

169904



May 22, 2002

BY FAX & UPS

DOCKET OST-01-10529

Delores King
Air Carrier Fitness Division (X-56)
400 7th Street S.W.
Washington D.C. 20590

DEPT. OF TRANSPORTATION
DOCKETS
02 MAY 23 PM 2:19

Re: Financial Information

Dear Ms. King: OST-01-10529-15

Per your request, I have attached the financial information you requested. You will find a current Balance Sheet and a current P&L.

If you need any additional information or clarification, please let me know and we will get it for you immediately.

Sincerely,

Daniel Hall
President
Arizona Express Airlines, Inc.

Arizona Express
Balance Sheet
As of May 22, 2002

	<u>May 22, 02</u>
ASSETS	
Current Assets	
Total Checking/Savings	5,446.46
Total Accounts Receivable	809.92
Total Other Current Assets	<u>13,729.94</u>
Total Current Assets	19,986.32
Fixed Assets	
Office Equipment	30,562.19
Owned Aircraft 1900	100,000.00
Owned Aircraft 4162G	254,508.20
Tools and Equipment	<u>46,595.48</u>
Total Fixed Assets	431,665.87
Other Assets	
Equity - Practical Rent-a-Car	13,730.00
Start Up Expenses	
135 Cert Process	<u>25,000.00</u>
Total Start Up Expenses	<u>25,000.00</u>
Total Other Assets	<u>38,730.00</u>
TOTAL ASSETS	<u><u>490,382.19</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	8,333.42
Other Current Liabilities	
Loans Payable Dan Hall	30,000.00
Loans Payable J.L. Mark Inc.	405,000.00
Payroll Liabilities	2,776.41
Sales Tax Payable	<u>78.75</u>
Total Other Current Liabilities	<u>437,855.16</u>
Total Current Liabilities	446,188.58
Long Term Liabilities	
Note Payable 4162G	<u>225,000.00</u>
Total Long Term Liabilities	<u>225,000.00</u>
Total Liabilities	671,188.58
Equity	
Common Stock	13,730.00
Contributed Capital	87,716.00
Opening Bal Equity	21,551.66
Retained Earnings	-136,933.87
Net Income	<u>-166,870.18</u>
Total Equity	<u>-180,806.39</u>
TOTAL LIABILITIES & EQUITY	<u><u>490,382.19</u></u>

Arizona Express
Profit & Loss
January 1 through May 22, 2002

	<u>Jan 1 - May 22, 02</u>
Ordinary Income/Expense	
Total Income	71,367.70
Cost of Goods Sold	
Beverage Service	290.30
Contract Labor	18,916.61
Fuel	20,670.33
Total Landing Fees	949.22
Oil	190.00
Out of Town Expense	23,658.84
Repairs 4162G	27,756.45
Repairs 525M	12.16
Total COGS	<u>92,443.91</u>
Gross Profit	-21,076.21
Expense	
Bank Service Charges	3,198.69
Credit Card Discounts	2,160.94
Total Customer Service	278.94
Dues and Subscriptions	95.00
Total Employee Benefits	1,193.93
Flight Operations	
Books	1,344.00
Communications	202.50
Crew Quarters	769.78
Drug Testing	150.00
Security	435.30
Supplies	570.92
Training	
Inhouse	120.23
Outsourced	6,837.00
Total Training	<u>6,957.23</u>
Uniforms	226.83
Flight Operations - Other	258.00
Total Flight Operations	<u>10,914.56</u>
Insurance	
Total Insurance	19,851.36
Internet	
Total Internet	159.95
Licenses and Permits	117.00
Maintenance	
Aircraft Cleaning	196.52
Shop Supplies	471.87
Tools & Equipment	1,025.57
Total Maintenance	<u>1,693.96</u>

Arizona Express
Profit & Loss
January 1 through May 22, 2002

Jan 1 - May 22, 02

Miscellaneous	9,961.07
Mobil Communications	4,160.88
Office Supplies	1,231.72
Payroll Expenses	
Officer Salary	9,153.80
Payroll Expenses - Other	41,730.54
Total Payroll Expenses	<u>50,884.34</u>
Postage and Delivery	526.51
Printing and Reproduction	917.62
Professional Fees	
Accounting Fees	400.00
Consulting Fees	220.00
Legal Fees	1,336.21
Web	729.85
Total Professional Fees	<u>2,686.06</u>
Rent	
Crew Quarters	2,064.87
Hangar Rent	2,925.00
Phoenix Terminal	7,639.04
Show Low Terminal	4,558.80
Total Rent	<u>17,187.71</u>
Repairs	
Building Repairs	1,360.96
Computer Repairs	467.08
Total Repairs	<u>1,828.04</u>
Sales & Marketing	
Advertising	7,113.24
Commissions	210.00
Total Sales & Marketing	<u>7,323.24</u>
Telephone	4,506.00
Travel & Ent	
Entertainment	66.51
Lodging	154.11
Meals	390.49
Trasportation	2,327.86
Total Travel & Ent	<u>2,938.97</u>
Uncategorized Expenses	1,977.48
Total Expense	<u>145,793.97</u>
Net Ordinary Income	<u>-166,870.18</u>
Net Income	<u><u>-166,870.18</u></u>