

BALANCE SHEET

As At: September 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic 3KD

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	658,027
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	2,891,878
1290	Less Allow. for Bad Debts	90,000
1299	Net Notes & Accounts Receivable	2,801,878
1399	Net Spare Parts & Supplies	425,971
1410	Prepaid Items	349,070
1420	Other Current Assets	233,862
1499	Total Current Assets	4,468,808
	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	3,923,327
1649	Ground-Property and Equipment	4,137,441
1668	Less Allowance for Depreciation	2,104,338
1675	Property & Equipment - Net	5,956,430
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	0
1695	Leased Property - Cap. Leases	105,090
1696	Accum. Amort. Capital Leases	21,897
1699	Total Oper. Prop. & Equipment	6,039,623
	NONOPERATING PROP. & EQUIPMENT	
1791	Less Allow. for Depr. - Nonop.	0
1792	Net Nonoperating Prop. & Eqmt.	0
1799		0
	OTHER ASSETS	
1820	Long-term Prepayments	1,050
1830	Unamort. Dev. & Preop. Costs	26,379
1890	Other Assets and Def. Charges	0
1895	Total Other Assets	27,429
1899	TOTAL ASSETS	10,535,860

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As At: September 30, 2000

Air Carrier:

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Operation : Domestic 3KD

ACCT# DESCRIPTION

AMOUNT

	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	523,713
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	1,222,638
2025	Accts. Payable - Other	109,969
2080	Curr. Oblig. Under Cap. Leases	25,661
2110	Accrued Salaries & Wages	98,920
2120	Accrued Vacation Pay	99,975
2125	Accrued Interest	0
2130	Accrued Taxes	83,054
2140	Dividends Declared	0
2160	Air Traffic Liability	0
2190	Other Current Liabilities	15,052
2199	Total Current Liabilities	2,178,982
	NONCURRENT LIABILITIES	
2210	Long-term Debt	3,208,535
2240	Advances from Assoc. Companies	0
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	43,837
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	3,252,372
	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	4,984,091
2959	Total Stockholders' Equity	5,104,506
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	5,104,506
2999	Total Liab. & Stockholders' Eq.	10,535,860
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0



ASPECA Form 41 Schedule B-12
 Research and Special Programs
 Administration

At Tatonduk

Quarter Ended

Tatonduk

September 2000

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STATEMENT OF CASH FLOWS

Tatonduk Outfitters Ltd.
 Statement of Cash Flow
 July through September 2000

OPERATING ACTIVITIES

Net Income	
Adjustments to reconcile Net Income	803,417.47
to Net Cash provided by operations:	
Accounts Receivable	(228,292.77)
Receivable from EAF	8,810.24
Fuel Tax Receivable	(18,898.12)
Receivables (Other)	(18,292.90)
NSF Check	(4,204.59)
Parts O/H	(2,526.80)
Fuel On Hand	(14,546.19)
Prepaid Insurance	90,772.26
Prepaid Rent/Land	(9,658.38)
Prepaid Barrow Rent	(937.23)
Prepaid Expenses	9,352.03
Current Portion of Long Term Debt	55,848.60
Accounts Payable	(93,408.91)
Advance charges	6,355.45
Insurance Note Payable	(34,276.03)
Accrued Wages	(121,770.72)
Accrued Vacation Wages	5,093.67
Accrued 401k Expense	(1,644.43)
Accrued Payroll Taxes	(10,579.41)
Federal Withholding	33,380.84
Fica Payable	31,854.30
Medicare Payable	7,449.66
State Unemployment	(19,389.75)
FUTA Payable	80.07
401k Payable	11,246.56
AFLAC Payable	1,081.04
Health Insurance Payable	(5,614.46)
Net Cash Provided by Operating Activities	480,701.50



