



Lehigh Valley International Airport
Queen City Airport
Braden Airpark

2026

OPERATING AND CAPITAL BUDGETS

APPROVED NOVEMBER 25, 2025



Table of Contents

Section 1 Overall	
Table of Contents	1
Strategic Framework	2
Consultant's Insights	3
Organizational Chart.....	4
Section 2 Summary	
Budget Summary by Cost Center	5
Budget Summary Narrative	6
Section 3 Revenue	
Revenue Narrative.....	7-8
LVIA Statement of Operating Revenues.....	9
Revenue Charts and Graphs.....	10-11
Section 4 Expenses	
Expense Narrative	12-13
LVIA Statement of Operating Expenses	14
Expense Chart and Graph	15
Section 5 Queen City Airport and Braden Airpark	
Queen City Airport and Braden Airpark Narrative.....	16
Revenue and Expense Budgets	17-18
Section 6 Full Time Equivalent	
Personnel Overview, Charts, and Graphs	19-20
Section 7 Cash Flow	
Budgeted Month by Month Cash Flow Projection.....	21
Uses of Cash	22
Cash Sources	23
Section 8 Capital Improvement Program	
Capital Improvement Program (CIP) Narrative	24-25
Exhibits A - B: 2025 Capital Improvement Program	26-27
Exhibits C: 2026-2029 Projected Capital Improvement Program.....	28-29
Section 9 Appendix A	
2025 Airline Rates and Charges.....	30-41
Bond Rate Maintenance Covenant.....	42



STRATEGIC FRAMEWORK

Vision: To be the best regional airport system in North America.

Mission: As a customer-centric organization, we will operate our facilities safely and efficiently; grow and develop in an innovative, agile, and competitive manner; and work closely with our stakeholders and partners to make our region the community of choice for business and residents.

Strategic Focus Areas	Core Values	Core Competencies
Air Service	Integrity	Agility
Financial Sustainability	Respect	Automation
Customer Experience	Trust	Collaboration
Facilities, Equipment and Infrastructure	Teamwork	Diversification
Operational Safety and Security	Service	Innovation
Organization Governance, Culture and People	Humility	Communications

Vision – The desired role or position of the organization at some future point.

Mission – The mission of an organization describes its purpose or reason for existence.

Strategic Focus Areas – Fundamental elements or program areas vital for achieving long-term vision.

Core Values – Framework for day-to-day decision making / Guides our actions and behaviors.

Core Competencies – Proficiencies that enable an organization to deliver unique value to customers and stakeholders.

Performance Measures – Criteria used for the measurement of the results (outcomes) and efficiency of processes, services, or programs.

Consultant's Insight

The Authority received federal relief dollars beginning 2020 to help offset the impacts of the Covid-19 Pandemic. The Authority received a total of approximately \$16.1 million, which it used strategically to manage airline costs and retain liquidity during years 2020 through 2025. The remaining federal relief dollars were fully expended in 2025, and 2026 is the first year without the federal subsidy to reduce airline costs and manage other parts of the operation. Despite the loss of these dollars, the Authority continues to focus on other ways to maintain a competitive cost structure and reduce expenses wherever possible. As a result, O&M Expenses are budgeted to increase by only 1.5 percent (not including federal relief dollars applied in 2025).

In 2026, Operating Revenues continue to increase and are budgeted to reach \$45.4 million, which represents a 5.9 percent increase from the 2025 Budget. The revenue categories leading to the increase in 2026 are landing fees, terminal rents, and aviation leased area rents and fees. The increase in terminal rents and landing fees is driven by increased O&M expenses and debt service in the terminal. The budgeted increase to aviation leased area rents and fees is resulting from higher hangar rental revenues.

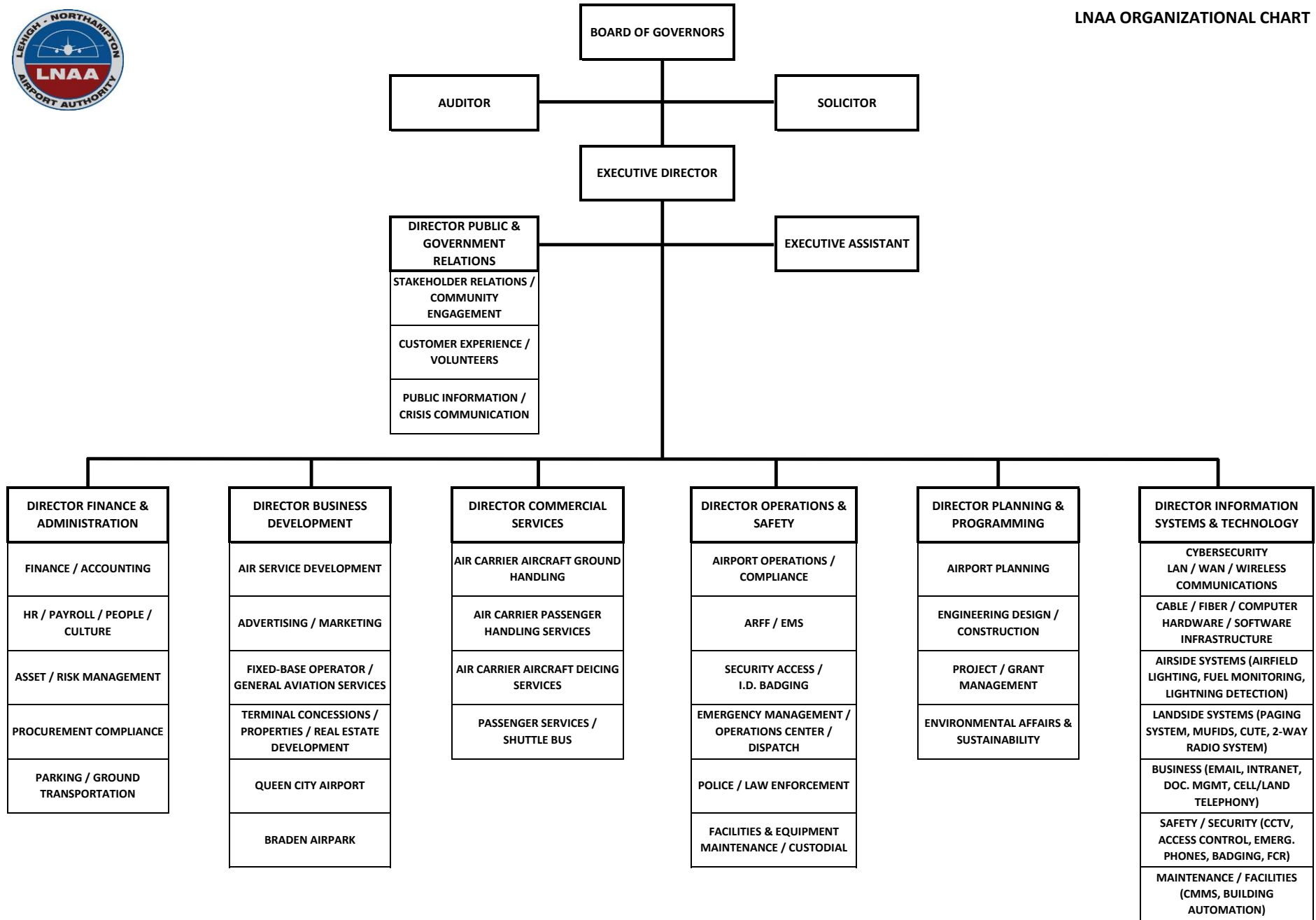
Enplanements are budgeted to decrease slightly in 2026 to approximately 515,000 enplanements which is approximately 0.9 percent decrease. However, landed weights are budgeted to increase to 1,197.8 thousand pounds in 2026, which represents a 0.7 percent increase from the 2025 Budget.

The Authority understands the importance of maintaining its competitive cost structure and therefore will continue to share a portion of its net revenues with the airlines. In the 2026 Budget, the Authority plans to share a total of \$3.1 million to reduce airline and other terminal tenant costs, which is \$1.1 million higher than 2025. The increase in 2026 recognizes the transition in the cost structure due to utilizing the remaining subsidies in 2025.

As a result of the factors outlined above, the resulting CPE is budgeted to increase by \$2.27 or 11.1 percent to \$22.64 in the 2026 Budget. The increase is primarily due to federal funds no longer being available to lower airline costs and lower budgeted enplanements. It is reasonable to assume that many airports will see CPE increases in 2026 as the federal subsidy is no longer available to reduce airline costs. The Authority will continue to identify additional measures as appropriate to manage Airline costs during 2026.



LNAA ORGANIZATIONAL CHART



Lehigh Northampton Airport Authority
Statement of Income -- LVI, Queen City & Braden Airports
Budget 2026

	2026 Budget A	2025 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2024 Actual E	Variance to Budget F	Variance % to Budget G(F/E)
LVI OPERATING REVENUES:							
Airfield	\$8,585,624	\$7,392,043	\$1,193,581	16.15%	\$6,921,923	\$1,663,701	24.04%
Terminal	11,664,629	10,725,076	939,553	8.76%	10,320,275	1,344,354	13.03%
Parking and Roadways	7,636,059	7,501,254	134,805	1.80%	6,943,084	692,975	9.98%
Aviation Leased Areas	5,016,690	4,653,676	363,014	7.80%	4,550,935	465,755	10.23%
Non-Aviation Leased Areas	1,373,873	1,343,062	30,811	2.29%	1,315,498	58,375	4.44%
Aviation Services	9,099,258	8,875,317	223,941	2.52%	9,278,498	(179,240)	(1.93%)
Advertising	828,000	797,482	30,518	3.83%	804,327	23,673	2.94%
Cares Act Reimbursements	0	2,415,013	(2,415,013)	(100.00%)	2,000,000	(2,000,000)	(100.00%)
Total Revenues	\$44,204,133	\$43,702,923	\$501,210	1.15%	\$42,134,540	\$2,069,593	4.91%
COST OF SALES	\$7,070,987	\$6,877,189	\$193,798	2.82%	\$6,107,473	\$963,514	15.78%
Net Revenue	\$37,133,146	\$36,825,734	\$307,412	0.83%	\$36,027,067	\$1,106,079	3.07%
LVI OPERATING EXPENSES:							
Airfield	\$6,764,012	\$6,592,188	\$171,824	2.61%	\$5,304,156	\$1,459,856	27.52%
Terminal	9,617,566	9,297,372	320,194	3.44%	7,757,829	1,859,737	23.97%
Parking and Roadways	1,560,615	1,590,064	(29,449)	(1.85%)	1,540,574	20,041	1.30%
Aviation Leased Areas	834,043	710,807	123,236	17.34%	686,806	147,237	21.44%
Non-Aviation Leased Areas	313,012	317,228	(4,216)	(1.33%)	358,895	(45,883)	(12.78%)
Aviation Services	2,997,328	3,301,493	(304,165)	(9.21%)	2,848,917	148,411	5.21%
Advertising	186,822	208,272	(21,450)	(10.30%)	201,572	(14,750)	(7.32%)
Administration	5,446,334	5,388,148	58,186	1.08%	4,601,006	845,328	18.37%
Total Expenses	\$27,719,732	\$27,405,572	\$314,160	1.15%	\$23,299,755	\$4,419,977	18.97%
LVI Income (Loss) From Operations	\$9,413,414	\$9,420,162	(\$1,748)	(0.02%)	\$12,727,312	(\$3,313,898)	(26.04%)
OTHER AIRPORTS							
Queen City Income (Loss)	(\$586,495)	(\$563,481)	(\$23,014)	4.08%	-\$385,306	(\$201,189)	52.22%
Queen City Cares Act Reimbursement	\$0	\$0	\$0	0.00%	\$0	\$0	#DIV/0!
Braden Airpark Income (Loss)	(81,280)	(84,317)	3,037	(3.60%)	(57,590)	(23,690)	41.14%
Other Airports Inc (Loss) From Operations	(\$667,775)	(\$647,798)	(\$19,977)	3.08%	(\$442,896)	(\$224,879)	50.77%
All Airports Inc (Loss) From Operations	\$8,745,639	\$8,772,364	(\$26,725)	(0.30%)	\$12,284,416	(\$3,538,777)	(28.81%)
NON OPERATING INCOME (EXPENSE):							
Net Interest	\$600,000	\$611,000	(\$11,000)	(1.80%)	\$1,372,832	(\$772,832)	(56.29%)
Miscellaneous	9,600	12,000	(2,400)	(20.00%)	80,145	(70,545)	(88.02%)
Total Non Operating Income (Expense)	\$609,600	\$623,000	(\$13,400)	(2.15%)	\$1,452,977	(\$843,377)	(58.04%)
Net Income (Loss) Before Depreciation	\$9,355,239	\$9,395,364	(\$40,125)	(0.43%)	\$13,737,393	(\$4,382,154)	(31.90%)
Depreciation (Net of Grants)	\$9,176,925	\$8,512,244	\$664,681	7.81%	\$7,778,863	\$1,398,062	17.97%
LNA Net Income (Loss)	\$178,314	\$883,120	(\$704,806)	(79.81%)	\$5,958,530	(\$5,780,216)	(97.01%)

LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

Lehigh Valley International Airport

2026 BUDGET SUMMARY

The Lehigh-Northampton Airport Authority (LNAA) projects 2026 passenger traffic levels to be comparable to 2024 actuals and 2025 forecast levels. Uncertain economic conditions continue to challenge the aviation industry, with forecasts ranging from flat to a 5% decline in passenger traffic nationwide.

