

Connecting with our customers. Caring for our community.

2011 Annual Report



4141 Airport Road - 10
Prince George, British Columbia
Canada V2N 4M6

Telephone: (250) 963-2400

Facsimile: (250) 963-3462

Email: info@pgairport.ca

Web: www.pgairport.ca



Connecting with our customers. Caring for our community.

Looking back on 2011, the Prince George Airport Authority (PGAA) focused on customer service and connecting with the community. We were pleased to be the first airport in the world to become WorldHost® accredited. The program focuses on customer service excellence in the tourism field and YXS is very proud to be leading the way.

Giving back to our community was also a major priority in 2011. The PGAA participated in the annual Festival of Trees. We hosted a golf tournament with proceeds going to Hope Air. Once again, at Christmas we adopted two families in the Salvation Army's Adopt a Family program.

The Prince George Airport continues to soar because of its people. We succeed because everyone on site cares – from the Customer Service Representatives checking passengers in, to the maintenance crew who ensures the runway is clear and safe for planes to land on.

The PGAA, "Connecting with our Customers, Caring for our Community".

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Pictured Left:

A number of YXS Airline Staff gather to take part in the Prince George Airport Authority's 2011 Golf Tournament. All funds raised from the annual event went to Hope Air.



Chairman and CEO Report

Another outstanding year for the Prince George Airport Authority (PGAA)! The PGAA made major strides in all aspects of our operations from finance to cargo development, to customer service and community relations!

Connecting with our customers and caring for our community is what the Prince George Airport is all about. Without our air carrier customers, there would be no passengers or cargo customers. The airport is a rich asset for the community. Often the first experience many newcomers to Prince George have is a touchdown on our runway. The airport provides the diverse population a vast array of goods and services. We must continue to develop a vibrant airport.

In 2011 the PGAA continued to address the hurdles that restrain our ability to compete for transpacific refueling and cargo business. The list of hurdles include expensive fuel, the lack of fuel storage facility and a cargo warehouse, high NavCanada and Canada Border Services costs, and limited bi-lateral rights with other countries which allow cargo to be moved between foreign countries and Prince George.

PGAA has an aggressive plan to overcome these hurdles. In 2011, the PGAA commenced building a new Jet A fuel storage facility that will allow for competitive fuel pricing. The facility will be operational in the summer of 2012. Land preparation and construction of an access road to the site of a cargo warehouse was initiated this year. The cargo facility should be completed by the end of 2012. The long winter and wet summer slowed the progress on the Boundary Road project that will service the airport's adjacent Logistics Park. Construction on the Logistic Park started in 2010 and will be completed in 2012.

The PGAA, with the support from the Canadian Airports Council, the Winnipeg, Gander, Moncton and Halifax Airport Authorities, continues to lobby NavCanada to initiate a new tech stop fee structure. Talks will continue in 2012. We were successful in getting Canada Border Services Agency to expand their hours of service this winter and a further increase in hours is anticipated in the fall 2012. This will eliminate significant overtime costs charged to airlines for passenger, cargo, and tech stop flights operating outside of normal operating hours.

In 2011, The Federal Government signed agreements with a number of Asian countries that will improve traffic rights to Prince George. The PGAA also continued discussions with a variety of Asian, US and Latin American carriers who continue to monitor our progress on cargo initiatives. We also participated in the 2011 BC Premier's fall trade mission to China which helped greatly in furthering awareness of Prince George as a potential tech/cargo stop.

At present the airport, through its passenger carriers, offers the community and our customers access to the world through B.C.'s world class international airport at Vancouver. WestJet and Air Canada Jazz have nine return flights a day to Vancouver connecting Northern BC to the world. These core services are also supplemented by Central Mountain Air's ten flights between Terrace, Smithers, Fort St. John, Kamloops and Kelowna and Northern Thunderbird Air who provide charter, scheduled and medi-vac services throughout Western North America. The PGAA continued to work with our partner Airlines to expand services along the northern corridor between Prince George and Alberta and to US and Mexican sun and fun-spots. WestJet initiated a new service twice a week to Las Vegas for 11 weeks in the fall. The non-stop service was enjoyed by many citizens of our region.

The PGAA initiated a new customer service strategy in 2011. The anchor program was hospitality training by WorldHost® training instructors. Over 60% of the airport staff were trained with the co-operation of the airlines, rental car agencies, CATSA, Eurest Restaurant, and the Commissionaires. The Prince George Airport Authority became the first **WorldHost** certified airport in the world. The training program continues through 2012.

The PGAA also announced that a BG Urban Grill deli-style restaurant and retail shop would replace the existing food service and gift shop in the first quarter of 2012. Wi-Fi in the terminal was expanded and now offered free of charge. The former gift shop space was turned into a Power Up Business Centre. Vending machines brought into the space offer automated coffee service and snacks.

(continued)

Pictured Left:

John Gibson (left), President and CEO, and Jim Blake (right), Chairman.

In 2011 passenger traffic increased 3.1% over 2010, as we broke the 400,000 passenger plateau. We serviced 402,438 passengers – a 9.7% increase in the last four months over 2010.

The PGAA's financial objectives were exceeded for the second straight year in 2011. A \$115,000 operating profit was realized mainly due to staff cargo marketing cost control, a reasonably mild winter at the end of 2011 and revenue increases from concessions. Our total net earnings inclusive of Airport Improvement Fees and costs of capital increased to \$2 million. Financing costs were negotiated in 2010 to reflect reduced costs of borrowing in 2011 and increased passenger volumes drove higher than planned AIF revenues.

Our capital program in 2011 included phase one of the fuel farm (ground civil work), airside and groundside paving, new carpet for the terminal building, some new vehicles and relocation of WestJet's check in counters and installation of their new self-service machines.

The airport participated in the world wide industry conferences in Berlin and Munich to promote our cargo endeavors. These conferences brought together passenger and cargo airlines and airports to share objectives, plans and aviation opportunities. We also attended a North American Marketing and Communications Conference in Cleveland, focusing on passenger carriers and their passengers.

December 2011 marked the end of a long tenure from two original Board members, Mike Tkachuk and Neil King. They both were members of the initial Prince George Airport Authority Board of Directors which negotiated the transfer of the airport from Transport Canada to the Prince George Airport Authority in 2003. Both made significant personal contributions over the past 11 years to make the airport what it is today.

