

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic NJD

ACCT#	DESCRIPTION	AMOUNT
ASSETS		
CURRENT ASSETS		
1010	Cash	235,266
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	2,166,510
1290	Less Allow. for Bad Debts	82,863
1299	Net Notes & Accounts Receivable	2,083,647
1399	Net Spare Parts & Supplies	1,224,793
1410	Prepaid Items	1,617,769
1420	Other Current Assets	6,763,458
1499	Total Current Assets	11,924,933
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	9,834,864
1649	Ground-Property and Equipment	15,474,971
1668	Less Allowance for Depreciation	12,778,000
1675	Property & Equipment - Net	12,531,835
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	12,531,835
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	10,491,301
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	2,331,995
1895	Total Other Assets	12,823,296
1899	TOTAL ASSETS	37,280,064

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic NJD

ACCT#

DESCRIPTION

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	1,000,000
2021	Trade Accts. Payable	6,758,465
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	248,459
2110	Accrued Salaries & Wages	1,371,754
2120	Accrued Vacation Pay	657,418
2125	Accrued Interest	0
2130	Accrued Taxes	310,355
2140	Dividends Declared	0
2160	Air Traffic Liability	13,772,973
2190	Other Current Liabilities	16,290,342
2199	Total Current Liabilities	40,409,766
	NONCURRENT LIABILITIES	
2210	Long-term Debt	0
2240	Advances from Assoc. Companies	0
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	291,773
2290	Other Noncurrent Liabilities	5,063,383
2299	Total Noncurrent Liabilities	5,355,156
	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	302
2840	Common Shares Issued	17,110
2860	Subscribed & Unissued	0
2869	Total Capital Stock	17,412
2890	Additional Capital Invested	78,107,758
2899	Total Paid in Capital	78,125,170
2900	Retained Earnings	-86,610,028
2959	Total Stockholders' Equity	-8,484,858
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-8,484,858
2999	Total Liab. & Stockholders' Eq.	37,280,064
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 II	Operation :	Domestic	NJD
ACCT#	DESCRIPTION		AMOUNT
	OPERATING REVENUES		
3901	Transport Revenues - Passenger		35,709,528
3905	Mail		268,755
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		1,441,343
3919.2	Misc. Operating Revenues		94,746
4808	Public Service Subsidy		0
4898	Transport Related		133,357
4999	Total Operating Revenue		37,647,729
	OPERATING EXPENSES		
5100	Flying Operations		17,503,339
5400	Maintenance		8,095,014
5500	Passenger Service		2,186,595
6400	Aircraft & Traffic Servicing		5,537,454
6700	Promotion & Sales		4,717,658
6800	General & Administrative		1,189,486
7000	Depreciation & Amortization		893,067
7100	Transport Related Expenses		0
7199	Total Operating Expenses		40,122,613
7999	Operating Profit or Loss		-2,474,884
	NONOPERATING EXPENSE (INCOME)		
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases		18,697
8182	Other Interest Expense (Income)		-40,833
8185	Foreign Exchange (Gain) or Loss		0
8188.5	Capital (Gains)/Losses- Op.Prop.		0
	Capital (Gains)/Losses- Other		
8189	Other Expense (Income) - Net		244,635
8199	Nonoperating Expense (Income)		222,499
8999	Income Before Income Taxes		-2,697,383
9100	Income Tax Expense		0
9199	Inc. Bf. Disc. Ops & Other Items		-2,697,383
9600	Discontinued Operations		0
9796	Extraordinary Items		0
9797	Inc. Tax Appl. To Extraord. Item		0
9799	Income Before Account. Changes		-2,697,383
9800	Accounting Changes		0
9899	Net Income		-2,697,383

