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LEHIGH-NORTHAMPTON
AIRPORT AUTHORITY



**ANNUAL
REPORT**



BOARD OF GOVERNORS

The Lehigh-Northampton Airport Authority consists of a 15-member Board of Governors appointed by Lehigh and Northampton Counties:

- | | |
|----------------------------------|--------------------|
| J. Michael Dowd, Chairman | Larry Hemberger |
| William M. Berger, Vice Chairman | Edwin Lozano |
| Dean Browning, Treasurer | Jeffrey Matzkin |
| Anne Baum | Ted Rosenberger |
| Chuck Diacont | Michael Schware |
| John Crampsie | Marc Troutman |
| Glenn Geissinger | Christopher Werley |

“ Through creative vision and an innovative approach to the development of Lehigh Valley International Airport (LVIA), Queen City Airport (XLL) and Braden Airpark (N43), the Lehigh-Northampton Airport Authority (LNAA) has positioned itself to be a leader within the aviation community into the future. ”

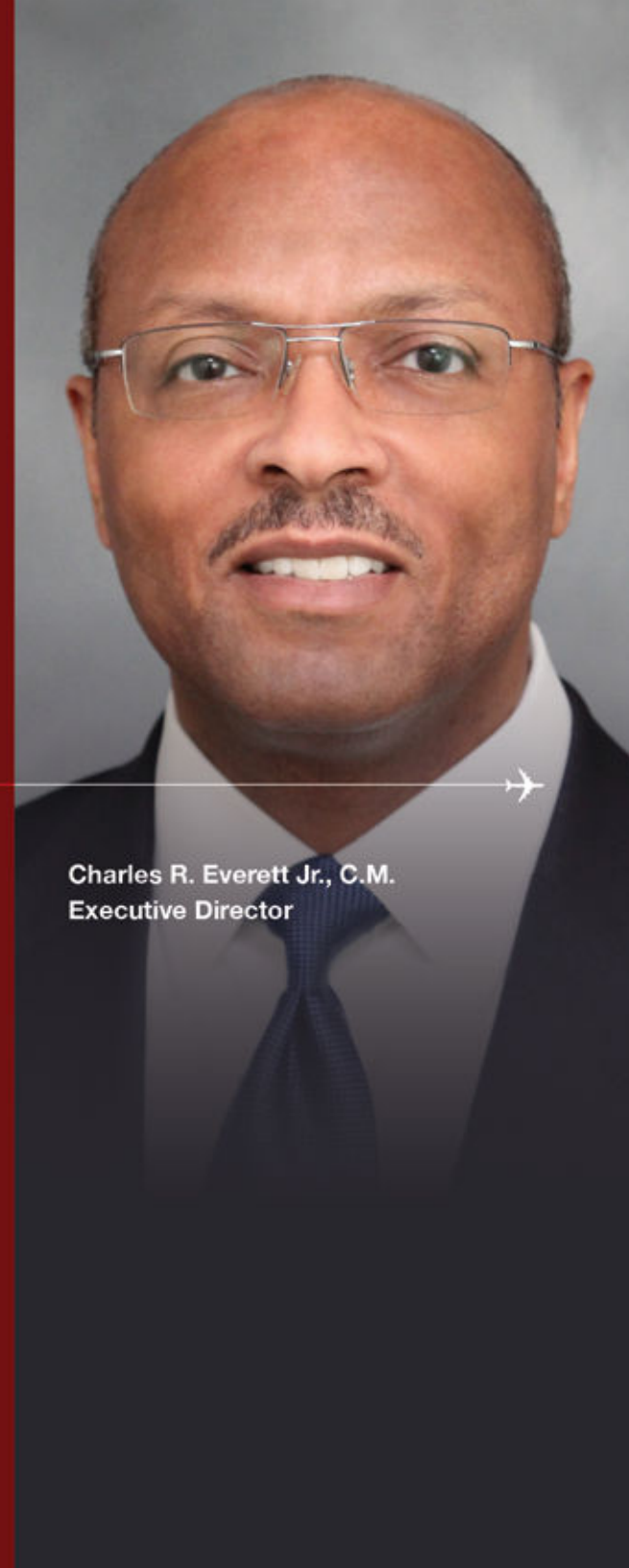
— J. Michael Dowd —
Chairman, Board of Governors

Our Vision

To be the best regional airport system in North America.

Mission Statement

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



Charles R. Everett Jr., C.M.
Executive Director

Dear Stakeholders,

This 2016 Annual Report for the Lehigh-Northampton Airport Authority (LNAA) is woven together by two common threads: "Resilience and Resurgence." Financial burdens of the past which contributed to a period of turbulence have been replaced by a flight path of success into the future.

The Lehigh Valley Airport system is comprised of three airports: Lehigh Valley International Airport (LVIA), located in Lehigh County, Hanover Township, and two general aviation airports; Queen City (XLL) and Braden Airpark (N43). LNAA also operates Lehigh Valley Aviation Services, the fixed base operator for the three airports.

Our vision is to be the "best regional airport system in North America." There are several key ingredients necessary for keeping this promise to passengers, valued customers and stakeholders associated with the Airport Authority. We are proud of the core values (integrity, respect, trust, teamwork, service and humility), core competencies and strategic focus areas which have guided the actions, behaviors and decisions to deliver everyone a unique value.

Over the last twelve months, the LNAA provided customers the highest level of service, made final payment on the \$26 million WBF judgement, completed a \$9.8 million land sale for the Fed-Ex Ground facility in Allen Township, developed air cargo operations with sustained growth, announced non-stop air service to Fort Lauderdale and became a part of aviation history with a visit from Solar Impulse II.

Additionally, the Airport Authority implemented methods to align our people, processes and systems more effectively, while continuing to comply with the required regulatory mandates of owning and operating aviation facilities.

