Form **990** Department of the Treasury Internal Revenue Service

# Return of Organization Exempt From Income Tax

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047 **2003** Open to Public Inspection

**A For the 2003 calendar year, or tax year beginning and ending**

B Check if applicable: [ ] Address change [ ] Name change [ ] Initial return [ ] Final return [ ] Amended return [ ] Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: AIR SERV INTERNATIONAL, INC.

Number and street (or P.O. box if mail is not delivered to street address): 6583 MERCHANT PLACE — Room/suite: 100

City or town, state or country, and ZIP + 4: WARRENTON, VA 20187

**D Employer identification number:** 59-2500627

**E Telephone number:** 540-428-2323

**F** Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) ▶

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

*H and I are not applicable to section 527 organizations.*

**H(a)** Is this a group return for affiliates? [ ] Yes [X] No

**H(b)** If "Yes," enter number of affiliates ▶

**H(c)** Are all affiliates included? N/A [ ] Yes [ ] No (If "No," attach a list.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

**G Website:** ▶WWW.AIRSERV.ORG

**J Organization type** (check only one) ▶ [X] 501(c) ( 3 ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

**I** Group Exemption Number ▶

K Check here ▶ [ ] if the organization's gross receipts are normally not more than $25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

**M** Check ▶ [ ] if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 20,949,120.

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

**Revenue**

| | | | | | |
|---|---|---|---|---|---|
| 1 | Contributions, gifts, grants, and similar amounts received: | | | | |
| a | Direct public support | 1a | 1,718,713. | | |
| b | Indirect public support | 1b | | | |
| c | Government contributions (grants) | 1c | 11,112,624. | | |
| d | **Total** (add lines 1a through 1c) (cash $ 12,831,337. noncash $ ) | | | 1d | 12,831,337. |
| 2 | Program service revenue including government fees and contracts (from Part VII, line 93) | | | 2 | 7,849,796. |
| 3 | Membership dues and assessments | | | 3 | |
| 4 | Interest on savings and temporary cash investments | | | 4 | 30,876. |
| 5 | Dividends and interest from securities | | | 5 | |
| 6 a | Gross rents | 6a | | | |
| b | Less: rental expenses | 6b | | | |
| c | Net rental income or (loss) (subtract line 6b from line 6a) | | | 6c | |
| 7 | Other investment income (describe ▶ ) | | | 7 | |

| | | (A) Securities | | (B) Other |
|---|---|---|---|---|
| 8 a | Gross amount from sales of assets other than inventory | 96,028. | 8a | |
| b | Less: cost or other basis and sales expenses | | 8b | |
| c | Gain or (loss) (attach schedule) | 96,028. | 8c | |

| | | | | | |
|---|---|---|---|---|---|
| d | Net gain or (loss) (combine line 8c, columns (A) and (B)) STMT 1 | | | 8d | 96,028. |
| 9 | Special events and activities (attach schedule). If any amount is from **gaming**, check here ▶ [ ] | | | | |
| a | Gross revenue (not including $ of contributions reported on line 1a) | 9a | | | |
| b | Less: direct expenses other than fundraising expenses | 9b | | | |
| c | Net income or (loss) from special events (subtract line 9b from line 9a) | | | 9c | |
| 10 a | Gross sales of inventory, less returns and allowances | 10a | | | |
| b | Less: cost of goods sold | 10b | | | |
| c | Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) | | | 10c | |
| 11 | Other revenue (from Part VII, line 103) | | | 11 | 141,083. |
| 12 | **Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) | | | 12 | 20,949,120. |

**Expenses**

| | | | |
|---|---|---|---|
| 13 | Program services (from line 44, column (B)) | 13 | 14,399,901. |
| 14 | Management and general (from line 44, column (C)) | 14 | 1,852,004. |
| 15 | Fundraising (from line 44, column (D)) | 15 | 65. |
| 16 | Payments to affiliates (attach schedule) | 16 | |
| 17 | **Total expenses** (add lines 16 and 44, column (A)) | 17 | 16,251,970. |

**Net Assets**

| | | | |
|---|---|---|---|
| 18 | Excess or (deficit) for the year (subtract line 17 from line 12) | 18 | 4,697,150. |
| 19 | Net assets or fund balances at beginning of year (from line 73, column (A)) | 19 | 6,709,723. |
| 20 | Other changes in net assets or fund balances (attach explanation) | 20 | 0. |
| 21 | Net assets or fund balances at end of year (combine lines 18, 19, and 20) | 21 | 11,406,873. |

323001 12-17-03 LHA **For Paperwork Reduction Act Notice, see the separate instructions.** Form 990 (2003)

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. Page 2

| *Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.* | | (A) Total | (B) Program services | (C) Management and general | (D) Fundraising |
|---|---|---|---|---|---|
| 22 Grants and allocations (attach schedule) cash $ noncash $ | 22 | | | | |
| 23 Specific assistance to individuals (attach schedule) | 23 | | | | |
| 24 Benefits paid to or for members (attach schedule) | 24 | | | | |
| 25 Compensation of officers, directors, etc. | 25 | 97,883. | 64,414. | 33,469. | 0. |
| 26 Other salaries and wages | 26 | 2,406,126. | 1,583,390. | 822,736. | |
| 27 Pension plan contributions | 27 | 14,952. | 11,579. | 3,373. | |
| 28 Other employee benefits | 28 | 637,070. | 476,392. | 160,678. | |
| 29 Payroll taxes | 29 | 170,318. | 93,581. | 76,737. | |
| 30 Professional fundraising fees | 30 | | | | |
| 31 Accounting fees | 31 | 32,819. | 25,376. | 7,443. | |
| 32 Legal fees | 32 | | | | |
| 33 Supplies | 33 | 236,727. | 218,812. | 17,915. | |
| 34 Telephone | 34 | 195,647. | 159,946. | 35,701. | |
| 35 Postage and shipping | 35 | 172,891. | 129,218. | 43,673. | |
| 36 Occupancy | 36 | 114,643. | 45,623. | 69,020. | |
| 37 Equipment rental and maintenance | 37 | 461,874. | 408,862. | 53,012. | |
| 38 Printing and publications | 38 | 46,156. | 27,599. | 18,557. | |
| 39 Travel | 39 | 568,777. | 406,794. | 161,983. | |
| 40 Conferences, conventions, and meetings | 40 | | | | |
| 41 Interest | 41 | 14,180. | | 14,180. | |
| 42 Depreciation, depletion, etc. (attach schedule) | 42 | 178,018. | 172,556. | 5,462. | |
| 43 Other expenses not covered above (itemize): | | | | | |
| a | 43a | | | | |
| b | 43b | | | | |
| c | 43c | | | | |
| d | 43d | | | | |
| e SEE STATEMENT 2 | 43e | 10,903,889. | 10,575,759. | 328,065. | 65. |
| 44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15 | 44 | 16,251,970. | 14,399,901. | 1,852,004. | 65. |

**Joint Costs.** Check ▶ ☐ if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ▶ ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs $ ______ ; (ii) the amount allocated to Program services $ ______ ; (iii) the amount allocated to Management and general $ ______ ; and (iv) the amount allocated to Fundraising $ ______ .