The Board and Staff of the PGAA are also very proud to represent the airport and the community within Canada and around the world in various associations, tradeshow and conferences.

Jim Blake, PGAA Board Chairman, represents the airport as the Director and Treasurer of the BC Aviation Council and is a member of the Council of Chairs of the Canadian Airports Council (CAC).

John Gibson, President and CEO, is a Tourism Prince George Board member, a Board Director of the CAC, the Vice Chair of the CAC Small Airports Caucus, and a member of the CAC Governance Committee.

Diane Bertram, Director of Finance, is a member of the Human Resources Committee of the CAC.

Cuyler Green, Director of Operations, is a Vice Chair of the IAAE Canada and member of three CAC Committees, the Environmental, Security, and Operations/Safety/Technical Affairs Committees.

Lindsay Cotter, Manager of Marketing and Communications, is a member of the Canadian Airports Council Marketing and Public Relations Committees as well as the Canadian Public Relations Society. She is also a Board Director of Volunteer Prince George.

Al Ridgway, Consultant Cargo Business Development, is a member of the CAC Cargo Sub-committee.

Looking ahead for 2012, we will see the completion of our cargo and fuel facilities. We will also see upgraded food services in the terminal building. The airport will also be a gallery for the northern arts community to display their crafts. With Tourism Prince George, we will work on plans that bring more air travelers to our region. We will also continue planning for the 2015 Canada Winter Games, a real opportunity to change our community image and bring thousands of new visitors to our city.

We thank our employees, our partners and our Board members for keeping us connected with our customers and our community. We care!



John B. Gibson
President and CEO, Prince George Airport Authority



Jim Blake
Chair, Prince George Airport Authority





Overview of Operations

2011 opened with Prince George selected as the City to host the 2015 Canada Winter Games. The PGAA participated in the knowledge transfer sessions held in conjunction with the 2011 Canada Winter Games in Halifax, Nova Scotia to prepare better for the logistical and security challenge of moving 3,500 athletes, coaches and all their sports gear through the airport. The busiest travel day of the games will see a quadrupling of our normal traffic at the airport when, in addition to our regular passengers, the games participants, parents, siblings, relatives and spectators will be handled quickly, safely and securely.

A number of enhancements to the passenger experience were completed in 2011: new security screening equipment was installed by CATSA, canopies were added over two doors to provide better weather protection. The Power Up Business Centre was created to provide space for people to power up their electronics and work in a quiet private area while waiting for their aircraft and a “Welcome to Prince George” sign was installed to greet passengers as they disembark. A request for expressions of interest for the operation of the airport food and beverage services resulted in a new agreement with the existing provider to renovate the cafe space and introduce a new brand and menu from BG Urban Grill. The renovations will be complete and the new menu in place in the first quarter of 2012.

The third of four phases of the Airport’s Safety Management System was put in place in the spring of 2011. The Safety Management System is an aviation industry-wide mandated program to provide comprehensive management of safety risks to complement the specific programs all ready in place.

The University of Northern BC (UNBC) in co-operation with the PGAA continued (for the fifth year in a row) their studies on bird and mammal activities. This research has provided significant information to the PGAA to mitigate bird and wildlife hazards. UNBC is also in its fourth year of testing vegetation seed mix that provides protection against soil erosion but does not attract wildlife and requires less mowing maintenance. National Geographic was on site to film the installation of a one way “moose” gate that allows large animals to exit the airport grounds on their own without the need to herd them actively, as herding causes significant stress to the animals and the herders. The departure of our moose was filmed using a remote motion activated camera and the wildlife community was very excited to see this gate in live action.

The community’s and the airport’s response to emergency situations was tested this year with a table-top exercise that involved over 10 different agencies including the PGAA, RCMP, Canada Border Services Agency, City of Prince George Fire Department, Pine View Fire Department and BC Ambulance. This exercise was in addition to the PGAA’s regular practical emergency response training that saw 10 staff successfully complete their annual aircraft fire fighting qualifications. Upgrades to our taxiway lighting system began in the fall. The upgrades will see the replacement of this critical infrastructure with new cabling and energy efficient LED fixtures. The project will be completed in the summer of 2012. Construction of a new jet fuel storage facility will see the airport’s fuel capacity increase by 300% with the addition of 600,000 Litres of jet fuel storage. Substantial completion of the construction civil works was accomplished in the fall of 2011 and the remaining civil works, tank installation and system commissioning will be ready for summer of 2012. Other capital upgrades include improvements to our storm water system, building systems and light vehicle fleet.

The PGAA participated in the Omineca Beetle Action Coalition’s Air Traffic and Airport Improvement working group which produced the Air Traffic and Airport Improvement Strategy report. The report outlines strategies and infrastructure upgrades to improve air access to communities throughout Northern BC.



Growth and Development

Connecting with our customers, caring for our community is exactly what took place at the Prince George Airport in 2011. The Prince George Airport Authority took customer comments into consideration and implemented their suggestions throughout the year. Free WiFi was introduced onsite and food and beverage services were brought into new areas in 2011 including the hold room.

Social media efforts were also ramped up this year to keep pace with this new form of communication. We did not want to miss the opportunity to interact and engage with new and current customers. Both the YXS - Prince George Airport Facebook page, along with @FlyYXS for Twitter grew astronomically in 2011. These platforms are important ways to showcase our airport through stories and pictures while offering excellent customer service online.

A major way the Prince George Airport Community improved customer service at YXS in 2011 was undergoing the BC Government recognized WorldHost® program which focusses on customer service excellence in the tourism sector. The majority of the airport community took part in this workshop to refresh their skills and learn new ways to make travelers' experiences positive. YXS is the first airport in the world to receive **WorldHost** Accreditation. We are very proud of that distinction.

One of the most exciting things about 2011 was the creation of a non-stop service to Las Vegas offered by WestJet. The 11 week trial run took place between September and November. We ran an aggressive marketing campaign to get the word out to the entire northern half of the province. The PGAA partnered up with WestJet and two local radio stations to give away two round trips and accommodation to the Entertainment Capital of the World which added to the excitement. Many were thrilled with the new service and there was definitely a buzz around Prince George and the North surrounding this flight. The PGAA along with WestJet spent numerous days promoting this service by setting up information booths at the mall, local big box stores, the University of Northern BC and the College of New Caledonia.

