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Return of Organization Exempt From Income Tax

2008

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

Department of the Treasury Internal Revenue Service

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

For the 2008 calendar year, or tax year beginning 2008, and ending 20

Form 990 header section containing organization name (THE COMMEMORATIVE AIR FORCE), EIN (74-1484491), address (MIDLAND, TX 79711-2000), and other identifying information.

Part I Summary

Summary table with columns for Revenue, Expenses, and Net Assets or Fund Balances. Rows include mission statement, revenue breakdown, and total assets.

Part II Signature Block

Signature block containing officer signature (Floyd S. Houdyshell), preparer signature, and firm information (ELMS, FARIS & COMPANY, LLP).

May the IRS discuss this return with the preparer shown above? (See instructions)

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

SCANNED MAY 26 2010

GLK

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission

TO ACQUIRE, RESTORE, MAINTAIN, AND OPERATE A COLLECTION OF WORLD
WAR II AIRCRAFT FOR THE EDUCATION AND ENJOYMENT OF PRESENT AND FUTURE
GENERATIONS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes" describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code _____) (Expenses \$ 6,584,789. including grants of \$ _____) (Revenue \$ 5,672,175.)

TO ACQUIRE, RESTORE, AND PRESERVE IN FLYING CONDITION
A COMPLETE COLLECTION OF COMBAT AIRCRAFT WHICH WERE FLOWN
BY ALL MILITARY SERVICES OF THE UNITED STATES AND OTHER
NATIONS DURING WORLD WAR II FOR THE EDUCATION AND
ENJOYMENT OF PRESENT AND FUTURE GENERATIONS.

4b (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O.)

(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ► \$ 6,584,789. (Must equal Part IX, Line 25, column (B))

Part IV Checklist of Required Schedules

Table with 3 columns: Question number, Yes, No. Rows 1-27 detailing various organizational requirements and reporting obligations.

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, description, and Yes/No responses. Includes sections for Form 1096, Form W-2G, Form W-3, Form 990-T, Form 8886-T, Form 8282, Form 8899, Form 1098-C, Form 4966, Form 501(c)(7), and Form 4947(a)(1).

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include questions about voting members, family relationships, management delegation, organizational changes, asset diversions, members, and Form 990 distribution.

Section B. Policies

Table with 3 columns: Question, Yes, No. Rows include questions about conflict of interest policies, whistleblower policies, document retention, compensation review, and joint venture investments.

Section C. Disclosure

Table with 3 columns: Question, Yes, No. Rows include questions about state disclosure requirements, public availability of forms, and disclosure of governing documents.

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors; institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if the organization did not compensate any officer, director, trustee, or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
TED SHORT DIRECTOR		X								
JOE COWAN DIRECTOR		X								
GEORGE LODGE DIRECTOR		X								
DOUG ROZENDAAL DIRECTOR		X								
FLOYD HOUDYSHELL JR. FINANCE ADMIN		X								
BILL COOMBES DIRECTOR		X								
GRAHAM ROBERTSON DIRECTOR		X								
STEVE BARBER DIRECTOR		X								
MARK NOVAK DIRECTOR		X								
TOM RUSH		X								
CHARLES HUTCHINS		X								
STEVE BROWN PRESIDENT				X		X	225,000.	NONE	NONE	
FLOYD HOUDYSHELL SECRETARY / TREASURER				X						
ROBERT STENEVIK VP OPERATIONS SAFETY				X						
KEITH LAWRENCE VP ADMINISTRATION				X						

