

Form **990**

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)

OMB No. 1545-0047

2005

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning

and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input 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)		Room/suite	E Telephone number	
		410 ROSEDALE COURT		190	540-428-2323	
		City or town, state or country, and ZIP + 4 WARRENTON, VA 20186		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's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **40,876,541.**

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

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	3,022,870.		
	b Indirect public support	1b			
	c Government contributions (grants)	1c	10,870,971.		
	d Total (add lines 1a through 1c) (cash \$ 13,164,768. noncash \$ 729,073.)	1d			13,893,841.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			25,628,715.
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			
	5 Dividends and interest from securities	5			28,532.
	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	8a	1,302,570.		
	(B) Other	8b	369,358.		
	Less: cost or other basis and sales expenses	8c	933,212.		
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	STMT 1		933,212.
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 1a)	9a			
	b Less: direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10 a Gross sales of inventory, less returns and allowances		10a			
	b Less: cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11 Other revenue (from Part VII, line 103)	11			22,883.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			40,507,183.	
Expenses	13 Program services (from line 44, column (B))	13			35,615,503.
	14 Management and general (from line 44, column (C))	14			5,492,471.
	15 Fundraising (from line 44, column (D))	15			4,878.
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			41,112,852.
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18			<605,669.>
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			13,485,983.
	20 Other changes in net assets or fund balances (attach explanation)	20	SEE STATEMENT 2		<2,353,189.>
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			10,527,125.

523001 02-03-06

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2005)

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
22 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)				
25 Compensation of officers, directors, etc. **	378,581.	234,670.	143,911.	0.
26 Other salaries and wages	4,622,496.	2,865,326.	1,757,170.	
27 Pension plan contributions	45,751.	35,687.	10,064.	
28 Other employee benefits	2,477,806.	1,787,909.	689,897.	
29 Payroll taxes	198,100.	154,525.	43,575.	
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	416,661.	238,748.	177,913.	
34 Telephone	338,905.	219,127.	119,778.	
35 Postage and shipping	141,602.	55,997.	85,605.	
36 Occupancy	274,744.	157,552.	117,192.	
37 Equipment rental and maintenance	709,086.	567,245.	141,841.	
38 Printing and publications	34,517.	10,797.	23,720.	
39 Travel	747,726.	655,691.	92,035.	
40 Conferences, conventions, and meetings	98,939.	26,984.	71,955.	
41 Interest	116,104.		116,104.	
42 Depreciation, depletion, etc. (attach schedule)	179,644.	164,484.	15,160.	
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 3	30,332,190.	28,440,761.	1,886,551.	4,878.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	41,112,852.	35,615,503.	5,492,471.	4,878.

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

** SEE STATEMENT 4

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 5	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 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 ► <input type="checkbox"/>	9,076,404.
b DEMOCRATIC REPUBLIC OF CONGO-SEE ABOVE.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	6,927,018.
c IRAQ-SEE ABOVE.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	6,560,555.
d AFGHANISTAN-SEE ABOVE.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	5,698,000.
e Other program services (attach schedule) SEE STATEMENT 6	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	7,353,526.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	35,615,503.

Form 990 (2005)

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	3,663,670.	45	1,852,356.	
	46	Savings and temporary cash investments	19,593.	46		
	47 a	Accounts receivable	47a	2,287,046.		
	b	Less: allowance for doubtful accounts	47b		47c	2,287,046.
	48 a	Pledges receivable	48a			
	b	Less: allowance for doubtful accounts	48b		48c	
	49	Grants receivable	4,352,579.	49	3,049,641.	
	50	Receivables from officers, directors, trustees, and key employees		50		
	51 a	Other notes and loans receivable	51a			
	b	Less: allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use	332,877.	52	253,968.	
	53	Prepaid expenses and deferred charges	490,806.	53	1,081,938.	
	54	Investments - securities STMT 11 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	198,219.	54	222,013.	
	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	5,920,230.			
b	Less: accumulated depreciation STMT 7	57b	1,320,021.	57c	4,600,209.	
58	Other assets (describe ▶ SEE STATEMENT 8)	3,798,350.	58	3,750,850.		
59	Total assets (must equal line 74). Add lines 45 through 58	20,173,041.	59	17,098,021.		
Liabilities	60	Accounts payable and accrued expenses	1,508,544.	60	2,987,699.	
	61	Grants payable		61		
	62	Deferred revenue	1,427,906.	62	369,248.	
	63	Loans from officers, directors, trustees, and key employees		63		
	64 a	Tax-exempt bond liabilities		64a		
	b	Mortgages and other notes payable STMT 9	1,226,171.	64b	1,013,551.	
	65	Other liabilities (describe ▶ SEE STATEMENT 10)	2,524,437.	65	2,200,398.	
66	Total liabilities. Add lines 60 through 65)	6,687,058.	66	6,570,896.		
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	11,747,801.	67	8,792,775.	
	68	Temporarily restricted	1,738,182.	68	1,734,350.	
	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; column (B) must equal line 21)	13,485,983.	73	10,527,125.	
	74	Total liabilities and net assets/fund balances. Add lines 66 and 73	20,173,041.	74	17,098,021.	

