

U.S. Department of Transportation  
Bureau of Transportation Statistics  
Office of Airline Information

REPORT OF FINANCIAL  
AND OPERATING STATISTICS FOR  
LARGE CERTIFICATED  
AIR CARRIERS

Period ended September 30, ~~19~~ 2000

Midwest Express Airlines, Inc.  
(Full name of reporting company)

YX ✓

CERTIFICATION\*

I, the undersigned Chief Financial Officer  
(Title of officer in charge of accounts)

of the Midwest Express Airlines, Inc.  
(Full name of reporting company)

do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.



(Signature)

6744 S. Howell Avenue  
Oak Creek, WI 53154

(Air Carrier Post Office Address)

Dated 11/9, <sup>20</sup>~~19~~ 00

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\*Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedure, makes it a criminal offense subject to a maximum fine of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.

## BALANCE SHEET

As At: September 30, 2000  
 Schedule B-1

Air Carrier:  
 Operation : Domestic YXD

ACCT#	DESCRIPTION	AMOUNT
ASSETS		
CURRENT ASSETS		
1010	Cash	24,523,653
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	8,610,386
1290	Less Allow. for Bad Debts	124,934
1299	Net Notes & Accounts Receivable	8,485,452
1399	Net Spare Parts & Supplies	6,997,029
1410	Prepaid Items	3,273,569
1420	Other Current Assets	8,023,000
1499	Total Current Assets	51,302,703
INVESTMENTS IN SPECIAL FUNDS		
1510	Inv. in Associated Companies	1,000
1530	Other Investments & Receivables	0
1550	Special Funds	0
1599	Total Inv. & Special Funds	1,000
OPERATING PROPERTY & EQUIPMENT		
1609	Flight Equipment	236,279,602
1649	Ground-Property and Equipment	46,852,921
1668	Less Allowance for Depreciation	97,478,502
1675	Property & Equipment - Net	185,654,021
1679	Land	1,116,893
1685	Purchase Dep. & Adv. Payments	1,500,000
1689	Construction Work-in-progress	34,813,655
1695	Leased Property - Cap. Leases	0
1696	Accum. Amort. Capital Leases	0
1699	Total Oper. Prop. & Equipment	223,084,569
NONOPERATING PROP. & EQUIPMENT		
1791	NONOPERATING PROP. & EQUIPMENT	0
1792	Less Allow. for Depr. - Nonop.	0
1799	Net Nonoperating Prop. & Eqmt.	0
OTHER ASSETS		
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	7,273,299
1895	Total Other Assets	7,273,299
1899	TOTAL ASSETS	281,661,571

## BALANCE SHEET

As At: September 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic YXD

ACCT#	DESCRIPTION	AMOUNT
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LIABILITIES & STOCKHOLDERS' EQ.		
CURRENT LIABILITIES		
2000	Curr. Maturities of L-T Debt	166,601
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	6,997,884
2025	Accts. Payable - Other	10,894,027
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	1,691,073
2120	Accrued Vacation Pay	5,073,468
2125	Accrued Interest	0
2130	Accrued Taxes	368,010
2140	Dividends Declared	0
2160	Air Traffic Liability	60,480,392
2190	Other Current Liabilities	20,883,048
2199	Total Current Liabilities	106,554,503
NONCURRENT LIABILITIES		
2210	Long-term Debt	2,937,274
2240	Advances from Assoc. Companies	0
2250	Pension Liability	11,054,728
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	18,329,624
2299	Total Noncurrent Liabilities	32,321,626
DEFERRED CREDITS		
2340	Deferred Income Taxes	14,303,000
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	0
2399	Total Deferred Credits	14,303,000
STOCKHOLDERS' EQUITY		
2820	Preferred Shares Issued	0
2840	Common Shares Issued	145,495
2860	Subscribed & Unissued	0
2869	Total Capital Stock	145,495
2890	Additional Capital Invested	11,607,858
2899	Total Paid in Capital	11,753,353
2900	Retained Earnings	130,741,020
2959	Total Stockholders' Equity	142,494,373
2990	Less Treasury Stock	14,011,931
2995	Net Stockholders' Equity	128,482,442
2999	Total Liab. & Stockholders' Eq.	281,661,571
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0



