

Valley Fliers October Board Meeting

Meeting Called to Order at: 6:32

Present: Eyre, Glassmyer, DeWitt, Scott, Botezatu, Vader plus 10 members.

Approval of August and September Meeting Minutes

Alan moved to approve August as written. Randy seconded. The motion carried unanimously. Alan moved for approval of September as corrected. John seconded. The motion carried unanimously.

Treasurer's Report

See Alan's handouts. 23 minimum flying fees last month. Our overall usage is up from the last couple of years, but is down from the club's peak. Alan has been scrutinizing usage to see if the additional members in the club have been negatively impacting availability. Question from the floor: have fuel prices been having a negative impact on the club's finances? Answer: we are OK. Question from the floor: should members purchase renters insurance? Answer: renter insurance may not cover our members as they are partial owners. Commenter from the floor noted that members should make their own decisions about their own insurance coverage. It was a low maintenance month. We ended up about \$6000 to the good on the month, very good financial performance. Neglecting depreciation, we are more than \$50000 to the good on the year. Alan says we are on a good trajectory financially, and that is why he says we've been able to absorb the higher cost of fuel. Alan also notes that all four airplanes will get annuals over the next few months. Question from the floor: have the extra authorized member slots been filled? Answer: yes they all have. Question from the floor: so even with the increased number of members we are flying less than we were a few years ago? Answer: yes. Question: what is the "asset acquisition in progress" listed on the report as \$12000? Answer: It is money for the ADS-B in progress. Question from the floor: If we have less flying in winter, will the dues cover the fixed costs? Answer: yes, plus a little bit more. Comment from the floor: more reserves are better than less. Answer: yes, but there are limits. If we accumulate too much as a nonprofit, it would likely start to raise eyebrows. The accounts payable is a little off because we pay the insurance ahead, but has been being accounted for as if it was in arrears. Alan says we will likely recover about 2 months worth of insurance to correct the difference between what was expected and the costs we incurred. Alan asked Florin whether he has a list of catch-up maintenance things we can do now that we have a little financial breathing room. Florin says yes he has a prioritized list, but we also need to manage the time the planes are out of service. Alan notes we can start catching up on some of the deferred maintenance items (within limits).

Maintenance Officer's Report

See Florin's handout.

9MA is now at Olympia Avionics for ADS-B. They may be ready to do the next plane by the end of this week. Tom Patrick noted that 9MA's intercom has a static issue on the intercom. It takes a while for it to warm up and start to cause static. Florin asks if the issue is squelch related. Tom says no. Commenter from the floor notes that it doesn't seem to happen with high-end headsets. Tom says with multiple headsets the problem got worse. Tom wonders if it needs a new intercom, and wonders if they could test it while the plane was at the avionics shop. Randy notes the Olympia Avionics folks want to talk with Florin about a minor connector issue with the plane. Florin will call about the connector and the intercom issue. 9MA will go into annual inspection at the end of this month. The vacuum pump has a lot of hours on it. Previously we've inspected it and it looked good, but Florin is looking for guidance on whether it should be replaced during the annual? Jon says as long as the vanes look good, the pump does not need to be replaced. Question from the floor: 9MA has a lot of hours on the engine, should we do a major overhaul this winter? Answer: Florin believes given the inspection regime and engine health, we don't need to overhaul it. The same commenter says he had to put two quarts into the engine in four hours of flying. Jon says a recent member flight to Canada only required a quart every 6-7 hours. Question: is a quart every 6-7 hours ok? Jon says legally, you can fly until a quart an hour. Several members noted they do not want to fly the plane with an engine burning that much. Comment from the floor: we used to take engines to 2000 hours and put in zero-time engines, it appears we are moving away from that. Jon and Alan note we could

