

SERVANT AIR MINISTRIES, INC.

ANNUAL REPORT 12/31/2010

Servant Air Ministries, Inc., 2010 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 277.25 hours utilizing our three aircraft. Over all we were up in the number of hours from last year's hours flown, based on fuel prices and resources. This being the ministry's 17th 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 2010 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. The Board kept its same composition as last year.

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 8400 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 C-172 are utilized mainly for longer mission flights to the Bahamas, Central America and throughout the eastern part of the United States. Our PA-32 is still not completed and the Board decided to sell the aircraft. We also decided to buy a C-150 for Training and that was purchased for \$15,500.00, and it flew only 7.4 hours, because the purchase was at the end of the year.

This year our 172 was flown 251.25 hours, mainly in flight training for our missionary pilots, for mercy flights. Our Saratoga PA 32-301T was not utilized because in March 2009 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 18.6 hours. KLD our partner in Mission flights to the Bahamas and was unable to

continue flights because of finances which resulted in less flights being flown in the Pa-23. Flight instruction increased in this 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 and Bud Campbell. 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, Bob Lehton 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.

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 2010, Dr. Lehton was elected again as Vice President of Pilots for Christ at the Convention held in Cincinnati and Mr. Dick Todd was elected as Secretary. Dick Todd and Bob Lehton presented the Chapter report for the year 2009 at this convention.

Mr. Dick Blondin has done a wonderful job in representing SAMI at local airshows. This year with the help of Tim Layne of the Michigan Chapter we were presenters at the Sun'N'Fun Airshow. Dick traveled in the C-172 with volunteers daily to man the booth. We also participated in the Prayer Flight Ministry, praying for our country on May 5, 2010.

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. If you recall 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 past 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 is 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. We began operations in January and the Tico-

Airport Authority gave us a new lease dated 01-01-2010 with the same terms.

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.

We had to take out a \$40,000 mortgage to complete the project, but by December 31, 2010, it has been reduced to \$20,000 at minimum interest rate.

Jack Parker, Brevard County Sheriff has supported SAMI over the years, and now his lawn crew cuts our grass on a regular schedule for free.

In 2010 we prepared an overall summary of flights from 1987 to December 31, 2010 to secure a grant from the United Way. This summary consists of 17 pilots that regularly fly fro SAMI. We have flown during this period 631 mission flights of 2285 hours. We have conducted 1696 training flights consisting of 1924 hours. Total flights of missions and training is 2288 flights with 4,212 hrs.

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 17 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 2010 and expect the Lord to produce great fruit in this coming season.

Respectfully Submitted,

Robert E. Lehton, CFII, MEI, President

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