



Lehigh Valley International Airport
Queen City Airport
Braden Airpark

2025

OPERATING AND CAPITAL BUDGETS

APPROVED NOVEMBER 26, 2024



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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

In 2024, enplanements were budgeted to exceed 2019/pre-pandemic levels. Enplanements are budgeted to continue to grow in 2025 to approximately 519,000 enplanements which is approximately 11.8 percent higher than 2019 actuals. The landed weights are also budgeted to exceed the pre-pandemic level of 1,134.4 thousand pounds. Landed weights are budgeted to be 1,189.9 thousand pounds in 2025.

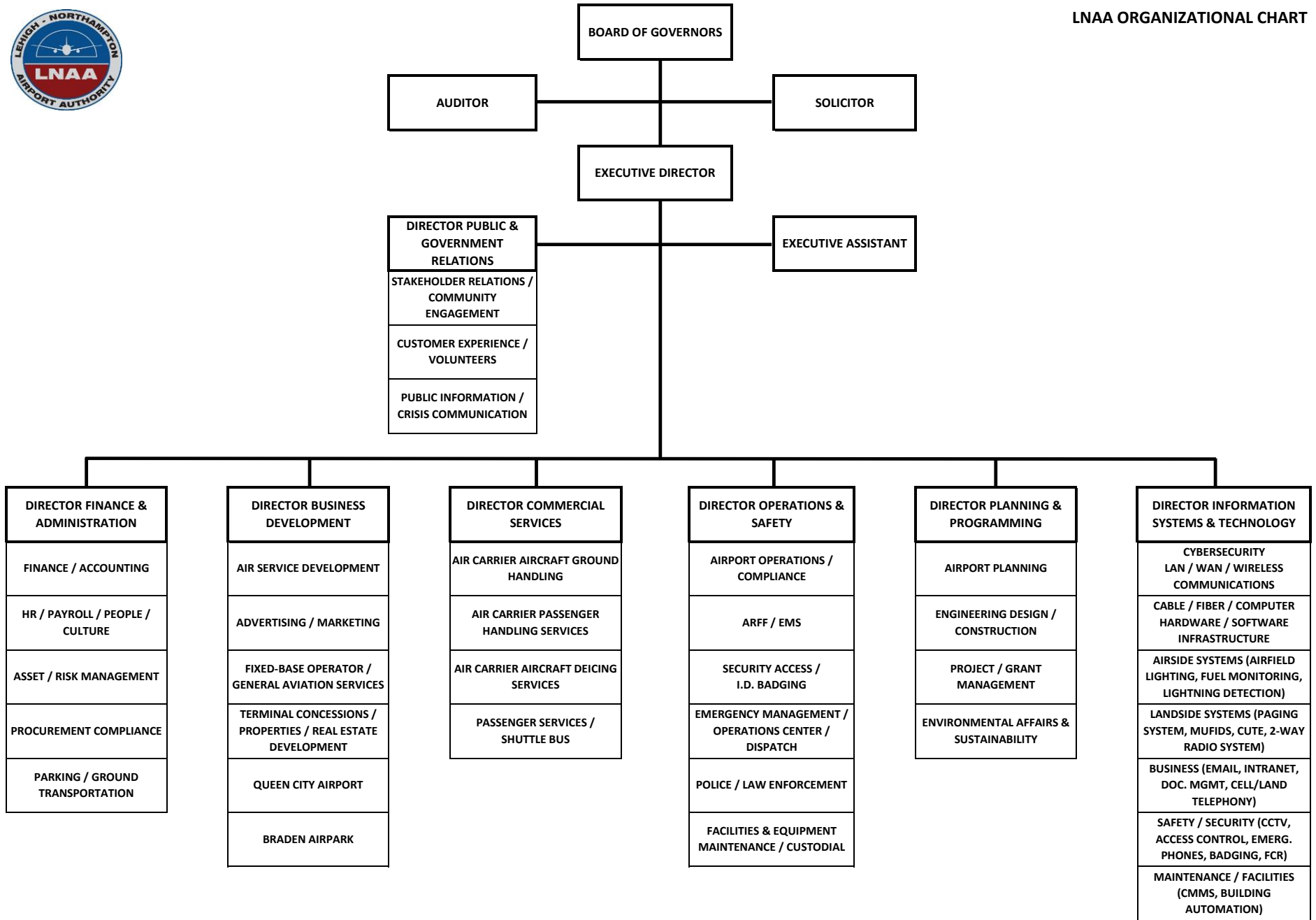
Operating Revenues continue to increase and are budgeted to increase to \$42.9 million in 2025, which represents a 4.1 percent increase from the 2024 Budget. The categories leading the increase in operating revenues between 2024 and 2025 were landing fees by 8.1 percent, terminal rents by 5.2 percent, concessions and other rents by 15.8 percent, and parking and roadway revenues by 11.1 percent. The increase in terminal rents and landing fees are driven by increased O&M expenses and debt service in the terminal. The budgeted increase in enplanements is the main contributor to the increase in parking and roadways revenues.

The annual O&M expenses budgeted for 2025 are higher than the 2024 Budget by approximately \$1.4 million or by 5.9 percent. Personnel expenses are budgeted to increase by 3.2 percent due to higher wages to retain and hire new employees and the related employee benefits. The balance of the O&M increase was concentrated in other operating expenses, with the largest increases in professional services, contract services, and dues and subscriptions. In addition to these increases, the federal stimulus funds available for 2025 dropped by approximately \$0.3 million which results in an increase of expenses allocated to the various cost centers. It should be noted that the federal stimulus funds that were awarded at the start of the Pandemic have been allocated throughout the period between 2020 and 2025. The federal relief dollars will be fully expended in 2025 and therefore not available to reduce future O&M expenses charged to the airlines through the Terminal Rental Rate and Landing Fee.

As a result of the factors outlined above, the resulting CPE is budgeted to decrease by \$1.40 or 6.4 percent to \$20.37 in the 2025 Budget. The decrease is due to higher budgeted enplanements which more than offsets the increases in O&M expenses, reduction in federal relief dollars, and debt service. The Authority continues to make efforts to manage the CPE and in 2025, and is expecting to continue to reduce the CPE in spite of future increases in labor and its capital costs and the exhaustion of federal relief dollars.



LNAA ORGANIZATIONAL CHART



Lehigh Northampton Airport Authority
Statement of Income -- LVI, Queen City & Braden Airports
Budget 2025

	2025 Budget A	2024 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2023 Actual K	Variance to Budget L	Variance % to Budget M(L/K)
LVIA OPERATING REVENUES:							
Airfield	\$7,392,043	\$7,013,733	\$378,310	5.39%	\$6,474,724	\$917,319	14.17%
Terminal	10,725,076	9,969,601	755,475	7.58%	9,154,908	1,570,168	17.15%
Parking and Roadways	7,501,254	6,749,863	751,391	11.13%	6,417,295	1,083,959	16.89%
Aviation Leased Areas	4,653,676	4,453,409	200,267	4.50%	4,308,298	345,378	8.02%
Non-Aviation Leased Areas	1,343,062	1,249,905	93,157	7.45%	1,202,646	140,416	11.68%
Aviation Services	8,875,317	9,319,461	(444,144)	(4.77%)	8,824,873	50,444	0.57%
Advertising	797,482	741,562	55,920	7.54%	602,770	194,712	32.30%
Cares Act Reimbursements	2,415,013	2,700,000	(284,987)	(10.56%)	2,619,549	(204,536)	(7.81%)
Total Revenues	\$43,702,923	\$42,197,534	\$1,505,389	3.57%	\$39,605,063	\$4,097,860	10.35%
COST OF SALES	\$6,877,189	\$6,688,772	\$188,417	2.82%	\$6,002,047	\$875,142	14.58%
Net Revenue	\$36,825,734	\$35,508,762	\$1,316,972	3.71%	\$33,603,016	\$3,222,718	9.59%
LVIA OPERATING EXPENSES:							
Airfield	\$6,592,188	\$6,139,034	\$453,154	7.38%	\$4,975,632	\$1,616,556	32.49%
Terminal	9,297,372	8,790,625	506,747	5.76%	7,240,690	2,056,682	28.40%
Parking and Roadways	1,590,064	1,766,789	(176,725)	(10.00%)	1,491,062	99,002	6.64%
Aviation Leased Areas	710,807	644,405	66,402	10.30%	575,459	135,348	23.52%
Non-Aviation Leased Areas	317,228	371,960	(54,732)	(14.71%)	335,551	(18,323)	(5.46%)
Aviation Services	3,301,493	3,275,498	25,995	0.79%	2,825,007	476,486	16.87%
Advertising	208,272	177,974	30,298	17.02%	147,313	60,959	41.38%
Administration	5,352,248	5,067,771	284,477	5.61%	4,246,960	1,105,288	26.03%
Total Expenses	\$27,369,672	\$26,234,056	\$1,135,616	4.33%	\$21,837,674	\$5,531,998	25.33%
LVIA Income (Loss) From Operations	\$9,456,062	\$9,274,706	\$181,356	1.96%	\$11,765,342	(\$2,309,280)	(19.63%)
OTHER AIRPORTS							
Queen City Income (Loss)	(\$563,481)	(\$359,148)	(\$204,333)	56.89%	-\$111,255	(\$452,226)	406.48%
Queen City Cares Act Reimbursement	\$0	\$0	\$0	0.00%	\$59,000	(\$59,000)	(100.00%)
Braden Airpark Income (Loss)	(84,317)	(86,133)	1,816	(2.11%)	(152,141)	67,824	(44.58%)
Events (Loss)	(35,900)	(30,900)	(5,000)	16.18%	(50,595)	14,695	(29.04%)
Other Airports Inc (Loss) From Operations	(\$683,698)	(\$476,181)	(\$207,517)	43.58%	(\$254,991)	(\$428,707)	168.13%
All Airports Inc (Loss) From Operations	\$8,772,364	\$8,798,525	(\$26,161)	(0.30%)	\$11,510,351	(\$2,737,987)	(23.79%)
NON OPERATING INCOME (EXPENSE):							
Net Interest	\$611,000	\$480,000	\$131,000	27.29%	\$962,993	(\$351,993)	(36.55%)
Miscellaneous	12,000	3,000	9,000	300.00%	(754,390)	766,390	(101.59%)
Total Non Operating Income (Expense)	\$623,000	\$483,000	\$140,000	28.99%	\$208,603	\$414,397	198.65%
Net Income (Loss) Before Depreciation	\$9,395,364	\$9,281,525	\$113,839	1.23%	\$11,718,954	(\$2,323,590)	(19.83%)
Depreciation (Net of Grants)	\$8,512,244	\$7,960,300	\$551,944	6.93%	\$6,624,175	\$1,888,069	28.50%
LNA Net Income (Loss)	\$883,120	\$1,321,225	(\$438,105)	(33.16%)	\$5,094,779	(\$4,211,659)	(82.67%)

LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

Lehigh Valley International Airport

2025 BUDGET SUMMARY

Since 2023, the Lehigh-Northampton Airport Authority (LNAA) has reported an 11% increase (2023 actual vs 2025 budget) in passenger traffic levels driven by the increased capacity of the Allegiant Air crew base, opening of the new Terminal Connector / TSA Checkpoint, and expanded airline bus service. With the aviation industry still navigating through aircraft and pilot shortages, the LNAA 2025 budget prioritizes the need to keep airline rates competitive in an inflationary environment with higher interest rates and major infrastructure investments needed to meet forecasted demand in the Lehigh Valley Airport System.

The 2025 budget will be the final year to spend American Rescue Plan Act (ARPA) funding. The \$2.4M of ARPA funds remaining for the LNAA will be allocated to subsidize our airline rate base and cover the cost of one-time structure demolition expenses. Minus any additional federal and state funding, the Airport Authority faces a long-term financial challenge of continuing to subsidize the airline rates in subsequent years. LNAA's core competencies will help the airport system to adapt to the evolving industry landscape.

The 2025 Budgeted Net Income before Depreciation (including \$2,415,013 of ARPA Reimbursements) is \$9,395,364 which is \$113,839 or 1% higher than the 2024 Budget. The Airport Authority's commitment to much needed major infrastructure improvements at ABE such as the Terminal Connector / TSA Checkpoint and Runway 6-24 Rehabilitation have added \$551,944 in depreciation versus the 2024 Budget.

Our debt service revenue ratio remains strong at 1.62, which exceeds our required revenue ratio of 1.25 by 0.37. This ratio includes an estimated \$100,000 per month of additional debt service starting in November of 2025 for the refinancing of the 2015 bonds and potential new debt.

2025 OPERATING REVENUE BUDGET

The total 2025 Operating Revenue Budget of \$42,659,495 (including Queen City Airport (XLL) and Braden Airpark (N43)) is \$1,542,706 or 4% higher than the 2024 Budget. The \$42.7M excludes \$2,415,013 of ARPA funds. The 2025 Airline Rates and Charges are included in the budget packet. Airline Rates and Charges revenue varies slightly from the LNAA's budgeted revenue due to the differences in cost center rollups. Details follow for each cost center.

AIRFIELD

LANDING FEES

The calculated 2025 landing fee is \$5.38, which is 3% higher than the 2024 budgeted landing fee. Landed weights include daily commercial passenger, adjusted airline ground bus service, and air cargo flights. The calculation of our landing fee is included in the budget package under Appendix A, Table 3 on page 39.