The 2026 budget marks the first year since 2020 without the availability of COVID-era federal relief funds. Independent of such support, the Airport Authority remains committed to maintaining financial stability while ensuring airline rates remain competitive and marketable. Maintaining cost-effective rates is critical to preserving air service at Lehigh Valley International Airport (ABE). As federal relief funding concludes, the Airport Authority must remain fully self-sufficient, receiving no operational support from external agencies.

The **2026 Budgeted Net Income before Depreciation** is **\$9,355,239**, representing a decrease of **\$40,125 (0.4%)** compared to the 2025 Budget. The Authority's ongoing commitment to critical infrastructure investments—including the **Runway 6-24 Rehabilitation, Terminal Modernization**, and the **Parking Garage Project at ABE**—has increased amortized capital expenses by **\$664,681** over the 2025 Budget.

The **debt service coverage ratio** remains strong at **1.49**, exceeding the required **1.25** by **0.24**. This ratio incorporates updated rates following the **October 2025 refinancing of the 2015 bonds**.

2026 OPERATING REVENUE BUDGET

The **total 2026 Operating Revenue Budget** for all three airports (Lehigh Valley International Airport, Queen City Airport, and Braden Airpark) is **\$45,522,381**, an **increase of \$447,873 (1%)** compared to the 2025 Budget. Excluding federal relief funds, the increase would be **\$2,862,886 (7%)**.

The **2026 Airline Rates and Charges** are included in the budget packet. Variances between airline rate calculations and LNAA's budgeted revenue are due to differences in cost center rollups. Details for each cost center are shown below.

AIRFIELD

LANDING FEES

The calculated 2026 landing fee is **\$6.15**, a **14% increase** from the 2025 budgeted rate. Landed weights include commercial passenger flights, adjusted airline bus passenger service, and air cargo operations. The Airport Authority has provided the maximum airline subsidy feasible. Details are included in **Appendix A, Table 3 (page 33)**.

APRON PARKING FEES

The 2026 apron parking fee is **\$0.77 per thousand pounds** of landed weight for passenger carriers and **\$1.08 per thousand pounds** for cargo carriers—both approximately **1% lower** than 2025 rates. Fees are based on a percentage of airfield direct and indirect operating expenses (see **Appendix A, Table 4, page 34**).

TERMINAL

AIRLINE RENT

The 2026 terminal rental rate increases to **\$126.75 per sq. ft.**, a **12% increase** from 2025. This reflects additional infrastructure and operational expenses related to the **Terminal Connector and TSA Checkpoint**. The Authority continues to subsidize rates to the maximum extent affordable (see **Appendix A, Tables 5–6, pages 35–36**).

CONCESSION FEES

Rental car concession revenue is projected to **decrease 3%** due to current rental activity and a modest decline in passenger traffic. Conversely, concession restaurant revenue is **budgeted to increase 18%** due to expanded food and beverage options and the first full year of occupancy in new concession spaces.

PARKING AND ROADWAYS

PARKING LOT FEES

Parking revenue is **budgeted to increase 2%** versus 2025, driven by stable passenger levels and modest impacts anticipated during **parking garage construction** (beginning in the second half of 2026). The Authority will establish alternative parking options as needed during construction.

AVIATION AND NON-AVIATION LEASED AREAS

HANGAR RENTS, BUILDINGS, LAND RENTS

Aviation and building rents are **budgeted 8% higher** than in 2025, reflecting contractual escalations and increased occupancy.

AVIATION SERVICES GROUP

FUEL SALES

Gross fuel sales are projected to **increase 2%** from 2025, reflecting higher retail and commercial fueling activity.

GROUND HANDLING AND OTHER

Passenger airline ground handling revenue is expected to **increase 7%** due to higher rates and stable service demand.

ADVERTISING

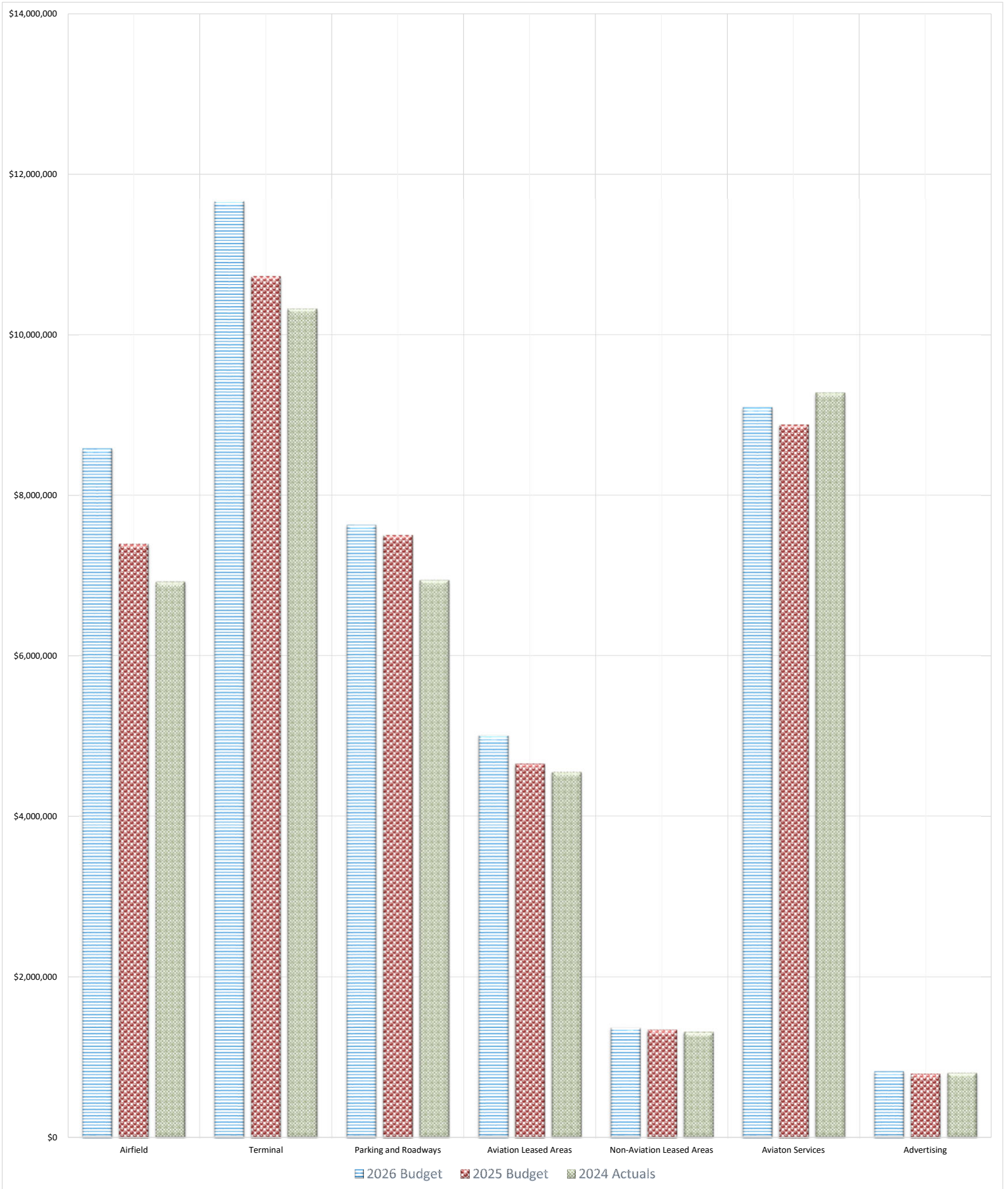
ADVERTISING

Advertising revenue is **forecasted to increase 4%** compared to 2025, supported by new opportunities within the **Terminal Connector, TSA Checkpoint, and concession areas**. The Authority continues to pursue innovative strategies to expand advertising potential.

Lehigh Northampton Airport Authority
Statement of Operating Revenues - LVIA
Budget 2026

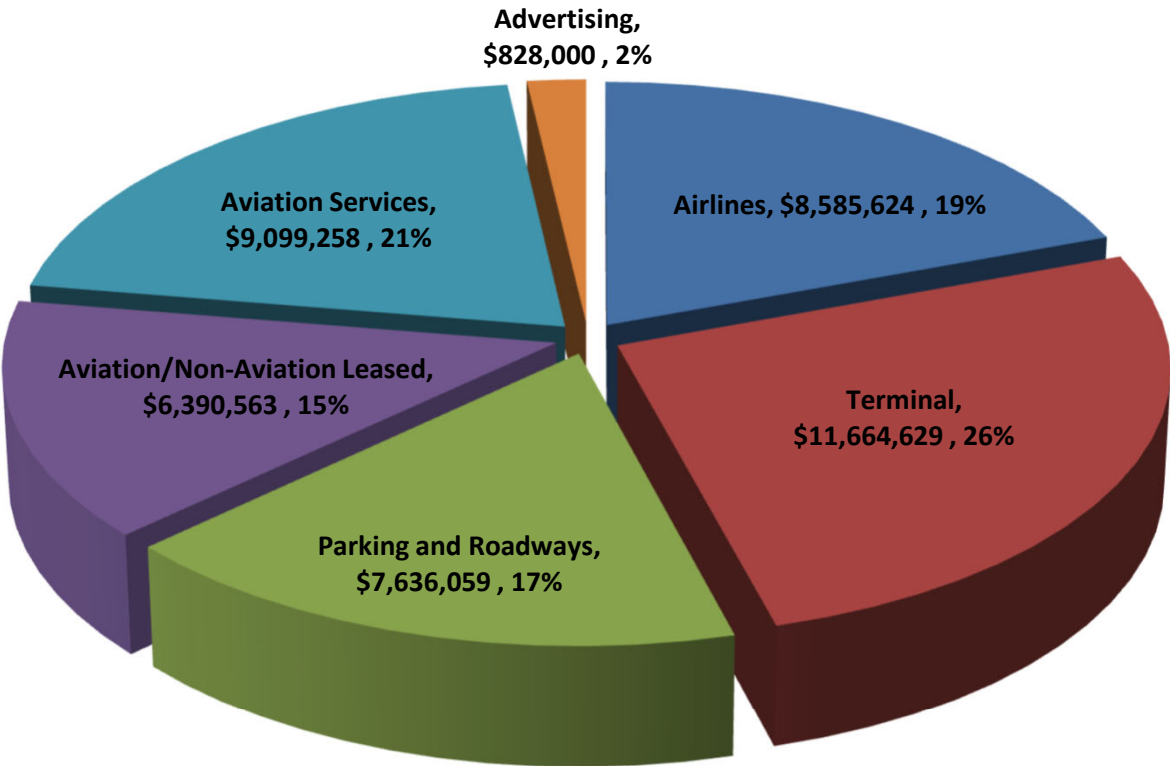
	2026 Budget A	2025 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2024 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
OPERATING REVENUES:							
Airfield:							
Landing Fees	\$7,454,716	\$6,293,359	\$1,161,357	18.45%	\$5,940,948	\$1,513,768	25.48%
Apron Parking Fees	1,130,908	1,098,684	32,224	2.93%	980,975	149,933	15.28%
Total Airfield Fees	\$8,585,624	\$7,392,043	\$1,193,581	16.15%	\$6,921,923	\$1,663,701	24.04%
Terminal:							
Rent - Airlines	\$8,125,871	\$7,317,140	\$808,731	11.05%	\$6,827,990	\$1,297,881	19.01%
Rent - Concession & Other	874,582	767,165	107,417	14.00%	860,831	13,751	1.60%
Concession Fee - Rental Cars	1,943,360	2,009,041	(65,681)	(3.27%)	2,004,079	(60,719)	(3.03%)
Concession Fee - Restaurant/Newsstand	654,118	555,942	98,176	17.66%	553,913	100,205	18.09%
Concession Fee - Other	33,698	45,789	(12,091)	(26.41%)	38,712	(5,014)	(12.95%)
Utility Fees & Other	33,000	30,000	3,000	10.00%	34,751	(1,751)	(5.04%)
Total Terminal Rents	\$11,664,629	\$10,725,077	\$939,552	8.76%	\$10,320,276	\$1,344,353	13.03%
Parking and Roadways	\$7,636,059	\$7,501,254	\$134,805	1.80%	\$6,943,084	\$692,975	9.98%
Aviation Leased Areas:							
Hangar No. 1 Rent	\$73,830	\$71,262	\$2,568	3.60%	\$71,550	\$2,280	3.19%
Hangar No. 2 Rent	71,967	43,734	28,233	64.56%	43,290	28,677	66.24%
Hangar No. 3 Rent	535,820	409,791	126,029	30.75%	485,988	49,832	10.25%
Hangar No. 5 Rent	28,873	27,914	959	3.44%	27,331	1,542	5.64%
Hangar No. 7 Rent	455,419	400,239	55,180	13.79%	392,494	62,925	16.03%
Hangar No. 8 Rent	343,574	358,540	(14,966)	(4.17%)	351,065	(7,491)	(2.13%)
Hangar No. 9 Rent	978,723	947,460	31,263	3.30%	924,700	54,023	5.84%
Hangar No. 10 Rent	687,502	663,479	24,023	3.62%	651,026	36,476	5.60%
Hangar No. 11 Rent	997,710	963,180	34,530	3.58%	956,463	41,247	4.31%
T-Hangars	256,920	255,043	1,877	0.74%	247,401	9,519	3.85%
Air Cargo Building & Land Rents	541,352	461,530	79,822	17.30%	345,337	196,015	56.76%
Ramp, Gatecard and Other Income	45,000	51,504	(6,504)	(12.63%)	54,290	(9,290)	(17.11%)
Total Aviation Leased Areas	\$5,016,690	\$4,653,676	\$363,014	7.80%	\$4,550,935	\$465,755	10.23%
Non-Aviation Leased Areas:							
Building Rents	\$690,409	\$676,230	\$14,179	2.10%	\$655,819	\$34,590	5.27%
Land Rents	683,464	666,832	16,632	2.49%	659,678	23,786	3.61%
Total Rents	\$1,373,873	\$1,343,062	\$30,811	2.29%	\$1,315,497	\$58,376	4.44%
Aviation Services:							
Gross Fuel Sales/Into Plane Fees	\$5,697,103	\$5,613,184	\$83,919	1.50%	\$5,778,745	(\$81,642)	(1.41%)
Landing Fees	324,000	284,000	40,000	14.08%	324,796	(796)	(0.25%)
Hangar & Ramp Rentals	248,300	236,000	12,300	5.21%	301,388	(53,088)	(17.61%)
Ground Handling	2,600,397	2,437,268	163,129	6.69%	2,517,090	83,307	3.31%
Miscellaneous Income	229,458	304,865	(75,407)	(24.73%)	356,480	(127,022)	(35.63%)
Total Aviation Services	\$9,099,258	\$8,875,317	\$223,941	2.52%	\$9,278,499	(\$179,241)	(1.93%)
Advertising	\$828,000	\$797,482	\$30,518	3.83%	\$804,327	\$23,673	2.94%
Total Operating Revenue	\$44,204,133	\$41,287,911	\$2,916,222	7.06%	\$40,134,541	\$4,069,592	10.14%
Cost of Sales	\$7,070,987	\$6,877,189	\$193,798	2.82%	\$6,107,473	\$963,514	15.78%
Net Operating Revenue	\$37,133,146	\$34,410,722	\$2,722,424	7.91%	\$34,027,068	\$3,106,078	9.13%