**AIRFRAME AND AIRCRAFT ENGINE ACQUISITIONS  
AND RETIREMENTS**

Air Carrier Midwest Express Airlines

Quarter Ended 9/30 ~~yr~~ 2000

Line	Year of First Delivery (Airframe) (1)	Airframe Manufacturer's Serial Number (2)	Date Acquired or Retired (3)	Acquisition or Retirement "A" or "R" (4)	Airframe License Number (5)	Number of Engines Acquired/Retired (6)	Type, Model and Cabin Design (7)	Maximum Seating Capacity (8)	Cost (9)	Amortized/Depreciated Cost (10)	Realization (11)	Acquired From/Disposition (12)
1	1981	48006	9/15/00	A	N812ME	2	MD81	116	9,200,000	---	--	Scandinavian Airlines System
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**STATEMENT OF CASH FLOW**

**MIDWEST EXPRESS AIRLINES, INC.**  
For the Quarter Ended September 30, 2000  
(In Thousands of Dollars)

Operating Activities:	
Net Income (Loss)	4,579
Items not involving the use of cash:	
Cumulative effect of accounting change, net	0
Depreciation & Amortization	3,897
Deferred Income Taxes	1,833
Other	1,416
Working Capital Provided by Operations	<u>11,725</u>
Changes in Operating Assets & Liabilities:	
Accounts Receivable	1,682
Inventory	(1,322)
Prepaid Expenses	119
Accounts Payable	212
Taxes Payable	(980)
Current Maturities of Long Term Debt	
Accrued Liabilities	1,380
Air Traffic Liability	1,811
Deferred freq flyer partner revenue	278
Net Change in Operating Assets & Liabilities	<u>3,180</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>14,905</u>
Investing Activities:	
Capital Investments	(17,360)
Purchase of Assets for Sale/Leaseback	
Change in Other Assets	447
Proceeds from sales of P&E	97
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(16,816)</u>
Financing Activities:	
Other	39
<b>Net Cash Provided (Used) by Financing Activities</b>	<u>39</u>
Net increase (decrease) in cash and cash equivalents	(1,872)
Cash and cash equivalents - beginning of period	<u>26,396</u>
<b>Cash and cash equivalents - end of period</b>	<u><u>24,524</u></u>

## STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000  
 Schedule P-1.2 Group II  
 ACCT# DESCRIPTION

Air Carrier:  
 Operation : Domestic YXD  
 AMOUNT

ACCT#	DESCRIPTION	AMOUNT
OPERATING REVENUES		
3901	Transport Revenues - Passenger	101,773,646
3905	Mail	1,632,453
3906.1	Property - Freight	887,314
3906.2	Property - Excess Baggage	17,002
3907.1	Charter - Passenger	1,089,358
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	1,009,537
3919.2	Misc. Operating Revenues	1,294,506
4808	Public Service Subsidy	0
4898	Transport Related	4,879,030
4999	Total Operating Revenue	112,582,846
OPERATING EXPENSES		
5100	Flying Operations	37,059,655
5400	Maintenance	17,399,146
5500	Passenger Service	11,987,481
6400	Aircraft & Traffic Servicing	15,097,583
6700	Promotion & Sales	13,899,515
6800	General & Administrative	6,174,061
7000	Depreciation & Amortization	3,896,515
7100	Transport Related Expenses	37,079
7199	Total Operating Expenses	105,551,035
7999	Operating Profit or Loss	7,031,811
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap.Leases	0
8182	Other Interest Expense (Income)	-385,572
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop.	-26,515
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	170,872
8199	Nonoperating Expense (Income)	-241,215
8999	Income Before Income Taxes	7,273,026
9100	Income Tax Expense	2,694,000
9199	Inc. Bf. Disc. Ops & Other Items	4,579,026
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord.Item	0
9799	Income Before Account. Changes	4,579,026
9800	Accounting Changes	0
9899	Net Income	4,579,026

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Air Carrier

Midwest Express Airlines, Inc.