AC T #	DESCRIPTION	Total Eqp Code 9999	B-737-1/2 Code 6201
	FLYING OPERATIONS		
51 0003	Pilots and Copilots	1,685,263	1,685,263
51 0004	Other Flight Personnel	70,104	70,104
51 0008.1	Trainees and Instructors	9,616	9,616
51 0008	Personnel Expenses	346,365	346,365
51 0011	Prof. & Tech. Fees & Exp.	0	0
51 443-7	Aircraft Interch. -Outside	207,268	207,268
51 443-1	Aircraft Fuel	8,663,122	8,663,122
51 443-2	Aircraft Oil	0	0
51 443	Aircraft Rentals	5,131,684	5,131,684
51 443	Other Supplies	1,802	1,802
51 55-1	Insur. Purch. - General	257,163	257,163
51 55	Empl. Benefits and Pensions	92,054	92,054
51 57	Injuries, Loss and Damage	0	0
51 58	Taxes-Payroll	141,553	141,553
51 68	Taxes-Other Than Payroll	867,747	867,747
51 69	Other Expense	29,597	29,597
51 71	Total Flying Operations	17,503,338	17,503,338
	DIRECT MAINTENANCE-FLIGHT EQUIP		
5225-1	Maint Airf. Labor	406,664	406,664
5225-2	Maint Eng. Labor	101,816	101,816
5243-1	Maint Airf. Outside Rep.	1,452,412	1,452,412
5243-2	Maint Eng. Outside Rep.	0	0
5243-7	Maint AC Interch. Chrgs-O/S	0	0
5246-1	Maint Materials - Airframe	429,013	429,013
5246-2	Maint Materials - Engines	0	0
5272-1	Maint Airfrm Airworth. Provs.	0	0
5272-3	Maint Airfrm O/H Deferred	2,359,711	2,359,711
5272-5	Maint AC Eng. Airworth. Prov	0	0
5272-6	Maint AC Eng. O/H Def. (cr.)	1,754,590	1,754,590
5272-8	Total Dir Maint-Flt. Eqpt	6,504,206	6,504,206
5278	APPL. MAINT BURDEN FLT. EQ.	1,313,188	1,313,188
5279.6	Total Flt. Eq. Maint. (Memo)	7,817,394	7,817,394
5299			
7073.9	NET OBSL & DETER.- EXP. PARTS	0	0
	DEPRECIATION - FLIGHT EQUIPMENT		
7075.1	Depr. Airframes	0	0
7075.2	Depr. Aircraft Engines	19,833	19,833
7075.3	Depr. Airframe Parts	0	0
7075.4	Depr. Engine Parts	0	0
7075.5	Depr. Other Flt Eqp.	650,600	650,600
7075.6	Amort. Cap. Leases Flt. Eqpt.	0	0
7076.1	EXPENSE OF INTERCHANGE AIRCRAFT		
7098.1	Exp. of Interch. AC- Flt. Ops	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0
7098.9	Total Aircraft Operating Expens	25,991,165	25,991,165
	OTHER DEPRECIATION & AMORTIZATI		
7074.1	Amortization Developmental & Pre	0	0
7074.2	Amortization Other Intangibles	0	0
7075.8	Depreciation Hangar & Maint. Eq	0	0
7075.9	Depreciation Ground Property	222,634	222,634
7076.2	Amort. Capital Leases Other	0	0

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000
 Schedule P-6

Air Carrier:
 Operation : Domestic NJD

LINE#	DESCRIPTION	AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	762,379
Line 4	Flight Personnel	2,491,435
Line 5	Maintenance Labor	1,271,177
Line 6	Aircr. & Traffic Hndl. Per.	1,165,904
Line 7	Other Personnel	1,669,215
Line 8	Total Salaries	7,360,110
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	890,445
Line 11	Empl. Benefits & Pensions	418,883
Line 12	Payroll Taxes	553,978
Line 13	Total Fringe Benefits	1,863,306
Line 14	Total Salaries & Benefits	9,223,416
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	9,530,869
Line 17	Maintenance Materials	770,308
Line 18	Passenger Food	173,025
Line 19	Other Materials	395,420
Line 20	Total Materials	10,869,622
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	1,756,834
Line 23	Communications	417,944
Line 24	Insurance	551,236
Line 25	Outside Flight Eqpt. Maint.	4,815,774
Line 26	Traffic Commissions - Passenger	523,118
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	3,564,576
Line 29	Total Services	11,629,482
Line 30	LANDING FEES	627,532
Line 31	RENTALS	6,411,117
Line 32	DEPRECIATION	236,733
Line 33	AMORTIZATION	656,334
Line 34	OTHER	468,377
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	40,122,613