

Valley Fliers

Annual Members Meeting

March 2020

2019 – 2020

*Valley Fliers
Annual General
Meeting*

*Held March 11, 2020
At Trotters Restaurant
Located in Auburn, WA.*

*Welcome to all members and
Interested aviation associates.*

*Thank you, in advance, for your
Continuing support and commitment
To promoting aviation in the Pacific
Northwest on both an amateur and
Professional level.*



Agenda

- Opening Remarks
- Treasurer's Report
- Annual items for vote
- Proposed Bylaw changes
- Maintenance Report
- Safety Report
- Door Prizes

Opening Remarks

Treasurer's Report

2019 was something of a recovery year:

- 16 shares traded hands contributing \$7,272.80 added cash (Hull replacements funds)
- Minimum flight time fees were up again to \$25,875.62 (322hrs... almost 27hrs/month!)
- Maintenance Costs remain Very high, up another 4.5% from 2018
- Expensive maintenance on all aircraft: Particularly high on N5163S (Trim fix, step replacement, & inspection holes)
- The 9MA Engine overhaul plan was disrupted causing a scramble when a member taxied into a hole striking the prop... Long drawn out and rather expensive we now have a NEW engine and 3 Blade Prop and hope to return it to service soon after a reserve crushing litany of repairs and a couple much needed upgrades! Most of the cost of repairs and upgrades will be reflected in 2020.
- Our fuel card program is still working very well. We thought that our cards would no longer work when the Airport switched vendors and this proved to be false. Thanks to those that informed us that the cards continued to work!

Balance Sheet Summary

Valley Fliers, Inc.

Balance Sheet Previous Year Comparison

As of December 31st

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Checking/Savings/CD	\$75,410.90	89,500.18
Accounts Receivable	11,806.40	18,309.60
Deposits - Fuel Purchases	-	-
Undeposited Funds	20,989.97	3,469.08
Total Current Assets	<u>108,207.27</u>	<u>111,278.86</u>
Fixed Assets - Net of Depreciation	266,599.36	254,946.98
TOTAL ASSETS	<u><u>\$374,806.63</u></u>	<u><u>366,225.84</u></u>
LIABILITIES & EQUITY		
Liabilities		
Accounts Payable	\$6,580.52	7,174.10
Sales Tax Payable	1,025.48	(517.43)
Total Liabilities	<u>7,606.00</u>	<u>6,656.67</u>
Equity		
Member Shares - Current Price	130,000.00	130,000.00
Member Equity Shares Traded	\$0.00	\$0.00
Retained Earnings	229,569.17	217,959.06
Net Income	7,631.46	11,610.11
Total Equity	<u>367,200.63</u>	<u>359,569.17</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$374,806.63</u></u>	<u><u>366,225.84</u></u>

Income Statement Summary

Valley Fliers, Inc.

Summary Income Statement Previous Year Comparison

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>
INCOME			
Fees	\$25,875.62	\$24,925.25	\$950.37
Dues	52,950.00	51,435.81	1,514.19
Flight Time	106,197.74	106,393.82	(196.08)
Hull Replacement Fund	7,272.80	5,454.60	1,818.20
Interest Income	6.72	26.26	(19.54)
Total Income	<u>\$192,302.88</u>	<u>\$188,235.74</u>	<u>\$4,067.14</u>
EXPENSES			
Repairs & Maintenance (Includes GPS Data)	\$56,929.83	\$54,492.44	\$2,437.39
Fuel	52,326.67	49,162.32	3,164.35
Insurance	19,078.34	14,841.33	4,237.01
Rent - Hangar	12,295.20	11,916.00	379.20
Rent - Office & Utilities	2,017.44	2,739.78	(722.34)
General & Admin	3,317.68	3,072.08	245.60
Licensing	265.00	270.00	(5.00)
Bad Debt	\$0.00	\$0.00	\$0.00
Meeting Expense	2,007.34	2,029.43	(22.09)
Taxes - Business & Occupation	995.65	896.49	99.16
Other/Miscellaneous (B&O tax penalty)	77.46	-	77.46
Depreciation	35,360.81	37,180.08	(1,819.27)
Total Expenses	<u>184,671.42</u>	<u>176,599.95</u>	<u>8,071.47</u>
Net Income	<u>\$7,631.46</u>	<u>\$11,635.79</u>	<u>(\$4,004.33)</u>

Statement of Cash Flows

Valley Fliers, Inc.

