

Valley Fliers December Board Meeting

Meeting Called to Order at: 6:31 (on GoToMeeting)

Present: Eyre, Glassmyer, DeWitt, Walter, Vader

Absent: Botezatu

Approval of November Meeting Minutes

Alan moved to approve as written. Shawn seconded. Motion carried unanimously.

Treasurer's Report

See Alan's handouts. The month was a little light. Cash is up over last year, which makes sense as we've been building reserves.

Maintenance Officer's Report

See Florin's handouts. The ELTs are all good until 2022. Florin has posted all squawks. There are repeats, but we'll get those cleaned up.

John reminded us 9MA's annual is coming up. Alan thinks the annual is scheduled to start January 1.

Shawn asked about 9MA's horizontal stabilizer. John says RobAir will be looking at it after 9MA. RobAir's work on 63S has extended due to an FAA inspection of his facility, and that may delay his look at 9MA.

Old Business

63S Wing Repair See the comments about schedule above.

88L Engine The Penn Yann engine is delayed and may not be available until after the annual. Scott asked if we've used Penn Yann previously? Alan says yes, they got us an engine quickly. John noted we should have Florin get parts on order when that makes sense. After discussing it with Florin, Alan asked Penn Yann to put on a combination of "solid-state" and Bendix mags. The "solid-state" mags never need overhaul. The engine is ordered and we've paid a \$5000 deposit.

Jon may have his IA soon as well. He may be able to be our IA for 9MA's annual.

117 Damage Scott summarized his discussion with Nathan Kogge. Nathan acknowledged he made a faux pas by not sending an email accepting responsibility. He prepared one, but failed to get it sent. In the future he will ensure he provides notification. Based on his acceptance of accountability we will keep him as a member of the club. Tim has attached a letter from him at the end of these notes. The board now considers this matter closed.

Airplane Rates See Alan's analysis. Free flight hours tend to get used against 9MA. Alan noted that he provided Evergreen's rates for comparison. Evergreen has some nice upgrades on their planes. Evergreen charges based on tach-time, so Alan used our ratios to correct Evergreen's rates to Hobbs time. Based on the analysis, our rates are below Evergreen, but also are below our costs. Evergreen also only charges one flight hour minimum for every two months. Alan noted our reserves are not only for engines, but also for airplane replacement. John said his concern is adjusting for our significant maintenance spend. Alan noted he does a similar analysis of the cost of our planes as part of the annual meeting every year. We used to break even or be ahead on the 172s, but we aren't covering even basic operating costs on several of the planes, let alone funding their corresponding reserves. John asked Alan what his recommendation would be? Alan noted the damage costs have been really high. He suggested we tell members we need to raise rates because we aren't taking good care of them. Alan suggests the 172s need to bump \$10/hour at least. The new engine and higher fuel burn for 88L will also increase its costs. Scott suggests the smallest increase should be on 9MA because it gets flown so little. He suggests after 88L has its upgrade it should probably come up to near the same rate as 63S. Alan suggests we shouldn't keep subsidizing 9MA quite so much. Scott suggested 9MA may be flown less because people are concerned about the engine monitor being used against them if they aren't really careful. Alan agrees that may be the case, but thinks

that may diminish over time. Alan thinks it could go to \$130/hour. Shawn asked why we wouldn't make 117, 88L, and 63S the same price. Alan notes the fuel burn is different between them. Tim suggests pricing the planes based on their actual costs may matter to members. John suggests the following: 117 & 63S bump \$10 88L and 9MA by \$15 per month. Doing so takes their rates closer to their costs. Alan suggests it might be appropriate to make 88L and 63S's costs the same with both at \$95.40 per hour. Scott likes the proposal. Alan suggests we need to let members know 9MA is being raised less than its costs would warrant and that we need to limit damage in order to keep costs from going up more. The board agrees those are appropriate rates and messages. Scott also points out we should tell the members this helps us avoid an assessment. Alan suggests if we don't change things we won't be able to do upgrades to the planes. Shawn says we should also stress matching rates to costs is part of being an owner. Scott thinks pointing out making changes to avoid an assessment is a useful idea.

John moved we set hourly rates to the following: **117** \$90.40, **88L** and **63S** \$95.40, **9MA** \$130.10, effective January 1. Shawn seconded, and the motion carried unanimously.