It's safe to say the Lehigh-Northampton Airport Authority has turned the corner. I hope you enjoy this retrospective look at the accomplishments and milestones in 2016. We look forward to remaining a strong asset in the community serving as an economic driver and primary transportation hub for business/leisure travel.

Very Truly Yours,

Charles R. Everett Jr., C.M.
Executive Director

TOTAL PASSENGER TRAFFIC COMPARISON

	2016	Percent Difference	2015	2014	2013	2012
Jan	47,570	6.07%	44,848	39,020	43,126	65,735
Feb	47,675	7.48%	44,358	37,943	42,351	64,178
Mar	59,121	3.83%	56,939	51,161	59,475	71,079
Apr	58,420	3.20%	56,606	54,173	52,787	63,361
May	59,880	-0.75%	60,335	58,567	55,711	61,574
Jun	62,542	0.55%	62,200	58,471	59,240	66,000
Jul	66,953	-1.91%	68,256	60,064	62,872	64,050
Aug	67,673	8.28%	62,497	56,021	57,901	61,714
Sep	58,906	10.16%	53,474	47,471	46,485	48,402
Oct	56,198	-0.24%	56,335	51,509	47,409	52,145
Nov	51,871	-7.73%	56,326	49,414	46,176	51,282
Dec	51,596	0.52%	51,331	48,836	48,363	46,454

01

Air Service

08

ABE Makes History

10

ABE Becomes More Customer Friendly

16

ABE In The Community

20

Facilities, Equipment & Infrastructure Experience

24

Operations Safety and Security

26

Organization Governance Culture, People

30

Queen City

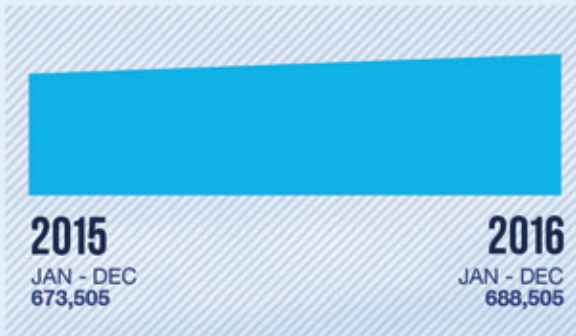
32

Braden Airpark

34

Financial Sustainability

2.23%



Major Airlines Passengers
YEAR-TO-DATE

	2016	2015	Increase/Decrease
Enplaned	33,961	32,885	1,076
Deplaned	33,453	32,441	1,012
Sub-total	67,414	65,326	2,088



Regional Airlines Passengers
YEAR-TO-DATE

	2016	2015	Increase/Decrease
Enplaned	310,934	305,710	5,224
Deplaned	310,157	302,469	7,688
Sub-total	621,091	608,179	12,912
Total Passengers	688,505	673,505	15,000



Cargo
YEAR-TO-DATE

	2016	2015	Increase/Decrease
Enplaned	63,684,969	25,207,250	38,477,719
Deplaned	62,266,023	22,196,571	40,069,452
Total Passengers	125,950,992	47,403,821	78,547,171



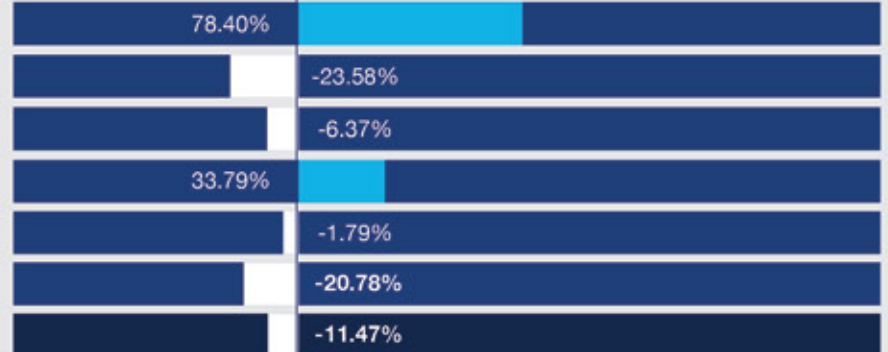
Customs
YEAR-TO-DATE

	2016	2015	Increase/Decrease
Entries	244	674	430



Monthly Aircraft Activity
YEAR-TO-DATE

	2016	2015	Increase/Decrease
Major Airlines	7,905	4,431	3,474
Regional Airlines	8,678	11,356	2,678
General Aviation	25,210	26,926	1,718
Military	590	441	149
Total Itinerant	42,383	43,154	771
Total Local	35,595	44,930	9,335
Total Operations	77,978	88,084	10,106



The FEDERAL AVIATION ADMINISTRATION AIR TRAFFIC CONTROL TOWER at LVIA recorded the following aircraft take-offs and landings for the month:



LANDING AT LAUDERDALE

How do you commemorate the 10-year anniversary of providing air service to St. Petersburg / Clearwater Airport (PIE)?

For Allegiant, the answer was rewarding Lehigh Valley International Airport (LVIA) with an 11th non-stop destination: Fort Lauderdale.

Allegiant representatives made the announcement during a joint press conference with Airport officials at the PPL Center.

The non-stop flights begin Feb. 15, 2017 and will operate twice weekly between the Lehigh Valley International Airport (ABE) and the Fort Lauderdale-Hollywood International Airport (FLL).

"We're very excited to announce this expansion of new service from the Lehigh Valley, an area that has truly embraced our low-cost, nonstop flights and vacation packages," said Jude Bricker, Allegiant chief operating officer. "We know that local travelers will love these new, nonstop flights to Fort Lauderdale to experience all the region has to offer."

These additional flights add to Allegiant's existing service from LVIA to three destinations in Florida: Orlando, Tampa / St. Pete and Punta Gorda / Fort Myers as well as seasonal service to Myrtle Beach, South Carolina.