In 2011, the PGAA worked with local groups to bring the community into YXS. Barkerville has a major visual presence on site promoting the historic town site. We also worked with the Northern Branch of the Professional Photographers of Canada organization in bringing local photography into the Power Up Room. Building on that relationship, we worked with the PG Arts Council to bring in some handcrafted Santa Clauses which were on display in the hold room for the Christmas season. YXS will continue to build on the art program in 2012 and expand it to other areas in the terminal.

The Prince George Airport recognizes the importance of giving back to our community and we did that in a big way in 2011. The annual golf tournament, which raised \$3,500 for Hope Air, was a huge success. We participated in the Festival of Trees (a fundraiser for the Spirit of the North Healthcare Foundation) and we also put in a team for the Canadian Cancer Society's Relay for Life event. Around the Christmas season, the local Salvation Army received support from the airport community.

In 2011 we saw the Cargo Developments move forward with the ground work being completed for the fuel farm. The completion of this facility will add value to the PGAA. It will be fully operational by the summer of 2012.

We saw the ground work with one of our development partners, Western Star Ventures, and its cargo crossdock facility start in 2011. The facility should be complete in late 2012 and ready for our first clients. The weather in 2011 did not co-operate well with contractors this past year and work was slowed considerably for this reason.

Our push for the tech-stop and cargo product still moved forward in 2011 with Air China officially announcing that Prince George Airport had been designated as their alternate airport for flights between China and North America. Also in 2011, the PGAA had successful attendance and meetings at the World Routes Forum in October in Berlin, Germany confirming with several carriers our ability to be their designated alternate airport. UPS and Southern Air Transport also confirmed that PGAA was in their system as a designated alternate. In the spring, the PGAA attended the Air Cargo Forum in Munich, Germany which is one of the largest trade shows in the world. We partnered with several Canadian airports to host a booth at this event which proved very successful as it provided us with more carriers as customers of YXS. In May, we co-hosted with Initiatives Prince George (IPG) a delegation from Chongqing, China visiting Prince George to discuss a possible memorandum of understanding. Prince George Valemount MLA, the Hon. Shirley Bond, assisted us with those discussions.

Also in 2011, the PGAA was invited to attend the Premier's Trade Mission to China and India in November. We partnered with IPG once again to ensure we received maximum exposure and were able to meet with key individuals during the mission. This was the largest delegation of business from B.C. and possibly Canada that had ever been to China. We had over 300 delegates in attendance. PGAA was able to meet with the heads of over 12 Asian Carriers to promote our tech-stop and fueling business which we are continuing to pursue as 2012 continues and we are very optimistic that our efforts will prove fruitful to us.

The PGAA is also working with business interests in Northern BC to develop cargo traffic for export and import. This includes seafood, beef, produce and heavy equipment. The development of a cargo program for northern BC will continue to be developed in 2012.



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Independent Auditor's Report

To the Members of
Prince George Airport Authority Inc.

We have audited the accompanying financial statements of Prince George Airport Authority Inc., which comprise the statement of financial position as at December 31, 2011, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Prince George Airport Authority Inc. as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Prince George, British Columbia
March 29, 2012

Statement of Financial Position

Year ended December 31, 2011

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CURRENT ASSETS		
Cash (Note 4)	\$ 748,069	\$ 488,736
Investments (Note 5)	1,856,659	950,000
Accounts receivable	856,898	586,831
Inventory	37,660	42,296
Prepaid expenses	258,345	280,461
	<u>3,757,631</u>	<u>2,348,324</u>
CAPITAL ASSETS (Note 6)	<u>53,317,772</u>	<u>54,197,138</u>
	<u>\$ 57,075,403</u>	<u>\$ 56,545,462</u>
CURRENT LIABILITIES		
Bank demand loan (Note 7)	\$ 5,100,725	\$ 5,751,905
Accounts payable and accrued liabilities (Note 8)	1,462,737	976,970
Deferred revenue and deposits	65,770	72,207
	<u>6,629,232</u>	<u>6,801,082</u>
LONG-TERM DEBT (Note 9)	<u>12,335,667</u>	<u>11,973,994</u>
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 10)	<u>26,451,619</u>	<u>28,119,674</u>
	<u>45,416,518</u>	<u>46,894,750</u>
COMMITMENTS (Note 11)		
NET ASSETS		
Invested in capital assets (Note 12)	9,429,475	8,351,282
Restricted airport improvement fee (Note 13)	2,935,434	2,160,274
Unrestricted	(706,024)	(860,844)
	<u>11,658,885</u>	<u>9,650,712</u>
	<u>\$ 57,075,403</u>	<u>\$ 56,545,462</u>

APPROVED BY THE BOARD:

 Director
 Director

Statement of Operations

Year ended December 31, 2011

	2011	2010
Revenue		
Concessions	\$ 278,987	\$ 211,453
General terminal charges	1,089,084	1,046,038
Landing fees	1,596,267	1,676,241
Other	585,335	345,089
Parking	1,236,386	1,108,784
Rentals	497,732	494,426
	<u>5,283,791</u>	<u>4,882,031</u>
Expenses		
Property taxes	210,184	211,911
Salaries and employee benefits	2,009,242	1,847,837
Services, supplies and administration	2,664,276	2,435,800
Utilities	284,720	296,347
	<u>5,168,422</u>	<u>4,791,895</u>
Operating surplus	<u>115,369</u>	<u>90,136</u>
Other revenue (expense)		
Airport improvement fee (net) (Note 13)	3,243,227	3,124,075
Amortization of deferred contributions (Note 10)	1,668,055	1,679,532
Amortization	(2,484,440)	(2,450,922)
Gain on disposal of assets	39,451	2,482
Interest on long-term debt	(573,489)	(671,918)
	<u>1,892,804</u>	<u>1,683,249</u>
EXCESS OF REVENUE OVER EXPENSES	<u><u>\$ 2,008,173</u></u>	<u><u>\$ 1,773,385</u></u>

