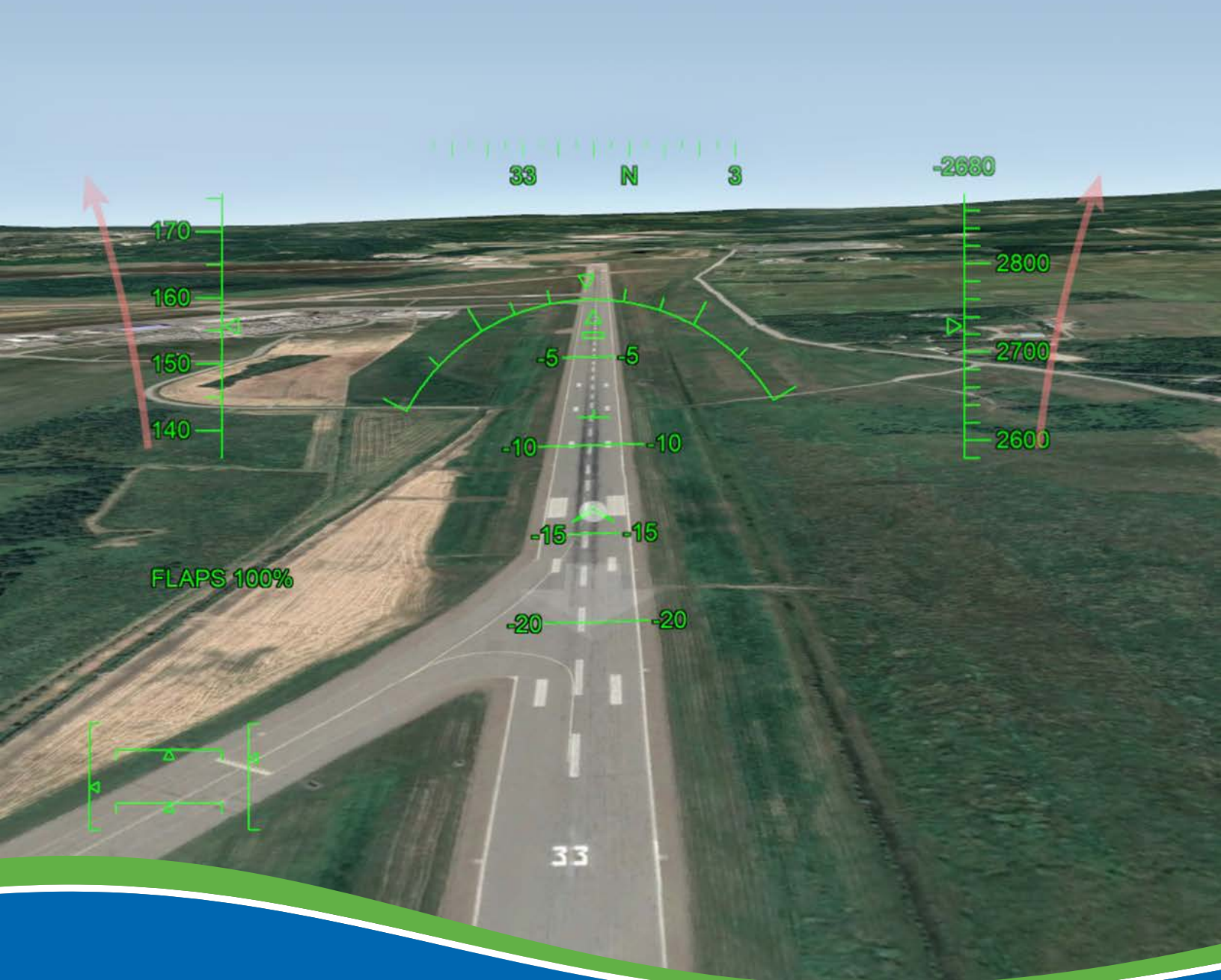




Approche de la Récupération

Rapport Annuel 2022



Vision

Connecter le monde à notre région

Énoncé de mission

Une équipe aéroportuaire exceptionnelle dédiée à l'amélioration de notre communauté en offrant une excellente expérience aéroportuaire à tous et en stimulant la croissance économique de la région.