**Lehigh-Northampton Airport Authority
2026/2025/2024 LVIA Revenue**



* Excludes Care Act Reimbursement

Lehigh-Northampton Airport Authority 2026 Revenue Sources



LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

Lehigh Valley International Airport

2026 OPERATING EXPENSE BUDGET

Total **2026 Operating Expenses** (including Braden and Queen City) are **\$28,471,052**, representing an **increase of \$328,968 (1%)** over the 2025 Budget.

SALARIES AND WAGES

Salaries and wages are **4% higher** than 2025, reflecting:

1. A **1% reduction** in total budgeted FTEs compared to 2025.
2. Continued **non-union wage adjustments** based on airport industry benchmarks.
3. **Teamsters'** increases of 3.5% in July 2026, per the CBA expiring June 30, 2027.
4. **ARFF personnel** increases of 3% in September 2025, per the CBA expiring August 31, 2026.
5. **Police personnel** increases of 3% in January 2026, per the CBA expiring December 31, 2028.

EMPLOYEE BENEFITS

Benefits are **budgeted to increase 2%** over 2025. Key factors include:

1. Worker's compensation at **8.8%** of payroll.
2. Pension contributions at **9.5%** of full-time salaries.
3. A net **reduction of two full-time employees** and a **1.4% decrease in total hours**.
4. Continuation of the qualified high-deductible health plan with **expanded wellness incentives**.
5. **Self-insured unemployment** at **2%** of salaries and wages.
6. Average annual **medical cost per FTE: \$25,000**, with employee contributions averaging **7%**.
7. A **\$25,000 medical rebate** from 2025 included in the 2026 Budget.

LEGAL SERVICES

Legal expenses **decrease 10%** from 2025, as certain legal matters concluded in 2025, which allowed spending to return to traditional levels.

CONTRACT SERVICES

Contract services **decrease 34%** from 2025, primarily due to the conclusion of structural demolition projects funded by federal relief. Excluding those one-time projects, expenses reflect a **3% year-over-year increase**.

DUES AND SUBSCRIPTIONS

Dues and subscriptions **increase 16%**, driven by continued investment in **cybersecurity upgrades** and **software licensing** for IT systems.

EQUIPMENT RENTAL

Equipment rental expenses **decrease 50%** due to **improved lease terms**, **operational efficiencies**, and **better cash management**.

MATERIALS & SUPPLIES / MAINTENANCE & REPAIRS

These categories represent **17%** of total non-personnel expenses and **increase 14%** due to inflationary pressures, tariffs, and ongoing infrastructure maintenance needs.

UTILITIES

Utilities represent **16%** of total non-personnel expenses and **increase 10%**, reflecting higher energy costs.

INSURANCE

Insurance costs **increase 14%**, reflecting industry-wide premium growth and new infrastructure-related liabilities. Coverage levels are benchmarked to comparable airports to ensure adequate protection.

PAYMENT IN LIEU OF TAXES

PILOT payments to **Catasauqua Area School District** and **Hanover Township (Lehigh County)** equal **10% of parking revenue**, budgeted accordingly.

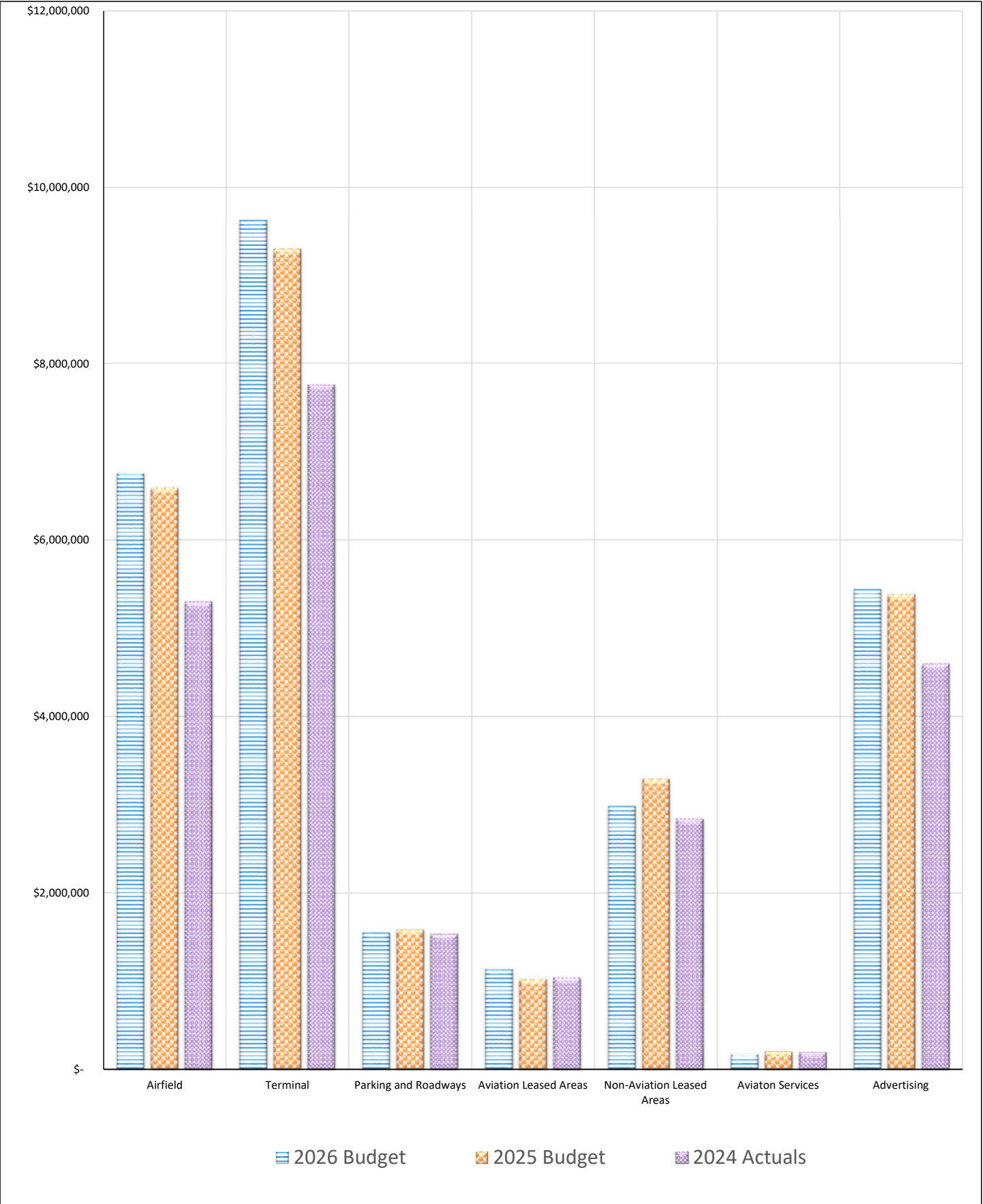
CREDIT CARD FEES

These fees apply to **parking**, **fuel sales**, and **other FBO services**, consistent with transaction volume.

Lehigh Northampton Airport Authority
Statement of Operating Expenses - LVIA
Budget 2026

	2026 Budget A	2025 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2024 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
OPERATING EXPENSES:							
Salaries and Wages	\$11,317,111	\$10,863,274	\$453,837	4.18%	\$10,336,994	\$980,117	9.48%
Payroll Taxes	858,481	816,550	41,931	5.14%	723,043	135,438	18.73%
Employee Benefits	4,512,480	4,433,151	79,329	1.79%	3,136,690	1,375,790	43.86%
Subtotal	<u>\$16,688,072</u>	<u>\$16,112,975</u>	<u>\$575,097</u>	<u>3.57%</u>	<u>\$14,196,727</u>	<u>\$2,491,345</u>	<u>17.55%</u>
Professional Services	697,693	683,602	14,091	2.06%	350,347	347,346	99.14%
Legal Services	298,300	333,100	(34,800)	(10.45%)	355,270	(56,970)	(16.04%)
Audit and Financial Services	100,600	93,800	6,800	7.25%	72,700	27,900	38.38%
Public Relations	152,350	82,550	69,800	84.55%	57,540	94,810	164.77%
Contract Services	1,361,712	2,055,166	(693,454)	(33.74%)	1,131,759	229,953	20.32%
Advertising Expense	499,800	557,000	(57,200)	(10.27%)	608,146	(108,346)	(17.82%)
Recruiting Expense	42,000	48,000	(6,000)	(12.50%)	30,252	11,748	38.83%
Printing	7,650	9,350	(1,700)	(18.18%)	2,674	4,976	186.09%
Postage	5,550	5,700	(150)	(2.63%)	2,811	2,739	97.44%
Dues and Subscriptions	1,523,364	1,315,201	208,163	15.83%	881,711	641,653	72.77%
Office Supplies	23,940	25,820	(1,880)	(7.28%)	34,643	(10,703)	(30.90%)
Telephone	117,780	114,960	2,820	2.45%	98,846	18,934	19.16%
Training and Seminars	113,213	157,175	(43,962)	(27.97%)	63,913	49,300	77.14%
Business and Travel Related	101,697	117,400	(15,703)	(13.38%)	57,669	44,028	76.35%
Hospitality	45,180	58,405	(13,225)	(22.64%)	26,541	18,639	70.23%
Equipment Rental	227,901	451,785	(223,884)	(49.56%)	430,666	(202,765)	(47.08%)
Materials & Supplies	882,500	866,784	15,716	1.81%	720,570	161,930	22.47%
Maintenance Repairs	1,068,050	851,200	216,850	25.48%	925,603	142,447	15.39%
Heating Gas and Oil	456,500	380,100	76,400	20.10%	341,038	115,462	33.86%
Electricity	1,110,800	1,054,050	56,750	5.38%	920,070	190,730	20.73%
Water	169,625	162,944	6,681	4.10%	133,903	35,722	26.68%
Refuse Collection	122,808	88,733	34,075	38.40%	111,790	11,018	9.86%
Uniforms	87,460	83,619	3,841	4.59%	144,015	(56,555)	(39.27%)
Insurance	950,000	834,100	115,900	13.90%	724,189	225,811	31.18%
Real Estate Taxes	153,350	142,450	10,900	7.65%	136,172	17,178	12.61%
Payment in Lieu of Taxes	730,827	730,366	461	0.06%	653,016	77,811	11.92%
Credit Card Fees	262,448	246,510	15,938	6.47%	227,673	34,775	15.27%
Bad Debt Expense	0	0	0	0.00%	0	0	0.00%
Miscellaneous	13,830	13,870	(40)	(0.29%)	87,399	(73,569)	(84.18%)
Total Operating Expenses	<u>\$28,015,000</u>	<u>\$27,676,715</u>	<u>\$338,285</u>	<u>1.22%</u>	<u>\$23,527,653</u>	<u>\$4,487,347</u>	<u>19.07%</u>
Allocated to QC	(\$286,099)	(\$261,528)	(\$24,571)	9.40%	(\$218,436)	(\$67,663)	30.98%
Allocated to Braden	(9,170)	(9,615)	445	(4.63%)	(9,463)	293	(3.10%)
Total Operating Expenses after Allocation	<u>\$27,719,731</u>	<u>\$27,405,572</u>	<u>\$314,159</u>	<u>1.15%</u>	<u>\$23,299,754</u>	<u>\$4,419,977</u>	<u>18.97%</u>

**Lehigh-Northampton Airport Authority
2026/2025/2024 LVIA Expenses**



LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

Queen City Airport and Braden Airpark

Queen City Airport

Net income from operations **decreases \$23,000 (4%)** versus 2025. Operating revenue **increases \$46,000 (138%)**, offset by reduced fuel and labor costs from lower fueling volumes. Expenses also reflect the **scheduled bi-annual airfield runway painting** in 2026.

