

BOSTON-MAINE AIRWAYS CORP.
Projected Pre-operating Expenses (Large-Aircraft Operations)

<u>Item</u>	<u>Total Projected Pre-Operating Expense</u>	<u>Total Pre-Op Remaining Unpaid</u>
New Station Expense (SJU & STT)	\$ 24,000	\$ 24,000
Advertising and Promotion	30,000	30,000
Reservation System	---	---
DOT/FAA Certification Expense (including legal and consulting fees)	6,000	6,000
Aircraft Acquisition and Upgrade Expense	250,000	---
Dispatch Center	5,000	---
Crew Training and Salaries	110,000	110,000
Hull and Liability Insurance	<u>282,000</u>	<u>---</u>
Totals	\$707,000	\$170,000

BOSTON-MAINE AIRWAYS CORP.
Balance Sheet
(Unaudited)
June 30, 2002

CURRENT ASSETS	
CASH	\$ 128,050
ACCOUNTS RECEIVABLE	103,790
SPARE PARTS AND SUPPLIES	399,410
ASSETS HELD FOR DISPOSITION	324,680
PREPAID ITEMS	3,080
AVAILABLE CREDIT FACILITY	500,000
OTHER ASSETS	
Property and Equipment	
Aircraft (Improvements to Leased Property)	1,621,200
Flight Equipment Rotable Parts	795,010
Ground Equipment & Vehicles	46,000
Test Equipment & Tooling	1,48,250
Office Furniture & Equipment	21,400
Accumulated Depreciation	(221,600)
Net	2,410,260
Intellectual Property/Goodwill	50,000
TOTAL ASSETS	\$3,919,270
CURRENT LIABILITIES	
Trade Accounts Payable	\$ 197,750
Accrued Salaries & Wages	37,900
Accrued Taxes	25,300
Accrued Lease Obligations	58,680
Other Current Liabilities	5,120
TOTAL CURRENT LIABILITIES	\$ 324,750
AVAILABLE CREDIT FACILITY	\$ 500,000
STOCKHOLDERS EQUITY	
Common Stock	100,000
Additional Paid-in Capital	6,990,000
Retained Earnings	(3,995,480)
TOTAL LIABILITIES AND EQUITY	\$3,919,270

BOSTON-MAINE AIRWAYS CORP.
Profit & Loss Statement
January-December 2000

Operating Revenues:

Passenger (Scheduled)	-0-
Passenger (Charter)	1,587,150
Property (Charter)	18,452
Misc. Operating Revenue	1,974
Total Operating Revenue	<u>1,607,576</u>

Operating Expenses:

Flying Operations	888,209
Maintenance	975,002
Passenger Service	85,663
Aircraft & Traffic Servicing	147,598
Promotion & Sales	34,610
General & Administrative	134,672
Depreciation	98,325
Total Operating Expense	<u>2,364,079</u>

Non-Operating Income & Expense:

Interest on Long-Term Debt	-0-
Other Interest Expense	-0-
Income Before Income Taxes	(756,503)
Income Taxes	-0-
Net Income (Loss)	(756,503)

BOSTON-MAINE AIRWAYS CORP.
Profit & Loss Statement
January-December 2001

Operating Revenues:

Passenger (Scheduled)	937
Passenger (Charter)	1,824,399
Property (Charter)	28,834
Misc. Operating Revenue	2,430
Total Operating Revenue	<u>1,895,588</u>

Operating Expenses:

Flying Operations	1,453,568
Maintenance	1,800,680
Passenger Service	98,755
Aircraft & Traffic Servicing	177,330
Promotion & Sales	45,985
General & Administrative	458,012
Depreciation	101,023
Total Operating Expense	<u>4,135,353</u>

Non-Operating Income & Expense:

Interest on Long-Term Debt	-0-
Other Interest Expense	-0-
Income Before Income Taxes	(2,239,765)
Income Taxes	-0-
Net Income (Loss)	(2,239,765)

BOSTON-MAINE AIRWAYS CORP.
Financial Fitness Test Calculation

Working Capital Requirement

25 % of First-Year Operating Expense	\$1,190,052	
Projected Unpaid Pre-Operating Expense	<u>170,000</u>	
Total Working Capital Requirement		<u>\$1,360,052</u>

Working Capital

Net Working Capital on Hand (current assets less current liabilities)	634,260	
Line of Credit Facility (from PAA)	<u>750,000</u>	
Total Working Capital		<u>1,384,260</u>
Working Capital Surplus/(Deficit)		<u>\$ 24,208</u>