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upon receipt of a written request therefor. To provide ample time for consideration and communication to the air carrier of the action taken, such a request must be delivered to the Board in writing at least three (3) days in advance of the due date, setting forth good and sufficient reason to justify the granting of the extension and the date when the report can be filed. Except in cases of emergency, no such request will be entertained which is not in writing and received by the BTS at least three (3) days before the prescribed due date. If a request is denied, the air carrier remains subject to the filing requirements to the same extent as if no request for extension of time had been made.

(d) [Reserved]

(e) All financial data reported on B, P and G schedules shall reflect the status of the air carrier’s books of account for the period for which the report is being made and shall conform to the instructions contained in this Uniform System of Accounts and Reports. At the option of the air carrier, Group III air carriers may round reported financial data to the nearest thousands of dollars by typing “($000)” at the top of each amount column. All Group I and Group II air carriers may, at their option, round reported financial data to the nearest whole dollars by dropping the cents. All rounded amounts must be balanced within and between schedules. This option applies only to the submission of hardcopy reports. Instructions for the submission of data in ADP format are contained in the Accounting and Reporting Directives, which are available from OAI.

(f) Traffic and other operational statistics included in schedules of the BTS Form 41 reports shall reflect data pertaining to the month, quarter or 12-months-to-date period for which the report is being made.

(g) Adjustments correcting errors in previously reported traffic and other operational statistics shall not be included in data reported in schedules for the current period but shall be effected by submission of corrected schedules for the period to which applicable or, if only a few items are involved, by written notice and authorization to the BTS to correct previously filed reports except that any correction which amounts to less than one-half of one percent (0.5%) of the corrected amount for the month to which related may be included in the report for the current month provided the amount of the correction is clearly noted on the Form 41 Report.

(h) All letters and statements of correction or revision of reported data shall be a part of the BTS Form 41 reports.

(i) All changes in accounting methods having a material impact upon the particular financial elements involved, and all changes in methods of computing and reporting traffic and capacity statistics having a material impact upon the particular statistic involved shall be adequately explained and identified in the report first reflecting such changes. Such explanations related to financial position or financial results shall be made on BTS Form 41 Schedule P-2. Changes in methods for computing or reporting traffic and capacity statistics shall be identified and explained on a separate sheet attached to the first report affected. (See sec. 2–16.) The reporting requirements shall not be construed, in any sense, as relieving the air carrier of the responsibility for conforming its procedures to those otherwise prescribed in this system of accounts and reports.

(j) All financial statements released by carriers to the public reflecting a financial position or operating results for dates or reporting periods not covered by reports on file with the Board shall be filed with the Board simultaneously with their public release.

(Approved by the Office of Management and Budget under control number 2138–0013)

[ER–755, 37 FR 19726, Sept. 21, 1972]

EDITORIAL NOTE: For Federal Register citations affecting part 241, section 22, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.fdsys.gov.

FINANCIAL REPORTING REQUIREMENTS

Section 23 Certification and Balance Sheet Elements

Schedule A—Certification

(a) The certification of the BTS Form 41 Report shall be signed by an elective corporate officer, executive, or director. Other
persons may be authorized by the carrier to sign the certification provided a written authorization disclosing the individual’s name and title is forwarded to the Department of Transportation. Since corrections or revisions of reported data are a part of the BTS Form 41 Report, all correspondence relating to such matters shall be signed only by the person(s) authorized to sign the certification.

(b) The certification of the Form 41 reports, embodied in Schedule A thereof, shall be signed only by the person(s) authorized to sign the certification.

I, the undersigned (Title of officer in charge of accounts) _______ of the (Full name of the reporting company) do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.

Schedule B-1 Balance Sheet

(a) This schedule shall be filed by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of $20 million or more.

(b) This schedule shall reflect the balances at the close of business on the last day of each calendar quarter for the overall or system operations of each air carrier in conformance with the provisions of sections 4, 5 and 6.

(c) Individual proprietors or partners shall report the aggregate capital contributed by the proprietor or partners in account 2890 Additional Capital Invested.

Schedule B-1.1—Balance Sheet

(a) This schedule shall be filed semiannually by Group I air carriers with annual operating revenues below $20 million.

(b) Each carrier shall insert in the space provided for “OAG Code” its carrier code as contained in the Official Airlines Guide (OAG). If the OAG does not contain a carrier code for the reporting carrier, a code will be provided by the Office of Airline Information upon request. This code will then be inserted in the space provided for “carrier code.”

(c) This schedule shall show the account balances at the close of business on June 30 or December 31, as applicable, of each semiannual reporting period.

(d) “Current Assets” shall include all resources that may reasonably be expected to be realized in cash or sold or consumed within one year. This group of assets is classified into three basic accounts:

1. “Cash and Equivalents” shall include cash on hand and on deposit, U.S. Government securities, and other temporary cash investments.

2. “Notes and Accounts Receivable-Net” shall include general traffic accounts receivable, government receivables, notes and receivables from associated companies, officers, employees and others, and a deduction for a reasonable allowance for bad debts.