change the engine out now, we have the money. Alan notes Texas Skyways have multiple engine options and offer a 2500 hour TBO. Florin asks if we could do that over the winter? Alan says financially we could. Scott G. suggests we might wait until after the annuals. Alan agrees. Several commenters note that doing major engine work over the winter would be advantageous. Florin asked what kind of money it might cost? \$30000 for an upgrade to 250 hp, \$40000 for an upgrade to 300 hp. Several commenters note we don't necessarily need 300 hp and the hourly rate would need to rise in order to cover higher fuel burn. 250 hp seems reasonable. Question from the floor: would we need members to recertify on the plane with the higher hp? Answer: we should consider it. Florin suggests we should look at it again after the annuals. The question of rebuilding the engine came up. Jon says only the factory can do a zero-time engine. Tom, Alan, and others say we have purchased zero-time rebuilt engines from other sources. Jon notes engine rebuilding will take more time. John says we should table this until after the annuals unless we have to start pulling cylinders off. Question from the floor: if we don't do it over this winter, when would be the next opportunity? Answer: we would have to wait until the next winter. John says we need to move on. Florin says we need to replace the carpet which is filthy. Question from the floor: can we just clean it? Answer: we tried, but it is still bad. Comment from the floor: 88L and 117 are starting to show wear as well. The seats are in good condition, but there are lots of instances of interior wear. We may want to consider repairing or replacing some interior pieces.

63S has a vacuum pump past recommended, they'll look at that during the next oil change.

117 had a flat nose tire, but it had a tiny pinhole in the side of the tube. John asked if the plane got a full inspection when the tire was found flat? Florin said because the tube showed only very minor damage, that wasn't done.

88L The passenger side seat buckle is in bad shape. Perhaps someone closed the door on it. The damaged seat belt should be replaced at the next annual or even before then. 88L also had a vacuum pump over time. Florin will have it inspected at the next annual. Its mags are also over time and will be changed during the annual.

Safety Officer's Report

Randy has been researching training on the new ADS-B units. There will likely be youtube links, and we may even show it during the next meeting. Randy used an FAA site to ensure all the club instructors have current certificates.

Old Business

Insurance Review John got a quote from AOPA. The loss on 88L is killing us and the cost difference was negligible, so there is no reason to change. Question from the floor: did the new policy have the same instructor exclusion? Answer: yes.

ADS-B Discussed above.

Safety Committee Scott G. and Kelsey Wildstone read aloud the report from the safety committee investigation. (See the committee's written report.) John thanked the safety committee for their report. Randy also noted the written report includes photos of the damage. Kelsey noted Jon himself noted the firewall damage could have been there from the plane's manufacture. Randy asks whether we can consider this matter closed, or we need to discuss it next meeting. Florin notes the tire damage looked like it only could've happened with a hard landing. Kelsey notes the committee didn't have access to the tire and so cannot comment. She notes we should engage the safety committee before doing repairs if we think damage might require such a committee. Comment from the floor: can we discuss this next month, to follow up on lessons learned and or procedure changes. John says we can. Randy asks that we close the investigation and release the safety committee now, and take up those other items separately. John notes the safety investigation committee has completed its work.

New Business

Member in Arrears Alan is recommending we take a member's share due to nonpayment, bounced checks, etc. The member has not flown for six months. He has not made payment this year. Alan has provided significant notice to the member. Alan moves we take the share in question, sell it and remit any residual money to the member. Randy seconds. The motion carries unanimously.

Gas Pumps no longer require a passcode. Will that change? Alan says the airport and club have a \$1500 discrepancy in our fuel balance. Alan has started discussion with them on that topic. The airport system is new, and Alan has been talking with them about things they need to correct in that system. Alan believes we will get most

of that \$1500 back. The discrepancy predates the new system, so there are really two issues here. The airport acknowledges there are issues with the new system and they are working on them.

Fall Social Mark Kornei asks if we still are interested in having one. Answer: Yes, we thought you were working on it. Mark and Scott will work on it.