APRON PARKING FEES

The apron parking requirement for 2025 is \$0.77 per thousand pounds of landed weight for passenger carriers - which is \$0.07 higher than the 2024 budgeted apron fee. The air cargo carrier's apron rate is \$1.09 per thousand pounds of landed weight - which is \$0.03 higher than the 2024 budgeted apron fee. Apron fees are determined based on a percentage of airfield direct and indirect operating expenses. The calculation of our apron fee is included in the budget packet under Appendix A, Table 4 on page 40.

TERMINAL

AIRLINE RENT

The 2025 terminal rate will increase to \$113.42/sq.ft. which is up 5% from the 2024 budgeted rate. Terminal rates include the additional infrastructure of the Terminal Connector / TSA Checkpoint as well as the additional operational expenses associated with the new Connector / Checkpoint. The calculations of the terminal rental rate are included in the budget packet under Appendix A, Table 5 and Table 6 on pages 41 and 42.

CONCESSION FEES

Rental car and restaurant concession fee revenue reflects a 6% increase from the 2024 Budget. This increase is based on higher forecasted passenger enplanements and recently expanded food and beverage concession offerings.

PARKING AND ROADWAYS

PARKING LOT FEES

The 2025 parking revenue reflects an 11% increase vs. the 2024 Budget. The additional revenue is based on a 19% increase in enplanements vs. the 2024 budget, and an 8% increase in parking rates effective October 1, 2024. Also included are the latest estimates and increased rates for Transportation Network Company (TNC) drop-off and pick-up fees.

AVIATION AND NON-AVIATION LEASED AREAS

HANGAR RENTS, BUILDINGS, LAND RENTS

Overall aviation and building rents were budgeted 5% higher than the 2024 Budget. The higher revenue reflects contractual rent increases across all hangar leases along with increased occupancy rates.

AVIATION SERVICES GROUP

FUEL SALES

The gross fuel sales reflect lower sales activity for 2025. The budget is 11% lower than 2024's Budget due to reduced retail and commercial fuel sales projected for 2025.

GROUND HANDLING AND OTHER

Passenger airline ground handling revenue reflects an increase of 14% from the 2024 Budget based on higher ground handling rates and more passenger flight operations.

ADVERTISING

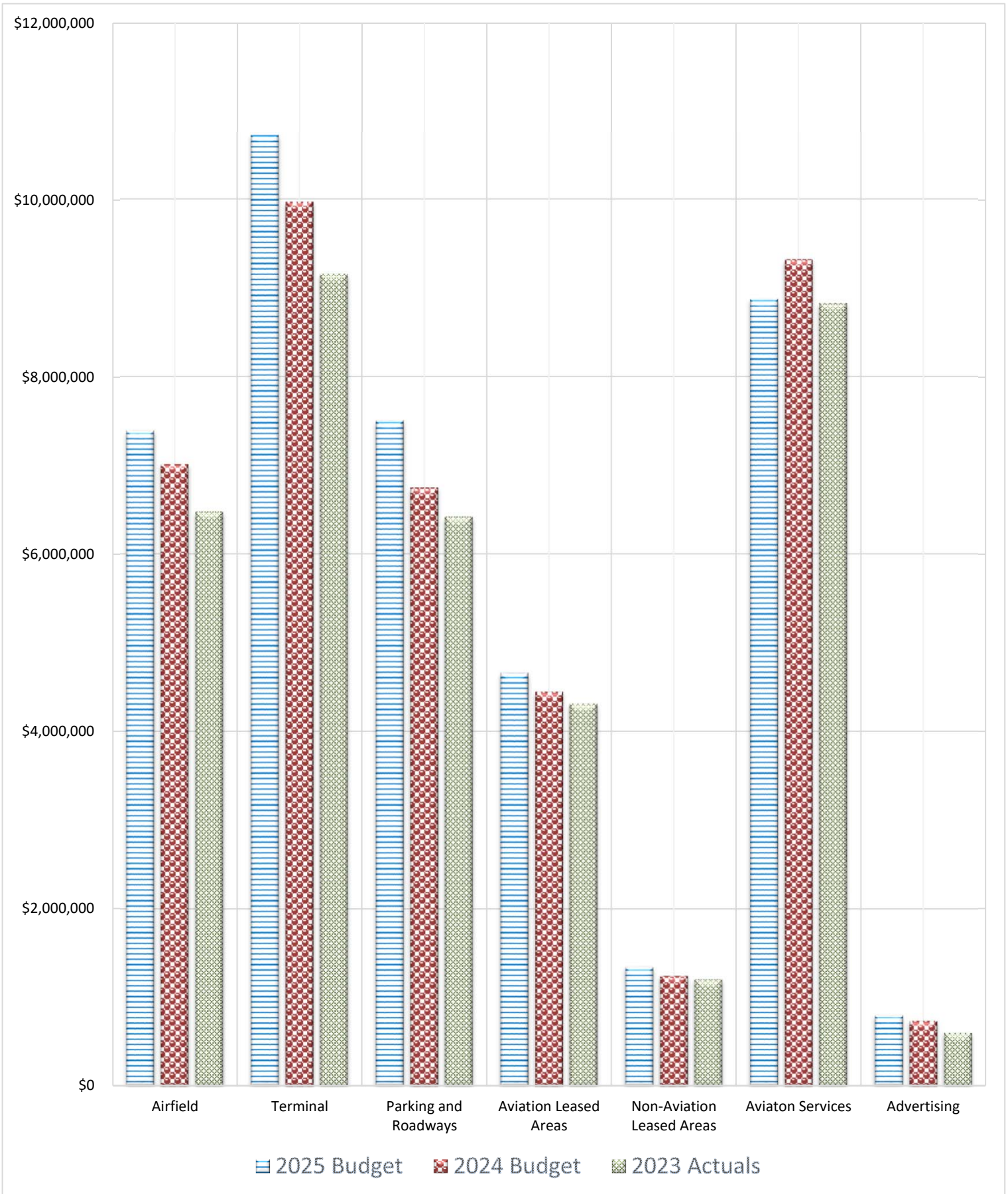
ADVERTISING

The 2025 Advertising revenue reflects an increase of 8% vs. the 2024 Budget. The addition of the new TSA Checkpoint / Terminal Connector and new concessionaire improvements throughout the terminals continue to provide new advertising opportunities making advertising an even more attractive option at the Airport. The Airport Authority continues to look for innovative ways to increase advertising opportunities. As of the 4th quarter of 2024, LNAA had a 3% increase in unique advertisers working with the Airport Authority.

Lehigh Northampton Airport Authority
Statement of Operating Revenues - LVIA
Budget 2025

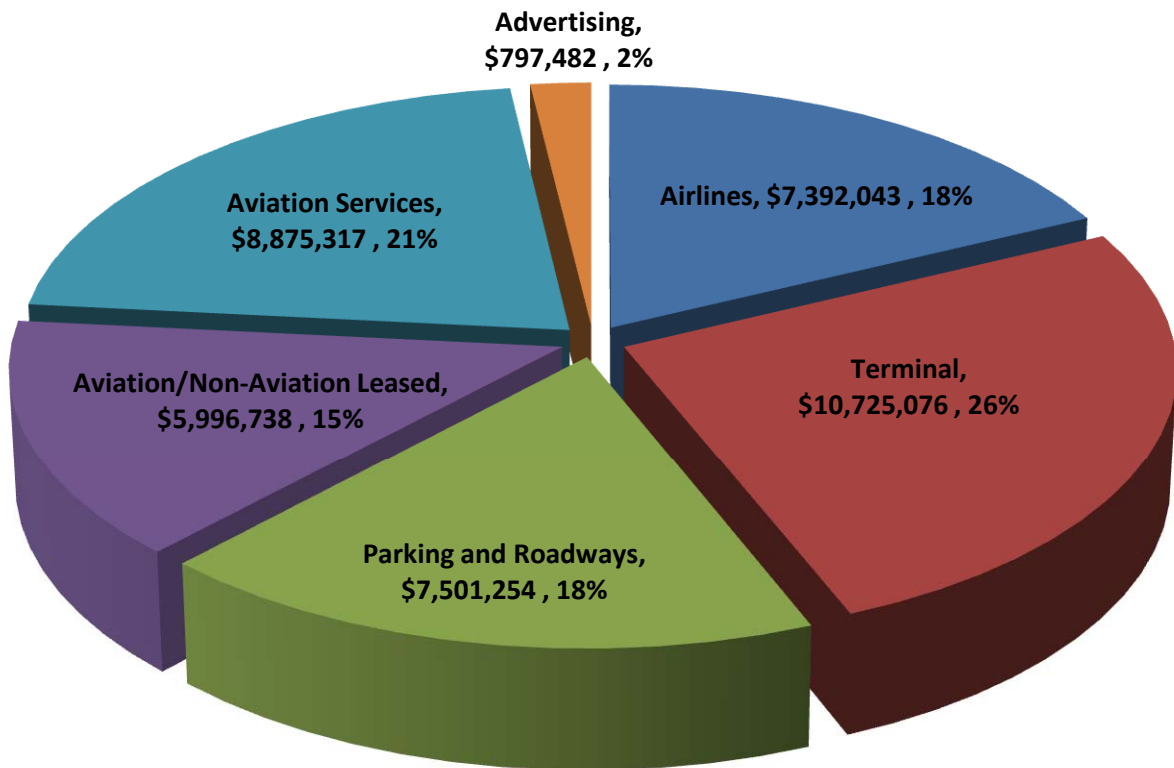
	2025 Budget A	2024 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2023 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
OPERATING REVENUES:							
Airfield:							
Landing Fees	\$6,293,359	\$5,939,144	\$354,215	5.96%	\$5,587,263	\$706,096	12.64%
Apron Parking Fees	1,098,684	1,074,589	24,095	2.24%	887,461	211,223	23.80%
Total Airfield Fees	\$7,392,043	\$7,013,733	\$378,310	5.39%	\$6,474,724	\$917,319	14.17%
Terminal:							
Rent - Airlines	\$7,317,140	\$6,828,972	\$488,168	7.15%	\$5,923,837	\$1,393,303	23.52%
Rent - Concession & Other	767,165	650,828	116,337	17.88%	748,844	18,321	2.45%
Concession Fee - Rental Cars	2,009,041	1,916,344	92,697	4.84%	1,925,587	83,454	4.33%
Concession Fee - Restaurant/Newsstand	555,942	501,164	54,778	10.93%	470,410	85,532	18.18%
Concession Fee - Other	45,789	45,293	496	1.10%	57,742	(11,953)	(20.70%)
Utility Fees & Other	30,000	27,000	3,000	11.11%	28,489	1,511	5.30%
Total Terminal Rents	\$10,725,077	\$9,969,601	\$755,476	7.58%	\$9,154,909	\$1,570,168	17.15%
Parking and Roadways	\$7,501,254	\$6,749,863	\$751,391	11.13%	\$6,417,295	\$1,083,959	16.89%
Aviation Leased Areas:							
Hangar No. 1 Rent	\$71,262	\$69,108	\$2,154	3.12%	\$68,915	\$2,347	3.41%
Hangar No. 2 Rent	43,734	43,347	387	0.89%	41,049	2,685	6.54%
Hangar No. 3 Rent	409,791	401,285	8,506	2.12%	472,247	(62,456)	(13.23%)
Hangar No. 5 Rent	27,914	26,944	970	3.60%	26,398	1,516	5.74%
Hangar No. 7 Rent	400,239	383,463	16,776	4.37%	370,492	29,747	8.03%
Hangar No. 8 Rent	358,540	362,276	(3,736)	(1.03%)	290,304	68,236	23.51%
Hangar No. 9 Rent	947,460	925,371	22,089	2.39%	884,912	62,548	7.07%
Hangar No. 10 Rent	663,479	646,493	16,986	2.63%	642,389	21,090	3.28%
Hangar No. 11 Rent	963,180	939,161	24,019	2.56%	906,316	56,864	6.27%
T-Hangars	255,043	240,961	14,082	5.84%	233,053	21,990	9.44%
Air Cargo Building & Land Rents	461,530	354,784	106,746	30.09%	275,369	186,161	67.60%
Ramp, Gatecard and Other Income	51,504	60,216	(8,712)	(14.47%)	96,854	(45,350)	(46.82%)
Total Aviation Leased Areas	\$4,653,676	\$4,453,409	\$200,267	4.50%	\$4,308,298	\$345,378	8.02%
Non-Aviation Leased Areas:							
Building Rents	\$676,230	\$597,882	\$78,348	13.10%	\$605,231	\$70,999	11.73%
Land Rents	666,832	652,023	14,809	2.27%	597,415	69,417	11.62%
Total Rents	\$1,343,062	\$1,249,905	\$93,157	7.45%	\$1,202,646	\$140,416	11.68%
Aviation Services:							
Gross Fuel Sales/Into Plane Fees	\$5,613,184	\$6,295,616	(\$682,432)	(10.84%)	\$5,931,539	(\$318,355)	(5.37%)
Landing Fees	284,000	278,000	6,000	2.16%	288,547	(4,547)	(1.58%)
Hangar & Ramp Rentals	236,000	231,000	5,000	2.16%	255,097	(19,097)	(7.49%)
Ground Handling	2,437,268	2,146,789	290,479	13.53%	1,960,070	477,198	24.35%
Miscellaneous Income	304,865	368,056	(63,191)	(17.17%)	389,619	(84,754)	(21.75%)
Total Aviation Services	\$8,875,317	\$9,319,461	(\$444,144)	(4.77%)	\$8,824,872	\$50,445	0.57%
Advertising	\$797,482	\$741,562	\$55,920	7.54%	\$602,770	\$194,712	32.30%
Total Operating Revenue	\$41,287,911	\$39,497,534	\$1,790,377	4.53%	\$36,985,514	\$4,302,397	11.63%
Cost of Sales	\$6,877,189	\$6,688,772	\$188,417	2.82%	\$6,002,047	\$875,142	14.58%
Net Operating Revenue	\$34,410,722	\$32,808,762	\$1,601,960	4.88%	\$30,983,467	\$3,427,255	11.06%

Lehigh-Northampton Airport Authority 2025/2024/2023 LVIA Revenue



* Excludes Care Act Reimbursement

Lehigh-Northampton Airport Authority 2025 Revenue Sources *



* Excludes Cares Act Reimbursement

LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

Lehigh Valley International Airport

2025 OPERATING EXPENSE BUDGET

Total 2025 Operating Expense Budget (including Braden, Queen City and Events) is \$28,142,084 an increase of \$1,159,8451 or 4% from the 2024 Budget. The changes in some of the major expense categories are detailed below.