Statement of Change in Net Assets

Year ended December 31, 2011

		Invested in Capital Assets (Note 12)		Restricted Airport Improvement Fee (Note 13)		Unrestricted	2 0 1 1	2 0 1 0
Balance, beginning of year	\$	8,351,282	\$	2,160,274	\$	(860,844)	\$ 9,650,712	\$ 7,877,327
Excess (deficiency) of revenue over expenditure		-		2,669,738		(661,565)	2,008,173	1,773,385
Capital asset additions		1,605,071		(1,605,071)		-	-	-
Net repayment of bank demand loan, and long term debt related to capital assets		289,507		(289,507)		-	-	-
Amortization of capital assets		(2,484,440)		-		2,484,440	-	-
Amortization of deferred contributions		1,668,055		-		(1,668,055)	-	-
Balance, end of year	\$	9,429,475	\$	2,935,434	\$	(706,024)	\$ 11,658,885	\$ 9,650,712

Statement of Cash Flows

Year ended December 31, 2011

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 2,008,173	\$ 1,773,385
Items not affecting cash		
Amortization	2,484,440	2,450,922
Gain on disposal of assets	(39,451)	(2,482)
Amortization of deferred contributions	(1,668,055)	(1,679,532)
Interest on long term debt	361,673	466,539
	<u>3,146,780</u>	<u>3,008,832</u>
Changes in non-cash operating working capital		
(Increase) decrease in accounts receivable	(270,070)	402,142
Decrease in inventory	4,636	2,102
Decrease in prepaid expenses	22,116	8,788
Increase (decrease) in accounts payable and accrued liabilities	485,767	(96,679)
Decrease in deferred revenue and deposits	(6,437)	(17,300)
	<u>3,382,792</u>	<u>3,307,885</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital asset additions	(1,605,071)	(1,380,359)
Proceeds on disposal of capital assets	39,451	5,900
Increase in investments	(906,659)	(950,000)
	<u>(2,472,279)</u>	<u>(2,324,459)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank demand loan	(651,180)	(1,271,181)
Increase in deferred contributions related to capital assets	-	608,080
	<u>(651,180)</u>	<u>(663,101)</u>
INCREASE IN CASH	259,333	320,325
CASH, BEGINNING OF YEAR	488,736	168,411
CASH, END OF YEAR	\$ 748,069	\$ 488,736
 Supplementary disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 211,816</u>	<u>\$ 205,379</u>

Notes to the Financial Statements

Year ended December 31, 2011

1. NATURE OF OPERATIONS

The Prince George Airport Authority Inc. (the "Authority") is incorporated under Part II of the Canada Corporations Act as a non-share capital, not-for-profit corporation and all earnings from operations are reinvested in airport development.

The Authority signed a 60-year ground lease with Transport Canada effective March 31, 2003 ("Canada Lease") and assumed responsibility for the management, operations and development of the Prince George Airport.

The lease provides for an option to extend the term a further 20 years.

2. BASIS OF PRESENTATION

The Authority's borrowing arrangements with the Canadian Imperial Bank of Commerce (CIBC) are on a demand basis while at the same time the bank is accepting payments on an instalment basis pursuant to the banking agreement. As a result of the demand feature, Canadian generally accepted accounting principles require the full amount of the debt to be included in current liabilities. This has contributed to a working capital deficiency of \$2,871,601 at December 31, 2011. Reduction of the working capital deficiency and satisfaction of other liabilities and commitments is dependent upon the Authority continuing to maintain profitable operations.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Authority are prepared in accordance with Canadian generally accepted accounting principles.

Financial Instruments – Recognition and Measurement

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below:

- * Cash is classified as a financial asset held for trading and is measured at fair value. Fair value fluctuations in these assets including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in investment income;
- * Investments are classified as held to maturity, and are carried at amortized cost.
- * Accounts receivable are classified as loans and receivables and are recorded at amortized cost using the effective interest method;
- * Accounts payable and accrued liabilities, bank demand loans and other long-term liabilities are classified as other liabilities and measured at amortized cost using the effective interest method.

The fair values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity.

Notes to the Financial Statements

Year ended December 31, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

The inventory of consumable supplies is recorded at the lower of cost, determined on a first-in first-out basis, and estimated net realizable value.

Canada Lease

The Canada Lease (see Note 1) is accounted for as an operating lease.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided using the straight-line method at the following annual rates:

Leasehold improvements:	
Buildings	4%
Parking facilities and roadway systems	5%
Other	5%-33%
Computer hardware and software	33%
Vehicles	10%
Machinery and other equipment	10%-20%
Runway	5-50 years

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Income taxes

The Authority is exempt from federal and provincial income taxes as well as capital tax.

Revenue recognition

The Authority follows the deferral method of accounting for contributions whereby unrestricted revenue is recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Revenues are recorded when services are performed, the facilities are utilized, or the amounts are earned pursuant to the related agreements. Airport Improvement Fee revenue (Note 13) is recognized when passengers depart the terminal building.

Government contributions

Contributions towards capital expenditures are accounted for under the deferral method whereby the contributions are deferred and brought into income on a basis consistent with the amortization of the related capital assets.

Notes to the Financial Statements

Year ended December 31, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Future accounting changes

The CICA has issued a new accounting framework applicable to Not-for-profit entities. Effective for fiscal years beginning on January 1, 2012, entities will have to choose between International Financial Reporting Standards (IFRSs) or accounting standards for Not-for-profit organizations, whichever suits them best. Early adoption of these standards is permitted. The Authority currently plans to adopt the new accounting standards for Not-for-profit entities for its fiscal year beginning on January 1, 2012. The impact of this transition has not yet been determined.

4. CASH

	2011	2010
Cash	\$ 748,069	\$ 488,736

The Authority has a \$500,000 operating line of credit bearing interest at the prime lending rate plus 1% (December 31, 2011 – 4%). The operating line of credit is secured by a demand collateral first mortgage of the Authority's leasehold interest and assignment of rents for an unlimited amount. The Authority has a bank covenant of cash coverage of capital expenditure and debt repayment, with which it is in compliance. The operating line of credit was not in use at December 31, 2011.

5. INVESTMENTS

During the year, the Authority has invested \$1,356,659 in a one-year GIC redeemable at an interest rate of 1.15% maturing on April 30, 2012 and a \$500,000 in a one-year GIC redeemable at an interest rate of 0.7% maturing on October 30, 2012.

