



## **2011 ANNUAL REPORT**

### **Contents**

<u>Section</u>	<u>Title</u>	<u>Page</u>
1	Overview	1
2	Founder's Remarks	2
3	Facilities	3
4	Aircraft	4
5	Curriculum	5
6	Students	6
7	Staff	7
8	Events	7
9	Maintenance	8
10	Financials	9
11	Awards	12
12	In Memoriam	13
13	Resources	14
14	Four Quadrant Briefing Chart	15



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## **2011 ANNUAL REPORT**

### **1. Overview**







Established in January 2010, AvSport is the recreational flying school based in Hangar One at the Piper Memorial Airport, Lock Haven PA (ancestral home to Piper Aircraft and the legendary Piper Cub). We specialize in training candidates for the FAA Sport Pilot license, using modern Light Sport aircraft (at about half the cost, and half the instructional time, needed to earn a Private Pilot license).

#### **Our Vision:**

**AvSport envisions a General Aviation renaissance, facilitated by quality training of Sport Pilots and the availability of modern Light Sport Aircraft.**

#### **Our Mission:**

**AvSport enhances aviation safety and enjoyment, by offering:**

-  a rigorous, though flexible, flight training curriculum
-  experienced, professional Certified Flight Instructors
-  well maintained advanced Light Sport Aircraft
-  modern and accessible instructional materials
-  individualized instruction
-  an affordable aviation experience





## 2011 ANNUAL REPORT

### 2. Founder's Remarks

Following an auspicious beginning in 2010, during which we generated revenues modestly exceeding our total operating expenses, AvSport suffered a minor financial reversal in our second year of business, operating at a slight loss, roughly negating first-year profits. Thus, for our first two years of operation, AvSport is running essentially at break-even. Factors contributing to the current setback included sharp increases in energy costs, a Government mandate ending the availability of ethanol-free fuel, an unusually wet year curtailing flight activities in what should have been our peak flying seasons, and continuing high unemployment rates, restricting the local population's discretionary income. Nevertheless, our cash reserves are sufficient to ensure continued operation for the next several years, during which we project improved profitability and continued advances in our flight training curriculum. We are encouraged by the success of our students, whose completion rate is more than twice the national average, and remain optimistic about the future of General Aviation in Lock Haven, propelled by the Sport Pilot revolution.

We are now realigning our training curriculum to better reflect student needs. Beginning in January, the intensity of our popular three-week accelerated training courses, involving three flight lessons per week, will be scaled back somewhat, to a more relaxed two flights a week over a five week period.



One cannot put a firm schedule or price on obtaining a pilot's license, since each student's training experience is highly individualized. The FAA has established minimum required training hours, along with minimum performance standards. But AvSport trains to neither. It is our goal to maximize pilot skills and safety, and our students realize this cannot, and should not, be done by cutting corners in the interest of economy. AvSport has always told its students to expect to spend about \$5,000 becoming a licensed Sport Pilot. That figure has not changed, but is merely being reflected in the new package prices and lesson scheduling.

Last year, escalating energy costs forced AvSport to institute a fuel surcharge. The city also raised our rent slightly. Effective at the beginning of 2012, those costs, along with sales taxes and associated fees, will be included in all advertised course prices, rather than being billed separately. Hidden costs benefit nobody. The school's published curricula, and estimates of total training costs to obtain a pilot's license, are being adjusted upward about ten percent, to bring them into alignment with the actual experience of our graduates to date. While the most visible part of these changes is economically driven, our intent is to generate more realistic student expectations, rather than increasing revenues.

We've had two years now to observe the areas which seem to presenting our students with the most difficulty, and are attempting to remediate them. The result will be to maximize student enjoyment and pilot competence, at perhaps a modest increase in cost. An affordable flying experience is thus maintained without sacrificing safety.