U.S. Department of Transportation
Research and Special Programs
Administration

Company: Tatonduk Outfitters Ltd.
Quarter Ended: Sept 30, 2000

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STATEMENT OF CASH FLOWS

Tatonduk Outfitters Ltd. Statement of Cash Flow July through September 2000

Building	(99,553.00)
Accumulated depreciation	174,360.00
Land	26,450.00
Accumulated Amortization Capital Leases	5,148.00
Guide Gear Business	14,374.05
Loan Costs	(4,587.77)
Accumulated Amortization Loan Costs	2,450.00

Net Cash Provided by Investing Activities (395,404.64)

FINANCING ACTIVITIES

Note Payable 9601	(11,929.00)
Note Payable 9001	(40,667.00)
Line of Credit	(164,603.05)
Note Payable 9007	(49,774.00)
Note Payable 9008	(14,173.50)
Note Payable 9009	369,497.35
Lease Payable-#1	(2,289.14)
Lease Payable-#2	(2,857.58)
Lease Payable-#3	(1,439.40)

Net Cash Provided by Financing Activities 81,964.68
167,261.54

Cash at Beginning of Period 490,765.76

Cash at End of Period 658,027.30

STATEMENT OF OPERATIONS

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

Air Carrier:
 Operation : Domestic 3KD
 AMOUNT

	OPERATING REVENUES	
3901	Transport Revenue - Passenger	163,108
3905	Mail	3,807,271
3906.1	Property - Freight	1,715,513
3906.2	Property - Excess Baggage	23,696
3907.1	Charter - Passenger	56,108
3907.2	Charter - Property	518,104
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	2,269
4808	Public Service Subsidy	36,055
4898	Transport Related	0
4999	Total Operating Revenue	6,322,124
	OPERATING EXPENSES	
5100	Flying Operations	2,422,283
5400	Maintenance	1,464,160
6900	General Services and Administration	1,291,727
7000	Depreciation & Amortization	181,958
7100	Transport Related Expenses	62,238
7199	Total Operating Expenses	5,422,366
7999	Operating Profit or Loss	899,758
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	91,394
8182	Other Interest Expense (Income)	4,947
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	0
8199	Nonoperating Expense (Income)	96,341
8999	Income Before Income Taxes	803,417
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	803,417
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	803,417
9800	Accounting Changes	0
9899	Net Income	803,417

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U.S. Department
of the Interior

As Carrier Tatonduk
 Operation Tatonduk
 Period Ending Sept. 30, 2000

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NOTES TO FORM 41 REPORT

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1. Usage of fuel stored in Fuel On Hand is valued using FIFO accounting.
2. TOL has a lease agreement for two Cessna Caravans, one from Jack McManus and the other from C & R Leasing. We provide all maintenance and expenses for these aircraft.
3. TOL does not have a job cost system in place for the aircraft mechanics. The labor has been allocated according to ramp hours for each aircraft.
4. Maintenance is performed in three of its locations. 80% the utilities of each location has been allocated to maintenance burden and 20% for administration. This includes the hangar in Fairbanks, TFS in Fairbanks, and the GSE/line maintenance facility in Anchorage.
5. 80% of the rental cost for the hangar and TFS in Fairbanks has been allocated to maintenance burden and 20% for administration.
6. The telephone costs has been allocated to the maintenance burden at 20% for TFS and 50% for Anchorage.
7. Maintenance materials for airframe repairs are allocated to each aircraft according to ramp hours.
8. TOL purchased a Chieftain Navajo (194) in March 2000. This aircraft went on line the same month.
9. Aircraft, rotatable parts, equipment and buildings are recorded at cost. Additions and improvements are capitalized. Ordinary maintenance and repairs, including major overhauls, are charged to operating expenses as incurred. Depreciation is computed on the straight line method over the estimated useful lives of the assets. Aircraft engines have an estimated useful life of less than one year and are charged to the aircraft when installed.
10. TOL has capital lease agreements for three forklifts to be used in our different locations. The amortized expense is according to GAAP.
11. It has been determined that the owner spends 50% of his time on maintenance issues. Therefore, 50% of his wages are allocated to General Management Maintenance.

