

REPORT OF FINANCIAL AND OPERATING
STATISTICS FOR LARGE CERTIFICATED AIR CARRIERS

KAQ

Period ended December 31, 20 05

Kalitta Air, LLC

(Full name of reporting company)

CERTIFICATION *

I, the undersigned Vice-President & General Manager
(Title of officer in charge of accounts)

of the Kalitta Air, LLC
(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 herewith or have been 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 Certificated 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.

W.C. Scandellini
(Signature)

818 Willow Run Airport, Ypsilanti, MI
(Air carrier post office address) 48198

Dated March 31, 20 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.
- The Confidential Information Protection and Statistical Efficiency Act 2002 (44 USC 3501), requires a statistical agency to clearly identify information it collects for non-statistical purposes. BTS hereby notifies the respondents and the public that TS uses the information it collects under this OMB approval for non-statistical purposes including, publication of both respondent's identity and it's data, submission of the information to agencies outside BTS for review, analysis and possible use in regulatory and other administrative matters.
- Per quarter, it can take each air carrier between 30 and 300 hours to complete the required financial reports and between 1 and 12 hours to complete the required T-100 monthly traffic reports.

BALANCE SHEET

As At: December 31, 2005
 Schedule B-1
 ACCT# DESCRIPTION

Air Carrier: Kalitta Air
 Operation : Domestic KAQD
 AMOUNT

ASSETS		
CURRENT ASSETS		
1010	Cash	61,447,502
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	33,513,486
1290	Less Allow. for Bad Debts	1,676,000
1299	Net Notes & Accounts Receivable	31,837,486
1399	Net Spare Parts & Supplies	6,096,828
1410	Prepaid Items	2,588,187
1420	Other Current Assets	586,279
1499	Total Current Assets	102,556,282
INVESTMENTS IN SPECIAL FUNDS		
1510	Inv. in Associated Companies	0
1530	Other Investments & Receivables	89,105,514
1550	Special Funds	0
1599	Total Inv. & Special Funds	89,105,514
OPERATING PROPERTY & EQUIPMENT		
1609	Flight Equipment	87,872,209
1649	Ground-Property and Equipment	2,616,937
1668	Less Allowance for Depreciation	25,778,252
1675	Property & Equipment - Net	64,710,894
1679	Land	0
1685	Purchase Dep. & Adv. Payments	19,094,516
1689	Construction Work-in-progress	0
1695	Leased Property - Cap. Leases	0
1696	Accum. Amort. Capital Leases	0
1699	Total Oper. Prop. & Equipment	83,805,410
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	171,370
1890	Other Assets and Def. Charges	0
1895	Total Other Assets	171,370
1899	TOTAL ASSETS	275,638,576