

## BALANCE SHEET

As At: June 30, 2000

Schedule B-1

Air Carrier:

Operation : Domestic N7D

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	710,644
1100	Short-Term Investments	1,108,957
1200	Notes Receivable	0
1270	Accounts Receivable	18,468,887
1290	Less Allow. for Bad Debts	30,000
1299	Net Notes & Accounts Receivable	18,438,887
1399	Net Spare Parts & Supplies	2,766,327
1410	Prepaid Items	14,233,243
1420	Other Current Assets	0
1499	Total Current Assets	37,258,058
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	0
1530	Other Investments & Receivables	0
1550	Special Funds	17,561,272
1599	Total Inv. & Special Funds	17,561,272
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	20,666,110
1649	Ground-Property and Equipment	6,832,611
1668	Less Allowance for Depreciation	4,547,272
1675	Property & Equipment - Net	22,951,449
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	6,475,932
1695	Leased Property - Cap. Leases	0
1696	Accum. Amort. Capital Leases	0
1699	Total Oper. Prop. & Equipment	29,427,381
	NONOPERATING PROP. & EQUIPMENT	
1791	Less Allow. for Depr. - Nonop.	0
1792	Net Nonoperating Prop. & Eqmt.	0
1799		0
	OTHER ASSETS	
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	0
1895	Total Other Assets	0
1899	TOTAL ASSETS	84,246,711

## BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic N7D

ACCT# DESCRIPTION

AMOUNT

	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	14,108,082
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	7,665,418
2025	Accts. Payable - Other	14,025,431
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	369,222
2120	Accrued Vacation Pay	785,801
2125	Accrued Interest	0
2130	Accrued Taxes	266,614
2140	Dividends Declared	0
2160	Air Traffic Liability	37,687,944
2190	Other Current Liabilities	6,452,837
2199	Total Current Liabilities	81,361,349
	NONCURRENT LIABILITIES	
2210	Long-term Debt	13,860,085
2240	Advances from Assoc. Companies	0
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	13,860,085
	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	12,597
2860	Subscribed & Unissued	0
2869	Total Capital Stock	12,597
2890	Additional Capital Invested	49,184,767
2899	Total Paid in Capital	49,197,364
2900	Retained Earnings	-60,172,087
2959	Total Stockholders' Equity	-10,974,723
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-10,974,723
2999	Total Liab. & Stockholders' Eq.	84,246,711
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	12,596,301

## STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-1.2 Group II

Operation : Domestic N7D

ACCT#	DESCRIPTION	AMOUNT
	OPERATING REVENUES	
3901	Transport Revenues - Passenger	64,318,704
3905	Mail	786,736
3906.1	Property - Freight	317,948
3906.2	Property - Excess Baggage	20,968
3907.1	Charter - Passenger	378,019
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	842,732
4808	Public Service Subsidy	0
4898	Transport Related	263,689
4999	Total Operating Revenue	66,928,796
	OPERATING EXPENSES	
5100	Flying Operations	31,166,689
5400	Maintenance	3,061,084
5500	Passenger Service	6,100,313
6400	Aircraft & Traffic Servicing	11,239,171
6700	Promotion & Sales	8,691,489
6800	General & Administrative	3,220,351
7000	Depreciation & Amortization	1,039,379
7100	Transport Related Expenses	0
7199	Total Operating Expenses	64,518,476
7999	Operating Profit or Loss	2,410,320
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	1,206,117
8182	Other Interest Expense (Income)	-286,395
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)	919,722
8999	Income Before Income Taxes	1,490,598
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	1,490,598
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	1,490,598
9800	Accounting Changes	0
9899	Net Income	1,490,598
9900.7	Full-Time Employees	1,042
9900.8	Part-Time Employees	177

