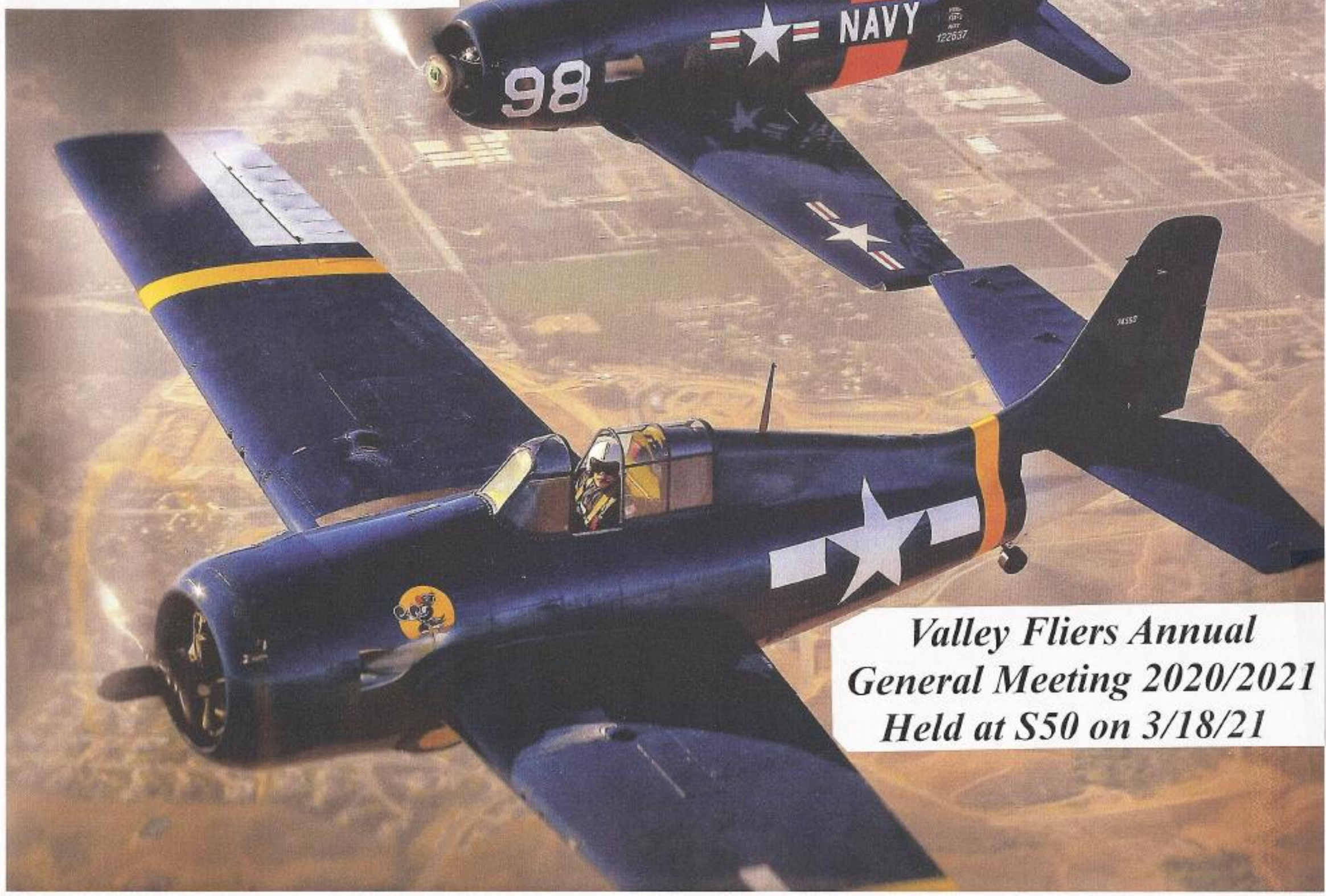


Valley Fliers

Annual Members Meeting

March 2021

*Greetings to all members
And Aviation Associates.*



*Valley Fliers Annual
General Meeting 2020/2021
Held at S50 on 3/18/21*

Agenda

- Opening Remarks
- Treasurer's Report
- Annual items for vote (results)
- Maintenance Report
- Safety Report

Opening Remarks

Treasurer's Report

2020 was an extremely maintenance intense year:

- 9 shares traded hands contributing \$4,090.95 added cash (Hull replacements funds)
- Minimum flight time fees were up again to \$26,384.16 (Over 328hrs) a 2% increase.
- Maintenance Costs were Extremely high, up another 44.5% from 2019 totaling more than \$82k. Expensive maintenance on all the Cessna's:
 - N759MA \$25,263 (Repairs related to water damage in Woodland, fuel leak, alternator, elevator temp repair, etc.).
 - N2388L – \$20,998 (almost ½ related to the audio panel, static wicks, fuel sending units, and injector clamps; also work on Mags, battery & lord mounts)
 - N80117 – \$20,497 (Install PowerFlow, mags, DG & AI rebuild, Hobbs, Carb & door latch, alternator rebuild, etc)
 - N5163S – \$7,611 (mags, cowl repair, electrical work, brake work, & wing skins for wing repair completed in January)
- Fuel prices were down so fuel cost was down 12.5% while flight hours were up!

Balance Sheet Summary

Valley Fliers, Inc.

Balance Sheet Previous Year Comparison

As of December 31st

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Checking/Savings/CD	\$98,285.41	75,411.90
Accounts Receivable	15,244.74	11,806.40
Deposits - Fuel Purchases	-	-
Undeposited Funds	1,209.46	20,989.97
Total Current Assets	<u>114,739.61</u>	<u>108,208.27</u>
Fixed Assets - Net of Depreciation	238,366.04	266,599.36
TOTAL ASSETS	<u><u>\$353,105.65</u></u>	<u><u>374,807.63</u></u>
LIABILITIES & EQUITY		
Liabilities		
Accounts Payable	(\$4,417.75)	6,580.52
Sales Tax Payable	543.81	1,025.48
Total Liabilities	<u>(3,873.94)</u>	<u>7,606.00</u>
Equity		
Member Shares - Current Price	130,000.00	130,000.00
Member Equity Shares Traded	\$0.00	\$0.00
Retained Earnings	237,201.63	229,569.17
Net Income	(10,222.04)	7,632.46
Total Equity	<u>356,979.59</u>	<u>367,201.63</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$353,105.65</u></u>	<u><u>374,807.63</u></u>

Income Statement Summary

Valley Fliers, Inc.

Summary Income Statement Previous Year Comparison

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>
INCOME			
Fees	\$26,384.16	\$25,875.62	\$508.54
Dues	53,025.00	52,950.00	75.00
Flight Time	114,545.46	106,197.74	8,347.72
Hull Replacement Fund	4,090.95	7,272.80	(3,181.85)
Interest Income	4.01	7.72	(3.71)
Total Income	<u>\$198,049.58</u>	<u>\$192,303.88</u>	<u>\$5,745.70</u>
EXPENSES			
Repairs & Maintenance (Includes GPS Data)	\$82,295.01	\$56,929.83	\$25,365.18
Fuel	45,783.15	52,326.67	(6,543.52)
Insurance	19,638.00	19,078.34	559.66
Rent - Hangar	12,511.68	12,295.20	216.48
Rent - Office & Utilities	2,058.24	2,017.44	40.80
General & Admin	3,500.14	3,317.68	182.46
Licensing	265.00	265.00	-
Bad Debt	\$0.00	\$0.00	\$0.00
Meeting Expense	1,020.30	2,007.34	(987.04)
Taxes - Business & Occupation	808.22	995.65	(187.43)
Other/Misc (B&O tax penalty, Landing Fees)	203.56	77.46	126.10
Depreciation	40,938.32	35,360.81	5,577.51
Total Expenses	<u>209,021.62</u>	<u>184,671.42</u>	<u>24,350.20</u>
Net Income	<u>(\$10,972.04)</u>	<u>\$7,632.46</u>	<u>(\$18,604.50)</u>

Statement of Cash Flows

Valley Fliers, Inc.