Operation

Domestic

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### NOTES TO RSPA FORM 41 REPORT

Note 1 Basis of Presentation

The condensed financial statements and notes are presented as required and do not contain certain information included in the Company's annual audited financial statements and notes. These financial statements should be read in conjunction with the annual audited financial statements and notes thereto, together with management's discussion and analysis of financial condition and results of operations, contained in the Company's *Annual Report to Shareholders* for the year ended December 31, 1999. The annual audited financial statements represent the results of Midwest Express Holdings, Inc. which is comprised of Midwest Express Airlines, Inc. and Astral Aviation, Inc. d/b/a/ Skyway Airlines. Astral Aviation is a wholly-owned subsidiary of Midwest Express Airlines, Inc. The Form 41 as reported only includes the results of Midwest Express Airlines, Inc.

Note 2 Accounting Policies

The accounting policies of the Company conform to generally accepted accounting principles and to accounting practices generally followed in the airline industry. Significant policies followed are described below.

Cash and Cash Equivalents

The Company considers all highly liquid investments with purchased maturities of three months or less to be cash equivalents. They are carried at cost, which approximates market.

Inventories

Inventories consist primarily of aircraft maintenance parts, maintenance supplies and fuel, stated at the lower of cost on the first-in, first-out (FIFO) method or market and are expensed when used in operations.

Property and Equipment

Property and equipment is stated at cost and is depreciated on the straight-line method applied to each unit of property for financial reporting purposes and by use of accelerated methods for income tax purposes. Aircraft are depreciated to estimated residual values, and any gain or loss on disposal is reflected in income. The depreciable lives for the principal asset categories are as follows:

<u>Asset Category</u>	<u>Depreciable Life</u>
Flight equipment	10 to 15 years
Other equipment	5 to 8 years
Office furniture and equipment	5 to 20 years
Buildings	40 years
Building improvements	Lesser of 20 years or remaining life of building

Other Assets

Airport take-off and landing slots have an unlimited life, have historically appreciated in value, and are occasionally traded, sold or leased among airlines. The cost of take-off and landing slots is amortized on the straight-line method over 20 years, consistent with industry practice. The cost of airport leasehold rights is amortized on the straight-line method over the term of the lease. The cost of capitalized software is amortized on the straight-line method over five years or less.

Revenue Recognition

Passenger and cargo revenues are recognized in the period when the service is provided. Contract maintenance revenue is recognized when work is completed and invoiced. The estimated liability for sold, but unused, tickets is included in current liabilities as air traffic liability.

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#### NOTES TO RSPA FORM 41 REPORT

##### Maintenance and Repair Costs

Routine maintenance and repair costs for owned and leased aircraft are charged to expense when incurred. Depending on the particular aircraft or engine, major airframe and engine maintenance costs are either (1) accrued to expense on the basis of estimated future costs and the estimated number of future flight hours or the number of future take-offs and landings between overhauls or (2) capitalized when incurred and amortized on the basis of estimated number of future flight hours or the number of future take-offs and landings between overhauls. The actual maintenance and repair costs to be incurred could differ from the Company's estimate.

##### Frequent Flyer Program

The estimated incremental cost of providing future transportation in conjunction with the Company's Frequent Flyer program is accrued based on estimated redemption percentages applied to actual mileage recorded in members' accounts. The ultimate cost will depend on the actual redemption of Frequent Flyer miles and may be greater or less than amounts accrued.

##### Postretirement Health Care and Life Insurance Benefits

The costs of health care and life insurance benefit plans for retired employees are accrued over the working lives of employees in accordance with Statement of Financial Accounting Standards (SFAS) No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

##### Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires that deferred income taxes be determined under the asset and liability method. Deferred income taxes have been recognized for the future tax consequences of temporary differences by applying enacted statutory tax rates applicable to differences between the financial reporting and the tax bases of assets and liabilities. Income tax expense and deferred income tax assets and liabilities are reflected in the Company's financial statements in accordance with SFAS No. 109.

##### Leases

Rental obligations under operating leases for aircraft, facilities and equipment are charged to expense on the straight-line method over the term of the lease.

##### Hedging Transactions

The Company occasionally enters into hedging arrangements to reduce its exposure to fluctuations in the price of jet fuel, the amount of which is typically not material. Net settlements are recorded as adjustments to aircraft fuel expense.