Part VIII Statement of Revenue

74-1484491

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	382,637.			
	e	Government grants (contributions) . .	1e	2,349,312.			
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f	2,610,095.			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		5,342,044.			
Program Service Revenue			Business Code				
	2a	AIRSHOW REVENUE		3,467,879.	3,467,879.		
	b	MEMBERSHIP DUES		1,149,492.	1,149,492.		
	c	HANGAR INCOME		66,778.	66,778.		
	d	MUSEUM ADMISSIONS		175,676.	175,676.		
	e	ANUAC FEES		509,788.	509,788.		
	f	All other program service revenue		112,424.	112,424.		
	g	Total. Add lines 2a-2f		5,482,037.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	STMT. 2. ▶	81,821.		81,821.	
	4	Income from investment of tax-exempt bond proceeds . . . ▶		NONE			
	5	Royalties		NONE			
	6a	Gross Rents	(i) Real	(ii) Personal			
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		NONE			
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		579,592.			
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a		1,392,327.		
b				685,732.			
c				706,595.			
9a	Gross income from gaming activities See Part IV, line 19	a	409,310.				
b	Less direct expenses	b	278,080.				
c	Net income or (loss) from gaming activities . .	STMT. 4. ▶	131,230.	48,324.	82,906.		
10a	Gross sales of inventory, less returns and allowances	a		1,004,707.			
		b		793,697.			
		c		211,010.			
Miscellaneous Revenue		Business Code					
11a	ADVERTISING INCOME	541800	2,894.		2,894.		
b	OTHER EXEMPT REVENUE		47,653.	47,653.			
c	UTILITIES REIMBURSEMENT		8,301.	8,301.			
d	All other revenue		85,860.	85,860.			
e	Total. Add lines 11a-11d		144,708.				
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		12,679,037.	5,672,175.	85,800.	81,821.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	225,000.		225,000.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages	726,440.		726,440.	
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	NONE			
9 Other employee benefits	117,652.		117,652.	
10 Payroll taxes	86,072.		86,072.	
11 Fees for services (non-employees)				
a Management	NONE			
b Legal	227,795.	170,994.	56,801.	
c Accounting	71,308.	17,120.	54,188.	
d Lobbying	NONE			
e Professional fundraising services See Part IV, line 17	90,823.			90,823.
f Investment management fees	NONE			
g Other	NONE			
12 Advertising and promotion	256,986.	201,862.	55,124.	
13 Office expenses	22,797.	22,797.		
14 Information technology	73.		73.	
15 Royalties	NONE			
16 Occupancy	342,156.	194,484.	147,672.	
17 Travel	5,198.		5,198.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	203,141.	98,836.	104,305.	
20 Interest	78,069.	57,738.	20,331.	
21 Payments to affiliates STMT. 6 . . .	607,126.		607,126.	
22 Depreciation, depletion, and amortization	354,876.	321,805.	33,071.	
23 Insurance	570,060.	501,225.	68,835.	
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a AIRCRAFT ACQUISITION EXPENSES	8,223.	6,473.	1,750.	
b AIRSHOW EXPENSE	1,659,489.	1,105,858.	553,631.	
c CONTRACT SERVICES	70,287.	31,444.	38,843.	
d DUES & SUBSCRIPTIONS	20,944.	14,983.	5,961.	
e ENTERTAINMENT	6,348.	3,668.	2,680.	
f All other expenses	4,518,302.	3,835,502.	682,800.	
25 Total functional expenses. Add lines 1 through 24f	10,269,165.	6,584,789.	3,593,553.	90,823.
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	2,290,567.	1	2,408,735.
	2	Savings and temporary cash investments	1,374,651.	2	1,396,051.
	3	Pledges and grants receivable, net	150,000.	3	125,505.
	4	Accounts receivable, net	693,111.	4	758,753.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net STMT 7	50,270.	7	52,994.
	8	Inventories for sales or use	458,588.	8	467,618.
	9	Prepaid expenses and deferred charges STMT 8	931,794.	9	283,364.
	10a	Land, buildings, and equipment cost basis 10a 14,388,254.			
	b	Less accumulated depreciation Complete Part VI of Schedule D 10b 3,373,949.	7,711,920.	10c	11,014,305.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities See Part IV, line 11		12	
	13	Investments - program-related See Part IV, line 11	1,027,995.	13	523,346.
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	120,275.	15	40,090.
16	Total assets. Add lines 1 through 15 (must equal line 34)	14,809,171.	16	17,070,761.	
Liabilities	17	Accounts payable and accrued expenses	742,887.	17	193,121.
	18	Grants payable		18	
	19	Deferred revenue STMT 9	58,815.	19	36,780.
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties STMT 10	2,600,689.	23	2,358,801.
	24	Unsecured notes and loans payable		24	
	25	Other liabilities Complete Part X of Schedule D	56,013.	25	1,144,631.
	26	Total liabilities. Add lines 17 through 25	3,458,404.	26	3,733,333.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	8,203,445.	27	10,126,472.
	28	Temporarily restricted net assets	3,147,322.	28	3,210,956.
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	11,350,767.	33	13,337,428.	
34	Total liabilities and net assets/fund balances	14,809,171.	34	17,070,761.	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization THE COMMEMORATIVE AIR FORCE	Employer identification number 74-1484491
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Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**. (Attach Schedule H)
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 9 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 exempt 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)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**. (see instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally Integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	X
(ii) A family member of a person described in (i) above?	11g(ii)	X
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	X

h Provide the following information about the organizations the organization supports