New Business

Website Redesign John asked whether the board has looked at the new website and is ok with it going on line (with the new rates). The board agreed it could be published.

Application Update and Membership Agreement John has proposed we gather new information and use a new form. He asks the board to mark up that draft and return it to him. Tim asked why we would gather the personal information? John says it is for a possible credit check. He says we could just capture date of birth so we can enforce a minimum age. Alan suggests we add an attestation to the accuracy on the form as well. John will distribute new drafts.

Potential Member Mike Tsang: Mike is a Southwest captain. Mike has 26000 hours. He is a CFII. He did all his vocational training at Clover Park. He is temporarily being moved to Vegas, so he would want to be inactive for the first couple of months. John will send a little summary Mike provided. John thinks he would be a good addition to the club. Alan moves to accept his application. Shawn seconded. The motion carried unanimously. The board agreed to allow him to start out inactive.

Free flight hour won by: No flight hour as meeting was limited to board members due to COVID-19 precautions.

Meeting adjourned at: 7:58

Next Meeting: The next meeting is January 13th (hopefully at Trotters Restaurant, with food at 6, business starting at 6:30).

7:04 PM
12/06/20
Accrual Basis

Valley Fliers Sales by Item Summary November 2020

	Nov 20			
	Qty	Amount	% of Sales	Avg Price
Service				
117 (hrs - Flight time: C-172 N-80117)	40.7	3,079.32	21.8%	75.66
63S (hrs - Flight time: PA-28-180F N-5163S)	0.7	0.00	0.0%	0.00
88L (hrs - Flight time: C-172 N-2388L)	26.6	2,001.96	14.2%	75.26
9MA (hrs - Flight time: C-182 N-759MA)	16.4	1,738.01	12.3%	105.98
Dues - monthly (Membership monthly dues)	59	4,425.00	31.3%	75.00
Minimum flying fee (Minimum flight fee - assessed when no flights made during the...)	30.4	2,440.17	17.3%	80.27
Total Service	173.80	13,684.46	96.8%	78.74
Other Charges				
Membership Purchase Hull Fund (Membership Purchase Hull Replacement Fund)	1	454.55	3.2%	454.55
Total Other Charges	1.00	454.55	3.2%	454.55
TOTAL	174.8	14,139.01	100.0%	80.89

Valley Fliers
Profit & Loss
 November 2020

	Nov 20	Jan - Nov 20
Ordinary Income/Expense		
Income		
Sales		
N-80117 Flight Time	3,079.32	34,756.92
N-759MA Flight Time	1,738.01	19,567.00
Aircraft Hull Replacement Fund	454.55	3,636.40
Fees	2,440.17	24,390.24
Membership Monthly Dues	4,425.00	48,600.00
N-2388L Flight Time	2,001.96	33,655.44
N-5163S Flight Time	0.00	19,992.42
Total Sales	<u>14,139.01</u>	<u>184,598.42</u>
Total Income	<u>14,139.01</u>	<u>184,598.42</u>
Gross Profit	14,139.01	184,598.42
Expense		
Landing Fees	0.00	46.87
Re-Registration	0.00	260.00
Depreciation Expense	3,290.01	36,190.11
Meeting Expenses	112.42	1,020.30
G&A		
Mail Services and Supplies	0.00	199.25
Office Supplies	0.00	35.64
Information Technology	90.00	2,154.58
Total G&A	90.00	2,389.47
Bank Service Charges	0.00	10.00
Dues and Subscriptions		
Data 117	0.00	450.00
Data 9MA	0.00	450.00
Data 88L	0.00	450.00
Data 63S	0.00	450.00
Total Dues and Subscriptions	0.00	1,800.00
Fuel		
117 Fuel	961.99	12,404.78
9MA Fuel	483.41	9,274.35
88L Fuel	790.86	13,573.74
63S Fuel	97.21	7,666.02
Total Fuel	<u>2,333.47</u>	<u>42,918.89</u>
Insurance		
Aircraft Policy	1,725.33	17,919.33
Total Insurance	<u>1,725.33</u>	<u>17,919.33</u>
Licenses and Permits		