Reconnaissance des terres

L'Autorité aéroportuaire de Prince George reconnaît respectueusement les terres ancestrales non cédées des Lheidli T'enneh, sur lesquelles nous vivons, travaillons et jouons.

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Introduction

Alors que le monde s'est ouvert et que la société a dû s'adapter à la nouvelle vie normale post-pandémique, l'aéroport de Prince George (YXS) a commencé à voir le nombre de passagers augmenter régulièrement. Le mois d'avril a vu une augmentation de 320% du nombre de passagers, par rapport au même mois l'an dernier. D'une année sur l'autre, le trafic passagers a augmenté de 81 % par rapport à 2021. Nos partenaires aériens ont augmenté leur fréquence et un nouveau transporteur, Flair Airlines, a introduit un service saisonnier vers Tucson, en Arizona.

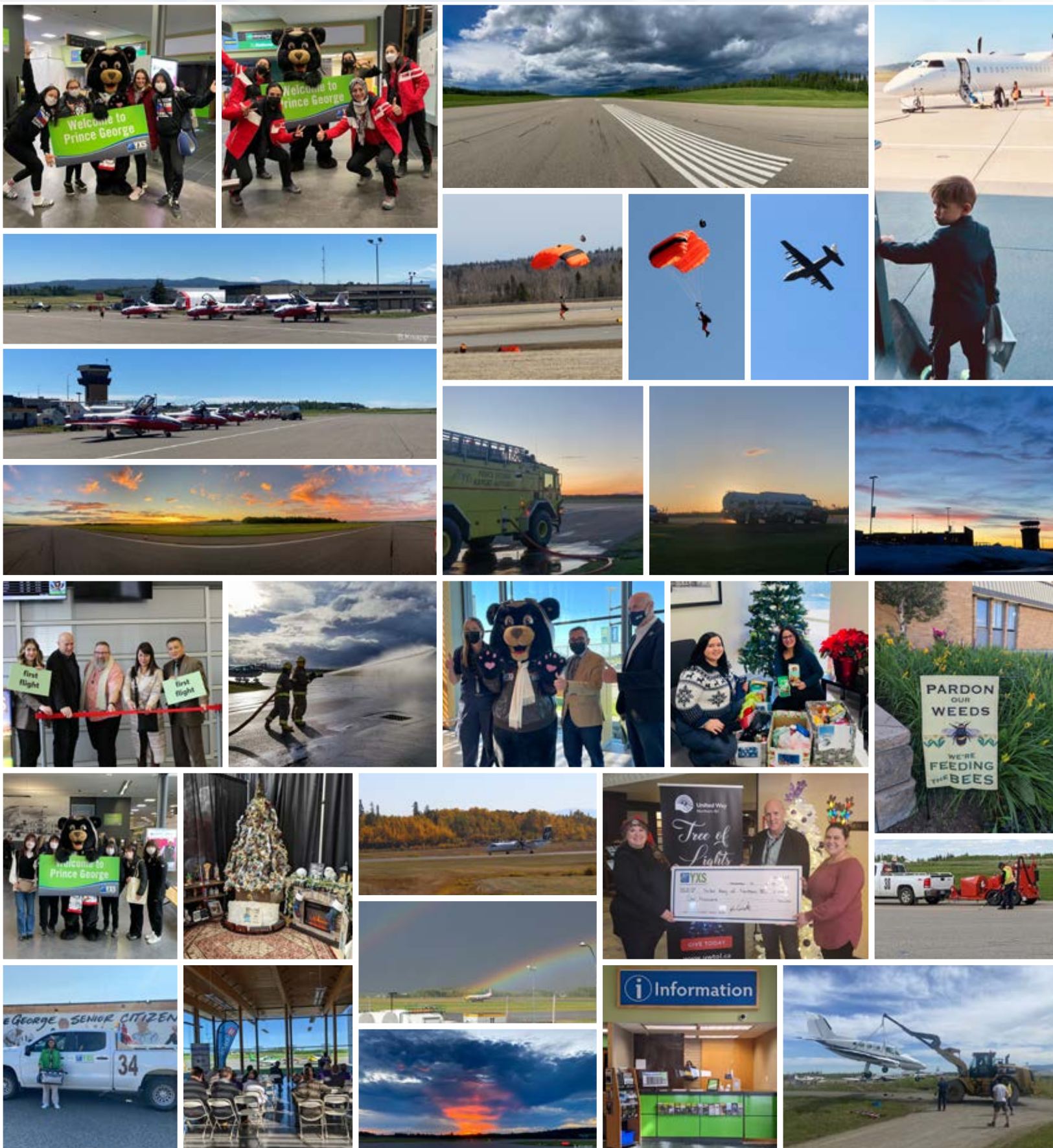
Alors que la pandémie touchait les organisations à but non lucratif et les personnes les plus vulnérables de la société,