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the US?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi) (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total Add lines 1-3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc; 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f; 16a 33 1/3% support test - 2008; b 33 1/3% support test - 2007; 17a 10%-facts-and-circumstances test - 2008; b 10%-facts-and-circumstances test - 2007; 18 Private foundation.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	3,467,129.	4,229,969.	4,461,493.	2,293,258.	6,491,536.	20,943,385.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	5,602,950.	5,739,992.	6,471,938.	6,582,307.	8,129,187.	32,526,374.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5	9,070,079.	9,969,961.	10,933,431.	8,875,565.	14,620,723.	53,469,759.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6)						53,469,759.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	9,070,079.	9,969,961.	10,933,431.	8,875,565.	14,620,723.	53,469,759.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	61,554.	86,907.	218,143.	265,048.	661,413.	1,293,065.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975		11,887.	28,030.	30,456.		70,373.
c Add lines 10a and 10b	61,554.	98,794.	246,173.	295,504.	661,413.	1,363,438.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on				31,456.	85,800.	117,256.
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	807,248.	663,797.	728,714.	606,539.		2,806,298.
13 Total support. (Add lines 9, 10c, 11, and 12)						57,756,751.

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	92.58%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	91.25%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	2.36%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	1.24%

19a **33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here The organization qualifies as a publicly supported organization

b **33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here The organization qualifies as a publicly supported organization

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

SCHEDULE A, PART III - OTHER INCOME

DESCRIPTION	2004	2005	2006	2007	2008	TOTAL
OTHER EXEMPT INCOME	807,248.	663,797.	728,714.	606,539.		2,806,298.
TOTALS	807,248.	663,797.	728,714.	606,539.		2,806,298.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization

Employer identification number

THE COMMEMORATIVE AIR FORCE

74-1484491

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

Table with 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 3 columns: Line number, Description, Held at the End of the Year. Includes questions 1-9 regarding conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 3 columns: Line number, Description, Amount. Includes questions 1a-1b and 2a-2b regarding art and historical treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ _____ %
- b Permanent endowment ▶ _____ %
- c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		16,500.		16,500.
b Buildings		7,019,191.	1,859,268.	5,159,923.
c Leasehold improvements		5,018,291.	188,187.	4,830,104.
d Equipment		373,364.	307,662.	65,702.
e Other		1,960,908.	1,018,832.	942,076.
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c)) ▶				11,014,305.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	12,679,037.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	10,269,165.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,409,872.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,409,872.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	14,352,656.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	1,757,509.
e	Add lines 2a through 2d	2e	1,757,509.
3	Subtract line 2e from line 1	3	12,595,147.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	83,890.
c	Add lines 4a and 4b	4c	83,890.
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	12,679,037.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	12,026,674.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	1,757,509.
e	Add lines 2a through 2d	2e	1,757,509.
3	Subtract line 2e from line 1	3	10,269,165.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	10,269,165.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b; Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

PART XII

RECONCILIATION OF REVENUE & EXPENSE TO AUDITED STATEMENTS

FUNDRAISING EXPENSES \$685,732

GAMING EXPENSES \$278,080

COGS \$793,697

Part XIV Supplemental Information *(continued)*

Area with horizontal dashed lines for supplemental information.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events (Add col (a) through col (c))
		SPEC EVENTS (event type)	(event type)	NONE (total number)	
Revenue	1	Gross receipts	1,392,327.		1,392,327.
	2	Less. Charitable contributions			
	3	Gross revenue (line 1 minus line 2)	1,392,327.		1,392,327.
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs			
	7	Other direct expenses	776,555.		776,555.
	8	Direct expense summary. Add lines 4 through 7 in column (d)			(776,555.)
	9	Net income summary. Combine lines 3 and 8 in column (d)			615,772.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))	
Revenue	1	Gross revenue	105,408.	303,902.	409,310.	
	2	Cash prizes		30,220.	30,220.	
Direct Expenses	3	Non-cash prizes				
	4	Rent/facility costs	15,265.	43,445.	58,710.	
	5	Other direct expenses	41,819.	143,847.	185,666.	
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7	Direct expense summary. Add lines 2 through 5 in column (d)			(274,596.)	
	8	Net gaming income summary. Combine lines 1 and 7 in column (d)			134,714.	

