

## BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic 9ND

ACCT# DESCRIPTION AMOUNT

ACCT#	DESCRIPTION	AMOUNT
ASSETS		
CURRENT ASSETS		
1010	Cash	83,008
1100	Short-Term Investments	21,165,133
1200	Notes Receivable	0
1270	Accounts Receivable	12,510,179
1290	Less Allow. for Bad Debts	2,031
1299	Net Notes & Accounts Receivable	12,508,148
1399	Net Spare Parts & Supplies	4,352,016
1410	Prepaid Items	1,066,284
1420	Other Current Assets	93,009
1499	Total Current Assets	39,267,598
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	27,271,459
1649	Ground-Property and Equipment	5,961,168
1668	Less Allowance for Depreciation	12,860,874
1675	Property & Equipment - Net	20,371,753
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	0
1695	Leased Property - Cap. Leases	24,804,961
1696	Accum. Amort. Capital Leases	9,726,119
1699	Total Oper. Prop. & Equipment	35,450,595
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	5,477,134
1895	Total Other Assets	5,477,134
1899	TOTAL ASSETS	80,195,327

## BALANCE SHEET

As At: June 30, 2000  
Schedule B-1Air Carrier:  
Operation : Domestic 9ND

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	1,280,746
2021	Trade Accts. Payable	20,257,198
2025	Accts. Payable - Other	37,174
2080	Curr. Oblig. Under Cap. Leases	12,551,652
2110	Accrued Salaries & Wages	493,172
2120	Accrued Vacation Pay	1,235,949
2125	Accrued Interest	121,648
2130	Accrued Taxes	924,487
2140	Dividends Declared	0
2160	Air Traffic Liability	0
2190	Other Current Liabilities	2,900,012
2199	Total Current Liabilities	39,802,038
NONCURRENT LIABILITIES		
2210	Long-term Debt	0
2240	Advances from Assoc. Companies	5,880,431
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	5,880,431
DEFERRED CREDITS		
2340	Deferred Income Taxes	0
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	606,676
2399	Total Deferred Credits	606,676
STOCKHOLDERS' EQUITY		
2820	Preferred Shares Issued	0
2840	Common Shares Issued	10,000
2860	Subscribed & Unissued	0
2869	Total Capital Stock	10,000
2890	Additional Capital Invested	4,394,713
2899	Total Paid in Capital	4,404,713
2900	Retained Earnings	29,501,469
2959	Total Stockholders' Equity	33,906,182
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	33,906,182
2999	Total Liab. & Stockholders' Eq.	80,195,327
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

## STATEMENT OF OPERATIONS

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

Air Carrier:  
 Operation : Domestic 9ND

ACCT#	DESCRIPTION	AMOUNT
OPERATING REVENUES		
3901	Transport Revenues - Passenger	51,420,150
3905	Mail	57,308
3906.1	Property - Freight	125,334
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	0
4808	Public Service Subsidy	71,642
4898	Transport Related	846,643
4999	Total Operating Revenue	52,521,077
OPERATING EXPENSES		
5100	Flying Operations	21,283,166
5400	Maintenance	10,587,524
5500	Passenger Service	1,552,095
6400	Aircraft & Traffic Servicing	8,043,620
6700	Promotion & Sales	4,108,688
6800	General & Administrative	1,960,424
7000	Depreciation & Amortization	906,988
7100	Transport Related Expenses	274,627
7199	Total Operating Expenses	48,717,132
7999	Operating Profit or Loss	3,803,945
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	377,544
8182	Other Interest Expense (Income)	29,241
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	26,343
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-348,974
8199	Nonoperating Expense (Income)	84,154
8999	Income Before Income Taxes	3,719,791
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	3,719,791
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	3,719,791
9800	Accounting Changes	0
9899	Net Income	3,719,791

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Otr: June 30, 2000  
 Air Carrier: Operation: Domestic

