

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic RVD

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	31,874
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	3,262,319
1290	Less Allow. for Bad Debts	104,000
1299	Net Notes & Accounts Receivable	3,158,319
1399	Net Spare Parts & Supplies	1,492,802
1410	Prepaid Items	176,452
1420	Other Current Assets	0
1499	Total Current Assets	4,859,447
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	1,000
1530	Other Investments & Receivables	0
1550	Special Funds	45,459
1599	Total Inv. & Special Funds	46,459
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	18,434,635
1649	Ground-Property and Equipment	9,033,022
1668	Less Allowance for Depreciation	18,596,940
1675	Property & Equipment - Net	8,870,717
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	8,870,717
	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	13,776,623

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As At: June 30, 2000

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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	6,271,023
2025	Accts. Payable - Other	398,802
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	545,493
2120	Accrued Vacation Pay	1,009,043
2125	Accrued Interest	40,000
2130	Accrued Taxes	132,957
2140	Dividends Declared	0
2160	Air Traffic Liability	1,109,612
2190	Other Current Liabilities	144,506
2199	Total Current Liabilities	11,651,436
	NONCURRENT LIABILITIES	
2210	Long-term Debt	308,371
2240	Advances from Assoc. Companies	2,000,000
2250	Pension Liability	326,578
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	2,634,949
	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	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	-19,223,080
2959	Total Stockholders' Equity	-509,762
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-509,762
2999	Total Liab. & Stockholders' Eq.	13,776,623
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	100

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-1.2 Group I

Operation : Domestic RVD

ACCT# DESCRIPTION

AMOUNT

	OPERATING REVENUES	
3901	Transport Revenue - Passenger	3,748,924
3905	Mail	1,277,096
3906.1	Property - Freight	737,383
3906.2	Property - Excess Baggage	49,276
3907.1	Charter - Passenger	1,298,860
3907.2	Charter - Property	526,116
3919.1	Reserv. Cancellation Fees	21,134
3919.2	Misc. Operating Revenues	91,147
4808	Public Service Subsidy	0
4898	Transport Related	168,646
4999	Total Operating Revenue	7,918,582
	OPERATING EXPENSES	
5100	Flying Operations	2,479,301
5400	Maintenance	2,696,724
6900	General Services and Administration	2,698,999
7000	Depreciation & Amortization	219,165
7100	Transport Related Expenses	6,622
7199	Total Operating Expenses	8,100,811
7999	Operating Profit or Loss	-182,229
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap.Leases	0
8182	Other Interest Expense (Income)	104,881
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop.	-1,207
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	9,621
8199	Nonoperating Expense (Income)	113,295
8999	Income Before Income Taxes	-295,524
9100	Income Tax Expense	-85,300
9199	Inc. Bf. Disc. Ops & Other Items	-210,224
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord.Item	0
9799	Income Before Account. Changes	-210,224
9800	Accounting Changes	0
9899	Net Income	-210,224
9900.7	Full-Time Employees	261
9900.8	Part-Time Employees	28

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

ACCT #	DESCRIPTION	Operation: Domestic			RVD
		Total Exp	L-188A	B-727-QC	
		Code 9999	Code 5503	Code 7113	
	DIRECT EXPENSES:				
3	FLYING OPERATIONS (Less Rentals				
4	Pilots and Copilots (S&W & Benef	756,783	352,734	404,049	
5	Aircraft Fuel and Oil	1,595,012	690,561	904,451	
6	Other	127,506	40,750	86,756	
	Total Flying Ops. (Less Rentals	2,479,301	1,084,045	1,395,256	
7	Maintenance - Flight Equipment	2,685,981	996,771	1,689,210	
8	Depr. & Rental - Flight Equipme	160,481	81,112	79,369	
9	Total Direct Expenses	5,325,763	2,161,928	3,163,835	

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000
Schedule P-6

Air Carrier:
Operation : Domestic RVD

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	203,480
Line 4	Flight Personnel	644,201
Line 5	Maintenance Labor	659,213
Line 6	Aircr. & Traffic Hndl. Per.	741,028
Line 7	Other Personnel	264,569
Line 8	Total Salaries	2,512,491
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	30,776
Line 11	Empl. Benefits & Pensions	503,863
Line 12	Payroll Taxes	198,417
Line 13	Total Fringe Benefits	733,056
Line 14	Total Salaries & Benefits	3,245,547
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	1,595,012
Line 17	Maintenance Materials	500,517
Line 18	Passenger Food	82,997
Line 19	Other Materials	126,352
Line 20	Total Materials	2,304,878
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	37,354
Line 23	Communications	68,709
Line 24	Insurance	165,496
Line 25	Outside Flight Eqpt. Maint.	1,073,427
Line 26	Traffic Commissions - Passenger	73,240
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	573,556
Line 29	Total Services	1,991,782
Line 30	LANDING FEES	85,025
Line 31	RENTALS	119,212
Line 32	DEPRECIATION	219,165
Line 33	AMORTIZATION	0
Line 34	OTHER	128,579
Line 35	TRANSPORT RELATED EXPENSES	6,622
Line 36	TOTAL OPERATING EXPENSES	8,100,810