

BALANCE SHEET

As At: June 30, 2000

Schedule B-1

Air Carrier:

Operation : Domestic 3KD

ACCT# DESCRIPTION

AMOUNT

| | | |
|------|---------------------------------|------------|
| | ASSETS | |
| | CURRENT ASSETS | |
| 1010 | Cash | 490,766 |
| 1100 | Short-Term Investments | 0 |
| 1200 | Notes Receivable | 0 |
| 1270 | Accounts Receivable | 2,684,322 |
| 1290 | Less Allow. for Bad Debts | 90,000 |
| 1299 | Net Notes & Accounts Receivable | 2,594,322 |
| 1399 | Net Spare Parts & Supplies | 584,032 |
| 1410 | Prepaid Items | 369,730 |
| 1420 | Other Current Assets | 201,365 |
| 1499 | Total Current Assets | 4,240,215 |
| | INVESTMENTS IN SPECIAL FUNDS | |
| 1510 | Inv. in Associated Companies | 0 |
| 1530 | Other Investments & Receivables | 0 |
| 1550 | Special Funds | 0 |
| 1599 | Total Inv. & Special Funds | 0 |
| | OPERATING PROPERTY & EQUIPMENT | |
| 1609 | Flight Equipment | 3,719,782 |
| 1649 | Ground-Property and Equipment | 4,023,546 |
| 1668 | Less Allowance for Depreciation | 1,963,185 |
| 1675 | Property & Equipment - Net | 5,780,143 |
| 1679 | Land | 26,450 |
| 1685 | Purchase Dep. & Adv. Payments | 0 |
| 1689 | Construction Work-in-progress | 0 |
| 1695 | Leased Property - Cap. Leases | 105,090 |
| 1696 | Accum. Amort. Capital Leases | 15,081 |
| 1699 | Total Oper. Prop. & Equipment | 5,896,602 |
| 1791 | NONOPERATING PROP. & EQUIPMENT | 0 |
| 1792 | Less Allow. for Depr. - Nonop. | 0 |
| 1799 | Net Nonoperating Prop. & Eqmt. | 0 |
| | OTHER ASSETS | |
| 1820 | Long-term Prepayments | 1,050 |
| 1830 | Unamort. Dev. & Preop. Costs | 0 |
| 1890 | Other Assets and Def. Charges | 26,458 |
| 1895 | Total Other Assets | 27,508 |
| 1899 | TOTAL ASSETS | 10,164,325 |

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As At: June 30, 2000

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Air Carrier:

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AMOUNT

| | | |
|-------|---------------------------------|------------|
| | LIABILITIES & STOCKHOLDERS' EQ. | |
| | CURRENT LIABILITIES | |
| 2000 | Curr. Maturities of L-T Debt | |
| 2005 | Notes Payable - Banks | 525,295 |
| 2015 | Notes Payable - Others | 0 |
| 2021 | Trade Accts. Payable | 0 |
| 2025 | Accts. Payable - Other | 1,296,895 |
| 2080 | Curr. Oblig. Under Cap. Leases | 190,106 |
| 2110 | Accrued Salaries & Wages | 28,270 |
| 2120 | Accrued Vacation Pay | 220,691 |
| 2125 | Accrued Interest | 84,694 |
| 2130 | Accrued Taxes | 0 |
| 2140 | Dividends Declared | 21,347 |
| 2160 | Air Traffic Liability | 0 |
| 2190 | Other Current Liabilities | 0 |
| 2199 | Total Current Liabilities | 28,895 |
| | | 2,396,197 |
| | NONCURRENT LIABILITIES | |
| 2210 | Long-term Debt | |
| 2240 | Advances from Assoc. Companies | 3,062,750 |
| 2250 | Pension Liability | 0 |
| 2280 | Noncurrent Obgl.-Capital Leases | 0 |
| 2290 | Other Noncurrent Liabilities | 47,594 |
| 2299 | Total Noncurrent Liabilities | 0 |
| | | 3,110,344 |
| | DEFERRED CREDITS | |
| 2340 | Deferred Income Taxes | 0 |
| 2345 | Deferred Investment Tax Credits | 0 |
| 2390 | Other Deferred Credits | 0 |
| 2399 | Total Deferred Credits | 0 |
| | STOCKHOLDERS' EQUITY | |
| 2820 | Preferred Shares Issued | 0 |
| 2840 | Common Shares Issued | 120,415 |
| 2860 | Subscribed & Unissued | 0 |
| 2869 | Total Capital Stock | 120,415 |
| 2890 | Additional Capital Invested | 0 |
| 2899 | Total Paid in Capital | 120,415 |
| 2900 | Retained Earnings | 4,537,369 |
| 2959 | Total Stockholders' Equity | 4,657,784 |
| 2990 | Less Treasury Stock | 0 |
| 2995 | Net Stockholders' Equity | 4,657,784 |
| 2999 | Total Liab. & Stockholders' Eq. | 10,164,325 |
| 2820A | No. of Preferred Shares Issued | 0 |
| 2840A | No. of Common Shares Issued | 0 |

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000
 Schedule P-1.2 Group I
 ACCT# DESCRIPTION