Free flight hour won by: Tom Patrick

Meeting adjourned at: 8:11

Next Meeting: Wednesday, November 14, 2018 @ 6:30 (Food and Social @6:00), Trotters

11:59 PM

10/09/18

Accrual Basis

Valley Fliers
Sales by Item Summary
September 2018

	Sep 18			
	Qty	Amount	% of Sales	Avg Price
Service				
117 (hrs - Flight time: C-172 N-80117)	39	3,111.48	20.6%	79.78
63S (hrs - Flight time: PA-28-180F N-5163S)	11.8	1,015.98	6.7%	86.10
88L (hrs - Flight time: C-172 N-2388L)	27.4	2,202.96	14.6%	80.40
9MA (hrs - Flight time: C-182 N-759MA)	27.3	2,585.46	17.1%	94.71
Dues - monthly (Membership monthly dues)	58	4,350.00	28.7%	75.00
Minimum flying fee (Minimum flight fee - assessed when no flights made during th...)	23.3	1,868.19	12.3%	80.18
Total Service	186.80	15,134.07	100.0%	81.02
TOTAL	186.8	15,134.07	100.0%	81.02

11:58 PM

10/09/18

Accrual Basis

Valley Fliers
Sales by Item Summary
January through September 2018

	Jan - Sep 18			
	Qty	Amount	% of Sales	Avg Price
Service				
117 (hrs - Flight time: C-172 N-80117)	380.3	30,069.60	20.8%	79.07
63S (hrs - Flight time: PA-28-180F N-5163S)	148.3	12,208.98	8.4%	82.33
88L (hrs - Flight time: C-172 N-2388L)	221.9	17,438.76	12.0%	78.59
9MA (hrs - Flight time: C-182 N-759MA)	256.9	24,845.64	17.2%	96.71
Dues - monthly (Membership monthly dues)	509.13334	38,160.81	26.4%	74.95
Minimum flying fee (Minimum flight fee - assessed when no flights made during th...	224.1	17,983.25	12.4%	80.25
Total Service	1,740.63	140,707.04	97.2%	80.84
Other Charges				
Membership Purchase Hull Fund (Membership Purchase Hull Replacement Fund)	9	4,090.95	2.8%	454.55
Total Other Charges	9.00	4,090.95	2.8%	454.55
TOTAL	1,749.63	144,797.99	100.0%	82.76

Valley Fliers
Profit & Loss YTD Comparison
September 2018

	Sep 18	Jan - Sep 18
Ordinary Income/Expense		
Income		
Sales		
N-80117 Flight Time	3,111.48	30,069.60
N-759MA Flight Time	2,585.46	24,845.64
Aircraft Hull Replacement Func	0.00	4,090.95
Fees	1,868.19	17,983.25
Membership Monthly Dues	4,350.00	38,160.81
N-2388L Flight Time	2,202.96	17,438.76
N-5163S Flight Time	1,015.98	12,208.98
Sales - Other	0.00	-12.40
Total Sales	15,134.07	144,785.59
Total Income	15,134.07	144,785.59
Gross Profit	15,134.07	144,785.59
Expense		
Re-Registration	0.00	265.00
Depreciation Expense	3,045.31	27,407.79
Meeting Expenses	144.56	1,533.83
G&A		
Mail Services and Supplies	0.00	125.25
Information Technology	73.99	1,378.91
Total G&A	73.99	1,504.16
Bank Service Charges	0.00	0.00
Dues and Subscriptions		
Data 117	0.00	440.00
Data 9MA	0.00	440.00
Total Dues and Subscriptions	0.00	880.00
Fuel		
117 Fuel	1,080.70	11,348.89
9MA Fuel	1,698.85	14,075.92
Fuel Rebate	-31.68	-351.61
88L Fuel	1,482.21	8,369.31
63S Fuel	557.47	6,093.53
Total Fuel	4,787.55	39,536.04
Insurance		
Aircraft Policy	1,592.50	12,896.50
Total Insurance	1,592.50	12,896.50
Miscellaneous	0.00	119.88
Postage and Delivery	31.27	31.27
Rent		
N80117	248.25	2,234.25
N2388L	248.25	2,234.25
N759MA	248.25	2,234.25
Utilities	0.00	691.80
N5163S	248.25	2,234.25
Office Rent	163.61	1,472.49
Total Rent	1,156.61	11,101.29
Repairs & Maintenance		
117 Maintenance	208.60	5,941.31
9MA Maintenance	0.00	6,421.64
Aircraft oil	861.20	2,457.95
Maint Tax Paid	0.00	17.22
88L Maintenance	0.00	3,329.58
Maintenance Supplies	267.50	458.60
63S Maintenance	0.00	3,643.97
Equipment Repairs	0.00	350.00

