** PUBLIC DISCLOSURE COPY **

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 — **2006** — Open to Public Inspection

A For the 2006 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): 410 ROSEDALE COURT — Room/suite: 190

City or town, state or country, and ZIP + 4: WARRENTON, VA 20186

D Employer identification number: 59-2500627

E Telephone number: 540-428-2323

F Accounting method: Cash [ ] Accrual [X] 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 [ ] No [X]

H(b) If "Yes," enter number of affiliates ▶ N/A

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 [ ] No [X]

I Group Exemption Number ▶ N/A

G Website: ▶WWW.AIRSERV.ORG

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

K Check here ▶ [ ] if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than $25,000. A return is not required, but if the organization chooses to file a return, be sure to file 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 ▶ 30,924,926.

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

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Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Contributions to donor advised funds	1a			
	b	Direct public support (not included on line 1a)	1b	5,673,661.		
	c	Indirect public support (not included on line 1a)	1c			
	d	Government contributions (grants) (not included on line 1a)	1d	9,730,711.		
	e	**Total** (add lines 1a through 1d) (cash $ 14,480,488. noncash $ 923,884.)			1e	15,404,372.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	13,802,727.
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	
	5	Dividends and interest from securities			5	64,754.
	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	
	8 a	Gross amount from sales of assets other than inventory — (A) Securities: ; (B) Other:	8a	1,627,021.		
	b	Less: cost or other basis and sales expenses — (A): ; (B):	8b	1,817,942.		
	c	Gain or (loss) (attach schedule) — (A): ; (B):	8c	<190,921.>		
	d	Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 1			8d	<190,921.>
	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 1b)	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	26,052.
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	29,106,984.
Expenses	13	Program services (from line 44, column (B))			13	24,007,407.
	14	Management and general (from line 44, column (C))			14	4,320,580.
	15	Fundraising (from line 44, column (D))			15	410,132.
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses.** Add lines 16 and 44, column (A)			17	28,738,119.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12			18	368,865.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	10,527,125.
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 2			20	<661,779.>
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20			21	10,234,211.

623001 01-18-07 LHA **For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.** Form **990** (2006)

L0041115 703287 7230877 2006.07000 AIR SERV INTERNATIONAL, INC 72308771

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.

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
22a Grants paid from donor advised funds (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22a				
22b Other grants and allocations (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22b				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	401,489.	237,453.	164,036.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	4,116,625.	2,399,311.	1,717,314.	
27 Pension plan contributions not included on lines 25a, b, and c	27	42,115.	42,115.		
28 Employee benefits not included on lines 25a - 27	28	2,200,467.	1,329,117.	871,350.	
29 Payroll taxes	29	203,059.	203,059.		
30 Professional fundraising fees	30				
31 Accounting fees	31	162,012.		162,012.	
32 Legal fees	32	44,542.	41,080.	3,462.	
33 Supplies	33	157,003.	106,254.	50,749.	
34 Telephone	34	211,760.	144,790.	66,970.	
35 Postage and shipping	35	90,802.	83,103.	7,699.	
36 Occupancy	36	366,588.	343,080.	23,508.	
37 Equipment rental and maintenance	37	540,556.	532,487.	8,069.	
38 Printing and publications	38	21,744.	2,094.	19,650.	
39 Travel	39	546,431.	281,150.	265,281.	
40 Conferences, conventions, and meetings	40	92,634.	35,983.	56,651.	
41 Interest	41	74,851.	74,851.		
42 Depreciation, depletion, etc. (attach schedule)	42	121,547.	110,674.	10,873.	
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g SEE STATEMENT 3	43g	19,343,894.	18,040,806.	892,956.	410,132.
44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	28,738,119.	24,007,407.	4,320,580.	410,132.

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 $ N/A ; **(ii)** the amount allocated to Program services $ N/A ;
(iii) the amount allocated to Management and general $ N/A ; and **(iv)** the amount allocated to Fundraising $ N/A

Part III | Statement of Program Service Accomplishments *(See the instructions.)*

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.