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 40,505,247.
b Amounts included on line a but not on Part I, line 12:		
1 Net unrealized gains on investments	b1 <1,936.>	
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 <1,936.>
c Subtract line b from line a		c 40,507,183.
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 40,507,183.

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

a Total expenses and losses per audited financial statements		a 41,112,852.
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 41,112,852.
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 41,112,852.

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 12		378,581.	103,173.	0.

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

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 8
75 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
75 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 this organization through common supervision or common control? 75c X
Note. Related organizations include section 509(a)(3) supporting organizations.
If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.
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.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1 contains the word 'NONE'.

Part VI Other Information (See the instructions.)

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity 76 X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. 77 X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? 78a X
78 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
80 b If "Yes," enter the name of the organization AIR SERV LIMITED and check whether it is exempt or X nonexempt
81 a Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0.
81 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? 84a N/A
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 84b N/A
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? 85a N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 85b N/A
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? 85g N/A
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? 85h N/A
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A
b Gross receipts, included on line 12, for public use of club facilities 86b N/A
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX 88 X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0.
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction 89b X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.
d Enter: Amount of tax on line 89c, above, reimbursed by the organization 0.
90 a List the states with which a copy of this return is filed SEE STATEMENT 13
b Number of employees employed in the pay period that includes March 12, 2005 90b 59
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
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 14
See the instructions for exceptions and filing requirements for Form TDF 90-22.1, Report of Foreign Bank and Financial Accounts.
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 15
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) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a CONTRACT REVENUE					21,324,458.
b HOURLY FLIGHT REVENUE					4,050,989.
c VSAT REVENUE					124,360.
d OTHER PROGRAM REVENUE					128,908.
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	28,532.	
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	933,212.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a OTHER INCOME					22,883.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		961,744.	25,651,598.
105 Total (add line 104, columns (B), (D), and (E))					26,613,342.

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

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

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

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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 - BOX 7548 KAMPALA, UGANDA, (NO EIN - FOREIGN CORP)	99.00%	AVIATION BUSINESS	1,230,274.	844,123.

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).

Please Sign Here

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

Signature of officer: *[Signature]* Date: 11/5/06

Type or print name and title: Christopher H. Johnson, Chair + Acting CEO

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: NOV 15 2006

Check if self-employed:

Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: RSM MCGLADREY, INC. 6701 DEMOCRACY BLVD, SUITE 600 BETHESDA, MD 20817

EIN: _____

Phone no.: (301) 897-3200

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ 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)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

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 CT., 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 ▶ _____
 Telephone No. ▶ _____ 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 **Form 990-T corporation**) extension of time until **AUGUST 15, 2006** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year **2005** or
 ▶ tax year beginning _____, and ending _____

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

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

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

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

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. 12-2004)

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box **X**
- Note:** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print. File by the extended due date for filing the return. See instructions.	Name of Exempt Organization 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, 2006**.
- 5 For calendar year **2005**, 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 PREPARE 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 _____ \$ _____
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 _____ \$ _____
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions _____ \$ **N/A**

Signature and Verification

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

Signature  Title **ACCOUNTANT** Date **2/10/06**

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
	City or town, province or state, and country (including postal or ZIP code) BETHESDA, MD 20817-7520

529832 05-01-05

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

2005

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>KURTIS NEUENSCHWANDER</u> 410 ROSEDALE CT, WARRENTON, VA 20186	INT'L CHIEF PILOT 40.00	72,756.	20,125.	0.
<u>MARTY ROGERS</u> 410 ROSEDALE CT, WARRENTON, VA 20186	DIR. TECH SVC 40.00	68,083.	16,109.	0.
<u>STEPHANIE KENYON</u> 410 ROSEDALE CT, WARRENTON, VA 20186	DIR OUTREACH 40.00	57,491.	14,768.	0.
<u>TINA SHAFFER</u> 410 ROSEDALE CT, WARRENTON, VA 20186	HR MGR 40.00	56,799.	13,439.	0.
<u>JOHN PROBST</u> 410 ROSEDALE CT, WARRENTON, VA 20186	TECH MGR 40.00	56,458.	13,359.	0.
Total number of other employees paid over \$50,000 ▶	12			