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? ▶ SEE STATEMENT 3

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

| | Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.) |
|---|---|
| a PROVIDE SAFE AND COST-EFFECTIVE AIR TRANSPORTATION TO AGENCIES INVOLVED IN RELIEF AND DEVELOPMENT EFFORTS. MOZAMBIQUE (Grants and allocations $ ) | 1,318,510. |
| b DEMOCRATIC REPUBLIC OF CONGO (Grants and allocations $ ) | 3,281,540. |
| c AFGHANISTAN (Grants and allocations $ ) | 4,125,199. |
| d GUINEA (Grants and allocations $ ) | 774,183. |
| e Other program services (attach schedule) STATEMENT 4 (Grants and allocations $ ) | 4,900,469. |
| f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶ | 14,399,901. |

**Part IV** **Balance Sheets**

| | | **Note:** *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.* | | (A) Beginning of year | | (B) End of year |
|---|---|---|---|---|---|---|
| Assets | 45 | Cash - non-interest-bearing | | 1,359,296. | 45 | 1,202,644. |
| | 46 | Savings and temporary cash investments | | | 46 | 22,383. |
| | 47 a | Accounts receivable | 47a 842,576. | | | |
| | b | Less: allowance for doubtful accounts | 47b | 562,127. | 47c | 842,576. |
| | 48 a | Pledges receivable | 48a | | | |
| | b | Less: allowance for doubtful accounts | 48b | | 48c | |
| | 49 | Grants receivable | | 658,892. | 49 | 3,693,777. |
| | 50 | Receivables from officers, directors, trustees, and key employees | | | 50 | |
| | 51 a | Other notes and loans receivable | 51a | | | |
| | b | Less: allowance for doubtful accounts | 51b | | 51c | |
| | 52 | Inventories for sale or use | | 200,900. | 52 | 288,207. |
| | 53 | Prepaid expenses and deferred charges | | 173,614. | 53 | 206,265. |
| | 54 | Investments - securities STMT 5 ▶ ☐ Cost ☒ FMV | | 350,470. | 54 | 186,375. |
| | 55 a | Investments - land, buildings, and equipment: basis | 55a | | | |
| | b | Less: accumulated depreciation | 55b | | 55c | |
| | 56 | Investments - other | | | 56 | |
| | 57 a | Land, buildings, and equipment: basis | 57a 6,241,415. | | | |
| | b | Less: accumulated depreciation STMT 6 | 57b 1,765,665. | 4,601,812. | 57c | 4,475,750. |
| | 58 | Other assets (describe ▶ SEE STATEMENT 7 ) | | 2,060,209. | 58 | 3,728,350. |
| | 59 | **Total assets** (add lines 45 through 58) (must equal line 74) | | 9,967,320. | 59 | 14,646,327. |
| Liabilities | 60 | Accounts payable and accrued expenses | | 728,037. | 60 | 955,794. |
| | 61 | Grants payable | | | 61 | |
| | 62 | Deferred revenue | | 323,371. | 62 | 342,343. |
| | 63 | Loans from officers, directors, trustees, and key employees | | | 63 | |
| | 64 a | Tax-exempt bond liabilities | | | 64a | |
| | b | Mortgages and other notes payable STMT 8 | | 296,067. | 64b | 261,750. |
| | 65 | Other liabilities (describe ▶ SEE STATEMENT 9 ) | | 1,910,122. | 65 | 1,679,567. |
| | 66 | **Total liabilities** (add lines 60 through 65) | | 3,257,597. | 66 | 3,239,454. |
| Net Assets or Fund Balances | | **Organizations that follow SFAS 117, check here** ▶ ☒ and complete lines 67 through 69 and lines 73 and 74. | | | | |
| | 67 | Unrestricted | | 6,709,723. | 67 | 11,406,873. |
| | 68 | Temporarily restricted | | | 68 | |
| | 69 | Permanently restricted | | | 69 | |
| | | **Organizations that do not follow SFAS 117, check here** ▶ ☐ and complete lines 70 through 74. | | | | |
| | 70 | Capital stock, trust principal, or current funds | | | 70 | |
| | 71 | Paid-in or capital surplus, or land, building, and equipment fund | | | 71 | |
| | 72 | Retained earnings, endowment, accumulated income, or other funds | | | 72 | |
| | 73 | **Total net assets or fund balances** (add lines 67 through 69 **or** lines 70 through 72; column (A) **must** equal line 19; column (B) **must** equal line 21) | | 6,709,723. | 73 | 11,406,873. |
| | 74 | **Total liabilities and net assets / fund balances** (add lines 66 and 73) | | 9,967,320. | 74 | 14,646,327. |

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

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12-17-03

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return**

| | | | |
|---|---|---|---|
| a | Total revenue, gains, and other support per audited financial statements ▶ | a | 21,616,863. |
| b | Amounts included on line a but not on line 12, Form 990: | | |
| (1) | Net unrealized gains on investments $ | | |
| (2) | Donated services and use of facilities $ 35,447. | | |
| (3) | Recoveries of prior year grants $ | | |
| (4) | Other (specify): STMT 10 $ 1,229,067. | | |
| | Add amounts on lines (1) through (4) ▶ | b | 1,264,514. |
| c | Line a minus line b ▶ | c | 20,352,349. |
| d | Amounts included on line 12, Form 990 but not on line a: | | |
| (1) | Investment expenses not included on line 6b, Form 990 $ | | |
| (2) | Other (specify): STMT 12 $ 596,771. | | |
| | Add amounts on lines (1) and (2) ▶ | d | 596,771. |
| e | Total revenue per line 12, Form 990 (line c plus line d) ▶ | e | 20,949,120. |

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

| | | | |
|---|---|---|---|
| a | Total expenses and losses per audited financial statements ▶ | a | 16,904,898. |
| b | Amounts included on line a but not on line 17, Form 990: | | |
| (1) | Donated services and use of facilities $ 35,447. | | |
| (2) | Prior year adjustments reported on line 20, Form 990 $ | | |
| (3) | Losses reported on line 20, Form 990 $ | | |
| (4) | Other (specify): STMT 11 $ 1,214,252. | | |
| | Add amounts on lines (1) through (4) ▶ | b | 1,249,699. |
| c | Line a minus line b ▶ | c | 15,655,199. |
| d | Amounts included on line 17, Form 990 but not on line a: | | |
| (1) | Investment expenses not included on line 6b, Form 990 $ | | |
| (2) | Other (specify): STMT 13 $ 596,771. | | |
| | Add amounts on lines (1) and (2) ▶ | d | 596,771. |
| e | Total expenses per line 17, Form 990 (line c plus line d) ▶ | e | 16,251,970. |

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated.)

| (A) Name and address | (B) Title and average hours per week devoted to position | (C) Compensation (If not paid, enter -0-.) | (D) Contributions to employee benefit plans & deferred compensation | (E) Expense account and other allowances |
|---|---|---|---|---|
| SEE STATEMENT 14 | | 97,883. | 1,445. | 0. |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? If "Yes," attach schedule. ▶ [ ] Yes [X] No

## Part VI Other Information

| | | | Yes | No |
|---|---|---|---|---|
| 76 | Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity | 76 | | X |
| 77 | Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. | 77 | | X |
| 78 a | Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return? | 78a | | X |
| b | If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A | 78b | | |
| 79 | Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement | 79 | | X |
| 80 a | Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? | 80a | X | |
| b | If "Yes," enter the name of the organization ▶ AIR SERV LIMITED and check whether it is ☐ exempt or [X] nonexempt. | | | |
| 81 a | Enter direct or indirect political expenditures. See line 81 instructions — 81a: 0. | | | |
| b | Did the organization file **Form 1120-POL** for this year? | 81b | | X |
| 82 a | Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? | 82a | X | |
| b | If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) — 82b: 35,447. | | | |
| 83 a | Did the organization comply with the public inspection requirements for returns and exemption applications? | 83a | X | |
| b | Did the organization comply with the disclosure requirements relating to quid pro quo contributions? | 83b | X | |
| 84 a | Did the organization solicit any contributions or gifts that were not tax deductible? N/A | 84a | | |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A | 84b | | |
| 85 | *501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members? N/A | 85a | | |
| b | Did the organization make only in-house lobbying expenditures of $2,000 or less? N/A | 85b | | |
| | If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year. | | | |
| c | Dues, assessments, and similar amounts from members — 85c: N/A | | | |
| d | Section 162(e) lobbying and political expenditures — 85d: N/A | | | |
| e | Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices — 85e: N/A | | | |
| f | Taxable amount of lobbying and political expenditures (line 85d less 85e) — 85f: N/A | | | |
| g | Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A | 85g | | |
| h | If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A | 85h | | |
| 86 | *501(c)(7) organizations.* Enter: **a** Initiation fees and capital contributions included on line 12 — 86a: N/A | | | |
| b | Gross receipts, included on line 12, for public use of club facilities — 86b: N/A | | | |
| 87 | *501(c)(12) organizations.* Enter: **a** Gross income from members or shareholders — 87a: N/A | | | |
| b | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) — 87b: N/A | | | |
| 88 | At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX | 88 | X | |
| 89 a | *501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0. | | | |
| b | *501(c)(3) and 501(c)(4) organizations.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction | 89b | | X |

c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.

d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.