Braden Airpark

Total revenue **increases \$35,000** versus 2025 due to higher fuel sales and flight school rents. Increased maintenance costs offset some gains, resulting in a **net income increase of \$3,000**. **SpiritWings Aviation** continues to manage day-to-day operations.

Overall

Airport Authority Staff and Board of Governors remain focused on pursuing **non-aeronautical development opportunities** to expand revenue streams at both general aviation airports. Internal administration cost allocations are reviewed annually to ensure alignment with resource usage.

**Lehigh Northampton Airport Authority
Queen City Airport
Budget 2026**

	2026 Budget A	2025 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2024 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
Revenue:							
Hangar & Ramp Rentals	\$611,277	\$587,509	\$23,768	4.05%	\$582,962	\$28,315	4.86%
Fuel Sales-FBO	420,500	536,340	(115,840)	(21.60%)	534,650	(114,150)	(21.35%)
Into Plane Fees-FBO	102,423	99,230	3,193	3.22%	128,650	(26,227)	(20.39%)
Pilot Supplies Sales	0	0	0	0.00%	55	(55)	(100.00%)
Miscellaneous Income	5,948	5,395	553	10.25%	5,998	(50)	(0.83%)
Total Revenue	\$1,140,148	\$1,228,474	(\$88,326)	(7.19%)	\$1,252,315	(\$112,167)	(8.96%)
Cost of Sales:							
Fuel Cost	\$362,200	\$473,767	(111,567)	(23.55%)	\$533,099	-\$170,899	(32.06%)
Labor costs	697,966	721,037	(23,071)	(3.20%)	600,071	97,895	16.31%
Total Cost of Sales	\$1,060,166	\$1,194,804	(\$134,638)	(11.27%)	\$1,133,170	-\$73,004	(6.44%)
Net Operating Revenue	\$79,982	\$33,670	\$46,312	137.55%	\$119,145	(\$39,163)	(32.87%)
Operating Expenses:							
Salaries & Wages	\$19,249	\$34,899	(\$15,650)	(44.84%)	\$36,734	(\$17,485)	(47.60%)
Payroll Taxes	1,416	2,525	(1,109)	(43.92%)	2,579	(1,163)	(45.09%)
Employee Benefits	10,159	18,222	(8,063)	(44.25%)	15,238	(5,079)	(33.33%)
Subtotal	\$30,824	\$55,646	(\$24,822)	(44.61%)	\$54,551	(\$23,727)	(43.50%)
Legal Fees	35,000	35,000	0	0.00%	19,902	15,098	75.86%
Contract Services	49,525	47,840	1,685	3.52%	24,569	24,956	101.58%
Printing	100	100	0	0.00%	0	100	0.00%
Dues & Subscriptions	2,000	2,000	0	0.00%	1,886	114	6.04%
Office Expenses	800	800	0	0.00%	295	505	171.19%
Telephone Expense	3,000	3,000	0	0.00%	3,255	(255)	(7.83%)
Training & Seminars	1,500	2,000	(500)	(25.00%)	990	510	51.52%
Travel & Business Expenses	2,000	2,000	0	0.00%	0	2,000	0.00%
Hospitality	0	1,000	(1,000)	(100.00%)	61	(61)	(100.00%)
Equipment Rental	16,200	12,000	4,200	35.00%	14,297	1,903	13.31%
Materials & Supplies	32,400	31,400	1,000	3.18%	25,279	7,121	28.17%
Maintenance & Repairs	72,000	45,000	27,000	60.00%	45,702	26,298	57.54%
Utilities-Heat	19,400	16,500	2,900	17.58%	10,950	8,450	77.17%
Utilities-Light & Power	29,900	28,000	1,900	6.79%	22,742	7,158	31.47%
Utilities-Water	2,160	2,160	0	0.00%	1,557	603	38.73%
Refuse Services	5,040	4,800	240	5.00%	4,995	45	0.90%
Uniform Purchase & Expense	0	0	0	0.00%	823	(823)	(100.00%)
Real Estate Taxes	71,200	71,200	0	0.00%	71,200	0	0.00%
Miscellaneous Expenses	0	0	0	0.00%	0	0	0.00%
Allocated	286,099	261,528	24,571	9.40%	218,436	67,663	30.98%
Total Operating Expenses	\$666,477	\$597,152	\$69,325	11.61%	\$504,449	\$162,028	32.12%
Net Income (Loss) from Operations	(\$586,495)	(\$563,482)	(\$23,013)	4.08%	(\$385,304)	(\$201,191)	52.22%
NON-OPERATING COSTS:							
Depreciation	\$151,546	\$181,570	(\$30,024)	(16.54%)	\$169,206	(\$17,660)	(10.44%)
Total Non-Operating Costs	\$151,546	\$181,570	(\$30,024)	(16.54%)	\$169,206	(\$17,660)	(10.44%)
Net Income after Depreciation	(\$738,041)	(\$745,052)	\$7,011	(0.94%)	(\$554,510)	(\$183,531)	33.10%

**Lehigh Northampton Airport Authority
Braden Airpark
Budget 2026**

	2026 Budget A	2025 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2024 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
Revenue:							
Hangar & Ramp Rentals	\$141,900	\$110,929	\$30,971	27.92%	\$118,437	\$23,463	19.81%
Fuel Sales-FBO	\$36,200	\$32,181	\$4,019	12.49%	\$37,824	(\$1,624)	(4.29%)
Miscellaneous Income	0	0	0	0.00%	1,376	(1,376)	(100.00%)
Total Revenue	\$178,100	\$143,110	\$34,990	24.45%	\$157,637	\$20,463	12.98%
Cost of Sales:							
Fuel Cost	\$29,666	\$25,500	\$4,166	16.34%	\$29,314	\$352	1.20%
Labor costs	29,079	26,667	2,412	9.04%	24,227	4,852	20.03%
Total Cost of Sales	\$58,745	\$52,167	\$6,578	12.61%	\$53,541	\$5,204	9.72%
Net Operating Revenue	\$119,355	\$90,943	\$28,412	31.24%	\$104,096	\$15,259	14.66%
Operating Expenses:							
Salaries & Wages	\$4,919	\$10,301	(\$5,382)	(52.25%)	\$9,521	(\$4,602)	(48.34%)
Payroll Taxes	362	745	(383)	(51.41%)	664	(302)	(45.48%)
Employee Benefits	2,596	5,379	(2,783)	(51.74%)	6,055	(3,459)	(57.13%)
Subtotal	\$7,877	\$16,425	(\$8,548)	(52.04%)	\$16,240	(\$8,363)	(51.50%)
Professional Fee	96,000	96,000	0	0.00%	96,000	0	0.00%
Legal Fees	3,000	3,000	0	0.00%	1,073	1,927	179.59%
Contract Services	14,829	8,040	6,789	84.44%	3,862	10,967	283.97%
Dues & Subscriptions	450	400	50	12.50%	368	82	22.28%
Telephone Expense	3,900	3,900	0	0.00%	3,542	358	10.11%
Travel & Business Expenses	0	0	0	0.00%	0	0	0.00%
Equipment Rental	4,380	4,476	(96)	(2.14%)	2,817	1,563	55.48%
Materials & Supplies	10,000	5,000	5,000	100.00%	2,089	7,911	378.70%
Maintenance & Repairs	10,000	10,000	0	0.00%	15,061	(5,061)	(33.60%)
Utilities-Heat	9,750	10,000	(250)	(2.50%)	1,733	8,017	462.61%
Utilities-Light & Power	11,500	10,000	1,500	15.00%	8,751	2,749	31.41%
Utilities-Water	3,300	2,800	500	17.86%	2,154	1,146	53.20%
Refuse Services	1,200	1,152	48	4.17%	1,092	108	9.89%
Miscellaneous Expenses	3,000	3,000	0	0.00%	3,000	0	0.00%
Allocated	9,170	9,615	(445)	(4.63%)	9,463	(293)	(3.10%)
Total Operating Expenses	\$200,636	\$175,260	\$25,376	14.48%	\$161,687	\$38,949	24.09%
Net Income (Loss) from Operations	(\$81,281)	(\$84,317)	\$3,036	(3.60%)	(\$57,591)	(\$23,690)	41.13%
NON-OPERATING COSTS:							
Depreciation	89,940	87,096	2,844	3.27%	85,490	4,450	5.21%
Total Non-Operating Costs	\$89,940	\$87,096	\$2,844	3.27%	\$85,490	\$4,450	5.21%
Net Income after Depreciation	(\$171,221)	(\$171,413)	\$192	(0.11%)	(\$143,081)	(\$28,140)	19.67%

Personnel Overview

The **2026 Budget includes 239 FTEs**, representing an increase of **2 FTEs** compared to the 2025 year-to-date average (237), and a **decrease of 3 FTEs** compared to the 2025 Budget. Staffing levels reflect stabilization following post-pandemic rebuilding efforts. Personnel costs account for **over 67%** of total expenses.

There are **no significant departmental variances** compared to 2025; adjustments reflect operational needs and technology improvements.

LNAA Full Time Equivalents (FTEs) and Full-Time Employees (FT)

Description	Period	FTEs	% vs. 2024 Actual	FT EEs	% vs. 2024 Actual	Total EES	% vs. 2024 Actual
Budget	2026	239	4.8%	165	8.6%	345	16.6%
Budget	2025	242	6.1%	167	9.9%	348	17.6%
Budget	2024	239	4.8%	166	9.2%	342	15.5%
Budget	2023	229	0.4%	162	6.6%	318	7.4%
Budget	2022	234	2.6%	155	2.0%	318	7.4%
Actual	25-Oct-25	228	0.0%	156	2.6%	300	1.4%
Actual	29-Oct-24	232	1.8%	153	0.7%	300	1.4%
Actual	31-Oct-23	230	0.9%	153	0.7%	293	-1.0%
Actual	1-Nov-22	206	-9.6%	148	-2.6%	272	-8.1%
Actual YTD*	2025	237	3.9%	155	2.0%	303	2.4%
Actual	2024	228	0.0%	152	0.0%	296	0.0%
Actual	2023	220	-3.5%	149	-2.0%	283	-4.4%
Actual	2022	205	-10.1%	143	-5.9%	265	-10.5%