	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
What is the organization's primary exempt purpose? ▶ SEE STATEMENT 4	
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.)	
a PROVIDE SAFE AND COST-EFFECTIVE AIR TRANSPORTATION TO AGENCIES INVOLVED IN RELIEF AND DEVELOPMENT EFFORTS IN REMOTE AREAS OF AFRICA, WEST ASIA AND THE MIDDLE EAST: INDONESIA & SRI LANKA.	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	485,757.
b DEMOCRATIC REPUBLIC OF CONGO-PROVIDE SAFE AND COST-EFFECTIVE AIR TRANSPORTATION TO AGENCIES INVOLVED IN RELIEF AND DEVELOPMENT EFFORTS.	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	8,195,858.
c IRAQ-PROVIDE SAFE AND COST-EFFECTIVE AIR TRANSPORTATION TO AGENCIES INVOLVED IN RELIEF AND DEVELOPMENT EFFORTS.	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	4,153,747.
d AFGHANISTAN-PROVIDE SAFE AND COST-EFFECTIVE AIR TRANSPORTATION TO AGENCIES INVOLVED IN RELIEF AND DEVELOPMENT EFFORTS.	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	4,753,867.
e Other program services (attach schedule) SEE STATEMENT 5	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	6,418,178.
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	24,007,407.

Form **990** (2006)

623021
01-18-07

Part IV Balance Sheets *(See the instructions.)*

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*

Section	Line	Description	Sub-line	Sub-amount	(A) Beginning of year	Line	(B) End of year
Assets	45	Cash - non-interest-bearing			1,852,356.	45	4,093,766.
	46	Savings and temporary cash investments				46	
	47 a	Accounts receivable	47a	2,136,286.			
	b	Less: allowance for doubtful accounts	47b		2,287,046.	47c	2,136,286.
	48 a	Pledges receivable	48a				
	b	Less: allowance for doubtful accounts	48b			48c	
	49	Grants receivable			3,049,641.	49	2,396,873.
	50 a	Receivables from current and former officers, directors, trustees, and key employees				50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				50b	
	51 a	Other notes and loans receivable	51a				
	b	Less: allowance for doubtful accounts	51b			51c	
	52	Inventories for sale or use			253,968.	52	122,234.
	53	Prepaid expenses and deferred charges			1,081,938.	53	709,758.
	54 a	Investments - publicly-traded securities ▶ ☐ Cost ☐ FMV				54a	
	b	Investments - other securities STMT 10 ▶ ☐ Cost ☒ FMV			222,013.	54b	204,167.
	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	3,567,405.			
	b	Less: accumulated depreciation STMT 6	57b	835,664.	4,600,209.	57c	2,731,741.
	58	Other assets, including program-related investments (describe ▶ SEE STATEMENT 7)			3,750,850.	58	4,502,240.
	59	**Total assets** (must equal line 74). Add lines 45 through 58			17,098,021.	59	16,897,065.
Liabilities	60	Accounts payable and accrued expenses			2,987,699.	60	2,746,212.
	61	Grants payable				61	
	62	Deferred revenue			369,248.	62	1,988,208.
	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			1,013,551.	64b	559,579.
	65	Other liabilities (describe ▶ SEE STATEMENT 9)			2,200,398.	65	1,368,855.
	66	**Total liabilities.** Add lines 60 through 65			6,570,896.	66	6,662,854.
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			8,792,775.	67	7,697,979.
	68	Temporarily restricted			1,734,350.	68	2,536,232.
	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 and column (B) **must** equal line 21)			10,527,125.	73	10,234,211.
	74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73			17,098,021.	74	16,897,065.

Part IV-A **Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** *(See the instructions.)*

a	Total revenue, gains, and other support per audited financial statements			a	29,106,984.
b	Amounts included on line **a** but not on Part I, line 12:				
1	Net unrealized gains on investments	b1			
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify):	b4			
	Add lines **b1** through **b4**			b	0.
c	Subtract line **b** from line **a**			c	29,106,984.
d	Amounts included on Part I, line 12, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	0.
e	**Total revenue** (Part I, line 12). Add lines **c** and **d** ▶			e	29,106,984.

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

a	Total expenses and losses per audited financial statements			a	28,738,119.
b	Amounts included on line **a** but not on Part I, line 17:				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify):	b4			
	Add lines **b1** through **b4**			b	0.
c	Subtract line **b** from line **a**			c	28,738,119.
d	Amounts included on Part I, line 17, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	0.
e	**Total expenses** (Part I, line 17). Add lines **c** and **d** ▶			e	28,738,119.