90 a List the states with which a copy of this return is filed ▶ VIRGINIA

b Number of employees employed in the pay period that includes March 12, 2003 — 90b: 55

91 The books are in care of ▶ THE ORGANIZATION Telephone no. ▶ SEE PAGE 1

Located at ▶ SEE PAGE 1 ZIP + 4 ▶ SEE PAGE 1

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* **Form 1041**- Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

## Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

| Note: Enter gross amounts unless otherwise indicated. | Unrelated business income (A) Business code | (B) Amount | Excluded by section 512, 513, or 514 (C) Exclusion code | (D) Amount | (E) Related or exempt function income |
|---|---|---|---|---|---|
| 93 Program service revenue: | | | | | |
| a CONTRACT REVENUE | | | | | 1,271,285. |
| b HOURLY FLIGHT REVENUE | | | | | 5,309,533. |
| c AIRCRAFT LEASE INCOME | | | | | 316,673. |
| d VSAT REVENUE | | | | | 952,305. |
| e | | | | | |
| f Medicare/Medicaid payments | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 94 Membership dues and assessments | | | | | |
| 95 Interest on savings and temporary cash investments | | | 14 | 30,876. | |
| 96 Dividends and interest from securities | | | | | |
| 97 Net rental income or (loss) from real estate: | | | | | |
| a debt-financed property | | | | | |
| b not debt-financed property | | | | | |
| 98 Net rental income or (loss) from personal property | | | | | |
| 99 Other investment income | | | | | |
| 100 Gain or (loss) from sales of assets other than inventory | | | | | 96,028. |
| 101 Net income or (loss) from special events | | | | | |
| 102 Gross profit or (loss) from sales of inventory | | | | | |
| 103 Other revenue: | | | | | |
| a MISCELLANEOUS | | | | | 141,083. |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | 0. | | 30,876. | 8,086,907. |

105 Total (add line 104, columns (B), (D), and (E)) ▶ 8,117,783.

*Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.*

## Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

| Line No. ▼ | Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). |
|---|---|
| | SEE STATEMENT 16 |

## Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

| (A) Name, address, and EIN of corporation, partnership, or disregarded entity | (B) Percentage of ownership interest | (C) Nature of activities | (D) Total income | (E) End-of-year assets |
|---|---|---|---|---|
| SEE STATEMENT 15 | % | | | |
| | % | | | |
| | % | | | |
| | % | | | |

## Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: *If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).*

**Please Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

▶ Signature of officer: DG  Date: 10/21  ▶ Type or print name and title: CFO

**Paid Preparer's Use Only**

Preparer's signature ▶ Patrick Houghton CPA  Date: 10/18/2004  Check if self-employed ▶ ☐  Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ GELMAN, ROSENBERG & FREEDMAN
4550 MONTGOMERY AVE., SUITE 650 NORTH
BETHESDA, MARYLAND 20814-2930

EIN ▶

Phone no. ▶ (301) 951-9090

323161 12-17-03

**SCHEDULE A** (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

# Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information-(See separate instructions.)**

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No. 1545-0047

**2003**

Name of the organization: AIR SERV INTERNATIONAL, INC.

Employer identification number: 59 2500627

## Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

| (a) Name and address of each employee paid more than $50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans & deferred compensation | (e) Expense account and other allowances |
|---|---|---|---|---|
| DEE WEIS<br>ALL C/O THE ORGANIZATION | VP ADM/SUPPOR<br>40 | 62,039. | 165. | 0. |
| DONALD CRESSMAN | PROG DIR<br>40 | 63,724. | 1,111. | 0. |
| ALAN GRAHAM | VICE PRES<br>40 | 62,510. | 827. | 0. |
| JEFFREY GRAHAM | DIR TECH SVC<br>40 | 62,342. | 0. | 0. |
| KURTIS NEUENSCHWANDER | INT'L CHIEF<br>PILOT / 40 | 61,770. | 167. | 0. |
| Total number of other employees paid over $50,000 ▶ | 0 | | | |

## Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

| (a) Name and address of each independent contractor paid more than $50,000 | (b) Type of service | (c) Compensation |
|---|---|---|
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| Total number of others receiving over $50,000 for professional services ▶ 0 | | |

## Part III Statements About Activities (See page 2 of the instructions.)

| | | | Yes | No |
|---|---|---|---|---|
| 1 | During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ ______ $ ______ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) | 1 | | X |
| | Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities. | | | |
| 2 | During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)* | | | |
| a | Sale, exchange, or leasing of property? | 2a | | X |
| b | Lending of money or other extension of credit? | 2b | | X |
| c | Furnishing of goods, services, or facilities? | 2c | | X |
| d | Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE PART V, FORM 990 | 2d | X | |
| e | Transfer of any part of its income or assets? | 2e | | X |
| 3 a | Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) | 3a | | X |
| b | Do you have a section 403(b) annuity plan for your employees? | 3b | X | |
| 4 | Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? | 4 | | X |

## Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ ______

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)

11a ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 ☒ An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

| **(a)** Name(s) of supported organization(s) | **(b)** Line number from above |
|---|---|
| | |
| | |
| | |

14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

**Part IV-A** **Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
**Note:** *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

| Calendar year (or fiscal year beginning in) ▶ | (a) 2002 | (b) 2001 | (c) 2000 | (d) 1999 | (e) Total |
|---|---|---|---|---|---|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) | 6,176,711. | 4,272,152. | 6,179,197. | 1,831,267. | 18,459,327. |
| 16 Membership fees received | | | | | |
| 17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose | 2,024,379. | 2,307,713. | 2,049,655. | 2,512,606. | 8,894,353. |
| 18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 | 38,783. | 39,657. | 91,438. | 278,795. | 448,673. |
| 19 Net income from unrelated business activities not included in line 18 | | | | | |
| 20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf | | | | | |
| 21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge | | | | | |
| 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets | 102,023. | | SEE STATEMENT 17 | | 102,023. |
| 23 Total of lines 15 through 22 | 8,341,896. | 6,619,522. | 8,320,290. | 4,622,668. | 27,904,376. |
| 24 Line 23 minus line 17 | 6,317,517. | 4,311,809. | 6,270,635. | 2,110,062. | 19,010,023. |
| 25 Enter 1% of line 23 | 83,419. | 66,195. | 83,203. | 46,227. | |

26 **Organizations described on lines 10 or 11:** **a** Enter 2% of amount in column (e), line 24 ▶ 26a N/A

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b N/A

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c N/A

d Add: Amounts from column (e) for lines: 18 ______ 19 ______ 22 ______ 26b ______ ▶ 26d N/A

e Public support (line 26c minus line 26d total) ▶ 26e N/A

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f N/A %

27 **Organizations described on line 12:** **a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." **Do not file this list with your return.** Enter the sum of such amounts for each year:

(2002) 0. (2001) 0. (2000) 0. (1999) 0.

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year:

(2002) 962,553. (2001) 1,376,415. (2000) 1,553,041. (1999) 1,753,002.

c Add: Amounts from column (e) for lines: 15 18,459,327. 16 ______ 17 8,894,353. 20 ______ 21 ______ ▶ 27c 27,353,680.

d Add: Line 27a total 0. and line 27b total 5,645,011. ▶ 27d 5,645,011.

e Public support (line 27c total minus line 27d total) ▶ 27e 21,708,669.

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f 27,904,376.

