

BALANCE SHEET

As At: June 30, 2000

Schedule B-1

Air Carrier:

Operation : Domestic XGD

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	3,251,267
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	4,145,194
1290	Less Allow. for Bad Debts	44,000
1299	Net Notes & Accounts Receivable	4,101,194
1399	Net Spare Parts & Supplies	0
1410	Prepaid Items	2,052,644
1420	Other Current Assets	932,353
1499	Total Current Assets	10,337,458
	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	1,920,218
1649	Ground-Property and Equipment	872,883
1668	Less Allowance for Depreciation	1,348,025
1675	Property & Equipment - Net	1,445,076
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	1,445,076
	NONOPERATING PROP. & EQUIPMENT	
1791	Less Allow. for Depr. - Nonop.	0
1792	Net Nonoperating Prop. & Eqmt.	0
	OTHER ASSETS	
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	2,543,501
1895	Total Other Assets	2,543,501
1899	TOTAL ASSETS	14,326,035

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic XGD

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	7,621,476
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	1,042,492
2120	Accrued Vacation Pay	0
2125	Accrued Interest	0
2130	Accrued Taxes	0
2140	Dividends Declared	0
2160	Air Traffic Liability	0
2190	Other Current Liabilities	0
2199	Total Current Liabilities	8,663,968
	NONCURRENT LIABILITIES	
2210	Long-term Debt	0
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	0
	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	299,600
2840	Common Shares Issued	239,680
2860	Subscribed & Unissued	0
2869	Total Capital Stock	539,280
2890	Additional Capital Invested	0
2899	Total Paid in Capital	539,280
2900	Retained Earnings	5,122,787
2959	Total Stockholders' Equity	5,662,067
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	5,662,067
2999	Total Liab. & Stockholders' Eq.	14,326,035
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-1.2 Group I

Operation : Domestic XGD

ACCT#	DESCRIPTION	AMOUNT
	OPERATING REVENUES	
3901	Transport Revenue - Passenger	0
3905	Mail	0
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	19,176,394
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	0
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	19,176,394
	OPERATING EXPENSES	
5100	Flying Operations	9,510,295
5400	Maintenance	2,726,344
6900	General Services and Administration	6,174,524
7000	Depreciation & Amortization	90,000
7100	Transport Related Expenses	0
7199	Total Operating Expenses	18,501,163
7999	Operating Profit or Loss	675,231
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap.Leases	0
8182	Other Interest Expense (Income)	-102,288
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	315,013
8199	Nonoperating Expense (Income)	212,725
8999	Income Before Income Taxes	462,506
9100	Income Tax Expense	185,006
9199	Inc. Bf. Disc. Ops & Other Items	277,500
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord.Item	0
9799	Income Before Account. Changes	277,500
9800	Accounting Changes	0
9899	Net Income	277,500

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000				
Air Carrier:		Operation: Domestic		XGD
		Total Exp	B-737-8/9	B-757
ACCT #	DESCRIPTION	Code 9999	Code 6141	Code 6221

	DIRECT EXPENSES:			
	FLYING OPERATIONS (Less Rentals			
3	Pilots and Copilots (S&W &Benef	1,295,720	544,072	751,648
4	Aircraft Fuel and Oil	2,598,674	610,510	1,988,164
5	Other	1,132,640	369,888	762,752
6	Total Flying Ops. (Less Rentals	5,027,034	1,524,470	3,502,564
7	Maintenance - Flight Equipment	2,426,344	983,400	1,442,944
8	Depr. & Rental - Flight Equipme	4,573,261	1,969,938	2,603,323
9	Total Direct Expenses	12,026,639	4,477,808	7,548,831

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-6

Operation : Domestic XGD

LINE# DESCRIPTION AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	308,814
Line 4	Flight Personnel	1,686,197
Line 5	Maintenance Labor	260,772
Line 6	Aircr. & Traffic Hndl. Per.	190,513
Line 7	Other Personnel	288,989
Line 8	Total Salaries	2,735,285
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	0
Line 11	Empl. Benefits & Pensions	657,859
Line 12	Payroll Taxes	214,324
Line 13	Total Fringe Benefits	872,183
Line 14	Total Salaries & Benefits	3,607,468
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	2,598,674
Line 17	Maintenance Materials	0
Line 18	Passenger Food	677,548
Line 19	Other Materials	130,210
Line 20	Total Materials	3,406,432
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	32,066
Line 23	Communications	196,877
Line 24	Insurance	278,460
Line 25	Outside Flight Eqpt. Maint.	2,726,344
Line 26	Traffic Commissions - Passenger	237,897
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	86,583
Line 29	Total Services	3,558,227
Line 30	LANDING FEES	2,050,545
Line 31	RENTALS	4,483,261
Line 32	DEPRECIATION	90,000
Line 33	AMORTIZATION	0
Line 34	OTHER	1,305,230
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	18,501,163