

STATEMENT OF CASH FLOWS

OPERATING ACTIVITIES

Net Income (loss)	(18,757,104)
Adjustments to reconcile Net Income to net cash provided by (used in) operations:	
Cumulative effect of change in accounting principle	-
Depreciation	2,881,000
Share-based compensation	742,060
Amortization of deferred credits	(1,932,118)
Paid-in-kind interest expense	9,641,683
(Gain) loss on asset disposition	1,437,768
(Gain) loss on fuel hedge contracts	(3,346,024)
Changes in operating assets and liabilities:	
(Increase) decrease in credit card and other receivables	2,045,260
(Increase) decrease in prepaid expense and other assets	(12,311,458)
Increase (decrease) in accounts payable and other accrued liabilities	10,855,553
Increase (decrease) in air traffic liability	(4,372,353)
Net cash provided by (used in) operations	(13,115,735)

INVESTING ACTIVITIES

Capital expenditures	(3,466,972)
Predelivery deposits on purchased aircraft	(1,450,254)
Aircraft lease deposits and purchase options	(1,120,000)
Reimbursement received on equipment expenditures	494,571
(Increase) decrease in restricted cash	(570,663)
Net cash provided by (used in) investing activities	(6,113,318)

FINANCING ACTIVITIES

Proceeds of debt issuance, net of debt issuance costs	22,780,965
Repayment of notes payable	(5,100,734)
Net cash provided by (used in) financing activities	17,680,231

Net Change in Cash	(1,548,821)
Beginning Cash Balance	23,168,287
Ending Cash Balance	21,619,466