Valley Fliers
Profit & Loss
 November 2020

	Nov 20	Jan - Nov 20
88L Reg & Lic	0.00	5.00
Total Licenses and Permits	0.00	5.00
Postage and Delivery	0.00	56.90
Rent		
N80117	260.66	2,867.26
N2388L	260.66	2,867.26
N759MA	260.66	2,867.26
N5163S	260.66	2,867.26
Office Rent	171.52	1,886.72
Total Rent	1,214.16	13,355.76
Repairs & Maintenance		
Tires and tubes	0.00	1,431.50
117 Maintenance	650.25	20,023.87
9MA Maintenance	514.50	24,872.92
Aircraft oil	0.00	3,456.36
88L Maintenance	404.25	20,998.20
Maintenance Supplies	0.00	210.40
63S Maintenance	0.00	7,610.56
Total Repairs & Maintenance	1,569.00	78,603.81
Taxes		
State	78.30	747.74
Total Taxes	78.30	747.74
Travel & Ent		
Travel	0.00	154.77
Total Travel & Ent	0.00	154.77
Total Expense	10,412.69	195,478.95
Net Ordinary Income	3,726.32	-10,880.53
Other Income/Expense		
Other Income		
Interest Income	0.00	1.99
Total Other Income	0.00	1.99
Other Expense		
Tax Penalty	0.00	156.69
Total Other Expense	0.00	156.69
Net Other Income	0.00	-154.70
Net Income	3,726.32	-11,035.23

Valley Fliers
Balance Sheet Prev Year Comparison
 As of November 30, 2020

	Nov 30, 20	Nov 30, 19
ASSETS		
Current Assets		
Checking/Savings		
Escrow savings account	39,728.78	39,725.79
Checking - Columbia State Bank	59,981.88	48,468.59
Total Checking/Savings	99,710.66	88,194.38
Accounts Receivable		
Accounts Receivable	19,048.64	10,768.21
Total Accounts Receivable	19,048.64	10,768.21
Other Current Assets		
Undeposited Funds	2,221.66	5,000.00
Total Other Current Assets	2,221.66	5,000.00
Total Current Assets	120,980.96	103,962.59
Fixed Assets		
N-80117 Accumulated Deprec	-49,729.76	-37,607.25
N-80117 Cessna 172M	115,879.95	115,879.95
N-759MA Accumulated Deprec.	-58,702.63	-43,733.32
N-759MA Cessna C-182Q	146,227.27	103,874.08
Asset Aquisition in Process	9,265.00	39,544.28
Operating Equipment	18,125.58	18,125.58
Accumulated Depreciation	-15,837.69	-15,435.46
N-2388L Cessna 172	152,672.29	152,672.29
N-2388L Accumulated Deprec.	-114,492.18	-110,080.76
N-5163S Piper PA-28-180F	152,919.94	152,919.94
N-5163S Accumulated Deprec.	-120,713.52	-114,816.29
Total Fixed Assets	235,614.25	261,343.04
TOTAL ASSETS	356,595.21	365,305.63
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	-392.96	2,942.33
Total Accounts Payable	-392.96	2,942.33
Other Current Liabilities		
Membership Equity Shares Traded	0.00	-2,000.00
Sales Tax Payable		
Sales Tax Paid - Maintenance	-314.95	-378.01
Taxes Paid - Fuel	-248.78	-332.63
Sales Tax Payable - Other	1,384.50	1,416.07
Total Sales Tax Payable	820.77	705.43

Valley Fliers
Balance Sheet Prev Year Comparison
As of November 30, 2020

	<u>Nov 30, 20</u>	<u>Nov 30, 19</u>
Total Other Current Liabilities	820.77	-1,294.57
Total Current Liabilities	<u>427.81</u>	<u>1,647.76</u>
Total Liabilities	427.81	1,647.76
Equity		
Member Shares - Current Price	130,000.00	130,000.00
Retained Earnings	237,202.63	229,569.17
Net Income	<u>-11,035.23</u>	<u>4,088.70</u>
Total Equity	<u>356,167.40</u>	<u>363,657.87</u>
TOTAL LIABILITIES & EQUITY	<u>356,595.21</u>	<u>365,305.63</u>

