

Return of Organization Exempt From Income Tax

2007

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

For the 2007 calendar year, or tax year beginning and ending

<input type="checkbox"/> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization AIR SERV INTERNATIONAL, INC.		D Employer identification number 59-2500627
		Number and street (or P.O. box if mail is not delivered to street address)		E Telephone number 540-428-2323
		410 ROSEDALE COURT City or town, state or country, and ZIP + 4 WARRENTON, VA 20186	Room/suite 190	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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

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

I Group Exemption Number **N/A**

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

G Website: **WWW.AIRSERV.ORG**

J Organization type (check only one) 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.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **24,747,265.**

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

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	4,481,456.	
	c	Indirect public support (not included on line 1a)	1c		
	d	Government contributions (grants) (not included on line 1a)	1d	10,558,100.	
	e	Total (add lines 1a through 1d) (cash \$ 14,773,906. noncash \$ 265,650.)	1e		15,039,556.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		9,015,458.
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		
	5	Dividends and interest from securities	5		16,383.
	6a	Gross rents	6a		
	6b	Less: rental expenses	6b		
6c	Net rental income or (loss). Subtract line 6b from line 6a	6c			
7	Other investment income (describe)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	480,000.	
		(B) Other	8b	534,593.	
			8c	<54,593.>	
		Net gain or (loss). Combine line 8c, columns (A) and (B)	8d	STMT 1	<54,593.>
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
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			
10a	Gross sales of inventory, less returns and allowances	10a			
		Less: cost of goods sold	10b		
		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		195,868.	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		24,212,672.	
Expenses	13	Program services (from line 44, column (B))	13		20,259,636.
	14	Management and general (from line 44, column (C))	14		4,138,518.
	15	Fundraising (from line 44, column (D))	15		398,991.
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses. Add lines 16 and 44, column (A)	17		24,797,145.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		<584,473.>
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		10,234,211.
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 2	20		1,904,204.
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		11,553,942.

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 \$ <u>0.</u> noncash \$ <u>0.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>0.</u> noncash \$ <u>0.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	329,602.	200,959.	128,643.	0.
25b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
25c 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)				
26 Salaries and wages of employees not included on lines 25a, b, and c	3,647,384.	2,183,127.	1,464,257.	
27 Pension plan contributions not included on lines 25a, b, and c	43,976.	5,055.	38,921.	
28 Employee benefits not included on lines 25a-27	1,992,546.	1,361,428.	631,118.	
29 Payroll taxes	277,004.	169,718.	107,286.	
30 Professional fundraising fees				
31 Accounting fees	100,704.	5,540.	95,164.	
32 Legal fees	25,075.	24,565.	510.	
33 Supplies	354,263.	229,597.	124,666.	
34 Telephone	293,581.	224,985.	68,596.	
35 Postage and shipping	243,827.	229,777.	14,050.	
36 Occupancy	1,168,703.	889,095.	279,608.	
37 Equipment rental and maintenance	7,767,671.	7,756,875.	10,796.	
38 Printing and publications	40,637.	16,394.	24,243.	
39 Travel	476,689.	326,752.	149,937.	
40 Conferences, conventions, and meetings	78,394.	4,094.	74,300.	
41 Interest	220,603.	100,827.	119,776.	
42 Depreciation, depletion, etc. (attach schedule)	781,827.	775,528.	6,299.	
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 3	6,954,659.	5,755,320.	800,348.	398,991.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	24,797,145.	20,259,636.	4,138,518.	398,991.

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.

What is the organization's primary exempt purpose? ► SEE STATEMENT 8	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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 SEE STATEMENT 4	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	9,158,701.
b SEE STATEMENT 5	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	3,949,445.
c SEE STATEMENT 6	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	2,804,394.
d SEE STATEMENT 7	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	2,640,289.
e Other program services (attach schedule) SEE STATEMENT 9	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,706,807.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	20,259,636.

Form 990 (2007)

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.