## 2011 ANNUAL REPORT

### 3. Facilities

The General Aviation Terminal, located in Hangar One at the Piper Memorial Airport (KLHV) in scenic Central PA, houses our flight school office, restrooms, conference room, weather briefing room, and pilot's lounge. Ideally suited to Sport Pilot training, Lock Haven is a non-towered general aviation airport with a 3800 by 100 foot paved runway, and a parallel 2200 by 100 foot turf strip. The paved runway is equipped with pilot controlled lighting for night operations, as well as runway end identifier lights and a two-light visual approach slope indicator at each end. A camping trailer on the field is available for the use of students from outside the local area wishing to stay overnight.



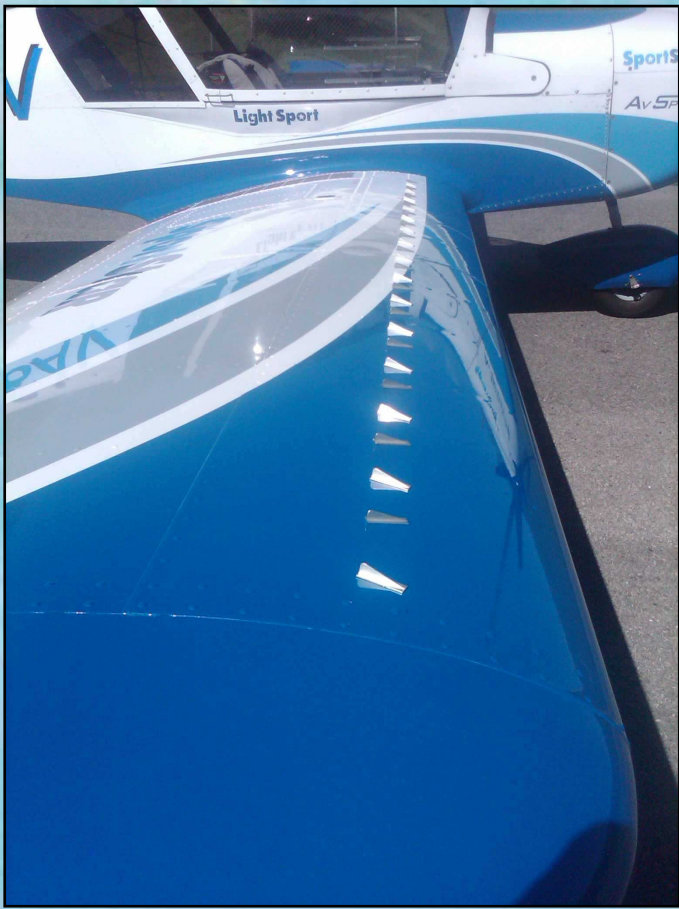




## 2011 ANNUAL REPORT

### 4. Aircraft

Available for both flight instruction and rental by qualified pilots, AvSport of Lock Haven provides modern, well equipped Light Sport aircraft, manufactured to exacting ASTM International standards. Our Evektor SportStar Max primary trainer, manufactured in the Czech Republic, is licensed by the Federal Aviation Administration as a Special Light Sport Aircraft (S-LSA), and equipped with the latest “glass cockpit” electronic flight instruments. Its avionics package makes this aircraft suitable not just for Sport Pilot training, but for more advanced students, including Private and Instrument Pilot candidates. During 2011, we improved safety by adding vortex generators to the leading edge of the wing, increasing maximum gross weight up to the 1320 pound LSA limit, while decreasing stall speed to a docile 37 knots.








## 2011 ANNUAL REPORT

### 5. Curriculum

Developed by a retired college professor with four decades of experience in higher education, AvSport's rigorous though flexible flight training curriculum allows students to obtain the new Sport Pilot license in half the time, and at half the cost, of the traditional Private Pilot rating, without compromising skills or safety. Students can choose between an accelerated five-week training program, and a less intensive program of conveniently scheduled lessons. We are an FAR Part 61 flight school and TSA-approved Alien Flight Student Program provider. Flight training and individualized ground instruction are integrated, and are supplemented by reading assignments, practice tests, and online PowerPoint lessons to allow each student to progress at his or her own pace.

AvSport's 45% student completion rate to date compares most favorably to the current national flight training average of 20%, attesting to the success of our curriculum design efforts.