ACCT #	DESCRIPTION	Total Exp Code 9999	ATR-42 Code 4411	9ND ATR-72 Code 4421	JETST 31 Code 4691	BAE-41 Code 4711	EMB-145 Code 6751
<b>FLYING OPERATIONS</b>							
5123	Pilots and Copilots	2,944,480	303,411	147,333	511,259	1,330,441	652,036
5124	Other Flight Personnel	0	0	0	0	0	0
5128.1	Trainees and Instructors	687,150	5,676	272,405	107,886	53,524	247,659
5136	Personnel Expenses	1,181,370	139,232	65,404	106,343	598,866	311,525
5141	Prof. & Tech. Fees & Exp.	0	0	0	0	0	0
5143.7	Aircraft Interch. -Outside	0	0	0	0	0	0
5145.1	Aircraft Fuel	5,337,880	527,508	303,497	333,996	2,031,866	2,141,013
5145.2	Aircraft Oil	19,770	2,821	1,411	3,705	8,969	2,864
5147	Aircraft Rentals	8,605,681	1,001,894	355,903	361,369	3,692,297	3,194,218
5153	Other Supplies	53,113	4,715	2,612	11,084	25,413	9,289
5155.1	Insur. Purch. - General	219,756	19,856	14,749	16,089	89,200	79,862
5157	Empl. Benefits and Pensions	71,962	8,152	3,989	10,785	31,947	17,089
5158	Injuries, Loss and Damage	0	0	0	0	0	0
5168	Taxes-Payroll	297,029	32,482	15,885	41,794	133,473	73,395
5169	Taxes-Other Than Payroll	0	0	0	0	0	0
5171	Other Expense	1,864,975	188,282	99,553	87,339	948,570	541,231
5199	Total Flying Operations	21,283,166	2,234,029	1,282,741	1,591,649	8,904,566	7,270,181
<b>DIRECT MAINTENANCE-FLIGHT EQUIP</b>							
5225.1	Maint Airf. Labor	1,301,698	137,270	67,017	141,001	558,694	397,716
5225.2	Maint Eng. Labor	89,901	7,092	3,449	7,316	48,630	23,414
5243.1	Maint Airf. Outside Rep.	1,955,580	257,865	222,618	16,114	714,745	744,238
5243.2	Maint Eng. Outside Rep.	3,804,647	316,693	116,633	327,060	2,492,966	551,295
5243.7	Maint AC Interch. Chrgs-O/S	0	0	0	0	0	0
5246.1	Maint Materials - Airframe	565,553	77,999	81,762	40,126	271,822	93,844
5246.2	Maint Materials - Engines	175,829	123,220	10,158	1,999	39,797	655
5272.1	Maint Airfrm Airworth. Provs.	0	0	0	0	0	0
5272.3	Maint Airfrm O/H Deferred	0	0	0	0	0	0
5272.6	Maint AC Eng. Airworth. Prov	86,224	86,224	0	0	0	0
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0	0	0	0	0
5278	Total Dir Maint-Flt.Eqpt	7,979,432	1,006,363	501,637	533,616	4,126,654	1,811,162
5279.6	APPL. MAINT BURDEN FLT. EQ.	2,394,268	211,418	115,604	291,686	1,225,527	550,033
5299	Total Flt. Eq. Maint. (Memo)	10,373,700	1,217,781	617,241	825,302	5,352,181	2,361,195
7073.9	NET OBSL & DETER.- EXP. PARTS	36,450	27,600	3,450	5,400	0	0
<b>DEPRECIATION - FLIGHT EQUIPMENT</b>							
7075.1	Depr. Airframes	76,366	76,366	0	0	0	0
7075.2	Depr. Aircraft Engines	50,451	6,115	0	0	20,250	24,086
7075.3	Depr. Airframe Parts	0	0	0	0	0	0
7075.4	Depr. Engine Parts	0	0	0	0	0	0
7075.5	Depr. Other Flt Eqp.	257,246	61,777	36,475	11,622	35,055	112,317
7076.1	Amort. Cap. Leases Flt.Eqpt.	263,228	0	263,228	0	0	0
<b>EXPENSE OF INTERCHANGE AIRCRAFT</b>							
7098.1	Exp. of Interch. AC- Flt. Ops	0	0	0	0	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0	0	0	0	0
7098.9	Total Aircraft Operating Expens	32,340,607	3,623,668	2,203,135	2,433,973	14,312,052	9,767,779
<b>OTHER DEPRECIATION &amp; AMORTIZATI</b>							
7074.1	Amortization Developmental &Pre	0	0	0	0	0	0
7074.2	Amortization Other Intangibles	21,667	0	0	0	0	0
7075.8	Depreciation Hangar & Maint. Eq	0	0	0	0	0	0
7075.9	Depreciation Ground Property	201,579	0	0	0	0	0
7076.2	Amort. Capital Leases Other	0	0	0	0	0	0

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-6

Operation : Domestic 9ND

LINE#	DESCRIPTION	AMOUNT
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	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	0
Line 4	Flight Personnel	4,306,784
Line 5	Maintenance Labor	1,391,599
Line 6	Aircr. & Traffic Hndl. Per.	2,974,452
Line 7	Other Personnel	1,357,560
Line 8	Total Salaries	10,030,395
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	1,931,446
Line 11	Empl. Benefits & Pensions	206,812
Line 12	Payroll Taxes	836,099
Line 13	Total Fringe Benefits	2,974,357
Line 14	Total Salaries & Benefits	13,004,752
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	5,357,650
Line 17	Maintenance Materials	741,603
Line 18	Passenger Food	34,351
Line 19	Other Materials	534,343
Line 20	Total Materials	6,667,947
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	374
Line 23	Communications	111,794
Line 24	Insurance	812,130
Line 25	Outside Flight Eqpt. Maint.	5,975,179
Line 26	Traffic Commissions - Passenger	1,082,845
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	6,536,432
Line 29	Total Services	14,518,754
Line 30	LANDING FEES	1,407,049
Line 31	RENTALS	10,193,143
Line 32	DEPRECIATION	885,321
Line 33	AMORTIZATION	21,667
Line 34	OTHER	1,743,871
Line 35	TRANSPORT RELATED EXPENSES	274,628
Line 36	TOTAL OPERATING EXPENSES	48,717,132