		(A) Beginning of year		(B) End of year	
Assets	45	Cash - non-interest-bearing	4,093,766.	45	1,684,562.
	46	Savings and temporary cash investments		46	
	47 a	Accounts receivable	47a 1,522,628.		
	b	Less: allowance for doubtful accounts	47b 138,005.	47c	1,384,623.
	48 a	Pledges receivable	48a	48c	
	b	Less: allowance for doubtful accounts	48b	48c	
	49	Grants receivable	2,396,873.	49	4,496,282.
	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	51c	
	b	Less: allowance for doubtful accounts	51b	51c	
	52	Inventories for sale or use	122,234.	52	113,640.
	53	Prepaid expenses and deferred charges	709,758.	53	1,422,912.
	54 a	Investments - publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
	b	Investments - other securities STMT 14 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	204,167.	54b	419,556.
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 8,967,518.			
b	Less: accumulated depreciation STMT 10	57b 1,348,508.	57c	7,619,010.	
58	Other assets, including program-related investments (describe SEE STATEMENT 11)	4,502,240.	58	4,726,183.	
59	Total assets (must equal line 74). Add lines 45 through 58	16,897,065.	59	21,866,768.	
Liabilities	60	Accounts payable and accrued expenses	2,746,212.	60	3,838,309.
	61	Grants payable		61	
	62	Deferred revenue	1,988,208.	62	1,615,790.
	63	Loans from officers, directors, trustees, and key employees		63	
	64 a	Tax-exempt bond liabilities		64a	
	b	Mortgages and other notes payable STMT 12	559,579.	64b	4,858,727.
	65	Other liabilities (describe SEE STATEMENT 13)	1,368,855.	65	0.
66	Total liabilities. Add lines 60 through 65	6,662,854.	66	10,312,826.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted	7,697,979.	67	8,792,710.
	68	Temporarily restricted	2,536,232.	68	2,761,232.
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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)	10,234,211.	73	11,553,942.
	74	Total liabilities and net assets/fund balances. Add lines 66 and 73	16,897,065.	74	21,866,768.

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

Table with 4 columns: Question, Yes, No. Rows include: 75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings (8); 75b 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) (X); 75c 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." (X); 75d Does the organization have a written conflict of interest policy? (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.)

Table with 5 columns: (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. Row 1: SEE STATEMENT 16, NONE, empty, empty, empty.

Part VI Other Information (See the instructions.)

Table with 4 columns: Question, Yes, No. Rows include: 76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change (X); 77 Were any changes made in the organizing or governing documents but not reported to the IRS? (X); 78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? (X); 78b If "Yes," has it filed a tax return on Form 990-T for this year? (N/A); 79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement (X); 80a 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? (X); 80b If "Yes," enter the name of the organization AIR SERV LIMITED and check whether it is exempt or nonexempt (X); 81a Enter direct and indirect political expenditures. (See line 81 instructions.) (0.); 81b Did the organization file Form 1120-POL for this year? (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? 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.)		X
82b	N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		
84 b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
85 b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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.		
85 c	Dues, assessments, and similar amounts from members		
85 d	Section 162(e) lobbying and political expenditures		
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85 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?		
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
86 a	N/A		
86 b	Gross receipts, included on line 12, for public use of club facilities		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
87 a	N/A		
87 b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
87 b	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	X	
88 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	X	
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 \blacktriangleright 0.; section 4912 \blacktriangleright 0.; section 4955 \blacktriangleright 0.		
89 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		X
89 c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 \blacktriangleright 0.		
89 d	Enter: Amount of tax on line 89c, above, reimbursed by the organization \blacktriangleright 0.		
89 e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 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?		X
90 a	List the states with which a copy of this return is filed \blacktriangleright SEE STATEMENT 17		
90 b	Number of employees employed in the pay period that includes March 12, 2007		45
91 a	The books are in care of \blacktriangleright THE ORGANIZATION Telephone no. \blacktriangleright 540-428-2323 Located at \blacktriangleright 410 ROSEDALE COURT, WARRENTON, VA ZIP + 4 \blacktriangleright 20186		
91 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)? If "Yes," enter the name of the foreign country \blacktriangleright SEE STATEMENT 18 See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	X	

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? 91c X
 If "Yes," enter the name of the foreign country **SEE STATEMENT 20**
 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.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a CONTRACT REVENUE					5,303,913.
b HOURLY FLIGHT REVENUE					3,711,545.
c					
d					
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	16,383.	
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	<54,593.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a OTHER INCOME					195,868.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		<38,210.>	9,211,326.
105 Total (add line 104, columns (B), (D), and (E))					9,173,116.

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 19

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	1,135,208.	1,214,564.

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).