*YTD Average through 10/24/25

**All Results Compared to 2024 Actual.

FTEs by Department vs. 2025 Budget

Department	2026 Budget (A)	YTD Average (B)*	2025 Budget (A)	Variance (A-B)	% Variance (A vs. B)	Variance (A-C)	% Variance (A vs. C)
Advertising	0.7	1.0	0.7	(0.3)	-30%	0.0	0.0%
ARFF **	10.3	10.5	9.8	(0.2)	-2%	0.5	5.1%
Aviation Services- FBO	34.6	33.1	32.8	1.5	5%	1.8	5.5%
Aviation Services- QC	9.1	9.4	9.1	(0.3)	-3%	0.0	0.0%
Aviation Services-Braden	0.3	0.0	0.3	0.3	N/A	0.0	0.0%
Business Development	2.3	2.0	2.3	0.3	15%	0.0	0.0%
Custodial	15.0	14.3	14.5	0.7	5%	0.5	3.4%
Customer Experience	5.8	4.6	5.7	1.2	26%	0.1	1.8%
Executive Board	2.0	2.0	2.0	0.0	0%	0.0	0.0%
Finance	7.4	6.4	7.2	1.0	16%	0.2	2.8%
Ground Handling -LV	39.9	41.2	40.0	(1.3)	-3%	(0.1)	-0.3%
HR	3.5	3.2	3.5	0.3	9%	0.0	0.0%
IT	5.0	5.0	6.0	0.0	0%	(1.0)	-16.7%
Maintenance	30.3	29.5	30.3	0.8	3%	0.0	0.0%
Marketing	0.0	1.0	1.0	(1.0)	-100%	(1.0)	-100.0%
Operations Admin.	6.0	6.5	6.5	(0.5)	-8%	(0.5)	-7.7%
Operations Center	9.3	8.3	9.3	1.0	12%	0.0	0.0%
Operations Officers	6.7	6.1	5.7	0.6	10%	1.0	17.5%
Parking	4.0	4.4	4.8	(0.4)	-9%	(0.8)	-16.7%
Passenger Services/Shuttle Bus	23.3	23.1	24.0	0.2	1%	(0.7)	-2.9%
Planning	3.0	3.2	4.0	(0.2)	-6%	(1.0)	-25.0%
Police	13.3	14.6	13.3	(1.3)	-9%	0.0	0.0%
Properties	2.3	2.1	2.3	0.2	10%	0.0	0.0%
Purchasing	4.0	4.0	4.5	0.0	0%	(0.5)	-11.1%
Grand Total	238.1	235.5	239.6	2.6	1.1%	-1.5	-0.6%
*YTD Average through 10/24/25							
**Dept FTE Based on 56 Hours for ARFF							

**Lehigh-Northampton Airport Authority
Cash Flow Projection**

a	Year	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026
b	Month	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTALS	
c	Beginning Cash	\$ 32,338,802	\$ 30,945,674	\$ 29,400,027	\$ 29,457,023	\$ 27,820,107	\$ 27,527,961	\$ 26,017,431	\$ 24,987,254	\$ 24,770,545	\$ 23,821,226	\$ 24,985,148	\$ 24,313,264	\$ 32,338,802	
1	Estimated Operating Revenues	\$ 3,226,172	\$ 3,581,367	\$ 3,656,099	\$ 3,762,898	\$ 3,756,178	\$ 3,634,544	\$ 3,608,452	\$ 3,782,851	\$ 3,661,549	\$ 3,311,544	\$ 3,872,291	\$ 3,746,114	\$ 43,600,059	
2	Oper. Expenses & COS Labor	\$ (3,003,791)	\$ (2,739,031)	\$ (2,866,163)	\$ (3,004,021)	\$ (2,708,197)	\$ (2,668,007)	\$ (2,938,122)	\$ (2,669,164)	\$ (2,721,613)	\$ (2,766,239)	\$ (4,299,015)	\$ (3,181,289)	\$ (35,564,652)	
3	Queen City Income (Loss)	\$ (44,075)	\$ (110,630)	\$ (46,228)	\$ (56,327)	\$ (36,757)	\$ (59,791)	\$ (40,045)	\$ (32,124)	\$ (36,801)	\$ (33,091)	\$ (31,322)	\$ (59,303)	\$ (586,494)	
4	Braden Airpark Income (Loss)	\$ (12,570)	\$ (8,756)	\$ (7,140)	\$ (6,170)	\$ (5,091)	\$ (7,519)	\$ (5,897)	\$ (7,155)	\$ (5,762)	\$ (3,282)	\$ (4,405)	\$ (7,534)	\$ (81,281)	
5	Event (Loss) - Reported in Oper Exp in 2026													\$ -	
6	Net Interest	\$ 45,000	\$ 60,000	\$ 45,000	\$ 45,000	\$ 60,000	\$ 45,000	\$ 45,000	\$ 60,000	\$ 45,000	\$ 45,000	\$ 60,000	\$ 45,000	\$ 600,000	
7	Debt Service -2025 Bonds	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (336,090)	\$ (4,033,080)	
8	Debt Service -Hangar 11	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (57,482)	\$ (689,784)	
9	Debt Service -Connector	\$ (111,770)	\$ (111,533)	\$ (111,297)	\$ (111,060)	\$ (110,823)	\$ (110,587)	\$ (110,350)	\$ (110,113)	\$ (109,877)	\$ (109,640)	\$ (109,403)	\$ (109,167)	\$ (1,325,620)	
10	Est. Add. Debt Service - Garage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Airline Settlement							\$ (500,000)						\$ (500,000)	
12	Lease Reimbursements			\$ 500,000										\$ 500,000	
13	PFC Receipts	\$ 140,000	\$ 140,000	\$ 180,000	\$ 170,000	\$ 170,000	\$ 165,000	\$ 180,000	\$ 160,000	\$ 175,000	\$ 160,000	\$ 160,000	\$ 150,000	\$ 1,950,000	
14	CFC Funds	\$ 23,000	\$ 21,000	\$ 25,000	\$ 25,000	\$ 28,000	\$ 33,000	\$ 36,000	\$ 35,000	\$ 32,000	\$ 33,000	\$ 28,000	\$ 27,000	\$ 346,000	
	Funds Available before Capital Purchases, Lease Payments, & Grant Receipts	\$ 32,207,196	\$ 31,384,519	\$ 30,381,726	\$ 29,888,771	\$ 28,579,844	\$ 28,166,030	\$ 25,898,897	\$ 25,812,976	\$ 25,416,469	\$ 24,064,946	\$ 24,267,722	\$ 24,530,513	\$ 36,553,950	
	CIP Cash Flow Items:														
16	Lease Payments	\$ (43,430)	\$ (127,572)	\$ (43,430)	\$ (33,744)	\$ (117,886)	\$ (33,744)	\$ (33,744)	\$ (117,886)	\$ (33,744)	\$ (33,744)	\$ (117,886)	\$ (33,744)	\$ (770,553)	
17	Capital Purchases/Local Contributions	\$ (2,258,093)	\$ (2,846,920)	\$ (1,558,093)	\$ (3,293,423)	\$ (4,811,358)	\$ (5,203,880)	\$ (5,277,972)	\$ (3,382,087)	\$ (3,971,716)	\$ (2,545,144)	\$ (3,051,293)	\$ (3,055,299)	\$ (41,255,278)	
18	New Properties						(400,000)							\$ (400,000)	
19	FAA/PA Grant Receipts	1,040,000	990,000	676,819	1,258,503	3,877,361	3,489,025	4,400,073	2,457,542	2,410,216	3,499,091	3,214,721	2,665,117	\$ 29,978,468	
20	Subtotal CIP	\$ (1,261,522)	\$ (1,984,492)	\$ (924,704)	\$ (2,068,664)	\$ (1,051,883)	\$ (2,148,599)	\$ (911,643)	\$ (1,042,432)	\$ (1,595,244)	\$ 920,203	\$ 45,542	\$ (423,926)	\$ (12,447,363)	
21	Ending Cash Before Special Cares Grants	\$ 30,945,674	\$ 29,400,027	\$ 29,457,023	\$ 27,820,107	\$ 27,527,961	\$ 26,017,431	\$ 24,987,254	\$ 24,770,545	\$ 23,821,226	\$ 24,985,148	\$ 24,313,264	\$ 24,106,587	\$ 24,106,587	
22	Special Cares Acts Grants														
23	Ending Cash After Cares Act Grant (21+22)	\$ 30,945,674	\$ 29,400,027	\$ 29,457,023	\$ 27,820,107	\$ 27,527,961	\$ 26,017,431	\$ 24,987,254	\$ 24,770,545	\$ 23,821,226	\$ 24,985,148	\$ 24,313,264	\$ 24,106,587		
	Reserves and Restrictions:														
24	AIP/Other Restricted Use Only	\$ 3,591,155	\$ 3,591,155	\$ 3,500,700	\$ 3,500,700	\$ 3,500,700	\$ 3,410,244	\$ 3,410,244	\$ 3,410,244	\$ 3,319,789	\$ 3,319,789	\$ 3,319,789	\$ 3,229,334		
25	Unrestricted Cash Before Reserves (24-23)	\$ 27,354,519	\$ 25,808,872	\$ 25,956,323	\$ 24,319,407	\$ 24,027,262	\$ 22,607,186	\$ 21,577,009	\$ 21,360,300	\$ 20,501,436	\$ 21,665,359	\$ 20,993,475	\$ 20,877,253		
26	Required O&M (Bond) Cash Reserve	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000	\$ 4,780,000		
27	Renewal and Replacement Reserve	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000		
28	Contingency Reserve	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000	\$ 1,440,000		
29	2019 (60 Day) Reserve	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000	\$ 4,720,000		
30	2024 Additional Reserve (to get to 180)	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000		
31	Unrestricted Cash After Contingency & Future Debt Service (25-26-27-28-29-30)	\$ 13,214,519	\$ 11,668,872	\$ 11,816,323	\$ 10,179,407	\$ 9,887,262	\$ 8,467,186	\$ 7,437,009	\$ 7,220,300	\$ 6,361,436	\$ 7,525,359	\$ 6,853,475	\$ 6,737,253		
32	Unrestricted Ending Days Cash on Hand After Contingency @ \$78,535/day	168	149	150	130	126	108	95	92	81	96	87	86		

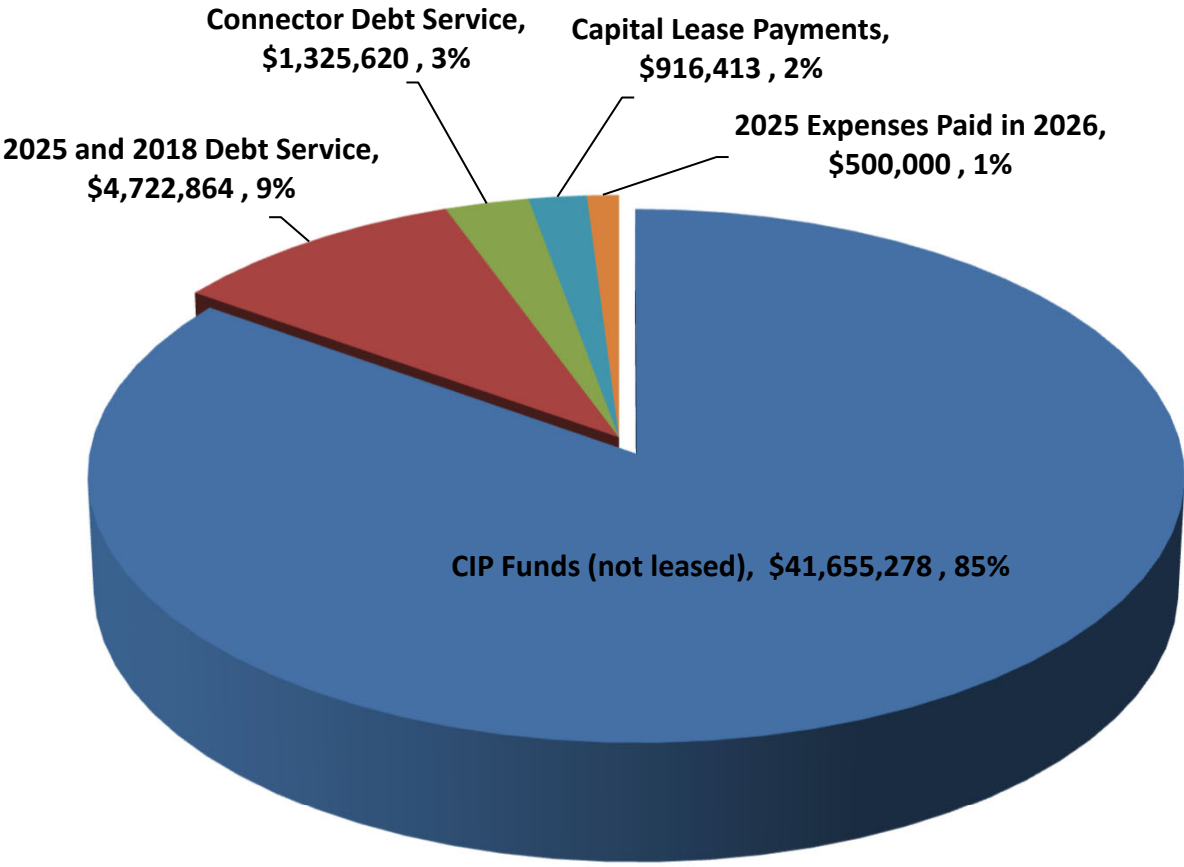
Notes to Items:

- 1 Estimated Revenue
- 2 Estimated Operating Expenses and Cost of Sales
- 7 Debt Service for 2025 Bonds with BMO Harris.
- 8 Debt Service for 2018 Hangar 11 Bonds with BMO Harris.
- 9 Debt Service 2021 -Connector Consortium
- 10 Estimated Additional Monthly Debt Serve for New Debt Related to Parking Garage
- 11 (Payment)/Credit from Airlines for prior year results for Airfield, Terminal, & Apron
- 12 Lease Line of Credit is reimbursed in minimum increments of \$250K
- 16 Lease Payments include capital items for the Constellation Energy Project and use of the various Lease Lines of Credit
- 22 All Federal Relief Funds have been exhausted as of February 2025
- 26 Bond Cash Requirement must be met on 12/31 of every year; Bond Cash Reserve = 1/6 of Annual Budgeted Expenses
- 27 \$500K Reserve for Major Replacements, Reconstruction, or Repairs of Airport Facilities
- 28 Contingency reserve 5% of budgeted expenses.