SALARIES AND WAGES

Salaries and wages reflect a 3% increase over the 2024 Budget. The increase reflects several adjustments:

1. 2025 budgeted FTEs are 4% above the 2024 budget.
2. Continued adjustments in non-union wages based on airport industry benchmarks.
3. Teamsters' personnel received a 3.0% increase for the first pay period of July 2024 and will receive another 3.0% for the first pay period of July 2025, consistent with their current Collective Bargaining Agreement (CBA) expiring June 30, 2027.
4. Aircraft, Rescue and Firefighting (ARFF) personnel received a 3.0% increase for the first pay period of September 2024 and will receive another 3.0% for the first pay period of September 2025, consistent with their current CBA expiring August 31, 2026.
5. Police personnel will receive a 3% increase beginning with the first pay period of January 2025 consistent with their current CBA expiring December 31, 2028.

EMPLOYEE BENEFITS

2025 Benefits are budgeted at a 5% increase from the 2024 Budget. The main contributors are:

1. Worker's compensation contribution of 8.8% of payroll.
2. Pension benefits estimated at 11% of all full-time salaries.
3. An increase of one full-time employee and no change to total hours.
4. Continuation of the qualified high deductible plan with increased healthy rewards to Non-Union, Police, and ARFF employees.
5. Self-insured unemployment claims estimated at 2% of salary and wages.
6. The overall annual cost per full-time employee for medical insurance is \$23K. Combined employee medical contributions represent 7.5% of 2025 medical cost. The ARFF, Police, and Teamsters' contributions were increased according to their CBAs.
7. Each year, the Airport Authority pays 115% of expected medical claims. If claims come in less than 115%, the Authority receives a rebate the following year. Included in the 2025 Budget is a \$50K rebate from 2024.

PROFESSIONAL SERVICES

The 2025 Budget reflects a 20% increase vs. the 2024 Budget. The increase in professional services is part of the planned use of ARPA funds to initiate consultant services to assist the Airport Authority update our strategic plan, and review efficiency and employee safety. Projects include but are not limited to Executive/Board, Information Technology, and Communications.

LEGAL SERVICES

The 2025 Budget reflects a 21% **decrease** from the 2024 Budget. During 2024, the Airport Authority included several studies to ensure the Airport Authority remained in legal compliance amidst changing industry regulations. Most of those studies have been completed and the budgeted expense reflects this return to traditional legal services expenses. The LNAA Board-approved rate increases for retainer and hourly rates for the Solicitor were included in the 2025 Budget as directed.

CONTRACT SERVICES

The contract services 2025 Budget increased 6% from the 2024 Budget. The increase is largely a result of new TSA security regulations for aviation worker screening by a third-party agency and additional structure demolition that will be offset by the Airport Authority's remaining ARPA support funds.

ADVERTISING EXPENSE

The 2025 Budget is 27% higher than the 2024 Budget. The 2025 advertising expense increase is partially due to the historical and anticipated usage of the airline incentive program for new destinations along with increased costs of installing new advertisements throughout the Airport.

DUES AND SUBSCRIPTIONS

The dues and subscriptions budget reflects a 23% increase vs. the 2024 Budget. Similar to the increase from 2024 Budget, 2025's increase reflects the requirement for continued cybersecurity upgrades in our Information Technology (IT) infrastructure and related increases to software licensing fees.

EQUIPMENT RENTAL

The 2025 budgeted equipment rental is 15% **lower** than the 2024 Budget due to scheduled reductions in lease lines. During 2024, the Airport Authority has not entered any new lease agreements due to the current elevated lease rate environment.

MATERIALS & SUPPLIES / MAINTENANCE & REPAIRS

Materials & Supplies and Maintenance & Repairs combined represent 15% of the total ABE non-personnel expense budget. The budget increase was only 2% from the 2024 Budget despite price inflation and continued upkeep on our growing infrastructure.

UTILITIES

Utilities represent another 15% of the total ABE non-personnel expense budget. The 2025 Budget reflects a 1% **decrease** from the 2024 Budget due to negotiated savings with the LNAA's electric supplier by our Procurement Department and a continued trend of fewer heating and cooling degree days in our region.

INSURANCE

The Airport Authority recognized a 4% increase in the overall cost of property and casualty insurance vs. the 2024 Budget. The increase is consistent with the current insurance industry norm and the additional liability associated with the Terminal Connector and other new infrastructure assets. The Airport Authority continues to benchmark its insurance coverage levels to ensure manageable risk levels.

PAYMENT IN LIEU OF TAXES

Required payments to Catasauqua Area School District and Hanover Township (Lehigh County) equal 10% of our parking revenue and is budgeted accordingly in 2025.

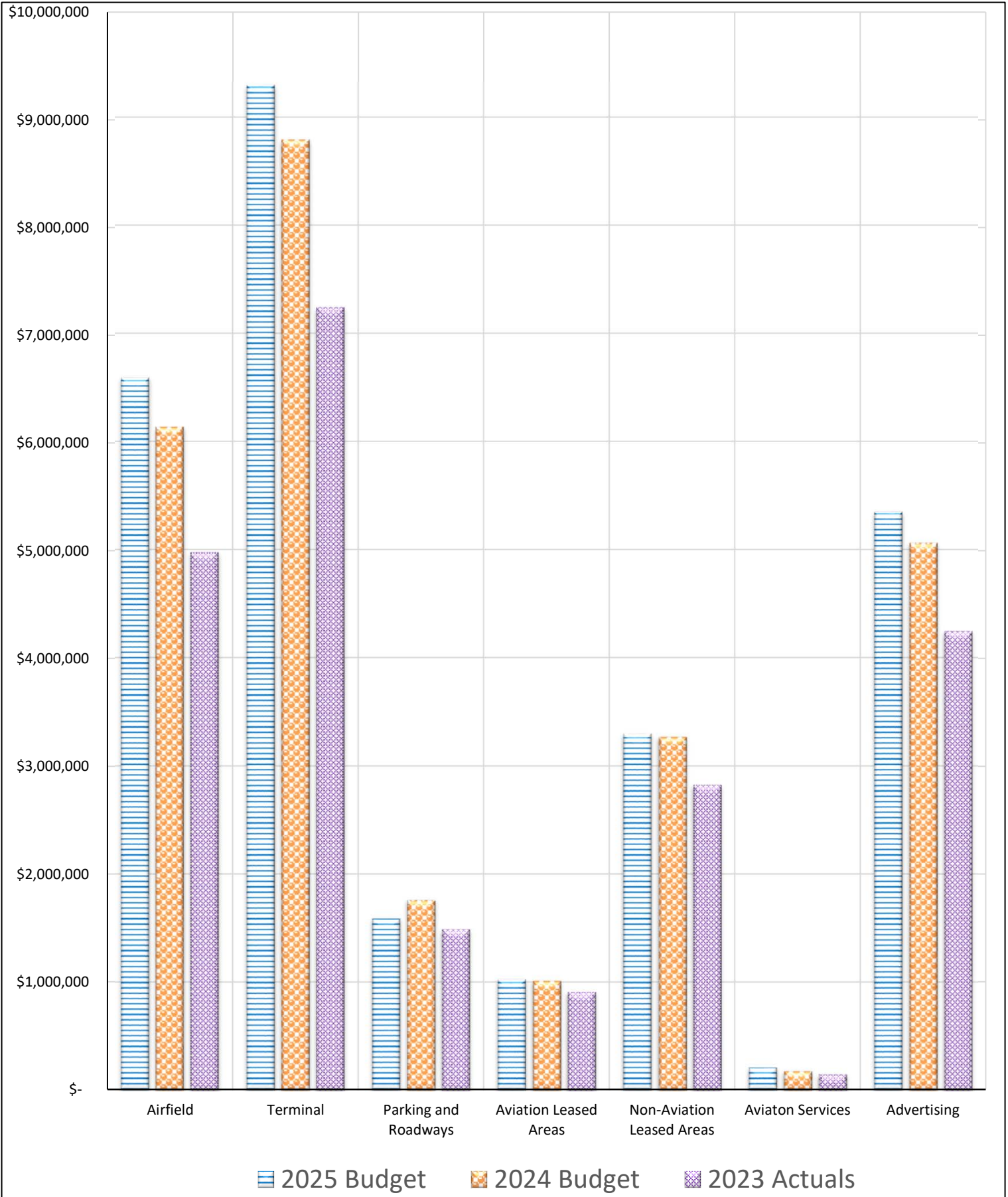
CREDIT CARD FEES

Credit card fees are incurred on sales of fuel and other FBO services, as well as parking lot revenue and will vary proportionately with the revenue.

Lehigh Northampton Airport Authority
Statement of Operating Expenses - LVIA
Budget 2025

	2025 Budget A	2024 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2023 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
OPERATING EXPENSES:							
Salaries and Wages	\$10,863,274	\$10,533,275	\$329,999	3.13%	\$9,187,659	\$1,675,615	18.24%
Payroll Taxes	816,550	794,297	22,253	2.80%	689,362	127,188	18.45%
Employee Benefits	4,433,151	4,226,371	206,780	4.89%	3,250,833	1,182,318	36.37%
Subtotal	<u>\$16,112,975</u>	<u>\$15,553,943</u>	<u>\$559,032</u>	<u>3.59%</u>	<u>\$13,127,854</u>	<u>\$2,985,121</u>	<u>22.74%</u>
Professional Services	683,602	569,023	114,579	20.14%	298,773	384,829	128.80%
Legal Services	333,100	419,600	(86,500)	(20.61%)	219,883	113,217	51.49%
Audit and Financial Services	93,800	95,700	(1,900)	(1.99%)	70,645	23,155	32.78%
Public Relations	47,550	40,600	6,950	17.12%	27,768	19,782	71.24%
Contract Services	2,055,166	1,934,464	120,702	6.24%	1,726,135	329,031	19.06%
Advertising Expense	557,000	438,050	118,950	27.15%	422,585	134,415	31.81%
Recruiting Expense	48,000	48,000	0	0.00%	26,430	21,570	81.61%
Printing	9,350	9,250	100	1.08%	6,208	3,142	50.61%
Postage	5,700	4,600	1,100	23.91%	2,193	3,507	159.92%
Dues and Subscriptions	1,315,201	1,070,781	244,420	22.83%	762,710	552,491	72.44%
Office Supplies	45,260	44,420	840	1.89%	34,262	10,998	32.10%
Telephone	114,960	122,156	(7,196)	(5.89%)	105,777	9,183	8.68%
Training and Seminars	157,175	163,825	(6,650)	(4.06%)	50,006	107,169	214.31%
Business and Travel Related	117,400	130,650	(13,250)	(10.14%)	40,806	76,594	187.70%
Hospitality	38,965	48,315	(9,350)	(19.35%)	25,653	13,312	51.89%
Equipment Rental	451,785	528,396	(76,611)	(14.50%)	433,993	17,792	4.10%
Materials & Supplies	865,884	884,234	(18,350)	(2.08%)	601,974	263,910	43.84%
Maintenance Repairs	851,200	796,500	54,700	6.87%	794,357	56,843	7.16%
Heating Gas and Oil	380,100	367,865	12,235	3.33%	318,404	61,696	19.38%
Electricity	1,054,050	1,087,300	(33,250)	(3.06%)	999,696	54,354	5.44%
Water	162,944	166,428	(3,484)	(2.09%)	147,583	15,361	10.41%
Refuse Collection	88,733	81,690	7,043	8.62%	94,781	(6,048)	(6.38%)
Uniforms	83,619	74,813	8,806	11.77%	58,974	24,645	41.79%
Insurance	834,100	799,400	34,700	4.34%	694,253	139,847	20.14%
Real Estate Taxes	142,450	160,000	(17,550)	(10.97%)	155,839	(13,389)	(8.59%)
Payment in Lieu of Taxes	730,366	654,213	76,153	11.64%	605,788	124,578	20.56%
Credit Card Fees	246,510	192,237	54,273	28.23%	190,101	56,409	29.67%
Bad Debt Expense	0	0	0	0.00%	0	0	0.00%
Miscellaneous	13,870	8,250	5,620	68.12%	90,998	(77,128)	(84.76%)
Total Operating Expenses	<u>\$27,640,815</u>	<u>\$26,494,703</u>	<u>\$1,146,112</u>	<u>4.33%</u>	<u>\$22,134,429</u>	<u>\$5,506,386</u>	<u>24.88%</u>
Allocated to QC	(\$261,528)	(\$249,823)	(\$11,705)	4.69%	(\$217,880)	(\$43,648)	20.03%
Allocated to Braden	(9,615)	(10,823)	1,208	(11.16%)	(78,874)	69,259	(87.81%)
Total Operating Expenses after Allocation	<u>\$27,369,672</u>	<u>\$26,234,057</u>	<u>\$1,135,615</u>	<u>4.33%</u>	<u>\$21,837,675</u>	<u>\$5,531,997</u>	<u>25.33%</u>

Lehigh-Northampton Airport Authority 2025/2024/2023 LVIA Expenses



LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

Queen City Airport and Braden Airpark

Queen City Airport

Net Income from Operations decreased \$204K or 57% vs. the 2024 Budget at Queen City Airport (XLL). Net operating revenue decreased by \$174K or 84%. The \$245K decrease in fuel sales was only slightly offset by a \$64K decrease in fuel and labor costs related to downward trending general aviation fueling volumes.

