

Return of Organization Exempt from Income Tax

2001

Under Section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2001 calendar year, or tax year beginning, 2001, and ending, 20

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

Please use IRS label or print or type. See specific instructions. Brookings Flying Club, P.O. Box 302, Brookings, OR 97415

D Employer Identification Number: 73-6504648, E Telephone number: 707-464-4188, F Accounting method: Accrual

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to Section 527 organizations. H(a) Is this a group return for affiliates? H(b) If 'yes,' enter number of affiliates H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Enter 4-digit group GEN M Check if the organization is not required to attach Schedule B

G Web site: N/A

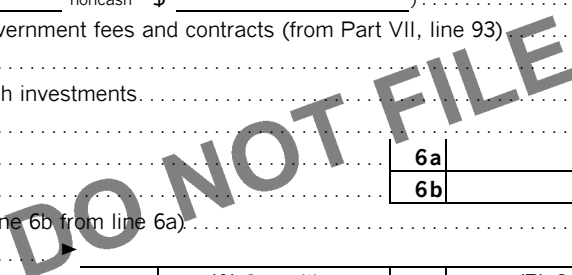
J Organization type (check only one) 501(c) 7 (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 139,069.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see instructions)

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income or (loss); 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.



Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____).....	22				
23 Specific assistance to individuals (att sch).....	23				
24 Benefits paid to or for members (att sch).....	24				
25 Compensation of officers, directors, etc.....	25				
26 Other salaries and wages.....	26				
27 Pension plan contributions.....	27				
28 Other employee benefits.....	28				
29 Payroll taxes.....	29				
30 Professional fundraising fees.....	30				
31 Accounting fees.....	31				
32 Legal fees.....	32				
33 Supplies.....	33	529.	529.		
34 Telephone.....	34	45.	45.		
35 Postage and shipping.....	35	1,605.	1,605.		
36 Occupancy.....	36	851.	851.		
37 Equipment rental and maintenance.....	37	10,057.	10,057.		
38 Printing and publications.....	38	15.	15.		
39 Travel.....	39				
40 Conferences, conventions, and meetings.....	40				
41 Interest.....	41	7,558.	7,558.		
42 Depreciation, depletion, etc (attach schedule).....	42	11,940.	11,940.		
43 Other expenses not covered above (itemize):					
a <u>See Statement 4</u>	43a	11,628.	11,628.		
b -----	43b				
c -----	43c				
d -----	43d				
e -----	43e				
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15.....	44	44,228.	44,228.	0.	0.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to program services \$ _____; (iii) the amount allocated to management and general \$ _____; and (iv) the amount allocated to fundraising \$ _____.

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? <u>Promotion of aviation</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) & (4) organizations & section 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>Airport Day scholarship program: Airplane rides given to the public to fund high school scholarships.</u> _____ (Grants and allocations \$ _____)	
b <u>Aviation fuel sales: We provide the only source of aviation fuel in the area for resident and transient aircraft.</u> _____ (Grants and allocations \$ _____)	
c <u>Aircraft rental: We provide aircraft for rent to non-owner pilots in the area. Over 400 hours of use provided.</u> _____ (Grants and allocations \$ _____)	
d _____ _____ (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)	0.

Part IV Balance Sheets (See instructions)

		(A) Beginning of year		(B) End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.					
ASSETS	45 Cash – non-interest-bearing	22,183.	45	17,740.	
	46 Savings and temporary cash investments		46		
	47a Accounts receivable	4,069.			
	b Less: allowance for doubtful accounts				
			13,575.	47c	4,069.
	48a Pledges receivable				
	b Less: allowance for doubtful accounts				
				48c	
	49 Grants receivable			49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a Other notes & loans receivable (attach sch.)				
	b Less: allowance for doubtful accounts				
				51c	
	52 Inventories for sale or use	28,874.	52		18,568.
	53 Prepaid expenses and deferred charges		53		
54 Investments – securities (attach schedule)			54		
<input type="checkbox"/> Cost <input type="checkbox"/> FMV					
55a Investments – land, buildings, & equipment: basis					
b Less: accumulated depreciation (attach schedule)					
			55c		
56 Investments – other (attach schedule)			56		
57a Land, buildings, and equipment: basis	155,128.				
b Less: accumulated depreciation (attach schedule)	44,579.				
		121,541.	57c	110,549.	
58 Other assets (describe <input type="checkbox"/> See Statement 6)			58	1,810.	
59 Total assets (add lines 45 through 58) (must equal line 74)	186,173.	59		152,736.	
LIABILITIES	60 Accounts payable and accrued expenses		60		
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)	68,047.	64b		60,005.
	65 Other liabilities (describe <input type="checkbox"/>)	1.	65		
66 Total liabilities (add lines 60 through 65)	68,048.	66		60,005.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	115,645.	67	88,694.	
	68 Temporarily restricted		68		
	69 Permanently restricted	2,480.	69	4,037.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	118,125.	73		92,731.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	186,173.	74		152,736.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

Part VI Other Information (See specific instructions.)

		Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity.	76		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.	77		X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	78b	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement.	79		X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?	80a		X
b If 'Yes,' enter the name of the organization N/A and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.			
81a Enter direct or indirect political expenditures. See line 81 instructions	81a	0.	
b Did the organization file Form 1120-POL for this year?	81b		X
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A	
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A	
c Dues, assessments, and similar amounts from members.	85c	N/A	
d Section 162(e) lobbying and political expenditures.	85d	N/A	
e Aggregate nondeductible amount of Section 6033(e)(1)(A) dues notices.	85e	N/A	
f Taxable amount of lobbying and political expenditures (line 85d less 85e).	85f	N/A	
g Does the organization elect to pay the Section 6033(e) tax on the amount on line 85f?	85g	N/A	
h If Section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.	86a	0.	
b Gross receipts, included on line 12, for public use of club facilities.	86b	1,820.	
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders.	87a	N/A	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A	
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations Sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.	88		X
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: Section 4911 N/A ; Section 4912 N/A ; Section 4955 N/A			
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any Section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.	89b	N/A	
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under Sections 4912, 4955, and 4958			N/A
d Enter: Amount of tax on line 89c, above, reimbursed by the organization			N/A
90a List the states with which a copy of this return is filed Oregon			
b Number of employees employed in the pay period that includes March 12, 2001 (see instructions)	90b		0
91 The books are in care of Karen Breshears Telephone number 541-469-4998 Located at P.O. Box 302, Brookings, Or. ZIP + 4 97415			
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here. N/A and enter the amount of tax-exempt interest received or accrued during the tax year.	92		N/A

Part VII Analysis of Income-Producing Activities (See instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Aircraft rental					21,694.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					6,275.
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities					227.
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					1,820.
102 Gross profit or (loss) from sales of inventory					13,855.
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					43,871.
105 Total (add line 104, columns (B), (D), and (E))					43,871.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	See Statement 8

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions.)

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of Officer: _____ Date: _____

Paul McLeod, Secretary
Type or Print Name and Title

Paid Preparer's Use Only

Preparer's Signature: Paul McLeod Date: _____ Check if self-employed:

Firm's name (or yours if self-employed) and address, and ZIP + 4: Musser & Associates, CPAs
990 Front Street, Suite 2
Crescent City, CA 95531

EIN: _____ Phone no: (707) 464-4188

Client 749

Brookings Flying Club

73-6504648

8/10/03

10:13AM

Statement 1
Form 990, Part I, Line 9
Net Income (Loss) from Special Events

Special Events	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Airport Day Ticket Sales	1,820.	0.	1,820.	0.	1,820.
Totals	<u>\$ 1,820.</u>	<u>\$ 0.</u>	<u>\$ 1,820.</u>	<u>\$ 0.</u>	<u>\$ 1,820.</u>

Statement 2
Form 990, Part I, Line 10
Gross Profit (Loss) From Sales Of Inventory

.....	\$ 109,053.
Gross Sales.....	<u>\$ 109,053.</u>
Less Returns & Allowances.....	<u>0.</u>
Net Sales.....	<u>\$ 109,053.</u>
Less Cost Of Goods Sold.....	<u>95,198.</u>
Gross Profit From Sales Of Inventory.....	<u>\$ 13,855.</u>

Statement 3
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Prior A/R understatement.....	\$ -11,447.
Prior fuel inventory adjustment.....	-13,590.
Total	<u>\$ -25,037.</u>

Statement 4
Form 990, Part II, Line 43
Other Expenses

	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Advertising	10.	10.		
Contributions	2,000.	2,000.		
Dues and fees	35.	35.		
Insurance	5,412.	5,412.		
Licenses and permits	170.	170.		
Meetings	285.	285.		
Miscellaneous	387.	387.		
Professional fees	2,500.	2,500.		
Property taxes	290.	290.		
rounding	-4.	-4.		
Utilities	543.	543.		
Total	<u>\$ 11,628.</u>	<u>\$ 11,628.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Client 749

Brookings Flying Club

73-6504648

8/10/03

10:13AM

Statement 5
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Machinery and Equipment	\$ 137,128.	\$ 40,112.	\$ 97,016.
Buildings	18,000.	4,467.	13,533.
Total	<u>\$ 155,128.</u>	<u>\$ 44,579.</u>	<u>\$ 110,549.</u>

Statement 6
Form 990, Part IV, Line 58
Other Assets

Undeposited funds.....	\$ 1,810.
Total	<u>\$ 1,810.</u>

Statement 7
Form 990, Part V
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Lee Garvin 541-469-2113 P.O. Box 1220 Brookings, OR 97415	President None	\$ 0.	\$ 0.	\$ 0.
Paul McLeod 707-464-4188 17520 Ross Lane Brookings, OR 97415	Secretary None	0.	0.	0.
Karen Breshears 541-469-4998 P.O. Box 1418 Brookings, OR 97415	Treasurer None	0.	0.	0.
Chris McKinstry 541-469-1081 P.O. Box 6037 Brookings, OR 97415	Vice President None	0.	0.	0.
Hiram Underwood 541-469-3142 P.O. Box 2584 Brookings, OR 97415	Director None	0.	0.	0.
Total		<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

8/10/03

10:13AM

Statement 8
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

<u>Line #</u>	<u>Explanation of Activities</u>
93	Over 400 hours of aircraft rental time was made available to non-owner pilots and student pilots.
94	Membership fees support meetings and communications within the organization.
96	Interest bearing scholarship funds aid in increasing scholarships to students.
101	Airport Day ticket sales directly expose the general public to aviation in the area.
102	Fuel sales keep the local airport a viable location for aviation activities to continue operating.

DO NOT FILE