#### **AvSport's standard training packages now include:**

-  "Five Weeks, Rain or Shine," an intensive pre-solo module
-  "Five More Weeks of Heaven," an intensive post-solo module
-  "Pilot Downsizer," a 3-day Light Sport transition course for licensed pilots
-  "The Next Step Up," a Private Pilot add-on module for Sport Pilots
-  "Taste of Freedom," a half-hour Discovery Flight
-  "Gateway to the Sky," a one hour Introductory Lesson





## 2011 ANNUAL REPORT

### 6. Students

During 2011, AvSport flight instructors conducted 14 Discovery Flights and 21 Introductory Lessons, soloed two flight students, transitioned three higher rated pilots to LSA, gave one Sport Pilot an airspace endorsement, and graduated two newly licensed Sport Pilots.

As more students graduate from our flight training programs, many will choose to become renter pilots, who continue to enjoy the recreational use of our aircraft while working toward higher ratings and additional pilot privileges.

AvSport strives to foster a sense of community between our students, instructors, prospects, and graduates, by sponsoring Safety Seminars and graduation parties, as well as hosting movie nights complete with popcorn and aviation films, and monthly Hangar Flying sessions featuring coffee, donuts, education, singing, conversation, and fellowship.





## **2011 ANNUAL REPORT**

### **7. Staff**

Early in 2011 our Chief Flight Instructor and Adjunct Flight Instructor completed their required biennial Flight Instructor Refresher training, as well as the annual Security Awareness Training mandated by the US Transportation Safety Administration. AvSport passed audits conducted by the TSA and the Pennsylvania Department of Transportation's division of aeronautics. We are also in the process of training two new flight instructors who will provide part-time instructional services, allowing AvSport to expand its flight training offerings. Overall, our small staff boasts over 100 years of combined aviation experience.

### **8. Events**



The premiere aviation event at Piper Memorial Airport is the annual Sentimental Journey to Cub Haven fly-in. Last summer, AvSport participated by providing Discovery Flights, safety seminars, and aircraft for static display (including the one seen here, intended to illustrate that Size Matters).

In cooperation with airport management and the Sentimental Journey team, AvSport has also become a regular participant in the Experimental Aircraft Association's annual International Learn to Fly Day. During the 2011 event, we conducted an FAA Wings safety seminar, and enjoyed a fly-in/LSA display, complete with refreshments and discovery flights.





## 2011 ANNUAL REPORT

### 9. Maintenance

AvSport's modern, fully equipped maintenance shop, located in T-hangar 9 North at Piper Memorial Airport, was expanded in 2011, allowing us to perform condition inspections, preventive maintenance, minor repairs, and major repairs to our own fleet, as well as customers' Light Sport Aircraft. We are a factory authorized Rotax Engine service facility, with two FAA-licensed Aviation Maintenance Technicians on staff.