January through December 2020

	<u>Jan - Dec 20</u>
OPERATING ACTIVITIES	
Net Income	-10,972.04
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-3,438.34
Accounts Payable	-10,248.27
Sales Tax Payable	-1,272.27
Sales Tax Payable:Sales Tax Paid - Maint	551.58
Sales Tax Payable:Taxes Paid - Fuel	239.02
Net cash provided by Operating Activities	<u>-25,140.32</u>
INVESTING ACTIVITIES	
Operating Equipment (SIM) Depreciation	343.44
In-process (88L Engine & 180hp STC)	-7,500.00
N-80117 Power Flow Upgrade Balance	-2,605.00
N-80117 Accumulated Deprec.	12,591.17
N-759MA Cleveland Brakes	-2,600.00
N-759MA Accumulated Deprec.	16,427.08
N-2388L Accumulated Deprec.	4,048.46
N-5163S Accumulated Deprec.	7,528.17
Net cash provided by Investing Activities	<u>28,233.32</u>
FINANCING ACTIVITIES	
	0.00
Net cash provided by Financing Activities	<u>0.00</u>
Net cash increase for period	3,093.00
Cash at beginning of period	96,401.87
Cash at end of period	<u><u>99,494.87</u></u>

Fixed Cost Breakdown

	<u>2020</u>	<u>2019</u>
Dues & Fees	\$83,500.11	\$86,098.42
Fixed Costs:		
Hangar Rent	12,511.68	12,295.20
Office Rent	2,058.24	2,017.44
Utilities	-	-
Insurance	19,638.00	19,078.34
General & Admin **	5,300.14	5,072.03
Bad Debts	-	-
Licenses & Permits	265.00	265.00
Meeting Expenses	1,020.30	2,052.99
Taxes (Business & Occupation tax)	808.22	995.65
Other (Includes GPS Data for All Aircraft)	1,800.00	1,800.00
Total Fixed Cost	<u>43,401.58</u>	<u>43,576.65</u>
Net Contribution	<u>\$40,098.53</u>	<u>\$42,521.77</u>
** General & Admin included the following:		
Tax preparation	750.00	750.00
Legal fees	-	-
Repairs - Other than Aircraft	-	375.00
General Office - Postage, printing, PO Box, Internet, ScheduleMaster, Website, bank fees	4,550.14	3,947.03
Total G&A	<u>\$5,300.14</u>	<u>\$5,072.03</u>

Variable (Hourly) Cost By Aircraft

	<u>N759MA</u>	<u>N5163S</u>	<u>N2388L</u>	<u>N80117</u>
Tach Hours	213.8	208.8	392.0	425.5
Hours Billed	176.4	232.9	454.2	469.3
Maintenance/Prize Hours	37.1	7.1	9.7	6.0
Revenue:	\$20,303.64	\$19,992.42	\$36,517.68	\$37,731.72
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	9,907.08	7,666.02	14,812.74	13,397.31
Maintenance Cost	25,262.92	7,610.56	20,998.20	20,497.07
Apportioned Maintenance Supplies	1,056.36	1,031.47	1,936.47	2,101.96
Engine Reserve	4,276.80	3,132.00	5,880.00	5,531.50
Total Variable Cost:	<u>40,503.16</u>	<u>19,440.05</u>	<u>43,627.41</u>	<u>41,527.84</u>
Net Contribution (Subsidy)	<u>(\$20,199.52)</u>	<u>\$552.37</u>	<u>(\$7,109.73)</u>	<u>(\$3,796.12)</u>
Cost Per Hour Billed 2020	\$229.61	\$83.47	\$96.05	\$88.49
Pre-Tax Billing Rate Per Hour 2020	\$105.10	\$86.10	\$80.40	\$80.40
2020 Cost Per Billed Hour	\$229.61	\$83.47	\$96.05	\$88.49
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>2020</u>	<u>2019</u>	
Contribution - Fixed	\$40,098.53	\$42,521.77	
Contribution - Variable	(\$30,553.00)	(\$18,199.76)	
Total Upgrade/Replace Contribution	<u>\$9,545.53</u>	<u>\$24,322.01</u>	
Upgrades: <i>(Engines Not Included)</i>			
2020 - 117 PowerFlow, 9MA Cleaveland Brakes	(6,705.00)		
2019 - 9MA Engine, Prop, EDM		(44,913.19)	
Net Contribution	<u>\$2,840.53</u>	<u>(\$20,591.18)</u>	
Contribution History	Contribution	Net Contribution	Hours Flown
2020 - 9MA Cleveland Brakes & 117 Power Flow	9,545.53	\$2,840.53	1,332.80
2019 - 9MA Engine, Prop, EDM & PowerFlow Deposit	\$24,322.01	(\$20,591.18)	1,245.60
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	\$122,414.13	(\$134,877.61)	