Other Notes:

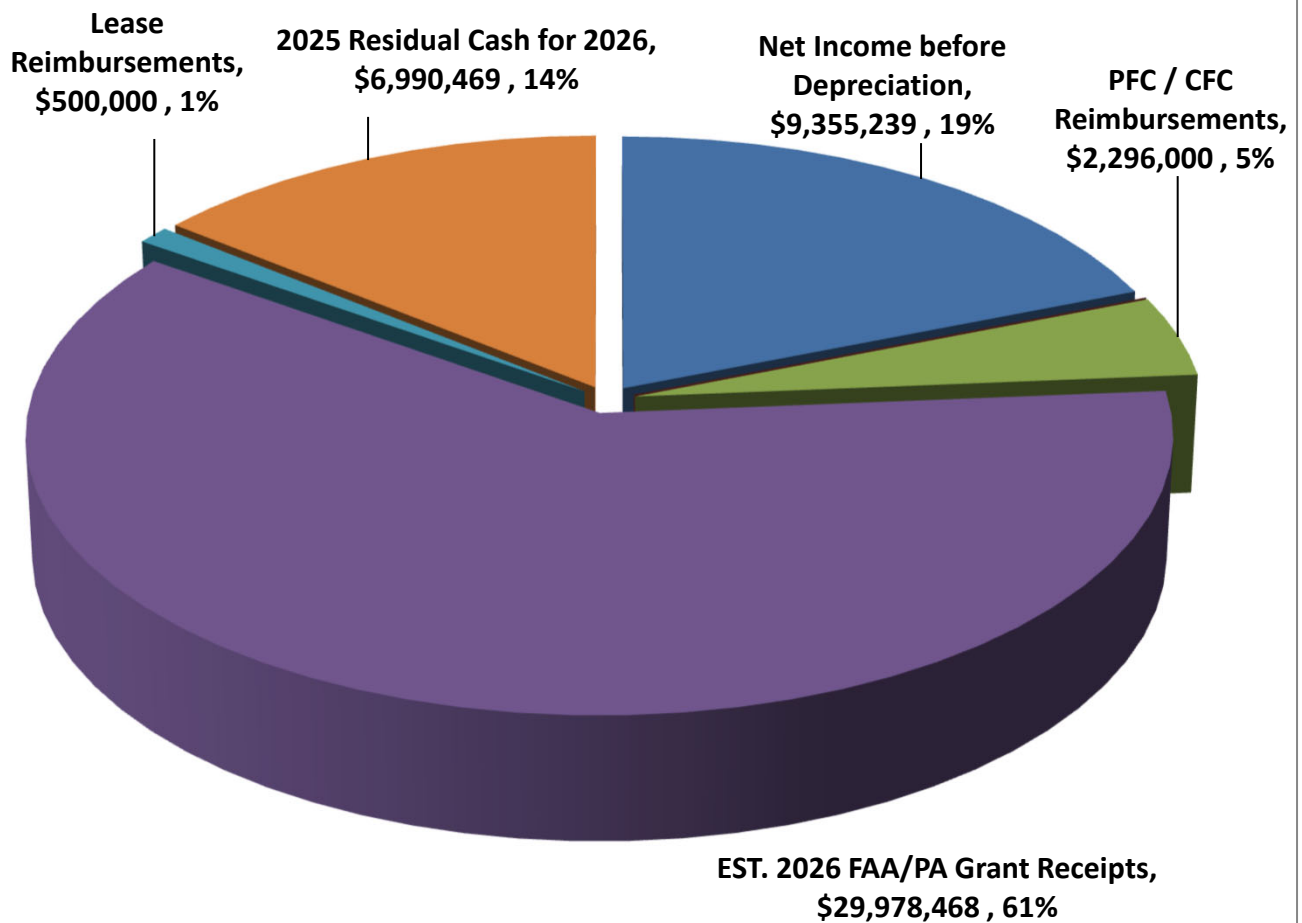
- A Bank Lines of Credit are not shown on exhibit but may be potential sources of Cash
- B Net Changes to Receivables and Payables assumed to be zero.

Lehigh-Northampton Airport Authority 2026 Uses of Cash



Total Capital Resources: 49,120,176

Lehigh-Northampton Airport Authority 2026 Cash Sources



Total Available Cash: \$49,120,176



Lehigh Valley International Airport
Queen City Airport
Braden Airpark

EXHIBITS A - B 2026 CAPITAL IMPROVEMENT PROGRAM (CIP)

LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

2026 CAPITAL IMPROVEMENT PROGRAM (CIP) SUMMARY

Entering 2026, the Lehigh-Northampton Airport Authority (LNAA) continues to prioritize its Capital Improvement Program (CIP), reflecting a sustained commitment to investing in and revitalizing the most critical element of our long-term success: infrastructure.

The CIP remains central to LNAA's mission of maintaining the highest levels of safety, security, and customer service across all three airports — Lehigh Valley International Airport (ABE), Queen City Municipal Airport (XLL), and Braden Airpark (N43).

The LNAA has maintained a vigilant focus on financial sustainability while advancing essential infrastructure improvements. In 2026, the Authority will continue to invest in strategic projects designed to preserve existing assets, address capacity and demand needs, and support future growth and revenue opportunities — all while achieving a **10% reduction in the LNAA share** compared to the 2025 CIP budget.

The 2026 CIP budget presentation emphasizes the Authority's major capital priorities. All projects are consolidated in **Exhibit A**, which details Federal Aviation Administration (FAA) grant projects, Pennsylvania Department of Transportation (PennDOT) Bureau of Aviation grant projects, and other grant-funded initiatives, along with LNAA's major non-grant projects and cumulative departmental expenditures.

The **total 2026 capital program** is budgeted at **\$41,719,985**, with the **LNAA share totaling \$15,367,207**. Based on project schedules and anticipated grant reimbursements, the **2026 cash requirement** for LNAA's share is **\$12,447,363**, supported by **\$29,978,468 in grant funds** for ongoing and planned projects.

Four major multi-phase projects, funded through FAA, DOT, and State programs, comprise the majority of the 2026 CIP — a combined total of **\$29,599,408** (with an **LNAA share of \$4,401,630**), as shown in Exhibit A.

Each project includes appropriate contingencies — averaging **10%** — which are built into the **2026 Budgeted Cash Flow**. The Cash Flow reflects the latest project schedules and realistic completion timeframes. **Exhibit B** outlines departmental projections, ensuring that the most critical components of the Airport System are prioritized and that resources are managed efficiently across six general categories.

Finally, **Years 2–5 (2027–2030)** of the five-year forecast CIP have been streamlined for clarity and are summarized in **Exhibit C**. These projections include both ongoing and anticipated future projects, providing an early outlook of total project costs and the LNAA share. Future year estimates are subject to adjustment based on actual cash flow, grant receipts, and evolving infrastructure priorities.



**CAPITAL IMPROVEMENT PROGRAM
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
EXHIBIT A: 2026 PROJECTS**

2026 Budgeted Capital Improvements		Total Program Cost	2026 Project Cost	Professional Services	LNAA Share	Contingency
FAA & STATE GRANT PROJECTS						
LEHIGH VALLEY INTERNATIONAL AIRPORT (ABE)						
1a	FAA AIP 117-2022: Rehabilitate Runway 6/24 - Phase X (Cons)	\$16,467,889	\$3,521,550	\$141,000	\$0	\$352,155
1b	FAA AIP 120-2023: Rehabilitate Runway 6/24 - Phase XI (Construct Taxiway Fillets)	\$5,541,339	\$4,371,270	\$405,000	\$218,371	\$437,127
2a	FAA AIP 121-2024: Rehabilitate Taxiway A PH.I (Base Bid & CM)	\$6,189,923	\$398,043	\$1,576,800	\$0	\$39,804
2b	FAA BIL 122-2024: Rehabilitate Taxiway A PH.II (Add Alt.1 & Design)	\$4,581,089	\$2,453,276	\$376,117	\$248,242	\$245,328
2c	FAA AIP 124-2025: Rehabilitate Taxiway A PH.III (Construction)	\$10,073,796	\$3,357,932	\$365,000	\$1,762,914	N/A
3a	FAA AIP 125-2025: NLCC Parallel Taxiway D PH.II (Construction)	\$15,737,830	\$13,114,858	\$1,311,486	\$2,025,978	\$1,311,486
3b	DOT INFRA: NLCC - PH.I/II (Design/Cons.) - Apron, Access Road, & VSR	\$2,484,032	\$746,125	\$916,000	\$146,125	\$74,613
4	State: Rehabilitate & Realign Terminal Roadways PH.II (Construction)	\$2,985,714	\$1,636,354	\$725,517	\$0	\$163,635
	ABE Grant Projects Sub-Total	\$64,177,580	\$29,599,408	\$5,816,920	\$4,401,630	\$2,624,148
QUEEN CITY AIRPORT (XLL)						
5	FAA: Shift Taxiway A - PH.I (Design)	\$800,000	\$533,333	\$158,500	\$353,333	N/A
	Queen City Grant Projects Sub-Total	\$800,000	\$533,333	\$158,500	\$353,333	\$0
BRADEN AIRPARK (N43)						
6	State: Construct Runway Edge Lighting - PH.II (Construction)	\$1,300,000	\$1,176,592	\$130,687	\$201,592	N/A
	Braden Airpark Grant Projects Sub-Total	\$1,300,000	\$1,176,592	\$130,687	\$201,592	\$0
7	TOTAL FOR GRANT PROJECTS	\$66,277,580	\$31,309,333	\$6,106,107	\$4,956,555	\$2,624,148
MAJOR NON-GRANT PROJECTS						
8	Construct Parking Garage / Pedestrian Walkway - PH.I/II (Design & Construction)	\$55,000,000	\$1,979,537	\$2,823,146	\$1,979,537	N/A
9	Terminal Modernization / ADA Improvements - PH.I/II (Design & Construction)	\$1,750,000	\$834,527	\$360,000	\$834,527	N/A
10	ABE, XLL, N43 Miscellaneous Pavement Rehabilitation / Repairs / Crack Sealing	\$6,000,000	\$2,668,762	\$120,000	\$2,668,762	N/A
11	Hangar 7 Door Rehabilitation - PH.II (Construction)	\$2,279,800	\$1,065,243	\$150,000	\$1,065,243	\$40,000
12	AHU-1 Chiller Tower Repairs & Replacement (Unit, Roof, Walls) - PH.I (Design)	\$300,000	\$300,000	\$40,000	\$300,000	N/A
13	Replace Maintenance Facility Fuel Tanks - PH.I (Design)	\$250,000	\$208,333	\$250,000	\$208,333	N/A
14	Renovate Former TSA Offices for IT Department - PH.II (Construction)	\$190,000	\$108,750	\$20,000	\$108,750	N/A
15	Renovate Car Rental Counters - PH.I (Design)	\$300,000	\$300,000	\$300,000	\$300,000	N/A
16	Property Acquisitions	\$400,000	\$400,000	N/A	\$400,000	N/A
19	TOTAL MAJOR NON-GRANT PROJECTS	\$66,469,800	\$7,865,152	\$4,063,146	\$7,865,152	\$40,000
DEPARTMENTAL EXPENSES						
20	Cumulative Department Spending		\$2,545,500	N/A	\$2,545,500	N/A
21	TOTAL FOR DEPARTMENTAL EXPENSES		\$2,545,500	\$0	\$2,545,500	\$0
2026 TOTAL CAPITAL SPEND			\$41,719,985	\$10,169,253	\$15,367,207	\$2,664,148
CASH FLOW ADJUSTMENTS						
22	Capital Lease Payments		(\$770,553)		(\$770,553)	
23	2026 Grant Funding Receipts Associated with 2025 LNAA Share		\$1,476,399		(\$2,149,291)	
24	TOTAL CASH FLOW ADJUSTMENTS		\$705,846		(\$2,919,844)	
25	2026 CASH NEEDED FOR CIP		\$42,425,831		\$12,447,363	

- Notes:
- 2026 Project Cost Includes Professional Services, Grant Funding Expenditures, LNAA Share Expenditures, and Contingency values.
 - Capital Lease Payments (Line 22 above) is shown on Line 18 of Cash Flow Projection Exhibit.
 - 2026 Cash Needed for CIP (Line 25 above) is shown on Line 22 of the Cash Flow Projection Exhibit.
 - 2026 CIP was developed utilizing the 2026 Cash Flow and ideal project timelines to determine timing of grant receipts and project payouts.
 - The difference between Total Cost and LNAA Share is from FAA, PennDOT, CFC, PFC, and any other funding source required to complete the project.
 - To manage Cash Flow, all projects are fiscally constrained to ensure the monthly Cash Flow can support ongoing projects and upcoming invoices/contractor pay requests.
 - Projects listed with a PH (Phase) include design and construction continuing into 2026 and beyond. Total Program Cost (including design) is depicted for reference.
 - All Grant/Major construction projects depict the full program cost; which includes consultant fees & design (professional services), construction, construction management, as well as a total project contingency. Both professional services and project contingencies are depicted when known; otherwise are shown as the industry standard of 10% of total project cost.