Performing compression check on a Rotax engine



Conducting a 100 hour condition inspection



Parts inventory



Tools inventory



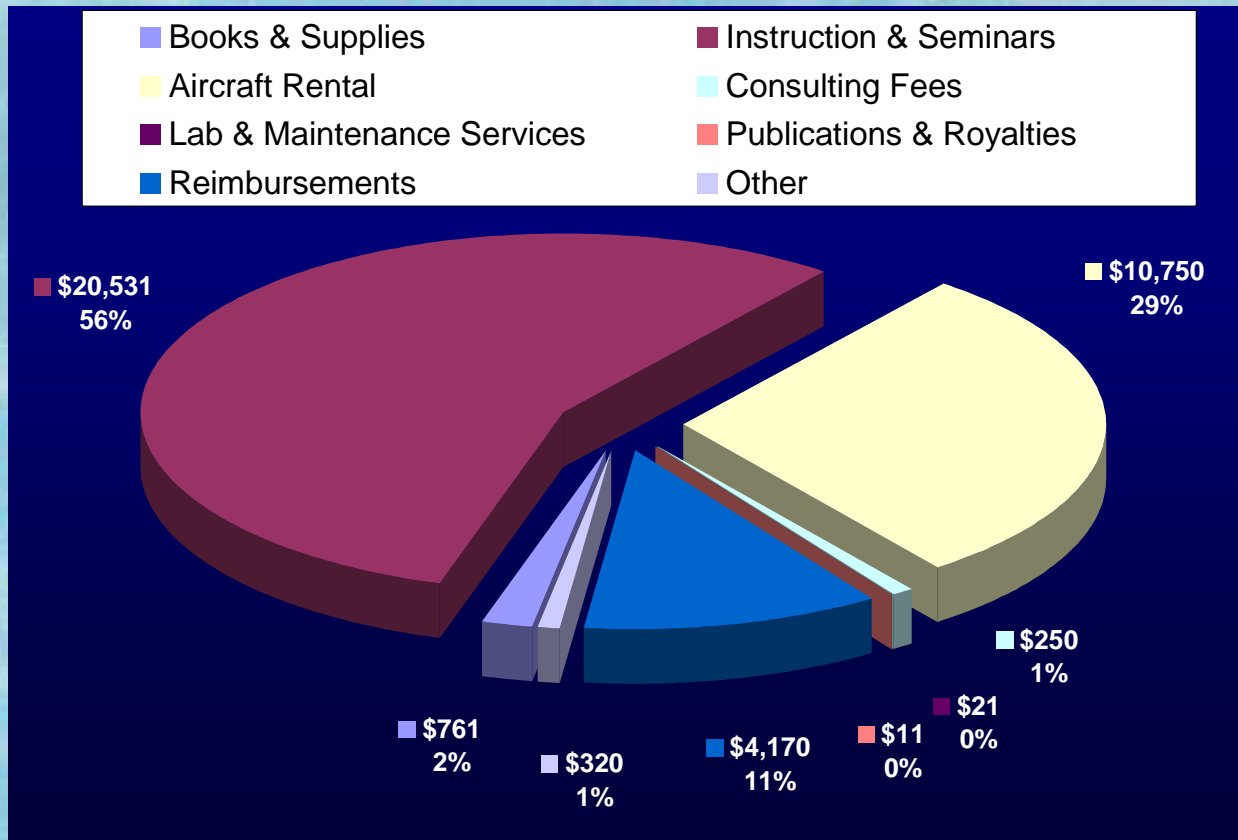


## 2011 ANNUAL REPORT

### 10. Financials

As stated elsewhere in this Annual Report, AvSport’s 2011 revenues were down, as compared to 2010. Even though we substantially reduced expenses, we sustained a modest loss for 2011. Coincidentally, that loss is roughly equal to our 2010 profits. Thus, for its first two years of operation, AvSport is essentially operating at break-even (a reasonable state of affairs for a start-up company in the present economy). The charts that follow detail our operating revenues and expenses for the year just ended, exclusive of amortization of capital investment.