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g 77.7966%

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h 1.6079%

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

NONE

**Part V** **Private School Questionnaire** (See page 7 of the instructions.) N/A

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

| | | | Yes | No |
|---|---|---|---|---|
| 29 | Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? | 29 | | |
| 30 | Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? | 30 | | |
| 31 | Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? | 31 | | |
| | If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) | | | |
| 32 | Does the organization maintain the following: | | | |
| a | Records indicating the racial composition of the student body, faculty, and administrative staff? | 32a | | |
| b | Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? | 32b | | |
| c | Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? | 32c | | |
| d | Copies of all material used by the organization or on its behalf to solicit contributions? | 32d | | |
| | If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) | | | |
| 33 | Does the organization discriminate by race in any way with respect to: | | | |
| a | Students' rights or privileges? | 33a | | |
| b | Admissions policies? | 33b | | |
| c | Employment of faculty or administrative staff? | 33c | | |
| d | Scholarships or other financial assistance? | 33d | | |
| e | Educational policies? | 33e | | |
| f | Use of facilities? | 33f | | |
| g | Athletic programs? | 33g | | |
| h | Other extracurricular activities? | 33h | | |
| | If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) | | | |
| 34 a | Does the organization receive any financial aid or assistance from a governmental agency? | 34a | | |
| b | Has the organization's right to such aid ever been revoked or suspended? | 34b | | |
| | If you answered "Yes" to either 34a or b, please explain using an attached statement. | | | |
| 35 | Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation | 35 | | |

**Part VI-A** **Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.) N/A
(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ▶ a ☐ if the organization belongs to an affiliated group. Check ▶ b ☐ if you checked "a" and "limited control" provisions apply.

| **Limits on Lobbying Expenditures** (The term "expenditures" means amounts paid or incurred.) | | (a) Affiliated group totals | (b) To be completed for ALL electing organizations |
|---|---|---|---|
| | | N/A | |
| 36 Total lobbying expenditures to influence public opinion (grassroots lobbying) | 36 | | |
| 37 Total lobbying expenditures to influence a legislative body (direct lobbying) | 37 | | |
| 38 Total lobbying expenditures (add lines 36 and 37) | 38 | | |
| 39 Other exempt purpose expenditures | 39 | | |
| 40 Total exempt purpose expenditures (add lines 38 and 39) | 40 | | |
| 41 Lobbying nontaxable amount. Enter the amount from the following table - | 41 | | |
| 42 Grassroots nontaxable amount (enter 25% of line 41) | 42 | | |
| 43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 | 43 | | |
| 44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 | 44 | | |

| If the amount on line 40 is - | The lobbying nontaxable amount is - |
|---|---|
| Not over $500,000 | 20% of the amount on line 40 |
| Over $500,000 but not over $1,000,000 | $100,000 plus 15% of the excess over $500,000 |
| Over $1,000,000 but not over $1,500,000 | $175,000 plus 10% of the excess over $1,000,000 |
| Over $1,500,000 but not over $17,000,000 | $225,000 plus 5% of the excess over $1,500,000 |
| Over $17,000,000 | $1,000,000 |

**Caution:** *If there is an amount on either line 43 or line 44, you must file Form 4720.*

**4-Year Averaging Period Under Section 501(h)**
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

| | Lobbying Expenditures During 4-Year Averaging Period | | | | N/A |
|---|---|---|---|---|---|
| Calendar year (or fiscal year beginning in) ▶ | (a) 2003 | (b) 2002 | (c) 2001 | (d) 2000 | (e) Total |
| 45 Lobbying nontaxable amount | | | | | 0. |
| 46 Lobbying ceiling amount (150% of line 45(e)) | | | | | 0. |
| 47 Total lobbying expenditures | | | | | 0. |
| 48 Grassroots nontaxable amount | | | | | 0. |
| 49 Grassroots ceiling amount (150% of line 48(e)) | | | | | 0. |
| 50 Grassroots lobbying expenditures | | | | | 0. |

**Part VI-B** **Lobbying Activity by Nonelecting Public Charities**
(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.) N/A

| During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | Yes | No | Amount |
|---|---|---|---|
| a Volunteers | | | |
| b Paid staff or management (Include compensation in expenses reported on lines c through h.) | | | |
| c Media advertisements | | | |
| d Mailings to members, legislators, or the public | | | |
| e Publications, or published or broadcast statements | | | |
| f Grants to other organizations for lobbying purposes | | | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body | | | |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means | | | |
| i Total lobbying expenditures (Add lines c through h.) | | | 0. |

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

## Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

| | | Yes | No |
|---|---|---|---|
| a Transfers from the reporting organization to a noncharitable exempt organization of: | | | |
| (i) Cash | 51a(i) | | X |
| (ii) Other assets | a(ii) | | X |
| b Other transactions: | | | |
| (i) Sales or exchanges of assets with a noncharitable exempt organization | b(i) | | X |
| (ii) Purchases of assets from a noncharitable exempt organization | b(ii) | | X |
| (iii) Rental of facilities, equipment, or other assets | b(iii) | | X |
| (iv) Reimbursement arrangements | b(iv) | | X |
| (v) Loans or loan guarantees | b(v) | | X |
| (vi) Performance of services or membership or fundraising solicitations | b(vi) | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | c | | X |

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received: N/A

| (a) Line no. | (b) Amount involved | (c) Name of noncharitable exempt organization | (d) Description of transfers, transactions, and sharing arrangements |
|---|---|---|---|
| | | | |

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule: N/A

| (a) Name of organization | (b) Type of organization | (c) Description of relationship |
|---|---|---|
| | | |

## Schedule A Excess Payments from Non-Disqualified Persons Included on Part IV-A, Line 27b 2003

** Do Not File **
*** Not Open to Public Inspection ***

| Payer's Name | 2002 Amount | 2001 Amount | 2000 Amount | 1999 Amount |
|---|---|---|---|---|
| UNICEF | 0. | 0. | 0. | 36,428. |
| WORLD VISION | 0. | 0. | 0. | 104,047. |
| WORLD FOOD PROGRAM | 0. | 0. | 94,184. | 123,877. |
| UNHCR | 795,439. | 1,255,074. | 1,035,314. | 1,166,707. |
| AIR SERV CANADA | 0. | 0. | 0. | 259,207. |
| MSF - HOLLAND | 0. | 121,341. | 349,714. | 29,306. |
| MISSION AVIATION FELLOWSHIP | 0. | 0. | 0. | 33,430. |
| MSF - SPAIN | 83,014. | 0. | 0. | 0. |
| MERLIN | 10,315. | 0. | 73,829. | 0. |
| NUOVA FRONTIERA | 73,785. | 0. | 0. | 0. |
| Total to Schedule A, Line 27b | 962,553. | 1,376,415. | 1,553,041. | 1,753,002. |

**Schedule B**
**(Form 990, 990-EZ, or 990-PF)**
Department of the Treasury
Internal Revenue Service

# Schedule of Contributors

**Supplementary Information for**
**line 1 of Form 990, 990-EZ, and 990-PF (see instructions)**

OMB No. 1545-0047

**2003**

**Name of organization**

AIR SERV INTERNATIONAL, INC.

**Employer identification number**

59-2500627

**Organization type** (check one):

| **Filers of:** | **Section:** |
|---|---|
| Form 990 or 990-EZ | [X] 501(c)( 3 ) (enter number) organization |
| | [ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation |
| | [ ] 527 political organization |
| Form 990-PF | [ ] 501(c)(3) exempt private foundation |
| | [ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation |
| | [ ] 501(c)(3) taxable private foundation |

Check if your organization is covered by the **General Rule** or a **Special Rule.** (**Note:** *Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule-see instructions.)*

**General Rule-**

[X] For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules-**

[ ] For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of $5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year.) ........................ ▶ $ ____________

**Caution:** *Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they* **must** *check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).*

**Name of organization**

AIR SERV INTERNATIONAL, INC.