Part V-A **Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See the instructions.)*

(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 plans	(E) Expense account and other allowances
SEE STATEMENT 11		370,678.	30,811.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

			Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 7			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.	75c		X
d	Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	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** ☒ 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

Part VI Other Information *(continued)*

				Yes	No
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 N/A			
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 a	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		88a	X	
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI ▶		88b		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.			
e	*All organizations.* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		89e		X
f	*All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract?		89f		X
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		89g		X

90 a List the states with which a copy of this return is filed ▶ SEE STATEMENT 12

b Number of employees employed in the pay period that includes March 12, 2006 — 90b — 84

91 a The books are in care of ▶ THE ORGANIZATION Telephone no. ▶ 540-428-2323

Located at ▶ 410 ROSEDALE COURT, WARRENTON, VA ZIP + 4 ▶ 20186

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b	X	
	If "Yes," enter the name of the foreign country ▶ SEE STATEMENT 13			
	See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** Report of Foreign Bank and Financial Accounts.			

Part VI Other Information *(continued)*

		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶ SEE STATEMENT 15	91c	X	

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 the instructions.)*

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income		Excluded by section 512, 513, or 514		(E)
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93 Program service revenue:					
a CONTRACT REVENUE					10,477,212.
b HOURLY FLIGHT REVENUE					3,190,689.
c VSAT REVENUE					30,070.
d OTHER PROGRAM REVENUE					104,756.
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					
96 Dividends and interest from securities			14	64,754.	
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			18	<190,921.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a OTHER INCOME					26,052.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		<126,167.>	13,828,779.

105 **Total** (add line 104, columns (B), (D), and (E)) ▶ 13,702,612.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes *(See 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 14

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See 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
AIR SERV LIMITED -,	%			
(NO EIN -FOREIGN	%			
CORP) - BOX 7548	%			
KAMPALA,, KAMPALA	99.00% %	AVIATION BUSINESS	1,457,128.	827,838.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts *(See 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).*

Part XI **Information Regarding Transfers To and From Controlled Entities.** *Complete only if the organization is a controlling organization as defined in section 512(b)(13).* N/A

	Yes	No
106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?		

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.

PUBLIC INSPECTION COPY - RETAIN FOR YOUR RECORDS

Please Sign Here

Michael Webb
Signature of officer

Date NOV 15 2007

MICHAEL A WEBB
Type or print name and title

Paid Preparer's Use Only

Preparer's signature [signature] Date NOV 15 2007 Check if self-employed ▶ ☐ Preparer's SSN or PTIN (See Gen. Inst. X)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ RSM MCGLADREY, INC.
9737 WASHINGTONIAN BLVD., #400
GAITHERSBURG, MD 20878-7340

EIN ▶

Phone no. ▶ (301) 296-3600

Form **990** (2006)

623164/01-26-07

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 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

2006

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 2 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
ALLEN CARNEY 410 ROSEDALE CT, WARRENTON, VA 20186	COUNTRY DIR. 40.00	69,561.	7,771.	0.
MARTY ROGERS 410 ROSEDALE CT, WARRENTON, VA 20186	DIR. TECH SVC 40.00	63,995.	4,779.	0.
KEITH MINIX 410 ROSEDALE CT, WARRENTON, VA 20186	INTL. CHIEF PILOT 40.00	62,025.	4,834.	0.
ERWIN TEMMERMAN 410 ROSEDALE CT, WARRENTON, VA 20186	COUNTRY DIR. IRAQ 40.00	63,132.	4,664.	0.
ANGELIQUE DIOGUARDI 410 ROSEDALE CT, WARRENTON, VA 20186	DIR. OF PRGRM 40.00	63,132.	9,496.	0.
Total number of other employees paid over $50,000 ▶	5			

Part II-A **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
MCGLADREY & PULLEN 9737 WASHINGTONIAN BLVD. SUITE 400, GAITHERSBURG,	AUDITING SERVICES	71,105.
Total number of others receiving over $50,000 for professional services ▶ 0		

Part II-B **Compensation of the Five Highest Paid Independent Contractors for Other Services**

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

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

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

		Line	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? SEE STATEMENT 16	2a	X	
b	Lending of money or other extension of credit? SEE STATEMENT 17	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-A, FORM 990	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a		X
b	Dd the organization have a section 403(b) annuity plan for its employees?	3b	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		X
b	Did the organization make any taxable distributions under section 4966? N/A	4b		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A	4c		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶	N/A		
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶	N/A		
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶	0.		
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶	0.		

