



NAVAL SUPPLY SYSTEMS COMMAND

NAVY EXCHANGE SERVICE COMMAND



2020 Annual Report

Contents



From the CEO



R. J. Bianchi
R. J. BIANCHI
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Chief Executive Officer
Navy Exchange Service Command

The Navy Exchange Service Command (NEXCOM) is comprised of 100 NEX facilities and over 300 stores worldwide, Navy Lodges, Ships Store Program, Uniform Program Management Office, Navy Clothing and Textile Research Facility and Telecommunications Program Office.

As with the rest of the world, 2020 brought unprecedented challenges and situations as we collectively worked together amid the COVID-19 pandemic. NEXCOM remained squarely focused on our quality of life mission to support and sustain our Sailors and their families around the world. To that end, our 14,000 associates, across six business lines, throughout the globe, worked tirelessly to ensure our Navy, our patrons and military families had what they needed, in a clean and safe environment. We know we are viewed as mission essential in times of crisis and we worked diligently to ensure we fulfilled that responsibility. Our hard work was recognized by our customers and Navy leadership.

“Great job by a really expansive team who did so much, so rapidly, and so professionally, much of it behind the scenes. Wish I could thank them all personally. Proud of all.”

-Admiral Michael Gilday,
Chief of Naval Operations



While our service and dedication to our patrons didn't falter, the impact of COVID-19 took a toll on our sales and profits in 2020. Total annual sales were \$2.2 billion, a decrease of 7.0% from last year.

Despite the overall sales shortfall, strong expense controls across the enterprise mitigated reduced margin dollars and, in addition to special COVID-19 financial assistance provided by the Department of Defense, resulted in an Operating Profit of \$25.2 million. Based on a new dividend model approved by the MWR/NEX Board of Directors, we delivered \$4.1 million to support Navy Morale, Welfare and Recreation (MWR) quality of life programs.

Our Navy Lodge Program had an annual operating revenue of \$75.5 million and a net income of \$6.9 million. Finally, sales for our Ships Store Program were \$66.5 million with a net profit of \$11.6 million.

To help mitigate the loss in sales due to store and service closures, NEXCOM received a total of \$82.1 million in financial assistance from the Department of Defense for fiscal year 2020.

This year proved once again that our command is an essential part of the U. S. Navy as a readiness enabler, especially in times of crisis. NEXCOM's 2020 successes are indicative of the hard work of each and every one of our associates around the world who were a critical element that contributed to the operation. Each business line, field associate serving on the front lines and headquarters' personnel together played an essential role in supporting the Navy's warfighters and military families. 🇺🇸

"NEXCOM teammates are on the front lines of this national pandemic and I couldn't be more grateful for their sacrifice and the manner in which they are serving."

- Rear Adm. Michelle Skubic, Director
Defense Logistics Agency

"NEXCOM continues to deliver superb outcomes for our Navy warfighters and military families! As an integral component to the NAVSUP enterprise, NEXCOM's mission serves as a critical readiness enabler for our Navy around the world. I am always impressed by the impact that this command has on the daily lives and well-being of our Sailors."

-Rear Admiral Peter Stamatopoulos, Commander
Naval Supply Systems Command

"Wow, I can't tell you how much we appreciate the forward lean on this. We're all truly one big family, and its times like these that highlight that!"

- Lt. Cmdr. Ramaud D. Love, Head
Materials Management Department
Naval Medical Center San Diego

"Thank you again so so much for this! You guys are amazing and making our time stuck in a hotel room just a little bit better. There's no words large enough to describe how thankful I am for all of you!"

- Aviation Ordnanceman, Chief Erin Reeder
USS Theodore Roosevelt (CVN-71)

Impacts of COVID-19



IMPACTS OF COVID-19

From the onset of the COVID-19 pandemic NEXCOM remained a critical resource for the Department of the Navy and prioritized the health and safety of its patrons and personnel alike.

DIRECT FLEET SUPPORT

In an effort to support the Department of the Navy, NEXCOM leveraged its merchandising and supplier contacts to provide for the Fleet.

ACCOMPLISHMENTS

NEXCOM procured and delivered 3,000 pieces of personal protective equipment to Naval Hospitals in San Diego and Pearl Harbor.

NEXCOM's Ships Store Program worked in close coordination with the Supply Officers onboard the USNS Comfort (T-AH-20) and USNS Mercy (T-AH-19) to provide necessary goods and services prior to their deployments in support of the pandemic. In addition, NEXCOM's Southeast Distribution Center (SEDC) and uniform team processed any uniform needs and outfitted the crew with the required uniforms.

NEX Guam supported ships by providing food service deliveries directly to the pier including to USS Theodore Roosevelt (CVN-71), USS Ronald Reagan (CVN-76) and USS Nimitz (CVN-68) that brought \$185,000 in food service sales. In addition, NEXCOM's Guam Distribution Center delivered 364,028 meals valued at over \$2.7 million with as many as 11,379 meals being delivered each day for USS Theodore Roosevelt Sailors. When the galley onboard USS Frank Cable (AS-40) was shut down due to the large number of COVID-19 cases on board, NEX Guam established a contract and built a delivery schedule that resulted in the delivery of 1,500 meals a day. Finally, NEX Guam provided Safe Haven food liberty delivery to 34 visiting ships to include U.S., Australian, Spanish, French, Canadian and Singapore navies.



Navy Lodge Naples sanitation



NEDC mask shipment



Brooks Brothers face covering

NEX San Diego supported USS Kidd (DDG 100) at Naval Station San Diego by proactively organizing and coordinating a resupply of any required goods and merchandise for the crew including 347 laundry bags.

By understanding the needs of the Navy, NEXCOM pulled together its industry expertise to lean forward. Immediately after the Navy's announcement on cloth face coverings, the NEXCOM team jumped into high gear to fulfill this directive as a stop-gap prior to Defense Logistics Agency (DLA). NEXCOM buyers procured cloth face coverings from Brooks Brothers, Taylor Brand and Sewell. NEXCOM's Navy Clothing and Textile Research Facility (NCTRF) performed a full evaluation on the handling and care of the cloth face coverings. NEXCOM's Ships Store Program released guidance on the maintenance of the cloth face

coverings while shipboard. NEXCOM's Distribution Centers and Headquarters worked closely with Commander, U. S. Fleet Forces and other Navy commands to expedite shipment to the Fleet. In total, NEXCOM shipped 558,000 face coverings to the Fleet.

NEXCOM's Navy Lodge Program supported Sailors placed on restriction of movement (ROM) as a precaution before or after deployment or while in port and disembarked from their ship. Many Navy Lodge locations delivered grab and go breakfasts to guests who were confined to their rooms. In total, Navy commands utilized 34 Navy Lodges totaling over 138,000 room nights to support these guests. NEX locations around the world implemented a Quarantine Support Program so Sailors who were placed on ROM, either onboard a ship or on base, could order much

needed essentials and other merchandise. In total, more than 78,000 orders at 40 NEX locations worldwide with sales of \$7.2 million were filled and delivered.