##### Accounting Standard to Be Adopted

In 1998 the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." The Company is currently in the process of evaluating the accounting and disclosure effects of this Statement and anticipates adopting the Statement in the first quarter of 2001.

##### Reclassifications

Certain reclassifications have been made in prior year financial statements to conform to the current year presentation.

##### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Future results could differ from those estimates.



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Operation

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**NOTES TO RSPA FORM 41 REPORT**

Note 3 Leases

The Company leases aircraft, terminal space, office space and warehouse space. Future minimum lease payments required under operating leases having initial or remaining noncancelable lease terms in excess of one year as of December 31, 1999 were as follows (in thousands):

Year Ended December 31,

2000 .....	\$ 27,244
2001 .....	25,035
2002 .....	23,309
2003 .....	22,528
2004 .....	22,470
2005 and thereafter.....	<u>150,963</u>
	<u>\$271,549</u>

As of September 30, 2000, the Company had thirteen of its jet aircraft in service under operating leases, three of which have been guaranteed by Kimberly-Clark. These leases have expiration dates ranging from 2001 through 2011 and can generally be renewed, based on fair market value at the end of the lease term, for one to three years. All of the leases include purchase options at or near the end of the lease term at fair market value, but generally not in excess of the defined lessor's cost of the aircraft.

In October, 1998 Midwest Express moved into a newly constructed maintenance facility that is owned by Milwaukee County and located at General Mitchell International Airport. To finance the \$8.2 million project, the City of Milwaukee issued variable-rate demand industrial development revenue bonds. The Company's variable rent payments are based on the current interest rate on the City of Milwaukee's outstanding bonds over the 32-year lease term. The bonds are secured by a promissory note between Midwest Express and the City of Milwaukee, with further security provided by Firstar Bank Milwaukee, N.A.

Note 4 Financing Agreements

The Company has a \$55,000,000 revolving credit facility with three banks. The bank credit facility requires an annual commitment fee of 12.5 basis point on the average unused commitment with interest payable on the outstanding principal balance at LIBOR plus 50 basis points. There were no outstanding borrowings under these agreements at September 30, 2000 except for letters of credit totaling approximately \$9.5 million that reduce the amount of available credit.

In August 1997 the Company purchased a headquarters building, which it previously leased. As part of the transaction, the Company assumed \$3,487,000 of long-term debt. The mortgage note has an interest rate of 8.25% and is payable in monthly installments through April 2011. Future maturities of long-term debt for the next five years are as follows (in thousands):

Year Ended December 31,

2000 .....	\$ 138
2001 .....	182
2002 .....	214
2003 .....	233
2004 .....	253

The fair value of the Company's borrowing under this agreement approximates its carrying value as of December 31, 1999.

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**NOTES TO RSPA FORM 41 REPORT**

Note 5 Retirement and Benefit Plans

Defined Benefit Plans

Midwest Express has two defined benefit pension plans which, in total, cover substantially all of its employees. The benefits for these plans are based primarily on years of service and employee compensation. It is Midwest Express' policy to annually fund at least the minimum contribution as required by the Employee Retirement Income Security Act of 1974.

Postretirement Health Care and Life Insurance Benefits

Midwest Express allows retirees to participate in unfunded health care and life insurance benefit plans. Benefits are based on years of service and age at retirement. The plans are principally noncontributory for current retirees, and are contributory for most future retirees.

Defined Contribution Plans

The Company has two voluntary defined contribution investment plans covering substantially all employees. Under these plans, the Company matches a portion of employee contributions.

Profit Sharing Plans

The Company has three profit sharing plans: an employee profit sharing plan for substantially all employees of Midwest Express, an employee profit sharing plan for substantially all employees of Astral and an Annual Incentive Plan for key management employees. Company contributions for all plans are based entirely on achieving specified levels of profitability.

Plan Termination

In 1999, the Company approved a plan whereby the Midwest Express Pension Plan which covered substantially all Midwest Express employees would be terminated on March 31, 2000 subject to approval of the Pension Benefit Guaranty Corporation (the federal agency responsible for supervising pension plan termination).