Valley Fliers
Profit & Loss YTD Comparison
September 2018

	<u>Sep 18</u>	<u>Jan - Sep 18</u>
Repairs & Maintenance - Other	0.00	506.64
Total Repairs & Maintenance	1,337.30	23,126.91
Taxes		
State	0.00	440.39
Total Taxes	0.00	440.39
Total Expense	12,169.09	118,843.06
Net Ordinary Income	2,964.98	25,942.53
Other Income/Expense		
Other Income		
Interest Income	0.00	22.27
Total Other Income	0.00	22.27
Net Other Income	0.00	22.27
Net Income	<u>2,964.98</u>	<u>25,964.80</u>

Valley Fliers
Balance Sheet
 As of September 30, 2018

	Sep 30, 18
ASSETS	
Current Assets	
Checking/Savings	
Escrow savings account	39,717.80
Checking - Columbia State Bank	32,212.46
Total Checking/Savings	71,930.26
Accounts Receivable	
Accounts Receivable	23,989.77
Total Accounts Receivable	23,989.77
Other Current Assets	
Deposits - Fuel Purchases	7,500.00
Undeposited Funds	18,520.97
Total Other Current Assets	26,020.97
Total Current Assets	121,941.00
Fixed Assets	
N-80117 Accumulated Deprec	-23,928.99
N-80117 Cessna 172M	110,451.95
N-759MA Accumulated Deprec	-35,081.39
N-759MA Cessna C-182Q	98,946.08
Asset Aquisition in Process	12,000.00
Operating Equipment	17,525.58
Accumulated Depreciation	-13,809.27
N-2388L Cessna 172	147,244.29
N-2388L Accumulated Deprec	-100,061.30
N-5163S Piper PA-28-180F	147,491.94
N-5163S Accumulated Deprec.	-103,807.25
Total Fixed Assets	256,971.64
TOTAL ASSETS	378,912.64
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	2,579.94
Total Accounts Payable	2,579.94
Other Current Liabilities	
Membership Equity Shares Tradec	8,000.00
Sales Tax Payable	
Sales Tax Paid - Maintenance	-1,146.41
Taxes Paid - Fuel	-1,434.32
Sales Tax Payable - Other	5,525.20
Total Sales Tax Payable	2,944.47
Total Other Current Liabilities	10,944.47
Total Current Liabilities	13,524.41
Total Liabilities	13,524.41
Equity	
Member Shares - Current Price	120,000.00
Retained Earnings	219,423.43
Net Income	25,964.80
Total Equity	365,388.23
TOTAL LIABILITIES & EQUITY	378,912.64

Valley Fliers
Statement of Cash Flows
September 2018

	Sep 18
OPERATING ACTIVITIES	
Net Income	2,964.98
Adjustments to reconcile Net Income to net cash provided by operations	
Accounts Receivable	3,231.02
Accounts Payable	-4,934.55
Sales Tax Payable	1,513.41
Sales Tax Payable:Sales Tax Paid - Maintenance	-134.86
Sales Tax Payable:Taxes Paid - Fuel	-441.41
	2,198.59
INVESTING ACTIVITIES	
N-80117 Accumulated Deprec	916.42
N-759MA Accumulated Deprec	558.65
Asset Acquisition in Process	-12,000.00
Accumulated Depreciation	254.67
N-2388L Accumulated Deprec	717.59
N-5163S Accumulated Deprec	597.98
	-8,954.69
Net cash provided by Investing Activities	-8,954.69
Net cash increase for period	-6,756.10
Cash at beginning of period	97,207.33
Cash at end of period	90,451.23