Navy commands utilized NEX tailors to create cloth face coverings for their workforce. The commands brought in the material and the tailors designed and sewed the face coverings. NEX tailors sewed 35,000 cloth face covering for Navy commands around the world generating \$145,000.



NEXCOM's Telecommunications Program Office (TPO) assisted the Department of the Navy by providing free Wi-Fi service to 1,200 Sailors from USS Theodore Roosevelt at three different bases while it was in ROM status. In addition, one hour a day of free Wi-Fi was given to personnel on ROM at 36 buildings on 12 Navy bases. Along with its vendor-partner, ViaSat, TPO installed temporary Wi-Fi at the piers on Naval Station Guantanamo Bay, Cuba, to accommodate visiting ships for personnel in ROM status. Finally, TPO's vendor-partner, Telefonica, provided free Wi-Fi to personnel arriving to Naval Station Rota, Spain, who were in a 14-day ROM status.

NEXCOM's NCTRF using the standards of the N95 mask as a baseline, developed the laboratory evaluation protocol for these non-medical face coverings. The yarns used to construct the 3D knitted face coverings were evaluated for comfort and filtration efficiency and the designs were assessed for durability. In summer 2020, NCTRF, NEXCOM, Naval Supply Systems Command (NAVSUP) and Naval Sea Systems Command (NAVSEA) wear-tested the 3D face cover prototype and evaluated the cover form, fit, function and comfort. The 3D face cover received positive feedback with recommendations to improve the nose stay, ear loop elastic adjustability, under-eye shape for glasses interface and to elongate the vertical length. Several knit structures and fiber blends were tested for particular filtration efficiency (PFE), particle shedding, differential pressure

(breathing comfort) and physical properties to evaluate the overall material durability and functionality. The polyester/cotton/rayon/spandex yarn blend performed the best for PFE and demonstrated the ease of yarn-knitting mass-production. Therefore, it was down-selected for the next 3D cover wear test in FY21 and another prototype was created for evaluation.

When Chief Petty Officer (CPO) season was pushed from September to late November, NEXCOM's Uniform Program Management Office (UPMO) created a video outlining what selectees could expect at their fitting as the NEX adhered to social distancing guidelines and ensured a safe CPO season. Many of the new safety precautions and procedures put in place improved the overall process and will be permanently instituted.



NEX Great Lakes Quarantine Support Program

NEX Great Lakes, Illinois, worked hand in hand with Recruit Training Command (RTC) Great Lakes to provide for Recruits and active duty personnel by creating innovative ways to support their needs. First, a Quarantine Support Program was created for Recruits on ROM that supported 9,129 students as well as 4,000 TSC students who went home for the holidays and were required to ROM for two weeks when they returned. Laundry services to 2,460 recruits on ROM were provided. In addition, NEX Great Lakes organized five food trucks that served 12,000 meals. Finally, NEX Great Lakes Recruit Store expanded its food assortment by 150% to support just under 1,000 active duty members who were required to live on base and not allowed to leave.

NEXCOM's UPMO, in collaboration with RTC Great Lakes, NEX Great Lakes, NEX and Fleet Command Master Chiefs and Uniform Matters Office, developed and provided RTC Fleet tailoring guidance and plans based on the closure of NEX tailoring services due to COVID-19. The guidance and plan provided the required fitting/tailoring of RTC Sailors' Service Dress Blues, Service Dress Whites and Service Uniforms at the follow-on A-Schools, joint training locations or at Fleet commands.

NEX Newport, Rhode Island, worked hand in hand with Officer Training Command (OTC) to support the needs of officer candidates and OTC active duty personnel. The Barber Shop remained open and the Tailor Shop supported all classes with tailored uniforms as well as created cloth face coverings for all incoming candidates and all active duty OTC personnel. A Quarantine Support Program was implemented for candidates on ROM and throughout the program.



MILITARY FAMILY SUPPORT

Throughout the COVID-19 crisis, NEXCOM evolved to better serve service members and military families.

ACCOMPLISHMENTS

NEXCOM collaborated with its military resale Buying Alliance partners to engage the vendor community, ensuring prioritization of essential products and inventory for military exchanges and patrons.

NEXCOM buyers placed additional buys of essential items - 40,000 boxes of gloves, 1.2 million masks, 250,000 disinfectant wipes and over 600,000 hand sanitizers. In addition, replenishment for all COVID-19 essential items was increased 50% while replenishment within the food, baby care, health aids, household, personal care, beverages, beauty care, vitamins, stationary, games, home improvement, light fitness and specific consumer electronics categories was increased by 30%. Also, an additional 850 CAC readers were sent to NEX stores overseas to support those individuals teleworking. In some cases, shipments were airlifted to speed up shipping time.

NEXCOM's TPO and its vendor partners increased Wi-Fi bandwidth at 49 Child Youth Program centers for the Virtual Learning Centers to accommodate classroom computer settings. In addition, 12 modems were installed, without installation costs, in Family Housing units used for

quarantine. Wi-Fi coverage at Naval Hospital Clinic Hawaii; Naval Medical Center Portsmouth, Virginia; and Naval Medical Center Annapolis, Maryland; was expanded to accommodate additional usage.

With the closure of all schools in Japan and Guantanamo Bay, Cuba, NEXCOM's Student Meal Program offered student meals at DoDEA schools. During the school year, 7,761 Grab-N-Go meals were served to students.

To ensure the safety of its customers, all NEX cash register locations and Navy Lodge front desks installed sneeze shields. NEX and Navy Lodge locations continued to clean and sanitize commonly touched surfaces based on guidance provided by the Navy Bureau of Medicine and Surgery and the Centers for Disease Control and Prevention. At the same time, all NEXCOM civilian and military personnel and its affiliated contractors received a health screening and temperature check prior to working in any facility worldwide.

To allow customers to safely pick up merchandise curbside, the NEX Drive/Up Program was implemented on Sept. 3, at several locations. The program allowed customers to purchase select items on myNavyExchange.com for pick up within 48 hours.



The Buy Online and Pick Up in Store Program was implemented to allow authorized customers to purchase select items on myNavyExchange.com for pick it up inside their local NEX store. The Pick/Up Program is available at NEX Norfolk, NEX Oceana and NEX Little Creek – Ft. Story, Virginia; NEX Pearl Harbor; NEX San Diego; NEX Bethesda, Maryland; NEX Jacksonville and Pensacola, Florida; NEX Yokosuka, Japan and NEX Guam.

To keep customers entertained and engaged during the pandemic, NEXCOM created the Virtual Entertainment Series for NEXCOM's 74th birthday, Memorial Day, July 4th, Labor Day and Veterans Day.

Events included virtual concerts, 5k races, cooking demonstrations and more. The events were shown on NEXCOM's Facebook and Instagram accounts.

