



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

REPORT OF FINANCIAL AND OPERATING STATISTICS FOR LARGE CERTIFICATED AIR CARRIERS

Period ended June 30 2000

Grand Holdings, Inc. d/b/a Champion Air
(Full name of reporting company)

MGV

CERTIFICATION*

I, the undersigned Chief Financial Officer

(Title of officer in charge of accounts)

of the Grand Holdings, Inc. d/b/a 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 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.

(Signature)

8009 34th Ave. S., Suite 700
Bloomington, MN 55425

(Air Carrier Post Office Address)

Dated 8-9 2000

* 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: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic MGD

ACCT# DESCRIPTION

AMOUNT

	ASSETS	
	CURRENT ASSETS	
1010	Cash	11,243,190
1100	Short-Term Investments	8,672,762
1200	Notes Receivable	0
1270	Accounts Receivable	2,879,980
1290	Less Allow. for Bad Debts	0
1299	Net Notes & Accounts Receivable	2,879,980
1399	Net Spare Parts & Supplies	0
1410	Prepaid Items	716,547
1420	Other Current Assets	0
1499	Total Current Assets	23,512,479
	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	9,981,458
1649	Ground-Property and Equipment	2,438,054
1668	Less Allowance for Depreciation	2,018,624
1675	Property & Equipment - Net	10,400,888
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	10,400,888
	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	221,454
1895	Total Other Assets	221,454
1899	TOTAL ASSETS	34,134,821

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

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	9,019,064
2025	Accts. Payable - Other	0
2080	Curr. Oblig. Under Cap. Leases	0
2110	Accrued Salaries & Wages	0
2120	Accrued Vacation Pay	0
2125	Accrued Interest	0
2130	Accrued Taxes	0
2140	Dividends Declared	0
2160	Air Traffic Liability	8,672,762
2190	Other Current Liabilities	9,723,450
2199	Total Current Liabilities	27,415,276
	NONCURRENT LIABILITIES	
2210	Long-term Debt	17,820,976
2240	Advances from Assoc. Companies	818,524
2250	Pension Liability	0
2280	Noncurrent Obgl.-Capital Leases	0
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	18,639,500
	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	0
2860	Subscribed & Unissued	0
2869	Total Capital Stock	0
2890	Additional Capital Invested	2,045,258
2899	Total Paid in Capital	2,045,258
2900	Retained Earnings	-13,965,213
2959	Total Stockholders' Equity	-11,919,955
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	-11,919,955
2999	Total Liab. & Stockholders' Eq.	34,134,821
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0



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

INVENTORY OF AIRFRAMES AND AIRCRAFT ENGINES

Air Carrier **GRAND HOLDINGS, INC. D/B/A CHAMPION AIR**

Year Ended December 31, **1999**

MG ✓

Line Number	Year of First Delivery (Airframe)	Airframe Manufacturer's Serial Number	Airframe License Number*	Date Acquired	Usual Seat Configuration	Number of Aircraft Engines (By Type)	Manufacturer	Type, Model and Cabin Design	Available Capacity (Weight)	Acquired Cost or Capitalized Value	Allowance for Depreciation or Amortization	Depreciated Cost or Amortized Value	Estimated Residual Value	Estimated Depreciable or Amortizable Life (Months)
1														
2														
3	1978	21458	N292AS*	12/21/1998	173	JT8D-17	Boeing	B - 727 - 212	39,000	\$98,953	\$4,459	\$94,494	-\$0-	72
4	1977	21348	N293AS*	09/23/1997	173	JT8D-17	Boeing	B - 727 - 212	39,000	\$87,283	\$8,177	\$79,106	-\$0-	81
5	1980	22146	N294AS*	08/26/1998	173	JT8D-17	Boeing	B - 727 - 290	39,000	\$39,266	\$6,150	\$33,116	-\$0-	68
6	1980	22147	N295AS*	08/01/1997	173	JT8D-17	Boeing	B - 727 - 290	39,000	\$94,025	\$3,979	\$90,046	-\$0-	81
7	1980	22020	N681CA*	02/01/1999	173	JT8D-17	Boeing	B - 727 - 2S7	39,000	\$3,438	\$354	\$3,084	-\$0-	75
8	1980	22019	N682CA*	01/25/1999	173	JT8D-17	Boeing	B - 727 - 2S7	39,000	\$3,438	\$354	\$3,084	-\$0-	72
9	1981	22490	N683CA*	12/21/1999	173	JT8D-17	Boeing	B - 727 - 2S7	39,000	\$0	\$0	\$0	-\$0-	84
10	1981	22491	N684CA*	12/03/1999	173	JT8D-17	Boeing	B - 727 - 2S7	39,000	\$0	\$0	\$0	-\$0-	83
11	1981	22492	N685CA*	12/17/1999	173	JT8D-17	Boeing	B - 727 - 2S7	39,000	\$0	\$0	\$0	-\$0-	84
12	1981	22574	N696CA*	10/23/1997	173	JT8D-17	Boeing	B - 727 - 2J4	39,000	\$97,668	\$2,156	\$95,512	-\$0-	55
13	1983	23052	N697CA*	11/26/1997	173	JT8D-17	Boeing	B - 727 - 270	39,000	\$938	\$62	\$876	-\$0-	56
14	*** ALL AIRCRAFT ARE UNDER OPERATING LEASES ***													
15														
16														
17														
18														
19														
20														