9	Enter the state(s) in which the organization operates gaming activities	TX,	Yes	No
a	Is the organization licensed to operate gaming activities in each of these states?		X	
b	If "No," Explain	-----		
10 a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?			X
b	If "Yes," Explain	-----		
11	Does the organization operate gaming activities with nonmembers?			X
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?			X

		Yes	No
13 Indicate the percentage of gaming activity operated in			
a The organization's facility	13a	NONE %	
b An outside facility	13b	100.0000 %	
14 Provide the name and address of the person who prepares the organization's gaming/special event books and records:			
Name ▶ <u>FLOYD HOUDYSHELL</u>			
Address ▶ <u>P.O. BOX 62000 MIDLAND, TX 79711-2000</u>			
15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?			
		15a	X
b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____			
c If "Yes," enter name and address			
Name ▶ _____			
Address ▶ _____			
16 Gaming manager information			
Name ▶ <u>NONE</u>			
Gaming manager compensation ▶ \$ _____			
Description of services provided ▶ _____			
<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor			
17 Mandatory distributions			
a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?		17a	X
b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ <u>150,339.</u>			

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization THE COMMEMORATIVE AIR FORCE	Employer identification number 74-1484491
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Part I Questions Regarding Compensation

	Yes	No								
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b									
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2									
<p>3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply.</p> <table border="0"> <tr> <td><input type="checkbox"/> Compensation committee</td> <td><input checked="" type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input type="checkbox"/> Independent compensation consultant</td> <td><input type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input type="checkbox"/> Form 990 of other organizations</td> <td><input type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract	<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study	<input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Approval by the board or compensation committee				
<input type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract									
<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study									
<input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Approval by the board or compensation committee									
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a										
a Receive a severance payment or change of control payment?	4a	X								
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X								
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X								
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III										
Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.										
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of										
a The organization?	5a	X								
b Any related organization?	5b	X								
If "Yes" to line 5a or 5b, describe in Part III										
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of										
a The organization?	6a	X								
b Any related organization?	6b	X								
If "Yes" to line 6a or 6b, describe in Part III										
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X								
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X								

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(i) STEVE BROWN	225,000.	NONE	NONE	NONE	NONE	225,000.	NONE
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
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(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Area with horizontal dashed lines for supplemental information.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

**Open to Public
Inspection**

Employer identification number

THE COMMEMORATIVE AIR FORCE

74-1484491

AMENDED 990 DETAIL

990 PI REVENUE, PVIII OTHER REVENUE, PIX EXPENSES, SCH D RECON, SCH G DETL

THIS AMENDED 990 REFLECTS THE PORTION OF SPECIAL EVENT EXPENSE THAT WAS

ALLOCATED, SPECIFICALLY, TO FUNDRAISING EXPENSES. THE AMENDED RETURN

DOES NOT AFFECT ANY OF THE TOTAL AMOUNTS, PREVIOUSLY REPORTED, IN THE

ORIGINALLY FILED 2008 FORM 990. THE FORM HAS BEEN AMENDED FOR REPORTING

& INFORMATIONAL PURPOSES ONLY.

PLEASE SEE FORM 990 PART IX, LINE 11E FOR FUNDRAISING EXPENSES.

AS MANY OF THE SCHEDULES ARE TIED TOGETHER, THIS F/R EXPENSE REPORTING

REALLOCATION ALSO CAUSED REPORTING ADJUSTMENTS IN THE FOLLOWING AREAS BY

THE EXACT FUNDRAISING FEE EXPENSE (\$90,823):

FORM 990 PART IX LINE 25

FORM 990 PART VIII LINES 8B, 8C & 12

FORM 990 PART I LINES 11, 12, 16A, 16B & 18

SCHEDULE D PART XI LINE 2

SCHEDULE D PART XII LINES 2D, 3 & 5

SCHEDULE D PART XIII LINES 2D, 3 & 5

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV

1 During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)
- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)
- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees
- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses
- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1)	AMERICAN AIRPOWER HERITAGE MUSEUM	O, P, Q, R	5,346.
(2)	AMERICAN AIRPOWER HERITAGE FOUNDATION	O, P, Q, R	1,131,119.
(3)			
(4)			
(5)			
(6)			

FORM 990, PART VI, LINE 17 - STATES
=====

AL, AK, AZ, AR, CA, CO,
FL, GA, IL, IN, KS, KY, ME, MD, MA, MI,
MN, MS, MO, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA,
SC, TN, UT, VA, WA, WV, WI,

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INTEREST, DIVIDENDS, ROYALTY AND RENTAL INCOME	66,841.			66,841.
DIVIDENDS	11,257.			11,257.
ROYALTY INCOME	3,723.			3,723.
TOTALS	81,821.			81,821.