				Yes	No
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.				<input checked="" type="checkbox"/>	
(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer		
a AIR SERV LIMITED - (NO EIN - FOREIGN C BOX 7548 KAMPALA KAMPALA, UGANDA		SEE STATEMENT 21	325,280.		
b ----- -----					
c ----- -----					
Totals			325,280.		

				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.					<input checked="" type="checkbox"/>
(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer		
a ----- -----					
b ----- -----					
c ----- -----					
Totals					

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?

Yes No

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. I am a preparer (other than an officer) based on all information of which preparer has any knowledge.

CLIENT COPY

Please Sign Here

Signature of officer _____ Date _____
Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature Date _____ 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**

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

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

2007

Supplementary Information-(See separate instructions.)

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

Department of the Treasury
Internal Revenue Service

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
<u>MARIELLEN HAGY</u> 410 ROSEDALE CT, WARRENTON, VA 20186	DIR OF FINANCE 40.00	72,749.	19,582.	0.
<u>MIKE VENTRE</u> 410 ROSEDALE CT, WARRENTON, VA 20186	CHIEF PILOT 40.00	66,914.	4,948.	0.
<u>WILLIAM KELSEY</u> 410 ROSEDALE CT, WARRENTON, VA 20186	PILOT 40.00	57,633.	15,406.	0.
<u>MORGAN BUTLER-LEWIS</u> 410 ROSEDALE CT, WARRENTON, VA 20186	MANAGER 40.00	54,683.	16,749.	0.
<u>WENDY IRMISCHER</u> 410 ROSEDALE CT, WARRENTON, VA 20186	DIRECTOR 40.00	52,844.	7,837.	0.
Total number of other employees paid over \$50,000 ▶	2			

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
<u>MCGLADREY & PULLEN</u> 9737 WASHINGTONIAN BLVD. SUITE 400, GAITHERSBURG,	AUDIT AND TAX PREPARATION	99,450.

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
<u>NONE</u>		

Total number of other contractors receiving over \$50,000 for other 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 j of Part VI-B.) 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.	1	X
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 22	2a	X
b	Lending of money or other extension of credit? SEE STATEMENT 23	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	Did 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 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 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 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 8 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?		(e) Amount of support
			Yes	No	
Total ▶					

- 14** An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	17,676,100.	14,138,121.	16,870,286.	12,831,337.	61,515,844.
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	13,979,539.	25,178,420.	16,307,596.	7,849,796.	63,315,351.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	64,574.	25,532.	3,867.	30,876.	124,849.
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			SEE STATEMENT 24	141,083.	141,083.
23 Total of lines 15 through 22	31,720,213.	39,342,073.	33,181,749.	20,853,092.	125,097,127.
Line 23 minus line 17	17,740,674.	14,163,653.	16,874,153.	13,003,296.	61,781,776.
25 Enter 1% of line 23	317,202.	393,421.	331,817.	208,531.	
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 2003 through 2006 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: (2006) 0. (2005) 0. (2004) 0. (2003) 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: (2006) 10,160,010. (2005) 20,931,037. (2004) 5,306,930. (2003) 0.					
c Add: Amounts from column (e) for lines: 15 61,515,844. 16 _____ 17 63,315,351. 20 _____ 21 _____					27c 124,831,195.
d Add: Line 27a total 0. and line 27b total 36,397,977.					27d 36,397,977.
e Public support (line 27c total minus line 27d total)					27e 88,433,218.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f 125,097,127.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 70.6916%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .0998%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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)

		Yes	No
	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 11 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 -		
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	
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	

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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	
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 14 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			
Direct contact with legislators, their staffs, government officials, or a legislative body			
n 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.

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

2007

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

Table with 5 columns: Payer's Name, 2006 Amount, 2005 Amount, 2004 Amount, 2003 Amount. Row 1: UNITED NATIONS, 10,160,010., 20,931,037., 5,306,930., 0. Total to Schedule A, Line 27b: 10,160,010., 20,931,037., 5,306,930., 0.

723173/04-27-07

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

2007

Name of organization

AIR SERV INTERNATIONAL, INC.