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that 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 [X] 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
[ ] Type I [ ] Type II [ ] Type III-Functionally Integrated [ ] Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents? Yes	No	(e) Amount of support
Total ▶					

14 [ ] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Schedule A (Form 990 or 990-EZ) 2006

623121
01-18-07

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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	14,138,121.	16,870,286.	12,831,337.	6,176,711.	50,016,455.
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	25,175,537.	16,307,596.	7,849,796.	2,024,379.	51,357,308.
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	25,532.	3,867.	30,876.	38,783.	99,058.
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	22,883.		SEE STATEMENT 18 141,083.	102,023.	265,989.
23 Total of lines 15 through 22	39,362,073.	33,181,749.	20,853,092.	8,341,896.	101,738,810.
24 Line 23 minus line 17	14,186,536.	16,874,153.	13,003,296.	6,317,517.	50,381,502.
25 Enter 1% of line 23	393,621.	331,817.	208,531.	83,419.	

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 2002 through 2005 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:

(2005) 0. (2004) 0. (2003) 0. (2002) 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 11b, 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:

(2005) 0. (2004) 0. (2003) 0. (2002) 0.

c Add: Amounts from column (e) for lines: 15 50,016,455. 16 ____ 17 51,357,308. 20 ____ 21 ____ ▶ 27c 101,373,763.

d Add: Line 27a total 0. and line 27b total 0. ▶ 27d 0.

e Public support (line 27c total minus line 27d total) ▶ 27e 101,373,763.

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f 101,738,810.

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g 99.6412%

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h .0974%

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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 9 of the instructions.) N/A

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

		Line	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 10 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 13 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				N/A
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 13 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 13 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

623152
01-18-07

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

2006

Name of organization	Employer identification number
AIR SERV INTERNATIONAL, INC.	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 boxes 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 2 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		$ 750,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2		$ 95,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Asset Number	Date placed in service	Method/ IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
1	PROPERTY & EQUIPMENT							
	VARIES	200DB	5.00	17	3,567,405.		713,468.	122,196.
	* TOTAL 990 PAGE 2 DEPR							
					3,567,405.	0.	713,468.	122,196.

616261
05-01-06

- Current year section 179 (D) - Asset disposed

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 1

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
GAIN ON DISPOSAL OF FIXED ASSETS	VARIOUS	VARIOUS	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	1,627,021.	1,959,770.	0.	606,553.	273,804.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
LOSS ON IMPAIRMENT OF ASSETS	VARIOUS	VARIOUS	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	464,725.	0.	0.	<464,725.>
TO FM 990, PART I, LN 8	1,627,021.	2,424,495.	0.	606,553.	<190,921.>

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 2

DESCRIPTION	AMOUNT
PRIOR PERIOD ADJUSTMENT	<661,779.>
TOTAL TO FORM 990, PART I, LINE 20	<661,779.>

FORM 990 OTHER EXPENSES STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ADMINISTRATIIVE EXPENSES	94,240.	94,240.		
AIRCRAFT FUEL	3,387,844.	3,387,596.	248.	
AIRCRAFT INSURANCE	411,511.	391,775.	19,736.	
AIRCRAFT LEASE/RENTAL	10,107,855.	10,107,855.		

AIRCRAFT RESERVES	83,728.	83,728.		
AIRCRAFT POWERPLANT	380,044.	380,044.		
MOBILIZATION EXPENSE	662,869.	662,869.		
A/C TECH	1,573,133.	1,458,542.	114,591.	
ASSOCIATION DUES	21,912.	195.	21,717.	
AUTO EXPENSE	274,483.	261,794.	12,689.	
BANK FEES	73,766.	51,698.	22,068.	
BOARD EXPENSE	10,690.	2,152.	8,538.	
BUSINESS EXPENSE	5,525.	1,047.	4,478.	
E-MAIL	99,271.	97,542.	1,729.	
FINANCE CHARGES	2,045.	2,010.	35.	
GAIN/LOSS ON EXCHANGE	<3,071.>	<4,210.>	1,139.	
INSURANCE - NON AIRCRAFT	100,152.	94,301.	5,851.	
UTILITIES	54,900.	54,900.		
OTHER EXPENSES	110,550.	74,825.	35,317.	408.
CONSULTING AND PROFESSIONAL SERVICES	111,142.	5,335.	105,807.	
RECRUITING	42,900.	3,305.	39,595.	
SATELLITE EXP IN FIELD	30,778.	30,778.		
START-UP NON A/C	1,379.	405.	974.	
SUBSCRIPTIONS	57.	57.		
TAXES & LICENSES	8,006.	7,240.	766.	
TRAINING	303,765.	189,262.	114,503.	
ADMINISTRATION ALLOCATION	<97,917.>	<310,353.>	212,436.	
WEBSITE EXPENSE	121.		121.	
UNALLOWABLE FUNDRASING EXPENSES	97,916.			97,916.
GIFTS AND PUBLIC RELATIONS	59.			59.
BOARD DESIGNATED UNALLOWABLE	50,426.		50,366.	60.
HOUSING	913,757.	854,882.	58,875.	
JANITORIAL SERVICES	70,161.	50,530.	19,631.	
PAYROLL SERVICES	17,547.	5,541.	12,006.	
COMPUTER SUPPORT SERVICES	30,661.	921.	29,740.	
BAD DEBTS AND DISPUTED COSTS	311,689.			311,689.
TOTAL TO FM 990, LN 43	19,343,894.	18,040,806.	892,956.	410,132.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 4
PART III