**Employer identification number**

59-2500627

**Part I Contributors** (See Specific Instructions.)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|---|---|---|---|
| 1 | U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT<br>RONALD REAGAN BUILDING<br>WASHINGTON, DC 20536 | $ 11,112,624. | Person [X]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| | | $ | Person [ ]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| | | $ | Person [ ]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| | | $ | Person [ ]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| | | $ | Person [ ]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |
| | | $ | Person [ ]<br>Payroll [ ]<br>Noncash [ ]<br>(Complete Part II if there is a noncash contribution.) |

| Asset No. | Description | Date Acquired | Method | Life | Line No. | Unadjusted Cost Or Basis | Bus % Excl | * Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Amount Of Depreciation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | AIRCRAFT 24F | VARIES | | .000 | 16 | 545,896. | | | 545,896. | 514,397. | | <1,047.> |
| 2 | AIRCRAFT 899A | VARIES | | .000 | 16 | 860,228. | | | 860,228. | 148,736. | | 33,035. |
| 3 | AIRCRAFT 32F | VARIES | | .000 | 16 | 875,000. | | | 875,000. | 100,813. | | 15,320. |
| 4 | AIRCRAFT 56GQ | VARIES | | .000 | 16 | 171,070. | | | 171,070. | 51,326. | | 2,065. |
| 5 | AIRCRAFT 210Y | VARIES | | .000 | 16 | 158,715. | | | 158,715. | 52,858. | | 6,225. |
| 6 | AIRCRAFT 40GL | VARIES | | .000 | 16 | 1319952. | | | 1319952. | 393,161. | | 78,133. |
| 7 | AIRCRAFT N115 | VARIES | | .000 | 16 | 948,984. | | | 948,984. | 168,850. | | 0. |
| 8 | AIRCRAFT BD5 | VARIES | | .000 | 16 | 1190280. | | | 1190280. | 62,667. | | 22,542. |
| 9 | OFFICE FURNITURE & EQUIPMENT | VARIES | SL | 5.00 | 16 | 171,290. | | | 171,290. | 94,839. | | 21,745. |
| | * TOTAL 990 PAGE 2 DEPR | | | | | 6241415. | | 0. | 6241415. | 1587647. | 0. | 178,018. |

328102
05-01-03

(D) - Asset disposed

* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

| DESCRIPTION | GROSS SALES PRICE | COST OR OTHER BASIS | EXPENSE OF SALE | NET GAIN OR (LOSS) |
|---|---|---|---|---|
| AIRCRAFT | 83,990. | 0. | 0. | 83,990. |
| USAID | 12,038. | 0. | 0. | 12,038. |
| TO FORM 990, PART I, LINE 8 | 96,028. | 0. | 0. | 96,028. |

FORM 990 OTHER EXPENSES STATEMENT 2

| DESCRIPTION | (A) TOTAL | (B) PROGRAM SERVICES | (C) MANAGEMENT AND GENERAL | (D) FUNDRAISING |
|---|---|---|---|---|
| SERVICE START-UP COSTS | 309,327. | 309,327. | | |
| AIRCRAFT FUEL EXPENSE | 1,012,535. | 1,012,535. | | |
| AIRFRAME RESERVES | 148,729. | 148,729. | | |
| POWERPLANT RESERVES | 466,070. | 463,965. | 2,105. | |
| ASL FEES | 292,768. | 292,768. | | |
| AIRCRAFT INSURANCE | 454,757. | 434,493. | 20,264. | |
| FEES | 204,360. | 204,360. | | |
| OFFICE EXPENSE | 123,856. | 109,753. | 14,103. | |
| BANK AND CURRENCY EXCHANGE FEES | 41,239. | 28,227. | 13,012. | |
| CONTRACTED SERVICES | 286,573. | 286,573. | | |
| PERSONNEL TRAINING | 0. | | | |
| PERSONNEL HOUSING AND OTHER COSTS | 623,413. | 603,339. | 20,074. | |
| MISCELLANEOUS | 17,059. | 5,393. | 11,601. | 65. |
| ADMINISTRATIVE ALLOCATION | 0. | | | |
| PAYROLL SERVICES | 8,093. | | 8,093. | |
| BUSINESS EXPENSE | 119,501. | 114,900. | 4,601. | |
| RELOCATION EXPENSE | 2,805. | | 2,805. | |
| BOARD EXPENSE | 18,560. | | 18,560. | |
| ASSOCIATION DUES | 11,274. | | 11,274. | |
| INSURANCE | 53,033. | | 53,033. | |
| BAD DEBT EXPENSE | 11,027. | 919. | 10,108. | |
| GIFTS/DONATIONS | 20,050. | | 20,050. | |
| MARKETING AND PR | 43,923. | | 43,923. | |
| GAIN ON CURRENCY EXCHANGE | <1,620.> | | <1,620.> | |
| AIRCRAFT LEASE | 5,199,016. | 5,199,016. | | |
| COMPUTER EQUIPMENT | 747,915. | 747,915. | | |

| | | | | |
|---|---|---|---|---|
| E-MAIL | 33,128. | 15,468. | 17,660. | |
| PROJECT EVALUATION | 1,800. | 1,800. | | |
| PROFESSIONAL SERVICES | 11,132. | | 11,132. | |
| R&R EXPENSES | 14,346. | 14,346. | | |
| SHOP/HANGAR | 210,752. | 206,752. | 4,000. | |
| TAXES & LICENSES | 380. | | 380. | |
| PERSONNEL TRAINING | 453,535. | 375,181. | 78,354. | |
| LESS:IN-KIND | <35,447.> | | <35,447.> | |
| TOTAL TO FM 990, LN 43 | 10,903,889. | 10,575,759. | 328,065. | 65. |

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 3
PART III

EXPLANATION

PROVIDE SAFE AND COST-EFFECTIVE AIR TRANSPORTATION TO AGENCIES INVOLVED IN RELIEF AND DEVELOPMENT EFFORTS IN REMOTE AREAS OF AFRICA AND WEST-ASIA.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 4

| DESCRIPTION | GRANTS AND ALLOCATIONS | EXPENSES |
|---|---|---|
| UGANDA | | 145,728. |
| IRAQ | | 4,217,383. |
| CANADA | | 17,962. |
| KINSHASA | | 519,396. |
| TOTAL TO FORM 990, PART III, LINE E | | 4,900,469. |

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 5

| SECURITY DESCRIPTION | CORPORATE STOCKS | CORPORATE BONDS | OTHER PUBLICLY TRADED SECURITIES | OTHER SECURITIES | TOTAL NON-GOV'T SECURITIES |
|---|---|---|---|---|---|
| DEBT SECURITIES | | 186,375. | | | 186,375. |
| TO 990, LN 54 COL B | | 186,375. | | | 186,375. |

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 6

| DESCRIPTION | COST OR OTHER BASIS | ACCUMULATED DEPRECIATION | BOOK VALUE |
|---|---|---|---|
| AIRCRAFT 24F | 545,896. | 513,350. | 32,546. |
| AIRCRAFT 899A | 860,228. | 181,771. | 678,457. |
| AIRCRAFT 32F | 875,000. | 116,133. | 758,867. |
| AIRCRAFT 56GQ | 171,070. | 53,391. | 117,679. |
| AIRCRAFT 210Y | 158,715. | 59,083. | 99,632. |
| AIRCRAFT 40GL | 1,319,952. | 471,294. | 848,658. |
| AIRCRAFT N115 | 948,984. | 168,850. | 780,134. |
| AIRCRAFT BD5 | 1,190,280. | 85,209. | 1,105,071. |
| OFFICE FURNITURE & EQUIPMENT | 171,290. | 116,584. | 54,706. |
| TOTAL TO FORM 990, PART IV, LN 57 | 6,241,415. | 1,765,665. | 4,475,750. |

FORM 990 OTHER ASSETS STATEMENT 7

| DESCRIPTION | AMOUNT |
|---|---|
| INVESTMENT IN SUBSIDIARY | 2,060,209. |
| DEPOSIT ON KODIAK AIRCRAFT | 1,668,141. |
| TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B | 3,728,350. |

