

SERVANT AIR MINISTRIES, INC.

ANNUAL REPORT

12/31/2009

Servant Air Ministries, Inc., 2009 had a very good year providing flight training and air transportation. With the fuel prices and insurance premiums stabilizing, Servant Air Ministries, Inc. was still able to fly a total of 260 hours utilizing our three aircraft. Over all we were up in number of hours from last years hours flown, based on fuel prices and resources. This being the ministry's sixteenth year of the organization's existence, Servant Air continues to provide quality missionary flight services to the Southeast part of the United States and the Bahamas. The ministry continues to meet its mission statement of providing a new chapel on the field at Merritt Island Airport, and providing individualized missionary flight training and ground school experiences. Air transportation consisting of mercy flights is provided for various ministries and churches throughout the state of Florida and the Southeast part of the United States.

A slate of officers was presented to the Board in our June 2009 meeting, and the following officers agreed to serve: Dr. Robert E. Lehton was again elected as President, Mr. Dick Todd was elected as Vice President, Mr. Ryan Roberts as Board Secretary, and Mrs. Lydia Dixon as Treasurer.

We welcome Lydia who is a tremendous prayer warrior to the Board. The motion to elect the four officers was carried with an affirmative vote. A motion was entertained to continue with the same General Board Membership and that was likewise unanimously approved. Mr. Fred Pino will continue his responsibilities recruiting and dues collection, and Mr. Kyle Dixon and Mr. Tom Liston for coordination of air show evangelism. Mr. Steve Miller will be responsible for dispatching of flights and Mr. Dick Todd will be responsible for supervision of the maintenance of the aircraft.

The financial position of Servant Air Ministries, Inc. remains very stable, with a positive cash flow, but we have had large expenditures in the area of maintenance, and our new 7400 sq. ft. Hanger and Chapel. Much of the general flight training is now being referred to Voyager Aviation. Our Cessna 172 is now being used for both missionary flying and flight training, whereas, the Aztec and Saratoga are utilized mainly for longer mission flights to the Bahamas, Central America and throughout the eastern part of the United States.

This year our 172 was flown 199 hours, mainly in flight training for our missionary pilots for mercy flights. Our Saratoga PA 32-301T was utilized only 37 hours, because in March we had an incident where a hard landing collapsed the nose landing gear and the remainder of 2009 was spent in repair. Our Aztec PA-23 was flown for approximately 24 hours and ended the year with a maintenance problem. Flight instruction was more than last year and was conducted mainly by Mr. Dick Todd and

Bob Lehton. The ministry is moving back to more flight training, mercy flights, and EAA flights which has been the trend over the last year.

Mr. Dick Todd who is Servant Air Ministries', A1 and A&P mechanic have kept all three airplanes in excellent shape, along with the help of Mr. Steve Miller. Mr. Todd continues to be a blessing to the organization by supervising maintenance of all three aircraft, which includes annual inspections and routine progressive maintenance throughout the year.

Over 100 flights were performed for the Young Eagles which is part of the Experimental Aircrafts Association. Dick Todd and Dick Blondin did the majority of these flights. This year Bob Lehton, Dick Bondin, and David Rainer have joined Southeast Angel Flight in order to make more mercy Angel Flights.

KLD Youth Foundation with Servant Air Ministries continued to provide air transportation to Governor's Harbor on Eleuthra. KLD provided 4 missionary flights mainly using the Saratoga and Aztec. This produced 4 trips to Governor's Harbor. The group has been able to help finish the construction of a Christian surfer's mission's camp and has painted over 80 houses as part of their dream to have the town totally painted "by Jesus".

Mr. Ryan Roberts continues to manage our web site, and it continues to run smoothly. Ryan Roberts at the end of last year put "PayPal" on the web site to receive donations by credit card for our new projects, and this had provided some income.

In September 2009, Dr. Lehton was elected Vice President of Pilots for Christ at the Convention held at the "The Shack" in Michigan, and Mr. Dick Todd was elected as Secretary. Dick Todd and Bob Lehton presented the Chapter report for the year 2008 at this convention.