EXPLANATION

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

FORM 990 OTHER PROGRAM SERVICES STATEMENT 5

DESCRIPTION OF OTHER PROGRAM SERVICES	GRANTS AND ALLOCATIONS	EXPENSES
CHAD	0.	4,180,154.
MOZAMBIQUE	0.	1,010,583.
OTHER COUNTRIES	0.	549,131.
PAKISTAN	0.	678,310.
TOTAL TO FORM 990, PART III, LINE E		6,418,178.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 6

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
PROPERTY & EQUIPMENT	3,567,405.	835,664.	2,731,741.
TOTAL TO FORM 990, PART IV, LN 57	3,567,405.	835,664.	2,731,741.

FORM 990 OTHER ASSETS STATEMENT 7

DESCRIPTION	AMOUNT
INVESTMENT IN SUBSIDIARY	2,060,209.
DEPOSIT ON KODIAK AIRCRAFT	2,440,641.
ACCRUED INTEREST	1,390.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	4,502,240.

FORM 990 — OTHER NOTES AND LOANS PAYABLE — STATEMENT 8

LENDER'S NAME	TERMS OF REPAYMENT
KEY EQUIPMENT FINANCE	MONTHLY PAYMENTS OF INTEREST AND PRINCIPAL

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
10/27/04	10/27/07	900,000.	7.94%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
AIRPLANE	

RELATIONSHIP OF LENDER
NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	559,579.

LENDER'S NAME	TERMS OF REPAYMENT
KEY EQUIPMENT FINANCE	

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
		0.	.00%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
AIRPLANE	

RELATIONSHIP OF LENDER
NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	0.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B	559,579.

FORM 990 OTHER LIABILITIES STATEMENT 9

DESCRIPTION	AMOUNT
REVENUE OF CONSOLIDATED SUBSIDIARY	1,368,855.
LINE OF CREDIT	0.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	1,368,855.

FORM 990 OTHER SECURITIES STATEMENT 10

SECURITY DESCRIPTION	COST/FMV	OTHER SECURITIES
OTHER INVESTMENTS	FMV	204,167.
TO FORM 990, LINE 54B, COL B		204,167.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 11

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CHRISTOPHER JOHNSON 410 ROSEDALE COURT WARRENTON, VA 20186	CHAIR 2.00	0.	0.	0.
MICHAEL A. STOLTZFUS 410 ROSEDALE COURT WARRENTON, VA 20186	TREASURER/DIRECTOR 2.00	0.	0.	0.
TODD FECHT 410 ROSEDALE COURT WARRENTON, VA 20186	DIRECTOR 2.00	0.	0.	0.
JOYCE GODWIN 410 ROSEDALE COURT WARRENTON, VA 20186	DIRECTOR 2.00	0.	0.	0.
JIM MITCHELL 410 ROSEDALE COURT WARRENTON, VA 20186	DIRECTOR 2.00	0.	0.	0.

RICHARD PERRY 410 ROSEDALE COURT WARRENTON, VA 20186	DIRECTOR 2.00	0.	0.	0.
JEFF THINDWA 410 ROSEDALE COURT WARRENTON, VA 20186	DIRECTOR 2.00	0.	0.	0.
DONALD E. WALTER 410 ROSEDALE COURT WARRENTON, VA 20186	DIRECTOR 2.00	0.	0.	0.
STUART WILLCUTS 410 ROSEDALE COURT WARRENTON, VA 20186	PRESIDENT/CEO 60.00	139,497.	10,582.	0.
DAVID J. GRIBBLE 410 ROSEDALE COURT WARRENTON, VA 20186	CHIEF FINANCIAL OFFICER 40.00	54,595.	1,841.	0.
DELORES WIES 410 ROSEDALE COURT WARRENTON, VA 20186	VICE PRESIDENT 40.00	53,565.	4,239.	0.
CORLISS ZYLSTRA 410 ROSEDALE COURT WARRENTON, VA 20186	MANAGER 40.00	70,240.	8,272.	0.
RICHARD GRAZA 410 ROSEDALE COURT WARRENTON, VA 20186	CFO 40.00	52,781.	5,877.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		370,678.	30,811.	0.