FORM 990 | OTHER NOTES AND LOANS PAYABLE | STATEMENT 8

| LENDER'S NAME | TERMS OF REPAYMENT |
|---|---|
| USAID NOTE | $11,457/ MO. |

| DATE OF NOTE | MATURITY DATE | ORIGINAL LOAN AMOUNT | INTEREST RATE |
|---|---|---|---|
| | 05/01/05 | 0. | 4.00% |

| SECURITY PROVIDED BY BORROWER | PURPOSE OF LOAN |
|---|---|
| NONE | |

RELATIONSHIP OF LENDER

NONE

| DESCRIPTION OF CONSIDERATION | FMV OF CONSIDERATION | BALANCE DUE |
|---|---|---|
| | 0. | 161,750. |

| LENDER'S NAME | TERMS OF REPAYMENT |
|---|---|
| MARSHALL NATIONAL BANK & TRUST CO. | |

| DATE OF NOTE | MATURITY DATE | ORIGINAL LOAN AMOUNT | INTEREST RATE |
|---|---|---|---|
| | 01/11/05 | 500,000. | .00% |

| SECURITY PROVIDED BY BORROWER | PURPOSE OF LOAN |
|---|---|
| INTEREST IN INVESTMENT MANAGEMENT ACCT. | |

RELATIONSHIP OF LENDER

NONE

| DESCRIPTION OF CONSIDERATION | FMV OF CONSIDERATION | BALANCE DUE |
|---|---|---|
| | 0. | 100,000. |

| | |
|---|---|
| TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B | 261,750. |

| FORM 990 | OTHER LIABILITIES | STATEMENT 9 |
|---|---|---|

| DESCRIPTION | AMOUNT |
|---|---|
| RESERVE FOR AIRCRAFT OVERHAUL | 1,679,567. |
| TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B | 1,679,567. |

| FORM 990 | OTHER REVENUE NOT INCLUDED ON FORM 990 | STATEMENT 10 |
|---|---|---|

| DESCRIPTION | AMOUNT |
|---|---|
| REVENUE OF CONSOLIDATED SUBSIDIARY | 1,229,067. |
| TOTAL TO FORM 990, PART IV-A | 1,229,067. |

| FORM 990 | OTHER EXPENSES NOT INCLUDED ON FORM 990 | STATEMENT 11 |
|---|---|---|

| DESCRIPTION | AMOUNT |
|---|---|
| EXPENSES OF CONSOLIDATED SUBSIDIARY | 1,214,252. |
| TOTAL TO FORM 990, PART IV-B | 1,214,252. |

| FORM 990 | OTHER REVENUE INCLUDED ON FORM 990 | STATEMENT 12 |
|---|---|---|

| DESCRIPTION | AMOUNT |
|---|---|
| ELIMINATIONS FROM CONSOLIDATION OF SUBSIDIARY | 596,771. |
| TOTAL TO FORM 990, PART IV-A | 596,771. |

| FORM 990 | OTHER EXPENSES INCLUDED ON FORM 990 | STATEMENT 13 |
|---|---|---|

| DESCRIPTION | AMOUNT |
|---|---|
| ELIMINATIONS FROM CONSOLIDATION OF SUBSIDIARY | 596,771. |
| TOTAL TO FORM 990, PART IV-B | 596,771. |

| FORM 990 | PART V - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES | STATEMENT 14 |
|---|---|---|

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN-SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|---|---|---|---|---|
| STUART WILLCUTS<br>ALL BOARD MEMBERS CAN BE REACHED<br>IN C/O ORGANIZATION ADDRESS | PRESIDENT<br>40+ | 97,883. | 1,445. | 0. |
| MARK J. ABBOTT | DIRECTOR<br>2-5 | 0. | 0. | 0. |
| JOYCE GODWIN | CHAIR/DIRECTOR<br>2-5 | 0. | 0. | 0. |
| MARK E. HOWARD | SECRETARY/DIRECTOR<br>2-5 | 0. | 0. | 0. |
| JIM MITCHELL | TREASURER/DIRECTOR<br>2-5 | 0. | 0. | 0. |
| ROGER MOBERG | DIRECTOR<br>2-5 | 0. | 0. | 0. |
| RICHARD PERRY | DIRECTOR<br>2-5 | 0. | 0. | 0. |
| MICHAEL A. STOLTZFUS | DIRECTOR<br>2-5 | 0. | 0. | 0. |

| | | | | |
|---|---|---|---|---|
| JEFF THINDWA | DIRECTOR<br>2-5 | 0. | 0. | 0. |
| HAROLD THOMAS | DIRECTOR<br>2-5 | 0. | 0. | 0. |
| TOTALS INCLUDED ON FORM 990, PART V | | 97,883. | 1,445. | 0. |

FORM 990 PART IX STATEMENT 15
INFORMATION REGARDING TAXABLE SUBSIDIARIES

| NAME, ADDRESS & ID NUMBER OF CORP OR PARTNERSHIP | PCT OWN | NATURE OF BUSINESS | TOTAL INCOME | END-OF-YEAR ASSETS |
|---|---|---|---|---|
| AIR SERV LIMITED<br>BOX 7548 KAMPALA<br>UGANDA<br>(NO EIN - FOREIGN CORP) | 99.00% | AVIATION BUSINESS | 1,229,067. | 801,930. |

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 16

| LINE | EXPLANATION OF RELATIONSHIP OF ACTIVITIES |
|---|---|
| 93A | REVENUE RECEIVED UNDER CONTRACT FROM UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES TO PROVIDE AIR TRANSPORTATION FOR RELIEF WORKERS |
| 93BC | REVENUE FROM OTHER SOURCES FOR PROVIDING AIR TRANSPORTATION FOR RELIEF WORKERS |
| 93D | REVENUE COLLECTED FOR PROVIDING TECHNICAL SERVICES, DATA COMMUNICATIONS, AND LOGISTICS TO HUMANITARIAN AND NGO WORKERS. |
| 103A | NOMINAL AMOUNTS RECEIVED FOR STATED PURPOSE RELATED TO EX. ACTIVITIES |

SCHEDULE A OTHER INCOME STATEMENT 17

| DESCRIPTION | 2002 AMOUNT | 2001 AMOUNT | 2000 AMOUNT | 1999 AMOUNT |
|---|---|---|---|---|
| OTHER REVENUE | 102,023. | 0. | 0. | 0. |
| TOTAL TO SCHEDULE A, LINE 22 | 102,023. | 0. | 0. | 0. |

Form **8868**
(December 2000)
Department of the Treasury
Internal Revenue Service

# Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

**Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

**Part I** **Automatic 3-Month Extension of Time** - Only submit original (no copies needed)

**Note: Form 990-T corporations** *requesting an automatic 6-month extension - check this box and complete Part I only* ▶ [ ]
*All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.*

| Type or print | Name of Exempt Organization | Employer identification number |
|---|---|---|
| File by the due date for filing your return. See instructions. | AIR SERV INTERNATIONAL, INC. | 59-2500627 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. 6583 MERCHANT PLACE, NO. 100 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. WARRENTON, VA 20187 | |

**Check type of return to be filed** (file a separate application for each return):

[X] Form 990 [ ] Form 990-T (corporation) [ ] Form 4720
[ ] Form 990-BL [ ] Form 990-T (sec. 401(a) or 408(a) trust) [ ] Form 5227
[ ] Form 990-EZ [ ] Form 990-T (trust other than above) [ ] Form 6069
[ ] Form 990-PF [ ] Form 1041-A [ ] Form 8870

- If the organization does **not** have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) ________. If this is for the **whole** group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until AUGUST 16, 2004.
to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [X] calendar year 2003 or
▶ [ ] tax year beginning ________________, and ending ________________.

2 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions ........ $

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit ........ $

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions ........ $ N/A

## Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ [signature] Title ▶ CPA Date ▶ 4/30/04

LHA **For Paperwork Reduction Act Notice, see Instruction** Form **8868** (12-2000)

323831
05-01-03

● If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box ▶ [X]

**Note:** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

● If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

## Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.