3. “Other Current Assets” shall contain all other current assets not provided for in the above classifications. This account shall include, but is not limited to, short-term prepayments, expendable spare parts, supplies and other inventories of flight equipment replacement parts that are usually replaced rather than repaired, and materials and supplies held in stock, such as fuel and oil, expendable tools, office supplies and food service supplies. Spare parts may be reduced by an allowance for obsolescence to provide for losses in value.

(e) “Property and Equipment” shall be segregated into that which is owned and that which is leased under capital leases. All property and equipment, with the exception of land, shall be reported net of accumulated depreciation or amortization.

(f) “Other Assets” shall include all assets not included in the above categories, such as long-term investments, long-term payables, deferred charges, intangible assets, equipment purchase deposits, and construction work in progress.

(g) “Current Liabilities” shall include all obligations, the liquidation of which is reasonably expected to require the use of existing resources within one year. This group of liabilities is classified into three basic accounts:

1. “Notes and Accounts Payable” shall include any payments on long-term debt, short-term notes and accounts payable, and accrued expenses that are payable within one year.

2. “Accrued Taxes” shall include tax liabilities, such as those imposed on income,
property and payroll, which are reasonably expected to be liquidated within one year.

(3) “Other Current Liabilities” shall include all current liabilities which are not provided for elsewhere, such as air traffic liabilities for unused transportation sold (includes sales of transportation on both the reporting carrier and other carriers).

(b) “Long-Term Debt” shall include all obligations which are not reasonably expected to be liquidated within one year. Typical examples include notes payable, long-term obligations, and rent obligations.

(i) “Other Liabilities” shall include any debts or obligations which are not properly listed in the “Current Liabilities” or “Long-Term Debt” sections.

(j) “Deferred Credits” shall include all credit balances of a general clearing nature, including credits held in suspense pending receipt of further information necessary for final disposition. Included in this account are deferred income taxes and deferred investment tax credits.

(k) “Discounted Stock” shall include the difference between the price at which the capital stock is sold and the par or stated value of the stock.

(l) “Retained Earnings” shall represent the net income or loss from all operations of the corporate entity less dividends.

(4) “Treasury Stock” shall represent the cost of stock issued by the carrier and reacquired by it but not retired or cancelled.

(5) The statement of certification shall be signed by the carrier’s chief accounting officer.

(m) All substantive matters that may materially influence interpretations or conclusions in regard to the financial condition or the earnings position of the air carrier which are not clearly identified in the body of the schedule or which represent information that cannot be expressed adequately in monetary terms shall be completely and clearly stated in a note attached to this schedule and cross-referenced to the affected account or accounts.

Schedule B-7 Airframe and Aircraft Engine Acquisitions and Retirements

(a) This schedule shall be filed by all Group II and Group III air carriers.

(b) Data applicable to acquisitions and data applicable to retirements shall be grouped and reported separately. The data reported within each group (acquisitions; retirements) shall be further subgrouped and reported as follows:

(1) Acquisitions: the indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported in aggregate for each engine type or model; however, leased aircraft engines shall be separately reported under captions entitled: Capital Leases—Aircraft Engines; and Operating Leases—Aircraft Engines. Airframe units leased from others for a period of more than 90 days shall be reported in a separate subsection of this schedule, captioned as follows: Capital Leases—Airframe Units; and Operating Leases—Airframe Units. In addition, a notation shall be made by license number of airframe units of the air carrier returned after lease to others for a period of more than 90 days. Airframe units obtained through interchange lease arrangements shall not be so reported.

(2) Retirements: The indicated data shall be reported for the sale or retirement of each airframe, each type of aircraft engine (stating the number of units retired) and, to the extent retired along with airframes and engines, in aggregates by accounts, operating property and equipment included in accounts 1607 and 1608 and nonoperating property and equipment included in accounts 1707 and 1708. Disposition of properties in accounts 1608 and 1708 not related to airframe and aircraft engine retirements shall be reported in a separate group for each account. Airframe units leased from others for a period of more than 90 days shall be reported, upon return to the lessor, in a separate subsection of this schedule and captioned as follows: Capital Leases—Airframe Units; and Operating Leases—Airframe Units. In addition, a notation shall be made by license number and name of lessee of airframe units leased to others for a period of more than 90 days; moreover, airframe units leased to others under sales-type or direct financing leases shall be separately captioned and reported on this schedule. Airframe units leased under interchange arrangements shall not be so reported. Aircraft engines leased from others for a period of more than 90 days shall be reported, upon return to the lessor, in a separate subsection of this schedule and captioned as follows: Capital Leases—Aircraft Engines; and Operating Leases—Aircraft Engines. In addition, a notation shall be made by model number, number of units, and name of lessee of aircraft engines leased to others for a period of more than 90 days; moreover, aircraft engines leased to others under sales-type or direct financing leases shall be separately captioned and reported on this schedule. Aircraft engines leased under interchange arrangements shall not be so reported.
(c) All dates shall indicate the day, the month and the year; shall be provided on a unit basis for airframes only, and, shall be reported for each aircraft engine group by date of transaction.