FORM 990, PART VIII - FUNDRAISING EVENTS

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES	NET INCOME
SPECIAL EVENTS	1,392,327.	685,732.	706,595.
TOTALS	1,392,327.	685,732.	706,595.

FORM 990, PART VIII - GAMING ACTIVITIES

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES	NET INCOME
BINGO	105,408.	57,084.	48,324.
PULL-TAB	303,902.	220,996.	82,906.
TOTALS	409,310.	278,080.	131,230.

FORM 990, PART VIII - GROSS SALES AND COST OF GOODS SOLD
=====

GROSS SALES LESS RETURNS AND ALLOWANCES	1,004,707.
INVENTORY AT BEGINNING OF YEAR	458,588.
PURCHASES	802,727.
SALARIES AND WAGES	
OTHER COSTS	

SUBTOTAL	1,261,315.
MINUS ENDING INVENTORY	467,618.

COST OF GOODS SOLD	793,697.
	=====

FORM 990, PART IX - PAYMENTS TO AFFILIATES

DESCRIPTION	(A) TOTAL EXPENSES	(B) PROGRAM SERVICE EXP.	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING EXPENSES
DONATIONS TO AFFILIATES	505,126.		505,126.	
RESTORATION GRANT	102,000.		102,000.	
TOTALS	607,126.		607,126.	

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

BORROWER: INTERCOMPANY RECEIVABLE (INCL ANUAC)

BEGINNING BALANCE DUE	13,476.
ENDING BALANCE DUE	13,453.

BORROWER: NOTES RECEIVABLE

BEGINNING BALANCE DUE	36,794.
ENDING BALANCE DUE	39,541.

TOTAL BEGINNING NOTES AND LOANS RECEIVABLE	50,270.
--	---------

TOTAL ENDING NOTES AND LOANS RECEIVABLES	52,994.
--	---------

FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

=====

DESCRIPTION -----	ENDING BOOK VALUE -----
PRE-PAID EXPENSES	283,364.
TOTALS	----- 283,364. =====

FORM 990, PART X - DEFERRED REVENUE

=====

DESCRIPTION -----	ENDING BOOK VALUE -----
DEFERRED REVENUE	36,780.

TOTALS	36,780.
	=====

FORM 9-90, PART X - SECURED MORTGAGES AND NOTES PAYABLE

LENDER: BANK OF GEORGIA
 ORIGINAL AMOUNT: 650,000.
 INTEREST RATE: 7.000000
 MATURITY DATE: 02/05/2009
 REPAYMENT TERMS: DUE ON DEMAND
 SECURITY PROVIDED: REAL ESTATE / HANGAR
 PURPOSE OF LOAN: DIXIE WING

BEGINNING BALANCE DUE 609,348.
 ENDING BALANCE DUE 569,998.

LENDER: WELLS FARGO (AAHF)
 ORIGINAL AMOUNT: 96,560.
 MATURITY DATE: 12/31/2010
 REPAYMENT TERMS: PRIME + 2
 SECURITY PROVIDED: NONE
 PURPOSE OF LOAN: GREAT LAKES

BEGINNING BALANCE DUE 56,583.
 ENDING BALANCE DUE 55,236.

LENDER: INDIVIDUAL - UNSECURED
 ORIGINAL AMOUNT: 25,000.
 INTEREST RATE: NONE
 REPAYMENT TERMS: UNSPECIFIED INCREMENTS OVER UNSPECIFIED TIME PD
 SECURITY PROVIDED: NONE
 PURPOSE OF LOAN: NATIONAL CAPITAL (12,500 EA. DON WEEKS/GARY HOBBS)

BEGINNING BALANCE DUE 21,000.
 ENDING BALANCE DUE 17,500.

LENDER: UNSECURED NOTE / FOUNDATION
 ORIGINAL AMOUNT: 100,000.
 MATURITY DATE: 03/31/2007
 REPAYMENT TERMS: INTEREST @ PRIME + 2%
 SECURITY PROVIDED: UNSECURED
 PURPOSE OF LOAN: P-40 SPONSOR GP

BEGINNING BALANCE DUE 93,843.
 ENDING BALANCE DUE 91,641.

LENDER: LOBO HANGAR FINANCING GP
 ORIGINAL AMOUNT: 84,889.
 INTEREST RATE: 6.000000
 DATE OF NOTE: 09/14/2004
 MATURITY DATE: 05/30/2016
 SECURITY PROVIDED: HANGAR (50'X90') MORIARTY AIRPORT, MORIARTY N.M.
 PURPOSE OF LOAN: LOT 82 METAL BUILDING / LOBO WING

BEGINNING BALANCE DUE 77,500.
 ENDING BALANCE DUE 70,234.

