

Redtail Aviation, Inc.
Calculation of Annual Subsidy Requirement
at Moab, Utah

Beech KingAir 200 Turbo-Prop
1.6 hours per round trip

		Peak season	Shoulder season	Off-peak season	Shoulder season	ANNUAL <u>TOTAL</u>
		20 weeks May 15- Sept. 15	6 weeks Sept. 16- Oct. 31	20 weeks Nov. 1- March 31	6 weeks April 1- May 14	
	RT's per week:	21	12	10	12	
	Flight hrs./period:	659	113	314	113	1,199
Expenses:	<u>Unit cost:</u>					
Pilot - 2	\$36,300 /year	\$27,923	\$8,377	\$27,923	\$8,377	\$72,600
Co-pilots - 2	\$20,570 /year	\$15,823	\$4,747	\$15,823	\$4,747	\$41,140
BE-200 fuel	\$112.50 /hour ^{1/}	\$74,138	\$12,713	\$35,325	\$12,713	\$134,889
BE-200 maintenance	\$147.96 /hour	\$97,506	\$16,719	\$46,459	\$16,719	\$177,403
BE-200 lease	\$150,000 /year	\$82,444	\$14,137	\$39,282	\$14,137	\$150,000
CE-402C (back-up aircraft)	\$42,000 /year	\$23,084	\$3,958	\$10,999	\$3,958	\$42,000
BE-200 hull insurance	\$13,500 /year	\$7,420	\$1,272	\$3,535	\$1,272	\$13,500
CE402C hull insurance	\$8,321 /year	\$4,573	\$784	\$2,179	\$784	\$8,321
Total direct expense:						\$639,853
Indirect expenses (see next page)						\$226,931
Marketing						\$5,000
Total operating expense						\$871,784
Total economic cost, 5% profit element						\$915,373
Revenue:		<u>Passengers</u>		<u>Ave. fare</u>		
Passenger revenue		4,000		\$80.00		\$320,000
Total revenue						\$320,000
Compensation requirement @ 98% completion						\$595,373

^{1/} Based upon a burn rate of 90 gph x \$1.25/gallon.

Redtail Aviation, Inc.
Annual Subsidy Calculation for the Provision of EAS at Moab, Utah

Indirect Expenses:

Passenger liability insurance	\$14,000
Baggage liability insurance	\$9,000
Station rent - SLC	\$18,000
Station rent -CNY (200 sq ft x 1.50/mo x 12 mos)	\$3,600
Supplies	\$1,200
Reservations support services and local direct mailings	\$11,250
Landing fees - SLC	\$6,200
Hangar (2,000 sq ft x .09/mo x 12 mos)	\$2,160
Personnel expenses:	
Administrative Management	\$6,838
Booking/reservations clerk	\$18,450
General clerk/Line assistant	\$12,000
Director of Operations	\$17,000
Payroll taxes and benefits (21%)	\$11,400
Telephone	\$9,600
Printing	\$5,700
Uniforms	\$1,500
Legal counsel	\$6,000
Repairs - facility and vehicle	\$2,400
Vehicles	\$5,000
Travel expense	\$5,000
Recurrent training	\$14,000
Fuel truck lease - CNY	\$9,000
Commissions	\$12,200
Booking fees	\$3,108
Start-up cost recapture (\$44,650/2 years)	<u>\$22,325</u>
 Total indirect expense	 \$226,931