Type or print. File by the extended due date for filing the return. See instructions.

| | |
|---|---|
| Name of Exempt Organization<br>AIR SERV INTERNATIONAL, INC. | Employer identification number<br>59-2500627 |
| Number, street, and room or suite no. If a P.O. box, see instructions.<br>6583 MERCHANT PLACE, NO. 100 | For IRS use only |
| City, town or post office, state, and ZIP code. For a foreign address, see instructions.<br>WARRENTON, VA 20187 | |

**Check type of return to be filed** (File a separate application for each return):

[X] Form 990 [ ] Form 990-EZ [ ] Form 990-T (sec. 401(a) or 408(a) trust) [ ] Form 1041-A [ ] Form 5227 [ ] Form 8870
[ ] Form 990-BL [ ] Form 990-PF [ ] Form 990-T (trust other than above) [ ] Form 4720 [ ] Form 6069

**STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

● If the organization does not have an office or place of business in the United States, check this box ▶ [ ]

● If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) ______. If this is for the **whole group**, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until NOVEMBER 15, 2004.

5 For calendar year 2003 , or other tax year beginning ______ and ending ______.

6 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED FOR PREPARING A COMPLETE AND ACCURATE RETURN

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions ... $

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 ... $

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions ... $ N/A

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ [signature] Title ▶ CPA Date ▶ 7/26/04

### Notice to Applicant - To Be Completed by the IRS

[✓] We have approved this application. Please attach this form to the organization's return.

[ ] We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.

[ ] We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.

[ ] We cannot consider this application because it was filed after the due date of the return for which an extension was requested.

[ ] Other ______

EXTENSION APPROVED AUG 17 2004 FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN

Director ______ By: ______ Date ______

**Alternate Mailing Address** - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print

| | |
|---|---|
| Name | GELMAN, ROSENBERG & FREEDMAN |
| Number and street (include suite, room, or apt. no.) Or a P.O. box number | 4550 MONTGOMERY AVE., SUITE 650 NORTH |
| City or town, province or state, and country (including postal or ZIP code) | BETHESDA, MARYLAND 20814-2930 |

323832 05-01-03

Form **5471** (Rev. January 2003) Department of the Treasury Internal Revenue Service

# Information Return of U.S. Persons With Respect To Certain Foreign Corporations

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 1/1 ,2003 , and ending 12/31 ,2003

OMB No. 1545-0704

**File In Duplicate** (see When and Where To File on page 1 of the instructions)

Name of person filing this return: AIR SERV INTERNATIONAL, INC.

A Identifying number: 59-2500627

Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address): 6583 MERCHANT PLACE, SUITE 100

B Category of filer (See page 1 of the instructions. Check applicable box(es)): 1☐ 2☐ 3☐ 4☒ 5☐

City or town, state, and ZIP code: WARRENTON, VA 20187

C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 99 %

Filer's tax year beginning JANUARY 1, ,20 03 , and ending DECEMBER 31, ,20 03

D Person(s) on whose behalf this information return is filed:

| (1) Name | (2) Address | (3) Identifying number | (4) Check applicable box(es) Shareholder | Officer | Director |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

**Important:** *Fill in all applicable lines and schedules. All information* **must** *be in English. All amounts* **must** *be stated in U.S. dollars unless otherwise indicated.*

1a Name and address of foreign corporation:
AIR SERV LIMITED
P.O.BOX 7548
KAMPALA

b Employer identification number, if any:

c Country under whose laws incorporated: UGANDA

| d Date of incorporation | e Principal place of business | f Principal business activity code number | g Principal business activity | h Functional currency |
|---|---|---|---|---|
| 01/17/1997 | UGANDA | 4500 | AVIATION | SHILLINGS |

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States

b If a U.S. income tax return was filed, enter:

| (i) Taxable income or (loss) | (ii) U.S. income tax paid (after all credits) |
|---|---|
| | |

c Name and address of foreign corporation's statutory or resident agent in country of incorporation:
KAKURA & CO., ADVOCATES
1ST FLOOR, AIRWAYS HOUSE, PLOT 6
COLVILLE STREET, BOX 6256
KAMPALA, UGANDA

d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different:
JASPER COX
6583 MERCHANT PLACE, SUITE 100
WARRENTON, VA 20187

## Schedule A Stock of the Foreign Corporation

### Part I — All Classes of Stock

| (a) Description of each class of stock | (b) Number of shares issued and outstanding (i) Beginning of annual accounting period | (ii) End of annual accounting period |
|---|---|---|
| COMMON STOCK | 1,000 | 1,000 |
| | | |
| | | |

### Part II — Additional Information for Preferred Stock
(To be completed **only** by Category 1 filers for foreign personal holding companies.)

| (a) Description of each class of Preferred stock (**Note:** *This description should match the corresponding description entered in Part I, column (a).*) | (b) Par value in functional currency | (c) Rate of dividend | (d) Indicate whether the stock is cumulative or noncumulative |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

**For Paperwork Reduction Act Notice, see page 13 of the instructions.**



ISA
STF FED5635F.1

**Schedule B** **U.S. Shareholders of Foreign Corporation** (See page 4 of the instructions.)

| (a) Name, address, and identifying number of shareholder | (b) Description of each class of stock held by shareholder (**Note:** *This description should match the corresponding description entered in Schedule A, Part I, column (a).*) | (c) Number of shares held at beginning of annual accounting period | (d) Number of shares held at end of annual accounting period | (e) Pro rata share of subpart F income (enter as a percentage) |
|---|---|---|---|---|
| AIR SERV INTERNATIONAL, INC.<br>6583 MERCHANT PLACE<br>SUITE 100<br>WARRENTON, VA 20187 | COMMON STOCK | 998 | 998 | 99% |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

**Schedule C** **Income Statement** (See page 5 of the instructions.)

**Important:** *Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. dollars column. See instructions for special rules for DASTM corporations.*

| | | | Functional Currency | U.S. Dollars |
|---|---|---|---|---|
| Income | 1a Gross receipts or sales | 1a | | 1,229,067.00 |
| | b Returns and allowances | 1b | | |
| | c Subtract line 1b from line 1a | 1c | | 1,229,067.00 |
| | 2 Cost of goods sold | 2 | | |
| | 3 Gross profit (subtract line 2 from line 1c) | 3 | | 1,229,067.00 |
| | 4 Dividends | 4 | | |
| | 5 Interest | 5 | | |
| | 6 Gross rents, royalties, and license fees | 6 | | |
| | 7 Net gain or (loss) on sale of capital assets | 7 | | |
| | 8 Other income (attach schedule) | 8 | | |
| | 9 Total income (add lines 3 through 8) | 9 | | 1,229,067.00 |
| Deductions | 10 Compensation not deducted elsewhere | 10 | | 405,645.00 |
| | 11 Rents, royalties, and license fees | 11 | | |
| | 12 Interest | 12 | | |
| | 13 Depreciation not deducted elsewhere | 13 | | 36,609.00 |
| | 14 Depletion | 14 | | |
| | 15 Taxes (exclude provision for income, war profits, and excess profits taxes) | 15 | | |
| | 16 Other deductions (attach schedule — exclude provision for income, war profits, and excess profits taxes) | 16 | | 771,998.00 |
| | 17 Total deductions (add lines 10 through 16) | 17 | | 1,214,252.00 |
| Net Income | 18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) | 18 | | 14,815.00 |
| | 19 Extraordinary items and prior period adjustments (see instructions) | 19 | | |
| | 20 Provision for income, war profits, and excess profits taxes (see instructions) | 20 | | |
| | 21 Current year net income or (loss) per books (combine lines 18 through 20) | 21 | | |



STF FED5635F.2

**Schedule E** **Income, War Profits, and Excess Profits Taxes Paid or Accrued** (See page 5 of instructions.)

| | (a) Name of country or U.S. possession | Amount of tax (b) In foreign currency | (c) Conversion rate | (d) In U.S. dollars |
|---|---|---|---|---|
| 1 | U.S. | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | Total ▶ | | | |