The Airport Authority continues to look for new opportunities to bring in additional general aviation revenue.

Braden Airpark

Net Income from Operations shows an increase of \$2K vs. the 2024 Budget at Braden Airpark (N43). Total revenue decreased \$9K vs. the 2024 Budget due to a decrease in fuel sales activity. The decrease in revenue is a result of the lower fuel sales that are slightly offset by a decrease of \$5K in cost of sales. SpiritWings Aviation continues to provide staffing for oversight and day-to-day operations at N43.

The Airport Authority's Board of Governors and staff continue to review opportunities to grow revenue at N43 in the coming years through non-aeronautical development.

Overall

For the 2025 Budget, the Lehigh-Northampton Airport Authority updated its internal administration allocations consistent with the resources used for both Queen City Airport and Braden Airpark.

**Lehigh Northampton Airport Authority
Queen City Airport
Budget 2025**

	2025 Budget A	2024 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2023 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
Revenue:							
Hangar & Ramp Rentals	\$587,509	\$580,381	\$7,128	1.23%	\$578,706	\$8,803	1.52%
Fuel Sales-FBO	536,340	748,440	(212,100)	(28.34%)	703,517	(167,177)	(23.76%)
Into Plane Fees-FBO	99,230	132,197	(32,967)	(24.94%)	125,774	(26,544)	(21.10%)
Pilot Supplies Sales	0	0	0	0.00%	82	(82)	(100.00%)
Miscellaneous Income	5,395	5,915	(520)	(8.79%)	11,223	(5,828)	(51.93%)
Total Revenue	\$1,228,474	\$1,466,933	(\$238,459)	(16.26%)	\$1,419,302	(\$190,828)	(13.45%)
Cost of Sales:							
Fuel Cost	\$473,767	\$586,404	(112,637)	(19.21%)	\$575,468	-\$101,701	(17.67%)
Labor costs	721,037	672,530	48,507	7.21%	465,545	255,492	54.88%
Total Cost of Sales	\$1,194,804	\$1,258,934	(\$64,130)	(5.09%)	\$1,041,013	\$153,791	14.77%
Net Operating Revenue	\$33,670	\$207,999	(\$174,329)	(83.81%)	\$378,289	(\$344,619)	(91.10%)
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%)
Professional Fee	0	0	0	0.00%	0	0	0.00%
Legal Fees	35,000	10,000	25,000	250.00%	13,873	21,127	152.29%
Public Relations	0	0	0	0.00%	0	0	0.00%
Contract Services	47,840	24,307	23,533	96.82%	26,491	21,349	80.59%
Advertising Expense	0	0	0	0.00%	0	0	0.00%
Printing	100	100	0	0.00%	0	100	0.00%
Postage & Shipping	0	0	0	0.00%	0	0	0.00%
Dues & Subscriptions	2,000	2,000	0	0.00%	1,728	272	15.74%
Office Expenses	800	800	0	0.00%	395	405	102.53%
Telephone Expense	3,000	3,000	0	0.00%	2,713	287	10.58%
Training & Seminars	2,000	2,000	0	0.00%	0	2,000	0.00%
Travel & Business Expenses	2,000	2,000	0	0.00%	150	1,850	1233.33%
Hospitality	1,000	1,000	0	0.00%	0	1,000	0.00%
Equipment Rental	12,000	15,000	(3,000)	(20.00%)	12,008	(8)	(0.07%)
Materials & Supplies	31,400	35,000	(3,600)	(10.29%)	21,486	9,914	46.14%
Maintenance & Repairs	45,000	40,000	5,000	12.50%	25,900	19,100	73.75%
Utilities-Heat	16,500	16,480	20	0.12%	12,649	3,851	30.45%
Utilities-Light & Power	28,000	24,900	3,100	12.45%	22,755	5,245	23.05%
Utilities-Water	2,160	2,160	0	0.00%	1,690	470	27.81%
Refuse Services	4,800	5,931	(1,131)	(19.07%)	3,756	1,044	27.80%
Uniform Purchase & Expense	0	4,600	(4,600)	(100.00%)	419	(419)	(100.00%)
Real Estate Taxes	71,200	71,200	0	0.00%	71,200	0	0.00%
Credit Card Fees	0	1,200	(1,200)	(100.00%)	0	0	0.00%
Bad Debt Expense	0	0	0	0.00%	0	0	0.00%
Miscellaneous Expenses	0	0	0	0.00%	(100)	100	(100.00%)
Allocated	261,528	249,823	11,705	4.69%	217,880	43,648	20.03%
Total Operating Expenses	\$597,152	\$567,147	\$30,005	5.29%	\$489,544	\$107,608	21.98%
Net Income (Loss) from Operations	(\$563,482)	(\$359,148)	(\$204,334)	56.89%	(\$111,255)	(\$452,227)	406.48%
NON-OPERATING COSTS:							
Depreciation	\$181,570	\$159,474	\$22,096	13.86%	\$125,240	\$56,330	44.98%
Total Non-Operating Costs	\$181,570	\$159,474	\$22,096	13.86%	\$125,240	\$56,330	44.98%
Net Income after Depreciation	(\$745,052)	(\$518,622)	(\$226,430)	43.66%	(\$236,495)	(\$508,557)	215.04%

**Lehigh Northampton Airport Authority
Braden Airpark
Budget 2025**

	2025 Budget A	2024 Budget B	Budget Var \$ C	Budget Var % D (C/B)	2023 Actual E	Variance to Budget F	Variance % to Budget G (F/E)
Revenue:							
Hangar & Ramp Rentals	\$110,929	\$111,147	(\$218)	(0.20%)	\$107,461	\$3,468	3.23%
Fuel Sales-FBO	\$32,181	\$41,175	(\$8,994)	(21.84%)	\$47,875	(\$15,694)	(32.78%)
Miscellaneous Income	0	0	0	0.00%	1,408	(1,408)	(100.00%)
Total Revenue	\$143,110	\$152,322	(\$9,212)	(6.05%)	\$156,744	(\$13,634)	(8.70%)
Cost of Sales:							
Fuel Cost	\$25,500	\$31,720	(\$6,220)	(19.61%)	\$37,473	(\$11,973)	(31.95%)
Labor costs	26,667	25,706	961	3.74%	26,560	107	0.40%
Total Cost of Sales	\$52,167	\$57,426	(\$5,259)	(9.16%)	\$64,033	(\$11,866)	(18.53%)
Net Operating Revenue	\$90,943	\$94,896	(\$3,953)	(4.17%)	\$92,711	(\$1,768)	(1.91%)
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	4,000	(1,000)	(25.00%)	2,072	928	44.79%
Contract Services	8,040	4,015	4,025	100.25%	15,345	(7,305)	(47.61%)
Advertising Expense	0	0	0	0	0	0	0.00%
Postage & Shipping	0	0	0	0	0	0	0.00%
Dues & Subscriptions	400	400	0	0.00%	365	35	9.59%
Office Expenses	0	0	0	0.00%	0	0	0.00%
Telephone Expense	3,900	3,600	300	8.33%	3,335	565	16.94%
Training & Seminars	0	0	0	0.00%	0	0	0.00%
Travel & Business Expenses	0	0	0	0.00%	50	(50)	(100.00%)
Hospitality	0	300	(300)	(100.00%)	0	0	0.00%
Equipment Rental	4,476	4,576	(100)	(2.19%)	2,014	2,462	122.24%
Materials & Supplies	5,000	5,000	0	0.00%	1,564	3,436	219.69%
Maintenance & Repairs	10,000	10,000	0	0.00%	6,298	3,702	58.78%
Utilities-Heat	10,000	5,650	4,350	76.99%	9,166	834	9.10%
Utilities-Light & Power	10,000	11,500	(1,500)	(13.04%)	7,497	2,503	33.39%
Utilities-Water	2,800	3,456	(656)	(18.98%)	2,430	370	15.23%
Refuse Services	1,152	1,084	68	6.27%	603	549	91.04%
Uniform Purchase & Expense	0	0	0	0.00%	0	0	0.00%
Credit Card Fees	0	1,200	(1,200)	(100.00%)	0	0	0.00%
Bad Debt Expense	0	0	0	0.00%	0	0	0.00%
Miscellaneous Expenses	3,000	3,000	0	0.00%	3,000	0	0.00%
Allocated	9,615	10,823	(1,208)	(11.16%)	78,874	(69,259)	(87.81%)
Total Operating Expenses	\$175,260	\$181,029	(\$5,769)	(3.19%)	\$244,853	(\$69,593)	(28.42%)
Net Income (Loss) from Operations	(\$84,317)	(\$86,133)	\$1,816	(2.11%)	(\$152,142)	\$67,825	(44.58%)
NON-OPERATING COSTS:							
Depreciation	87,096	68,420	18,676	27.30%	83,525	3,571	4.28%
Total Non-Operating Costs	\$87,096	\$68,420	\$18,676	27.30%	\$83,525	\$3,571	4.28%
Net Income after Depreciation	(\$171,413)	(\$154,553)	(\$16,860)	10.91%	(\$235,667)	\$64,254	(27.26%)

Insights on Changes to Personnel

The 2025 Budget of 240 FTEs shows an increase of 9 FTEs compared to the 2024 YTD average of 231 FTEs and an increase of 6 FTEs from the 2024 Budget. Staffing in 2025 reflects a stabilization of our workforce after years of ramping up post-pandemic. Personnel costs represent the biggest expense component of the budget and will continue to reflect the projected economic circumstances of the Authority.

Only two departments have any noteworthy variance from the 2024 Budget.

Airline Services / Ground Handling

3 FTEs – Increased airline flight operations require additional aircraft ground handling services that necessitates additional staffing.

Parking

-3 FTEs – The decrease in FTEs is due to a retiring workforce and continued automation in the parking department which allows for a redistribution of personnel resources.

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

Description	Period	FTEs	% vs. 2019 Actual	FT EEs	% vs. 2019 Actual	Total EES	% vs. 2019 Actual
Budget	2025	240	24.4%	167	26.5%	348	40.3%
Budget	2024	239	23.8%	166	25.8%	342	37.9%
Budget	2023	229	18.7%	162	22.7%	318	28.2%
Budget	2022	234	21.2%	155	17.4%	318	28.2%
Budget	2021	185	-4.1%	144	9.1%	311	25.4%
Budget	2020	218	13.0%	130	-1.5%	270	8.9%
Budget	2019	205	6.2%	133	0.8%	272	9.7%
Actual	29-Oct-24	232	20.2%	153	15.9%	300	21.0%
Actual	31-Oct-23	230	19.2%	153	15.9%	293	18.1%
Actual	1-Nov-22	206	6.7%	148	12.1%	272	9.7%
Actual	2-Nov-21	179	-7.3%	127	-3.8%	239	-3.6%
Actual	3-Nov-20	168	-13.0%	128	-3.0%	237	-4.4%
Actual	5-Nov-19	198	2.6%	133	0.8%	252	1.6%
Actual YTD*	2024	231	19.7%	151	14.4%	295	19.0%
Actual	2023	220	14.0%	149	12.9%	283	14.1%
Actual	2022	205	6.2%	143	8.3%	265	6.9%
Actual	2021	186	-3.6%	127	-3.8%	236	-4.8%
Actual	2020	179	-7.3%	130	-1.5%	241	-2.8%
Actual**	2019	193	0.0%	132	0.0%	248	0.0%