In response to increased web demand, NEXCOM instituted free shipping on all online orders to support its patrons. Package shipments included "surprise & delight" items including coloring books, hand sanitizer and hand written notes of thanks and encouragement. 📌

To allow customers to safely pick up merchandise curbside, the NEX Drive/Up Program was implemented on Sept. 3, at several locations.

NEX

MISSION

To provide quality goods and services at a savings and to support Navy quality of life programs.

ACCOMPLISHMENTS

The NEX and Marine Corps Exchange (MCX) online retail and uniform stores transitioned to a new unified online e-commerce portal at myNavyExchange.com on Oct. 1. The MCX added 250 uniform items to the site. In addition, NEXCOM added MCX to the Ship-to-Store Program so MCX customers can have merchandise sent to MCX locations for pick up.

The NEX launched two new private brand children’s clothing lines this year to give customers even more options when purchasing clothes for their children. The Wanderling clothing line includes layette, “Take Me Home” outfits, playwear separates and sets, dresses and sleepwear in sizes 0-24 months and is priced at \$7, \$10 and \$12. Starting at just \$5, the Liberty & Valor clothing line includes separates, playwear sets, girls’ dresses and rompers, sweaters, fleece, swimwear, outerwear and sleepwear for both boys and girls from 2T – 16/18. Wanderling was named a Bronze Vertex Industry Award winner.

Several new categories in the NEX private label brands were launched including Yarn & Sea women’s swimwear, women’s athleisure apparel, intimate giftables and family PJs and Liberty & Valor girls’ and boys’ apparel.

NEXCOM’s online web store, myNavyExchange.com, turned six years old. Since its inception in 2014, the NEX online store has greatly expanded its merchandise assortment to encompass more products its customers have requested. The latest product added was pet food. In June, the web store hit another milestone, signing up its one millionth customer.





NEX Guantanamo Bay quarantine delivery



NEX scratch card



New retail brand partnership



The newest NEX location at Naval Support Facility Redzikowo, Poland, opened on Nov. 25. The NEX was the first facility to open for use on the base. Located in the base's Multi-Purpose Facility, the 1,300 sq.-ft. mini mart offers an assortment of food and beverage items, personal and health care items, household essentials and some portable electronics.

When NEXCOM's Home Delivery provider gave notice that it would not be able to continue service after Feb. 27, 2021, NEXCOM established a Home Delivery Task Force to expedite the procurement process for a replacement. The team selected HD Solutions as its new provider in four primary markets Tidewater, Virginia; Jacksonville and Pensacola, Florida; and San Diego.

A new email marketing strategy was implemented to improve messaging and engagement with customers. The strategy resulted in 50% fewer email campaigns and a 21% increase in reach and engagement. In addition, acquisition messaging on scratch cards was developed and launched to convert print only customers into multi-channel customers.

In partnership with MSI and military resale Joint Buying Alliance partners, the first-ever Military Exclusive PC models were launched in NEX locations. Three models of gaming PC bundles, including headset and mouse, generated 1,900 units in sales with total revenue at \$1.8 million. A Military Exclusive gaming laptop, in partnership with Asus, was also

launched that generated 499 units for \$389,000 in retail sales while the gaming bundle generated 685 units for \$1.1 million in revenue. Finally, the Military Exclusive Microsoft Surface Bundles launched with three models. It sold 3,081 units for total revenue of \$3.2 million.

Retail brand partnership were established with Gap Brands and Aerie in women's, men's and children's clothing; American Eagle in women's and men's apparel; Athleta; Victoria's Secret PINK; UntuckIT in men's shirts and Manscape men's personal grooming products.



In collaboration with military resale Joint Buying Alliance partners, co-hosted the first ever multi-service Military Exchange Electronics Expo (ME3) in a virtual format. Across all branches of service, 572 attendees from around the world participated in this event which was comprised of merchant presentations on back half strategy as well as product training from 26 industry partners in consumer electronics and home appliances.

NEX private brand fashion diamond collection, "Because by Navy Star" was launched. This moderately priced fashion jewelry line complements the NEX Navy Star private brand diamond jewelry line.

For the fifth year in a row, the non-profit organization Pay Away the Layaway supported NEX customers by paying off their layaways in full. This year, over 327 military families at 22 locations around the world had nearly \$67,000 in layaway balances that contained children's items paid off in full. Montel Williams, a prior U.S. Marine and U.S. Navy Lt. Cdr., taped a video message that was played for customers at each location.

NEX locations participated in the Navy Marine Corps Relief Society (NMCRS) Benefit Campaign to raise funds for the organization. In the spring, 127 NEXs accepted a \$5 donation from patrons totaling \$191,856. In the fall, 138 individual NEXs accepted \$5 donation from patrons totaling \$315,974. Total campaign donations accepted for the year was \$507,830.

A new "Go" line of gift cards was added to NEX locations. Go Eat, Go Shop and Go Enjoy can be used at multiple brands and allows consumers the flexibility to spend where they please.

A 3-week, six email Early Arriver Journey marketing campaign was launched to introduce new recruits at Recruit Training Command Great Lakes, Illinois, to their NEX and provide valuable information about their new life in the Navy. [!\[\]\(e3f8612927870f2e0f9f5989e6dd3064_img.jpg\)](#)

Ships Store Program



MISSION

To provide quality goods at a savings, to provide quality services necessary for day to day living and to provide funding for afloat recreation needs and promote good morale.


ACCOMPLISHMENTS

Ships store sales were \$66.5 million which generated a net profit of \$9.5 million. The program reinvested \$500,000 in capital expenditures, distributed profits of \$8.1 million for its individual MWR programs and distributed \$1.5 million of its profits to central MWR for fleet-wide recreational programs with net profit from operations and monies from prior quarters. Coffee bars sales were 10% of total sales with over \$2.2 million in profits generated for Sailor's quality of life.

On Nov. 30, the Ships Store Program opened the first Micro Market@Sea onboard the USS San Antonio (LPD 19). Ship personnel will now have access to over 100 snack items with the potential to stay open 24 hours a day/seven days a week when operationally feasible. The 75 sq.-ft Micro Market@Sea works on an 'honor system' as a self-service, self-checkout store. To checkout, Sailors insert their CAC cards, scan the items for purchase and pay with their Navy Cash Card.

USS Port Royal (CG 73) and USS John McCain (DDG 56) were branded. To date, 99 ships stores have been branded across the fleet.

Ships store and barber shop renovation proposals were reviewed for 22 ships, for a cost savings of \$53,000.

For the year, 1,007 1Q COG orders were submitted across the fleet, totaling over \$11 million. Increased the total line items from 153 to 195 in Zone B for the 5th Fleet. Items added to the stock assortment in food, beverage and personal care departments. 

Navy Lodge Program

MISSION

The mission of the Navy Lodge Program is to provide reasonable priced, quality lodging facilities for its guests.