Notes to the Financial Statements

Year ended December 31, 2011

6. CAPITAL ASSETS

			2 0 1 1		2 0 1 0	
	Cost	Accumulated Amortization	Net Book Value			
Land	\$ 15,556,473	\$ -	\$ 15,556,473	\$	15,556,473	
Leasehold improvements						
Buildings	14,918,701	3,926,949	10,991,752		11,327,799	
Parking facilities and roadway systems	4,922,868	1,414,915	3,507,953		3,714,806	
Other	615,424	50,478	564,946		602,227	
Runway	22,083,118	2,894,531	19,188,587		20,020,431	
Computer hardware and software	501,617	430,192	71,425		75,732	
Vehicles	86,921	2,173	84,748		-	
Machinery and other equipment	6,393,789	4,308,981	2,084,808		2,442,678	
Construction in progress/ equipment not in use	1,267,080	-	1,267,080		456,992	
	<u>\$ 66,345,991</u>	<u>\$ 13,028,219</u>	<u>\$ 53,317,772</u>	<u>\$</u>	<u>54,197,138</u>	

7. BANK DEMAND LOAN

CIBC demand instalment loan - payable in monthly principal payments of \$54,265, secured by a general security agreement and a first leasehold mortgage by way of a sublease over all of the Authority's assets, bearing interest at the Bankers Acceptance Rate (1.12% - December 31, 2011) plus a 225 basis point stamping fee.

\$ 5,100,725 \$ 5,751,905

Under the terms of the agreement, the principal payments required in each of the next five years would be as follows:

	2012	2013	2014	2015	2016
\$	651,180	\$ 651,180	\$ 651,180	\$ 651,180	\$ 651,180

Notes to the Financial Statements

Year ended December 31, 2011

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 1	2 0 1 0
Trade payables	\$ 1,174,541	\$ 674,220
Payroll accruals	288,196	302,750
	<u>\$ 1,462,737</u>	<u>\$ 976,970</u>

9. LONG-TERM DEBT

Northern Development Initiative Trust, unsecured, bearing interest at prime (3% - December 2011), interest only payments commencing November 2012, for 34 months. Commencing November 2015 as 120 monthly payments of principal plus interest at prime.

\$ 12,335,667	\$ 11,973,994
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Under the terms of the agreement, the principal payments required in each of the next five years are estimated as follows:

2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ 315,302	\$ 1,261,209

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions represent the unamortized balance of contributions received from government and other entities to fund capital projects.

	2 0 1 1	2 0 1 0
Opening balance	\$ 28,119,674	\$ 29,191,126
Contributions received from		
Western Economic Diversification	-	608,080
Amortization	(1,668,055)	(1,679,532)
	<u>\$ 26,451,619</u>	<u>\$ 28,119,674</u>

Notes to the Financial Statements

Year ended December 31, 2011

11. COMMITMENTS

The Authority has a 60 year lease of the Prince George airport facilities with Transport Canada which expires in 2063, with an option to renew for an additional 20 years. At the end of the renewal term, unless otherwise extended, the Authority is obligated to return control of the airport to the landlord. The Authority had began to accrue rent on January 1, 2011. The rent is calculated based on a formula reflecting annual gross revenues less Government contributions, with the first \$5,000,000 exempt from the calculation. The formula is applied at a rate of 1% of adjusted gross revenues in excess of \$5,000,000 and 5% of adjusted gross revenues in excess of \$10,000,000, up to \$25,000,000. Rent charge for 2011 was \$38,057.

12. INVESTED IN CAPITAL ASSETS

	2011	2010
Opening balance	\$ 8,351,282	\$ 7,549,170
Capital asset additions, including construction in progress	1,605,071	1,380,359
Payment of: Long-term debt, accounts payable and deferred contributions related to additions	289,507	196,561
	1,894,578	1,576,920
Capital asset disposals at net book value	-	(3,418)
Amortization	(2,484,440)	(2,450,922)
Amortization of deferred contributions	1,668,055	1,679,532
	(816,385)	(774,808)
Closing balance	\$ 9,429,475	\$ 8,351,282

13. AIRPORT IMPROVEMENT FEE ("AIF")

On January 30, 2003 the Authority entered into an agreement (the "AIF Agreement") with the Air Transport Association of Canada and major air carriers serving the Prince George International Airport. The AIF Agreement provides for a consultation process with the air carriers on airport development as well as the collection of an AIF by air carriers. AIF revenues can only be used to pay for airport passenger service facilities development and related financing costs. Effective January 1, 2010 the AIF was set at \$18 to further help fund capital expansion. Earned AIF is net of a 7% handling fee withheld by the airlines.

Notes to the Financial Statements

Year ended December 31, 2011

14. PENSION

The Authority sponsors a pension plan on behalf of its employees, which has defined benefit and defined contribution components. The defined contribution component of the pension plan has 14 current participating employees. The defined benefit component of the pension plan has four current participating employees. The Authority pension expense for the defined contribution component was \$48,797 in 2011 (\$36,898 in 2010) and for the defined benefit component was \$251,659 in 2011 (\$228,231 in 2010). The defined benefit component applies to employees employed by the Authority on the date of airport transfer, including former Transport Canada employees who may elect to transfer their pensionable service credits under the Public Service Superannuation Act plan to the Authority plan.

Based on an actuarial valuation as at December 31, 2011 of the Authority's defined benefit plan under CICA Handbook Section 3461, the net pension expense is as follows:

	2011	2010
Service costs	\$ 71,000	\$ 77,000
Interest cost on accrued benefit obligation	154,000	157,000
Expected return on assets	(93,000)	(98,000)
Pension expense	<u>\$ 132,000</u>	<u>\$ 136,000</u>

Information about the Authority's defined benefit plan contained in the actuarial report prepared as at December 31, 2011 is as follows:

	2011	2010
Market value of plan assets	\$ 2,425,000	\$ 2,390,000
Accrued benefit obligation	<u>(3,110,000)</u>	<u>(2,876,000)</u>
Deficiency of plan assets	(685,000)	(486,000)
Unamortized net actuarial gain	<u>1,153,000</u>	<u>794,000</u>
Net pension asset	<u>\$ 468,000</u>	<u>\$ 308,000</u>

The significant actuarial assumptions adopted in measuring the Authority's accrued benefit obligations are as follows:

	2011	2010
Discount rate	5.10%	5.5%
Expected long-term rate of return on plan assets	6.50%	6.5%
Rate of compensation increase	4.00%	4.00%
Rate of inflation	2.50%	2.50%

Notes to the Financial Statements

Year ended December 31, 2011

14. PENSION (continued)

Other information about the Authority's defined benefit plan is as follows:

	2011	2010
Employer contribution	\$ 292,000	\$ 220,000
Employees' contribution	14,000	24,000
Benefits paid	295,000	74,000
Plan assets consist of:		
Equity securities	59.9%	63.7%
Debt securities	33.1%	36.3%
Other	7.0%	-

15. CAPITAL MANAGEMENT

The Authority's objectives when managing capital are to safeguard the entity's ability to operate and develop the airport in a high quality manner while maintaining reasonable rates and charges for its users. The Authority meets this objective by generating adequate resources from operations to minimize the need for long-term debt financing.