*Thru 10/29/24

**All Results Compared to 2019 Actual.

FTEs by Department vs. 2024 Budget

Department	2025 Budget (A)	YTD Average (B)*	2024 Budget (C)	Variance (A-B)	% Variance (A vs. B)	Variance (A-C)	% Variance (A vs. C)
Advertising	0.7	1.2	0.7	(0.5)	-42%	0.0	0.0%
ARFF **	9.8	10.1	10.0	(0.3)	-3%	(0.2)	-2.0%
Aviation Services- FBO	32.8	31.4	33.3	1.4	4%	(0.5)	-1.6%
Aviation Services- QC	9.1	8.1	8.9	1.0	12%	0.2	2.2%
Aviation Services-Braden	0.3	0.0	0.4	0.3	N/A	(0.1)	-25.0%
Business Development	2.3	2.0	2.3	0.3	15%	0.0	0.0%
Custodial	14.5	13.9	14.0	0.6	4%	0.5	3.6%
Customer Experience	5.7	5.1	5.9	0.6	12%	(0.2)	-3.4%
Executive Board	2.0	2.0	2.0	0.0	0%	0.0	0.0%
Finance	7.2	7.2	7.7	0.0	0%	(0.5)	-6.5%
Ground Handling -LV	40.0	39.2	36.7	0.8	2%	3.3	9.0%
HR	3.5	3.0	3.0	0.5	17%	0.5	16.7%
IT	6.0	5.0	5.8	1.0	20%	0.2	3.4%
Maintenance	30.3	27.9	30.3	2.4	9%	0.0	0.0%
Marketing	1.0	1.2	1.2	(0.2)	-17%	(0.2)	-16.7%
Operations Admin.	6.5	6.3	6.5	0.2	3%	0.0	0.0%
Operations Center	9.3	8.0	9.4	1.3	16%	(0.1)	-0.8%
Operations Officers	5.7	5.9	6.6	(0.2)	-3%	(0.9)	-13.6%
Parking	4.8	4.7	8.0	0.1	2%	(3.2)	-40.0%
Passenger Services/Shuttle Bus	24.0	25.5	24.1	(1.5)	-6%	(0.0)	-0.2%
Planning	4.0	3.0	3.0	1.0	33%	1.0	33.3%
Police	13.3	14.8	13.3	(1.5)	-10%	0.0	0.0%
Properties	2.3	2.3	2.3	0.0	0%	0.0	2.2%
Purchasing	4.5	3.3	4.0	1.2	36%	0.5	12.5%
Grand Total	239.6	231.1	239.3	8.5	3.7%	0.3	0.1%
*YTD Average through 10/29/24							
**Dept FTE Based on 56 Hours for ARFF							

FTEs by Department vs. 2019 Actuals

Department	2025 Budget (A)	YTD Average (B)*	2019 Actual (C)	Variance (A-B)	% Variance (A vs. B)	Variance (A-C)	% Variance (A vs. C)
Advertising	0.7	1.0	1.0	(0.3)	N/A	(0.3)	-30%
ARFF **	9.8	11.1	8.3	(1.3)	-12%	1.5	18%
Aviation Services- FBO	32.8	32.1	27.9	0.7	2%	4.9	18%
Aviation Services- QC	9.1	9.2	6.3	(0.1)	-1%	2.8	44%
Aviation Services-Braden	0.3	0.0	2.4	0.3	N/A	(2.1)	-88%
Business Development	2.3	2.0	1.7	0.3	15%	0.6	35%
Custodial	14.5	14.4	12.6	0.1	1%	1.9	15%
Customer Experience	5.7	4.9	4.8	0.8	16%	0.9	19%
Executive Board	2.0	2.0	2.0	0.0	0%	0.0	0%
Finance	7.2	7.3	6.2	(0.1)	-1%	1.0	16%
Ground Handling -LV	40.0	40.8	22.5	(0.8)	-2%	17.5	78%
HR	3.5	3.0	3.1	0.5	17%	0.4	13%
IT	6.0	5.0	5.0	1.0	20%	1.0	20%
Maintenance	30.3	26.7	26.8	3.6	13%	3.5	13%
Marketing	1.0	1.0	1.2	0.0	0%	(0.2)	-17%
Operations Admin.	6.5	6.6	5.1	(0.1)	-2%	1.4	27%
Operations Center	9.3	8.4	6.4	0.9	11%	2.9	45%
Operations Officers	5.7	6.6	5.4	(0.9)	-14%	0.3	6%
Parking	4.8	4.0	8.1	0.8	20%	(3.3)	-41%
Passenger Services/Shuttle Bus	24.0	22.3	15.4	1.7	8%	8.6	56%
Planning	4.0	3.0	2.5	1.0	33%	1.5	60%
Police	13.3	13.8	13.6	(0.5)	-4%	(0.3)	-2%
Properties	2.3	2.2	2.2	0.1	5%	0.1	5%
Purchasing	4.5	4.0	0.0	0.5	13%	4.5	N/A
Transbridge	0.0	0.0	2.4	0.0	N/A	(2.4)	-100%
Grand Total	239.6	231.4	192.9	8.2	3.5%	46.7	24.2%

*Actual Hours as of 10/29/2024 Payroll

**Dept FTE Based on 56 Hours for ARFF

Lehigh-Northampton Airport Authority

Cash Flow Projection

a	Year	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
b	Month	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTALS	
c	Beginning Cash	\$ 31,621,065	\$ 28,214,277	\$ 32,944,483	\$ 32,023,051	\$ 30,422,251	\$ 29,943,283	\$ 29,640,045	\$ 27,173,025	\$ 26,106,128	\$ 24,689,431	\$ 23,450,262	\$ 23,126,069		
1	Estimated Operating Revenues	\$ 3,226,172	\$ 3,353,005	\$ 3,431,772	\$ 3,836,307	\$ 3,657,092	\$ 3,296,214	\$ 3,382,992	\$ 3,463,758	\$ 3,387,961	\$ 3,166,675	\$ 3,472,356	\$ 3,391,709	\$ 41,066,013	
2	Oper. Expenses & COS Labor	\$ (2,669,554)	\$ (2,649,554)	\$ (2,808,392)	\$ (2,744,538)	\$ (2,690,368)	\$ (2,542,836)	\$ (3,078,175)	\$ (2,845,592)	\$ (2,849,689)	\$ (2,749,926)	\$ (3,313,285)	\$ (2,963,026)	\$ (33,904,935)	
3	Queen City Income (Loss)	\$ (42,174)	\$ (103,451)	\$ (45,482)	\$ (61,161)	\$ (42,485)	\$ (33,723)	\$ (37,054)	\$ (29,427)	\$ (32,920)	\$ (35,876)	\$ (42,959)	\$ (56,770)	\$ (563,482)	
4	Braden Airpark Income (Loss)	\$ (6,521)	\$ (8,727)	\$ (7,566)	\$ (6,009)	\$ (7,015)	\$ (6,934)	\$ (5,060)	\$ (4,923)	\$ (6,645)	\$ (11,674)	\$ (5,266)	\$ (7,977)	\$ (84,317)	
5	Event (Loss)	\$ (1,575)	\$ (1,575)	\$ (1,575)	\$ (1,575)	\$ (2,575)	\$ (1,575)	\$ (1,575)	\$ (11,575)	\$ (1,575)	\$ (6,575)	\$ (1,575)	\$ (2,575)	\$ (35,900)	
6	Net Interest	\$ 47,000	\$ 58,750	\$ 47,000	\$ 47,000	\$ 58,750	\$ 47,000	\$ 47,000	\$ 58,750	\$ 47,000	\$ 47,000	\$ 58,750	\$ 47,000	\$ 611,000	
7	Debt Service - 2015 Bonds	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (280,500)	\$ (3,366,000)	
8	Debt Service - Hangar 11	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (57,530)	\$ (690,360)	
9	Debt Service - Connector Fixed	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (124,000)	\$ (1,488,000)	
10	Est. Add. Debt Service -Refinance/ Garage											\$ (100,000)	\$ (100,000)	\$ (200,000)	
11	Airline Settlement							(500,000)						\$ (500,000)	
12	Lease Reimbursements		\$ 500,000			\$ 500,000								\$ 1,000,000	
13	Transfers from PFC to Operating	\$ 150,000	\$ 110,000	\$ 170,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 178,000	\$ 160,000	\$ 149,000	\$ 127,000	\$ 190,000	\$ 155,000	\$ 1,884,000	
14	CFC Funds	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 300,000	
	Funds Available before Capital Purchases, Lease Payments, & Grant Receipts	\$ 31,887,383	\$ 29,035,695	\$ 33,293,210	\$ 32,821,044	\$ 31,623,621	\$ 30,429,399	\$ 29,189,143	\$ 27,526,986	\$ 26,362,230	\$ 24,789,025	\$ 23,271,253	\$ 23,152,400		
	CIP Cash Flow Items:														
16	Lease Payments	\$ (60,155)	\$ (143,122)	\$ (70,055)	\$ (70,055)	\$ (153,022)	\$ (79,955)	\$ (79,955)	\$ (162,922)	\$ (79,955)	\$ (60,675)	\$ (143,642)	\$ (60,675)	\$ (1,164,184)	
17	Capital Purchases/Local Contributions	\$ (4,542,213)	\$ (2,417,927)	\$ (2,123,221)	\$ (2,850,653)	\$ (3,291,927)	\$ (3,911,565)	\$ (4,175,784)	\$ (3,595,863)	\$ (3,892,279)	\$ (5,283,984)	\$ (4,456,056)	\$ (4,324,490)	\$ (44,865,962)	
18	New Properties					(350,000)								\$ (350,000)	
19	FAA/PA Grant Receipts	929,263	4,469,837	923,116	521,915	1,699,598	3,202,166	2,239,619	2,337,926	2,299,435	4,005,896	4,454,514	3,368,587	\$ 30,451,871	
20	Subtotal CIP	\$ (3,673,105)	\$ 1,908,788	\$ (1,270,160)	\$ (2,398,793)	\$ (2,095,351)	\$ (789,354)	\$ (2,016,119)	\$ (1,420,858)	\$ (1,672,799)	\$ (1,338,763)	\$ (145,184)	\$ (1,016,578)	\$ (15,928,274)	
21	Ending Cash Before Special Cares Grants	\$ 28,214,277	\$ 30,944,483	\$ 32,023,051	\$ 30,422,251	\$ 29,528,270	\$ 29,640,045	\$ 27,173,025	\$ 26,106,128	\$ 24,689,431	\$ 23,450,262	\$ 23,126,069	\$ 22,135,823		
22	Special Cares Acts Grants		2,000,000			415,013								2,415,013	
23	Ending Cash After Cares Act Grant (21+22)	\$ 28,214,277	\$ 32,944,483	\$ 32,023,051	\$ 30,422,251	\$ 29,943,283	\$ 29,640,045	\$ 27,173,025	\$ 26,106,128	\$ 24,689,431	\$ 23,450,262	\$ 23,126,069	\$ 22,135,823		
	Reserves and Restrictions:														
24	AIP/Other Restricted Use Only	\$ 5,374,724	\$ 5,374,724	\$ 4,239,304	\$ 4,239,304	\$ 4,239,304	\$ 3,027,886	\$ 3,027,886	\$ 3,027,886	\$ 2,146,168	\$ 2,146,168	\$ 2,146,168	\$ 1,905,679		
25	Unrestricted Cash Before Reserves (23-24)	\$ 22,839,553	\$ 27,569,759	\$ 27,783,747	\$ 26,182,948	\$ 25,703,979	\$ 26,612,159	\$ 24,145,139	\$ 23,078,242	\$ 22,543,262	\$ 21,304,094	\$ 20,979,901	\$ 20,230,143		
26	Required O&M (Bond) Cash Reserve	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000	\$ 4,710,000		
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	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000	\$ 1,410,000		
29	2019 (60 Day) Reserve	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000	\$ 4,630,000		
30	2024 Additional Reserve (to get to 180)	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000		
	Unrestricted Cash After Contingency & Future														
31	Debt Service (25-26-27-28-29-30)	\$ 8,949,553	\$ 13,679,759	\$ 13,893,747	\$ 12,292,948	\$ 11,813,979	\$ 12,722,159	\$ 10,255,139	\$ 9,188,242	\$ 8,653,262	\$ 7,414,094	\$ 7,089,901	\$ 6,340,143		
33	Unrestricted Ending Days Cash on Hand After Contingency @ \$77,143/day	\$ 116	\$ 177	\$ 180	\$ 159	\$ 153	\$ 165	\$ 133	\$ 119	\$ 112	\$ 96	\$ 92	\$ 82		