Valley Fliers
Statement of Cash Flows
November 2020

	Nov 20
OPERATING ACTIVITIES	
Net Income	3,726.32
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	1,210.61
Accounts Payable	-4,008.88
Membership Equity Shares Traded	-2,000.00
Sales Tax Payable	-249.22
Sales Tax Payable:Sales Tax Paid - Maintenance	254.80
Sales Tax Payable:Taxes Paid - Fuel	110.17
	-956.20
INVESTING ACTIVITIES	
N-80117 Accumulated Deprec	992.25
N-759MA Accumulated Deprec.	1,304.42
Accumulated Depreciation	28.62
N-2388L Accumulated Deprec.	337.37
N-5163S Accumulated Deprec.	627.35
	3,290.01
Net cash provided by Investing Activities	3,290.01
Net cash increase for period	2,333.81
Cash at beginning of period	99,598.51
Cash at end of period	101,932.32

Valley Fliers
Statement of Cash Flows
 January through November 2020

	Jan - Nov 20
OPERATING ACTIVITIES	
Net Income	-11,035.23
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-7,242.24
Accounts Payable	-6,973.48
Sales Tax Payable	-1,227.24
Sales Tax Payable:Sales Tax Paid - Maintenance	741.73
Sales Tax Payable:Taxes Paid - Fuel	280.80
	-25,455.66
INVESTING ACTIVITIES	
N-80117 Accumulated Deprec	10,914.75
N-759MA Accumulated Deprec.	14,348.62
Asset Aquisition in Process	-5,205.00
Accumulated Depreciation	314.82
N-2388L Accumulated Deprec.	3,711.07
N-5163S Accumulated Deprec.	6,900.85
	30,985.11
Net cash provided by Investing Activities	30,985.11
Net cash increase for period	5,529.45
Cash at beginning of period	96,402.87
Cash at end of period	101,932.32

Tacometer Readings (add 3,452.3)

Date	C-182		C-172		C-172		PA-28	
	N759MA	Hours	N2388L	Hours	N80117	Hours	N5163S	Hours
3/2/19	4,436.7	5.4	4,329.9	0.0	4,531.8	22.2	2,692.6	4.2
3/12/19	4,441.9	5.2	4,357.9	28.0	4,559.8	28.0	2,699.5	6.9
3/26/19	4,451.6	9.7	4,357.9	28.0	4,572.8	13.0	2,699.5	6.9
4/10/19	4,451.6	9.7	4,373.1	15.2	4,591.1	18.3	2,717.5	18.0
4/18/19	4,519.7	68.1	4,375.9	2.8	4,605.4	14.3	2,717.5	0.0
5/6/19	4,541.8	22.1	4,397.3	21.4	4,624.4	19.0	2,728.7	11.2
5/26/19	4,550.5	8.7	4,405.5	8.2	4,637.7	13.3	2,728.7	0.0
6/27/19	4,568.5	18.0	4,431.2	25.7	4,671.6	15.6	2,741.0	12.3
7/10/19	4,594.1	25.6	4,447.8	16.6	4,683.2	11.6	2,755.4	14.4
7/28/19	4,619.7	25.6	4,469.7	21.9	4,701.2	18.0	2,763.1	7.7
8/12/19	4,619.7	0.0	4,495.1	25.4	4,711.4	10.2	2,774.5	11.4
8/25/19	4,619.7	0.0	4,495.1	0.0	4,725.2	13.8	2,786.7	12.2
9/11/19	4,619.7	0.0	4,526.4	31.3	4,755.9	30.7	2,799.8	13.1
9/25/19	4,619.7	0.0	4,545.0	18.6	4,764.9	9.0	2,808.2	8.4
10/7/19	4,619.7	0.0	4,561.8	16.8	4,779.3	14.4	2,808.2	8.4
11/23/19	4,619.7	0.0	4,609.9	48.1	4,831.0	51.7	2,837.7	29.5
12/6/19	4,619.7	0.0	4,626.7	16.8	4,837.7	58.4	2,837.7	0.0
1/8/20	4,619.7	0.0	4,626.7	0.0	4,854.8	17.1	2,854.9	17.2
1/14/20	4,619.7	0.0	4,641.3	14.6	4,854.8	0.0	2,854.9	0.0
3/8/20	4,619.7	0.0	4,641.3	0.0	4,911.8	57.0	2,903.7	48.8
3/19/20	4,619.7	0.0	4,641.3	0.0	4,911.8	57.0	2,906.1	2.4
3/31/20	4,619.7	0.0	4,641.3	0.0	4,925.4	13.6	2,906.1	0.0
4/13/20	4,619.7	0.0	4,696.0	54.7	4,925.4	0.0	2,906.1	0.0
5/15/20	4,658.1	38.4	4,731.2	35.2	4,952.1	26.7	2,935.2	29.1
5/20/20	4,658.1	0.0	4,741.8	10.6	4,958.3	6.2	2,935.2	0.0
6/6/20	4,670.5	12.5	4,771.5	29.7	4,985.0	26.7	2,935.2	0.0
6/16/20	4,684.3	13.8	4,771.5	29.7	4,985.0	26.7	2,935.2	0.0
6/30/20	4,684.3	0.0	4,771.5	0.0	4,985.0	0.0	2,949.3	14.1
7/4/20	4,704.7	20.4	4,822.0	50.5	5,018.3	33.3	2,949.3	0.0
7/14/20	4,718.0	13.3	4,834.0	12.0	5,033.1	14.8	2,949.3	0.0
7/27/20	4,732.6	14.6	4,834.0	0.0	5,033.1	0.0	2,949.3	0.0
8/13/20	4,745.1	12.5	4,834.0	0.0	5,092.1	59.0	3,006.0	56.7
8/18/20	4,751.1	18.5	4,907.4	73.4	5,119.1	27.0	3,012.2	6.2
9/28/20	4,751.1	0.0	4,907.4	0.0	5,175.8	56.7	3,012.2	0.0
10/11/20	4,798.9	47.8	4,959.0	51.6	5,191.5	15.7	3,048.4	36.2
11/1/20	4,798.9	0.0	4,981.6	22.6	5,191.5	15.7	3,048.4	0.0
11/11/20	4,819.4	20.6	4,994.0	12.4	5,224.9	33.4	3,048.4	0.0
11/21/20	4,830.1	10.7	4,994.0	0.0	5,237.3	12.4	3,048.4	0.0

