

## BALANCE SHEET

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

Air Carrier:  
 Operation : Domestic W9D  
 AMOUNT

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	10,849,741
2025	Accts. Payable - Other	177,925
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	256,590
2120	Accrued Vacation Pay	48,713
2125	Accrued Interest	0
2130	Accrued Taxes	0
2140	Dividends Declared	0
2160	Air Traffic Liability	1,922,525
2190	Other Current Liabilities	3,632,707
2199	Total Current Liabilities	16,888,201
	NONCURRENT LIABILITIES	
2210	Long-term Debt	0
2240	Advances from Assoc. Companies	0
2250	Pension Liability	1,195,148
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	1,195,148
	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	0
2860	Subscribed & Unissued	0
2869	Total Capital Stock	0
2890	Additional Capital Invested	18,068,439
2899	Total Paid in Capital	18,068,439
2900	Retained Earnings	-29,158,356
2959	Total Stockholders' Equity	-11,089,917
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-11,089,917
2999	Total Liab. & Stockholders' Eq.	6,993,432
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

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ACCT#	DESCRIPTION	AMOUNT
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
1010	Cash	898,009
1100	Short-Term Investments	80,000
1200	Notes Receivable	0
1270	Accounts Receivable	3,335,544
1290	Less Allow. for Bad Debts	23,291
1299	Net Notes & Accounts Receivable	3,312,253
1399	Net Spare Parts & Supplies	663,908
1410	Prepaid Items	1,431,535
1420	Other Current Assets	0
1499	Total Current Assets	6,385,705
<b>INVESTMENTS IN SPECIAL FUNDS</b>		
1510	Inv. in Associated Companies	0
1530	Other Investments & Receivables	0
1550	Special Funds	0
1599	Total Inv. & Special Funds	0
<b>OPERATING PROPERTY &amp; EQUIPMENT</b>		
1609	Flight Equipment	0
1649	Ground-Property and Equipment	2,162,913
1668	Less Allowance for Depreciation	2,046,321
1675	Property & Equipment - Net	116,592
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	116,592
<b>NONOPERATING PROP. &amp; EQUIPMENT</b>		
1791	NONOPERATING PROP. & EQUIPMENT	7,676
1792	Less Allow. for Depr. - Nonop.	0
1799	Net Nonoperating Prop. & Eqmt.	7,676
<b>OTHER ASSETS</b>		
1820	Long-term Prepayments	483,459
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	0
1895	Total Other Assets	483,459
1899	<b>TOTAL ASSETS</b>	<b>6,993,432</b>

## STATEMENT OF OPERATIONS

Quarter Ended: March 31, 1999

Air Carrier:

Schedule P-1.2 Group I

Operation : Domestic W9D

ACCT#	DESCRIPTION	AMOUNT
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OPERATING REVENUES		
3901	Transport Revenue - Passenger	6,565,727
3905	Mail	0
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	101,009
3919.2	Misc. Operating Revenues	21,007
4808	Public Service Subsidy	0
4898	Transport Related	3,077
4999	Total Operating Revenue	6,690,820
OPERATING EXPENSES		
5100	Flying Operations	1,711,667
5400	Maintenance	826,842
6900	General Services and Administration	5,370,866
7000	Depreciation & Amortization	395,765
7100	Transport Related Expenses	0
7199	Total Operating Expenses	8,305,140
7999	Operating Profit or Loss	-1,614,320
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	83,888
8182	Other Interest Expense (Income)	0
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-12,322
8199	Nonoperating Expense (Income)	71,566
8999	Income Before Income Taxes	-1,685,886
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	-1,685,886
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-1,685,886
9800	Accounting Changes	0
9899	Net Income	-1,685,886

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: March 31, 1999  
 Air Carrier: Operation: Domestic W9D  
 Total Eq B-727-2  
 Code 9999 Code 7151

ACCT #	DESCRIPTION	Total Eq Code 9999	B-727-2 Code 7151
	DIRECT EXPENSES:		
	FLYING OPERATIONS (Less Rentals		
3	Pilots and Copilots (S&W &Benef	770,176	770,176
4	Aircraft Fuel and Oil	941,491	941,491
5	Other	0	0
6	Total Flying Ops. (Less Rentals	1,711,667	1,711,667
7	Maintenance - Flight Equipment	826,842	826,842
8	Depr. & Rental - Flight Equipme	0	0
9	Total Direct Expenses	2,538,509	2,538,509

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: March 31, 1999  
 Schedule P-6

Air Carrier:  
 Operation : Domestic W9D

LINE#	DESCRIPTION	AMOUNT
<hr style="border-top: 1px dashed black;"/>		
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	765,456
Line 4	Flight Personnel	774,350
Line 5	Maintenance Labor	14,972
Line 6	Aircr. & Traffic Hndl. Per.	0
Line 7	Other Personnel	0
Line 8	Total Salaries	1,554,778
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	181,956
Line 11	Empl. Benefits & Pensions	-6,383
Line 12	Payroll Taxes	221,613
Line 13	Total Fringe Benefits	397,186
Line 14	Total Salaries & Benefits	1,951,964
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	941,491
Line 17	Maintenance Materials	395,453
Line 18	Passenger Food	18,025
Line 19	Other Materials	31,481
Line 20	Total Materials	1,386,450
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	38,365
Line 23	Communications	167,881
Line 24	Insurance	416,034
Line 25	Outside Flight Eqpt. Maint.	398,682
Line 26	Traffic Commissions - Passenger	372,831
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	975,010
Line 29	Total Services	2,368,803
Line 30	LANDING FEES	360,928
Line 31	RENTALS	1,841,230
Line 32	DEPRECIATION	393,461
Line 33	AMORTIZATION	2,304
Line 34	OTHER	0
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	8,305,140