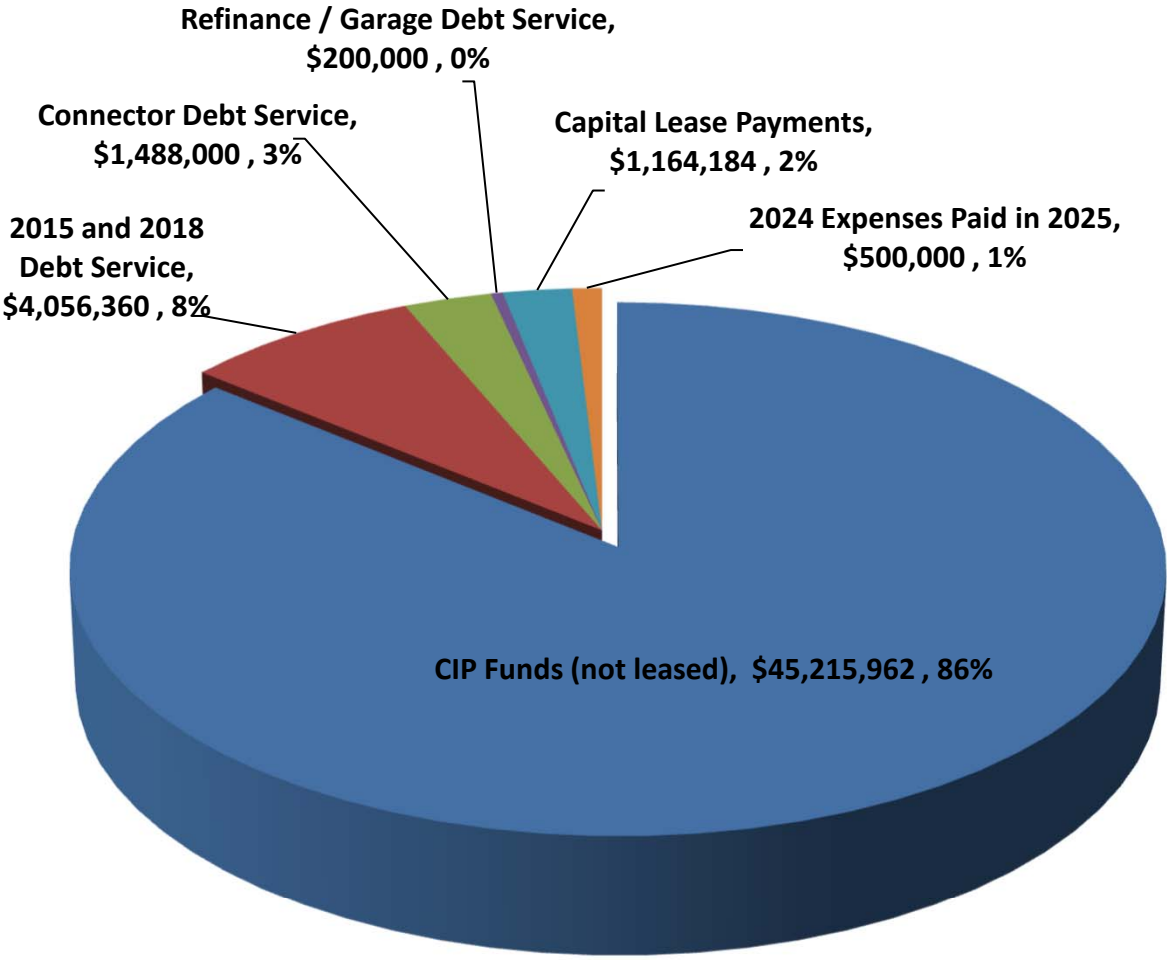
Notes to Items:

- 1 Estimated Revenue
- 2 Estimated Operating Expenses and Cost of Sales
- 7 Debt Service for 2015 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 Refinance of 2015 Bonds and Potential New Debt.
- 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 \$2.4 million of ARPA Funds Used in 2025 Budget
- 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:

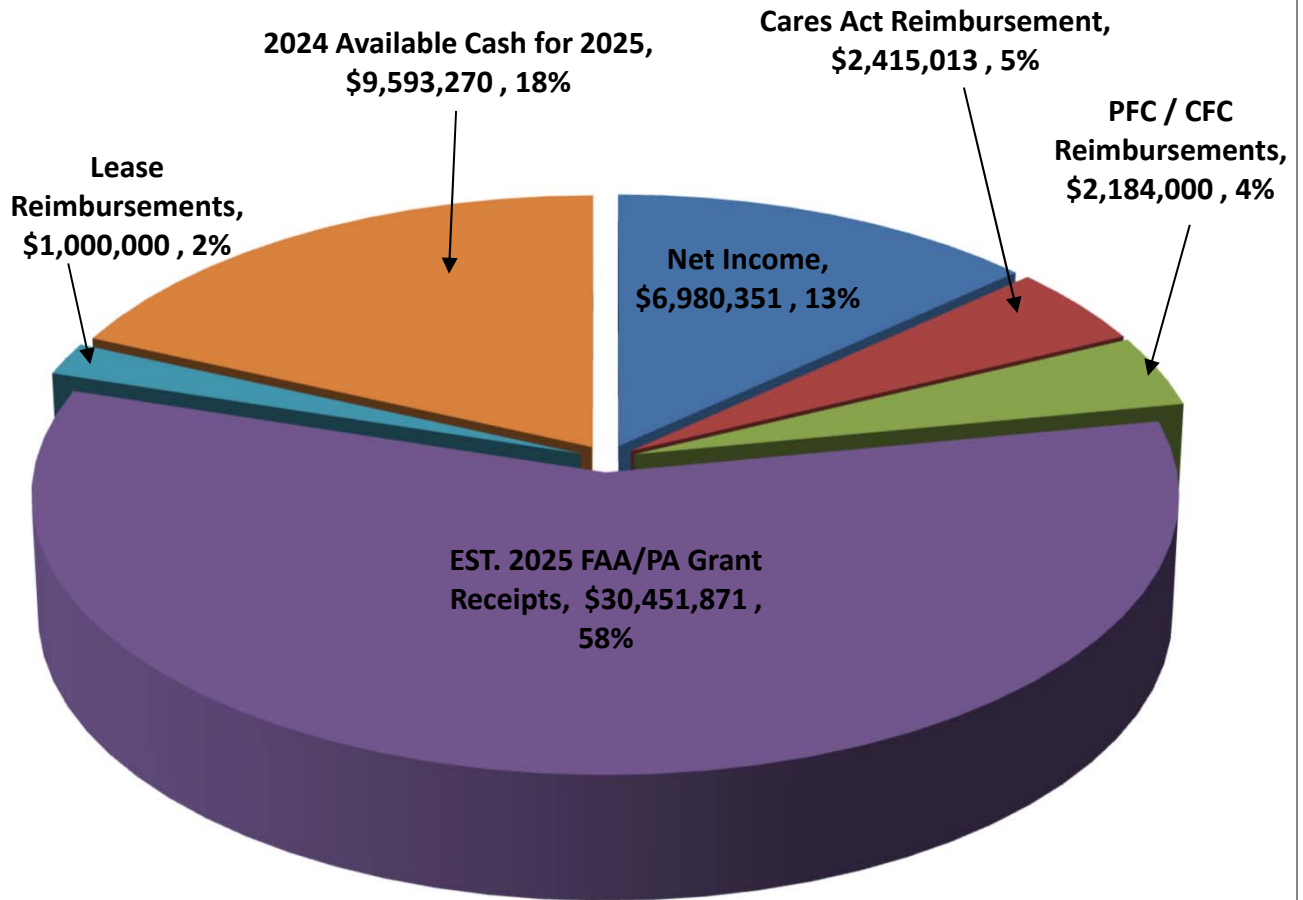
- A Bank Lines of Credit are not shown on exhibit but may be potential sources of Cash.
- B Net Changes to Receivables and Payables assumed to be zero.

Lehigh-Northampton Airport Authority 2025 Uses of Cash



Total Capital Resources: \$52,624,505

Lehigh-Northampton Airport Authority 2025 Cash Sources



Total Available Cash: \$52,624,505



Lehigh Valley International Airport
Queen City Airport
Braden Airpark

EXHIBITS A - B 2025 CAPITAL IMPROVEMENT PROGRAM (CIP)

LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

2025 CAPITAL IMPROVEMENT PROGRAM (CIP)

Entering 2025, the LNAA has continued to prioritize a Capital Improvement Program (CIP) which encompasses a significant investment and revitalization of the most important ingredient to our sustained success: infrastructure.

LNAA's CIP philosophy is imperative to maintain the highest level of safety, security, and customer service at all three airports: Lehigh Valley International Airport (ABE), Queen City Municipal Airport (XLL) and Braden Airpark (N43).

Over the last few years, the LNAA has remained vigilant in ensuring financial sustainability while prioritizing critical infrastructure needs. In 2025, LNAA will continue to invest in strategic projects required to maintain existing infrastructure, accommodate demand and capacity, and support / generate future revenue and growth opportunities.

The 2025 CIP budget presentation is prepared for ease of reference and to reflect an emphasis on the major capital projects. All 2025 projects have been consolidated to one exhibit (Exhibit A) which includes Federal Aviation Administration (FAA) grant-funded projects, Pennsylvania Department of Transportation (PennDOT) Bureau of Aviation grant-funded projects, and all other grant funding sources, along with LNAA major non-grant projects and cumulative departmental spending.

With a total capital spend of \$41,808,019, the LNAA's share of the project funds for the 2025 CIP is \$17,212,950. Due to the timing of project expenditures and anticipated grant receipts, the 2025 cash needed for LNAA's share is \$14,764,090. This total includes the receipt of \$30,451,872 in Federal and State grant funds to support the ongoing and projected projects included in the 2025 CIP.

Five FAA, DOT, and State major projects (with multiple phases) account for the majority of the 2025 CIP with a combined total of \$28,776,700 (\$4,876,756 LNAA Share), as shown on Exhibit A.

Appropriate contingencies are included in the 2025 CIP for each relevant project (average of 10%) and are built into the 2025 Budgeted Cash Flow. The Cash Flow incorporates the most recent schedules and realistic timeframes. Exhibit B reflects departmental projections prioritized to ensure the critical components of the Airport System are addressed in order of priority. The respective departments are also shown.

Years 2 - 5 (2026-2029) of the five-year CIP are reflected in Exhibits C - F. Years 2 - 5 are an early projection which includes ongoing projects and anticipated future projects. The future projects are included in the Master Plan to demonstrate the ongoing grant obligations, and the actual order of priority for these future projects is subject to change based on LNAA cash and grant funding received.



**CAPITAL IMPROVEMENT PROGRAM
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
EXHIBIT A: 2025 PROJECTS**

2025 Budgeted Capital Improvements		Total Program Cost	2025 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	\$6,051,198	\$141,000	\$1,053,999	\$605,120
1b	FAA AIP 120-2023: Rehabilitate Runway 6/24 - Phase XI (Construct Taxiway Fillets)	\$5,541,339	\$5,118,508	\$405,000	\$300,703	\$511,851
2a	FAA AIP 121-2024: Rehabilitate Taxiway A PH.I (Base Bid & CM)	\$6,189,923	\$4,126,615	\$1,576,800	\$283,704	\$412,662
2b	FAA BIL 122-2024: Rehabilitate Taxiway A PH.II (Add Alt. 1 & Design)	\$4,581,089	\$3,164,798	\$376,117	\$312,426	\$316,480
3a	FAA (BIL): NLCC Parallel Taxiway D PH.I (Design)	\$640,000	\$365,000	\$365,000	\$365,000	N/A
3b	FAA (AIP/BIL): NLCC Parallel Taxiway D PH.II (Construction)	\$22,604,698	\$5,651,175	\$565,118	\$165,118	\$565,118
3c	DOT INFRA: NLCC - PH.I/II (Design/Cons.) - Apron, Access Road, & VSR	\$2,484,032	\$1,737,922	\$916,000	\$1,737,922	\$173,792
4	FAA: Runway 13/31 Programming (Pre-Design)	\$392,000	\$313,600	\$313,600	\$0	N/A
5	State: Rehabilitate & Realign Terminal Roadways PH.I/II (Design/Cons.)	\$2,985,714	\$2,247,884	\$725,517	\$657,884	\$224,788
ABE Grant Projects Sub-Total		\$61,886,684	\$28,776,700	\$5,384,152	\$4,876,756	\$2,809,810
QUEEN CITY AIRPORT (XLL)						
6	FAA 036-2024: Rehabilitate Taxiway A - Feasibility Study & CATEX - PH.I (Design)	\$171,500	\$158,500	\$158,500	\$0	N/A
Queen City Grant Projects Sub-Total		\$171,500	\$158,500	\$158,500	\$0	\$0
BRADEN AIRPARK (N43)						
7	State: Construct Runway Edge Lighting - PH.I/II (Design & Construction)	\$1,300,000	\$715,500	\$130,687	\$178,875	N/A
Braden Airpark Grant Projects Sub-Total		\$1,300,000	\$715,500	\$130,687	\$178,875	\$0
8	TOTAL FOR GRANT PROJECTS	\$63,358,184	\$29,650,700	\$5,673,339	\$5,055,631	\$2,809,810
MAJOR NON-GRANT PROJECTS						
9	Terminal Modernization / ADA Improvements (Design & Construction)	\$1,100,000	\$722,525	\$360,000	\$722,525	N/A
10	Government Building Utility Relocation & Site Restoration	\$1,468,962	\$1,222,285	\$150,000	\$1,222,285	\$50,000
11	Replace Air Handler Unit 4 (Construction)	\$1,013,938	\$643,598	\$110,000	\$643,598	\$65,000
12	Replace Hangar 9 Interior Roof Insulation (Construction)	\$400,000	\$383,320	\$40,000	\$383,320	\$40,000
13	Construct Parking Structure - PH.I (Programming & Design)	\$3,000,000	\$2,823,146	\$2,823,146	\$2,823,146	N/A
14	Replace Maintenance Facility Fuel Tanks - PH.I (Design)	\$250,000	\$250,000	\$250,000	\$250,000	N/A
15	Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$6,000,000	\$1,574,370	\$120,000	\$1,574,370	N/A
16	Hangar 7 Door Rehabilitation - PH.I / II (Design & Construction)	\$1,300,000	\$1,238,075	\$150,000	\$1,238,075	\$40,000
17	AHU-1 Chiller Tower Repairs & Replacement (Unit, Roof, Walls)	\$200,000	\$200,000	\$40,000	\$200,000	N/A
18	Property Acquisitions	\$350,000	\$350,000	N/A	\$350,000	N/A
19	TOTAL MAJOR NON-GRANT PROJECTS	\$15,082,900	\$9,407,319	\$4,043,146	\$9,407,319	\$195,000
DEPARTMENTAL EXPENSES						
20	Cumulative Department Spending		\$2,750,000	N/A	\$2,750,000	N/A
21	TOTAL FOR DEPARTMENTAL EXPENSES		\$2,750,000	\$0	\$2,750,000	\$0
2025 TOTAL CAPITAL SPEND			\$41,808,019	\$9,716,485	\$17,212,950	\$3,004,810
CASH FLOW ADJUSTMENTS						
22	Capital Lease Payments		\$1,164,184		\$1,164,184	
23	2025 Grant Funding Receipts Associated with 2024 LNAA Share		\$2,243,759		(\$3,613,044)	
24	TOTAL CASH FLOW ADJUSTMENTS		\$3,407,943		(\$2,448,860)	
25	2025 CASH NEEDED FOR CIP		\$45,215,962		\$14,764,090	