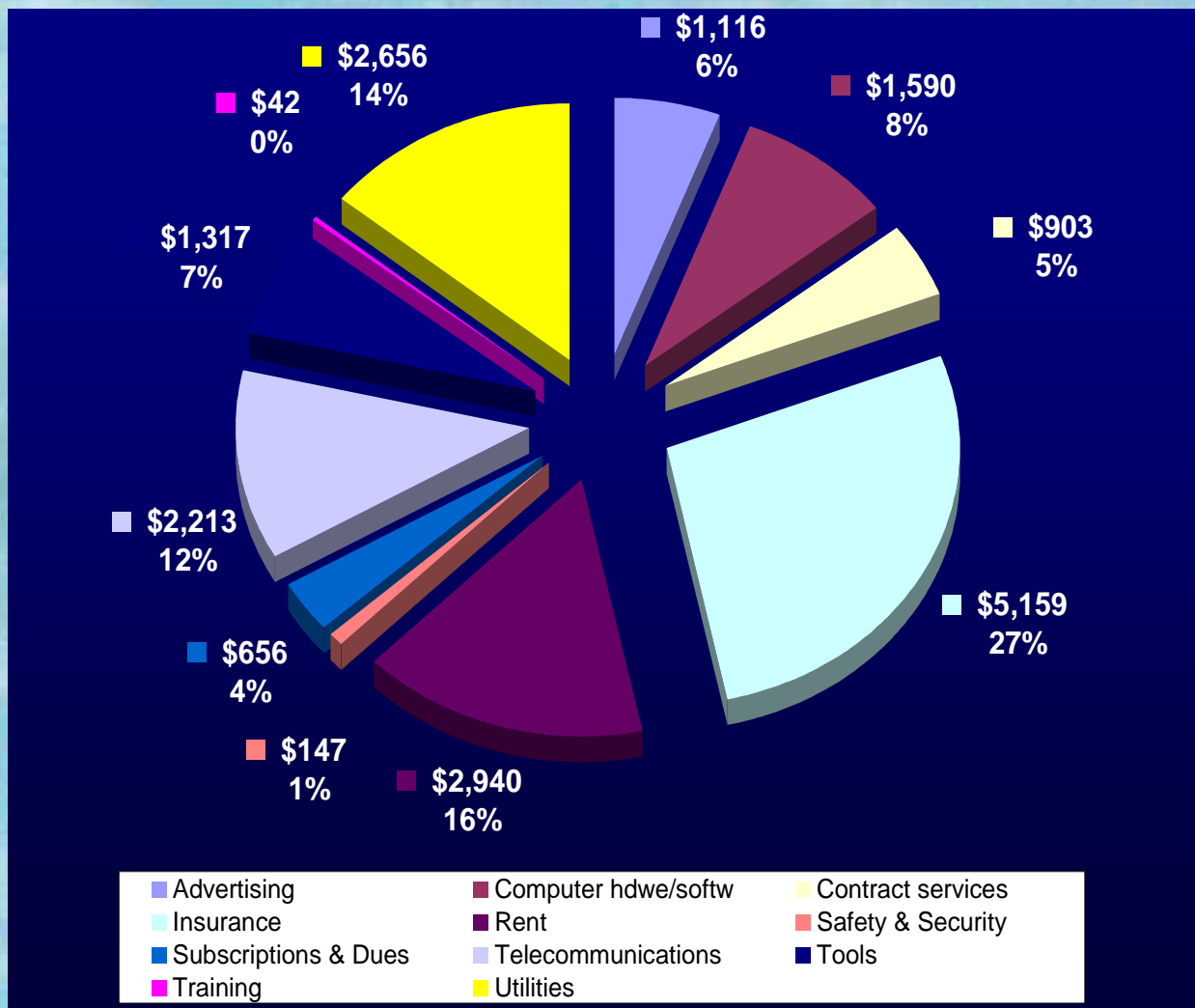
### 2011 Revenues





## 2011 ANNUAL REPORT

### 2011 Fixed Expenses

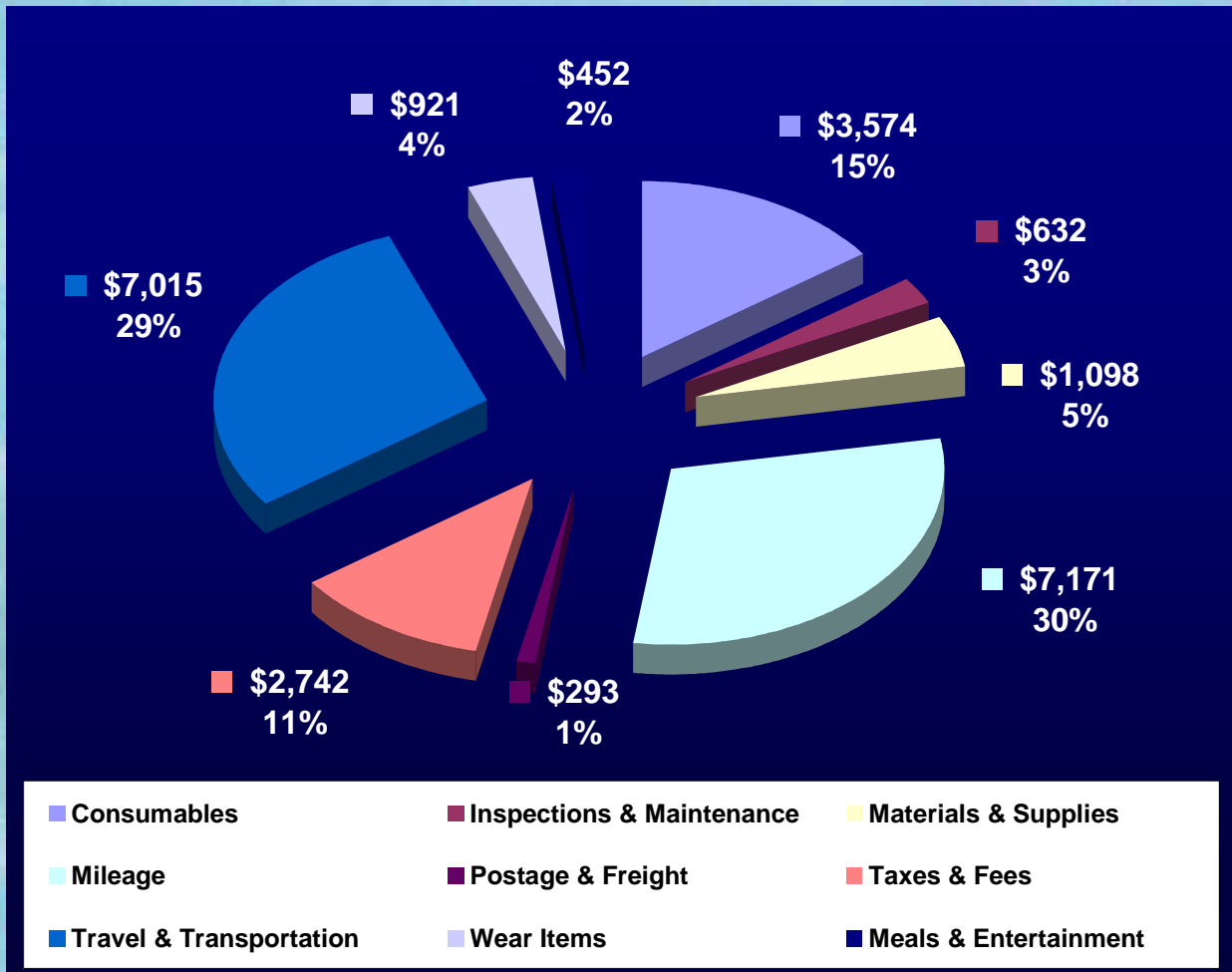






## 2011 ANNUAL REPORT

### 2011 Variable Expenses



### Preliminary Income Statements (Unaudited)

REVENUES:	<u>2010</u>	<u>2011</u>	EXPENSES:	<u>2010</u>	<u>2011</u>
Training	\$45,871	\$21,562	Fixed	\$27,379	\$18,738
Services	\$17,843	\$15,252	Variable	\$30,087	\$23,897
Total	\$63,714	\$36,815	Total	\$57,466	\$42,635
Total Profit (Loss):				\$6,248	(\$5,820)

## 2011 ANNUAL REPORT

### 11. Awards

In a surprise presentation at the Sentimental Journey fly-in last July, Piper Memorial Airport's resident flight instructor was presented with an Aviation Safety Award from the Federal Aviation Administration.

H. Paul Shuch, who in 2010 founded AvSport of Lock Haven, the local sport aviation training center, was pleased to see his colleague Kathleen Martin of the FAA Harrisburg Flight Standards District Office, in the audience at one of his fly-in seminars. He didn't find anything unusual about her request to address the pilots and mechanics in attendance, since as the local FAA Safety Team program manager, she often avails herself of such opportunities to promote aviation safety. Shuch was surprised, however, when Martin began to recite his professional background, emphasizing his thirty years of experience as a flight instructor, and more than 25 years as an FAA safety volunteer.