**CAPITAL IMPROVEMENT PROGRAM
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
EXHIBIT B: 2026 DEPARTMENTAL PROJECTS**

Ref#	Project Title	Overall Cost	Department	Priority Rating	Legend	
					1	OPERATION CRITICAL
1	Terminal Improvements	\$1,190,500			2	REGULATORY
1a	Rehabilitate Main Terminal 3rd Floor Elevator		Operations & Safety	1	3	HIGH
1b	Replace Chiller & HVAC Controls		Maintenance	1		
1c	Misc. Passenger Boarding Bridge Repairs		Maintenance	1		
1d	Replace Switchgear HMI & Software		Maintenance	1		
1e	Replace Baggage Belt West HMI		IT	1		
1f	Replace Air Carrier Ramp Lighting		Maintenance	1		
1g	Replace Main Terminal Vestibules 1st Floor		Operations & Safety	2		
1h	Replace Terminal Scales: Phase 1		Commercial Services	3		
1i	Replace Carpet in 2nd Floor Main Terminal Vestibules		Maintenance	3		
2	Replace Misc. IT and Communications Equipment	\$525,000				
2a	Replace Network Switches & Sensors		IT	1		
2b	Upgrade Police Radio System		Operations & Safety	1		
2c	Replace Security Cameras		IT	1		
2d	Replace Desktops/Laptops		IT	3		
2e	Replace Radios		IT	3		
2f	Replace Phones		IT	3		
2g	Upgrade Operations Center Console		Operations & Safety	3		
3	LNAA Facility Improvements & Repairs	\$204,000				
3a	Replace Bank Property Roof (2355 City Line Road)		Maintenance	1		
3b	Hangar 7 Generator Transfer Auto Switch		Maintenance	1		
3c	Generator Transfer Switch for Hangar Doors		Maintenance	1		
3d	Replace Gate Operator at XLL terminal		XLL	1		
4	LNAA Vehicles & Misc. Equipment	\$200,000				
4a	Replace Operations Vehicle		Operations & Safety	1		
4b	Replace ARFF Bunker Gear		Operations & Safety	1		
4c	Acquire Skid Steer Track Loader		Maintenance	3		
4d	Acquire Staxi Wheelchairs		Commercial Services	3		
4e	Replace Snow Removal Push Box		Maintenance	3		
5	Air Carrier Support Equipment	\$226,000				
5a	Replace PC Air Units: Phase 1		Commercial Services	1		
5b	Acquire Deice Vehicle Suppression Systems		Commercial Services	1		
5c	Repair Aircraft Tug Hub Assembly		FBO	1		
5d	Replace Belt-Loader		Commercial Services	3		
Unforeseen Capital Contingency		\$200,000	Executive Board	1		
TOTAL 2026 LNAA BUDGETED COST		\$2,545,500				

NOTES			
2026 Cumulative Department Spending (Exhibit A)	Rating		Cost
	\$2,545,500	1	OPERATION CRITICAL
2		REGULATORY	\$400,000
3		HIGH	\$336,000



Lehigh Valley International Airport
Queen City Airport
Braden Airpark

EXHIBIT C PROJECTED CIP YEARS 2027-2030



**CAPITAL IMPROVEMENT PROGRAM
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
EXHIBIT C: 2027-2030**

2027-2030 Projected Capital Improvements			Total Project Cost	2027	2028	2029	2030	
				LNAA Share				
#	FAA & STATE GRANT PROJECTS							
	LEHIGH VALLEY INTERNATIONAL AIRPORT							
1	FAA: Rehabilitate Taxiway A	PH.IV-VII (Construction)	\$31,000,000	\$200,000	\$200,000	\$200,000	\$200,000	
2	FAA: Elevated Terminal Walkway	PH.II (Construction)	\$5,300,000	\$132,000	\$0	\$0	\$0	
3	FAA: Rehabilitate Air Carrier Apron	PH.I-II (Design/Construction)	\$3,300,000	\$17,000	\$64,000	\$0	\$0	
4	FAA: Reconstruct Hangar 9 Apron	PH.I-II (Design/Construction)	\$3,200,000	\$8,000	\$71,000	\$0	\$0	
5	FAA: Expand Hangar 9 Apron	PH.I-II (Design/Construction)	\$2,000,000	\$8,000	\$0	\$42,000	\$0	
6	FAA: Acquire (2) SRE Multi-Purpose Plows	Equipment	\$1,800,000	\$45,000	\$0	\$0	\$0	
7	FAA: Rehabilitate Runway 13-31	PH.I (Design)	\$1,400,000	\$0	\$0	\$36,000	\$0	
8	FAA: Acquire (1) ARFF Truck	Equipment	\$1,100,000	\$0	\$26,000	\$0	\$0	
9	FAA: Airport Master Plan Update	(Design)	\$630,000	\$0	\$16,000	\$0	\$0	
10	FAA: Rehabilitate Hangar 2/3 Apron	PH.I (Design)	\$530,000	\$0	\$0	\$13,000	\$0	
11	State: New Terminal Entrance & Roadway	PH.I-III (Design/Construction)	\$15,000,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	
12	LVIA Grant Projects Sub-Total		\$65,260,000	\$1,910,000	\$1,877,000	\$1,791,000	\$1,700,000	
	QUEEN CITY AIRPORT							
13	FAA: Shift Taxiway A	PH.II-IV (Construction)	\$10,000,000	\$63,000	\$63,000	\$63,000	\$63,000	
14	FAA: Acquire & Install AWOS	Equipment	\$167,000	\$4,200	\$0	\$0	\$0	
15	State: Construct Hangars (T & Box Type)	PH.I-II (Design/Construction)	\$4,600,000	\$0	\$432,000	\$1,850,000	\$0	
16	State: Terminal Improvements & Expansion	PH.I-II (Design/Construction)	\$4,000,000	\$0	\$0	\$0	\$1,000,000	
17	State: Construct Fuel Farm	PH.I-III (Design/Construction)	\$3,600,000	\$0	\$600,000	\$600,000	\$600,000	
18	Queen City Grant Projects Sub-Total		\$22,367,000	\$67,200	\$1,095,000	\$2,513,000	\$1,663,000	
	BRADEN AIRPARK							
19	State: Construct T-Hangars	PH.I-III (Design/Construction)	\$3,000,000	\$0	\$150,000	\$675,000	\$675,000	
20	Braden Airpark Grant Projects Sub-Total		\$3,000,000	\$0	\$150,000	\$675,000	\$675,000	
21	TOTAL FOR GRANT PROJECTS		\$90,627,000	\$1,977,200	\$3,122,000	\$4,979,000	\$4,038,000	
	MAJOR NON-GRANT PROJECTS							
22	Construct Parking Garage / Pedestrian Walkway	PH.III-IV (Construction)	\$55,000,000	\$8,750,000	\$8,750,000	\$8,750,000	\$8,750,000	
23	ABE, XLL, N43 Miscellaneous Pavement Rehabilitation / Repairs / Crack Sealing		\$4,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
24	Terminal Improvements / Gate Expansion	PH.I-III (Design/Construction)	\$3,700,000	\$700,000	\$1,500,000	\$1,500,000	\$0	
25	Replace Maintenance Facility Fuel Tanks	PH.II-III (Construction)	\$2,000,000	\$1,000,000	\$1,000,000	\$0	\$0	
26	N43 Misc. Hangar Repairs	PH.I-II (Design/Construction)	\$350,000	\$350,000	\$0	\$0	\$0	
27	TOTAL MAJOR NON-GRANT PROJECTS		\$65,050,000	\$11,800,000	\$12,250,000	\$11,250,000	\$9,750,000	
	DEPARTMENTAL EXPENSES							
28	Cumulative Department Spending		\$10,000,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	
29	TOTAL FOR DEPARTMENTAL EXPENSES		\$10,000,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	
30	Sub-Total (2027-2030)		\$165,677,000	\$16,277,200	\$17,872,000	\$18,729,000	\$16,288,000	
31	5-YEAR GRAND TOTAL (2026-2030)		\$208,102,831				\$81,613,563	

* 5-Year Grand Total Includes amounts shown on Exhibit A



**Lehigh Valley International Airport
Queen City Airport
Braden Airpark**

APPENDIX A

TABLE 1
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
OPERATING EXPENSES

Operating Expenses	Budget 2026	Budget 2025
Salaries and Wages	\$ 11,354,558	\$ 10,868,299
Payroll Taxes	861,252	818,312
Employee Benefits	4,530,572	4,444,434
Subtotal - Personnel Costs	\$ 16,746,382	\$ 16,131,045
Professional Services	793,693	779,602
Legal Services	336,300	371,100
Audit and Financial Services	100,600	93,800
Public Relations	152,350	142,550
Contract Services	1,426,066	2,111,046
Advertising Expense	499,800	497,000
Recruiting Expense	42,000	48,000
Printing	7,750	9,450
Postage	5,550	5,700
Dues and Subscriptions	1,525,814	1,317,601
Office Supplies	24,740	46,060
Telephone	124,680	121,860
Training and Seminars	114,713	159,175
Business and Travel Related	103,697	119,400
Hospitality	45,180	39,965
Equipment Rental	248,481	468,261
Materials & Supplies	924,900	903,184
Maintenance Repairs	1,150,050	906,200
Heating Gas & Oil	485,650	406,600
Electricity	1,152,200	1,092,050
Water	175,085	167,904
Refuse Collection	129,048	94,685
Uniforms	87,460	83,619
Insurance	950,000	834,100
Real Estate Taxes	224,550	213,650
Payment in Lieu of Taxes	730,827	730,366
Credit Card Fees	262,448	246,510
Bad Debt Expense	-	-
Miscellaneous	16,830	16,870
Subtotal Other Operating Expenses	\$ 11,840,462	\$ 12,026,308
LESS: Federal Funds Applied to O&M	\$ -	\$ (2,415,013)
Total Operating Expenses ¹	\$ 28,586,844	\$ 25,742,340
COST OF SALES - NOT ALLOCATED		
Cost of Sales - Aviation Services	7,070,987	6,877,189
Cost of Sales - GA Airports	1,118,911	1,246,936
Subtotal Cost of Sales	\$ 8,189,898	\$ 8,124,125
Total Operating Expenses and COS	\$ 36,776,742	\$ 33,866,465
Total Operating Expense Allocation		
Airfield	6,764,012	6,592,188
Terminal	9,617,566	9,296,974
Parking and Roadways	1,560,615	1,589,757
Aviation Leased Areas	834,043	702,338
Non-Aviation Leased Areas	313,012	315,538
Aviation Services	2,997,328	3,294,205
GA Airports	867,113	769,933
Advertising	186,822	208,272
Administration	5,446,334	5,388,148
Federal Relief Funds Applied to O&M	-	(2,415,013)
Total Operating Expenses ¹	\$ 28,586,844	\$ 25,742,340

Source: Authority Management.

¹ GA Airport expenses included in this total.

TABLE 2
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
OPERATING REVENUES

OPERATING REVENUE	Budget 2026	Budget 2025
Airfield:		
Landing Fees	\$ 7,232,465	\$ 5,969,093
Apron Parking Fees	1,113,654	1,066,698
Bus Parking Fees	151,928	488,071
Security	90,107	90,904
Total Airfield Fees	\$ 8,588,154	\$ 7,614,765
Terminal:		
Airline Rent	\$ 6,943,919	\$ 6,214,007
Passenger Support Services	1,090,840	1,104,235
Concession& Other Rents ¹	874,582	767,165
Rental Cars	1,943,360	2,009,041
Restaurant/Newsstand	654,118	555,942
Other	33,698	45,789
Utility Fees & Other	33,000	30,000
Total Terminal Rents	\$ 11,573,517	\$ 10,726,179
Parking & Roadways	7,636,059	7,501,254
Aviation Leased Areas:		
Hangar 1 Rental	73,830	71,262
Hangar 2 Rental	71,967	43,734
Hangar 3 Rental	535,820	409,791
Hangar 5 Rental	28,873	27,914
Hangar 7 Rental	455,419	400,239
Hangar 8 Rental	343,574	358,540
Hangar 9 Rental	978,723	947,460
Hangar 10 Rental	687,502	663,479
Hangar 11 Rental	997,710	963,180
T-Hangars	256,920	255,043
Air Cargo Building & Land Rents	541,352	461,530
Ramp, Gatecard Fees, and Other Income	45,000	51,504
Total Aviation Leased Areas	\$ 5,016,690	\$ 4,653,676
Non-Aviation Leased Areas:		
Building Rents	690,409	676,230
Land Rentals	683,464	666,832
Total Non-Aviation Rents	\$ 1,373,873	\$ 1,343,062
Aviation Services:		
Gross Fuel Sales	5,697,103	5,613,184
Landing Fees	324,000	284,000
Hangar & Ramp Rentals	248,300	236,000
Ground Handling and Other	2,600,397	2,437,268
Miscellaneous Income	229,458	304,865
Total Aviation Services	\$ 9,099,258	\$ 8,875,317
Advertising:		
Advertising	828,000	797,482
Total Advertising	\$ 828,000	\$ 797,482
GA Airports:		
Hangar & Ramp Rentals	753,177	698,438
Fuel Sales - FBO	456,700	568,521
Into Plane Fees - FBO	102,423	99,230
Pilot Supplies Sales	-	-
Miscellaneous Income	5,948	5,395
Total GA Airports	\$ 1,318,248	\$ 1,371,584
Total Operating Revenue ²	\$ 45,433,798	\$ 42,883,318

Source: Authority Management.