(d) Column 1, “Year of First Delivery—Airframe,” shall reflect, for each reported airframe, the year that the airframe was first delivered by its manufacturer.

(e) Column 2, “Airframe Manufacturer’s Serial Number,” shall reflect the serial number assigned to each reported airframe by its manufacturer.

(f) Column 4, “Acquisitions or Retirements,” shall be used to indicate, for each item entered, whether it represents an acquisition or retirement. This shall be indicated by inserting in Column 4 an “A” for acquisition or an “R” for retirement.

(g) Column 8, “Maximum Seating Capacity,” shall reflect the number of passenger seats installed in each airframe acquired. When airframes are designed for multiple adjustable seating configurations, the maximum number of seats for which designed shall be reported. When the seating configuration of airframes is modified subsequent to original acquisition, the revised passenger capacity of each airframe shall be reported in the quarter in which modified and referenced to identify original capacity reported.

(h) Column 9, “Cost,” shall reflect the book cost of reported airframe and aircraft engine acquisitions and retirements.

(i) Column 10, “Amortization/Depreciated Cost,” shall reflect the book cost, less amortization or depreciation expense, for airframes and aircraft engines that have been retired.

(j) Column 11, “Realization,” shall reflect the proceeds from the disposition of airframes and aircraft engines, including any insurance proceeds.

(k) Column 12, “Acquired From/Disposition,” shall reflect: (1) for acquisitions: the name of the person or organization from which airframes and aircraft engines are acquired and (2) for dispositions (retirements): the name of the person or organization to which airframes and aircraft engines are sold or a notation as to the nature of the retirement and the account to which any depreciated cost has been charged, if not sold. Items included in accounts 1607, 1608, 1707, and 1708, sold as a part of an airframe or aircraft sales transaction, shall also be identified by the name of the buyer. Other sales of items included in these accounts shall be reported in a separate group in aggregate for each property account affected.

Schedule B–12—Statement of Cash Flows

(a) This Schedule shall be filed quarterly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of $20 million or more.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) The statement of cash flows shall separately disclose the amount of net cash provided or used during the reporting period from the carrier’s operating activities, investing activities and financing activities. The effect on cash and cash equivalents of the total amount of net cash provided or used during the quarter from each of the above activities shall be clearly disclosed so as to reconcile beginning and ending cash and cash equivalents.

(d) Carriers may use either the direct or indirect method of reporting cash flows. Under either method, the reporting of cash flows from investing and financing activities will remain the same. However, the reporting of cash flows from operating activities does differ between the two methods.

(e) For carriers electing to use the direct method, cash flows from operating activities are reported as gross amounts of the principal components of cash receipts and cash payments from operating activities, such as cash received from passengers and shippers, cash paid to suppliers, and cash paid to employees. Each carrier using the direct method shall provide as part of its statement of cash flows, a separate schedule that reconciles net income (as reported on Schedule P–1.2 in Account 9899) to cash flow from operating activities.

(f) For carriers electing to use the indirect method, cash flows from operating activities shall reflect net income (as reported on Schedule P–1.2 in Account 9899) along with the adjustments necessary to reconcile net income (Account 9899) to net cash for the period (Net Cash Provided or Used By Operating Activities).

(g) Regardless of the method used, the statement of cash flows shall reflect the amount of net cash flow provided or used by operating activities during the reporting period.

(h) The balance of “Cash and Cash Equivalents,” at the beginning and ending of the quarterly period covered by the report, should equal the sum of Accounts 1090, “Cash,” and 1100, “Short-term Investments,” as reported on the immediately preceding and current quarterly Schedule B–1, “Balance Sheet.” If the sum of these two accounts does not equal the total “Cash and Cash Equivalents” reported on the statement of cash flows, then a footnote explaining the difference shall be provided as part of the statement of cash flows.

(i) Carriers shall submit Schedule B–12 in a format specified in accounting and reporting directives issued by the Bureau of Transportation Statistics’ Director of Airline Information.
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Profit and Loss Elements

Schedule P-1.1—Statement of Operations

(a) This schedule shall be filed semiannually by Group I air carriers with annual operating revenues below $20 million. Data reported on this schedule shall be for the overall or system operations of the air carrier.

(b) This schedule shall show the results of operations for six-month periods ending June 30 and December 31. Data reported in the "12 Months-to-Date" column shall represent for each individual item the sum of the amount reported in the "Current Period" column and the next previous six-month period.

(c) Each carrier shall insert in the space provided for "OAG Code" its carrier code as contained in the Official Airlines Guide (OAG). If the OAG does not contain a carrier code for the reporting carrier, a code will be provided by the Office of Airline Information upon request. This code will then be placed in the space provided for "carrier code."

(d) "Operating Revenue" shall be put in categories as follows:

(1) "Transport Revenue" shall include the revenue generated by the performance of air transportation services. This category shall be subdivided as follows:

(i) "Scheduled Service" shall include all transport revenue derived from operations...