“ It's been three years since we added to our list of non-stop destinations, with the return of Fort Lauderdale flights being among the most popular requests by passengers at Lehigh Valley International Airport. ”

— Charles Everett —
Executive Director, Lehigh-Northampton Airport Authority



“ Increased cargo operations created jobs and provided an important revenue stream for the Airport Authority to regain financial sustainability. We are preparing for more possible growth in the future. ”

— Charles Everett —
Executive Director, Lehigh-Northampton Airport Authority

RISE IN CARGO

Over the course of January-December '16, a significant increase in air cargo flights at LVIA, produced 125,950,992 lbs. of cargo – 165.7 % more than January-December '15.

While FedEx has maintained their daily operations in the Lehigh Valley, three additional air cargo carriers were added to the ramp with the arrival of Atlas, Air Transport International (ATI) and ABX.

165.7%

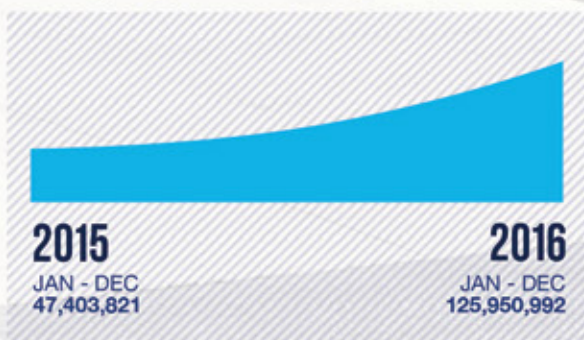


Image By: @jtflyer816

SOLAR IMPULSE 2



“ We are one of only seven airports across the United States of America to welcome Solar Impulse and secure a place in aviation history. ”

— Charles Everett —
Executive Director, Lehigh-Northampton Airport Authority

HISTORICAL LANDING AT LVIA

An around the world journey, fueled entirely by the sun, included a historic landing at Lehigh Valley International Airport. Approximately 8:48 p.m. on May 25, Solar Impulse 2 - powered by four electric engines and more than 17,000 cells on super-strong carbon fiber wings - touched down in the Lehigh Valley.

The pioneers of this journey are Bertrand Piccard, Solar Impulse initiator, chairman and pilot, who had the vision to fly around the world without fuel and Andre Borschberg, co-founder, CEO and also pilot, who led the team in designing and constructing the solar airplane. Solar Impulse 2 has a 246-foot wingspan.

"They have created vision and a sense of opportunity for young people that is absolutely exciting," said J. Michael Dowd, Chairman, LNAA Board of Governors. "We are thrilled that Solar Impulse chose to stop in the Lehigh Valley."

Piccard flew the plane from Dayton to the Lehigh Valley, and sensed nothing but excitement when met by 150 sponsors and LVIA staff that flocked to the airfield. "We have gone two-thirds of our flight around the world, with an incredible team and airplane, and this arrival seems more special than the others because we are surrounded by your children and that's fantastic," said Piccard.

On Saturday, May 28, LVIA welcomed 3,800 aviation enthusiasts during a public viewing of Solar Impulse 2. Free tickets were available online through SI2. The seven hour event at multiple times had a line of people starting at Gate 25 and wrapped around towards the Maintenance Facility. LVIA staff and volunteers supplied water for those attending all sessions, while also providing parking lot transportation.

After several weather postponements, Solar Impulse departed the Lehigh Valley on June 10.

You can enjoy the Solar Impulse arrival and public day videos on the LVIA YouTube Channel.



The Lehigh-Northampton Airport Authority hosted their first pop-up TSA Precheck enrollment center as part of its Customer Appreciation Week. Due to the overwhelming response in applications, a second week was added to the enrollment period at ABE. In December, the Authority hosted an official ribbon-cutting ceremony to welcome the arrival of a dedicated TSA Precheck lane at the checkpoint. Nearly 2500 people have signed up for TSA precheck at temporary enrollment centers offered at LVIA in 2016.



TSA PRECHECK ARRIVAL

RECYCLING IS RESPONSIBLE AT LVIA

The Airport Authority officially started the "Recycling is Responsible" Program by unveiling brand new recycling receptacles and providing additional disposal areas throughout the Main Terminal, Wiley Terminal, TSA and Baggage Claim.



WOUNDED WARRIOR PARKING SPOTS

On Thursday, November 10, 2016, the Lehigh-Northampton Airport Authority (LNAA) dedicated (3) parking spaces in the Aero Club Lot at Lehigh Valley International Airport (LVIA) for use by Combat Wounded Veterans. These parking spaces are painted purple and have designated signs.



C.O.P.E. THERAPY DOGS

The primary function of the program is to give the opportunity for therapy dogs and their handlers to provide an overall enhanced customer experience at the airport. The handlers and their companions aim to provide stress-relief and comfort to passengers, a key focus area of many airports, including LVIA.



“ Minimizing the stress associated with flying and travel by introducing this program is just one more initiative the Authority has taken to improve customer service and the overall experience when traveling through this airport. ”

— Charles Everett —

Executive Director, Lehigh-Northampton Airport Authority

JUNIOR NAVIGATORS

The Junior Navigators Volunteer Program is designated for high school students (15-18 years old) looking for community service hours. Volunteers will provide information and assistance to passengers, visitors and members of the general public at Lehigh Valley International Airport.



OUR VOLUNTEER PROGRAM GREW AT ABE





high

Gate 8



ADVERTISING PROGRAM



In 2016, the Authority moved a 30+ year terminal advertising program over to an in-house operation. The goal of the transition was to better control the experience of our passengers by creating a fun, inviting and educational environment with our regional businesses at the forefront. We also aimed to expand our network with the local business community. Both of these goals

were achieved in the first year of the new program, and we continue to expand our terminal advertising program every day. Over 25 new companies joined the program within the first 10 months, new amenities for our passengers were added or enhanced and a new non-aeronautical revenue stream was born.