Note 6 Passenger Facility Charge Activity for the Quarterly Period Ended March 31, 2000

PFC Amount at Beginning of Quarter	\$	602,733
Total Amount Collected in Trust for Public Agencies		1,878,646
Total Amount Remitted to Public Agencies		(1,890,821)
Adjustments (Collection compensation, PFC refunds)		(9,070)
PFC Amount at End of Quarter	\$	<u>581,487</u>

Note 7 Cumulative Effect of Accounting Changes

During the first quarter, the Company recorded two earnings adjustments to reflect changes in accounting methods. These changes are as follows:

As a result of Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," Midwest Express Airlines changed the method it uses to account for the sale of miles to partners in its Frequent Flyer program. Under the new

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#### NOTES TO RSPA FORM 41 REPORT

accounting method, a portion of the revenue associated with miles sold to partners is recognized when transportation is provided, rather than when miles are sold. In the first quarter of 2000, the Company recorded a \$7.8 million charge, net of tax, for the cumulative effect of the change for prior years.

In addition, Midwest Express Airlines changed its accounting policy associated with major maintenance on airframes. In the past, major airframe maintenance costs were either (1) accrued to expense on the basis of estimated future costs and estimated flight hours between major maintenance events or (2) capitalized when incurred and amortized on the basis of estimated flight hours until the next major maintenance event. In conjunction with the Company's efforts to divide major maintenance events into smaller, more frequent events, Midwest Express has begun expensing airframe maintenance costs as they are incurred. Costs associated with major maintenance on aircraft engines will continue to use the existing approach. In the first quarter of 2000, Midwest Express recorded a favorable adjustment of \$3.1 million, net of tax, for the cumulative effect of the change for prior years.

Note 8 Commitments and Contingencies

In February 1997, Midwest Express committed to pay \$9.25 million over 15 years for the naming rights to the Midwest Expense Center, an 800,000-square-foot convention center in Milwaukee that opened in July 1998.

In July 1999, the Company announced the addition of a 55,000-square-foot training facility to its Oak Creek, Wisconsin headquarters. Groundbreaking for the building took place in October 1999, with facility completion expected in third quarter 2000. The Company expects the cost of the project to be approximately \$6 million, and anticipates funding the project with cash flows from operations.

In November 1999, the Company signed a purchase agreement to acquire four MD-80 series aircraft currently operated by Scandinavian Airlines System. Delivery of the aircraft is expected to begin in September 2000 and continue through November 2001. After refurbishment and modification, three aircraft are expected to enter scheduled service in 2001, and the last in 2002. The Company expects that this project, including aircraft refurbishment, modification and support equipment, will cost \$60 million. Financing alternatives are currently being evaluated.

The Company is party to routine litigation incidental to its business. In the opinion of management, the final disposition of these matters will have no material adverse effect on the consolidated financial statements.

