ( See Footnote) + Allocation 8 ( See Footnote
Line 17	Not directly assignable	Account 6200 Traffic Servicing Expense Function - all 6200 related amounts in Lines 15 and 16 + Allocation 9 See Footnote
Line 18	Total Traffic Servicing Expense	Sum of Lines 15 + 16 + 17
Line 19	RESERVATION AND SALES EXPENSE	

Line 20	Directly assignable to passenger	<u>Sum of the following accounts:</u> 6526.3 Passenger Handling Personnel 6539.1 Traffic Commissions - Passenger 6563 Interrupted Trip Expense + Allocation 10 See Footnote
Line 21	Directly assignable to cargo	<u>Sum of the following accounts:</u> 6526.4 Cargo Handling Personnel 6539.2 Traffic Commissions - Cargo + Allocation 11 See Footnote
Line 22	Not directly assignable	Account 6500 Reservations and Sales Expense Function - Lines 20 + 21
Line 23	Total Reservation and Sales Expense	Sum of Lines 20 + 21 + 22
Line 24	ADVERTISING AND PUBLICITY EXPENSE:	
Line 25	Directly assignable to passenger	All expenses in Account 6600 Advertising and Publicity Expense Function that can be directly assigned or is directly attributable to passenger service based on the carrier's own detailed system of accounts.
Line 26	Directly assignable to cargo	All expenses in Account 6600 Advertising and Publicity Expense Function that can be directly assigned or is directly attributable to <u>cargo</u> service based on the carrier's own detailed <u>system</u> of accounts.
Line 27	Institutional advertising expense	Account 6600 Advertising and Publicity Expense Function - Lines 25 + 26
Line 28	Total Advertising and Publicity Expense	Sum of Lines 25 + 26 + 27
Line 29	GENERAL AND ADMINISTRATIVE EXPENSE	Total of Account 6800 General and Administrative Expense Function
Line 30	MAINTENANCE AND DEPRECIATION - GROUND PROPERTY AND EQUIPMENT:	
Line 31	Maintenance	Account 5400 Maintenance Expense Function - Account 5299 for total all aircraft types from P-5.2
Line 32	Depreciation	Account 7075.9 Depreciation Expense for Ground Property and Equipment
Line 33	Total Maintenance and Depreciation - Ground Property and Equipment	Sum of Lines 31 + 32
Line 34	DEPRECIATION EXPENSE - MAINTENANCE EQUIPMENT	Account 7075.8 Depreciation Expense for Maintenance Equipment and Hangars
Line 35	AMORTIZATION (OTHER THAN FLIGHT EQUIPMENT)	<u>Sum of the following accounts:</u> 7074.1 Amortization - Developmental and Preoperating Expenses 7074.2 Amortization - Other Intangibles 7076 Amortization - Capital Leases - 7076 for total all aircraft types from Schedules P-5.2
Line 36	TOTAL SERVICING, SALES AND GENERAL OPERATING EXPENSE	Sum of Lines 8 + 13 + 18 + 23 + 28 + 29 + 33 + 34 + 35
Line 37	TRANSPORT RELATED EXPENSES	Account 7100 Transport Related Expenses Function
Line 38	TOTAL OPERATING EXPENSES	Sum of Lines 2 + 36 + 37

FOOTNOTE:

**A** = Function 6100 - ( Accounts 6126.1 + 6126.2 + 6130 + 6137  
+ 6144 )

**B** = Accounts 6126.1 + 6126.2 + 6130

**C** = (Accounts 6126.2 + 6128.1 + 6130 + 6131 + 6135 + 6226.1  
+ 6226.3 + 6226.4 + 6228.1 + 6230 + 6231 + 6235)

**Allocation 1** (Aircraft Servicing Expense less salaries and other expenses prorated based on salaries):

$$A \times \text{Account 6126.1} / B$$

**Allocation 2** (Servicing Administration prorated based on salaries in functions 6100 and 6200):

$$\text{Function 6300} \times 6126.1 / C$$

**Allocation 3** (Aircraft Servicing Expense less salaries and other expenses prorated based on salaries):

$$A \times (\text{Accounts 6126.2} + 6130) / B$$

**Allocation 4** (Servicing Administration prorated based on salaries in functions 6100 and 6200):

$$\text{Function 6300} \times (\text{Accounts 6126.2} + 6130) / C$$

**Allocation 5** (Proration of Traffic Servicing Expense to passenger service):

Remainder of Function 6200 - Account 6226.3 which are directly attributable to passenger service based on the carrier's own detailed system of account.

**Allocation 6** (Servicing Administration prorated based on salaries in functions 6100 and 6200):

$$\text{Function 6300} \times \text{Account 6226.3} / C$$

**Allocation 7** (Proration of Traffic Servicing Expense to cargo service):

Remainder of Function 6200 - Account 6226.4 which are directly attributable to cargo service based on the carrier's own detailed system of account.

**Allocation 8** (Servicing Administration prorated based on salaries in functions 6100 and 6200):

$$\text{Function 6300} \times \text{Account 6226.4} / C$$

**Allocation 9** (Proration of Traffic Servicing Expense not directly assignable):

$$\text{Function 6300} \times (C - \text{Accounts 6226.3} + 6226.4) / C$$

**Allocation 10** (Proration of Reservations and Sales Expense to passenger service):

Remainder of Function 6500 - (Accounts 6526.3 + 6539.1+6563) which are directly attributable to passenger service based on the carrier's own detailed system of account.

**Allocation 11** (Proration of Reservations and Sales Expense to cargo service):

Remainder of Function 6500 - (Accounts 6526.3 + 6539.1+6563) which are directly attributable to cargo service based on the carrier's own detailed system of account.