la Prince George Airport Authority (PGAA) est intervenue pour aider la communauté de Prince George de diverses manières. Apporter des repas chauds à ceux qui en ont besoin et collecter des denrées non périssables pour les programmes de paniers locaux ne sont que quelques-unes des façons dont la PGAA a pu se connecter et redonner à la communauté.

La PGAA se concentre sur la poursuite de l'expansion du service aérien à YXS ainsi que sur la recherche d'opportunités de financement pour les besoins opérationnels indispensables alors que nous continuons à nous rapprocher de la reprise.



Faits saillants 2022



Rapport du président-directeur général

2022 a été une année chargée pour l'Autorité aéroportuaire de Prince George (PGAA) et le secteur canadien de l'aviation en général. Alors que le gouvernement fédéral canadien assouplissait et supprimait les restrictions liées à la pandémie de COVID-19, la PGAA a commencé à mettre en œuvre notre plan de vol vers la reprise. Bien que le secteur canadien de l'aviation ait connu des difficultés opérationnelles pour retrouver les niveaux de service antérieurs, la PGAA et YXS ont rebondi rapidement et ont maintenu des normes élevées de sécurité et des opérations efficaces.

Le nombre de passagers a considérablement augmenté par rapport à l'année précédente. En 2022, YXS a accueilli 364 663 passagers, soit une augmentation de 81 % d'une année sur l'autre. Nous prévoyons que cette tendance se poursuivra, espérons-le, pour atteindre des chiffres pré-COVID similaires à la moyenne de 2017-2019 de 500 000 passagers d'ici 2024.

Nos résultats financiers 2022 sont encourageants avec un excédent des revenus sur les dépenses qui est meilleur que prévu à un peu plus d'un million de dollars. Bien que nous soyons fiers de ces résultats, nous devons reconnaître que les prochaines années seront un défi pour maintenir ces rendements en raison des nombreux achats d'immobilisations nécessaires et des projets à l'horizon. La PGAA recherche activement des opportunités de financement et nous avons réussi à recevoir un financement pour deux initiatives majeures en 2022. Nous avons reçu l'approbation et le financement complet pour acheter un nouveau camion de lutte contre les incendies de sauvetage d'aéronefs, et un financement complet pour construire un bâtiment pour abriter le nouvel ajout à notre flotte. Cela garantira que YXS est bien équipé pour gérer toute urgence d'avion qui pourrait survenir dans le futur. Nous avons également reçu des fonds pour l'achat d'une nouvelle balayeuse de piste que notre équipe d'entretien des aéroports utilisera pendant les opérations de contrôle de la glace et de la neige.

Tous les projets nécessitant un examen en vertu de la Loi canadienne sur l'évaluation environnementale ont fait l'objet d'un examen. Des avis d'évaluation sont disponibles sur demande.

L'accent mis par la PGAA sur le soutien des initiatives communautaires locales s'est poursuivi en 2022. La chef Dolleen Logan de la Première Nation Lheidli T'enneh a assisté à une réunion du conseil d'administration et les discussions concernant un futur partenariat se poursuivent. Encore une

fois, notre personnel et nos équipements ont aidé à la popote roulante d'avril à octobre pour livrer des repas aux citoyens. Ce partenariat a été enrichissant pour tout le personnel qui a participé. Le personnel et les membres du conseil d'administration de la PGAA ont apporté leur aide aux Jeux d'été de la Colombie-Britannique pour s'assurer que les athlètes et les officiels vivent une expérience formidable. Nous avons pu fournir de l'espace dans notre entrepôt pour devenir le centre logistique des Jeux, et notre équipe a fièrement occupé divers rôles et effectué de nombreuses heures de bénévolat. La PGAA a parrainé un prix lors des Prix d'excellence en affaires de la Chambre de commerce et a apporté son soutien au True North Business Forum. Les membres du personnel ont également collecté des fonds pour la campagne Tree of Lights de Centraide, ont donné de leur temps lors d'événements tels que le Festival des arbres et ont collecté des dons pour divers organismes de bienfaisance pendant la période de Noël. En mai 2022, la PGAA a tenu sa première assemblée publique annuelle en personne depuis 2019, après deux ans de présentation virtuelle à nos parties prenantes en raison de la pandémie.