January through December 2019

	<u>Jan - Dec 19</u>
OPERATING ACTIVITIES	
Net Income	7,631.46
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	1,503.20
Accounts Payable	-634.92
Sales Tax Payable	-1,894.50
Sales Tax Payable:Sales Tax Paid - Maint	3,031.56
Sales Tax Payable:Taxes Paid - Fuel	405.85
Net cash provided by Operating Activities	<u>10,042.65</u>
INVESTING ACTIVITIES	
Operating Equipment - Electric Tug	-600.00
Operating Equipment (SIM) Depreciation	949.59
In-process (Eng Mon & Pwr Flow)	-4,060.00
N-80117 Accumulated Deprec.	12,183.89
N-759MA New Engine & Prop Less Insurance	-42,353.19
N-759MA Accumulated Deprec.	7,448.83
N-2388L Accumulated Deprec.	8,404.20
N-5163S Accumulated Deprec.	6,374.30
Net cash provided by Investing Activities	<u>-11,652.38</u>
FINANCING ACTIVITIES	
	0.00
Net cash provided by Investing Activities	<u>0.00</u>
Net cash increase for period	-1,609.73
Cash at beginning of period	97,969.26
Cash at end of period	<u><u>96,359.53</u></u>

Fixed Cost Breakdown

	<u>2019</u>	<u>2018</u>
Dues & Fees	\$86,098.42	\$81,815.66
Fixed Costs:		
Hangar Rent	12,295.20	11,916.00
Office Rent	2,017.44	1,963.32
Utilities	-	776.46
Insurance * (Prev Yr reduced by Accrual makeup)	19,078.34	14,841.33
General & Admin **	5,117.68	4,832.08
Bad Debts	-	-
Licenses & Permits	265.00	260.00
Meeting Expenses	2,007.34	2,029.43
Taxes (Business & Occupation tax)	995.65	896.49
Other (Includes GPS Data for All Aircraft)	1,800.00	1,760.00
Total Fixed Cost	<u>43,576.65</u>	<u>39,275.11</u>
Net Contribution	<u>\$42,521.77</u>	<u>\$42,540.55</u>
** General & Admin included the following:		
Tax preparation	750.00	725.00
Legal fees	-	-
Repairs - Other than Aircraft	375.00	350.00
General Office - Postage, printing, PO Box, Internet, ScheduleMaster, Website, bank fees	3,992.68	3,757.08
Total G&A	<u>\$5,117.68</u>	<u>\$4,832.08</u>

