

BALANCE SHEET

As At: March 31, 1999
 Schedule B-1
 ACCT# DESCRIPTION

Air Carrier:
 Operation : Domestic RVD
 AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	275,633
1100	Short-Term Investments	9,009
1200	Notes Receivable	0
1270	Accounts Receivable	3,727,375
1290	Less Allow. for Bad Debts	187,000
1299	Net Notes & Accounts Receivable	3,540,375
1399	Net Spare Parts & Supplies	1,628,796
1410	Prepaid Items	336,416
1420	Other Current Assets	0
1499	Total Current Assets	5,790,229
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	38,615
1530	Other Investments & Receivables	0
1550	Special Funds	0
1599	Total Inv. & Special Funds	38,615
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	18,933,055
1649	Ground-Property and Equipment	9,062,895
1668	Less Allowance for Depreciation	18,414,164
1675	Property & Equipment - Net	9,581,786
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	0
1695	Leased Property - Cap. Leases	0
1696	Accum. Amort. Capital Leases	0
1699	Total Oper. Prop. & Equipment	9,581,786
1791	NONOPERATING PROP. & EQUIPMENT	5,604,821
1792	Less Allow. for Depr. - Nonop.	4,814,093
1799	Net Nonoperating Prop. & Eqmt.	790,728
	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	16,201,358

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Air Carrier:

Operation : Domestic RVD

ACCT# DESCRIPTION

AMOUNT

	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	0
2005	Notes Payable - Banks	2,000,000
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	4,658,385
2025	Accts. Payable - Other	313,501
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	578,611
2120	Accrued Vacation Pay	1,092,992
2125	Accrued Interest	56,038
2130	Accrued Taxes	166,209
2140	Dividends Declared	0
2160	Air Traffic Liability	1,479,242
2190	Other Current Liabilities	116,487
2199	Total Current Liabilities	10,461,465
	NONCURRENT LIABILITIES	
2210	Long-term Debt	314,740
2240	Advances from Assoc. Companies	2,000,000
2250	Pension Liability	157,151
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	2,471,891
	DEFERRED CREDITS	
2340	Deferred Income Taxes	138,200
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	0
2399	Total Deferred Credits	138,200
	STOCKHOLDERS' EQUITY	
2820	Preferred Shares Issued	0
2840	Common Shares Issued	18,511,511
2860	Subscribed & Unissued	0
2869	Total Capital Stock	18,511,511
2890	Additional Capital Invested	201,807
2899	Total Paid in Capital	18,713,318
2900	Retained Earnings	-15,583,516
2959	Total Stockholders' Equity	3,129,802
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	3,129,802
2999	Total Liab. & Stockholders' Eq.	16,201,358
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	100

STATEMENT OF OPERATIONS

Quarter Ended: March 31, 1999

Air Carrier:

Schedule P-1.2 Group I

Operation : Domestic RVD

ACCT#	DESCRIPTION	AMOUNT

	OPERATING REVENUES	
3901	Transport Revenue - Passenger	3,314,566
3905	Mail	948,867
3906.1	Property - Freight	630,936
3906.2	Property - Excess Baggage	20,210
3907.1	Charter - Passenger	1,154,937
3907.2	Charter - Property	875,954
3919.1	Reserv. Cancellation Fees	9,449
3919.2	Misc. Operating Revenues	21
4808	Public Service Subsidy	0
4898	Transport Related	166,505
4999	Total Operating Revenue	7,121,445
	OPERATING EXPENSES	
5100	Flying Operations	2,356,657
5400	Maintenance	2,356,186
6900	General Services and Administration	2,973,893
7000	Depreciation & Amortization	215,526
7100	Transport Related Expenses	67,606
7199	Total Operating Expenses	7,969,868
7999	Operating Profit or Loss	-848,423
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	0
8182	Other Interest Expense (Income)	107,740
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	12,165
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-494,968
8199	Nonoperating Expense (Income)	-375,063
8999	Income Before Income Taxes	-473,360
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	-473,360
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-473,360
9800	Accounting Changes	0
9899	Net Income	-473,360
9900.7	Full-Time Employees	303
9900.8	Part-Time Employees	35

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: March 31, 1999
 Air Carrier: Operation: Domestic RVD
 Total Eqp L-188A B-727-QC
 Code 9999 Code 5503 Code 7113

ACCT #	DESCRIPTION			
	DIRECT EXPENSES:			
3	FLYING OPERATIONS (Less Rentals			
	Pilots and Copilots (S&W & Benef	965,164	456,334	508,830
4	Aircraft Fuel and Oil	1,210,266	465,245	745,021
5	Other	181,226	64,726	116,500
6	Total Flying Ops. (Less Rentals	2,356,656	986,305	1,370,351
7	Maintenance - Flight Equipment	2,115,638	792,214	1,323,424
8	Depr. & Rental - Flight Equipme	138,064	66,848	71,216
9	Total Direct Expenses	4,610,358	1,845,367	2,764,991

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: March 31, 1999
Schedule P-6

Air Carrier:
Operation : Domestic RVD

LINE#	DESCRIPTION	AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	268,678
Line 4	Flight Personnel	860,941
Line 5	Maintenance Labor	663,953
Line 6	Aircr. & Traffic Hndl. Per.	796,288
Line 7	Other Personnel	275,033
Line 8	Total Salaries	2,864,893
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	89,264
Line 11	Empl. Benefits & Pensions	427,619
Line 12	Payroll Taxes	231,404
Line 13	Total Fringe Benefits	748,287
Line 14	Total Salaries & Benefits	3,613,180
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	1,210,267
Line 17	Maintenance Materials	518,191
Line 18	Passenger Food	95,731
Line 19	Other Materials	222,903
Line 20	Total Materials	2,047,092
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	58,170
Line 23	Communications	79,767
Line 24	Insurance	202,009
Line 25	Outside Flight Eqpt. Maint.	673,517
Line 26	Traffic Commissions - Passenger	222,349
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	508,851
Line 29	Total Services	1,744,663
Line 30	LANDING FEES	61,485
Line 31	RENTALS	75,731
Line 32	DEPRECIATION	215,526
Line 33	AMORTIZATION	0
Line 34	OTHER	144,586
Line 35	TRANSPORT RELATED EXPENSES	67,606
Line 36	TOTAL OPERATING EXPENSES	7,969,869