The Authority determines the amount of capital that may be required by monitoring the long-term airport infrastructure development plans to meet the needs of passengers, tenants and other airport users and stakeholders. The Authority maintains and manages an internally restricted fund in anticipation of those plans.

Under its borrowing agreements, the Authority must satisfy certain restrictive covenants. During the year, the Authority complied with all such covenants.

16. FINANCIAL INSTRUMENTS

Fair value

The Authority's cash, investments, accounts receivable and accounts payable and accrued liabilities are reflected in the financial statements at carrying values which approximate fair values due to the immediate and short-term maturity of these financial instruments. The fair value of the bank demand loan and long-term debt approximates their carrying values as the loans bear interest at current market rates.

Liquidity risk

Liquidity risk is the risk of being unable to meet a demand for cash or fund obligations as they come due. It stems from the possibility of the lender demanding repayment in full of their demand loans.

The Authority manages its liquidity risk by constantly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash.

Accounts payable and accrued liabilities are generally repaid within 30 days. As described in Note 8, the demand instalment loan requires regular principal payments which do not pose a cashflow concern, however, the lender does have the right to demand payment in full.

Notes to the Financial Statements

Year ended December 31, 2011

16. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The Authority is exposed to interest rate risk on its floating interest rate financial instruments, as changes in these rates could significantly impact cash flows.

Credit risk

The Authority is subject to credit risk through its accounts receivable. A significant portion of the Authority's revenues, and resulting receivable balances, are derived from airlines. The Authority performs ongoing credit valuations of receivable balances and maintains provisions for potential credit losses.

17. OTHER INFORMATION

During the year ended December 31, 2011, the fees paid to the Board of the Authority for their services as directors amounted to \$81,150 (2010 - \$80,850).



Corporate Governance

Board Governance

The Prince George Airport Authority Inc. was incorporated on July 27, 2000.

Conflict-of-Interest Rules

The PGAA is acutely aware of the trust that has been placed in it by the community and all stakeholders involved in the airport industry. The principles of public accountability and conflict of interest are detailed in the Transport Canada lease and PGAA bylaws.

In keeping with the spirit of the public accountability guidelines of the National Airports Policy, section 6.12 of the PGAA's operating bylaws has a very thorough section dealing with conflict of interest guidelines.

The Conflict of Interest policy requires each Board member to disclose any real, perceived or potential areas of conflict. This disclosure must be in writing and is updated annually. The policy also addresses the appropriate procedures to be followed, should a Director propose independently to provide services to the Authority on a contractual basis.

The Board has ensured that all Directors, officers and employees complied with these rules in 2011.

Code of Conduct

Code of Conduct guidelines are clearly outlined within the Bylaws of the Authority, and each Board member updates acknowledgement of these guidelines annually.

Public Tenders

Bylaw 17.3 (a) states that contracts in excess of a total value of \$75,000 (subject to an annual adjustment for inflation according to the Consumer Price Index based on 1994 dollars) shall be awarded based on a public tendering process.

For 2011, the adjusted value was \$102,613 and all contracts valued at or over the adjusted value were awarded by bid.

Governance Guidelines

Introduction

The Prince George Airport Authority believes it to be its responsibility to model Governance practices as if the PGAA were a listed company on a Canadian Securities Exchange. Following is the Authority's application of those guidelines.

1. Board Mandate

Guideline – The Board should explicitly assume responsibility for the stewardship of the organization by:

- 1.1 Overseeing the operation of the organization and satisfying itself as to the integrity of the management team
- 1.2 Adopting a strategic planning process
- 1.3 Identifying the principal risks and ensuring the implementation of appropriate systems to manage these risks
- 1.4 Having a management succession plan in place
- 1.5 Adopting a communications policy
- 1.6 Having internal controls and management information systems operational
- 1.7 Having governance guidelines and principles in place

Disclosure

- 1.1 The mandate of the Board is to act primarily as a policy board, however the Board approves all significant decisions that affect the organization before implementation, as well as monitoring and reviewing outcomes.
- 1.2 The Authority has a strategic planning process, which includes a long-term Master Plan, a five year Strategic Operating Plan and annual operating and capital budgets with goals and expectations reviewed and revised annually. The Board is actively involved in the strategic planning process and is responsible for reviewing and approving the plan.
- 1.3 While management is mandated to keep the Board apprised of risks facing the Authority, the Board monitors industry risk through queries of management and a network of industry groups such as Canadian Airport Council (CAC) and Airport Council International (ACI). The Finance and Audit Committee meets regularly to monitor the financial risks, and ensure proper management systems are in place. Operational risks are mitigated through continual updates and implementation of necessary changes to safety and security management functions relating to aircraft and passenger movement and protection of airport assets through:

- a) An environmental management plan and policies addressing all airport environmental issues including aircraft de-icing and the use and application of fertilizers and pesticides.
 - b) An airport emergency evacuation plan, a disaster recovery plan and Airport Safety and Security plans.
 - c) A comprehensive insurance program to protect the airport assets and its financial viability to meet the ground lease obligations.
 - d) An organizational structure with dedicated safety, security and emergency planning and response personnel.
 - e) Risk transfer through contract
 - f) Incident reporting and response procedures.
 - g) An Airport Safety Committee.
- 1.4 The Board is responsible for choosing the CEO. While a formal management succession plan has not been implemented, senior management positions could be temporarily covered either from existing Authority personnel or with a temporary replacement until a competition could be held. In addition, the Board Chair is available and capable of assuming an important role in the transition process.
 - 1.5 An extensive communication policy is in place identifying the prime contacts, their roles and responsibilities. The policy defines the process for stakeholders to contact the Authority and for Airlines and Industry service providers to communicate with the Authority. The Board approves all major communications such as annual reports and financing documents. The Authority communicates with stakeholders through information on its website, and meetings held by the Board Community Consultative and the Airline Consultation Committees.
 - 1.6 The Authority has an in-depth monthly, quarterly and annual reporting and performance measurement system, including regular Board presentations from all levels of management and the ongoing monitoring, comparison, analysis and explanation of results and expectations. External professional resources are employed to test the integrity of internal control systems.
 - 1.7 The Board, through the Governance Committee has implemented applicable guidelines and principles.