2020 RESERVES ANALYSIS

<u>Engine Reserves - Estimated</u>	<u>Hrs Total</u>	<u>Rate</u>	<u>Reserve</u>
N759MA - Based on Runout - \$40k	213.84	20.00	4,276.80
N2388L - Based on Time from TopOH \$30k (2000 Max)	2,000.00	15.00	30,000.00
N80117 - Based on 2000 from New Engine 08/2017	1,339.30	13.00	17,410.90
N5163S - Based on 2000 from - 2017 rebuild	687.40	15.00	10,311.00
Total Engine Reserve Estimated at Year End 2019			\$ 61,998.70
Cash & Receivables Available at Year End 2020 (adjusted for Payables Outstanding)			\$ 118,613.55
Less Upgrades & Large Repairs In-Process for 2021:			
N759 Repairs in process... Estimate	6,000.00		
N2388L 180HP STC w/Prop	9,500.00		
Total In-Process			15,500.00
Net Available for Upgrade / Contingency			\$ 41,114.85
2020-21 Committed Upgrades or Reserve Use:			
N2388L Engine Rebuild (Balance due & Install)		\$ 30,000.00	
N2388L STC 180HP - Balance Remaining		\$ 7,500.00	
N5163S Wing Skin Repair		\$ 5,564.97	

Valley Fliers, Inc.

3 Year Maintenance Cost & Rate Analysis

	<u>N759MA</u>	<u>N80117</u>	<u>N2388L</u>	<u>N5163S</u>	<u>Totals</u>
Effective Average Rate	96.80	78.88	78.40	81.71	
Revenue	69,044.22	108,732.96	90,940.44	55,017.90	323,735.52
Hobbs Hours Billed	713.3	1,378.4	1,159.9	673.3	3,924.9
Tach Start 11/1/2017	4,118.0	4,049.1	3,977.2	2,472.5	14,616.8
Tach End 10/31/2020	4,813.4	5,211.6	4,983.4	3,061.1	18,069.5
Tach Hours Flown	695.4	1,162.5	1,006.2	588.6	3,452.7
Tach to Hobbs ratio	97.5%	84.3%	86.7%	87.4%	
Operating Costs:					
Fuel	37,793.66	41,798.39	42,518.17	25,555.06	147,665.28
Maintenance	52,261.85	58,864.66	52,848.27	29,647.44	193,622.22
Oil, tires & Supplies	2,644.31	5,109.93	4,299.92	2,496.02	14,550.17
Total Operating Costs 3yrs	92,699.82	105,772.98	99,666.36	57,698.52	355,837.67
Hourly Fuel & Maintenance Cost	129.96	76.74	85.93	85.70	
Engine Reserve (per Hobbs hour)	19.50	13.49	15.18	15.30	
Total Hourly Cost per Hobbs Hour	149.46	90.23	101.11	100.99	
Current Rates	115.10	80.40	80.40	86.10	
Rates w/tax	126.61	88.44	88.44	94.71	
Evergreen Equivalent	141.37	92.77	95.42		
New Rates	130.1	90.4	95.4	95.4	
OH Cost	40,000.00	32,000.00	35,000.00	35,000.00	
TBO Hours	2,000.00	2,000.00	2,000.00	2,000.00	
Reserve Over Period	13,908.40	18,600.00	17,608.50	10,300.50	60,417.40
Current Reserve Balance	4,306.60	20,288.00	35,000.00	12,217.41	71,812.01
				22,893.50	
Fixed Revenue					250,279.10
Fixed Expense					(120,291.76)
Maintenance Deficit					(32,102.15)
Engine Reserve					(60,417.40)
Net Contribution Toward Upgrades/replacement Over Last 3 years					37,467.79

**** Reserve for 2388L max'd and contributing to Upgrades/Replacement for last 2 years approx \$14,000**

Upgrades Last 3 years:	ADSB	21,212.00
	Power Flow 117	4,105.00
	JPI 9MA	2,560.00
	Cleveland Brakes Conversion 9MA	2,600.00
Total Upgrades during the period:		30,477.00

Treasurers Proposal:

- Unfortunately we have burned most of our reserves not designated for engines.
- **2021 Proposals**
- We have increased rates and will need to see how 88L's engine and Prop costs are managed along with the rear window replacement. We do not, as yet, know the full cost of the 9MA annual & (horizontal Stab work is \$6k) so we should re-evaluate after these costs are known and covered.
- We have a couple upgrades currently under way:
 - 180hp AirPlains STC upgrade for 88L
 - Gross Weight increase STC on 9MA
- ***2020 Meeting Proposed upgrades(mostly repeats from previous year...):***
 - *Engine monitors with recording functions to monitor the health of our engines, cost would be approx. \$3k-\$4k per aircraft Total \$9k-\$12k for the 3 aircraft lacking this.*
 - *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...*
 - *For the future – It would sure be nice to install G5's in place of our AI's at some point, cost would be around \$3k-4k per aircraft. If both AI & DG could be upgraded a further benefit would be the elimination of any need for vacuum pumps...*