ACCOMPLISHMENTS

On July 14, the Secretary of the Navy issued a memorandum rescinding all lodging privatization efforts. Included in this memorandum was the direction to consolidate permanent change of station (PCS) and temporary duty travel (TDY) lodging programs within the Navy and Marine Corps by October 1, 2021.

The Navy Lodge Program saved Department of Defense and Department of the Navy travelers on official business over \$47 million. On average, the Navy Lodge Program sets its room rates at 60% of the temporary duty per diem rate and does not charge occupancy tax, thus saving money.

Navy Lodges achieved an occupancy rate of 71.4%. Medical patients and Wounded Warriors utilized over 19,000 room nights at Navy Lodges worldwide. The overall guest satisfaction rating, from guest survey results, was 93 out of 100, one point higher than 2019.

PCS room nights were slightly lower than normal due to COVID-19, however, average length of stay for PCS guests increased from 8.2 to 12.7 days, with over 27,000 unique stays for 347,000 room nights. Navy Lodge PCS scratch cards resulted in over 13,000 room nights discounted and a savings of over \$133,000 for PCS guests.

Navy Lodges were instrumental in providing humanitarian, lodging and logistics support for military members and their families during the COVID-19 pandemic, wildfires, hurricanes and severe winter snowstorms.





Door locking systems were upgraded to “radio frequency identification” locks (RFID) at all Navy Lodge locations in the continental United States to provide increased safety and security for guests.

A new guest room bedding program was implemented, which includes stain resistant, printed top sheet; lightweight, fast drying blanket; and form fitted, stain resistant, bed box cover, at all Navy Lodge locations.

Bathroom and kitchen upgrades as well as lobby remodels were completed to support ever changing trends to better serve PCS members and their families.

Family suites were developed at Navy Lodge Whidbey Island, Washington and Navy Lodge North Island, California, to provide adequate space for families on PCS orders.

Lobby, corridor, public and support space resets were completed at the Navy Lodges Bangor, Washington; Bethesda, Maryland; Hawaii; Monterey and North Island, California; and Norfolk, Virginia. Support space resets included modernized work stations, furniture, carpet and paint.


Guest room resets were completed on 748 guest rooms at the Navy Lodges Bangor and Whidbey Island, Washington; Bethesda, Maryland; Corpus Christi, Texas; Gulfport, Mississippi; Hawaii; Moffett Field and North Island, California; New London, Connecticut; and Pensacola, Florida. The resets included new kitchens, bathrooms and vanities, new furniture, flooring, bedding, art, paint, lighting and window treatments.

DoD Lodging Reservation Center (DoDLRC) received over 233,000

calls that were answered, on average, within 34 seconds or less. The DoDLRC continued its partnership with NEXCOM’s e-Commerce teams. The sharing of resources saves the NEXCOM Enterprise money in hiring and training while supporting PREMIER Guest Service ideals.

The Guest Room Directory was redesigned and distributed to Navy Lodges worldwide.

The Navy Lodge Program ended 2020 with 39 Navy Lodges and 3,128 rooms around the world.

The Navy Lodge Program continued to have a social media presence on Google My Business, Trip Advisor, Yelp, Facebook, Twitter, Instagram, Google reviews and Google+. 



Telecommunications Program Office

MISSION

To serve customers by keeping them connected to family and friends, 24/7, on affordable and reliable networks, throughout their Navy journey from boot camp to retirement.

ACCOMPLISHMENTS

In cooperation with its contracted vendors, TPO diligently upgraded Wi-Fi equipment and increased bandwidths to ensure military members and their families around the world were able to connect with their loved ones. At Naval Support Activity Naples, Italy, and Naval Air Station Sigonella, Sicily, the bandwidth into both bases was increased and the Internet Protocol TV infrastructure was upgraded to allow customers to watch high-definition TV. At Naval Support Activity Bahrain, the vendor upgraded the core network equipment and increased bandwidth capacity, improving user experience in unaccompanied housing and to keep up with the demands of online schooling at the Morale, Welfare and Recreation (MWR) Child Development Center and Teen Center. At ISA Air Base, extensive upgrades were made that included putting in ethernet and fiber. Naval Station Rota, Spain, customers also saw a significant increase of the base's bandwidth. NEXCOM's contracted vendor also has installed all necessary equipment at Naval Support Facility Redzikowo, Poland. Stateside, NEXCOM's vendor partner has also been upgrading base infrastructure to increase bandwidth in unaccompanied housing, Navy Lodges and Navy Gateway Inns and Suites. These upgrades should be finished by early 2022.

Wi-Fi was added in Galley locations at Naval Air Station Oceana, Naval Air Station Oceana Dam Neck Annex and Joint Expeditionary Base Little Creek-Fort Story, Virginia; the new Multi-Purpose Facility at Naval Station




Rota, Spain; the Anchor Liberty Center, Graffiti's Liberty Center and the NEX and mini mart at Naval Support Activity Souda Bay, Greece; Coast Guard warehouse and office spaces as well as the gym, flight line and dog kennels at Naval Support Activity Bahrain, Isa; Naval Station Guantanamo Bay, Cuba, hospital and businesses; and the Child Development Center at Naval Support Activity Hampton Roads, Virginia.

NEXCOM's contract with AT&T, which provides phone calls aboard Navy vessels, was extended through December 31, 2022.

The Holiday Calling Initiative was launched and offered free 10 minute phone calls to all deployed Sailors from December 24 – 26, 2020, and December 31, 2020 – January 1, 2021. In total, 11,392 Sailors took advantage and called home free of charge, utilizing a total of 113,916 minutes.

The Assistant Secretary of Defense for Manpower and Reserve Affairs approved a waiver for NEXCOM to provide telecommunications services for B2/B3 businesses such as the Post Office, banks and McDonald's in Japan. The businesses are included in the new Americable contract.

Navy Lodging TV added to ViaSat contract that allows each guest to access TV content traditionally or through their own applications such as Netflix, Hulu or YouTube TV. This completes the bundle package of Wi-Fi/phones/TV for guest services under one contract.

The Sapphire International mobile hot spot was made available for purchase on myNavyExchange.com Marketplace. 

Uniform Program Management Office



MISSION

Since 1976, NEXCOM's Uniform Program Management Office (UPMO) has served as NEXCOM's Program Manager for Navy uniforms, managing government-issue uniforms for enlisted personnel, commercial uniforms for Chief Petty Officers and Officers and assisting with Fleet organizational and protective clothing requirements.

ACCOMPLISHMENTS

Relocated the Integrated Logistics Support Internship billet from the Naval Logistics Integration Cell at Marine Corps System Command in Quantico, Virginia, to NEXCOM Headquarters. The relocation of the billet to NEXCOM Headquarters enables the intern to acquire hands-on experience with Navy acquisition policies and procedures and adds professional development within the U. S. Navy Supply Corps community.