Businesses Making
a Huge Local
Impression



ABE BECOMES MORE
CUSTOMER-FRIENDLY

DIERUFF STUDENTS RECEIVE \$1,800 DONATION FROM LNAA

Finishing its third year, Project Take-Off is providing the same eye-opening experience for Dieruff High School students.

To recognize the 2016 senior students participating in the program, the Airport Authority donated \$1,800 from their high school scholarship fund. The money was used to help students prepare for events with considerable cost over the next two months: Prom, Yearbooks, senior dues (cap, gown & diploma) and college books.

"I want them to understand the importance of every position at LVIA including the Executive Staff, Accounting, Business / Economic Development, Operations & Safety, IT services, Planning & Programming, Marketing and Maintenance," said Susan Bocian, Dieruff High School Principal.

LNAA hopes to invite more schools to join this program in the future.

“ The goal of this program is to mentor inner city / urban students by exposing them to a career in the aviation industry. ”

— Charles Everett —

Executive Director, Lehigh-Northampton Airport Authority



WINGS FOR AUTISM

"Wings for Autism", a trademarked program of The Arc of The United States, which is conducted locally by The Arc of Lehigh and Northampton Counties and its partner, Lehigh Valley International Airport (LVIA), has impacted 150 individuals with autism and related disorders on the autism spectrum, and their families. This event provides a unique rehearsal event for people with autism and other intellectual and developmental disabilities to have a real-life experience using an airport when traveling by plane. More than 40 volunteers were on hand to assist the individuals and families successfully complete the experience, with helpful tips and suggestions they can use when traveling by air in the future.



SHOP WITH AN AIRPORT COP

Lehigh-Northampton Airport Authority Police Officers spread joy and happiness during the holiday season at their first annual, "Shop with an Airport Cop" at Target in Allentown.

Twelve local students from the Catasauqua school district were selected to participate in the program which focuses on fostering a positive relationship between youth and law enforcement, while also providing an opportunity to help local families facing financial challenges.

"What touched my heart the most was the children first shopped for others and didn't shop for themselves," said Linda Roth, 7th Grade teacher at Catasauqua.

Each Airport Authority Police officer worked with (2) kids for this aisle searching adventure to purchase gifts for members of their immediate family.

"It's the season of giving, and when people are in the position to give to people that may not have the means that you have, you give," said Chief Timothy D. Koder, Lehigh-Northampton Airport Authority Police Department.

Beyond their display of generosity for their family and friends, LNAA police officers encouraged the kids to buy a gift they would enjoy.

"Just for us to get with the community and get with the kids, shopping with them, getting to know them and helping put an extra couple of presents under the tree means a lot," said Sgt. Steve Gensits, Lehigh-Northampton Airport Authority Police Department.

During a pizza party and gift wrapping session following the shopping spree, the LNAA presented each participant with a \$100 gift card to Wegmans.

“ We are grateful to work with Randomacts.org and Target for this event which gives us a chance to give back by helping families in our community celebrate this holiday season. ”