Notes:

- 2025 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.
- 2025 Cash Needed for CIP (Line 25 above) is shown on Line 22 of the Cash Flow Projection Exhibit.
- 2025 CIP was developed utilizing the 2025 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 2025 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: 2025 DEPARTMENTAL PROJECTS**

Ref#	Project Title	Overall Cost	Department	Priority Rating
1	2024 CIP Roll Forward Projects due to Timing	\$50,000	Various	1
2	Replace Servers and Digital Storage	\$785,000	IT	1
3	Replace Deice Truck	\$650,000	Commercial Services	1
4	Replace Airfield Trim Mower	\$115,000	Operations & Safety	1
5	Acquire Police Vehicle and K-9 Unit	\$100,000	Operations & Safety	1
6	Replace Desktops & Laptops	\$75,000	IT	1
7	Replace A10 F-150	\$60,000	Operations & Safety	1
8	Replace Allegiant Pickup Truck	\$30,000	Commercial Services	1
9	Replace Baggage Belt East HMI	\$23,000	IT	1
10	Acquire 24' ft push box snow removal	\$22,000	Operations & Safety	1
11	Rehabilitate ARFF Station Showers	\$20,000	Operations & Safety	1
12	Rehabilitate Runway Lighted X's	\$10,000	Operations & Safety	1
13	Replace Gate Operator	\$10,000	Operations & Safety	1
14	Replace Police Radio System to match the County	\$80,000	Operations & Safety	2
15	Acquire Explosive Detection Equipment for Employee Screening	\$80,000	Operations & Safety	2
16	Acquire Hangar 7 ADA Lift	\$80,000	Planning & Programming	2
17	Acquire ARFF Bunker Gear	\$8,000	Operations & Safety	2
18	Acquire Airfield Lighting Tester for LED In-pavement Lights	\$7,000	Operations & Safety	2
19	Renovate Former TSA Offices	\$150,000	Planning & Programming	3
20	Replace Main Terminal Automatic Shades	\$45,000	Operations & Safety	3
21	Acquire Connector Dedication Plaque / Display Case	\$20,000	Planning & Programming	3
22	Contingency for Projects Approved by the Executive Director	\$230,000	Executive Board	3
23	To Be Determined CFC Projects	\$100,000	Business Development	3
TOTAL 2024 LNA BUDGETED COST		\$2,750,000		

NOTES			
2025 Cumulative Department Spending (Exhibit A)	Rating		Cost
\$2,750,000	1	OPERATION CRITICAL	\$1,950,000
	2	REGULATORY	\$255,000
	3	HIGH	\$545,000

Legend	
2024 Carry Over	
1	OPERATION CRITICAL
2	REGULATORY
3	HIGH



Lehigh Valley International Airport
Queen City Airport
Braden Airpark

EXHIBITS C - F PROJECTED CIP YEARS 2026-2029



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

2026 Projected Capital Improvements	2026 Project Cost	LNAA Share
FAA & STATE GRANT PROJECTS		
LEHIGH VALLEY INTERNATIONAL AIRPORT		
FAA: Rehabilitate Taxiway A - PH.III (Mid Construction)	\$2,800,000	\$280,000
FAA: Rehabilitate Taxiway A Lighting - PH.III (Mid Construction)	\$645,000	\$645,000
FAA (AIP/BIL): NLCC Parallel Taxiway D - PH.II (Construction)	\$20,373,000	\$9,300,000
DOT INFRA: NLCC -PH.III (Cons.) - Apron, Acces Road, & VSR	\$2,000,000	\$1,000,000
FAA: Rehabilitate Air Carrier Apron - PH.I (Design)	\$700,000	\$70,000
FAA: Terminal Modernization/ADA Improvements - PH.I (Design/Construction)	\$15,375,000	\$375,000
State: Re-align Airport Access & Terminal Roadway - PH.II (Construction)	\$8,000,000	\$4,000,000
LVIA Grant Projects Sub-Total	49893000	\$15,670,000
QUEEN CITY AIRPORT		
FAA: Rehabilitate/Reconstruct Taxiway A - PH.I (Design)	\$650,000	\$65,000
FAA: Acquire and Install AWOS	\$167,000	\$16,700
FAA: Terminal Improvements & Expansion - PH.I (Design)	\$700,000	\$35,000
State: Construct Fuel Farm - PH.I (Design)	\$250,000	\$187,500
Queen City Grant Projects Sub-Total	\$1,767,000	\$304,200
BRADEN AIRPARK		
State: Construct Runway Edge Lighting - PH.II (Construction)	\$585,000	\$438,000
Braden Airpark Grant Projects Sub-Total	\$585,000	\$438,000
TOTAL FOR GRANT PROJECTS	\$52,245,000	\$16,412,200
MAJOR/RECURRING NON-GRANT PROJECTS		
Terminal Improvements / Gate Expansion - PH.I (Design)	\$700,000	\$700,000
Rehabilitate Maintenance Facility Parking Lot	\$1,000,000	\$1,000,000
Replace Maintenance Facility Fuel Tanks - PH.II (Construction)	\$1,000,000	\$1,000,000
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
Construct Parking Structure- PH.II (Construction)	\$20,000,000	\$10,000,000
TOTAL MAJOR NON-GRANT PROJECTS	\$23,700,000	\$13,700,000
DEPARTMENTAL EXPENSES		
Cumulative Department Spending	\$3,000,000	\$3,000,000
TOTAL FOR DEPARTMENTAL EXPENSES	\$3,000,000	\$3,000,000
2026 GRAND TOTAL	\$78,945,000	\$33,112,200



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

2027 Projected Capital Improvements	2027 Project Cost	LNAA Share
FAA & STATE GRANT PROJECTS		
LEHIGH VALLEY INTERNATIONAL AIRPORT		
FAA: Rehabilitate Taxiway A - PH.IV (East Construction)	\$5,900,000	\$590,000
FAA: Rehabilitate Taxiway A Lighting - PH.IV (East Construction)	\$1,486,000	\$148,600
FAA: Acquire (2) SRE Multi-Purpose Plow & Broom Units	\$1,600,000	\$160,000
FAA: Rehabilitate Air Carrier Apron - PH.II (Construction)	\$2,351,000	\$235,100
FAA: Rehabilitate/Expand Hangar 9 Apron - PH.I (Design)	\$400,000	\$40,000
DOT INFRA: NLCC - PH.IV (Cons.) - Apron, Acces Road, & VSR	\$1,000,000	\$500,000
State: Re-align Airport Access & Terminal Roadway - PH.III (Construction)	\$4,000,000	\$2,000,000
L VIA Grant Projects Sub-Total	16737000	\$3,673,700
QUEEN CITY AIRPORT		
FAA: Rehabilitate/Reconstruct Taxiway A - PH.II (Construction)	\$4,411,000	\$441,000
FAA: Terminal Improvements & Expansion - PH.II (Construction)	\$2,105,000	\$105,000
State: Construct Fuel Farm - PH.II (Construction)	\$1,650,000	\$825,000
State: Construct Hangars (T & Box Type) - PH.I (Design)	\$864,000	\$432,000
Queen City Grant Projects Sub-Total	\$9,030,000	\$1,803,000
BRADEN AIRPARK		
State: Construct T-Hangars - PH.I (Design)	\$300,000	\$150,000
Braden Airpark Grant Projects Sub-Total	\$300,000	\$150,000
TOTAL FOR GRANT PROJECTS	\$26,067,000	\$5,626,700
MAJOR/RECURRING NON-GRANT PROJECTS		
N43 Misc. Hangar Repairs	\$350,000	\$350,000
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
Replace Maintenance Facility Fuel Tanks - PH.III (Construction)	\$1,000,000	\$1,000,000
Terminal Improvements / Gate Expansion - PH.II (Construction)	\$1,500,000	\$1,500,000
Construct Parking Structure- PH. III (Construction)	\$20,000,000	\$10,000,000
TOTAL MAJOR NON-GRANT PROJECTS	\$23,850,000	\$13,850,000
DEPARTMENTAL EXPENSES		
Cumulative Department Spending	\$3,000,000	\$3,000,000
TOTAL FOR DEPARTMENTAL EXPENSES	\$3,000,000	\$3,000,000
2027 GRAND TOTAL	\$52,917,000	\$22,476,700



**CAPITAL IMPROVEMENT PROGRAM
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
EXHIBIT E: 2028**

2028 Projected Capital Improvements	2028 Project Cost	LNAA Share
FAA & STATE GRANT PROJECTS		
LEHIGH VALLEY INTERNATIONAL AIRPORT		
FAA: Rehabilitate Runway 13-31 - PH.I (Design)	\$1,500,000	\$150,000
FAA: Rehabilitate Air Carrier Apron - PH.III (Construction)	\$1,590,000	\$159,000
FAA: Rehabilitate/Expand Hangar 9 Apron - PH.II (Construction)	\$6,000,000	\$600,000
State: Construct Rental Car QTA - PH.I (Design)	\$1,000,000	\$500,000
LVIA Grant Projects Sub-Total	\$10,090,000	\$1,409,000
QUEEN CITY AIRPORT		
FAA: Rehabilitate/Reconstruct Taxiway A - PH.III (Construction)	\$4,411,000	\$441,000
State: Construct Hangars (T & Box Type) - PH.II (Construction)	\$3,700,500	\$1,850,250
State: Construct Fuel Farm - PH.III (Construction)	\$1,650,000	\$825,000
Queen City Grant Projects Sub-Total	\$13,761,500	\$5,116,250
BRADEN AIRPARK		
State: Construct T-Hangars - PH.II (Construction)	\$1,250,000	\$625,000
Braden Airpark Grant Projects Sub-Total	\$1,250,000	\$625,000
TOTAL FOR GRANT PROJECTS	\$25,101,500	\$7,150,250
MAJOR/RECURRING NON-GRANT PROJECTS		
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
Terminal Improvements / Gate Expansion - PH.III (Construction)	\$1,500,000	\$1,500,000
Construct Parking Structure - PH.IV (Construction)	\$10,000,000	\$5,000,000
TOTAL MAJOR NON-GRANT PROJECTS	\$12,500,000	\$7,500,000
DEPARTMENTAL EXPENSES		
Cumulative Department Spending	\$3,000,000	\$3,000,000
TOTAL FOR DEPARTMENTAL EXPENSES	\$3,000,000	\$3,000,000
2028 GRAND TOTAL	\$40,601,500	\$17,650,250



**CAPITAL IMPROVEMENT PROGRAM
LEHIGH-NORTHAMPTON AIRPORT AUTHORITY
EXHIBIT F: 2029**

2029 Projected Capital Improvements	2029 Project Cost	LNAA Share
FAA & STATE GRANT PROJECTS		
LEHIGH VALLEY INTERNATIONAL AIRPORT		
FAA: Rehabilitate Runway 13-31 - PH.II (Construction)	\$9,000,000	\$900,000
State: Construct Rental Car QTA - PH.II (Construction)	\$8,000,000	\$4,000,000
LVIA Grant Projects Sub-Total	\$17,000,000	\$4,900,000
QUEEN CITY AIRPORT		
FAA: Taxiway C Re-alignment & Rehabilitation - PH.I (Design)	\$167,000	\$16,700
FAA: Construct SRE Building - PH.I (Design)	\$650,000	\$65,000
Queen City Grant Projects Sub-Total	\$817,000	\$81,700
BRADEN AIRPARK		
State: Construct T-Hangars - PH.III (Construction)	\$1,250,000	\$625,000
Braden Airpark Grant Projects Sub-Total	\$1,250,000	\$625,000
TOTAL FOR GRANT PROJECTS	\$19,067,000	\$5,606,700
MAJOR/RECURRING NON-GRANT PROJECTS		
Miscellaneous Airside / Landside Pavement Rehabilitation / Repairs / Crack Sealing	\$1,000,000	\$1,000,000
TOTAL MAJOR NON-GRANT PROJECTS	\$1,000,000	\$1,000,000
DEPARTMENTAL EXPENSES		
Cumulative Department Spending	\$3,000,000	\$3,000,000
TOTAL FOR DEPARTMENTAL EXPENSES	\$3,000,000	\$3,000,000
2029 GRAND TOTAL	\$23,067,000	\$9,606,700
5-YEAR CAPITAL IMPROVEMENT PLAN	Total Cost	LNAA Share
	\$235,043,816	\$95,753,308