Employer identification number

59-2500627

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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-

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).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization AIR SERV INTERNATIONAL, INC.	Employer identification number 59-2500627
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	NORTHWEST CHRISTIAN COMMUNITY FOUNDATION 7730 SW 31ST AVENUE PORTLAND, OR 97219	\$ 225,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	FEDERAL EXPRESS CORPORATION 3410 HACKS CROSS ROAD BLDG A, 1ST FLOOR MEMPHIS, TN 38125	\$ 23,659.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

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

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
SALE OF AIRCRAFT				PURCHASED	
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	480,000.	729,522.	0.	194,929.	<54,593.>
TO FM 990, PART I, LN 8	480,000.	729,522.	0.	194,929.	<54,593.>

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

DESCRIPTION	AMOUNT
ADOPTION OF FSP NO. AUG AIR-1 - AIRCRAFT RESERVES ADJUSTMENT	1,904,204.
TOTAL TO FORM 990, PART I, LINE 20	1,904,204.

FC 990 **OTHER EXPENSES** **STATEMENT 3**

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
AIRCRAFT FUEL	3,260,465.	3,253,130.	7,335.	
AIRCRAFT INSURANCE	537,875.	401,943.	135,932.	
EQUIPMENT	85,575.	63,490.	22,085.	
BAD DEBT EXPENSE	371,751.	0.	153,368.	218,383.
REPAIRS & MAINTENANCE	796,759.	732,475.	64,284.	
BANK FEES	<15,185.>	<27,692.>	12,507.	
DISPUTED COSTS	179,203.			179,203.
BUSINESS EXPENSE	16,567.	1,546.	15,021.	
OTHER EXPENSES	116,397.	82,283.	32,709.	1,405.
CONSULTING AND PROFESSIONAL SERVICES	230,192.	111,977.	118,215.	
PROGRAM SUPPORT	23,962.	593.	23,369.	
BOARD EXPENSES	24,078.	354.	23,724.	
START UP AND MOBILIZATION	12,436.	12,436.		

DUES & SUBSCRIPTIONS	35,795.		35,795.	
TAXES & LICENSES	749,444.	746,992.	2,452.	
TRAINING	196,110.	121,045.	75,065.	
STAFF EXPENSE	333,235.	254,748.	78,487.	
TOTAL TO FM 990, LN 43	6,954,659.	5,755,320.	800,348.	398,991.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 4

DESCRIPTION OF PROGRAM SERVICE ONE

DRC:

AIR SERV INTERNATIONAL FLIGHT OPERATIONS IN THE DEMOCRATIC REPUBLIC OF THE CONGO (DRC) BEGAN IN 1999. IT IS AIR SERV'S LARGEST OPERATION. FUNDING FROM USAID AND THE OFFICE OF FOREIGN DISASTER ASSISTANCE (OFDA), AS WELL AS THE UK DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID), THE INTERNATIONAL ORGANIZATION OF MIGRATION (IOM) AND UN POOL FUNDING HAVE MADE IT POSSIBLE FOR AIR SERV TO SIGNIFICANTLY ENHANCE THE PROJECTS AND EFFORTS OF NUMEROUS HUMANITARIAN ORGANIZATIONS AND AGENCIES. WITH THREE BASES NOW IN THE DRC (GOMA, LUBUMBASHI AND KALEMIE), AIR SERV IS ABLE TO PROVIDE HUMANITARIAN FLIGHTS THROUGHOUT THE EAST CENTRAL REGION OF THE DRC, ENSURING FAST, SAFE AND RELIABLE ACCESS FOR OUR HUMANITARIAN PARTNERS WORKING IN THE REGION. AIRCRAFT CARRY HUMANITARIAN STAFF AND VITAL CARGO, AND PERFORM MEDICAL AND SECURITY EVACUATIONS.

GOMA BASE:

UNDER AN OFDA GRANT, AIR SERV PROVIDES FLIGHTS THROUGHOUT EASTERN DRC FOR MORE THAN 50 DIFFERENT HUMANITARIAN ORGANIZATIONS, INCL. MEDECINS SANS FRONTIERES (MSF), SOLIDARITES, MERLIN, UNHCR AND THE UN OFFICE FOR THE COORDINATION OF HUMANITARIAN AFFAIRS (OCHA).

KALEMIE BASE:

AIR SERV RECENTLY RECEIVED FUNDING THROUGH THE UN POOL FUND TO SET UP A HUMANITARIAN SHUTTLE SERVICE FROM THE TOWN OF KALEMIE ON THE WESTERN BANKS OF LAKE TANGANYIKA TO THE INTERIOR VILLAGES OF NYUNZU, KONGOLO, KABALO AND MANONO. FOUR REGULARLY SCHEDULED FLIGHTS FROM KALEMIE PER WEEK CARRY REGISTERED NGO STAFF AND CARGO AND ARE AVAILABLE FOR MEDICAL AND SECURITY EVACUATIONS.