Valley Fliers Aircraft Maintenance Summary

Date of Report: 11/21/2020

Total Airframe Hours:		4,830	4,994	5,237	6,501
Aircraft	N759MA	N2388L	N80117	N5163S	
Next Oil Change (50 hrs)	18.7	37.6	50.0	13.8	
Hours Before TBO (2,000 hrs)	1,789.5	(854.6)	699.6	321.4	
Hours Since Top Overhaul	210.5	1,309.5	1,300.4	678.5	
Prop Hours (Since OH)	210.4	2,854.6	1,300.4	1,678.6	
Next Annual Inspection Date	12/31/20	1/31/21	3/31/21	7/1/21	
Hours to Next 250 hr Inspection	39.5	(102.7)	(75.5)	150.9	
Magneto OH Due (Rec. - 500 hrs)	289.5	444.2	438.5	357.7	
Vacuum Pump - Rec. - 1000 hrs	789.5	777.5	938.5	59.8	
Pitot-Static/Altimeter Insp Due	10/31/22	10/31/22	11/24/22	11/30/20	
Transponder Inspection Due	10/31/22	10/31/22	11/30/22	11/30/20	
ELT Battery Due (5yrs)	4/30/21	1/31/22	11/30/21	4/30/21	
ELT Registration Expires (2yrs)	2/19/22	11/8/22	2/19/22	2/19/22	
Fin & Rudder AD Due (1,000 hrs)	789.5				
Fuel Cap Placard AD Due (Annl)	12/31/20				
Seat Tracks AD & Seats (100 hrs)	100.0		87.6		
Rear Seat AD Due (Annl Insp)				Annual	
Induction Paper Filter AD (500 hrs)		139.70			
Bendix Ignition AD Due(2000 hrs)	1,401.6		843.5		
Fuel Inj. Insp. AD Due (100 hrs)		87.60			
FAA Reg Exp (App 3-5 mo prior)	7/31/22	1/31/24	11/30/23	1/31/24	
Carbon Monoxide Indicator Due	11/17/19	7/19/19	11/17/19	11/17/19	
Oil Hoses Replaced at TAC				2,409.0	

N759MA

C/W Seat Track AD

N80117

Oil Changed
Yoke Pad Re-glued
Fuel Vent pushed Back up

N2388L

Two new main tires

N5163S

At Apex fro wing walk panels repl.

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		
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