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III		Otr: September 30, 2000			
Air Carrier:		Operation: Domestic		YXD	
ACCT #	DESCRIPTION	Total Eqp Code 9999	DC-9-10 Code 6301	DC-9-30 Code 6401	MD-80 Code 6551
<b>FLYING OPERATIONS</b>					
5123	Pilots and Copilots	8,653,626	2,124,408	4,248,817	2,280,401
5124	Other Flight Personnel	0	0	0	0
5128.1	Trainees and Instructors	0	0	0	0
5136	Personnel Expenses	429,888	105,535	211,069	113,284
5141	Prof. & Tech. Fees & Exp.	206,608	50,721	101,442	54,445
5143.7	Aircraft Interch. -Outside	0	0	0	0
5145.1	Aircraft Fuel	19,659,338	4,514,475	8,659,756	6,485,107
5145.2	Aircraft Oil	35,503	8,152	15,639	11,712
5147	Aircraft Rentals	4,028,369	119,267	2,354,004	1,555,098
5153	Other Supplies	18,312	4,721	8,446	5,145
5155.1	Insur. Purch. - General	116,669	20,072	40,144	56,455
5157	Empl. Benefits and Pensions	1,653,352	405,887	811,774	435,691
5158	Injuries, Loss and Damage	0	0	0	0
5168	Taxes-Payroll	675,300	165,782	331,564	177,954
5169	Taxes-Other Than Payroll	1,523,516	349,853	671,095	502,568
5171	Other Expense	59,174	15,257	27,293	16,624
5199	Total Flying Operations	37,059,655	7,884,130	17,481,043	11,694,482
<b>DIRECT MAINTENANCE-FLIGHT EQUIP</b>					
5225.1	Maint Airf. Labor	2,438,765	628,800	1,124,841	685,124
5225.2	Maint Eng. Labor	0	0	0	0
5243.1	Maint Airf. Outside Rep.	3,819,754	1,178,759	2,108,645	532,350
5243.2	Maint Eng. Outside Rep.	709,464	-350,603	-627,183	1,687,250
5243.7	Maint AC Interch. Chrgs-O/S	0	0	0	0
5246.1	Maint Materials - Airframe	2,226,232	574,002	1,026,813	625,417
5246.2	Maint Materials - Engines	0	0	0	0
5272.1	Maint Airfrm Airworth. Provs.	0	0	0	0
5272.3	Maint Airfrm O/H Deferred	-5,000	-5,000	0	0
5272.6	Maint AC Eng. Airworth. Prov	0	0	0	0
5272.8	Maint AC Eng. O/H Def. (cr.)	2,411,158	635,517	1,271,033	504,608
5278	Total Dir Maint-Flt.Eqpt	11,600,373	2,661,475	4,904,149	4,034,749
5279.6	APPL. MAINT BURDEN FLT. EQ.	1,893,396	488,185	873,298	531,913
5299	Total Flt. Eq. Maint. (Memo)	13,493,769	3,149,660	5,777,447	4,566,662
7073.9	NET OBSL & DETER.- EXP. PARTS	0	0	0	0
<b>DEPRECIATION - FLIGHT EQUIPMENT</b>					
7075.1	Depr. Airframes	1,104,382	0	240,241	864,141
7075.2	Depr. Aircraft Engines	0	0	0	0
7075.3	Depr. Airframe Parts	1,688,776	398,721	1,209,544	80,511
7075.4	Depr. Engine Parts	0	0	0	0
7075.5	Depr. Other Flt Eqp.	0	0	0	0
7076.1	Amort. Cap. Leases Flt.Eqpt.	0	0	0	0
7098.1	Exp. of Interch. AC- Flt. Ops	0	0	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0	0	0
7098.9	Total Aircraft Operating Expens	53,346,582	11,432,511	24,708,275	17,205,796
<b>OTHER DEPRECIATION &amp; AMORTIZATI</b>					
7074.1	Amortization Developmental &Pre	0	0	0	0
7074.2	Amortization Other Intangibles	256,598	0	0	0
7075.8	Depreciation Hangar & Maint. Eq	118,817	0	0	0
7075.9	Depreciation Ground Property	727,942	0	0	0
7076.2	Amort. Capital Leases Other	0	0	0	0

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000  
 Schedule P-6

Air Carrier:  
 Operation : Domestic YXD  
 AMOUNT

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	2,352,676
Line 4	Flight Personnel	11,939,373
Line 5	Maintenance Labor	3,364,261
Line 6	Aircr. & Traffic Hndl. Per.	7,736,418
Line 7	Other Personnel	3,057,827
Line 8	Total Salaries	28,450,555
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	1,395,023
Line 11	Empl. Benefits & Pensions	6,857,966
Line 12	Payroll Taxes	675,300
Line 13	Total Fringe Benefits	8,928,289
Line 14	Total Salaries & Benefits	37,378,844
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	21,218,357
Line 17	Maintenance Materials	3,475,464
Line 18	Passenger Food	6,132,977
Line 19	Other Materials	1,218,404
Line 20	Total Materials	32,045,202
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	2,118,603
Line 23	Communications	1,087,540
Line 24	Insurance	506,535
Line 25	Outside Flight Eqpt. Maint.	5,676,997
Line 26	Traffic Commissions - Passenger	5,859,958
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	6,942,139
Line 29	Total Services	22,191,772
Line 30	LANDING FEES	1,975,556
Line 31	RENTALS	6,325,082
Line 32	DEPRECIATION	3,639,917
Line 33	AMORTIZATION	256,598
Line 34	OTHER	1,700,985
Line 35	TRANSPORT RELATED EXPENSES	37,079
Line 36	TOTAL OPERATING EXPENSES	105,551,035