LUBUMBASHI BASE:

AIR SERV PROVIDES THE ONLY HUMANITARIAN AIR TRANSPORT OUT OF LUBUMBASHI. AIR SERV AIRCRAFT FLY TO AND FROM 12 LOCATIONS

THROUGHOUT THE KATANGA REGION. AIR SERV FIRST BEGAN OPERATING IN THE AREA IN 2004. UN POOL FUNDING, DFID AND DIRECT CONTRACT WITH MEDECINS SANS FRONTIERES (MSF).

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A		9,158,701.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 5

DESCRIPTION OF PROGRAM SERVICE TWO

AFGHANISTAN:
 AIR SERV INTERNATIONAL BEGAN FLIGHT OPERATIONS IN AFGHANISTAN IN MARCH 2002. UNDER CONTRACT FUNDING, AIR SERV FLIGHTS SUPPORT THE UNITED NATIONS AND USAID DEVELOPMENT PROJECTS, INCLUDING ROAD CONSTRUCTION AND THE KAJAKI DAM RECONSTRUCTION PROJECT, AS WELL AS OTHER HUMANITARIAN PROGRAMS FUNDED BY USAID.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B		3,949,445.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 6

DESCRIPTION OF PROGRAM SERVICE THREE

IRAQ:
 AIR SERV INTERNATIONAL WAS THE FIRST CIVILIAN AIR OPERATOR GRANTED ACCESS TO IRAQ IN 2003 FOLLOWING THE END OF INITIAL US COMBAT OPERATIONS. AIR SERV PROVIDES VITAL AIR TRANSPORT IN AND OUT OF BAGHDAD FOR US AND INTERNATIONAL HUMANITARIAN ORGANIZATIONS AND AGENCIES, OFFERING SEVERAL WEEKLY FLIGHTS BETWEEN AMMAN, JORDAN AND BAGHDAD. IN COOPERATION WITH SEVERAL NGOS, AIR SERV PROVIDES CRITICAL MEDEVAC SERVICES TO JORDAN FOR IRAQI CITIZENS NEEDING EMERGENCY HEALTH CARE, MANY OF THEM CHILDREN. FUNDING IS PROVIDED BY USAID.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE C		2,804,394.

FORM 990	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	STATEMENT	7
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DESCRIPTION OF PROGRAM SERVICE FOUR

CHAD AND SUDAN:

AIR SERV INTERNATIONAL'S ABECHÉ BASE IN EASTERN CHAD PROVIDES A LIFE LINE TO THE REFUGEE CAMPS ALONG THE CHAD-SUDAN BORDER IN SUPPORT OF THE HUMANITARIAN RESPONSE OF THE UN HIGH COMMISSIONER FOR REFUGEES (UNHCR) AND IMPLEMENTING PARTNERS. THE PROGRAM IS FUNDED BY THE DEPARTMENT OF STATE'S BUREAU OF POPULATION, REFUGEES, AND MIGRATION (BPRM). MORE THAN 200,000 SUDANESE REFUGEES HAVE CROSSED INTO CHAD FROM DARFUR.

	<u>GRANTS</u>	<u>EXPENSES</u>
TO FORM 990, PART III, LINE D		2,640,289.

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III	STATEMENT	8
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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	9
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<u>DESCRIPTION OF OTHER PROGRAM SERVICES</u>	<u>GRANTS AND ALLOCATIONS</u>	<u>EXPENSES</u>
MOZAMBIQUE	0.	1,028,594.
GLOBAL RAPID RESPONSE	0.	78,813.
OTHER	0.	599,400.
TOTAL TO FORM 990, PART III, LINE E		1,706,807.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT 10
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
PROPERTY & EQUIPMENT	8,967,518.	1,348,508.	7,619,010.
TOTAL TO FORM 990, PART IV, LN 57	8,967,518.	1,348,508.	7,619,010.

FORM 990	OTHER ASSETS	STATEMENT 11
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DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
INVESTMENT IN SUBSIDIARY	2,060,209.	2,060,209.
DEPOSIT ON KODIAK AIRCRAFT	2,440,641.	2,665,641.
ACCRUED INTEREST	1,390.	333.
TOTAL TO FORM 990, PART IV, LINE 58	4,502,240.	4,726,183.