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>GELMAN, ROSENBERG & FREEDMAN</u> 4550 MONTGOMERY AVENUE, STE 650N, BETHESDA, MD 20814	AUDIT FIRM	77,853.
<u>BUCCANEER COMPUTER SYSTEMS</u> 6799 KENNEDY ROAD, SUITE J, WARRENTON, VA 20187	COMPUTER CONSULTANTS	69,016.
<u>FALLETTI WEBER CONSULTING GROUP, LTD</u> P.O. BOX 1379, BOULDER, CO 80306	ACCOUNTING CONSULTANTS	54,178.

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 i 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.		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 18	X	
b	Lending of money or other extension of credit? SEE STATEMENT 17	X	
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE STATEMENT 19	X	
e	Transfer of any part of its income or assets?		X
3 a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b	Do you have a section 403(b) annuity plan for your employees?	X	
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4 a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

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

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

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ► Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

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

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	16,870,286.	12,831,337.	6,176,711.	4,272,152.	40,150,486.
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	16,307,596.	7,849,796.	2,024,379.	2,307,713.	28,489,484.
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	3,867.	30,876.	38,783.	39,657.	113,183.
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		141,083.	102,023.		243,106.
23 Total of lines 15 through 22	33,181,749.	20,853,092.	8,341,896.	6,619,522.	68,996,259.
24 Line 23 minus line 17	16,874,153.	13,003,296.	6,317,517.	4,311,809.	40,506,775.
25 Enter 1% of line 23	331,817.	208,531.	83,419.	66,195.	
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 2001 through 2004 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: (2004) 0. (2003) 0. (2002) 0. (2001) 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: (2004) 0. (2003) 0. (2002) 0. (2001) 0.					
c Add: Amounts from column (e) for lines: 15 40,150,486. 16 _____ 17 28,489,484. 20 _____ 21 _____					27c 68,639,970.
d Add: Line 27a total 0. and line 27b total 0.					27d 0.
e Public support (line 27c total minus line 27d total)					27e 68,639,970.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f 68,996,259.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 99.4836%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .1640%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
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?		
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?		
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?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
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?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
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?		
b	Has the organization's right to such aid ever been revoked or suspended?		
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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)		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	41	
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 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(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 11 of the instructions.)

N/A

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

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable

Exempt Organizations (See page 12 of the instructions.)

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

a Transfers from the reporting organization to a noncharitable exempt organization of:

(i) Cash
(ii) Other assets

b Other transactions:

(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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:

Table with 2 columns: Yes, No. Rows for 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), c.

N/A

Table with 4 columns: (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 (X) No

b If "Yes," complete the following schedule:

N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

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

2005

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 under Regulations sections 1.509(a)-3/1.170A-9(e) 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) (2005)

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	DOROTHY HAMILL CHARITY FUND P.O. BOX 1888 ASHEVILLE, NC 28802	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	MERCER MANAGEMENT 1166 AVENUE OF THE AMERICAS NEW YORK, NY 10036	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	WORLD VISION 800 WEST CHESNUT AVENUE MONROVIA, CA 91016	\$ 21,758.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	STEPHEN WATERS 7 LARKSPUR LANE GREENWICH, CT 06831	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	AIRCRAFT OWNERS & PILOTS ASSOCIATION 421 AVIATION WAY FREDERICK, MD 21701	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	DYNAMITE MARKETING, INC. 933 N. KINGS ROAD NAMPA, ID 83687	\$ 13,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

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
7	<u>REUTERS FOUNDATION</u> <u>30 SOUTH COLONNADE</u> <u>LONDON, E14 5EP, ENGLAND</u>	\$ <u>20,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	<u>FEDERAL EXPRESS</u> <u>1790 KIRBY PARKWAY, 5TH FLOOR</u> <u>MEMPHIS, TN 39138</u>	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	<u>TAMARACK AIR SERVICES</u> <u>548 HOHENSTEIN LANE</u> <u>STEVENSVILLE, MT 59870</u>	\$ <u>40,000.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	<u>ELECTROLAB TRAINING SYSTEMS</u> <u>P.O. BOX 320</u> <u>BELLEVILLE, ONTARIO K8N 5A5</u>	\$ <u>35,415.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" 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.)