En 2021, nous avons mené un essai d'entretien d'une ruche sur l'aérodrome de YXS. L'essai a été considéré comme un succès et notre «rucher» s'est étendu à 8 ruches cette année. La PGAA a également installé un jardin pollinisateur devant l'aérogare pour soutenir les abeilles!

À l'intérieur du terminal, nous nous sommes associés à Farmhouse Catering et au Northern Development Initiative Trust pour rénover le restaurant existant et ajouter une boulangerie, proposant des friandises fraîchement cuites et de nombreux articles à emporter pour les voyageurs. Le nouveau restaurant a ouvert ses portes en novembre et est rapidement devenu un favori pour tous les usagers de l'aéroport et la communauté dans son ensemble.

Nous continuons d'étendre notre programme d'accessibilité et avons amélioré notre programme de service à la clientèle avec l'ajout d'un service de réponse le week-end. Le programme des ambassadeurs bénévoles de la PGAA a pu redémarrer avec la suppression des restrictions de Covid et cela a été très bien accueilli par tous.

Nous avons revigoré nos efforts de marketing pour attirer de nouveaux itinéraires et augmenter les fréquences. Notre vigoureux programme visant à présenter de solides argumentaires de marketing à nos partenaires aériens s'est

traduit par une capacité accrue sur les routes existantes et une nouvelle destination avec un service saisonnier sans escale vers Tucson, en Arizona.

Le conseil d'administration de l'administration aéroportuaire de Prince George compte 12 postes d'administrateur. Il y a actuellement 11 membres. En 2022, nous avons accueilli Katherine Scouten en tant que nouvelle directrice et avons dit au revoir à Don Zurowski et Simon Yu et nous les remercions tous pour leur temps au sein de notre conseil d'administration. Les membres du conseil sont demeurés très actifs en 2022, siégeant à cinq comités : comité de gouvernance, comité des finances et de la vérification, comité des ressources humaines, comité du développement économique et du marketing et comité des grands projets et de l'environnement.

Alors que nous nous tournons vers 2023, nous continuerons de renforcer nos relations avec la Première Nation Lheidli T'enneh, d'améliorer notre programme de partenariat communautaire et de rechercher des opportunités de financement pour répondre à nos besoins en capital et compenser les coûts d'exploitation.

Un grand merci à nos employés, à notre conseil d'administration et à nos partenaires pour nous avoir aidés à traverser une pandémie mondiale.



Gordon Duke
Président et CEO,
Autorité aéroportuaire de Prince George



Derek Dougherty
Président du conseil,
Autorité aéroportuaire de Prince George

Équipe exécutive



Gordon Duke
Président et CEO



Diane Bertram
Directrice des finances et de
l'administration



Lindsay Andreza
Responsable des communications et des
relations communautaires



Sabrina Angus
Responsable des Ressources Humaines



Trevor Gust
Responsable des Opérations



Kaitlyn Joyce
Responsable Marketing et
Développement des Services Aériens



Michelle Kenny
Responsable des services corporatifs



Veronica Laass
Responsable de la Comptabilité



Geoff Stocks
Responsable de la Conformité
Réglementaire



Chrisie Berry
Adjointe exécutive et liaison avec le
conseil d'administration

Gouvernance d'entreprise

La mission de l'Autorité aéroportuaire de Prince George est d'exploiter un aéroport sûr et sécurisé avec des installations et des services passagers de qualité axés sur le client, et une activité de fret en développement, d'une manière économiquement durable et respectueuse de l'environnement qui contribue au développement économique régional.