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U.S. Department
of TransportationAir Carrier *Tatonduk*Operation *Tatonduk*Period Ended *Sept. 30, 2008**2 of 2*

NOTES TO FORM 41 REPORT

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1. Mail rate information:

	AC Type 150	AC Type 218	AC Type C35	AC Type 079	AC Type 194	AC Type 416	Total
Intra Alaska Scheduled Revenue Service							
Available Ton Miles by Segment	145,788	4,260,458	0	38,427	7,967	128,117	4,578,755
Revenue Block Hours	149	1633	0	917	199	665	3563
Revenue Ton Miles of Mail by Segment	78,462	267,848	0	8736	1,855	25,214	279,2015
Passenger Tons Enplaned	0	0	0	26.09	10.96	74.03	111.08
Freight Tons Enplaned	31.87	2725.85	0	16.12	5.03	71.24	2850.11
Mail Tons Enplaned	259.35	4987.42	0	70.78	18.79	184.77	5501.11
Total Tons Enplaned	291.22	7713.27	0	112.99	34.78	310.04	8482.3

System Revenue Service

Revenue Block Hours	178	2,062	0	1008	210	782	4,240
Available Ton Miles	150,462	4,708,907	0	81,652	36,457	165,395	5,128,873
Passenger Tons Enplaned	0	0	0	34.34	11.73	77.09	123.16
Freight Tons Enplaned	55.06	3198.08	0	26.49	5.73	77.31	3363.27
Mail Tons Enplaned	259.35	4987.42	0	70.78	18.79	164.77	5501.11
Total Tons Enplaned	315.01	8185.5	0	131.61	36.25	319.17	8987.54

BSPA Form 41 Schedule P-2 (1-86)
Formerly CAB Form 41 Schedule P-2

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

ACCT #	DESCRIPTION	Total Exp Code 9999	Operation: Domestic 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:							
3	FLYING OPERATIONS (Less Rentals							
4	Pilots and Copilots (S&W & Benef	605,672	0	50,571	33,472	9,016	456,314	56,299
5	Aircraft Fuel and Oil	1,622,819	0	37,948	55,962	8,469	1,455,991	64,449
6	Other	71,255	3,489	8,244	4,245	7,759	27,288	20,230
	Total Flying Ops. (Less Rentals	2,299,746	3,489	96,763	93,679	25,244	1,939,593	140,978
7	Maintenance - Flight Equipment	938,877	7,290	65,836	52,492	7,457	784,410	21,392
8	Depr. & Rental - Flight Equipme	228,272	1,800	7,200	4,800	13,035	103,160	98,277
9	Total Direct Expenses	3,466,895	12,579	169,799	150,971	45,736	2,827,163	260,647

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000
Schedule P-6

Air Carrier:
Operation : Domestic 3KD

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	114,155
Line 4	Flight Personnel	497,806
Line 5	Maintenance Labor	542,067
Line 6	Aircr. & Traffic Hndl. Per.	327,389
Line 7	Other Personnel	237,671
Line 8	Total Salaries	1,719,088
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	40,766
Line 11	Empl. Benefits & Pensions	203,193
Line 12	Payroll Taxes	141,010
Line 13	Total Fringe Benefits	384,969
Line 14	Total Salaries & Benefits	2,104,057
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	1,622,819
Line 17	Maintenance Materials	297,370
Line 18	Passenger Food	0
Line 19	Other Materials	44,209
Line 20	Total Materials	1,964,398
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	16,690
Line 23	Communications	26,182
Line 24	Insurance	98,503
Line 25	Outside Flight Eqpt. Maint.	267,057
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	5,673
Line 28	Other Services	438,764
Line 29	Total Services	852,869
Line 30	LANDING FEES	41,992
Line 31	RENTALS	199,690
Line 32	DEPRECIATION	174,360
Line 33	AMORTIZATION	7,598
Line 34	OTHER	15,164
Line 35	TRANSPORT RELATED EXPENSES	62,238
Line 36	TOTAL OPERATING EXPENSES	5,422,366