Valley Fliers
Statement of Cash Flows
 January through September 2018

	Jan - Sep 18
OPERATING ACTIVITIES	
Net Income	25,964.80
Adjustments to reconcile Net Income to net cash provided by operations	
Accounts Receivable	-9,761.64
Accounts Payable	-18,016.87
Membership Equity Shares Traded	8,000.00
Sales Tax Payable	1,789.49
Sales Tax Payable:Sales Tax Paid - Maintenance	4,663.56
Sales Tax Payable:Taxes Paid - Fuel	-669.36
	11,969.98
INVESTING ACTIVITIES	
N-80117 Accumulated Deprec	8,247.78
N-759MA Accumulated Deprec	5,027.85
Asset Acquisition in Process	-12,000.00
Accumulated Depreciation	2,292.03
N-2388L Accumulated Deprec	6,458.31
N-5163S Accumulated Deprec	5,381.82
	15,407.79
Net cash provided by Investing Activities	15,407.79
Net cash increase for period	27,377.77
Cash at beginning of period	63,073.46
Cash at end of period	90,451.23

Tacometer Readings

(add 3,452.3)

Date	C-182		C-172		C-172		PA-28	
	N759MA	Hours	N2388L	Hours	N80117	Hours	N5163S	Hours
9/13/17	4,088.6	7.7	4,010.1	0.0	3,985.7	11.1	2,443.3	16.0
9/20/17	4,094.4	6.3	4,010.1	0.0	3,992.2	6.5	2,448.2	4.9
9/29/17	4,094.4	0.0	4,010.1	0.0	3,998.4	6.2	2,448.2	0.0
10/4/17	4,094.4	0.0	4,010.1	0.0	3,998.4	0.0	2,454.2	6.0
10/10/17	4,094.4	0.0	4,010.1	0.0	4,020.4	22.0	2,458.6	4.4
10/26/17	4,111.9	17.5	4,010.1	0.0	4,041.8	21.4	2,468.4	9.8
11/7/17	4,121.5	9.6	4,010.1	0.0	4,057.5	15.7	2,475.9	7.5
11/15/17	4,121.5	0.0	4,010.1	0.0	4,064.2	6.7	2,475.9	0.0
12/6/17	4,133.6	12.2	4,014.1	4.0	4,064.2	0.0	2,486.2	10.3
12/12/17	4,137.8	4.2	4,020.2	6.1	4,064.2	0.0	2,487.6	1.4
1/1/18	4,137.8	0.0	4,020.2	0.0	4,080.8	16.6	2,487.6	0.0
1/7/18	4,151.2	13.4	4,034.2	14.0	4,082.4	1.6	2,496.2	8.6
1/28/18	4,160.7	9.5	4,044.4	10.2	4,085.9	3.5	2,496.2	0.0
1/31/18	4,160.7	9.5	4,044.4	10.2	4,085.9	0.0	2,504.9	8.7
2/10/18	4,163.8	3.1	4,047.0	2.6	4,089.9	4.0	2,508.4	3.5
3/1/18	4,179.6	15.8	4,050.2	3.2	4,099.9	10.0	2,511.9	3.5
4/4/18	4,205.6	26.1	4,053.3	3.1	4,116.7	16.8	2,523.6	11.7
3/22/18	4,205.6	0.0	4,058.3	0.0	4,129.7	13.0	2,523.6	11.7
4/7/18	4,205.6	0.0	4,058.3	0.0	4,132.5	2.8	2,523.6	11.7
4/12/18	4,205.6	0.0	4,063.3	5.0	4,132.5	0.0	2,523.6	0.0
5/5/18	4,205.6	0.0	4,063.3	5.0	4,181.0	48.5	2,538.1	14.5
5/9/18	4,231.7	26.1	4,081.1	17.8	4,192.0	11.0	2,538.3	0.2
5/29/18	4,249.5	17.8	4,097.8	16.7	4,241.0	49.0	2,538.3	0.0
6/5/18	4,249.5	0.0	4,097.8	0.0	4,241.0	0.0	2,554.5	16.2
6/13/18	4,249.5	0.0	4,097.8	0.0	4,255.9	14.9	2,558.0	3.5
6/16/18	4,257.0	7.6	4,097.8	0.0	4,255.9	0.0	2,558.0	0.0
6/27/18	4,282.2	25.2	4,125.4	27.6	4,279.0	23.1	2,573.0	15.0
7/11/18	4,290.8	8.6	4,125.4	0.0	4,294.4	15.4	2,577.6	4.6
7/21/18	4,314.1	23.3	4,155.8	30.4	4,308.7	14.3	2,588.2	10.6
7/27/18	4,319.7	5.6	4,157.7	1.9	4,313.9	5.2	2,593.1	4.9
8/2/18	4,319.7	5.6	4,157.7	1.9	4,313.9	5.2	2,596.7	3.6
8/7/18	4,356.4	36.7	4,173.7	16.0	4,333.6	19.7	2,599.1	2.4
8/15/18	4,356.4	0.0	4,178.5	4.8	4,333.6	0.0	2,599.1	0.0
8/18/18	4,363.6	7.2	4,180.9	2.4	4,343.2	9.6	2,607.2	8.1
8/26/18	4,363.6	0.0	4,180.9	0.0	4,352.3	9.1	2,607.2	0.0
9/6/18	4,375.1	11.4	4,204.7	23.8	4,368.9	16.6	2,619.5	12.3
9/18/18	4,385.9	10.8	4,208.6	3.9	4,373.9	5.0	2,619.5	0.0
9/26/18	4,389.4	3.5	4,208.6	0.0	4,386.0	12.1	2,622.5	3.0
10/10/18	4,404.9	15.6	4,224.6	16.0	4,400.7	14.7	2,627.5	5.0