RSPA Form 41 Schedule B-43

* Denotes airframe currently equipped under FAA Regulation Part 121 for operation over water.



STATEMENT OF CASH FLOWS

Cash at Beginning of Quarter	\$ 6,165,507
Cash Flows from Operations	
Pre Tax Income (Loss)	2,574,203
Adjustments to reconcile Net Income (Loss) to Net Cash	
Depreciation and Amortization	419,891
Bad Debt Reserve	-
Change in Assets & Liabilities	
Accounts Receivable	(296,278)
Prepaid Expenses	(796,015)
Inventory	-
Other Current Assets	-
Accounts Payable	2,071,510
Other Current Liabilities	1,999,554
Air Traffic Liability	-
Deferred Taxes	-
Deposits and Other Assets	(14,750)
Net Cash provided (used) by Operations	5,958,115
Cash Flow from Investing Activities	
Capital Expenditures	(1,286,676)
Airframe and Engine Overhauls	-
Net Cash provided (used) by Investing Activities	(1,286,676)
Cash Flow from Financing Activities	
Net Short Term borrowing (investing)	-
Net Long Term borrowing (investing)	406,245
Other	-
Net Cash provided (used) by Financing Activities	406,245
Net Increase (Decrease) in Cash	5,077,684
Cash at end of Quarter	\$ 11,243,191

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-1.2 Group I

Operation : Domestic MGD

ACCT#	DESCRIPTION	AMOUNT
	OPERATING REVENUES	
3901	Transport Revenue - Passenger	0
3905	Mail	49,713
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	19,535,046
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	4,591
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	19,589,350
	OPERATING EXPENSES	
5100	Flying Operations	8,205,449
5400	Maintenance	3,136,315
6900	General Services and Administration	5,675,073
7000	Depreciation & Amortization	220,300
7100	Transport Related Expenses	28,488
7199	Total Operating Expenses	17,265,625
7999	Operating Profit or Loss	2,323,725
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	217,719
8182	Other Interest Expense (Income)	-95,862
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	0
8199	Nonoperating Expense (Income)	121,857
8999	Income Before Income Taxes	2,201,868
9100	Income Tax Expense	827,655
9199	Inc. Bf. Disc. Ops & Other Items	1,374,213
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	1,374,213
9800	Accounting Changes	0
9899	Net Income	1,374,213

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000
 Schedule P-1.2 Group I
 ACCT# DESCRIPTION