Governance Guidelines

2. Composition of the Board

Guideline – The Board should have a majority of independent Directors, in that being independent means non-management or having no conflict.

Disclosure – The Board is composed exclusively of independent Directors. The Board Chair and other officers are elected bi-annually from the members of the Board.

3. Nomination of Directors

Guideline – The Board should appoint a Nominating Committee comprised exclusively of independent Directors who will have a clear mandate established for them including the manner in which they report to the Board.

Disclosure – The Governance Committee is responsible for the nominating process and proposing new nominees to the Board. New nominees must exhibit expertise in an area of strategic interest to the Authority, the ability to devote the time required and a willingness to serve the organization. The Nominating Committee communicates with the various nominating entities and appointers, to seek Directors with the required skills. As at report date, the Board Chair has implemented an annual assessment of directors.

In accordance with Bylaw No. 3, a bylaw relating generally to the transaction of the business and affairs of the Prince George Airport Authority (PGAA), and based on the principles of accountability and transparency desired by the Federal Government and endorsed by the Board of Directors, the Board is comprised of twelve members

Two are appointed by:

- The Federal Government
[2 Representatives]

Ten are nominated by each of

- The Provincial Government
[1 Representative]
- The City of Prince George
[3 Representatives]
- The Regional District of Fraser-Fort George
[2 Representatives]
- Prince George Chamber of Commerce
[1 Representative]
- The Prince George Airport Authority
[3 Representatives]

The Board members represent consumer interests, the business community and organized labor. It includes Directors having legal, engineering, accounting, commercial banking and experience and skills from various other industries and professions.

4. Regular Board Assessments

Guideline – Every Board of Directors should implement a process for assessing the effectiveness of the board as a whole, the committees of the board and the contribution of individual directors

Disclosure – The Governance Committee conducts a formal evaluation process annually in which each Director completes an assessment of the effectiveness of the Board and individual committees. The Governance Committee recommends changes to enhance the performance of the Board based on the survey feedback.

5. Orientation & Continuing Education

Guideline – Every organization should provide an orientation and education program for new directors to the board.

Disclosure – All new PGAA directors receive a Director's Manual which contains a record of the history of the Airport, the mission statement, goals and objectives, the current PGAA policies and procedures, the Director's role and responsibilities and an overview of the committees, Governance guidelines, the current Bylaws and strategic plan, and the latest PGAA annual report. In addition, a behind the scenes tour of the airport is provided.

Senior management makes regular presentations to the board on the main areas of the organization's business. Management and staff receive initial job orientation and follow up specific job element training as required.

6. Effective Board Size

Guideline – Every board of directors should examine its size and determine the appropriate number of directors to facilitate effective decision making.

Disclosure – The Governance Committee reviews the composition and size of the board once a year.

7. Compensation

Guideline – The board of directors should review the adequacy and form of the compensation of directors and ensure the compensation realistically reflects the responsibilities involved in being an effective director.

Disclosure – The Governance Committee reviews directors' compensation annually, and makes its recommendation to the Board. The committee takes into account all appropriate information including the compensation levels at similar airports to reach its determination.

The Human Resources Committee has the responsibility to bring a recommendation to the Board annually as to the

Governance Guidelines

method and level of compensation the CEO should receive, based on market comparisons and performance.

The annual remuneration for the Board during 2011 was as follows:

Chair \$ 12,000

Vice Chair \$ 7,000

Directors \$ 3,500

Committee Chairs receive \$200 per Board and Committee meeting.

Directors receive \$150 per Board and Committee meeting.

Combined compensation during 2011 for all Directors was \$87,250.

The combined salaries of the Senior Managers [i.e.] President and CEO, Director of Finance and Administration and Director of Operations in the year 2011 was \$420,213.

8. Committees

Guideline – Committees of the board of directors should generally be composed of outside directors, although some board committees, such as the executive committee may include one or more inside directors.

Disclosure – The Board has appointed seven committees, comprised entirely of independent directors:

- Audit and Finance Committee
– 4 members with Ron Epp as Chair
- Governance and Nominating Committee
– 4 members with Neil King as Chair
- Human Resources Committee
– 4 members with Les Waldie as Chair
- Community Consultation Committee
– 3 members with Don Gould as Chair
- Airline Consultation Committee
– 2 members with Neil King as Chair
- Major Projects Committee
– 2 members with Don Gould as Chair
- Environment/Noise Committee
– 3 members with Mike Tkachuk as Chair

Committees are structured to support management and the Board of Directors and to act in accordance with the Board's requirements and decisions.

9. Approach to corporate governance

Guidelines – Every board of directors should expressly assume responsibility for or assign a committee of directors the responsibility for developing the corporation's approach to governance issues.

Disclosure – The Governance Committee is responsible for reviewing the overall governance principles of the organization, recommending any changes to these principles and monitoring their disclosure. The Committee is responsible for the statement of corporate governance.

10. Position Descriptions

Guideline – The board of directors should develop position descriptions for the board and CEO.

Disclosure – Terms of reference have been developed for directors, Board Chair, and the committees, and are reviewed as required. Job descriptions are in place for the CEO, management team and staff. The CEO job description is approved by the Board

11. Meetings of Independent Directors

Guideline – Every board of directors should be able to function independent of management and should meet on a regular basis without management present.

Disclosure – The Board Chair is an independent director, voted in by the Board. Board members meet independent of management at the conclusion of all regularly scheduled Board meetings and other times as necessary.