— Charles Everett —
Executive Director, Lehigh-Northampton Airport Authority



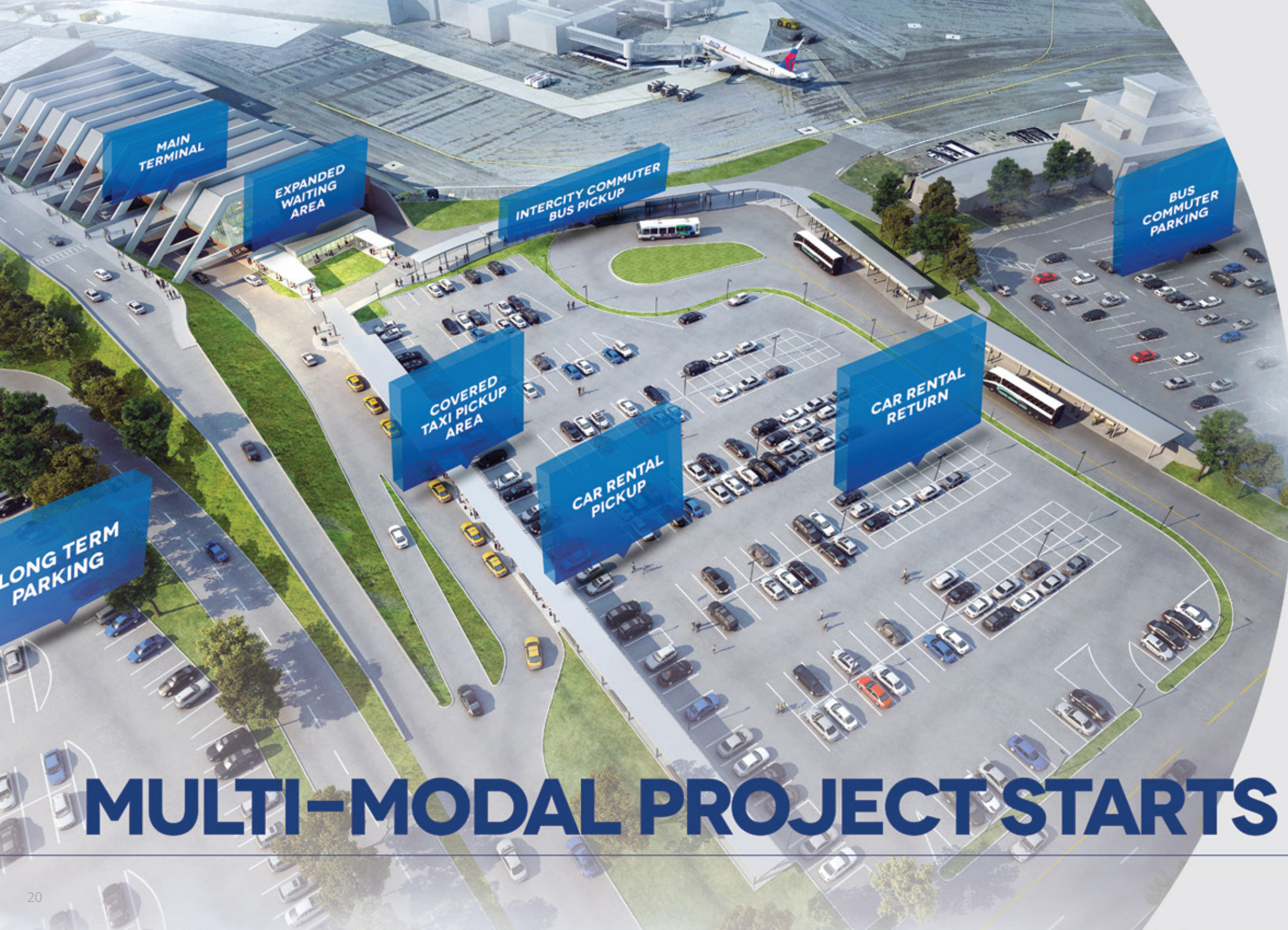
NORTH POLE EXPRESS CHARITY FLIGHT

It's a popular flight destination every holiday season, and ten families from the Lehigh Valley received their ticket to the North Pole.

Lehigh Valley International Airport hosted the annual "North Pole Express" Charity Flight, courtesy of United / United Express. Passengers were checked-in, processed through the TSA checkpoint, before boarding a plane that took them on a quick flight to the "home" of Santa Claus.

This event was coordinated through a partnership between Lehigh-Northampton Airport Authority, United Way of the Greater Lehigh Valley and Family Connection of Easton.





MULTI-MODAL PROJECT STARTS WITH HISTORIC TAKEDOWN

“ It’s always tough to watch a piece of history disappear but this becomes a transportation hub within the Lehigh Valley, while also giving air travelers from outside the region accessibility to our airport. ”

— Charles Everett —
Executive Director, Lehigh-Northampton Airport Authority

In August 2016, the Lehigh-Northampton Airport Authority Board of Governors awarded a \$5 million contract bid to Wilmer R. Schultz, Inc. for construction of the Multimodal Transportation Center project.

Phase 1 of the Multi-Modal Transportation Center project included the demolition of Building 10 – built in 1965 and used as a firehouse and later as a maintenance facility. Located just east of the Main Terminal, the building impeded a clear sight-line to the rental car operations.

With the removal of this structure, the distance passengers will be walking to rental cars will be reduced by 700 feet. The Multi-Modal Transportation Center will double the existing taxi stand, create bus slips and a bus loop for LANta and Trans-Bridge, and provide weather protection for users of the facility.

“The design of this facility certainly focused on the customer experience and helps LVIA remain competitive with other regional airports,” said Ryan Meyer, Director of Planning & Programming, Lehigh-Northampton Airport Authority.

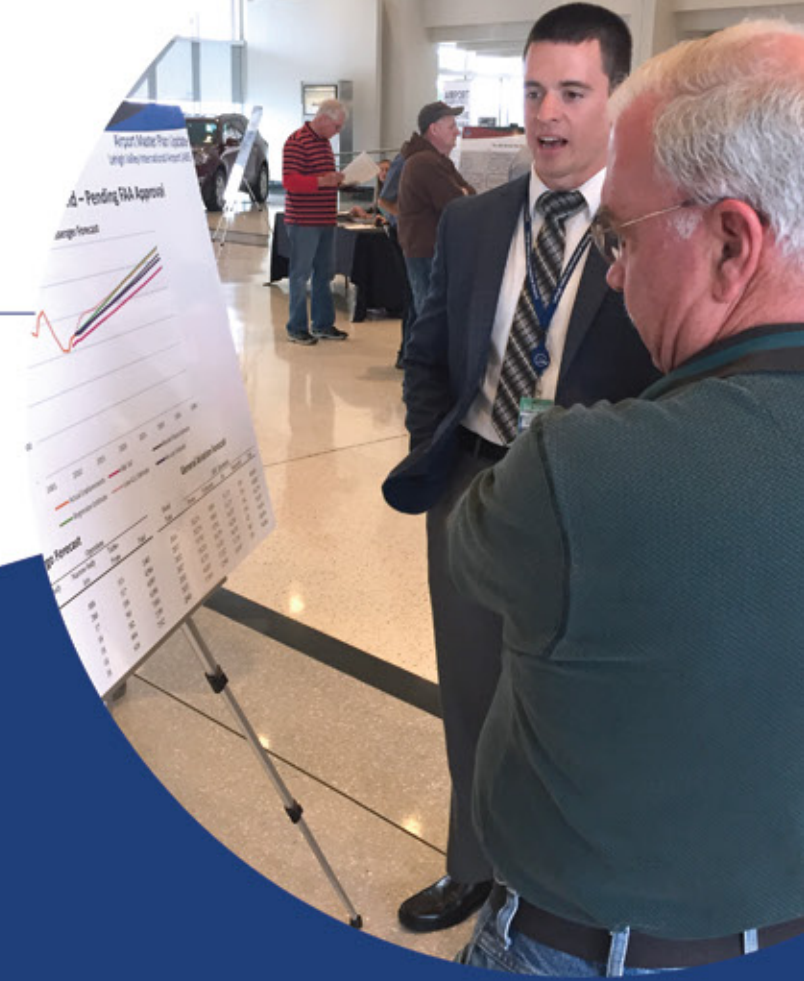
The Multi-Modal Transportation Center is expected to open during the Summer 2017.

There are video updates of construction on our website, flyLVIA.com, YouTube and Facebook.