La principale responsabilité du conseil d'administration (« conseil ») est de favoriser le succès à long terme de l'Autorité aéroportuaire de Prince George (« Autorité ») conformément aux responsabilités du conseil envers les communautés qu'elle dessert.

Le conseil d'administration a la responsabilité de superviser la conduite des affaires de l'Autorité et de diriger et de superviser la direction qui est responsable du fonctionnement quotidien de l'entreprise. Dans l'exercice de ses fonctions, le Conseil tient également compte des intérêts légitimes que d'autres personnes telles que les employés, les fournisseurs, les clients et les communautés ont dans l'Autorité. En supervisant la conduite des affaires, le conseil, par l'intermédiaire du président et chef de la direction, établira les normes de conduite de l'Autorité et assurera la sécurité de ses opérations.



Derek Dougherty

Président – Conseil d'administration
Nominé par le district régional de Fraser-Fort George
Conseil d'administration 7/7*



Emily Cheung

Vice-présidente du conseil d'administration
Présidente – Comité des grands projets et de l'environnement
Nominé par le district régional de Fraser-Fort George
Conseil d'administration 7/7*, Comité 7/7



Alain LeFebvre

Trésorier – Conseil d'administration
Président – Comité des finances et de vérification
Nominé par la ville de Prince George
Conseil d'administration 7/7, Comité 15/15



Todd Corrigan

Secrétaire – Conseil d'administration
Président – Comité de gouvernance
Nominé par Prince George Chamber du Commerce
Conseil d'administration 5/7, Comité 8/10



Sandra Rossi

Présidente – Comité des ressources humaines
Nominé par l'Autorité aéroportuaire de Prince George
Conseil d'administration 7/7, Comité 9/9



Katherine Scouten

Présidente – Comité de développement économique et marketing
Nominé par le gouvernement provincial
Conseil d'administration 6/7, Comité 5/10
(mandat commencé en mars)



Shauna Harper

Directrice
Nominé par la ville de Prince George
Conseil d'administration 6/7, Comité 9/12



Terry Kuzma

Directeur
Nominé par l'Autorité aéroportuaire de Prince George
Conseil d'administration 4/7, Comité 11/13



Frank Robertson

Directeur
Nominé par l'Autorité aéroportuaire de Prince George
Conseil d'administration 7/7, Comité 9/9



Regina Toth

Directrice
Nominé par le gouvernement fédéral
Conseil d'administration 6/7, Comité 1/1



Simon Yu

Directeur
Nominé par le gouvernement fédéral
Conseil d'administration 4/7, Comité 3/6
(a démissionné en octobre)



Don Zurowski

Directeur
Nominé par la ville de Prince George
Conseil d'administration 6/7, Comité 11/13

*Le président et le vice-président du conseil assistent à toutes les réunions du comité, au besoin.

Conseil d'administration

L'Autorité aéroportuaire de Prince George est régie par un conseil composé de 12 administrateurs nommés par les entités suivantes :

Entités de nomination

Gouvernement du Canada	2
Province de la Colombie-Britannique	1
District régional de Fraser-Fort George	2
Ville de Prince George	3
Chambre de commerce de Prince George	1
Autorité aéroportuaire de Prince George	3

Chaque membre du conseil peut servir jusqu'à un total de 9 ans sur le tableau.

Compétences et l'expérience

Les administrateurs du conseil possèdent collectivement des compétences, de l'expérience et de l'expertise qui contribuent à faire progresser le mandat et la mission de l'administration aéroportuaire - tout en faisant preuve de pratiques exemplaires en matière de gouvernance et de responsabilité financière. De plus, ils comprennent au moins un représentant de chacun des secteurs suivants : le milieu des affaires, les syndicats et les intérêts des consommateurs.

Responsabilité

L'Autorité aéroportuaire de Prince George est parfaitement consciente de la confiance que lui accordent la communauté et ses parties prenantes. Le conseil d'administration a adopté un code de conduite. Les membres du conseil examinent et signent les déclarations annuelles de conflits d'intérêts potentiels tout en respectant les lignes directrices de la politique sur les conflits d'intérêts du conseil tout au long de l'année. Il n'y a eu aucune infraction au Code de conduite en 2022.