**Schedule F** **Balance Sheet**

**Important:** *Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See page 5 of the instructions for an exception for DASTM corporations.*

| | Assets | | (a) Beginning of annual accounting period | (b) End of annual accounting period |
|---|---|---|---|---|
| 1 | Cash | 1 | 102,739 | 47,968 |
| 2a | Trade notes and accounts receivable | 2a | 85,713 | 62,487 |
| b | Less allowance for bad debts | 2b | ( ) | ( ) |
| 3 | Inventories | 3 | | |
| 4 | Other current assets (attach schedule) | 4 | 27,206 | 53,230 |
| 5 | Loans to shareholders and other related persons | 5 | | |
| 6 | Investment in subsidiaries (attach schedule) | 6 | | |
| 7 | Other investments (attach schedule) | 7 | | 11,185 |
| 8a | Buildings and other depreciable assets | 8a | 787,987 | 822,586 |
| b | Less accumulated depreciation | 8b | ( 158,917) | ( 195,526) |
| 9a | Depletable assets | 9a | | |
| b | Less accumulated depletion | 9b | ( ) | ( ) |
| 10 | Land (net of any amortization) | 10 | | |
| 11 | Intangible assets: | | | |
| a | Goodwill | 11a | | |
| b | Organization costs | 11b | | |
| c | Patents, trademarks, and other intangible assets | 11c | | |
| d | Less accumulated amortization for lines 11a, b, and c | 11d | ( ) | ( ) |
| 12 | Other assets (attach schedule) | 12 | | |
| 13 | Total assets | 13 | 844,728.00 | 801,930.00 |
| | **Liabilities and Shareholders' Equity** | | | |
| 14 | Accounts payable | 14 | 244,468 | 186,855 |
| 15 | Other current liabilities (attach schedule) | 15 | | |
| 16 | Loans from shareholders and other related persons | 16 | | |
| 17 | Other liabilities (attach schedule) | 17 | | |
| 18 | Capital stock: | | | |
| a | Preferred stock | 18a | | |
| b | Common stock | 18b | | |
| 19 | Paid-in or capital surplus (attach reconciliation) | 19 | | |
| 20 | Retained earnings | 20 | 600,260 | 615,075 |
| 21 | Less cost of treasury stock | 21 | ( ) | ( ) |
| 22 | Total liabilities and shareholders' equity | 22 | 844,728.00 | 801,930.00 |



STF FED5635F.3

## Schedule G Other Information

| | | Yes | No |
|---|---|---|---|
| 1 | During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see page 5 of the instructions for required attachment. | ☐ | ☒ |
| 2 | During the tax year, did the foreign corporation own an interest in any trust? | ☐ | ☒ |
| 3 | During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each entity. | ☐ | ☒ |

## Schedule H Current Earnings and Profits (See page 5 of the instructions.)

**Important:** *Enter the amounts on lines 1 through 5c in **functional** currency.*

| | | Net Additions | Net Subtractions | | |
|---|---|---|---|---|---|
| 1 | Current year net income or (loss) per foreign books of account | | | 1 | 14,815 |
| 2 | Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions): | | | | |
| a | Capital gains or losses | | | | |
| b | Depreciation and amortization | | | | |
| c | Depletion | | | | |
| d | Investment or incentive allowance | | | | |
| e | Charges to statutory reserves | | | | |
| f | Inventory adjustments | | | | |
| g | Taxes | | | | |
| h | Other (attach schedule) | | | | |
| 3 | Total net additions | | | | |
| 4 | Total net subtractions | | | | |
| 5a | Current earnings and profits (line 1 plus line 3 minus line 4) | | | 5a | 14,815.00 |
| b | DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) | | | 5b | |
| c | Combine lines 5a and 5b | | | 5c | 14,815.00 |
| d | Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)) | | | 5d | |
| | Enter exchange rate used for line 5d ▶ | | | | |

## Schedule I Summary of Shareholder's Income From Foreign Corporation (See page 5 of instructions.)

| | | | |
|---|---|---|---|
| 1 | Subpart F income (line 40b, Worksheet A in the instructions) | 1 | 0 |
| 2 | Earnings invested in U.S. property (line 17, Worksheet B in the instructions) | 2 | 0 |
| 3 | Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) | 3 | 0 |
| 4 | Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) | 4 | 0 |
| 5 | Factoring income | 5 | 0 |
| 6 | Total of lines 1 through 5. Enter here and on your income tax return. See page 6 of instructions | 6 | 0.00 |
| 7 | Dividends received (translated at spot rate on payment date due under section 989(b)(1)) | 7 | 0 |
| 8 | Exchange gain or (loss) on a distribution of previously taxed income | 8 | 0 |

| | Yes | No |
|---|---|---|
| • Was any income of the foreign corporation blocked? | ☐ | ☒ |
| • Did any such income become unblocked during the tax year (see section 964(b))? | ☐ | ☐ |

If the answer to either question is "Yes," attach an explanation. N/A



STF FED5635F.4

**SCHEDULE J (Form 5471)**
(Rev. January 2003)
Department of the Treasury
Internal Revenue Service

# Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471: AIR SERV INTERNATIONAL, INC.

Identifying number: 59-2500627

Name of foreign corporation: AIR SERV LIMITED

| **Important:** Enter amounts in functional currency. | (a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance) | (b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance) | (c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances) (i) Earnings Invested in U.S. Property | (ii) Earnings Invested in Excess Passive Assets | (iii) Subpart F Income | (d) Total Section 964(a) E&P (combine columns (a), (b), and (c)) |
|---|---|---|---|---|---|---|
| 1 Balance at beginning of year | 1,459,949.00 | | | | | 1,459,949.00 |
| 2a Current year E&P | 14,815.00 | | | | | |
| b Current year deficit in E&P | | | | | | |
| 3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a **or** line 1 minus line 2b) | 1,474,764.00 | | | | | |
| 4 Amounts included under section 951(a) or reclassified under section 959(c) in current year | | | | | | |
| 5a Actual distributions or reclassifications of previously taxed E&P | | | | | | |
| b Actual distributions of nonpreviously taxed E&P | | | | | | |
| 6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a) | | | | | | |
| b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b) | 1,474,764.00 | | | | | |
| 7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.) | 1,474,764.00 | | | | | 1,474,764.00 |

**SCHEDULE M (Form 5471)**
(Rev. January 2003)
Department of the Treasury
Internal Revenue Service

# Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471: AIR SERV INTERNATIONAL, INC.

Identifying number: 59-2500627

Name of foreign corporation: AIR SERV LIMITED

**Important:** *Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See page 10 of the instructions.*

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶

| (a) Transactions of foreign corporation | (b) U.S. person filing this return | (c) Any domestic corporation or partnership controlled by U.S. person filing this return | (d) Any other foreign corporation or partnership controlled by U.S. person filing this return | (e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return) | (f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation |
|---|---|---|---|---|---|
| 1 Sales of stock in trade (inventory) | | | | | |
| 2 Sales of property rights (patents, trademarks, etc.) | | | | | |
| 3 Compensation received for technical, managerial, engineering, construction, or like services | | COLUMNS (C) THROUGH (F) ARE NOT APPLICABLE | | | |
| 4 Commissions received | | | | | |
| 5 Rents, royalties, and license fees received | 596,771.00 | | | | |
| 6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income) | | | | | |
| 7 Interest received | | | | | |
| 8 Premiums received for insurance or reinsurance | | | | | |
| 9 Add lines 1 through 8 | 596,771.00 | | | | |
| 10 Purchases of stock in trade (inventory) | | | | | |
| 11 Purchases of tangible property other than stock in trade | | | | | |
| 12 Purchases of property rights (patents, trademarks, etc.) | | | | | |
| 13 Compensation paid for technical, managerial, engineering, construction, or like services | | | | | |
| 14 Commissions paid | | | | | |
| 15 Rents, royalties, and license fees paid | | | | | |
| 16 Dividends paid | | | | | |
| 17 Interest paid | | | | | |
| 18 Add lines 10 through 17 | | | | | |
| 19 Amounts borrowed (enter the maximum loan balance during the year) — see instructions | | | | | |
| 20 Amounts loaned (enter the maximum loan balance during the year) — see instructions | | | | | |