Air Carrier:
 Operation : International MGI
 AMOUNT

	OPERATING REVENUES	
3901	Transport Revenue - Passenger	0
3905	Mail	0
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	17,698,660
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	4,160
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	17,702,820
	OPERATING EXPENSES	
5100	Flying Operations	7,434,098
5400	Maintenance	2,841,486
6900	General Services and Administration	5,141,590
7000	Depreciation & Amortization	199,591
7100	Transport Related Expenses	25,810
7199	Total Operating Expenses	15,642,575
7999	Operating Profit or Loss	2,060,245
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	197,252
8182	Other Interest Expense (Income)	-86,851
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	0
8199	Nonoperating Expense (Income)	110,401
8999	Income Before Income Taxes	1,949,844
9100	Income Tax Expense	749,852
9199	Inc. Bf. Disc. Ops & Other Items	1,199,992
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	1,199,992
9800	Accounting Changes	0
9899	Net Income	1,199,992

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000
 Schedule P-1.2 Group I
 ACCT# DESCRIPTION

Air Carrier:
 Operation : System MGS
 AMOUNT

	OPERATING REVENUES	
3901	Transport Revenue - Passenger	0
3905	Mail	49,713
3906.1	Property - Freight	0
3906.2	Property - Excess Baggage	0
3907.1	Charter - Passenger	37,233,706
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	8,751
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	37,292,170
	OPERATING EXPENSES	
5100	Flying Operations	15,639,547
5400	Maintenance	5,977,801
6900	General Services and Administration	10,816,663
7000	Depreciation & Amortization	419,891
7100	Transport Related Expenses	54,298
7199	Total Operating Expenses	32,908,200
7999	Operating Profit or Loss	4,383,970
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	414,971
8182	Other Interest Expense (Income)	-182,713
8185	Foreign Exchange (Gain) or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	0
8199	Nonoperating Expense (Income)	232,258
8999	Income Before Income Taxes	4,151,712
9100	Income Tax Expense	1,577,507
9199	Inc. Bf. Disc. Ops & Other Items	2,574,205
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	2,574,205
9800	Accounting Changes	0
9899	Net Income	2,574,205

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000				
Air Carrier:		Operation: Domestic		MGD
		Total Eqp		
		B-727-2		
ACCT #	DESCRIPTION	Code 9999	Code 7151	

	DIRECT EXPENSES:			
	FLYING OPERATIONS (Less Rentals			
3	Pilots and Copilots (S&W & Benef	1,124,716	1,124,716	
4	Aircraft Fuel and Oil	4,554,216	4,554,216	
5	Other	5,105,131	5,105,131	
6	Total Flying Ops. (Less Rentals	10,784,063	10,784,063	
7	Maintenance - Flight Equipment	3,365,552	3,365,552	
8	Depr. & Rental - Flight Equipme	2,364,600	2,364,600	
9	Total Direct Expenses	16,514,215	16,514,215	

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000
 Air Carrier: Operation: International MGI
 Total Eqp 8-727-2
 Code 9999 Code 7151

ACCT #	DESCRIPTION		
	DIRECT EXPENSES:		
	FLYING OPERATIONS (Less Rentals		
3	Pilots and Copilots (S&W & Benef	1,018,987	1,018,987
4	Aircraft Fuel and Oil	4,126,098	4,126,098
5	Other	4,625,224	4,625,224
6	Total Flying Ops. (Less Rentals	9,770,309	9,770,309
7	Maintenance - Flight Equipment	3,049,174	3,049,174
8	Depr. & Rental - Flight Equipme	2,142,316	2,142,316
9	Total Direct Expenses	14,961,799	14,961,799

AIRCRAFT OPERATING EXP. - Sch. P-5.1 Grp I > 20M Qtr: June 30, 2000
Air Carrier:

Operation: System
Total Eqp 8-727-2
Code 9999 Code 7151

MGS

ACCT #	DESCRIPTION		

	DIRECT EXPENSES:		
3	FLYING OPERATIONS (Less Rentals		
4	Pilots and Copilots (S&W &Benef	2,143,703	2,143,703
5	Aircraft Fuel and Oil	8,680,314	8,680,314
6	Other	9,730,355	9,730,355
	Total Flying Ops. (Less Rentals	20,554,372	20,554,372
7	Maintenance - Flight Equipment	6,414,726	6,414,726
8	Depr. & Rental - Flight Equipme	4,506,916	4,506,916
9	Total Direct Expenses	31,476,014	31,476,014