Name of organization

Employer identification number

AIR SERV INTERNATIONAL, INC.

59-2500627

Part II Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
9	TRUCK, VAN AND TRAILER	\$ 40,000.	04/15/05
10	SOFTWARE	\$ 35,415.	01/31/05
		\$	
		\$	
		\$	
		\$	

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

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
SALE OF AIRPLANE	VARIOUS	VARIOUS	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	300,000.	948,984.	0.	507,024.	<141,960.>
DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
DISPOSAL OF AIRCRAFT - CRASHED	VARIOUS	VARIOUS	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	1,002,570.	545,896.	0.	618,498.	1,075,172.
TO FM 990, PART I, LN 8	1,302,570.	1,494,880.	0.	1,125,522.	933,212.

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

DESCRIPTION	AMOUNT
UNREALIZED LOSS ON INVESTMENTS PRIOR PERIOD ADJUSTMENT	<1,936.> <2,351,253.>
TOTAL TO FORM 990, PART I, LINE 20	<2,353,189.>

FORM 990 OTHER EXPENSES STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
GENERAL & ADMINISTRATION EXPENSE	18,127.	18,127.		
AIRCRAFT FUEL	3,180,820.	3,173,246.	7,574.	
AIRCRAFT INSURANCE	859,042.	826,427.	32,615.	

AIRCRAFT				
LEASE/RENTAL	17,367,829.	17,366,215.	1,614.	
AIRCRAFT RESERVES	125,275.	125,275.		
AIRCRAFT POWERPLANT	637,642.	637,642.		
LEASED PLANES	164,521.	164,521.		
START-UP	2,295,724.	2,294,336.	1,388.	
A/C TECH	1,934,553.	1,689,021.	245,532.	
ASSOCIATION DUES	29,271.	24.	29,247.	
AUTO EXPENSE	317,757.	289,208.	28,549.	
BANK FEES	111,122.	69,432.	41,690.	
BOARD EXPENSE	1,555.	1,328.	227.	
BUSINESS EXPENSE	7,188.	5,416.	1,772.	
20TH ANNIVERSARY	194.		194.	
E-MAIL	98,144.	85,446.	12,698.	
FINANCE CHARGES	630.		630.	
GAIN/LOSS ON				
EXCHANGE	46,087.	24,110.	21,977.	
INSURANCE - NON				
AIRCRAFT	115,052.		115,052.	
UTILITIES	51,830.	27,430.	24,400.	
OTHER EXPENSES	233,096.	104,196.	128,900.	
PROFESSIONAL				
SERVICES	444,115.	119,844.	324,271.	
RECRUITING	42,410.	9,581.	32,829.	
SATELLITE EXP IN				
FIELD	185,203.	184,732.	471.	
START-UP NON A/C	50,423.	47,320.	3,103.	
SUBSCRIPTIONS	2,758.	<717.>	3,475.	
TAXES & LICENSES	1,073.	641.	432.	
TRAINING	551,441.	202,727.	348,714.	
VSAT	3,052.	3,052.		
WEBSITE EXPENSE	10,504.		10,504.	
DISPUTED EXPENSES	104,392.		104,392.	
UNALLOWABLE	262,250.		262,250.	
FUNDRAISING	4,878.			4,878.
GIFTS	92.		92.	
PUBLIC RELATIONS	13,082.		13,082.	
BOARD DESIGNATED				
UNALLOWABLE	449.		449.	
HOUSING	1,060,609.	972,181.	88,428.	
TOTAL TO FM 990, LN 43	30,332,190.	28,440,761.	1,886,551.	4,878.

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25

STATEMENT 4

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
STUART WILLCUTS	136,250.			136,250.
A. PROGRAM SERVICES	84,457.			84,457.
B. MANAGEMENT AND GENERAL	51,793.			51,793.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
DELORES WEIS	77,375.			77,375.
A. PROGRAM SERVICES	47,962.			47,962.
B. MANAGEMENT AND GENERAL	29,413.			29,413.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
DAVID J. GRIBBLE	100,373.			100,373.
A. PROGRAM SERVICES	62,218.			62,218.
B. MANAGEMENT AND GENERAL	38,155.			38,155.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
CORLISS ZYLSTRA	64,583.			64,583.
A. PROGRAM SERVICES	40,033.			40,033.
B. MANAGEMENT AND GENERAL	24,550.			24,550.
C. FUNDRAISING				
TOTAL PROGRAM SERVICES				234,670.
TOTAL MANAGEMENT AND GENERAL				143,911.
TOTAL FUNDRAISING				
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				<u>378,581.</u>