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 12

LENDER'S NAMETERMS OF REPAYMENT

KEY EQUIPMENT FINANCE

MONTHLY PAYMENTS OF
INTEREST AND PRINCIPAL

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
05/22/07	05/22/14	2,242,000.	5.76%

SECURITY PROVIDED BY BORROWERPURPOSE OF LOAN

AIRPLANE

AIRCRAFT PURCHASE

RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATIONFMV OF CONSIDERATIONBALANCE DUE

CASH

2,242,000.

2,185,302.

LENDER'S NAMETERMS OF REPAYMENT

KEY EQUIPMENT FINANCE

MONTHLY PAYMENTS OF
INTEREST AND PRINCIPAL

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
10/11/07	10/11/14	1,255,500.	5.42%

SECURITY PROVIDED BY BORROWERPURPOSE OF LOAN

AIRPLANE

AIRCRAFT PURCHASE

RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATIONFMV OF CONSIDERATIONBALANCE DUE

CASH

1,255,500.

1,244,212.

<u>LENDER'S NAME</u>		<u>TERMS OF REPAYMENT</u>	
KE EQUIPMENT FINANCE		MONTHLY PAYMENTS OF INTEREST AND PRINCIPAL	

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
05/03/07	05/03/14	1,473,590.	5.52%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
AIRPLANE	AIRCRAFT PURCHASE

RELATIONSHIP OF LENDER

NONE

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
CASH	1,473,590.	1,429,213.
<u>TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B</u>		<u>4,858,727.</u>

<u>FORM 990</u>	<u>OTHER LIABILITIES</u>	<u>STATEMENT 13</u>
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<u>DESCRIPTION</u>	<u>BEGINNING OF YEAR</u>	<u>END OF YEAR</u>
RESERVE FOR AIRCRAFT OVERHAULS	1,368,855.	0.
<u>TOTAL TO FORM 990, PART IV, LINE 65</u>	<u>1,368,855.</u>	<u>0.</u>

<u>FORM 990</u>	<u>OTHER SECURITIES</u>	<u>STATEMENT 14</u>
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<u>SECURITY DESCRIPTION</u>	<u>COST/FMV</u>	<u>OTHER SECURITIES</u>
OTHER INVESTMENTS	FMV	419,556.
<u>TO FORM 990, LINE 54B, COL B</u>		<u>419,556.</u>

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 15
 TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
RICHARD PERRY 410 ROSEDALE COURT WARRENTON, VA 20186	CHAIRMAN 2.00	0.	0.	0.
JOYCE GODWIN 410 ROSEDALE COURT WARRENTON, VA 20186	SECRETARY 2.00	0.	0.	0.
DREW LUTEN 410 ROSEDALE COURT WARRENTON, VA 20186	TREASURER 2.00	0.	0.	0.
JIM MITCHELL 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.
DA CARLSTROM 410 ROSEDALE COURT WARRENTON, VA 20186	DIRECTOR 2.00	0.	0.	0.
MIKE WEBB 410 ROSEDALE COURT WARRENTON, VA 20186	PRESIDENT/CEO 40.00	124,583.	10,651.	15,255.
ALLEN CARNEY 410 ROSEDALE COURT WARRENTON, VA 20186	VICE PRESIDENT OPERATIONS 40.00	122,556.	11,728.	0.
CHRISTOPHER JOHNSON 410 ROSEDALE COURT WARRENTON, VA 20186	CEO / DIRECTOR 40.00	3,000.	0.	0.
MARTHA KELLEY 410 ROSEDALE COURT WARRENTON, VA 20186	CFO 40.00	20,923.	1,198.	0.
WARREN VEST 410 ROSEDALE COURT WARRENTON, VA 20186	MANAGER POLICY 40.00	15,133.	4,575.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		286,195.	28,152.	15,255.

FORM 990 NAME OF FOREIGN COUNTRY IN WHICH STATEMENT 18
 ORGANIZATION HAS FINANCIAL INTEREST

NAME OF COUNTRY

UGANDA
 CONGO (DEMOCRATIC REPUBLIC)
 CHAD
 MOZAMBIQUE
 JORDAN
 AFGHANISTAN
 PAKISTAN
 SOUTH AFRICA

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 19
 ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	REVENUE RECEIVED UNDER CONTRACT FROM UNITED NATIONS HIGH COMMISSIONER TO PROVIDE AIR TRANSPORTATION FOR RELIEF WORKERS.
93 ^r	REVENUE FROM OTHER SOURCES FOR PROVIDING AIR TRANSPORTATION FOR RELIEF WORKERS.
103A	AMOUNTS EARNED FROM ACTIVITIES IN FURTHERENCE OF THE EXEMPT MISSION OF THE ORGANIZATION.