Variable (Hourly) Cost By Aircraft

	<u>N759MA</u>	<u>N5163S</u>	<u>N2388L</u>	<u>N80117</u>
Tach Hours	207.6	191.6	344.0	365.8
Hours Billed	198.2	202.8	407.8	436.8
Maintenance/Prize Hours	13.2	18.3	6.3	9.4
Revenue:	\$20,830.82	\$17,461.08	\$32,787.12	\$35,118.72
Repairs & Maintenance Hours	39.5	195.5	89.5	125.0
Days Out Of Service for Maintenance	9.00	40.00	30.50	16.00
Variable Costs:				
Fuel	11,816.17	9,092.88	17,041.48	14,376.14
Maintenance Cost	9,575.96	16,121.82	12,346.05	12,642.69
Apportioned Maintenance Supplies	831.70	767.68	1,378.29	1,465.64
Engine Reserve	4,151.60	2,874.00	5,160.00	4,755.40
Total Variable Cost:	26,375.43	28,856.38	35,925.82	33,239.87
Net Contribution (Subsidy)	<u>(\$5,544.61)</u>	<u>(\$11,395.30)</u>	<u>(\$3,138.70)</u>	<u>\$1,878.85</u>
Cost Per Hour Billed 2019	\$133.07	\$142.29	\$88.10	\$76.10
Pre-Tax Billing Rate Per Hour	\$105.10	\$86.10	\$80.40	\$80.40
2019 Cost Per Billed Hour	\$133.07	\$142.29	\$88.10	\$76.10
2018 Cost Per Billed Hour	\$153.24	\$86.14	\$115.21	\$59.68
2017 Cost Per Billed Hour	\$119.40	\$128.75	\$142.89	\$137.36
2016 Cost Per Billed Hour	\$93.60	\$76.18	\$83.69	\$66.78
2015 Cost Per Billed Hour	\$107.92	\$61.08	\$71.40	\$58.23
2014 Cost Per Billed Hour	\$114.32	\$78.66	\$79.90	

Upgrade/Replace Contribution Analysis

	<u>2019</u>	<u>2018</u>	
Contribution - Fixed	\$42,521.77	\$42,540.55	
Contribution - Variable	(\$18,199.76)	(\$13,167.67)	
Total Upgrade/Replace Contribution	<u>\$24,322.01</u>	<u>\$29,372.88</u>	
Upgrades: <i>(Engines Not Included)</i>			
2019 - 9MA Engine, Prop, EDM	(46,413.19)		
2018 - ADSB All Aircraft		(21,212.00)	
Net Contribution	<u><u>(\$22,091.18)</u></u>	<u><u>\$8,160.88</u></u>	
Contribution History	Contribution	Net Contribution	Hours Flown
2019 - 9MA Engine, Prop, EDM & PowerFlow Deposit	24,322.01	(\$22,091.18)	1,292.80
2018 ADSB - All Aircraft	\$29,372.88	\$8,160.88	1,230.70
2017 N5163S Interior	(\$23,494.80)	(\$34,717.62)	977.50
2016 88L Card Compass; N80117 Paint Repair, ELT, Steps; N5	14,532.89	\$7,657.45	1,339.50
2015 (N80117 Purch replace 34H)	15,195.32	(\$41,677.63)	1,495.70
2014 (Sim, 9MA ELT, 63S WAAS Upgrd)	33,704.02	13,617.32	1,588.80
2013 (Purchase 9MA, 34H Transponder)	19,236.28	(70,167.36)	1,301.70
2012			1,539.10
Last 7 Years	\$112,868.60	(\$139,218.14)	

2019 RESERVES ANALYSIS

<u>Engine Reserves - Estimated</u>	<u>Hrs Total</u>	<u>Rate</u>	<u>Reserve</u>
N759MA - Based on Runout - \$40k	-	20.00	-
N2388L - Based on Time from TopOH \$30k	1,909.00	15.00	28,635.00
N80117 - Based on 2000 from New Engine 08/2017	913.80	13.00	11,879.40
N5163S - Based on 2000 from - 2017 rebuild	478.60	15.00	7,179.00
Total Engine Reserve Estimated at Year End 2019			\$ 47,693.40
Cash & Receivables Available at Year End 2019 (adjusted for Payables Outstanding)			\$ 100,601.27
Less Upgrades & Large Repairs In-Process for 2020:			
N759MA JPI (Installation w/Engine), Brakes, Repairs	26,327.22		
N2388L Audio Panel, static wicks, Fuel Sending units	9,900.00		
N80117 Power Flow Exhaust (less Deposit prepaid)	2,605.00		
Total In-Process			38,832.22
Net Available for Upgrade / Contingency			\$ 14,075.65
2020-21 Committed Upgrades or Reserve Use:			
N2388L Engine Rebuild		\$ 30,000.00	
N2388L STC 180HP		\$ 7,500.00	
N5163S Wing Skin Repair(?)		???	