LENDER: GNB FINANCIAL NA / PROSPERITY NTL BANK
 ORIGINAL AMOUNT: 20,000.
 INTEREST RATE: 6.000000
 DATE OF NOTE: 05/07/2004
 MATURITY DATE: 12/31/2010
 REPAYMENT TERMS: PRIME + 2
 PURPOSE OF LOAN: CORSAIR GROUP

BEGINNING BALANCE DUE 12,500.
 ENDING BALANCE DUE 9,628.

LENDER: MUSEUM OF FLYING SUPPORT FUND
 ORIGINAL AMOUNT: 450,000.
 INTEREST RATE: 7.000000
 DATE OF NOTE: 06/07/2004
 MATURITY DATE: 07/31/2008
 REPAYMENT TERMS: PRINCIPAL AND INTEREST PAYABLE IN ONE YEAR
 SECURITY PROVIDED: SUPERMARINE SPITFIRE MK XIV N749DP

BEGINNING BALANCE DUE 1.
 ENDING BALANCE DUE 1.

LENDER: WELLS FARGO
 ORIGINAL AMOUNT: 150,000.
 DATE OF NOTE: 12/31/2004
 MATURITY DATE: 12/31/2008
 REPAYMENT TERMS: UNSECURED N/P: INTEREST PRIME + 1%
 PURPOSE OF LOAN: SO. CAL C-131

BEGINNING BALANCE DUE 83,142.
 ENDING BALANCE DUE NONE

LENDER: WELLS FARGO - RLOC
 ORIGINAL AMOUNT: 700,000.
 INTEREST RATE: 7.750000
 MATURITY DATE: 11/01/2008
 REPAYMENT TERMS: PRIME + 0
 SECURITY PROVIDED: NONE
 PURPOSE OF LOAN: REVOLVING LOC

BEGINNING BALANCE DUE 660,000.
 ENDING BALANCE DUE 369,416.

LENDER: JASON PENCE
 ORIGINAL AMOUNT: 3,500.
 INTEREST RATE: NONE
 MATURITY DATE: 08/01/2008
 REPAYMENT TERMS: UNSECURED
 SECURITY PROVIDED: 1994 WELLS CARGO TRAILER
 PURPOSE OF LOAN: NATIONAL CAPITAL SQD

BEGINNING BALANCE DUE 1,300.
 ENDING BALANCE DUE NONE

LENDER: UNSECURED - INDIVIDUALS
 ORIGINAL AMOUNT: 17,500.
 INTEREST RATE: NONE
 MATURITY DATE: 01/16/2012
 REPAYMENT TERMS: \$3,500 EA: DOUG MATTHEWS, RAY REEVES, JOE BROKER
 PURPOSE OF LOAN: \$3,500 EA: SCHUYLER VAN NESS, ALAN ARMSTRONG

BEGINNING BALANCE DUE 17,000.
 ENDING BALANCE DUE 17,000.

LENDER: CAF / AAHF NR & CAF NP
 ORIGINAL AMOUNT: 42,000.
 MATURITY DATE: 12/31/2010
 REPAYMENT TERMS: PRIME + 2%
 PURPOSE OF LOAN: B-29 SQUADRON

BEGINNING BALANCE DUE 852,416.
 ENDING BALANCE DUE 758,906.

LENDER: AAHF 41-401-14600
 ORIGINAL AMOUNT: 100,000.
 MATURITY DATE: 12/31/2009
 REPAYMENT TERMS: PRIME + 2%
 PURPOSE OF LOAN: P-47

BEGINNING BALANCE DUE	116,056.
ENDING BALANCE DUE	124,619.

LENDER: WELLS FARGO (UTAH WING)
 ORIGINAL AMOUNT: 206,877.
 MATURITY DATE: 04/01/2010
 REPAYMENT TERMS: PRIME + 0
 SECURITY PROVIDED: UTAH HANGAR
 ENDING BALANCE DUE

206,877.

LENDER: CAF / HQ (FLORIDA WING)
 ORIGINAL AMOUNT: 67,745.
 MATURITY DATE: 04/30/2009
 REPAYMENT TERMS: PRIME + 0
 ENDING BALANCE DUE

67,745.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	2,600,689.
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TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	2,358,801.
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