¹ Terminal security fees now included in concessions and other rents.

² GA Airport revenues included in this total.

TABLE 3
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
LANDING FEE RATE

Landing Fee Rate	Budget	Budget
	2026	2025
Direct Operating Expenses	\$ 6,764,012	\$ 6,592,188
Indirect Operating Expenses	1,039,715	1,038,807
O&M Reserve Requirement ¹	28,789	47,193
Debt Service	20,918	14,423
Debt Service Coverage	5,229	3,606
Amortization of Capital Expenditures	964,227	920,693
Total Requirement	\$ 8,822,890	\$ 8,616,909
LESS: Apron Expenses ²	858,410	839,409
LESS: Apron O&M Reserve	3,167	11,078
LESS: Previous Year's Debt Service Coverage	3,606	4,302
LESS: World Fuel Annual Incentive	-	-
LESS: Security Fee (35%)	90,107	90,904
LESS: Federal Relief Funds ³	-	1,275,000
LESS: Voluntary Airport Adjustment (Revenue Share) ³	500,000	-
Net Requirement	\$ 7,367,600	\$ 6,396,215
Total Airline Landed Weight (000 lbs.)	1,197,853	1,189,903
Airline Landing Fee Rate (per 1,000 lbs.) ⁴	\$ 6.15	\$ 5.38
Airline Landing Fees	\$ 7,367,600	\$ 6,396,215

¹ Represents 2 months (1/6) of the incremental change in O&M Expenses.

² Equals 11% of Direct and Indirect Airfield expenses.

³ Federal funds and the Voluntary Revenue Share applied in the 2026 and 2025 Budget calculation represent the maximum amount to be used, however, the amount is not guaranteed.

⁴ This represents the signatory rate. A 7 percent surcharge will be added for nonsignatory activity.

TABLE 4
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
APRON FEE

Apron Fee	Budget 2026	Budget 2025
Direct Operating Expenses	\$ 858,410	\$ 839,409
O&M Reserve Requirement ¹	3,167	11,078
Amortization of Capital Expenditures	53,932	62,220
Total Requirement	\$ 915,509	\$ 912,708
LESS: Federal Relief Funds	\$ -	\$ -
LESS: Non-Signatory Paid Premiums/Diversions	-	-
Net Requirement	\$ 915,509	\$ 912,708
Total Airline Landed Weight	1,197,853	1,189,903
Annual Passenger Carrier Apron Fee ²	\$ 0.77	\$ 0.77
<u>Cargo Carrier Surcharge</u>		
Amortization for Cargo Apron	\$ 214,938	\$ 214,938
Cargo Landed Weight	689,187	657,651
Cargo Carrier Surcharge	\$ 0.31	\$ 0.32
Annual Cargo Carrier Apron Fee	\$ 1.08	\$ 1.09
Total Apron Requirement	\$ 1,130,446	\$ 1,127,646

¹ Represents 2 months (1/6) of the incremental change in O&M Expenses.

² This represents the signatory rate. A 7 percent surcharge will be added for nonsignatory space.

TABLE 5
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
TERMINAL RENTAL RATE

Terminal Rental Rate	Budget 2026	Budget 2025
Direct Operating Expenses	\$ 9,617,566	\$ 9,296,974
Indirect Operating Expenses	1,707,081	1,668,275
O&M Reserve Requirement ¹	59,900	45,109
Debt Service	2,366,112	2,241,404
Debt Service Coverage	591,528	560,351
Amortization of Capital Expenditures	2,367,982	2,248,424
Total Requirement	\$ 16,710,168	\$ 16,060,538
LESS: Previous Year's Debt Service Coverage	560,351	583,012
LESS: Passenger Support Services ²	1,090,840	1,104,235
LESS: Security Fee (65%)	167,342	168,821
LESS: Federal Relief Funds ³	-	1,015,013
LESS: Voluntary Airport Adjustment (Revenue Share) ³	350,000	
Net Requirement	\$ 14,541,635	\$ 13,189,457
Total Rentable Space	80,776	80,776
Total Administrative Space	5,877	5,877
Total Rentable and Admin Space	86,653	86,653
Terminal Rental Rate Before Revenue Share	\$ 167.81	\$ 152.21
Airline Space	54,786	54,786
Common Use Space	45,970	45,970
Exclusive Space	8,816	8,816
Airline Rented Space	54,786	54,786
Airline Terminal Rental Revenue Before Revenue Share	\$ 9,193,919	\$ 8,339,007
Additional Revenue Support: Federal Relief Funds ³	-	(125,000)
Voluntary Airport Adjustment (Revenue Share) ³	(2,250,000)	(2,000,000)
Airline Terminal Rental Revenue	\$ 6,943,919	\$ 6,214,007
Terminal Rental Revenue - Common Use (subject to 60/40 Split)	\$ 5,826,559	\$ 5,214,099
Terminal Rental Revenue - Exclusive Space	1,117,359	999,908
Total Airline Terminal Rental Revenue	\$ 6,943,919	\$ 6,214,007
Terminal Rental Rate ⁴	\$ 126.75	\$ 113.42

¹ Represents 2 months (1/6) of the incremental change in O&M Expenses.

² Represents the charges associated with customer service in the Airport (ex. Curbside check in assistance).

³ Federal funds and the Voluntary Revenue Share applied in the 2026 and 2025 Budget calculation represent the maximum amount to be used, however, the amount is not guaranteed.

⁴ This represents the signatory rate. A 7 percent surcharge will be added for nonsignatory space.

TABLE 6
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
COMMON USE REVENUE CALCULATION

Common Use Calculation	Budget	Budget
	2026	2025
Common Use Requirement	\$ 5,826,559	\$ 5,214,099
60% of Requirement	\$ 3,495,936	\$ 3,128,459
Scheduled Enplanements ¹	500,879	497,296
Budgeted Fee per Enplanement	\$ 6.98	\$ 6.29
40% of Requirement	\$ 2,330,624	\$ 2,085,640
Scheduled Operations ¹	6,982	5,579
Budgeted Fee per Passenger Operations	\$ 333.79	\$ 373.84
Projected By Airline		
Allegiant	\$ 2,697,763	\$ 2,627,135
American	1,812,503	1,396,160
Delta	848,465	764,991
United	467,827	425,813
Total	\$ 5,826,559	\$ 5,214,099

¹ Does not include charters.

TABLE 7
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
EXCLUSIVE USE REVENUE CALCULATION

Exclusive Use Calculation	Budget 2026	Budget 2025
Exclusive Space Requirement	\$ 1,117,359	\$ 999,908
Exclusive Space by Airline		
Allegiant	3,612	3,612
American	2,378	2,378
Delta	1,585	1,585
United	1,240	1,240
Total	8,816	8,816
Projected By Airline		
Allegiant	\$ 457,806	\$ 409,683
American	301,433	269,748
Delta	200,924	179,804
United	157,196	140,673
Total	\$ 1,117,359	\$ 999,908

TABLE 8
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
PASSENGER AIRLINE COST PER ENPLANEMENT

Airline Cost per Enplanement	Budget 2026	Budget 2025
Passenger Airline Landing Fees ¹	\$ 2,993,503	\$ 2,629,347
Airline Terminal Rents	6,943,919	6,214,007
Passenger Airline Apron Revenue ¹	371,977	375,195
Passenger Support Services	1,090,840	1,104,235
Security Surcharge ²	257,450	259,725
Total Airline Revenues ³	\$ 11,657,688	\$ 10,582,509
Enplanements ⁴	514,899	519,450
Airline Cost Per Enplanement	\$ 22.64	\$ 20.37

¹ Cargo landing fees and cargo apron fees not included.

² Security Surcharge is \$0.50 per enplaned passenger. Including bus services that use the security checkpoint.

³ Does not include ground handling fees paid by Allegiant.

⁴ Includes the bus traffic.

TABLE 9
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
CASH FLOW

Cash Flow and Net Revenue Requirement	Budget	Budget
	2026	2025
Airline Landing Fees	\$ 7,232,465	\$ 5,969,093
Airline Apron Fees	1,113,654	1,066,698
Airline Terminal Rentals ¹	6,943,919	6,214,007
Nonairline Revenues ²	21,953,863	21,509,397
Operating Revenues ²	\$ 37,243,900	\$ 34,759,193
Operating Expenses	28,586,844	28,157,353
Federal Relief Funds Applied to O&M Expenses	-	(2,415,013)
Net Operating Income	\$ 8,657,056	\$ 9,016,853
Debt Service	\$ 6,048,493	\$ 5,780,360
O&M Reserve Requirement	71,582	190,704
Renewal and Replacement Requirement	-	-
Subordinated Indebtedness	-	-
Deposit to General Fund Before Capital Expenditures	2,536,982	3,045,790
Net Operating Income	\$ 8,657,056	\$ 9,016,853
Plus: Transfers		
Coverage from Landing Fee	5,229	3,606
Coverage from Terminal Rate	373,992	354,281
Transfers	-	-
Net Revenues	\$ 9,036,278	\$ 9,374,740
Debt Service	\$ 6,048,493	\$ 5,780,360
Net Revenue Requirement ³	1.49	1.62

¹ Includes per turn revenue.

² Net of cost of sales.

³ The Net Revenue Requirement per the bond covenant established that the Net Revenue Requirement ratio has to be at least 1.25 the Aggregate Debt Service for such period.

TABLE 10
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
PASSENGER AIRLINE COST PER ENPLANEMENT
Based on 2026 Budgeted Rates

Airline Cost per Enplanement	Allegiant ¹	American	Delta	United
Passenger Airline Landing Fees	\$ 1,738,221	\$ 441,326	\$ 491,027	\$ 439,262
Airline Terminal Rents	3,155,569	2,113,936	1,049,389	625,024
Passenger Airline Apron Revenue	215,994	54,840	61,016	54,583
Passenger Support Services	639,280	228,936	153,512	69,112
Security Surcharge ²	146,768	52,560	35,244	15,867
Total Airline Revenues	\$ 5,895,832	\$ 2,891,598	\$ 1,790,188	\$ 1,203,848
Enplanements ³	293,537	105,120	70,488	44,222
% Change from 2025 Budget	-2.6%	-0.1%	12.6%	-9.6%
Airline Cost Per Enplanement	\$ 20.09	\$ 27.51	\$ 25.40	\$ 27.22
% Change from 2025 Budget	8.7%	8.2%	1.8%	25.4%

¹ CPE does not include fees paid for ground handling services.

² Security Surcharge is \$0.50 per enplaned passenger.

³ Includes Bus traffic.

TABLE 11
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
LEHIGH VALLEY AIRPORT SYSTEM
GROUND HANDLING FEE PER TURN

Ground Handling Fee per Turn	Budget	Budget
	2026	2025
<u>Estimated Ground Handling Fee</u>		
Estimated Salary Cost Per Hour	\$ 26.67	\$ 25.77
Benefits/Payroll Tax %	57%	55%
Est. Hours per Turn	20	19
Est. Non Salary Expense %	20%	19%
Estimated Ground Handling Fee per Turn	<u>\$ 1,004.93</u>	<u>\$ 903.02</u>
Additional Services (Lav, Catering, RON Cleaning) Cost per Turn	\$ 95.00	\$ 60.00
Total Fees per Turn	\$ 1,099.93	\$ 963.02

LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

BOND RATE MAINTENANCE COVENANT

Under the covenant the Authority agrees that it shall at all times fix, revise, charge and collect rentals, rates, fees and other charges for the use of the Airport in order that in each Fiscal Year the Net Revenues shall at least equal 1.25 times the Aggregate Debt Service for such period.

The 2026 Budget is set at a rate of 1.49 times the aggregate debt service. Following is that computation:

* Net Revenues	\$	9,036,278
** Aggregate Debt Service	\$	6,048,493
Coverage: Net Revenues / Aggregate Debt Service	\$	1.49

* Refer to Appendix A, Table 9 of the Rates and Charges for the calculation of this number

** Annual amount to be deposited to cover the annual Debt Service requirement.
Payments are made in equal monthly installments to trustee.