After summarizing Shuch's accomplishments, Martin presented the retired aerospace engineering professor with a handsome plaque citing his "exemplary support to the FAA Safety Team's goals and objectives by participating in safety activities ... which attests to this individual's dedication to aviation safety."

Ms. Martin then read a letter to Dr. Shuch from Regional FAAS Team Manager John Gagliardi, which stated, "We wish to thank you for your service as an Aviation Safety Representative. You have volunteered many hours and personal resources to promote aviation safety. We especially commend you for your contributions to the Light Sport aircraft program, which has had a long-term effect toward safety. Your efforts, devotion, and achievements in aviation safety will inspire others."





## 2011 ANNUAL REPORT

### 12. In Memoriam

#### Thomas W. Bauman 1926-2011



Thomas W. Bauman, 84, of 2 Quiggle Ave., Castanea, died Friday, Sept. 30, 2011 at the Williamsport Hospital. He was born Dec. 30, 1926 in Castanea Township, the son of the late Raymond and Meda Shaffer Brown. On April 28, 1944 in Macon, Ga., he married the former Geneva M. Goodman who survives.

Tom was a veteran of the United States Army. He was an accomplished pilot and flight instructor, retiring from Piper Aircraft Corporation in 1982 as a test pilot. In 2009, in his capacity as FAA Safety Team Lead Representative for Lock Haven, AvSport's chief flight instructor H. Paul Shuch had the honor of presenting Tom with the FAA Wright Brothers Master Pilot Award.

Tom was a member and past chief of the Hand-in-Hand Hose Company, the Central District Volunteer Fire Association and the Fireman's Relief Association. He served for many years on the Castanea Township Board of Supervisors and was the chairman of the annual Halloween parade. He was also a member of the National Rifle Association. He enjoyed hunting and fishing and spending time at the family's Buckeye Hunting Camp.

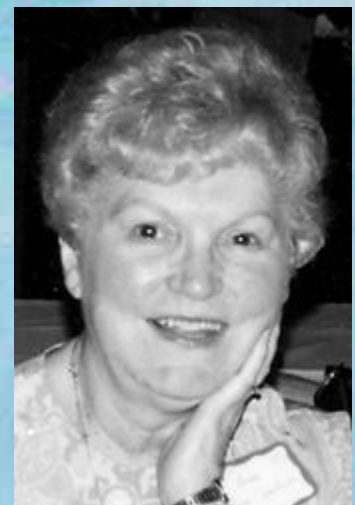
In addition to his wife, he is survived by a daughter, Barbara (Ron) Grimm, of Castanea, two grandsons, Keith and Kevin Grimm, and five great grandchildren, Courtney, Tyler, Nathan, Joey, and Matthew. He was preceded in death by a son, Thomas W. Bauman Jr. (Dorothy Maggs), a sister, Helen James, and a brother, Malcolm Bauman.

#### Anna R. (Rusty) Wallace 1930-2011

Anna R. (Rusty) Wallace, 61 Emerald St., Mill Hall, died Nov. 4, 2011 at Lock Haven Hospital. She was born Jan. 10, 1930 in Lock Haven, a daughter of John H. and Georgianna Smith Kane. In 1949 she married Karl G. Smith; he died in 1981. She then married David F. Wallace, who died in 2002.

Rusty was a 1947 graduate of Lock Haven High School and worked at Piper Aircraft in the International Parts Department, retiring in 1985 after 35 years. She helped for many years with the annual Sentimental Journey fly-in, and the Piper Aviation Museum.

Surviving are two sons, John B. Smith of Camarillo, Calif. and Karl A. Smith of Castanea; two brothers, Robert Kane of Castanea and Roger Kane of Williamsburg, Va.; a sister, Pat Bennett of Mill Hall; and three grandchildren. She was preceded in death by two sisters, June Pearson and Geraldine Nestlerode.