Air Carrier: Tatonduk
 Operation : Domestic 3KD

AMOUNT

| | | |
|--------|---|-----------|
| ----- | | |
| | OPERATING REVENUES | |
| 3901 | Transport Revenue - Passenger | 122,661 |
| 3905 | Mail | 3,358,231 |
| 3906.1 | Property - Freight | 1,166,341 |
| 3906.2 | Property - Excess Baggage | 13,895 |
| 3907.1 | Charter - Passenger | 22,809 |
| 3907.2 | Charter - Property | 470,905 |
| 3919.1 | Reserv. Cancellation Fees | 0 |
| 3919.2 | Misc. Operating Revenues | 3,995 |
| 4808 | Public Service Subsidy | 0 |
| 4898 | Transport Related | 40,978 |
| 4999 | Total Operating Revenue | 5,199,815 |
| | | |
| | OPERATING EXPENSES | |
| 5100 | Flying Operations | 2,286,407 |
| 5400 | Maintenance | 1,278,169 |
| 6900 | General Services and Administration | 1,309,271 |
| 7000 | Depreciation & Amortization | 182,779 |
| 7100 | Transport Related Expenses | 63,334 |
| 7199 | Total Operating Expenses | 5,119,960 |
| 7999 | Operating Profit or Loss | 79,855 |
| | | |
| | NONOPERATING EXPENSE (INCOME) | |
| 8181 | Int. Exp. (Inc.) on L-T-D & Cap. Leases | 988 |
| 8182 | Other Interest Expense (Income) | 0 |
| 8185 | Foreign Exchange (Gain) or Loss | 0 |
| 8188.5 | Capital (Gains)/Losses- Op. Prop. | 0 |
| | Capital (Gains)/Losses- Other | 0 |
| 8189 | Other Expense (Income) - Net | 81,464 |
| 8199 | Nonoperating Expense (Income) | 82,452 |
| 8999 | Income Before Income Taxes | -2,597 |
| 9100 | Income Tax Expense | 0 |
| 9199 | Inc. Bf. Disc. Ops & Other Items | -2,597 |
| 9600 | Discontinued Operations | 0 |
| 9796 | Extraordinary Items | 0 |
| 9797 | Inc. Tax Appl. To Extraord. Item | 0 |
| 9799 | Income Before Account. Changes | -2,597 |
| 9800 | Accounting Changes | 0 |
| 9899 | Net Income | -2,597 |

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AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000
 Air Carrier: Tatonduk

| ACCT # | DESCRIPTION | Operation: Domestic Total Eqp Code 9999 | CES-206/7 Code 0353 | 3KD PA-32 Code 0793 | C-46 Code 1502 | PA-31 Code 1943 | DC-6A Code 2182 | C-208 Code 4163 |
|--------|----------------------------------|---|------------------------|---------------------------|-------------------|--------------------|--------------------|--------------------|
| | DIRECT EXPENSES: | | | | | | | |
| | FLYING OPERATIONS (Less Rentals | | | | | | | |
| 3 | Pilots and Copilots (S&W & Benef | 533,924 | 856 | 64,695 | 26,415 | 7,799 | 395,222 | 38,937 |
| 4 | Aircraft Fuel and Oil | 1,562,425 | 549 | 33,010 | 33,722 | 9,001 | 1,446,398 | 39,745 |
| 5 | Other | 72,940 | 3,456 | 7,434 | 4,727 | 8,157 | 29,382 | 19,784 |
| 6 | Total Flying Ops. (Less Rentals | 2,169,289 | 4,861 | 105,139 | 64,864 | 24,957 | 1,871,002 | 98,466 |
| 7 | Maintenance - Flight Equipment | 791,952 | 1,503 | 19,058 | 38,188 | 2,825 | 722,229 | 8,149 |
| 8 | Depr. & Rental - Flight Equipme | 224,626 | 2,343 | 7,200 | 4,800 | 13,035 | 112,950 | 84,298 |
| 9 | Total Direct Expenses | 3,185,867 | 8,707 | 131,397 | 107,852 | 40,817 | 2,706,181 | 190,913 |

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OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier: Tatonduk

Schedule P-6

Operation : Domestic 3KD

| LINE# | DESCRIPTION | AMOUNT |
|---------|---------------------------------|-----------|
| ----- | | |
| | SALARIES & REL. FRINGE BENEFIT | |
| | SALARIES: | |
| Line 3 | General Mgmt. Per. | 139,893 |
| Line 4 | Flight Personnel | 425,610 |
| Line 5 | Maintenance Labor | 487,096 |
| Line 6 | Aircr. & Traffic Hndl. Per. | 290,629 |
| Line 7 | Other Personnel | 245,827 |
| Line 8 | Total Salaries | 1,589,055 |
| | RELATED FRINGE BENEFITS | |
| Line 10 | Personnel Expense | 58,640 |
| Line 11 | Empl. Benefits & Pensions | 174,195 |
| Line 12 | Payroll Taxes | 134,746 |
| Line 13 | Total Fringe Benefits | 367,581 |
| Line 14 | Total Salaries & Benefits | 1,956,636 |
| | MATERIALS PURCHASED | |
| Line 16 | Aircraft Fuel & Oil | 1,562,426 |
| Line 17 | Maintenance Materials | 267,376 |
| Line 18 | Passenger Food | 0 |
| Line 19 | Other Materials | 49,845 |
| Line 20 | Total Materials | 1,879,647 |
| | SERVICES PURCHASED | |
| Line 22 | Advertising & Other Promotion | 12,018 |
| Line 23 | Communications | 22,698 |
| Line 24 | Insurance | 100,689 |
| Line 25 | Outside Flight Eqpt. Maint. | 185,430 |
| Line 26 | Traffic Commissions - Passenger | 0 |
| Line 27 | Traffic Commissions - Cargo | 3,893 |
| Line 28 | Other Services | 473,827 |
| Line 29 | Total Services | 798,555 |
| Line 30 | LANDING FEES | 30,598 |
| Line 31 | RENTALS | 186,055 |
| Line 32 | DEPRECIATION | 176,133 |
| Line 33 | AMORTIZATION | 6,646 |
| Line 34 | OTHER | 22,356 |
| Line 35 | TRANSPORT RELATED EXPENSES | 63,334 |
| Line 36 | TOTAL OPERATING EXPENSES | 5,119,960 |

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