Valley Fliers Aircraft Maintenance Summary

Date of Report: 10/10/2018

Aircraft	Total Airframe Hours:			
	4,405	4,225	4,401	6,080
	N759MA	N2388L	N80117	N5163S
Next Oil Change (50 hrs)	8.7	3.9	1.6	19.2
Hours Before TBO (2,000 hrs)	(592.1)	(85.2)	1,536.2	742.3
Hours Since Top Overhaul	1,949.8	540.1	463.8	257.6
Prop Hours (Since OH)	2,048.1	2,085.2	463.8	1,257.7
Next Annual Inspection Date	10/30/18	11/30/18	1/31/19	5/30/19
Hours to Next 250 hr Inspection	(43.0)	35.5	(69.9)	160.6
Magneto OH Due (Rec. - 500 hrs)	207.0	(40.1)	36.2	196.5
Vacuum Pump Due (Rec. - 500 hrs)	(163.1)	(40.1)	180.1	(19.3)
Pitot-Static/Altimeter Insp Due	4/30/20	4/30/20	4/30/19	1/31/20
Transponder Inspection Due	4/30/20	4/30/20	4/30/19	1/31/20
ELT Battery Due (5yrs)	4/30/21	1/31/22	11/30/21	4/30/21
ELT Registration Expires (2yrs)	2/18/20	2/18/20	2/18/20	2/18/20
Fin & Rudder AD Due (1,000 hrs)	707.0			
Fuel Cap Placard AD Due (Annl)	10/30/18			
Seat Tracks AD & Seats (100 hrs)	9.6		51.6	
Rear Seat AD Due (Annl Insp)				Annual
Induction Paper Filter AD (500 hrs)		400.80		
Bendix Ignition AD Due(2000 hrs)	1,826.8		1,680.1	
Fuel Inj. Insp. AD Due (100 hrs)		0.80		
FAA Reg Exp (App 3-5 mo prior)	7/31/19	1/31/21	11/30/18	1/31/21
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

N80117

Repl. Fr. Wheel Tube

N5163S

N2388L