Treasurers Proposal:

- Prior to the first 2 1/2 months of 2020 I would have said we are in a great position after replacing 9MA's engine, unfortunately we have burned most of our reserves not designated for engines.
- **2019 Meeting Proposed upgrades:**
 - *Engine monitors with recording functions to monitor the health of our engines, cost would be approx. \$2k-\$4k per aircraft Total \$8k-\$16k and this is very doable.*
 - *We have a radio with a problematic display (KX-155A), maybe it's time for a replacement rather than another band-aid on an old radio...*
 - *In all we should be safe with \$15k-\$20k in upgrades over the next year as long as maintenance costs do not spike.*
- **2020 Proposals**
- We will need to be prepared to act on 88L's engine and thus... I recommend that we refrain from spending on upgrades and re-evaluate in the fall or we increase rates to cover desired upgrades...
- Increase rate on 9MA by \$10/hr to reflect it's consistently higher cost to Operate.

Annual Items for Vote

- Approval of 2019 Annual Meeting Minutes
- Election of Officers
 - John Eyre – President
 - Scott Glassmyer – Vice President
 - Alan DeWitt – Treasurer
 - Tim Vader – Secretary
 - Florin Botezatu – Maintenance Officer
 - Richard Neville – Safety Officer
- Offered flight hours
 - 2 hours per month for Treasurer and Maintenance officer
 - Stipulations
 1. Offered flight hours must be used in month offered
 2. Offered flight hours cannot be used for safety hour

Proposed Bylaw changes

1. Article 3: Directors - paragraph 14

New

The Board of Directors shall at its' discretion create or have created club operating rules. Adopted rules are to be presented to members in form requiring signature to verify agreement and receipt.

2. Article 11: members – Paragraph 1.1

Current Members of the club are expected to abide by FAA and Club regulations and must assist with any investigations authorized under these bylaws.

Proposed

Members of the club are expected to abide by FAA, Club regulations and agree to follow any adopted club operating rules and must assist with any investigations authorized under these bylaws.

Proposed Bylaw changes

3. Article 14: Hearings - paragraph 2

Current

The Board of Directors shall not impose financial responsibility on any one member in excess of the insurance policy deductible for any accident or incident, unless the damage resulted from a violation of Club rules; Then the party responsible for the damage shall be liable for the full amount not covered by insurance.

Proposed

The Board of Directors shall not impose financial responsibility on any one member in excess of the insurance policy deductible or current value of a membership share, whichever is higher, for any accident or incident, unless the damage resulted from a violation of Club rules; Then the party responsible for the damage shall be liable for the full amount not covered by insurance.