Annual Items for Vote

- Approval of 2020 Annual Meeting Minutes
- 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 in lieu of safety hour
- Election of Officers
 - President
John Eyre
 - Vice President
Scott Glassmyer
 - Treasurer
Alan DeWitt
 - Secretary
Tim Vader (incumbent)
Ben Campbell
 - Maintenance Officer
Florin Botezatu (incumbent)
Jonathan Pebworth
 - Safety Officer
Shawn Walter



MAINTENANCE OFFICER

2388L

Repairs & Updates Mar. 2020-2021

- 1) Repl. Oil Pressure sensor
- 2) Repaired left side overhead vent
- 3) Inst. new battery
- 4) Fixed Hobbs Meter broken wire.
- 5) Repl. R/H & L/H vac pumps w. new
- 6) Repl. Right wingtip strobe light
- 7) Repl. L/H & R/H tires w. New
- 8) Repl. Anti-collision light system w LED system

Annual Insp:

- Repaired #3 Cylinder

Note:

This list does not include numerous oil changes & compliance with Re-occurring ADs

5163S

Repairs & Updates Mar. 2020-2021

- 1) Fixed broken yoke cable disconnects pins for Electric Trim
- 2) 500 Hour Magnetos inspection
- 3) Repl. Nose tire
- 4) Repl. magnetic compass w new
- 5) C/W Pitot-static & Transponder Certification

6) R/H Wing Walk panels replaced at Robair (Apex)

Annual Inspection: perf. By Normandy Aviation

NEW: Ind. Filter, Brake Pads, calipers O rings

Note:

This list does not include multiple oil changes & compliance with Re-occurring ADs

80117

Repairs & Updates Mar. 2020-2021

- 1) O/H-ed D.G. and A.H. (Art. Hrzs.)
- 2) Repl. Steering Rods & Boots.
- 3) Repl. Air & Vacuum Filter
- 4) Inst. New Light-Wt. Altern (Power Plane)
- 5) Inst. Powerflow Exhaust
- 6) Repl. Hobs pressure switch
- 7) Repl. Elevator Control Clevis Bolts
- 8) Repl. All Vac. Hoses for instruments.
- 9) Repl. Intake Tube Gaskets
- 10) Repl. f/w Prop Spinner Bulkhead
- 11) Repl. Vent tube adaptor (for rear cabin vents)
- 12) Repl. R/H & L/H Main tires and tubes
- 13) Perf. 500 Hour mag Inspection on one magneto & O/H-ed 2nd magneto

Continued next slide...

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80117 - Continued

- 14) Inst. New Vac. Pump
- 15) Inst. New Nose tire.
- 16) New HOBBS meter, Repl. Mic. Bracket
- 17) Repl. Horiz. Stab. R/H plastic trim cap
- 18) Repaired L/H Door latch repair (new spring)
- 19) Repl. L/H Gear fairing.
- 20) Repaired R/H Mag (R&R Coil)
- 21) Repl. both nose wheel steering rod ends (one was broken)
- 22) Repaired Engine Baffles

Note:

This list does not include multiple oil changes & compliance with Re-occurring ADs

759MA

Repairs & Updates Mar. 2020-2021

- 1) Brand New Continental Engine w. new mount
- 2) New Exhaust
- 3) New 3 blade Propeller & O/H-ed governor
- 4) New 800 series JPI engine monitor w. fuel flow meter
- 5) New Vac Pump
- 6) O/H-ed Alternator
- 7) New Tanis oil pan heater
- 8) New Cleveland wheels & Brakes
- 9) Repaired Autopilot
- 10) Repaired heat register on the side kick panel
- 11) C/W Pitot Static & Transponder Cert.
- 12) New Heat Shroud
- 13) O/H-ed both elevators

759MA - Continued

14) Performed Annual Inspection (Mar. '20)

