

U.S. Department of Transportation
Research and Special Programs
Administration

REPORT OF FINANCIAL
AND OPERATING STATISTICS FOR
LARGE CERTIFICATED
AIR CARRIERS

Period Ended December 31, 2005

Grand Holdings, Inc. dba Champion Air
(Full name of reporting company)

CERTIFICATION*

I, the undersigned Vice President & Chief Financial Officer
(Title of officer in charge of accounts)

of the Grand Holdings, Inc. dba Champion Air
(Full name of reporting company)

do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certified Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.



(Signature)

8009 34th Ave S, Suite 500
Bloomington, MN 55425

(Air Carrier Post Office Address)

Dated 2/2/06

*Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedure, makes it a criminal offense subject to a maximum fine of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.

BALANCE SHEET

As At: December 31, 2005
 Schedule B-1

Air Carrier: Champion Air
 Operation : Domestic MGD

ACCT#	DESCRIPTION	AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	13,819,142
1100	Short-Term Investments	4,099,621
1200	Notes Receivable	0
1270	Accounts Receivable	6,014,859
1290	Less Allow. for Bad Debts	0
1299	Net Notes & Accounts Receivable	6,014,859
1399	Net Spare Parts & Supplies	0
1410	Prepaid Items	127,649
1420	Other Current Assets	0
1499	Total Current Assets	24,061,271
	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	28,510,955
1649	Ground-Property and Equipment	7,247,964
1668	Less Allowance for Depreciation	16,296,948
1675	Property & Equipment - Net	19,461,971
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	19,461,971
	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	12,206,269
1895	Total Other Assets	12,206,269
1899	TOTAL ASSETS	55,729,511

BALANCE SHEET

As At: December 31, 2005
 Schedule B-1

Air Carrier: Champion Air
 Operation : Domestic MGD

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	6,164,386
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	2,043,603
2120	Accrued Vacation Pay	606,539
2125	Accrued Interest	0
2130	Accrued Taxes	1,299,681
2140	Dividends Declared	0
2160	Air Traffic Liability	4,099,621
2190	Other Current Liabilities	6,804,430
2199	Total Current Liabilities	21,018,260
	NONCURRENT LIABILITIES	
2210	Long-term Debt	45,950,499
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	45,950,499
	DEFERRED CREDITS	
2340	Deferred Income Taxes	1,765,371
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	0
2399	Total Deferred Credits	1,765,371
	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	1,000
2899	Total Paid in Capital	1,000
2900	Retained Earnings	-13,005,619
2959	Total Stockholders' Equity	-13,004,619
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-13,004,619
2999	Total Liab. & Stockholders' Eq.	55,729,511
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0