FORM 990 LIST OF STATES RECEIVING COPY OF RETURN STATEMENT 12
PART VI, LINE 90

STATES

AL,AK,AZ,AR,CA,CO,CT,DE,FL,GA,HI,ID,IL,IN,IA,KS,KY,LA,ME,MD,MA,MI,MN,MS,MO
MT,NE,NV,NH,NJ,NM,NY,NC,ND,OH,OK,OR,PA,RI,SC,SD,TN,TX,UT,VT,VA,WA,WV,WI,WY,
DC

FORM 990 NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST STATEMENT 13

NAME OF COUNTRY

CHAD
MOZAMBIQUE
CONGO (DEMOCRATIC REPUBLIC)
AFGHANISTAN
INDONESIA
PAKISTAN
SRI LANKA
JORDAN

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 14

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	REVENUE RECEIVED UNDER CONTRACT FROM UNITED NATIONS HIGH COMMISSIONER TO PROVIDE AIR TRANSPORTATION FOR RELIEF WORKERS.
93B	REVENUE FROM OTHER SOURCES FOR PROVIDING AIR TRANSPORTATION FOR RELIEF WORKERS.
93C	REVENUE COLLECTED FOR PROVIDING TECHNICAL SERVICES, DATA COMMUNICATION AND LOGISTICS TO HUMANITARIAN AND NGO WORKERS.
93D	OTHER REVENUE RELATED TO FURTHERANCE OF ORGANIZATION'S EXEMPT MISSION. OTHER PROGRAM REVENUE RELATES TO DEFERRED REVENUE THAT WAS RECORDED IN PRIOR YEARS TO REFLECT FUNDS RECEIVED IN FISCAL YEAR 2001. DUE TO THE NATURE OF THE ACTIVITIES PERFORMED RELATED TO EXEMPT ACTIVITIES, IT WAS DECIDED TO RECOGNIZE THE FUNDS AS UNRESTRICTED REVENUE IN FISCAL YEAR 2005.
103A	AMOUNTS EARNED FROM ACTIVITIES IN FURTHERENCE OF THE EXEMPT MISSION.

FORM 990 NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS AN OFFICE STATEMENT 15

NAME OF COUNTRY

CHAD
MOZAMBIQUE
CONGO (DEMOCRATIC REPUBLIC)
AFGHANISTAN
INDONESIA
PAKISTAN
SRI LANKA
JORDAN

SCHEDULE A — EXPLANATION OF TRANSACTIONS PART III, LINE 2A — STATEMENT 16

QUEST IS A COMPANY FORMED TO DESIGN, DEVELOP AND MANUFACTURE AIRCRAFT DESIGNED TO BE USED IN THE ARENA IN WHICH AIR SERV OPERATES. CONTRIBUTIONS HAVE BEEN MADE TO AIR SERV BY INDIVIDUALS FOR THE PURPOSE OF CONTRIBUTING TO THIS PROJECT AND, ULTIMATELY, PURCHASE AIRCRAFT. AT THE TIME THE PROGRAM WAS STARTED, MS. JOYCE GODWIN, A BOARD MEMBER OF AIR SERV INTERNATIONAL, WAS ON THE BOARD OF QUEST AND SHE IS NOW THE CHAIR OF QUEST. PROPERLY, SHE HAS RECUSED HERSELF FROM ALL DECISION MAKING REGARDING THE TRANSACTIONS WITH QUEST. HOWEVER, SHE ACKNOWLEDGES ON HER CONFLICT OF INTEREST STATEMENT THAT SUCH CONFLICT EXISTS.