ROAD TO A MASTER PLAN



OPERATIONS CENTER RENOVATION

The upgrade and update is finished inside the Operations Center at Lehigh Valley International Airport (LVIA). While improving efficiency and overall function were the primary goals, the Operations Center also has a more ergonomic environment with improved lighting, new computers, additional video monitors and a new console. The renovation project started in September and wrapped up in early December.

The Lehigh-Northampton Airport Authority is on the road to creating a Master Plan, the first since 2004. The Project Advisory Group (PAG) will meet periodically throughout the process to gather insight about the goals and visions from leaders representing the following organizations within the community: the Lehigh Valley Planning Commission (LVPC), Federal Aviation Administration (FAA), Lehigh Valley Economic Development Corporation (LVEDC), transportation and local governments. The process has 19 elements, with the focus currently on: Inventory, Forecast and Regional Context.

In December, consultant Michael Gallis presented a regional context overview to the Project Advisory Group, which provided important projections for the Northeast Corridor

with regard to urban structure, air hubs, population growth, economies and highway congestion in 2011 and 2040.

"This presentation answered lingering questions about the challenges and opportunities for expansion, but most importantly, demonstrates that Lehigh Valley International Airport is a vital asset in the growth of the region," said Ryan Meyer, Director of Planning & Programming, Lehigh-Northampton Airport Authority.

The completion of the Master Plan Update is tentatively scheduled for 2018.



TABLE TOP EXERCISE

Over 80 mutual aid responders that represented 32 federal, state and local agencies joined the Lehigh-Northampton Airport Authority during the Airport Emergency Plan Table Top Exercise. Tom Stoudt, Director of Operations and Safety, moderated the discussion which outlined the Airport Authority Chain of Command and responsibilities in response situations at ABE. This collaborative discussion also serves as a critical component to the Triennial Exercise scheduled for April 29, 2017.

WORK SMART, WORK SAFE

The LNAA Safety Committee is determined to prevent incidents and injuries by producing proactive and preventive safety actions. A diverse group of directors, supervisors, managers and representatives from the frontline workforce hold monthly meetings to help provide insight and guidance of safety concerns around the Airport.

Additionally, a Safety Sub-Committee was implemented to investigate accidents on Authority properties and provide further recommendations to prevent incidents from reoccurring in the future.

As part of promoting this initiative, Safety Incentive Cards are distributed to LNAA employees that are recognized for their commitment to safe workplace practices. The Safety Committee has adopted the slogan of "Work Smart", "Work Safe."



For only the second time, the Lehigh-Northampton Airport Authority Aircraft Rescue and Firefighting (ARFF) Division hosted a Live Fire Aircraft Mobile Simulator from the West Virginia University Fire Training Academy. The two-day training involved 40 local first responders from 16 surrounding municipalities and included valuable training without leaving their respective areas including the following scenarios: wheel fires, engine fires, interior fires and spill fires. Support and funding from Lehigh County made this opportunity possible for ARFF, first responders and emergency services. "Even though these training exercises are simulated, they allow those answering the aircraft emergency calls to understand the immediate response process while also understanding the consequences of their actions," said Chief John Demyan.



LIVE BURN SIMULATOR (ARFF)



2ND ANNUAL EMPLOYEE HEALTH FAIR

The Lehigh-Northampton Airport Authority hosted the 2nd Annual Health Fair in November. This official kickoff for open enrollment provides employees the chance to re-examine their benefits package, make adjustments to retirement and supplemental insurance plans.

"Our benefits package is extremely rich, and this is the best opportunity for employees to go around and learn more about their pension, flexible spending accounts and stress management face to face with the carriers," said Brynn Lee, Human Resources Manager.

Some new additions this year were a delicious smoothie bar made by the Norwegian Spa in Easton, PA and ten minute chair massages compliments of McCann School of Business and Technology.

Flu shots were available and employees could register to receive substantial discounts on a Costco membership, sample healthy snacks and get more healthy tips from Olivia, the Nutritionist from ShopRite.

Fantastic raffle prizes (including a FitBit) were also awarded.



Todd Quann, Director of Finance & Administration, was the recipient of the 2016 CFO of the Year Award in the "Best Turnaround Specialist" category.



EARTH DAY

Airport Authority staff and volunteers also celebrated Earth Day on April 21, by cleaning-up trash, planting flowers and sprucing-up all three airport operations (LVIA, Queen City Airport and Braden Airpark).



135 Full -Time Employees

165 Part -Time Employees

EMPLOYEE BREAKDOWN

LNA's Leadership Team (from left to right): Glenn Kurcon, Darren Better, Connie Phillip, Todd Quann, Charles Everett, Ryan Meyer, Tom Stoudt



Barbara Bauer | 30 years



Tom Stoudt | 20 years



Sgt. Steve Gensits | 15 years



Adrian Barnett | 10 years

THANK YOU TO THE ENTIRE LNAA TEAM!

Through your passion, dedication and commitment, the Airport Authority has overcome challenges of the past to create clear skies into a brighter future for the Lehigh Valley community.

RECOGNITION OF SERVICE

The Lehigh-Northampton Airport Authority depends on the commitment and dedication of employees to accomplish our everyday mission. For some, the Authority has been a "home" for many years and they have taken tremendous pride in serving the Lehigh Valley. In 2016, the LNAA unveiled a service recognition program, rewarding employees reaching 5, 10, 15, 20, 25 and 30 year employment milestones with a pin and a gift card. We are excited to announce that executive leadership has decided to extend the milestone awards back to 2015. Employees who reached the 5, 10, 15, 20, 25 and 30 year milestone in 2015 will also receive a pin and a gift card!





VAN ALLEN AIRMOTIVE BUILT ON FAMILY & FLYING

David Van Allen and his family officially reached an agreement with the Lehigh-Northampton Airport Authority to open the hangar doors of Van Allen Airmotive at Queen City Airport.