12. Audit Committee

Guideline – The audit committee should be composed only of independent directors, with the roles and responsibilities specifically defined. The committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate and to ensure effective system of internal control are in place.

Disclosure – The Finance and Audit Committee is comprised of independent directors, all are financially literate, with the Chair a chartered accountant. The committee responsibilities are outlined in the PGAA bylaws. The committee and/or the committee chair has regular meetings with internal finance personnel and open communication with internal auditors whenever required.

13. Outside Advisors

Guideline – The board of directors enables an individual director to engage an outside advisor at the expense of the organization.

Disclosure – Outside advisors are engaged by the Board as a whole based on specific needs at any given time.

Goals and Objectives

1. Support of Staff

- The Authority will support its staff by ensuring the establishment of organizational values, individualized training plans and career development plans.
- The Authority is committed to maintaining a workplace where respect and fairness is demonstrated openly and all staff strive towards providing professional, first-class service. The Authority involves staff in strategic planning and decision-making.

2. Operate In A Safe, Secure and Environmentally Responsible Manner

- The Authority is committed to meeting or exceeding all requirements for the safety and security of all users of the airport. In addition, the Authority maintains an effective and proactive environmental management program. Safety, security and environmental programs are regularly audited to ensure compliance.

3. Provide Our Customers With A User-Friendly, First-Class Facility

- The Prince George Airport Authority is dedicated to providing a user-friendly first-class facility that promotes good service and a positive experience for customers.
- The Authority maintains and plans for upgrades of existing airside and groundside facilities to support growth and new opportunities.
- The Authority maintains a competitive cost environment for airlines and strives to drive down the cost of travel using the YXS Gateway.

4. Operate As A Financially Viable Entity

- The Authority operates as a financially viable entity by maximizing all sources of revenue, providing cost effective service, and minimizing expenditures without compromising safety, security or customer service.
- The Authority operates within established budgets and generated revenues. Capital programs are funded through the Airport Improvement Fee.

5. Ensure Public Accountability

- The Authority will maintain its public accountability through the interaction of Board committees (eg. Community Consultation Committee, Airline Consultation Committee, Environment/Noise Committee), annual reporting and regular communication and engagement with community groups.

6. Maintain Partnership Stakeholder Relationships with the Community, Airport Tenants and Users

- The Authority has formed a partnership stakeholder relationship with the community, airport tenants and users. As well, a Protocol Agreement with the City of Prince George and the Regional District has been established. This protocol illustrates the philosophy of co-operation, good communications and addresses a common vision. The partnership aims at maintaining and growing existing relationships with Initiatives Prince George, The Northern Corridor Development Corporation, Northern BC Tourism Association, Chamber of Commerce, and other organizations with the goal of improving the economic climate of Northern British Columbia.
- As well, the Authority has developed a strong relationship with NDIT, whose mandate is economic development in the North.
- The Authority also ensures that good communication and co-operation are maintained with airline partners through the continuation of the Airline Consultation Committee.
- The PGAA encourages open communication with community members through the Community Consultation Committee.

7. Pursue Marketing Initiatives and Economic Development

- The Authority will pursue marketing initiatives and economic growth through a strategic marketing plan which includes the promotion of new National and International markets, retaining and strengthening existing air services, and developing airport land while supporting community objectives.
- The Authority will continue to actively pursue their Cargo and Tech Stop initiatives.

8. Cultivate and Promote the Airport's Role and Image With The Community

- The Authority will cultivate and promote the airport's role and image within the community with the establishment of focused information campaigns, tradeshow, promotion of school programs, and by continuing to develop the expertise on northern transportation issues, as well as strengthening media relationships.

5 Year Business Plan

Business Plan Cash Flow Forecast 2012 - 2016

Shown in thousands of dollars.

YEAR	2012	2013	2014	2015	2016
Revenues	8,912.6	9,168.9	9,584.7	10,082.1	10,271.3
Expenses	6,313.6	6,439.9	6,568.7	6,700.0	6,834.0
Capital	2,125.0	4,880.0	3,620.0	3,390.0	3,300.0

Assumptions:

1. Forecasted revenues and expenses assume annual growth of 2% and modest cargo activity commencing in 2013.
2. Amortization is not included.



Board of Directors



James (Jim) Blake

Chair
Nominated by City of Prince George
Attendance: 8/9 Board*



Andy Clough

Director
Appointed by Federal Government
Attendance: 6/9 Board, 3/7 Committee



Les Waldie

Vice-Chair
Chair, Human Resource Committee
Nominated by Initiatives Prince George
Attendance: 9/9 Board, 15/15 Committee



Marion Bartlett

Director
Nominated by Prince George Airport Authority
Attendance: 8/9 Board, 13/14 Committee



Tom Newell

Secretary
Nominated by Federal Government
Attendance: 9/9 Board, 13/16 Committee



Al Leier

Director
Nominated by Prince George Airport Authority
Attendance: 8/9 Board, 7/7 Committee



Ron Epp

Treasurer
Chair, Finance & Audit Committee
Nominated by City of Prince George
Attendance: 9/9 Board, 5/6 Committee



Tejinder Grewal

Director
Nominated by City of Prince George
Attendance: 8/9 Board, 5/6 Committee



Neil King

Chair, Governance & Nominating Committee
Chair, Airline Consultation Committee
Nominated by Initiatives Prince George
Attendance: 9/9 Board, 8/10 Committee



Carol Brown

Director
Nominated by Regional District of Fraser-Fort George
Attendance: 7/9 Board, 7/7 Committee



Don Gould

Chair, Community Consultation Committee
Nominated by Provincial Government
Attendance: 9/9 Board, 3/3 Committee



Mike Tkachuk

Chair, Environment / Noise Committee
Nominated by Regional District of Fraser-Fort George
Attendance: 9/9 Board, 2/2 Committee

*The Board Chair attends all Committee meetings as required.

PGAA Team (Pictured Left):

Back Row (L-R): Lindsay Cotter – Manager of Marketing and Communications, Jamie Smith – Manager of Operations,
Veronica Laass – Accounting Manager, Robin Smith – Executive Assistant

Front Row (L-R): Cuyler Green – Director of Operations, John Gibson – President and CEO,
Diane Bertram – Director of Finance and Administration, Allan Ridgway – Consultant Cargo Business Development

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