SCHEDULE A EXPLANATION OF TRANSACTIONS STATEMENT 17
PART III, LINE 2B

AIR SERV LIMITED IS A SUBSIDIARY OWNED ALMOST IN ITS ENTIRETY (99%) BY AIR SERV INTERNATIONAL. CHRISTOPHER JOHNSON IS THE CHAIR OF BOARD OF AIR SERV INTERNATIONAL, AND SERVES ON THE BOARD OF AIR SERV LIMITED. ASL HAS BEEN FUNDED IN THE AMOUNT OF $2,650,821 BY ASI AND COULD COMPETE, IN SOME ASPECT, FOR GOODS, SERVICES AND CONTRACTS. THERE ARE CONTRACTS TO AND FROM THE COMPANIES. PROFIT AND LOSS ARE ELIMINATED THROUGH THE INTER-COMPANY ACCOUNTS FOR FINANCIAL STATEMENT PRESENTATION.

SCHEDULE A OTHER INCOME STATEMENT 18

DESCRIPTION	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT
OTHER REVENUE	22,883.	0.	141,083.	102,023.
TOTAL TO SCHEDULE A, LINE 22	22,883.	0.	141,083.	102,023.

Form **5471**

(Rev. December 2005)
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 JAN 1 , 2006, and ending DEC 31, 2006

OMB No. 1545-0704
Attachment Sequence No. 121

File In Duplicate (see **When and Where To File** in 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): 410 ROSEDALE COURT

B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 [ ] 3 [ ] 4 [X] 5 [X]

City or town, state, and ZIP code: WARRENTON, VA 20186

C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 99.90 %

Filer's tax year beginning JAN 1 ,2006 , and ending DEC 31 ,2006

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
UGANDA

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
01/17/97	UGANDA	481000	AVIATION	U.S.DOLLAR

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 FLR,AIRWAYS HOUSE,PLOT 6
KAMPALA 6256
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
Air Serv Limited
P.O. Box 7548
Kampala
Uganda

Schedule A Stock of the Foreign Corporation

(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	211,000	211,000

Schedule B U.S. Shareholders of Foreign Corporation

(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, 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, 410 ROSEDALE CT. STE 190 WARRENTON VA 20186 59-2500627	COMMON	210,789	210,789	99.90%

Schedule C Income Statement

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		1,457,128.
	b Returns and allowances	1b		
	c Subtract line 1b from line 1a	1c		1,457,128.
	2 Cost of goods sold	2		903,556.
	3 Gross profit (subtract line 2 from line 1c)	3		553,572.
	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		208.
	8 Other income (attach schedule)	8		
	9 Total income (add lines 3 through 8)	9		553,780.
Deductions	10 Compensation not deducted elsewhere	10		347,633.
	11 Rents, royalties, and license fees	11		10,156.
	12 Interest	12		
	13 Depreciation not deducted elsewhere	13		42,571.
	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) SEE STATEMENT 19	16		222,484.
	17 Total deductions (add lines 10 through 16)	17		622,844.
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		<69,064.>
	19 Extraordinary items and prior period adjustments	19		
	20 Provision for income, war profits, and excess profits taxes	20		
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21		<69,064.>

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued

(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 instructions for an exception for DASTM corporations.*

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	111,233.	176,059.
2a Trade notes and accounts receivable	2a	139,741.	58,219.
b Less allowance for bad debts	2b	( )	( )
3 Inventories	3		
4 Other current assets (attach schedule) SEE STATEMENT 20	4	90,089.	16,501.
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach schedule)	6		
7 Other investments (attach schedule)	7		
8a Buildings and other depreciable assets	8a	503,060.	577,059.
b Less accumulated depreciation	8b	( )	( )
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	844,123.	827,838.
Liabilities and Shareholders' Equity			
14 Accounts payable	14	60,561.	655,491.
15 Other current liabilities (attach schedule)	15		
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach schedule) SEE STATEMENT 21	17	542,151.	
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b	1,055,000.	1,055,000.
19 Paid-in or capital surplus (attach reconciliation)	19	1,005,209.	1,005,209.
20 Retained earnings	20	<1,818,798.>	<1,887,862.>
21 Less cost of treasury stock	21	( )	( )
22 Total liabilities and shareholders' equity	22	844,123.	827,838.