FORM 990 NAME OF FOREIGN COUNTRY IN WHICH STATEMENT 20
 ORGANIZATION HAS AN OFFICE

NAME OF COUNTRY

UGANDA
 CONGO (DEMOCRATIC REPUBLIC)
 CHAD
 MOZAMBIQUE
 JORDAN
 AFGHANISTAN
 PAKISTAN
 SOUTH AFRICA

FORM 990

DESCRIPTION OF TRANSFER
PART XI, LINE 106

STATEMENT 21

NAME OF CONTROLLED ENTITY

EMPLOYER ID

AIR SERV LIMITED - (NO EIN - FOREIGN CORP)

DESCRIPTION OF TRANSFER

HANGER SPACE AND MAINTENANCE

SCHEDULE A	EXPLANATION OF TRANSACTIONS PART III, LINE 2A	STATEMENT 22
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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
PART III, LINE 2B

STATEMENT 23

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 LIMITED, AND SERVES ON THE BOARD OF AIR SERV INTERNATIONAL. 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. DURING 2007 HE WAS A PAID CONSULTANT (TOTAL BILLINGS OF \$30,512.27 FOR THE CALENDAR YEAR) PROVIDING MARKETING SERVICES FOR AIR SERV INTERNATIONAL. DURING 2007 MR. JOHNSON ALSO SERVED AS A DIRECTOR OF AIR SERV CANADA AND CHAIRMAN OF AIR SERV EUROPE.

SCHEDULE A	OTHER INCOME	STATEMENT 24
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DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
OTHER REVENUE	0.	0.	0.	141,083.
TOTAL TO SCHEDULE A, LINE 22	0.	0.	0.	141,083.

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

(Rev. December 2007)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JAN 1, 2007**, and ending **DEC 31, 2007**

Attachment
Sequence No. **121**

Name of person filing this return AIR SERV INTERNATIONAL, INC. <small>Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)</small> 410 ROSEDALE COURT, NO. 190 City or town, state, and ZIP code WARRENTON, VA 20186	A Identifying number 59-2500627 B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> 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, 2007 , and ending DEC 31, 2007	

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
1/17/97	UGANDA	481000	AVIATION	U.S. DOLLAR

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: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"><i>(i)</i> Taxable income or (loss)</td> <td style="width:50%;"><i>(ii)</i> U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	<i>(i)</i> Taxable income or (loss)	<i>(ii)</i> U.S. income tax paid (after all credits)		
<i>(i)</i> Taxable income or (loss)	<i>(ii)</i> 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 DAVE GRIBBLE 6583 MERCHANT PLACE, STE 100 WARRENTON VA 20187				

Schedule A Stock of the Foreign Corporation		
(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	<i>(i)</i> Beginning of annual accounting period	<i>(ii)</i> End of annual accounting period
COMMON	211,000	211,000

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	176,059.	445,552.
2a	Trade notes and accounts receivable	58,219.	145,603.
b	Less allowance for bad debts	()	()
3	Inventories		
4	Other current assets (attach schedule) SEE STATEMENT 27	16,501.	45,361.
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach schedule)		
7	Other investments (attach schedule)		
8a	Buildings and other depreciable assets	577,059.	578,048.
b	Less accumulated depreciation	()	()
9a	Depletable assets		
b	Less accumulated depletion	()	()
10	Land (net of any amortization)		
11	Intangible assets:		
a	Goodwill		
b	Organization costs		
c	Patents, trademarks, and other intangible assets		
d	Less accumulated amortization for lines 11a, b, and c	()	()
12	Other assets (attach schedule)		
13	Total assets	827,838.	1,214,564.
Liabilities and Shareholders' Equity			
14	Accounts payable	655,491.	251,717.
15	Other current liabilities (attach schedule)		
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule) SEE STATEMENT 28		963,218.
18	Capital stock:		
a	Preferred stock		
b	Common stock	1,055,000.	1,055,000.
19	Paid-in or capital surplus (attach reconciliation)	1,005,209.	1,005,209.
20	Retained earnings	<1,887,862.>	<2,060,580.>
21	Less cost of treasury stock	()	()
22	Total liabilities and shareholders' equity	827,838.	1,214,564.