## 2011 ANNUAL REPORT

### 13. Resources

For additional information about AvSport of Lock Haven, its aircraft, instructors, training materials, curriculum, and the new Sport Pilot license, please see the following pages of the AvSport web site:

	Main Page	<a href="http://AvSport.org">http://AvSport.org</a>
	Main Menu	<a href="http://AvSport.org/menu.htm">http://AvSport.org/menu.htm</a>
	General Information	<a href="http://AvSport.org/about">http://AvSport.org/about</a>
	Press Kit	<a href="http://AvSport.org/press">http://AvSport.org/press</a>
	Photo Gallery	<a href="http://AvSport.org/photos">http://AvSport.org/photos</a>
	Video Gallery	<a href="http://AvSport.org/press/video.htm">http://AvSport.org/press/video.htm</a>
	Flight Instruction	<a href="http://AvSport.org/cfi">http://AvSport.org/cfi</a>
	Light Sport Aircraft	<a href="http://AvSport.org/acft">http://AvSport.org/acft</a>
	Maintenance Services	<a href="http://AvSport.org/maint">http://AvSport.org/maint</a>
	Upcoming Events	<a href="http://AvSport.org/events">http://AvSport.org/events</a>
	Contact Information	<a href="http://AvSport.org/contact">http://AvSport.org/contact</a>
	Search Engine	<a href="http://AvSport.org/search">http://AvSport.org/search</a>

or, stop by Hangar One at the Piper Memorial Airport, and pay us a visit.





**The Problem:**

The completion rate of persons pursuing flight training in the US is below 20%, an all-time low. This is generally attributed to the increasing complexity of airspace, the introduction of advanced aircraft and avionics systems, and the high cost of aircraft ownership, rental, and operation. However, despite significant advances in both aeronautical technology and educational methodology, pilot training curricula have remained virtually unchanged since prior to the Second World War.

**The Proposal:**

The introduction by ASTM of the Light Sport Aircraft certification category, along with the establishment by FAA of the Sport Pilot License, presents an opportunity for a significant modernization of the flight training curriculum.

**Vision Statement:**

AvSport envisions a General Aviation renaissance, facilitated by quality training of Sport Pilots and the availability of modern Light Sport Aircraft.

**Mission Statement:**

- AvSport enhances aviation safety and enjoyment, by offering:**
- a rigorous flight training curriculum
  - experienced, professional Certified Flight Instructors
  - well maintained advanced Light Sport Aircraft
  - modern and accessible instructional materials
  - individualized instruction
  - an affordable aviation experience



**Schedule Milestone and Accomplishments:**

- September 2009 (Technology Readiness Level 1)
  - Establish AvSport as an FAR Part 61 flight school; activate website (Technology Readiness Level 2)
- December 2009 (Technology Readiness Level 2)
  - Purchase of Evektor SportStar Light Sport Aircraft trainer (Technology Readiness Level 3)
- January 2010 (Technology Readiness Level 3)
  - Present business plan to Lock Haven City Council; lease facilities (Technology Readiness Level 4)
- February 2010 (Technology Readiness Level 4)
  - Introduce "Three Weeks, Rain or Shine" Pre-Solo intensive course (Technology Readiness Level 5)
- April 2010 (Technology Readiness Level 5)
  - Solo first primary student (Technology Readiness Level 6)
- May 2010 (Technology Readiness Level 6)
  - Introduce "Three More Weeks of Heaven" Post-Solo intensive course (Technology Readiness Level 7)
- June 2010 (Technology Readiness Level 7)
  - Graduate first licensed Sport Pilot (Technology Readiness Level 8)
- November 2010 (Technology Readiness Level 8)
  - Complete FAA mechanics training; establish maintenance shop (Technology Readiness Level 9)
- March 2011 (Technology Readiness Level 9)
  - Introduce "Pilot Downsize" LSA transition course curriculum (Technology Readiness Level 9)

**TRL = 9**

Rev. 16 November 2011

**Keywords:** Flight Instruction, General Aviation, Flight School, Sport Pilot, Light Sport Aircraft, LSA, ASTM, FAA

## 14. Four Quadrant Briefing Chart