Participated in a size standardization update based on the results of the U. S. Army's size standardization contract. The Navy's female block patterns for "straight" and "curvy" body types, Petite, Regular and Tall statures meet the U. S. Army sizing needs. A third body type, "super curvy," was also identified as needed to fit the total female U. S. Army population. Leveraging the U. S. Army's block and key style patterns will reduce the Navy's Size Standardization unfunded requirement by approximately \$1.2 million and potentially accelerate the U. S. Navy's schedule for size standardization of female coats and all men's uniforms.

Implemented Uniform Summits for the various Navy uniform systems to be conducted throughout the year. The Uniform Summit concept is based on the Integrated Logistics Support model that encompasses a holistic, system-by-system uniform review to include lifecycle status, wear policy updates, sales data, on-hand stock data, contract information, Product Quality Deficiency Report (PQDR)/ Commercial Item Deficiency



Report (CIDR) trend analysis and other issues that affect uniform functionality and availability, for both commercial and government provided Navy uniform items.

Conducted a virtual Navy Protective Clothing Board (NPCB) meeting. The NPBC is held bi-annually and fosters collaboration, communication, and information sharing on Navy protective clothing requirements and solutions across all stakeholders. Participation was outstanding with representation from all the major board members inclusive of DLA and sister services. Topics focused on COVID-19 face coverings, protective clothing projects (flame resistant, cold weather, ballistics, CBRN, air crew/flight deck), protective equipment decontamination procedures, areas for partnership and multi-service forums.

In collaboration with U. S. Public Health Service (USPHS), assisted in the development and production of an official USPHS Physical Training Uniform that includes t-shirts, shorts, fleece hoodie and sweatpants. These items are sold through NEX Bethesda, Maryland, and the NEX online store in support of the 6,700 USPHS Officer Corps personnel.

In collaboration with U. S. Fleet Forces Command (USFF), Defense Logistics Association (DLA) and other stakeholders, assisted with the initial garment production and Fleet outfitting predictions of a Two Piece Flame Resistant Shipboard Uniform (2PC-FR). The 2PC-FR is approved as organizational clothing and the primary at-sea uniform, replacing the Improved Flame Resistant Coverall Variant (IFRV) as the primary at-sea uniform.

In collaboration with Commander, Naval Surface Forces, DLA and NAVSUP, assisted and facilitated the development and production of the Surface Warfare Officer (SWO) jacket. DLA received the first delivery of 600 leather SWO jackets in July 2020. All 9,000 jackets required to outfit all qualified SWOs should be completed by summer 2021.

In collaboration with Commander, Submarine Force Atlantic and DLA, assisted and facilitated the development of a new submarine sweater. The submarine sweater is authorized for wear by personnel serving at Submarine Force commands or personnel serving at non-Submarine Force commands who are submarine qualified. Ashore, the submarine sweater may be worn optionally and only with Service Khaki (E7 and above) and the Navy Service Uniform (E6 and below). A Supply Request Package (SRP) was submitted to DLA in December 2020. Product availability is expected in early calendar year 2022.

Participated in quarterly Cross Service Warfighter Equipment Board and Joint Clothing and Textile Governance Advisory Board to focus on opportunities to enhance commonality and collaboration in uniform, organizational clothing and individual equipment and personal protective equipment in order to achieve greater efficiencies across Services. 🚢

Navy Clothing and Textile Research Facility



MISSION

NCTRF, co-located at the Natick Soldier Systems Center in Natick, Massachusetts, conducts research, development, test, evaluation and engineering support for Navy uniforms and personal protective clothing. NCTRF also provides similar support to other military services, governmental agencies and industry partners on a reimbursable basis.

ACCOMPLISHMENTS

Maternity uniform items for the certified Service Dress White shirt improved by incorporating adjustable size tabs. In addition, updates to the fabric used for the belly panel for skirts and slacks and the Service Dress Blue maternity uniform components were also made. While updates of the material was necessary due to availability issues, the skirt and slack design was improved as well to incorporate a 360° belly panel design.

Provided the final recommendations to a Navy Working Uniform Type II/III assessment of industry submitted Value Engineering Change Proposal (VECP) to DLA recommending an evaluation of design feature changes that will provide increased quality, reduce costs and standardized production methods across services. The recommendations were established by utilizing the user's critical design requirements and applying technical expertise to form the final way forward. This included removing elbow darts, reducing eyelets from two to one on the chest and sleeve pocket, reducing eyelets from two to one on the lower leg pocket and removing blousing draw-cord. NEXCOM and all of the uniform stakeholders approved the final recommendations and it is pending UMO final approval. The approved changes will result in a 1.5% uniform cost savings, approximately \$200,000 annually.



Developed two new outsole designs were developed for the I-Boot 5 safety boot project. A wear test was also conducted that found only minor differences between the two I-Boot 5 outsole designs (I5A and I5C). Both received positive ratings from the wear test participants. Given that I5A performed better than I5C during the grip/traction evaluation, and because outsole tears were identified in some of the thinner lugs on I5C, the I5A outsole was recommended for adoption in the final design of the I-Boot 5. The final report and recommendation was made to leadership to adopt the I-Boot 5 with I5A outsole variant as a replacement for the current General Purpose Safety Boot and Flight Deck Boot.

Partnered with the Army in a study to quantify the effects of female footwear lasts. This effort kicked-off in fourth quarter 2020 and will continue throughout 2021. A “footwear last” is a mold upon which footwear is constructed, representing the anatomical formation of the foot. Currently, there are 108 boot sizes available to Sailors in men’s and women’s sizes produced on unisex lasts. Even though the Navy’s safety boot is provided in female sizes, most manufacturers produce them on a male or unisex last, with simply the length number and possibly the width being labeled differently. With women making up roughly 20% of the active duty Navy, they may not be provided boots specifically designed for female feet. The objective of the effort is to determine whether safety boots manufactured using a female last result in an appreciable difference in fit, and assess whether footwear fit relates to Sailor performance, comfort or risk of injury.

Partnered with Naval Sea Systems Command (NAVSEA) to continue the effort to consolidate the requirements of all four shipboard fire resistant (FR) coveralls into one Improved-Improved Flame Resistant Variant Coverall (I2FRV). Conducted material market research to identify

the FR and arc flash protective materials that will meet the four coveralls fabric requirements. Three promising materials from two different vendors were down-selected for the physical properties testing to determine the final material for the I2FRV prototyping. Tested materials included 7-oz. and 9-oz. 88/12% FR cotton/nylon twill and 100% FR cotton twill. NCTRF and NAVSEA teams conducted the coveralls' design review of six coveralls (four in the system and two industry style) and designed the new I2FRV coverall. The I2FRV design incorporated essential design elements from all six coveralls into a single design that met the design and user requirements. The chest pocket design accommodated the latest smartphone sizes; the 2-slot sleeve pencil and back tool pockets allowed for additional storage; the hanger loop feature at neck allowed for efficient coverall storage; the closed sleeve placket design ensured FR protection and the wider and reinforced belt loops were durable to hold a belt, hearing protection, dosimeter attachments; and the reinforced hanger loop patch at the shoulder for the communication device attachment. The follow on I2FRV pattern development, FR system level testing and wear test will be conducted in fiscal years 2021/22.