The most exciting event this year has been a dream come true that the Board has visualized for over ten years, and that is the construction of an 80 x 80 hanger on the property at Merritt Island Airport. This hanger will give us a visible presentation of Christ's ministry on the field, and likewise a place to store aircraft and have our Chapel meetings. On December 31, 2007, Servant Air signed a 20 year lease for .42 acres to build the 80 x 80 hanger with the TICO Airport Authority. During the last year in 2009, Servant Air received \$212,745.00 in kind donations towards the construction of the hanger. Over \$130,000 cash donations were received bringing the total cost of the hanger to \$334,745.00. An amended lease was signed for 20 years beginning on January 1, 2010 with two five year extensions allowed at the end of the term. The Hanger passed all inspections and received our CO (Certificate of Occupancy) on December 27th, 2009. We moved in on January the 2nd 2010. The new hanger will be located next to the airport beacon which will be a light of Christ on the field. The Hanger is complete and we want to thank all the volunteers for their time and sacrifice. The following companies and individuals were the major resources for in-kind donations:

1. Noel Droor engineer for the pre-site drawing: \$23,000.
2. Joe Hicks Construction \$10,000.
3. Roger Shover Foundation Drawing and head contractor \$30,000.
4. Art Burger \$4,000.
5. Synder Steel \$1,000.
6. Ti-Co Airport Authority FAA Survey \$750.00.
7. Cocoa Beach Plumbing and Dan Petro Plumbing \$5,000.
8. Kirby Electric \$5,000.
9. Rinker Concrete Discounts \$14,000.
10. Wellbilt Doors \$3,000.
11. Concrete Contractor \$5,000.
12. Brevard Fire and Safety \$700.
13. Jack Parker Sheriff and his inmate labor force \$20,000.
14. Atlantic Glass for the storm windows \$2,000.
15. Steve Hoskins Construction \$7,500.
16. Dick Todd and Sod Donation \$2,000.
17. Space Cost Honda \$3,495.

We were further blessed by have the contractors put us on the insurance policy's until the construction was finished. Likewise, we saved \$4,000 in not having to move the CAP trailers on the leased property, and \$3,500 for not having to plant numerous trees and plants. We saved over \$9,000 by not having to pay the surety and performance bonds that was secured by an undisclosed donation for a security deposit. In February 2009 the County eliminated impact fees that saved us over \$20,000. Finally, our insurance company that insures the airplanes began writing hanger insurance saving us as a group policy over \$1,200/year.

I want to personally thank Roger Shover, Joe Hicks, Steve Miller, Steve Hoskins, and many others that went well beyond their call of service in ministry to this project. Steve Hoskins Construction arrived at the last moment to help complete the project which was a tremendous blessing. Further, I would like to thank all the volunteers that helped us move into the new facility. Also the many long hours for all the volunteers that assisted in insurance, pre-site work, electric, plumbing and putting the final touches on the entire project. Finally, Voyager Aviation for providing the meeting room for the past 2 yrs. while this project was being completed.

We had to take out a \$40,000 mortgage to complete the project, but by January 5th 2010, it has been reduced to \$35,000 at minimum interest rate.

In conclusion, even with the escalating price of fuel, Servant Air Ministries, Inc. continued to fly. Again, it has been my privilege to serve as President of Servant Air Ministries, Inc. for the past 16 years, and I again thank the Board of Directors and volunteers for their efforts in service in Jesus' name. We will continue to make Young Eagle flights approximately four times a year and numerous trips to the Bahamas and Southeast part of the United States providing mercy flights. We'll continue our efforts to provide evangelism at air shows and work with all ministries throughout the Southeast

part of the United States in providing charity and missionary flight activities.

We sincerely thank all the members, Board, pilots and supporters of Servant Air Ministries, Inc. for a fruitful year in 2009 and expect the Lord to produce great fruit in this coming season.

Respectfully Submitted,

Robert E. Lehton, CFII, MEI, President

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