Maintenance Officer's Report



MAINTENANCE

Highlights

- Annual lists available

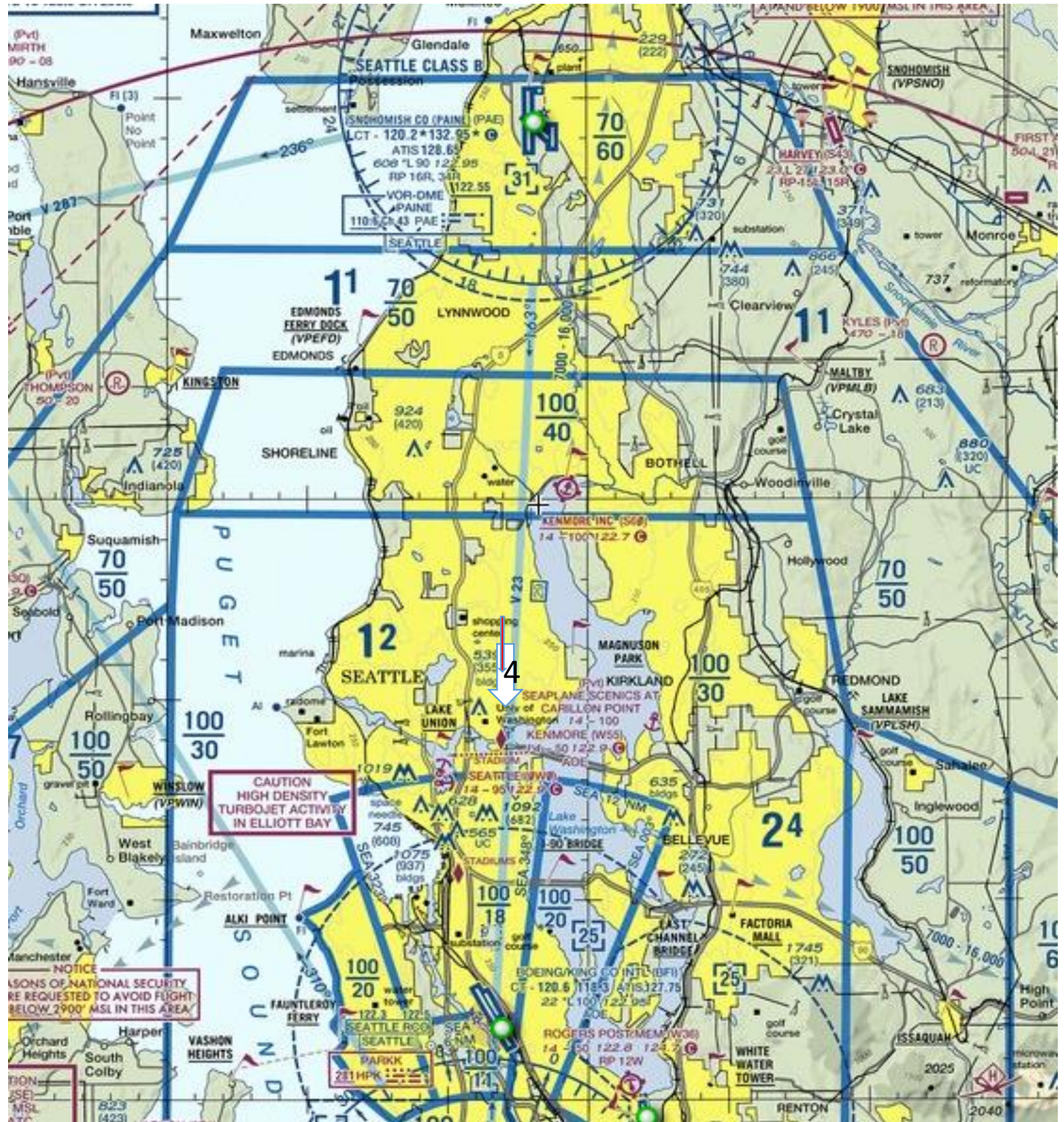
Safety Officers Report

- **Local Airspace**
- **9MA Safety Board Report Summary**

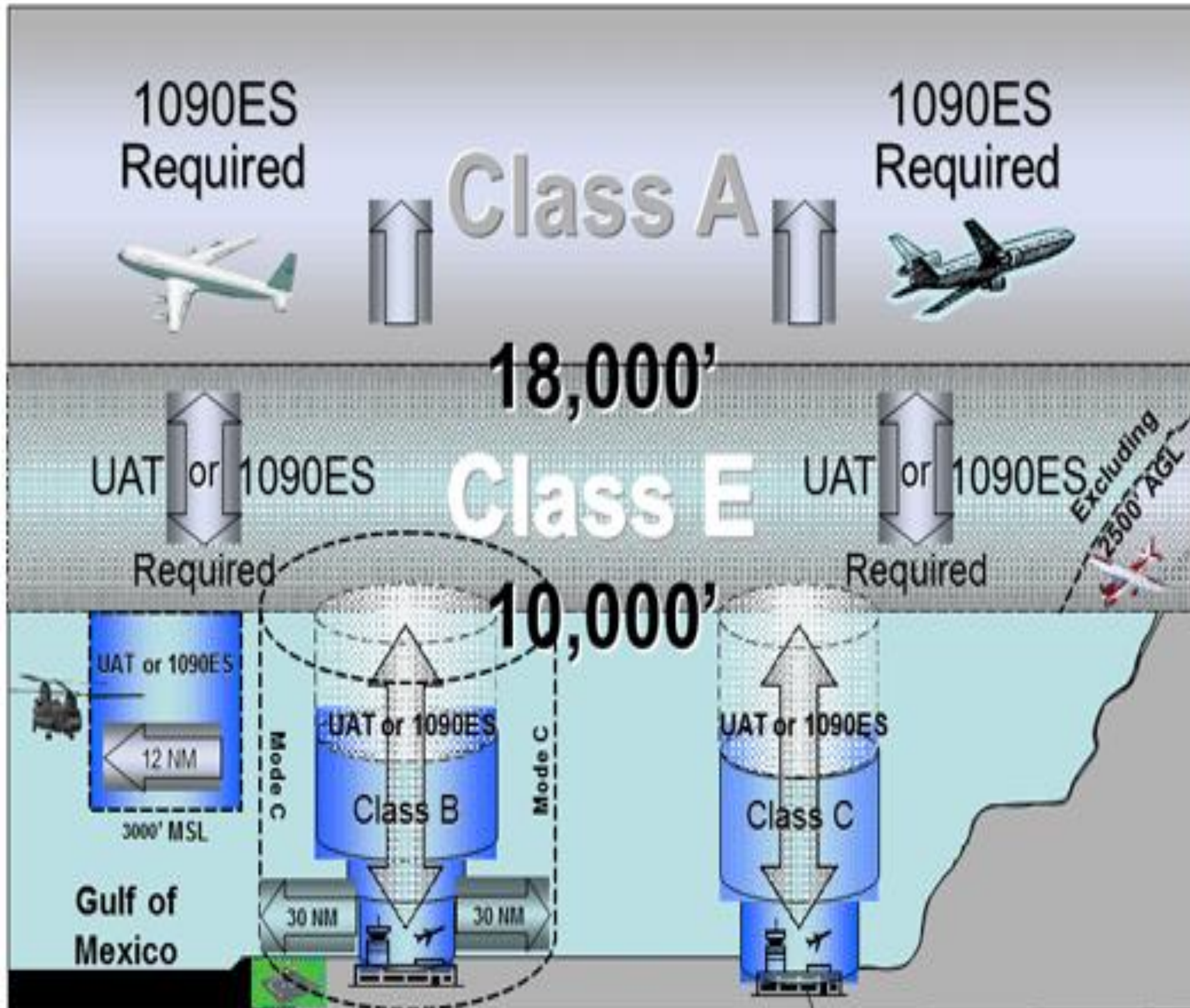
Local Airspace

Paine
Boeing
Sea-Tac

Expect jet traffic below
Class B between PAE and
north end of Lake
Washington and over
Puget Sound for VFR and
IFR approaches to PAE,
BFI and SEA



ADS-B Airspace



759MA Safety Board Report Summary

- On August 4, 2019 N759MA had a propeller strike while parking at the Woodland State Airport (W27) in Woodland WA.
- The nose wheel ran into a recessed tie down spot which caused the propeller tips to strike the ground prior to engine shut down.
- A propeller replacement and an engine tear-down, inspection and replacement was required.
- Lessons Learned
 - Pilot did not take due care to obtain up to date field conditions prior to the incident flight nor take due care when taxiing the aircraft into the constricted parking area.
 - Mitigating factors were no NOTAM to apprise pilots of parking area hazards; recessed tie down spots (in fact, holes in the ground); and no signs or markings of recessed tie down spot locations.

759MA Safety Board Report Summary



Door Prizes