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 5
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 6

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
CHAD		4,085,604.
MOZAMBIQUE		1,384,221.
KINSHASA		1,000,792.
PAKISTAN		661,470.
OTHER		221,439.
TOTAL TO FORM 990, PART III, LINE E		<u>7,353,526.</u>

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	7
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
PROPERTY & EQUIPMENT	5,920,230.	1,320,021.	4,600,209.
TOTAL TO FORM 990, PART IV, LN 57	5,920,230.	1,320,021.	4,600,209.

FORM 990	OTHER ASSETS	STATEMENT	8
DESCRIPTION		AMOUNT	
INVESTMENT IN SUBSIDIARY DEPOSIT ON KODIAK AIRCRAFT		2,060,209. 1,690,641.	
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		3,750,850.	

FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 9

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.	723,965.

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.	289,586.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B 1,013,551.

FORM 990	OTHER LIABILITIES	STATEMENT 10
DESCRIPTION		AMOUNT
REVENUE OF CONSOLIDATED SUBSIDIARY		1,900,398.
LINE OF CREDIT		300,000.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		2,200,398.

FORM 990	OTHER SECURITIES	STATEMENT 11
SECURITY DESCRIPTION	COST/FMV	OTHER SECURITIES
WELLS FARGO	FMV	222,013.
TO FORM 990, LINE 54, COL B		222,013.

FORM 990	PART V-A - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES	STATEMENT 12
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARK J. ABBOTT	CHAIR 2.00	0.	0.	0.
TODD FECHT	DIRECTOR 2.00	0.	0.	0.
MARK E. HOWARD	SECRETARY/DIRECTOR 2.00	0.	0.	0.
MICHAEL A. STOLTZFUS	TREASURER/DIRECTOR 2.00	0.	0.	0.
JOYCE A. GODWIN	DIRECTOR 2.00	0.	0.	0.

RICHARD PERRY	DIRECTOR	2.00	0.	0.	0.
JEFF THINDWA	DIRECTOR	2.00	0.	0.	0.
CHRISTOPHER JOHNSON	DIRECTOR	2.00	0.	0.	0.
STUART WILLCUTS ALL BOARD MEMBERS CAN BE REACHED IN C/O ORGANIZATION ADDRESS.	PRESIDENT/CEO	60.00	136,250.	36,737.	0.
DAVID J. GRIBBLE	CHIEF FINANCIAL OFFICER	40.00	100,373.	27,854.	0.
DELORES WIES	VICE PRESIDENT	40.00	77,375.	21,402.	0.
CORLISS ZYLSTRA	MANAGER	60.00	64,583.	17,180.	0.
TOTALS INCLUDED ON FORM 990, PART V-A			378,581.	103,173.	0.

FORM 990	LIST OF STATES RECEIVING COPY OF RETURN PART VI, LINE 90	STATEMENT 13
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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, D

FORM 990	NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST	STATEMENT 14
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NAME OF COUNTRY

MOZAMBIQUE
CONGO (DEMOCRATIC REPUBLIC)
AFGHANISTAN
INDONESIA
PAKISTAN

SRI LANKA
CHAD
JORDAN

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

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

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

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2B

STATEMENT 17

EXTENSION OF CREDIT TO AIR SERV LIMITED, WHOLLY OWNED SUBSIDIARY. FOR FINANCIAL STATEMENT PURPOSES INTERCOMPANY TRANSACTIONS ARE ELIMINATED.

SCHEDULE A

EXPLANATION OF TRANSACTIONS
PART III, LINE 2A

STATEMENT 18

SALE OF PLANE IN JAN. 2005 TO DYNAMIC AVIATION. THE PRESIDENT OF
DYNAMIC AVIATION IS MICHAEL STOLTXFUS, BOARD TREASURER.

SCHEDULE A	EXPLANATION OF TRANSACTIONS PART III, LINE 2D	STATEMENT 19
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BOARD MEMBER, MARK ABBOT, DONATED FLYING TIME TO THE TSUNAMI RESPONSE.
HIS EXPENSES, TOTALING \$187,957.87 WERE REIMBURSED TO HIM.

SCHEDULE A	OTHER INCOME			STATEMENT 20
DESCRIPTION	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT
OTHER REVENUE	0.	141,083.	102,023.	0.
TOTAL TO SCHEDULE A, LINE 22	0.	141,083.	102,023.	0.