**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 2025	Budget 2024
Salaries and Wages	\$ 10,868,299	\$ 10,578,475
Payroll Taxes	818,312	797,567
Employee Benefits	4,444,434	4,249,972
Subtotal - Personnel Costs	\$ 16,131,045	\$ 15,626,014
Professional Services	779,602	665,023
Legal Services	371,100	433,600
Audit and Financial Services	93,800	95,700
Public Relations	82,550	70,600
Contract Services	2,111,046	1,962,786
Advertising Expense	557,000	438,050
Recruiting Expense	48,000	48,000
Printing	9,450	9,350
Postage	5,700	4,600
Dues and Subscriptions	1,317,601	1,073,181
Office Supplies	46,060	45,220
Telephone	121,860	128,756
Training and Seminars	159,175	165,825
Business and Travel Related	119,400	132,650
Hospitality	39,965	49,615
Equipment Rental	468,261	547,972
Materials & Supplies	903,184	925,134
Maintenance Repairs	906,200	846,500
Heating Gas & Oil	406,600	389,995
Electricity	1,092,050	1,123,700
Water	167,904	172,044
Refuse Collection	94,685	88,705
Uniforms	83,619	79,413
Insurance	834,100	870,600
Real Estate Taxes	213,650	160,000
Payment in Lieu of Taxes	730,366	654,213
Credit Card Fees	246,510	194,637
Bad Debt Expense	-	-
Miscellaneous	16,870	11,250
Subtotal Other Operating Expenses	\$ 12,026,308	\$ 11,387,119
LESS: Federal Funds Applied to O&M	\$ (2,415,013)	\$ (2,701,000)
Total Operating Expenses ^{1 2}	\$ 25,742,340	\$ 24,312,133
COST OF SALES - NOT ALLOCATED		
Cost of Sales - Aviation Services	6,877,189	6,688,772
Cost of Sales - GA Airports	1,246,936	1,316,360
Subtotal Cost of Sales	\$ 8,124,125	\$ 8,005,132
Total Operating Expenses and COS	\$ 33,866,465	\$ 32,317,265
Total Operating Expense Allocation		
Airfield	6,592,188	\$ 6,139,034
Terminal	9,296,974	8,790,625
Parking and Roadways	1,589,757	1,766,789
Aviation Leased Areas	702,338	644,405
Non-Aviation Leased Areas	315,538	371,960
Aviation Services	3,294,205	3,275,498
GA Airports	769,933	748,176
Advertising	208,272	177,974
Administration	5,388,148	5,098,671
Federal Relief Funds Applied to O&M	(2,415,013)	(2,701,000)
Total Operating Expenses ^{1 2}	\$ 25,742,340	\$ 24,312,132

Source: Authority Management.

¹ GA Airport and public relations expenses included in this total.

² O&M Expenses include \$2.4 million in one time expenses to be incurred in 2025 only.

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

OPERATING REVENUE	Budget 2025	Budget 2024
Airfield:		
Landing Fees	\$ 5,969,093	\$ 5,522,281
Apron Parking Fees	1,066,698	968,380
Bus Parking Fees	488,071	339,562
Security	90,904	77,607
Total Airfield Fees	\$ 7,614,765	\$ 6,907,830
Terminal:		
Airline Rent	\$ 6,214,007	\$ 5,908,287
Passenger Support Services	1,104,235	1,102,113
Concession & Other Rents ¹	767,165	650,828
Rental Cars	2,009,041	1,916,344
Restaurant/Newsstand	555,942	501,164
Other	45,789	45,293
Utility Fees & Other	30,000	27,000
Total Terminal Rents	\$ 10,726,179	\$ 10,151,029
Parking & Roadways	7,501,254	\$ 6,749,863
Aviation Leased Areas:		
Hangar 1 Rental	71,262	\$ 69,108
Hangar 2 Rental	43,734	43,347
Hangar 3 Rental	409,791	401,285
Hangar 5 Rental	27,914	26,944
Hangar 7 Rental	400,239	383,463
Hangar 8 Rental	358,540	362,276
Hangar 9 Rental	947,460	925,371
Hangar 10 Rental	663,479	646,493
Hangar 11 Rental	963,180	939,161
T-Hangars	255,043	240,961
Air Cargo Building & Land Rents	461,530	354,784
Ramp, Gatecard Fees, and Other Income	51,504	60,216
Total Aviation Leased Areas	\$ 4,653,676	\$ 4,453,409
Non-Aviation Leased Areas:		
Building Rents	676,230	\$ 597,882
Land Rentals	666,832	652,023
Total Non-Aviation Rents	\$ 1,343,062	\$ 1,249,905
Aviation Services:		
Gross Fuel Sales	5,613,184	\$ 6,295,616
Landing Fees	284,000	278,000
Hangar & Ramp Rentals	236,000	231,000
Ground Handling and Other	2,437,268	2,146,789
Miscellaneous Income	304,865	368,056
Total Aviation Services	\$ 8,875,317	\$ 9,319,461
Advertising:		
Advertising	797,482	\$ 741,562
Total Advertising	\$ 797,482	\$ 741,562
GA Airports:		
Hangar & Ramp Rentals	698,438	\$ 691,528
Fuel Sales - FBO	568,521	789,615
Into Plane Fees - FBO	99,230	132,197
Pilot Supplies Sales		-
Miscellaneous Income	5,395	5,915
Total GA Airports	\$ 1,371,584	\$ 1,619,255
Total Operating Revenue ²	\$ 42,883,318	\$ 41,192,314

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 2025	Budget 2024
Direct Operating Expenses	\$ 6,592,188	\$ 6,139,034
Indirect Operating Expenses	1,038,807	925,641
O&M Reserve Requirement ¹	47,193	11,802
Debt Service	14,423	17,210
Debt Service Coverage	3,606	4,302
Amortization of Capital Expenditures	920,693	788,268
Total Requirement	\$ 8,616,909	\$ 7,886,257
LESS: Apron Expenses ²	839,409	706,468
LESS: Apron O&M Reserve	11,078	1,180
LESS: Previous Year's Debt Service Coverage	4,302	4,299
LESS: World Fuel Annual Incentive	-	-
LESS: Security Fee (35%)	90,904	77,607
LESS: Federal Relief Funds ³	1,275,000	1,275,000
Net Requirement	\$ 6,396,215	\$ 5,821,704
Total Airline Landed Weight (000 lbs.)	1,189,903	1,115,942
Airline Landing Fee Rate (per 1,000 lbs.) ⁴	\$ 5.38	\$ 5.22
Airline Landing Fees	\$ 6,396,215	\$ 5,821,704

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 applied in the 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 2025	Budget 2024
Direct Operating Expenses	\$ 839,409	\$ 706,468
O&M Reserve Requirement ¹	11,078	1,180
Amortization of Capital Expenditures	62,220	72,788
Total Requirement	\$ 912,708	\$ 780,436
LESS: Federal Relief Funds	\$ -	\$ -
LESS: Non-Signatory Paid Premiums/Diversion	-	-
Net Requirement	\$ 912,708	\$ 780,436
Total Airline Landed Weight	1,189,903	1,115,942
Annual Passenger Carrier Apron Fee ²	\$ 0.77	\$ 0.70
<u>Cargo Carrier Surcharge</u>		
Amortization for Cargo Apron	\$ 214,938	\$ 228,083
Cargo Landed Weight	657,651	628,146
Cargo Carrier Surcharge	\$ 0.33	\$ 0.36
Annual Cargo Carrier Apron Fee	\$ 1.09	\$ 1.06
Total Apron Requirement	\$ 1,127,646	\$ 1,008,519

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 2025	Budget 2024
Direct Operating Expenses	\$ 9,296,974	\$ 8,790,625
Indirect Operating Expenses	1,668,275	1,633,316
O&M Reserve Requirement ¹	45,109	96,244
Debt Service	2,241,404	2,332,047
Debt Service Coverage	560,351	583,012
Amortization of Capital Expenditures	2,248,424	1,961,815
Total Requirement	\$ 16,060,538	\$ 15,397,059
LESS: Previous Year's Debt Service Coverage	583,012	503,623
LESS: Passenger Support Services ²	1,104,235	1,102,113
LESS: Security Fee (65%)	168,821	144,127
LESS: Federal Relief Funds ³	1,015,013	1,226,000
Net Requirement	\$ 13,189,457	\$ 12,421,195
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	\$ 152.21	\$ 143.34
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	\$ 8,339,007	\$ 8,183,287
Additional Revenue Support: Federal Relief Funds ³	(125,000)	(200,000)
Voluntary Airport Adjustment (Revenue Share) ³	(2,000,000)	(2,075,000)
Airline Terminal Rental Revenue	\$ 6,214,007	\$ 5,908,287
Terminal Rental Revenue - Common Use (subject to 60/40 Split)	\$ 5,214,099	\$ 4,957,573
Terminal Rental Revenue - Exclusive Space	999,908	950,714
Total Airline Terminal Rental Revenue	\$ 6,214,007	\$ 5,908,287
Terminal Rental Rate ⁴	\$ 113.42	\$ 107.84

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 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 2025	Budget 2024
Common Use Requirement	\$ 5,214,099	\$ 4,957,573
60% of Requirement	\$ 3,128,459	\$ 2,974,544
Scheduled Enplanements ¹	497,296	422,780
Budgeted Fee per Enplanement	\$ 6.29	\$ 7.04
40% of Requirement	\$ 2,085,640	\$ 1,983,029
Scheduled Operations ¹	5,579	4,499
Budgeted Fee per Passenger Operations	\$ 373.84	\$ 440.77
Projected By Airline		
Allegiant	\$ 2,627,135	\$ 2,604,970
American	1,396,160	962,927
Delta	764,991	861,034
United	425,813	528,642
Total	\$ 5,214,099	\$ 4,957,573

¹ Does not include bus service or charters.

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

Exclusive Use Calculation	Budget 2025	Budget 2024
Exclusive Space Requirement	\$ 999,908	\$ 950,714
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	\$ 409,683	\$ 389,528
American	269,748	256,477
Delta	179,804	170,958
United	140,673	133,752
Total	\$ 999,908	\$ 950,714

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

Airline Cost per Enplanement	Budget 2025	Budget 2024
Passenger Airline Landing Fees ¹	\$ 2,629,347	\$ 2,544,756
Airline Terminal Rents	6,214,007	5,908,287
Passenger Airline Apron Revenue ¹	375,195	341,140
Passenger Support Services	1,104,235	1,102,113
Security Surcharge ²	259,725	221,735
Total Airline Revenues ³	\$ 10,582,509	\$ 10,118,031
Enplanements ⁴	519,450	464,669
Airline Cost Per Enplanement	\$ 20.37	\$ 21.77

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 2025	Budget 2024
Airline Landing Fees	\$ 5,969,093	\$ 5,522,281
Airline Apron Fees	1,066,698	968,380
Airline Terminal Rentals ¹	6,214,007	5,908,287
Nonairline Revenues ²	21,509,397	20,788,235
Federal Funds Applied to Debt Service	-	-
Operating Revenues ²	\$ 34,759,193	\$ 33,187,182
Operating Expenses	28,157,353	27,013,132
Federal Relief Funds Applied to O&M Expenses	(2,415,013)	(2,701,000)
Net Operating Income	\$ 9,016,853	\$ 8,875,050
Debt Service ³	\$ 5,780,360	\$ 5,552,378
O&M Reserve Requirement	190,704	285,372
Renewal and Replacement Requirement	-	-
Subordinated Indebtedness	-	-
Deposit to General Fund Before Capital Expenditures	3,045,790	3,037,300
Net Operating Income	\$ 9,016,853	\$ 8,875,050
Plus: Transfers		
Coverage from Landing Fee	3,606	4,302
Coverage from Terminal Rate	354,281	368,608
Transfers	-	-
Net Revenues	\$ 9,374,740	\$ 9,247,960
Debt Service	\$ 5,780,360	\$ 5,552,378
Net Revenue Requirement ⁴	1.62	1.67

¹ Includes per turn revenue.

² Net of cost of sales.

³ Debt Service assumes an increase of \$100,000/month in November and December 2025 for refinance of 2015 Bonds and additional debt.

⁴ 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 2025 Budgeted Rates

Airline Cost per Enplanement	Allegiant ¹	American	Delta	United
Passenger Airline Landing Fees	\$ 1,497,898	\$ 631,821	\$ 390,836	\$ 327,148
Airline Terminal Rents	3,036,818	1,665,908	944,794	566,486
Passenger Airline Apron Revenue	213,743	90,158	55,770	46,682
Passenger Support Services	669,437	233,610	138,950	108,675
Security Surcharge ²	150,742	52,603	31,288	13,871
Total Airline Revenues	\$ 5,568,637	\$ 2,674,100	\$ 1,561,639	\$ 1,062,863
Enplanements ³	301,483	105,207	62,577	48,942
% Change from 2024 Budget	14.6%	20.1%	2.0%	-4.7%
Airline Cost Per Enplanement	\$ 18.47	\$ 25.42	\$ 24.96	\$ 21.72
% Change from 2024 Budget	-6.8%	4.1%	-5.4%	0.0%

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
	2025	2024
<u>Estimated Ground Handling Fee</u>		
Estimated Salary Cost Per Hour	\$ 25.77	\$ 25.77
Benefits/Payroll Tax %	55%	54%
Est. Hours per Turn	19	18
Est. Non Salary Expense %	19%	19%
Estimated Ground Handling Fee per Turn	<u>\$ 903.02</u>	<u>\$ 849.97</u>
Additional Services (Lav, Catering, RON Cleaning) Cost per Turn	\$ 60.00	\$ 60.00
Total Fees per Turn	\$ 963.02	\$ 909.97

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 2025 Budget is set at a rate of 1.62 times the aggregate debt service. Following is that computation:

* Net Revenues	\$	9,374,740
** Aggregate Debt Service	\$	5,780,360
Coverage: Net Revenues / Aggregate Debt Service	\$	1.62

* 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.