Lower cowl snubber worn

Tail cone cracked

Replace air filter

Move tachometer circuit breaker

Replace console cover

Central vacuum filter and regulator

Turn-Coordinator has moisture inside lens

Update weight and balance for propeller and engine analyzer

Note:

This list does not include multiple oil changes & compliance with Re-occurring ADs



Safety Officer

Airworthiness Directives
Weather and Technology



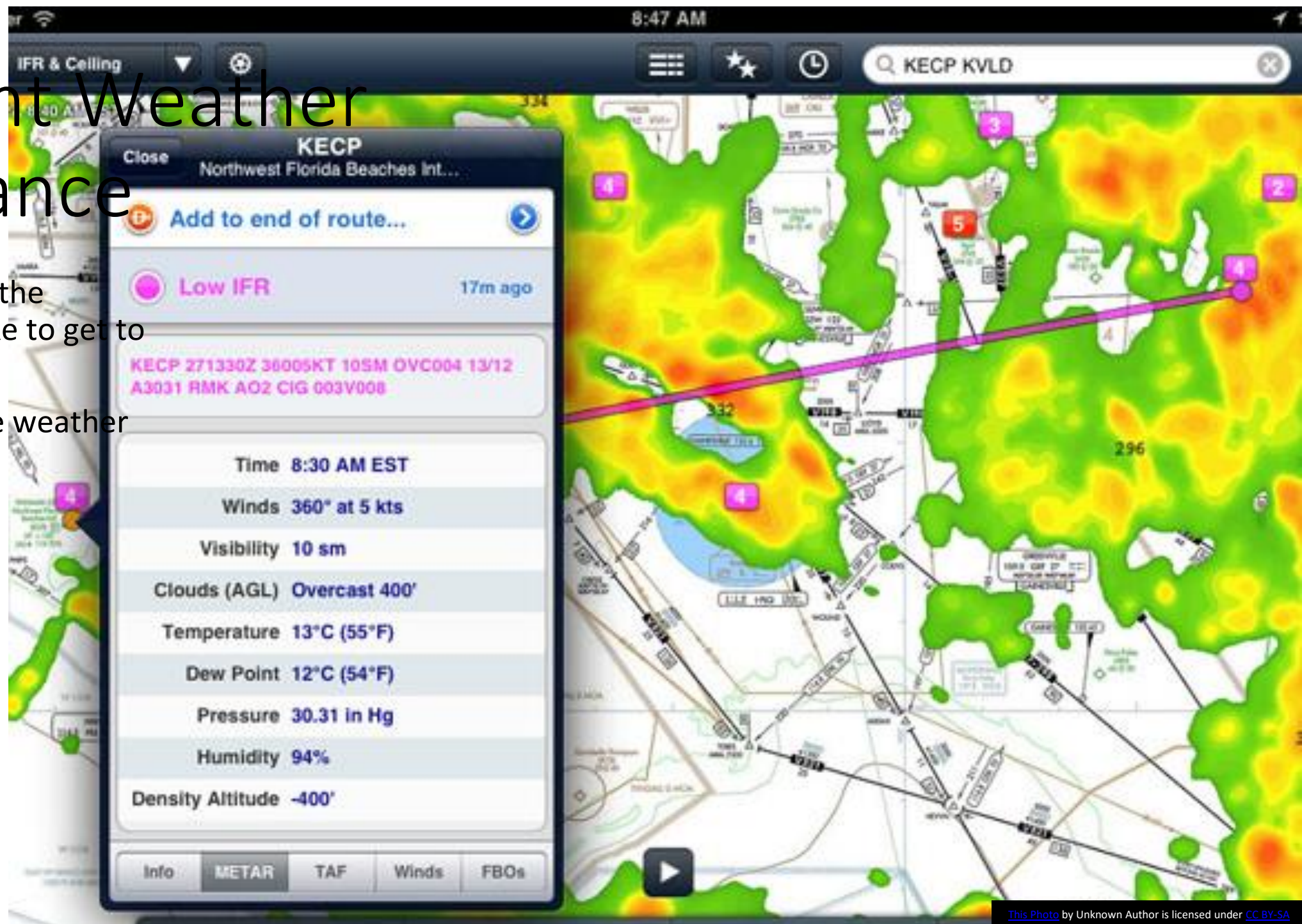
Spring and Summer Flying

- Thunderstorms
- Microclimates
- Temperature

In Flight Weather Avoidance

How long does the information take to get to you?

How far has the weather moved?



Door Prizes