Independently began investigating where sustainable products and/or processes can be employed in textile/clothing items during all life cycle stages (i.e. research & development, procurement, sustainment and disposal) with the goal of identifying opportunities to reduce the impact of these items to the environment. The focus of this effort is to identify current industry sustainability efforts and practices that may be implemented for the Navy and other military services.

Recommended to Commander, USFF to adopt the Navy Two Piece Flame Resistant (2PC-FR) Ensemble and FR t-shirt for wear as Organizational Clothing and as an additional option to IFRV




coveralls. USFF approved the 2PC-FR Ensemble including several design and insignia changes recommended by the wear test participants. In fourth quarter 2020, delivered blue and khaki uniform prototypes in the final design, design illustrations and Operational Requirement Document (ORD) with the life cycle cost estimate of 157,000 afloat personnel to USFF for the decision brief to Chief of Naval Operations (CNO).

Conducted material research for the Improved Shipboard Flame Resistant Jacket to identify lower-cost materials available in industry for the outer shell, insulation and lining that will meet or exceed the system level FR and thermal requirements while reducing the unit cost, weight and ability to pack (space requirements). The existing jacket design will be enhanced with a hood to improve the environmental protection. In the third quarter, conducted market research to review the military and commercial jackets' designs, including the Canadian military jacket, Mustang Survival floatation coat and Low Loft Jacket. Two new hood options were designed and prototyped: a standard hood that hung down from the collar and a stowed flat in the back of the torso body. Drafted a Request for Information outlining critical requirements for all jacket layers for industry to submit all promising materials for consideration and testing.

Continued to support NAVSEA in the development and procurement of the Maritime Armor System (MAS) ballistic vest. Managed the working patterns for the MAS, a contract was awarded and NCTRF completed non-ballistic First Article Testing for all submits. NCTRF continues to provide the technical support to the vendors during the production contract and will continue in FY21 as well as assist in the development of the Next Generation MAS.



Office of Naval Research Global (ONRG) TechSolutions requested proposals on behalf of Commander, Submarine Force U.S. Pacific Fleet (SUBPAC) for "Inherently Buoyant SSN Watchstander Body Armor TS-829." NCTRF submitted a proposal to take the already proven technology of the MAS with a Maritime Buoyancy Plate (MBP) inserted and add a commercial off-the-shelf (COTS) auto-inflating self-righting buoyancy collar or belt to meet all the requirements of the submarine community. NCTRF completed market research on available COTS personal flotation devices and the most promising materials for consideration and testing. 

Navy Exchange Service Command



MISSION

To provide quality goods and services at a savings and to support Navy quality of life programs.

ACCOMPLISHMENTS

On Jan. 1, 2020, NEX in-store shopping and Navy Lodge guest privileges were extended to eligible Veterans and their primary-selected caregiver. The expanded benefit applies to Veterans with a Department of Veterans Affairs (VA)-documented service-connected disability rating, Purple Heart recipients, former prisoners of war and primary family caregivers for veterans enrolled in the VA's Program of Comprehensive Assistance for Family Caregivers. The patronage expansion was an item included in the National Defense Authorization Act for Fiscal Year 2019. This new initiative is expected to extend eligibility to approximately 4.1 million new patrons, comprised of nearly 1.5 million Veterans who live within an hour of a military installation, of which 406,546 are U.S. Navy Veterans.

NEXCOM, along with NEX San Diego, provided support to USS Bonhomme Richard (LHD 6) at Naval Base San Diego on July 12. In coordination with the Naval Base San Diego leadership, NEX San Diego distributed eight pallets of water, five pallets of sports drinks and multiple pallets of ice as well as snacks to emergency responders on break at the base theater. NEX San Diego, in coordination with Naval Base San Diego leadership, the base's Galley and Morale, Welfare and Recreation, delivered three meals a day that were provided by NEX concession food vendors. In all, 4,450 meals and 1,400 cups of coffee were provided over the course of five days. NEX vending snacks were also given to emergency responders during their breaks. Those snacks continued to be provided to support Sailors as they worked to clean and salvage the ship. In addition to food and beverages, the NEX gave vendor donated health and comfort items such as baby wipes, deodorant, toothpaste and toothbrushes to the emergency responders.



Vendor donated comfort care packages were also given to 300 displaced Sailors from the USS Bonhomme Richard.

Nine new Micro Markets were opened during the year at Naval Base San Diego Training Support Center Bldg. 3281; Naval Air Weapons Station China Lake, California, Flight Line; Naval Air Station Lemoore, California, Hangar 3; Naval Submarine Base Kings Bay, Georgia, Trident Training Facility; NEXCOM's West Coast Distribution Center Chino, California; Naval Base Kitsap – Bangor, Washington, Trident Training Facility; Navy Region Southwest Headquarters, San Diego; Pearl Harbor Naval Shipyard Bldg. 1454; and Navy Supply Corp School, Newport, Rhode Island. Total sales were \$15 million, +32.49% to last year. In total, there are 48 Micro Markets throughout the enterprise.

NEXCOM was named one of the 2020 Top 50 Best Companies for Latinas to Work for in the U.S. by LATINASTyle Magazine. This is the ninth straight year NEXCOM has earned this recognition based upon its diverse workforce. In 2020, 12% of NEXCOM's nearly 14,000 associates across the globe are Hispanic of which 69% are Hispanic women.

U.S. Veterans Magazine named NEXCOM as one of the nation's Best of the Best Top Veteran-Friendly Companies.

NEXCOM introduced workforce management optimized scheduling to enhance productivity and ultimately sales. By October, 188 locations and seven districts were on optimized scheduling. The program greatly increased the efficiency of NEXCOM's overall operations by improving productivity by 18% and positively impacting the bottom line financial

position of the enterprise through a savings of \$1.7 million in retail payroll. The NEXCOM Enterprise achieved an overall shrink rate of 0.04% as a percent of sales while distribution centers posted a shrink rate of .14% of total issues. According to the 2020 National Retail Security Survey by the National Retail Federation, the national shrink average of 1.62%.

Through NEXCOM's Loss Prevention/Safety Department's Target Safety Program, 16 specific locations reduced claims from last year while all 22 locations had a 27% decrease in recordable workers' compensation claims. Of the six Target Watch locations, four reduced claims from last year and had an overall 66% decrease in recordable claims. The goal of the Target Safety Program is to reduce workers' compensation claims, create a culture of safety and reduce dollars spent on the Workers Compensation program. In addition, Enterprise-wide claims were reduced by 24% over FY19. NEXCOM's overall workers' compensation recordable claims were down 12%, store recordable claims were down 13%, distribution center recordable claims decreased by 25% and Navy Lodge recordable claims decreased 40%.