Form **5471** (Rev. 12-2005)

612321
05-01-06

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 the instructions for required attachment.		X
2	During the tax year, did the foreign corporation own an interest in any trust?		X
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," you are generally required to attach Form 8858 for each entity (see instructions).		X

Schedule H Current Earnings and Profits

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	<69,064.>
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	<69,064.>
b	DASTM gain or (loss) for foreign corporations that use DASTM			5b	
c	Combine lines 5a and 5b			5c	<69,064.>
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) Enter exchange rate used for line 5d ▶			5d	

Schedule I Summary of Shareholder's Income From Foreign Corporation

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	
2	Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

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

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

SCHEDULE J (Form 5471)
(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

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

▶ Attach to 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
P.O. BOX 7548

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)
1 Balance at beginning of year	<1,818,798.>	
2a Current year E&P		
b Current year deficit in E&P	69,064.	
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a **or** line 1 minus line 2b)	<1,887,862.>	
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)	<1,887,862.>	
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	<1,887,862.>	

	(c) Previously Taxed E&P (sections 959(c)(1) and (2) balances)			**(d)** Total Section 964(a) E&P (combine columns (a), (b), and (c))
	(i) Earnings Invested in U.S. Property	*(ii)* Earnings Invested in Excess Passive Assets	*(iii)* Subpart F Income	
1				<1,818,798.>
2a				
b				
3				
4				
5a				
b				
6a				
b				
7				<1,887,862.>

612421/05-01-06 LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 5471.** **Schedule J (Form 5471)** (Rev. 12-2005)

SCHEDULE M (Form 5471) (Rev. December 2005)
Department of the Treasury Internal Revenue Service

Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Attach to 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
P.O. BOX 7548

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 instructions.*

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ U.S.DOLLAR

(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					
4 Commissions received					
5 Rents, royalties, and license fees received	153,490.				
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	153,490.				
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	586,066.				
14 Commissions paid					
15 Rents, royalties, and license fees paid					
16 Dividends paid					
17 Interest paid					
18 Add lines 10 through 17	586,066.				
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					

FORM 5471 OTHER DEDUCTIONS STATEMENT 19

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
AUDITING AND ACCOUNTING			17,452.
TRANSPORT AND TRAVEL			13,980.
INTERNATIONAL TRAVEL			5,521.
UTILITIES			17,524.
TELECOMMUNICATIONS			25,622.
RECRUITING EXPENSES			10,780.
CONFERENCE AND TRAINING			4,724.
OFFICE SUPPLIES AND EXPENSES			20,924.
BAD DEBT EXPENSE			15,723.
SOUTH SUDAN EXPENSES			13,454.
OTHER EXPENSES			26,572.
DISTRIBUTION COST			1,612.
PROVISION FOR LEGAL OBLIGATION			43,972.
NET FOREIGN EXCHANGE LOSS			2,248.
TAXES AND LICENSE			2,376.
TOTAL TO 5471, SCHEDULE C, LINE 16			222,484.

FORM 5471 OTHER CURRENT ASSETS STATEMENT 20

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
STATUTORY DEPOSIT WITH CAA		10,506.
PREPAYMENTS	90,089.	5,995.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 4	90,089.	16,501.

FORM 5471 OTHER LIABILITIES STATEMENT 21

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
DUE TO AIR SERV INTERNATIONAL	542,151.	0.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 17	542,151.	0.

- 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.** You 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 AIR SERV INTERNATIONAL, INC.	**Employer identification number** 59-2500627
	Number, street, and room or suite no. If a P.O. box, see instructions. 410 ROSEDALE COURT, NO. 190	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WARRENTON, VA 20186	

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.

- The books are in the care of ▶ THE ORGANIZATION
  Telephone No. ▶ 540-428-2323 FAX No. ▶
- 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, 2007.

5 For calendar year 2006 , 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
INFORMATION REQUIRED TO FILE A COMPLETE AND ACCURATE RETURN WILL NOT BE AVAILABLE UNTIL AFTER THE FIRST EXTENDED DUE DATE.

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.	8a	$
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.	8b	$
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.	8c	$ 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 ▶ ACCOUNTANT Date ▶ 8/10/07

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 a 10-day grace period.

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

[ ] Other ______

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 WILMA WALDRON
	Number and street (include suite, room, or apt. no.) or a P.O. box number 6701 DEMOCRACY BLVD., STE 600
623832 05-01-07	**City or town, province or state, and country (including postal or ZIP code)** BETHESDA, MD 20817-7520

Form **8868** (Rev. December 2006) 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).

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).

Section 501(c)(3) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c)(3) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

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. 410 ROSEDALE COURT, NO. 190	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WARRENTON, VA 20186	

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

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

- The books are in the care of ▶ THE ORGANIZATION

Telephone No. ▶ 540-428-2323 FAX No. ▶

- 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-months for a section 501(c)(3) corporation required to file Form 990-T) extension of time until AUGUST 15, 2007, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ [X] calendar year 2006 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.	3a	$
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.	3b	$
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.	3c	$ N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.** Form **8868** (Rev. 12-2006)