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-6

Operation : Domestic MGD

LINE# DESCRIPTION AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	270,744
Line 4	Flight Personnel	1,377,918
Line 5	Maintenance Labor	534,025
Line 6	Aircr. & Traffic Hndl. Per.	348,216
Line 7	Other Personnel	28,348
Line 8	Total Salaries	2,559,251
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	347,929
Line 11	Empl. Benefits & Pensions	159,105
Line 12	Payroll Taxes	196,072
Line 13	Total Fringe Benefits	703,106
Line 14	Total Salaries & Benefits	3,262,357
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	4,554,216
Line 17	Maintenance Materials	1,005,182
Line 18	Passenger Food	442,408
Line 19	Other Materials	15,951
Line 20	Total Materials	6,017,757
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	3,313
Line 23	Communications	61,084
Line 24	Insurance	103,552
Line 25	Outside Flight Eqpt. Maint.	1,597,107
Line 26	Traffic Commissions - Passenger	1,465
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	404,345
Line 29	Total Services	2,170,866
Line 30	LANDING FEES	288,642
Line 31	RENTALS	2,273,315
Line 32	DEPRECIATION	220,300
Line 33	AMORTIZATION	0
Line 34	OTHER	3,003,900
Line 35	TRANSPORT RELATED EXPENSES	28,488
Line 36	TOTAL OPERATING EXPENSES	17,265,625

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-6

Operation : International MGI

LINE# DESCRIPTION

AMOUNT

	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	245,293
Line 4	Flight Personnel	1,248,388
Line 5	Maintenance Labor	483,824
Line 6	Aircr. & Traffic Hndl. Per.	315,482
Line 7	Other Personnel	25,684
Line 8	Total Salaries	2,318,671
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	315,222
Line 11	Empl. Benefits & Pensions	144,148
Line 12	Payroll Taxes	177,641
Line 13	Total Fringe Benefits	637,011
Line 14	Total Salaries & Benefits	2,955,682
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	4,126,098
Line 17	Maintenance Materials	910,691
Line 18	Passenger Food	400,819
Line 19	Other Materials	14,451
Line 20	Total Materials	5,452,059
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	3,001
Line 23	Communications	55,342
Line 24	Insurance	93,817
Line 25	Outside Flight Eqpt. Maint.	1,446,972
Line 26	Traffic Commissions - Passenger	1,327
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	366,334
Line 29	Total Services	1,966,793
Line 30	LANDING FEES	261,508
Line 31	RENTALS	2,059,612
Line 32	DEPRECIATION	199,591
Line 33	AMORTIZATION	0
Line 34	OTHER	2,721,520
Line 35	TRANSPORT RELATED EXPENSES	25,810
Line 36	TOTAL OPERATING EXPENSES	15,642,575

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000

Schedule P-6

Air Carrier:

Operation : System MGS

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	516,037
Line 4	Flight Personnel	2,626,306
Line 5	Maintenance Labor	1,017,849
Line 6	Aircr. & Traffic Hndl. Per.	663,698
Line 7	Other Personnel	54,032
Line 8	Total Salaries	4,877,922
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	663,151
Line 11	Empl. Benefits & Pensions	303,253
Line 12	Payroll Taxes	373,713
Line 13	Total Fringe Benefits	1,340,117
Line 14	Total Salaries & Benefits	6,218,039
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	8,680,314
Line 17	Maintenance Materials	1,915,873
Line 18	Passenger Food	843,227
Line 19	Other Materials	30,402
Line 20	Total Materials	11,469,816
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	6,314
Line 23	Communications	116,426
Line 24	Insurance	197,369
Line 25	Outside Flight Eqpt. Maint.	3,044,079
Line 26	Traffic Commissions - Passenger	2,792
Line 27	Traffic Commissions - Cargo	0
Line 28	Other Services	770,679
Line 29	Total Services	4,137,659
Line 30	LANDING FEES	550,150
Line 31	RENTALS	4,332,927
Line 32	DEPRECIATION	419,891
Line 33	AMORTIZATION	0
Line 34	OTHER	5,725,420
Line 35	TRANSPORT RELATED EXPENSES	54,298
Line 36	TOTAL OPERATING EXPENSES	32,908,200