Two Department of the Navy Civilian Service Medals, the Civilian Service Commendation Medal and the Civilian Service Achievement Medal, were implemented into NEXCOM's Honorary Awards program. The implementation of these medals provides for a broader, more comprehensive and diverse awards and recognition program for enterprise associates.



Remote telework




NEX Bahrain downrange ship delivery



Open Sesame eLearning

In response to the COVID-19 pandemic remote telework capabilities for the organization were increased from 50 users daily to 1,000 in less than 30 days. In addition, NEXCOM's Technology Department configured and deployed over 150 additional laptops for emergency telework needs.

NEXCOM shipped 60 turkeys to the U.S. Embassy in Nairobi, Kenya, for Thanksgiving. Facing container shipping delays and a Thanksgiving without turkey, the U.S. Embassy in Nairobi, Kenya, turned to NEX Bahrain for assistance. NEX Bahrain and the local NEXCOM Distribution Center in Bahrain worked together to ensure that their fellow Americans had a Thanksgiving with the quintessential main course.

The OpenSesame eLearning catalog was opened to more than 3,300 NEXCOM managers and supervisors worldwide. OpenSesame offers associates a catalog of over 5,000 online learning modules covering topics from Microsoft Office, Oracle Structured Query Language (SQL), business skills, leadership skills, Six Sigma Green and Black belts, safety and more. 

NEXCOM Fiscal Year 2020 Financial Review



The COVID-19 pandemic created unprecedented challenges for retailers during 2020 that required responsiveness and agility to adapt to a new "normal." Store closures, wearing cloth face coverings and social distancing measures implemented by federal and state governments resulted in significant impacts to the economy and changed patron

shopping habits, including a shift to e-commerce and lower margin sales categories. Despite these challenges, the NEX continued to deliver by providing support and needed goods and services to our valued military patrons and their families. Given a normally competitive retail environment, combined with the impacts of COVID-19, FY20 sales performance was challenging. Overall sales were \$2.2 billion, a decrease of 7.0% from last year. Retail sales were flat compared to last year, while services and gas revenues were down 17.5% and 32.9%, respectively. Despite the overall sales shortfall, strong expense controls across the enterprise mitigated reduced margin dollars and, in addition to special COVID-19 financial assistance provided by the Department of Defense, resulted in an Operating Profit of \$25.2 million. The Net Loss for FY20 was \$23.5 million compared to a Net Loss of \$20.6 million in FY19, and was impacted by significant retirement expense. The retirement expense of \$48.7 million was determined based on the assumed investment rate of return for NEXCOM's pension trust assets and the applicable discount rates as of the fiscal year end.

NEXCOM received \$77.9 million in financial assistance from the Department of Defense to mitigate the impacts sustained as a result of the COVID-19 pandemic. The funding received provided store support in various areas including personnel costs, remote/isolated location support, utilities, food commission loss and vending. The funding was also used to offset retail margin loss and assist with distribution, information technology and enterprise support costs.

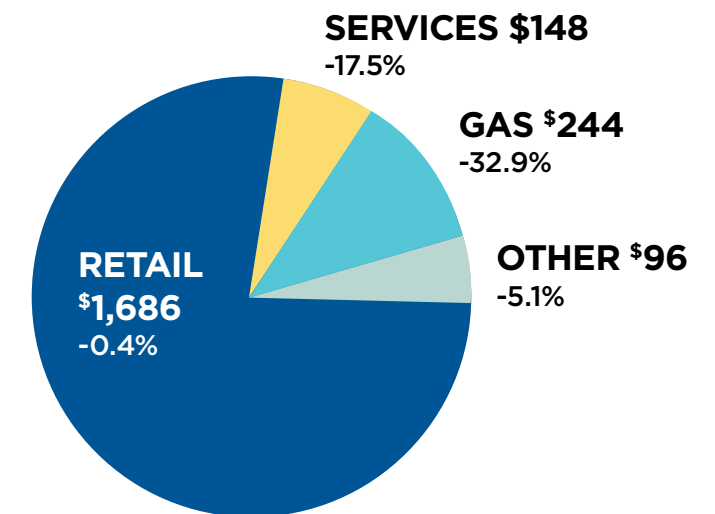
The biggest component of the total enterprise performance was the retail segment which accounted for 78% of total sales. Profit generated from the retail segment decreased by 1.5% from last year largely due to lower sales and gross profit and higher personnel costs and e-commerce shipping expense. The gross margin rate for FY20 was 24.22% versus 24.13% in FY19.

Sales from the services segment were down 17.5% compared to the prior year. However, sales increased slightly in the vending program, primarily due to increased vending machine sales. Gasoline sales decreased 32.9% from the prior year, and the average price per gallon decreased 17% (\$2.54 in FY20 compared to \$3.06 in FY19). Government-issued military uniform sales decreased 24.7% compared to last year, while Cooperative Efforts sales ("other income") increased 7.4%.

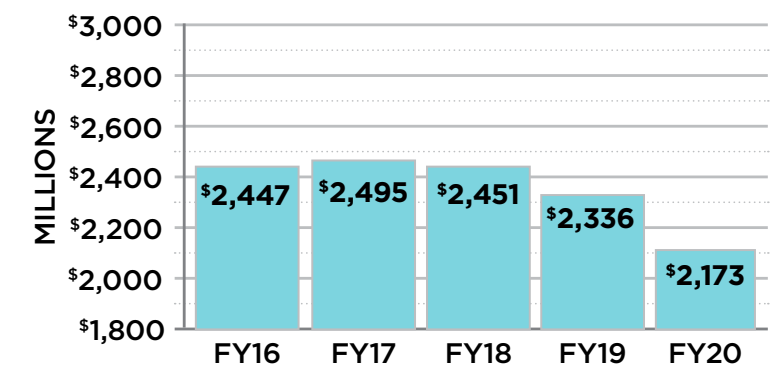
NEX continues to provide savings in the form of a non-pay benefit as well as a cash dividend to the Navy's Morale, Welfare and Recreation (MWR) funds. For FY20, the MWR/NEX Board of Directors (BoD) approved a new dividend model. The new dividend to MWR will be based on 25% of the cash flow from operations, defined as operating profit plus depreciation, which excludes pension and post-retirement medical expenses. The new model will provide MWR with 25% of worldwide operating profit before the largely non-cash retirement and depreciation expenses. This is a customary earnings metric used to evaluate an organization's operating performance and it is a more precise measure of corporate performance since it shows earnings before the influence of non-cash expenses relating to retirement accounting and capital investment deductions. Based on the new model, dividends declared for FY20, including dividends paid to MWR under separate local agreements for vending and food service, totaled \$4.1 million.

The financial condition of the NEX, as reflected in the Balance Sheet and Statement of Cash Flows, remains strong. Cash flow from operations was \$168.8 million this year compared to \$90.9 million last year. NEX's store modernization program continues to be funded from operating cash flow. During FY20, \$33.5 million was spent on capital expenditures.