Operating EXP. - Sch. P-5,2 Grp II & III		Qtr: June 30, 2000		N70
Air Carrier:		Operation: Domestic		
ACCT #	DESCRIPTION	Total Exp Code 9999	B-757 Code 6221	
FLYING OPERATIONS				
5123	Pilots and Copilots	2,126,656	2,126,656	
5124	Other Flight Personnel	0	0	
5128.1	Trainees and Instructors	0	0	
5136	Personnel Expenses	337,984	337,984	
5141	Prof. & Tech. Fees & Exp.	0	0	
5143.7	Aircraft Interch. -Outside	0	0	
5145.1	Aircraft Fuel	11,720,521	11,720,521	
5145.2	Aircraft Oil	0	0	
5147	Aircraft Rentals	14,480,658	14,480,658	
5153	Other Supplies	587	587	
5155.1	Insur. Purch. - General	865,374	865,374	
5157	Empl. Benefits and Pensions	510,448	510,448	
5158	Injuries, Loss and Damage	0	0	
5168	Taxes-Payroll	0	0	
5169	Taxes-Other Than Payroll	1,113,260	1,113,260	
5171	Other Expense	11,201	11,201	
5199	Total Flying Operations	31,166,689	31,166,689	
DIRECT MAINTENANCE-FLIGHT EQUIP				
5225.1	Maint Airf. Labor	0	0	
5225.2	Maint Eng. Labor	0	0	
5243.1	Maint Airf. Outside Rep.	1,051,832	1,051,832	
5243.2	Maint Eng. Outside Rep.	0	0	
5243.7	Maint AC Interch. Chrgs-O/S	0	0	
5246.1	Maint Materials - Airframe	124,780	124,780	
5246.2	Maint Materials - Engines	0	0	
5272.1	Maint Airfrm Airworth. Provs.	0	0	
5272.3	Maint Airfrm O/H Deferred	0	0	
5272.6	Maint AC Eng. Airworth. Prov	0	0	
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0	
5278	Total Dir Maint-Flt.Eqpt	1,176,612	1,176,612	
5279.6	APPL. MAINT BURDEN FLT. EQ.	1,884,473	1,884,473	
5299	Total Flt. Eq. Maint. (Memo)	3,061,085	3,061,085	
7073.9	NET OBSL & DETER.- EXP. PARTS	0	0	
DEPRECIATION - FLIGHT EQUIPMENT				
7075.1	Depr. Airframes	0	0	
7075.2	Depr. Aircraft Engines	0	0	
7075.3	Depr. Airframe Parts	68,517	68,517	
7075.4	Depr. Engine Parts	10,836	10,836	
7075.5	Depr. Other Flt Eqp.	430,888	430,888	
7076.1	Amort. Cap. Leases Flt.Eqpt.	0	0	
EXPENSE OF INTERCHANGE AIRCRAFT				
7098.1	Exp. of Interch. AC- Flt. Ops	0	0	
7098.2	Exp. of Interch. AC- Maint.	0	0	
7098.9	Total Aircraft Operating Expens	34,738,015	34,738,015	
OTHER DEPRECIATION & AMORTIZATI				
7074.1	Amortization Developmental &Pre	0	0	
7074.2	Amortization Other Intangibles	0	0	
7075.8	Depreciation Hangar & Maint. Eq	8,039	8,039	
7075.9	Depreciation Ground Property	521,099	521,099	
7076.2	Amort. Capital Leases Other	0	0	

# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-6

Operation : Domestic N7D

LINE# DESCRIPTION

AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	647,200
Line 4	Flight Personnel	3,690,392
Line 5	Maintenance Labor	740,550
Line 6	Aircr. & Traffic Hndl. Per.	1,675,041
Line 7	Other Personnel	1,586,729
Line 8	Total Salaries	8,339,912
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	1,108,265
Line 11	Empl. Benefits & Pensions	963,946
Line 12	Payroll Taxes	721,484
Line 13	Total Fringe Benefits	2,793,695
Line 14	Total Salaries & Benefits	11,133,607
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	12,833,782
Line 17	Maintenance Materials	137,563
Line 18	Passenger Food	2,322,672
Line 19	Other Materials	622,944
Line 20	Total Materials	15,916,961
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	1,076,416
Line 23	Communications	402,860
Line 24	Insurance	870,996
Line 25	Outside Flight Eqpt. Maint.	1,072,062
Line 26	Traffic Commissions - Passenger	3,694,320
Line 27	Traffic Commissions - Cargo	16,888
Line 28	Other Services	8,662,539
Line 29	Total Services	15,796,081
Line 30	LANDING FEES	1,457,916
Line 31	RENTALS	17,237,034
Line 32	DEPRECIATION	1,039,379
Line 33	AMORTIZATION	0
Line 34	OTHER	1,937,497
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	64,518,475