

## BALANCE SHEET

As At: June 30, 2000  
 Schedule B-1

Air Carrier:  
 Operation : Domestic NCD

ACCT#	DESCRIPTION	AMOUNT
ASSETS		
CURRENT ASSETS		
1010	Cash	403,131
1100	Short-Term Investments	100,000
1200	Notes Receivable	0
1270	Accounts Receivable	5,575,606
1290	Less Allow. for Bad Debts	174,287
1299	Net Notes & Accounts Receivable	5,401,319
1399	Net Spare Parts & Supplies	1,505,270
1410	Prepaid Items	244,639
1420	Other Current Assets	288,441
1499	Total Current Assets	7,942,800
INVESTMENTS IN SPECIAL FUNDS		
1510	Inv. in Associated Companies	280,001
1530	Other Investments & Receivables	0
1550	Special Funds	0
1599	Total Inv. & Special Funds	280,001
OPERATING PROPERTY & EQUIPMENT		
1609	Flight Equipment	22,756,876
1649	Ground-Property and Equipment	8,834,527
1668	Less Allowance for Depreciation	16,295,245
1675	Property & Equipment - Net	15,296,158
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	15,296,158
NONOPERATING PROP. & EQUIPMENT		
1791	Less Allow. for Depr. - Nonop.	1,725,392
1792	Net Nonoperating Prop. & Eqmt.	1,725,392
1799		0
OTHER ASSETS		
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	305,909
1895	Total Other Assets	305,909
1899	TOTAL ASSETS	23,824,868

## BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic NCD

ACCT# DESCRIPTION AMOUNT

ACCT#	DESCRIPTION	AMOUNT
	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	1,199,574
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	1,021,571
2021	Trade Accts. Payable	3,397,133
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	438,917
2120	Accrued Vacation Pay	439,997
2125	Accrued Interest	19,512
2130	Accrued Taxes	243,702
2140	Dividends Declared	0
2160	Air Traffic Liability	0
2190	Other Current Liabilities	55,229
2199	Total Current Liabilities	6,815,635
	NONCURRENT LIABILITIES	
2210	Long-term Debt	7,471,213
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	7,471,213
	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	200,000
2860	Subscribed & Unissued	0
2869	Total Capital Stock	200,000
2890	Additional Capital Invested	0
2899	Total Paid in Capital	200,000
2900	Retained Earnings	9,338,020
2959	Total Stockholders' Equity	9,538,020
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	9,538,020
2999	Total Liab. & Stockholders' Eq.	23,824,868
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 NCD

ACCT#	DESCRIPTION	AMOUNT
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OPERATING REVENUES		
3901	Transport Revenue - Passenger	0
3905	Mail	2,862,220
3906.1	Property - Freight	4,618,882
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	0
3907.2	Charter - Property	603,045
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	0
4808	Public Service Subsidy	0
4898	Transport Related	2,374,802
4999	Total Operating Revenue	10,458,949
OPERATING EXPENSES		
5100	Flying Operations	3,470,528
5400	Maintenance	3,248,009
6900	General Services and Administration	2,556,511
7000	Depreciation & Amortization	372,355
7100	Transport Related Expenses	1,749,075
7199	Total Operating Expenses	11,396,478
7999	Operating Profit or Loss	-937,529
NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap.Leases	205,760
8182	Other Interest Expense (Income)	0
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op.Prop.	-4,358
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) + Net	-702,282
8199	Nonoperating Expense (Income)	-500,880
8999	Income Before Income Taxes	-436,649
9100	Income Tax Expense	0
9199	Inc. Bf. Disc. Ops & Other Items	-436,649
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord.Item	0
9799	Income Before Account. Changes	-436,649
9800	Accounting Changes	0
9899	Net Income	-436,649

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000				
Air Carrier:		Operation: Domestic		NCD
ACCT #	DESCRIPTION	Total Eqp Code 9999	DC-6 Code 2162	B-727-QC Code 7112
	DIRECT EXPENSES:			
	FLYING OPERATIONS (Less Rentals)			
3	Pilots and Copilots (S&W &Benef	1,016,289	676,191	340,098
4	Aircraft Fuel and Oil	2,346,378	1,588,035	758,343
5	Other	348,977	204,692	144,285
6	Total Flying Ops. (Less Rentals	3,711,644	2,468,918	1,242,726
7	Maintenance - Flight Equipment	3,218,555	2,368,408	850,147
8	Depr. & Rental - Flight Equipme	84,069	0	84,069
9	Total Direct Expenses	7,014,268	4,837,326	2,176,942

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000  
 Schedule P-6

Air Carrier:  
 Operation : Domestic NCD

LINE#	DESCRIPTION	AMOUNT
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	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	160,459
Line 4	Flight Personnel	832,390
Line 5	Maintenance Labor	900,309
Line 6	Aircr. & Traffic Hndl. Per.	429,554
Line 7	Other Personnel	707,208
Line 8	Total Salaries	3,029,920
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	177,916
Line 11	Empl. Benefits & Pensions	172,421
Line 12	Payroll Taxes	269,092
Line 13	Total Fringe Benefits	619,429
Line 14	Total Salaries & Benefits	3,649,349
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	2,346,378
Line 17	Maintenance Materials	675,016
Line 18	Passenger Food	0
Line 19	Other Materials	96,120
Line 20	Total Materials	3,117,514
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	63,465
Line 23	Communications	36,307
Line 24	Insurance	72,197
Line 25	Outside Flight Eqpt. Maint.	1,126,138
Line 26	Traffic Commissions - Passenger	0
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	1,044,845
Line 29	Total Services	2,342,952
Line 30	LANDING FEES	35,152
Line 31	RENTALS	122,992
Line 32	DEPRECIATION	372,355
Line 33	AMORTIZATION	0
Line 34	OTHER	7,089
Line 35	TRANSPORT RELATED EXPENSES	1,749,075
Line 36	TOTAL OPERATING EXPENSES	11,396,478