Sales by Segment (Millions) And Change From Prior Year



Total NEX Sales





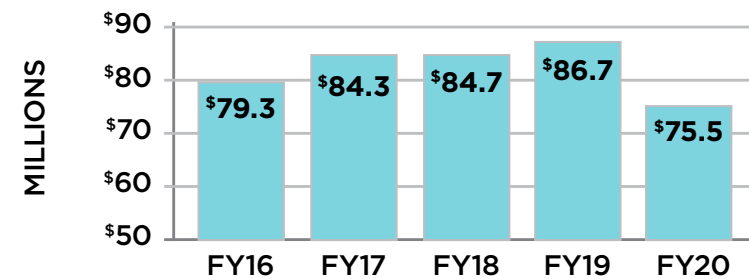
The Navy Lodge Program operates 39 Navy Lodges worldwide. The overall occupancy for 2020 decreased significantly to 71.4% compared to the record high rate of 86.7% in the prior year. The average room rate increased to \$91.69 in FY20 compared to the average rate of \$86.55 in FY19.

While FY20 provided significant challenges for the hospitality industry due to the COVID-19 pandemic, the Navy Lodge Program was able to weather the challenges and proved to be an asset to the Navy in providing over 138,000 rooms for Sailors in Restriction of Movement (ROM) status.

The Navy Lodge Program continues to save travel dollars while generating cash flow used for remodeling existing facilities and building new facilities. Net income in FY20 was \$6.9 million compared to \$13.7 million in FY19. To mitigate the negative financial impacts sustained as a result of the COVID-19 pandemic, the Navy Lodge Program received \$4.2 million in financial assistance from the Department of Defense.

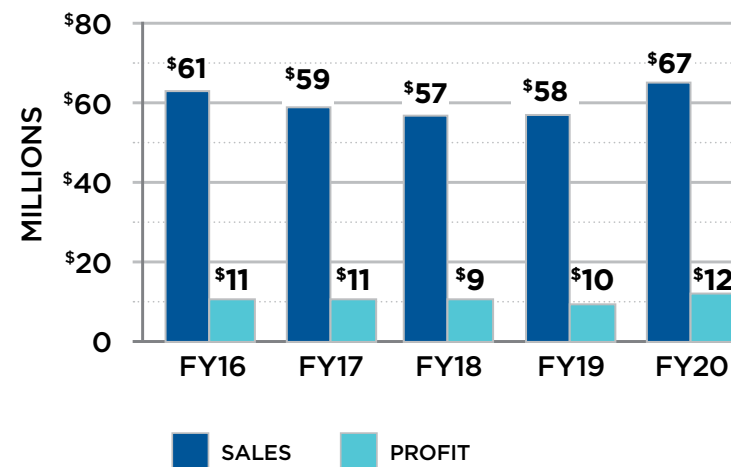
The Navy Lodge Program continues to be superior in guest service and very effective in leveraging of operating and maintenance costs.

Navy Lodge Operating Revenues



Ships stores operated aboard 139 commissioned Navy ships. The program generated \$66.5 million in total sales and \$11.6 million in net profit for FY20. Commanding Officers use profits generated by each ships store to procure new equipment for the stores and to provide direct support to their ship's MWR programs. In FY20, ships stores generated profits of \$9.5 million for its use and \$1.5 million for CNIC to use in support of Fleet ships without a ships store, such as submarines.

Ships Stores Sales and Profits





FOR THE FISCAL YEARS ENDED
JANUARY 30, 2021 **FEBRUARY 1, 2020**
 IN THOUSANDS OF DOLLARS

		FOR THE FISCAL YEARS ENDED JANUARY 30, 2021	FEBRUARY 1, 2020
		IN THOUSANDS OF DOLLARS	
INCOME STATEMENT	» Total Sales	\$2,173,348	\$2,336,205
	» Income from Concessions - Net	\$30,987	\$42,361
	» Contributed Services Revenue	\$75,072	\$74,768
	» Other Revenue	\$2,243	\$3,069
	TOTAL REVENUES	\$2,281,650	\$2,456,403
	» Cost of Sales	\$1,698,817	\$1,818,266
	» Selling, General and Administrative Expenses	\$580,982	\$576,638
	» Contributed Services Expense	\$75,072	\$74,768
	» Other Income - Net	\$98,414	\$26,707
	» Operating Income	\$25,193	\$13,438
» Retirement Expenses	\$48,737	\$34,001	
NET LOSS	(\$23,544)	(\$20,563)	
PROFIT DISTRIBUTION	» Dividends Declared	\$4,076	\$35,159
ASSETS	» Cash & Accounts Receivable	\$461,594	\$401,194
	» Merchandise Inventories & Other Current Assets	\$399,682	\$447,482
	» Property/Equipment & Other Long-Term Assets	\$643,406	\$634,715
	TOTAL ASSETS	\$1,504,682	\$1,483,391
LIABILITIES AND NET ASSETS	» Trade Accounts Payable & Accrued Liabilities	\$256,820	\$231,563
	» Other Current Liabilities	\$271,506	\$268,045
	» Long-Term Liabilities	\$569,310	\$537,123
	» Net Assets	\$407,046	\$446,660
	TOTAL LIABILITIES & NET ASSETS	\$1,504,682	\$1,483,391



FOR THE FISCAL YEARS ENDED
JANUARY 30, 2021 **FEBRUARY 1, 2020**
 IN THOUSANDS OF DOLLARS

INCOME STATEMENT	» Operating Revenue	\$75,472	\$86,666
	» Contributed Services	\$875	\$3,497
	TOTAL REVENUES	\$76,347	\$90,163
	» General and Administrative Expenses	\$71,232	\$79,127
	» Operating Income	\$5,115	\$11,036
	» Other Income - Net	\$1,761	\$2,655
	NET INCOME	\$6,876	\$13,691
ASSETS	» Cash and Other Current Assets	\$231,841	\$218,974
	» Property and Equipment - Net	\$105,536	\$113,016
	TOTAL ASSETS	\$337,377	\$331,990
LIABILITIES AND NET ASSETS	» Accounts Payable	\$2,910	\$4,399
	» Net Assets	\$334,467	\$327,591
	TOTAL LIABILITIES & NET ASSETS	\$337,377	\$331,990



		FOR THE FISCAL YEARS ENDED	
		SEPTEMBER 30, 2020	SEPTEMBER 30, 2019
	» Ships Stores Sales	\$61,252	\$53,383
	» Vending Sales	\$5,230	\$4,983
TOTAL SALES		\$66,482	\$58,366
NET PROFIT FROM OPERATIONS		\$11,589	\$9,714
PROFIT DISTRIBUTION	» Assessment for CNIC	\$1,471	\$1,107
	» Equipment for Ships Stores/Other	\$620	\$355
	» Profits Retained for Morale, Welfare and Recreation	\$9,498	\$8,252