Van Allen Airmotive provides full airframe and power plant repair and maintenance on single and twin engine aircraft and helicopters. Additional services include their exclusive monthly aircraft readiness management program MARSTM, professionally trained detailing and restoration, as well as aircraft sales.

"We're thrilled at this opportunity", said Van Allen, "this business adventure is ready to soar, and we will work very hard to earn the trust and confidence of the pilots and owners that become our customers."

A lifelong resident of the Lehigh Valley, Van Allen earned his pilot's license at Queen City Airport in 1982 and has used it through the years in his businesses.

TOWN HALL MEETING AT XLL

The Lehigh-Northampton Airport Authority hosted a Town Hall Meeting at Queen City Airport to address questions regarding new signage, hangar development, maintenance request forms, the capital program, renovations for the FBO and much more. The two-hour session offered a platform for tenants and pilots to suggest improvements and ideas for the Airport Authority to continue providing the highest level of customer service.



More than 2,500 visitors from the community walked through the gates of a hidden jewel in the Lehigh Valley. Queen City Airport hosted "Wings and Wheels" Day, that featured aviation activities including a Fly-in event, static aircraft display, education exhibits, plus an Airport and Commercial vehicle display. Additionally, auto enthusiasts had the chance to view some unique and exotic cars with support from Shine Techs.

"What I like about this event is it gives children an opportunity to see the aviation equipment up close and personal," said Geoff Brace, Lehigh County Commissioner. "Our son can touch the aircraft and learn what it's like to run an airport."

Nearly 100 people also enjoyed a "once-in-a-lifetime" aerial experience during a six-minute helicopter ride provided by Vertivue.

The Lehigh-Northampton Airport Authority accepted donations to support the Aviation Exposure and Education Program (AEP).

WINGS & WHEELS DAY AT QUEEN CITY

“Our hope is that events like this convey to the public that our goal is to be part of the community, be a good neighbor and encourage them to be a part of aviation.”

— Charles Everett —

Executive Director, Lehigh-Northampton Airport Authority



REVIVING BRADEN AIRPARK

The Lehigh-Northampton Airport Authority Board of Governors passed a resolution in October 2016 to affirm their commitment of keeping Braden Airpark open and operational.

In accordance with the Resolution No. 5083, the Airport Authority will pursue new tenants, which may include but not to be limited to flight schools, fixed base operators, aircraft owners and other aviation related parties.

The Airport Authority in coordination with the Board of Governors is seeking support from Northampton County and Forks Township to solicit limited development of non-aeronautical operation on Airport property not critical to airport operations.

On Sunday, September 18, 2016, hundreds attended the "sport of kings" at Braden Airpark in Forks Township, with the Airport Authority serving as host sponsor for th 2016 Equi-librium demonstration polo match. Equi-librium is a program that provides individuals with physical and developmental disabilities, as well as social/emotional needs, with accessible and affordable therapy by utilizing horses as therapy tools.

CHEERING DURING CHUKKERS

“ This unique event generates a lot of excitement around the Airpark, and our dedicated staff spends a lot of time ensuring the best field conditions for competitors. ”

— Charles Everett —

Executive Director, Lehigh-Northampton Airport Authority





The Lehigh-Northampton Airport Authority and Rockefeller Group Development Corporation (N.Y.) announced the completion on a property sale of 260 acres along Willowbrook Road in Allen Township, just north of Lehigh Valley International Airport.

In 2011: Lehigh County Senior Judge Lawrence J. Brenner ordered the Authority to adhere to a four-year payment plan to resolve a \$16 million lawsuit filed in 1996 by Willowbrook Farms. The judgment ended a restitution dispute regarding the condemnation of 632 acres by the Airport which WBF planned to develop. The schedule called for the airport to pay WBF Associates at least \$2 million by Dec. 1, 2012; \$3 million by Dec. 1, 2013; \$5 million by Dec. 1, 2014; and the balance by Dec. 1, 2015. Judge Brenner identified 542 acres of land which were to be sold and proceeds applied to the debt.

In 2012: Rockefeller Group Development Corporation entered into a Master Agreement with the LNAA for a proposed \$227 million FedEx Ground Regional Distribution Facility in Allen Township. The facility is projected to have 800 jobs in the first several years of operation and process as many as 30,000 packages per hour. FedEx Ground will also pay \$40 million for road improvements from the site on Willowbrook Road, across Race Street and Airport Road to Route 22.

The Lehigh-Northampton Airport Authority, Rockefeller Group Development Corporation and FedEx Ground finalized the \$9.8 million agreement of sale in February 2015.

The FedEx Ground center which will be the company's largest within the United States is scheduled to open in 2018.

FEDEX LAND SALE

“ The Authority has invested a lot of time into accomplishing this deal which achieves even stronger financial sustainability for the Airport and allows us to make capital improvements around the airfield. ”

— Charles Everett —
Executive Director, Lehigh-Northampton Airport Authority



Current Assets

UNRESTRICTED ASSETS:

Cash and Cash Equivalents	\$6,044,988
Accounts Receivable, Not of Allowance of \$55,283	\$1,563,371
Capital Grants Receivable	\$1,273,855
Inventory & Prepaids	\$956,294

Total Unrestricted Assets	\$9,838,508
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RESTRICTED ASSETS:

Cash and Cash Equivalents - Debt Service & AIP Funds	\$2,751,580
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Total Current Assets	\$12,590,088
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Non-Current Assets

RESTRICTED ASSETS:

Cash and Cash Equivalents - Restricted & Designated	\$9,275,853
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CAPITAL ASSETS:

Land	\$61,906,635
Property & Avigation Easements	\$44,297,526
Construction in Progress	\$4,352,343

Total Non-Depreciable Capital Assets	\$110,556,504
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Land Improvements	\$120,915,125
Buildings, Systems, & Equipment	\$124,241,047
Capital Planning & Studies	\$1,651,046

Total Depreciable Capital Assets	\$246,807,218
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Total Capital Assets	\$357,363,722
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Less: Accumulated Depreciation	\$129,514,720
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Capital Assets Net	\$227,849,002
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Total Non-Current Assets	\$237,124,855
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Deferred Outflows of Resources

Pension Related	\$769,793
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Total Current Assets	\$12,590,088
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WBF JUDGEMENT PAYOFF

On January 8, 2016, the Lehigh-Northampton Airport Authority (LNAA) made a \$1 million final payment to settle a \$26 million lawsuit filed in 1996 by Willowbrook Farms (WBF).

