

BALANCE SHEET

As At: June 30, 2000

Schedule B-1

Air Carrier:

Operation : Domestic L2D

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	-154,628
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	6,495,323
1290	Less Allow. for Bad Debts	336,207
1299	Net Notes & Accounts Receivable	6,159,116
1399	Net Spare Parts & Supplies	89,876
1410	Prepaid Items	92,041
1420	Other Current Assets	0
1499	Total Current Assets	6,186,405
	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	48,258,539
1649	Ground-Property and Equipment	2,015,171
1668	Less Allowance for Depreciation	11,277,681
1675	Property & Equipment - Net	38,996,029
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	0
1695	Leased Property - Cap. Leases	633,256
1696	Accum. Amort. Capital Leases	63,326
1699	Total Oper. Prop. & Equipment	39,565,959
1791	NONOPERATING PROP. & EQUIPMENT	0
1792	Less Allow. for Depr. - Nonop.	0
1799	Net Nonoperating Prop. & Eqmt.	0
	OTHER ASSETS	
1820	Long-term Prepayments	687,500
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	0
1895	Total Other Assets	687,500
1899	TOTAL ASSETS	46,439,864

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Air Carrier:

Schedule B-1

Operation : Domestic L2D

ACCT# DESCRIPTION

AMOUNT

	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	0
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	3,715,502
2025	Accts. Payable - Other	940,390
2080	Curr. Oblig. Under Cap. Leases	38,071
2110	Accrued Salaries & Wages	338,991
2120	Accrued Vacation Pay	127,930
2125	Accrued Interest	0
2130	Accrued Taxes	46,452
2140	Dividends Declared	0
2160	Air Traffic Liability	0
2190	Other Current Liabilities	2,819,047
2199	Total Current Liabilities	8,026,383
	NONCURRENT LIABILITIES	
2210	Long-term Debt	0
2240	Advances from Assoc. Companies	44,070,895
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	545,295
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	44,616,190
	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	0
2860	Subscribed & Unissued	0
2869	Total Capital Stock	0
2890	Additional Capital Invested	1,136,100
2899	Total Paid in Capital	1,136,100
2900	Retained Earnings	-7,338,809
2959	Total Stockholders' Equity	-6,202,709
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-6,202,709
2999	Total Liab. & Stockholders' Eq.	46,439,864
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:
 Operation : Domestic L2D

AMOUNT

	OPERATING REVENUES	
3901	Transport Revenue - Passenger	0
3905	Mail	1,574,804
3906.1	Property - Freight	684,697
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	10,078,137
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	32,371
4808	Public Service Subsidy	0
4898	Transport Related	285,000
4999	Total Operating Revenue	12,655,009
	OPERATING EXPENSES	
5100	Flying Operations	3,410,121
5400	Maintenance	5,354,505
6900	General Services and Administration	1,879,294
7000	Depreciation & Amortization	1,388,856
7100	Transport Related Expenses	1,550
7199	Total Operating Expenses	12,034,326
7999	Operating Profit or Loss	620,683
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	11,790
8182	Other Interest Expense (Income)	783,491
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	30,957
8199	Nonoperating Expense (Income)	826,238
8999	Income Before Income Taxes	-205,555
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	-205,555
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-205,555
9800	Accounting Changes	0
9899	Net Income	-205,555

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

Air Carrier:

Operation: Domestic

L2D

B-727-00

ACCT # DESCRIPTION Total Eqp DC-6 Code 9999 Code 2162 L-382E Code 5562 B-727-00 Code 7112

	DIRECT EXPENSES:				
	FLYING OPERATIONS (Less Rentals				
3	Pilots and Copilots (S&W &Benef	1,751,860	0	1,751,860	0
4	Aircraft Fuel and Oil	1,302,071	0	1,302,071	0
5	Other	159,054	0	159,054	0
6	Total Flying Ops. (Less Rentals	3,212,985	0	3,212,985	0
7	Maintenance - Flight Equipment	5,354,505	0	5,354,505	0
8	Depr. & Rental - Flight Equipme	1,384,157	127,230	1,185,470	71,457
9	Total Direct Expenses	9,951,647	127,230	9,752,960	71,457

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-6

Operation : Domestic L2D

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	36,382
Line 4	Flight Personnel	918,569
Line 5	Maintenance Labor	343,091
Line 6	Aircr. & Traffic Hndl. Per.	420,436
Line 7	Other Personnel	347,532
Line 8	Total Salaries	2,066,010
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	753,887
Line 11	Empl. Benefits & Pensions	211,384
Line 12	Payroll Taxes	165,962
Line 13	Total Fringe Benefits	1,131,233
Line 14	Total Salaries & Benefits	3,197,243
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	1,302,071
Line 17	Maintenance Materials	1,351,518
Line 18	Passenger Food	0
Line 19	Other Materials	104,806
Line 20	Total Materials	2,758,395
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	39,582
Line 23	Communications	108,891
Line 24	Insurance	67,763
Line 25	Outside Flight Eqpt. Maint.	3,117,585
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	37,242
Line 28	Other Services	901,404
Line 29	Total Services	4,272,467
Line 30	LANDING FEES	69,512
Line 31	RENTALS	310,587
Line 32	DEPRECIATION	1,307,687
Line 33	AMORTIZATION	81,169
Line 34	OTHER	35,716
Line 35	TRANSPORT RELATED EXPENSES	1,550
Line 36	TOTAL OPERATING EXPENSES	12,034,326