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. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2 During the tax year, did the foreign corporation own an interest in any trust? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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). | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Schedule H Current Earnings and Profits

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

1 Current year net income or (loss) per foreign books of account	1	<172,718.>
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
	Net Additions	Net Subtractions
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)		
Total net additions		
Total net subtractions		
5a Current earnings and profits (line 1 plus line 3 minus line 4)	5a	<172,718.>
b DASTM gain or (loss) for foreign corporations that use DASTM	5b	
c Combine lines 5a and 5b	5c	<172,718.>
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)	5d	
Enter exchange rate used for line 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	

- | | | |
|--|--------------------------|-------------------------------------|
| Was any income of the foreign corporation blocked? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Did any such income become unblocked during the tax year (see section 964(b))? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- 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**

OMB No. 1545-0704

▶ Attach to Form 5471.

1e of person filing Form 5471

Identifying number

AIR SERV INTERNATIONAL, INC.

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)
1 Balance at beginning of year	<1,887,862.>	
2a Current year E&P		
b Current year deficit in E&P	172,718.	
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	<2,060,580.>	
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)	<2,060,580.>	
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	<2,060,580.>	

	(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				<1,887,862.>
2a				
b				
3				
4				
5a				
b				
6a				
b				
7				<2,060,580.>

**SCHEDULE M
(Form 5471)**

(Rev. December 2007)

Department of the Treasury
Internal Revenue Service

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

OMB No. 1545-0704

▶ Attach to Form 5471.

Name of person filing Form 5471

Identifying number

AIR SERV INTERNATIONAL, INC.

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 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 tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Buy-in payments received					
5 Cost sharing payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received	48,000.				
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
10 Interest received					
11 Premiums received for insurance or reinsurance					
12 Add lines 1 through 11	48,000.				
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade					
15 Purchases of property rights (patents, trademarks, etc.)					
16 Buy-in payments paid					
17 Cost sharing payments paid					
18 Compensation paid for technical, managerial, engineering, construction, or like services	215,500.				
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23	215,500.				
Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
26 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

FORM 5471	OTHER INCOME	STATEMENT 25
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DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
NET FOREIGN EXCHANGE GAIN			828.
TOTAL TO 5471, SCHEDULE C, LINE 8			828.

FORM 5471	OTHER DEDUCTIONS	STATEMENT 26
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DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
AUDITING AND ACCOUNTING			16,468.
TRANSPORT AND TRAVEL			9,035.
INTERNATIONAL TRAVEL			9,731.
UTILITIES			23,575.
TELECOMMUNICATIONS			15,493.
RECRUITING EXPENSES			7,339.
CONFERENCE AND TRAINING			10,564.
OFFICE SUPPLIES AND EXPENSES			26,735.
BAD DEBT EXPENSE			5,107.
SOUTH SUDAN EXPENSES			5,826.
OTHER EXPENSES			48,979.
ASSET WRITE OFF			717.
TAXES AND LICENSE			34,003.
HOUSING			30,075.
PROFESSIONAL FEES			1,862.
REPAIRS & MAINTENANCE			10,309.
TOTAL TO 5471, SCHEDULE C, LINE 16			255,818.

FORM 5471	OTHER CURRENT ASSETS	STATEMENT 27
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DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
STATUTORY DEPOSIT WITH CAA	10,506.	10,506.
PREPAYMENTS	5,995.	13,538.
DUE FROM GROUP		21,317.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 4	16,501.	45,361.

FORM 5471

OTHER LIABILITIES

STATEMENT 28

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
DUE TO GROUP	0.	963,218.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 17	0.	963,218.

- 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 <small>File by the extended due date for filing the return. See instructions.</small>	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):

- 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, 2008**.
- 5 For calendar year **2007**, 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  Title **ACCOUNTANT** Date **8/10/08**

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- 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).

A corporation 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 a corporation 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 AIR SERV INTERNATIONAL, INC.	Employer identification number 59-2500627
File by the due date for filing your return. See instructions.	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):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> 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 corporation required to file Form 990-T) extension of time until **AUGUST 15, 2008**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year **2007** 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.

E-FILED