In 2011: Lehigh County Senior Judge Lawrence J. Brenner ended a restitution dispute regarding the condemnation of 632 acres by the Airport which WBF planned to develop. Judge Brenner identified 542 acres of land which were to be sold and proceeds applied to the debt.



Operating Revenues	
Airfield	\$4,612,707
Terminal	\$2,970,045
Concessions & Advertising	\$2,298,544
Parking & Roadways	\$4,419,854
Hangar, Building & Land Rents	\$2,822,341
Ground Handling	\$3,362,301
Fuel & Handling Sales	\$3,717,001
General Aviation	\$1,149,368
Total Operating Revenues	\$25,352,161

Operating Expenses	
Wages & Related Benefits	\$11,872,161
Contract Services, Advertising & Other	\$3,193,648
Materials, Supplies, Repairs & Maintenance	\$1,357,211
Utilities, Taxes & Insurance	\$2,051,263
Cost of Sale - Fuel	\$1,020,335
Depreciation & Amortization	\$8,884,753
Total Operating Expenses	\$28,379,371
Operating Loss	\$3,027,210

Non-Operating Revenues (Expenses)	
Environmental Assessment	\$823,529
Investment Income	\$30,459
Other Income	\$363,561
Interest Expenses	\$1,120,595
Total Non-Operating Revenues (Expenses)	\$1,550,104
Loss before Capital Contributions	\$4,577,314

Capital Contributions	
Passenger Facility Charges	\$1,366,849
Car Rental Customer Facility Charge	\$404,597
Federal Grants	\$991,843
State Grants	\$166,541
Total Capital Contributions	\$2,929,829

Decrease in Net Position	\$1,647,485
Total Net Position, Beginning of the Year	\$198,199,712
Total Net Position, End of Year	\$196,552,227

Current Liabilities	
PAYABLE FROM UNRESTRICTED:	
Accounts Payable-Operations	\$1,202,864
Accounts & Retainage Payable - Capital	\$1,015,241
Unearned Revenues	\$402,076
Payroll Related Liabilities	\$693,547
Notes Payable - Current Portion	\$237,484
Capital Lease - Current Portion	\$705,402
Total Unrestricted Liabilities	\$4,256,614

CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:	
Bonds Payable - Current Portion	\$2,751,580
Accrued Bond Interest Payable	\$551,564
Total Current Restricted Liabilities	\$7,008,178

Non-Current Liabilities	
PAYABLE FROM UNRESTRICTED:	
Note Payable	\$859,935
Capital Lease, Net	\$4,244,192
Bonds Payable, Net	\$40,865,00
Net Pension Liability	\$682,918
Total Unrestricted Liabilities	\$46,853,925

PAYABLE FROM RESTRICTED & DESIGNATED	
Leasehold Deposits	\$201,880
Total Non-Current Liabilities	\$46,853,925

Deferred Inflows of Resources	
Pension Related	\$70,407

New Position	
Net Investment in Capital Asstes	\$180,936,990
Restricted	\$8,058,748
Unrestricted	\$7556,489
Total Net Position	\$196,552,227

Total Liabilities, Deferred Infows of Resources and Net Position	\$250,484,736
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Cash Flows from Operating Activities

Operating Cash Receipts from Customers	\$25,539,588
Cash Paid to Suppliers for Good & Services	\$7,944,799
Cash Paid to Employees for Services & Benefits	\$11,379,228
Net Cash Provided by Operating Activities	\$25,352,161

Cash Flows from Capital & Related Financing Activities

Capital Grants Received	\$2,812,239
Passenger Facility Charges	\$1,366,849
Car Rental Facilities	\$404,597
Acquisition of Capital Assets	\$2,331,130
Proceeds from Sale of Land	\$7,919,350
Principal Paid on Notes Payable	\$1,109,454
Interest Paid on Notes Payable	\$17,468
Proceeds from Capital Leases	\$525,920
Interest Paid on Capital Leases	\$160,536
Principal Paid on Capital Leases	\$561,530
Interest Paid on Bonds	\$723,161
Legal Settlement on Land Acquisition	\$1,254,351
Other	\$209,607
Net Cash Used by Capital & Related Financing Activities	\$6,661,718

Cash Flows from Investing Activities

Interest Received	\$30,459
Net Cash Provided by Investing Activities	\$30,459

Net Increase in Cash & Cash Equivalents	\$12,907,738
Cash & Cash Equivalents, Beginning of Year	\$5,164,683
Cash & Cash Equivalents, End of Year	\$18,072,421

Operating Loss**ADJUSTMENTS TO RECONCILE INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Depreciation & Amortization	\$8,884,753
Provisions for Bad Debt	\$26,025
Changes in Assets & Liabilities	
Accounts Receivable	\$214,898
Inventory & Prepaid Expenses	\$426,512
Net Pension Liability & Deferrals	\$253,749
Unearned Revenues	\$52,080
Accounts Payable	\$102,754
Accrued Expenses	\$239,184
Total Adjustments	\$9,242,771
Net Cash Provided by Operating Activities	\$6,215,561

Cash & Cash Equivalents

CURRENT ASSETS	
Unrestricted Assets	\$6,044,988
Restricted Assets	\$2,751,580
NON-CURRENT ASSETS	
Restricted & Designated	\$9,275,853
Total Cash & Cash Equivalents	\$18,072,421



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