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

OMB No. 1545-0704
Attachment
Sequence No. **121**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JAN 1, 2005**, and ending **DEC 31, 2005**

File In Duplicate
(see **When and Where To File** in the instructions)

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 <small>City or town, state, and ZIP code</small> WARRENTON, VA 20186 Filer's tax year beginning JAN 1, 2005 , and ending DEC 31, 2005	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 99.00 %
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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
d Date of incorporation 01/17/97				c Country under whose laws incorporated UGANDA
e Principal place of business UGANDA	f Principal business activity code number 481000	g Principal business activity AVIATION	h Functional currency SHILLINGS	

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

a Name, address, and identifying number of branch office or agent (if any) in the United States 		b If a U.S. income tax return was filed, enter: <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	1,000	1,000

LHA For Paperwork Reduction Act Notice, see instructions.

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

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		26,944.	111,233.
2a Trade notes and accounts receivable		5,058.	139,741.
b Less allowance for bad debts		()	()
3 Inventories		193,312.	
4 Other current assets (attach schedule)	SEE STATEMENT 22	19,712.	90,089.
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		807,928.	503,060.
b Less accumulated depreciation		208,535.	()
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		844,419.	844,123.
Liabilities and Shareholders' Equity			
14 Accounts payable		447,240.	602,712.
15 Other current liabilities (attach schedule)			
16 Loans from shareholders and other related persons			
17 Other liabilities (attach schedule)			
18 Capital stock:			
a Preferred stock			
b Common stock			
19 Paid-in or capital surplus (attach reconciliation)			
20 Retained earnings		397,179.	241,411.
21 Less cost of treasury stock		()	()
22 Total liabilities and shareholders' equity		844,419.	844,123.

Form 5471 (Rev. 12-2005)

Schedule G Other Information

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?
2 During the tax year, did the foreign corporation own an interest in any trust?
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3?

Schedule H Current Earnings and Profits

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

Table with columns for Net Additions and Net Subtractions. Line 1: Current year net income or (loss) per foreign books of account: 57,576,680. Line 5a: Current earnings and profits: 57,576,680. Line 5c: Current earnings and profits in U.S. dollars: 57,576,680. Line 5d: Current earnings and profits in U.S. dollars: 32,396.

Schedule I Summary of Shareholder's Income From Foreign Corporation

Table with 8 rows for income categories: 1 Subpart F income, 2 Earnings invested in U.S. property, 3 Previously excluded subpart F income, 4 Previously excluded export trade income, 5 Factoring income, 6 Total of lines 1 through 5, 7 Dividends received, 8 Exchange gain or (loss).

- Was any income of the foreign corporation blocked?
Did any such income become unblocked during the tax year (see section 964(b))?

**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.

Name of person filing Form 5471

Identifying number

AIR SERV INTERNATIONAL, INC.

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	371,477,636.	
2a Current year E&P	57,576,680.	
b Current year deficit in E&P		
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	429,054,316.	
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)	429,054,316.	
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	429,054,316.	

	(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				371,477,636.
2a				
b				
3				
4				
5a				
b				
6a				
b				
7				429,054,316.

**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**

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

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 ▶

SHILLINGS

1777

(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					
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					
10 Purchases of stock in trade (inventory)					
11 Purchases of tangible property other than stock in trade					
12 Purchases of property rights (patents, trademarks, etc.)					
13 Compensation paid for technical, managerial, engineering, construction, or like services					
14 Commissions paid					
15 Rents, royalties, and license fees paid					
16 Dividends paid					
17 Interest paid					
18 Add lines 10 through 17					
19 Amounts borrowed (enter the maximum loan balance during the year) - see instructions	542,151.				
20 Amounts loaned (enter the maximum loan balance during the year) - see instructions					

FORM 5471 OTHER DEDUCTIONS STATEMENT 21

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
AIRCRAFT COST	1,080,353,613.	1777	607,870.
PROGRAM SUPPORT	67,598,746.	1777	38,035.
GROUND SUPPORT	6,140,493.	1777	3,455.
GENERAL & ADMINISTRATIVE	911,713,092.	1777	512,983.
TOTAL TO 5471, SCHEDULE C, LINE 16	2,065,805,944.		1,162,343.

FORM 5471 OTHER CURRENT ASSETS STATEMENT 22

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
OTHER CURRENT ASSETS	19,712.	
PREPAID AND OTHER EXPENSES		90,089.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 4	19,712.	90,089.