Le maintien de la transparence et de l'ouverture avec le public fait partie intégrante de la bonne gouvernance. Le conseil d'administration adhère au règlement 14.5 qui stipule que les contrats dépassant une valeur totale de 75 000 \$ (sujets à un ajustement annuel pour l'inflation selon l'indice des prix à la consommation basé sur les dollars de 1994) seront attribués sur la base d'un processus d'appel d'offres public. Pour 2022, la valeur ajustée était de 126 568 \$ et tous les contrats évalués à ou au-dessus de cette valeur ont été attribués par soumission.

Comités

Les travaux du Conseil se sont appuyés en 2022 sur cinq comités, entièrement composés d'administrateurs indépendants. Les comités suivants se réunissent régulièrement tout au long de l'année :

- Comité des finances et d'audit
- Comité de gouvernance
- Comité des ressources humaines
- Comité des Grands Projets et de l'Environnement
- Comité de développement économique et marketing

Compensation

La rémunération du conseil est revue annuellement par le comité de gouvernance. En 2022, les dirigeants de la société et les administrateurs ont reçu les honoraires annuels suivants :

Président	12 000 \$
Vice-président	5 000 \$
Secrétaire	4 500 \$
Trésorier et président du comité des finances	5 500 \$
Président du comité de gouvernance	6 500 \$
Président du comité des ressources humaines	6 500 \$
Président du comité des grands projets et de l'environnement	5 500 \$
Chaire Compagnies Aériennes et Communauté Comité de concertation	4 500 \$
Membres du conseil d'administration	4 500 \$

*Tous les membres du conseil reçoivent également 400 \$ par réunion du conseil et du comité à laquelle ils assistent

Agissant sur la recommandation du comité des ressources humaines et de la rémunération, le conseil a la responsabilité d'approuver la nomination et la rémunération de la haute direction, d'approuver les modalités de rémunération totale du personnel exclu et de s'assurer que des plans sont élaborés pour la relève et le perfectionnement de la direction. Les salaires combinés de la direction de l'Autorité aéroportuaire de Prince George pour l'année 2022 étaient de 1 049 770 \$.



BDO Canada LLP
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Prince George, BC V2L 1W5
Canada

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www.bdo.ca

Le rapport du vérificateur indépendant

To the Board of Directors of Prince George Airport Authority Inc.

Opinion

We have audited the financial statements of Prince George Airport Authority (the Authority), which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unqualified opinion on those financial statements on April 14, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

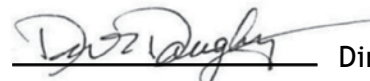
Chartered Professional Accountants


Prince George, British Columbia
April 12, 2023

État de la situation financière

December 31	2022	2021
Assets		
Current		
Cash	\$ 4,745,691	\$ 3,813,189
Term deposits	18,478	16,170
Accounts receivable	1,836,714	2,161,484
Inventories	29,270	32,034
Prepaid expenses	540,412	451,875
Derivative financial instrument (Note 8)	333,121	-
	<u>7,503,686</u>	<u>6,474,752</u>
Capital assets (Note 3)	62,753,612	65,252,145
Defined benefit asset (Note 4)	1,135,000	1,980,000
	<u>\$71,392,298</u>	<u>\$73,706,897</u>
Liabilities and Net Assets		
Current		
Bank demand loans (Note 5)	\$ 3,884,356	\$ 5,852,338
Accounts payable and accrued liabilities (Note 6)	1,682,888	1,222,216
Deferred revenue	17,076	198,701
Current portion of long-term debt (Note 7)	1,261,209	1,261,209
Derivative financial instrument (Note 8)	-	11,264
Current portion of deferred contributions related to capital assets (Note 9)	1,615,245	1,599,954
	<u>8,460,774</u>	<u>10,145,682</u>
Long-term debt (Note 7)	3,965,902	5,227,110
Deferred contributions related to capital assets (Note 9)	15,451,287	15,867,876
	<u>27,877,963</u>	<u>31,240,668</u>
Net Assets		
Invested in capital assets (Note 11)	36,601,400	35,469,444
Unrestricted	6,912,935	6,996,785
	<u>43,514,335</u>	<u>42,466,229</u>
	<u>\$71,392,298</u>	<u>\$ 73,706,897</u>

On behalf of the Board:

 Director

 Director

État des variations de l'actif net

For the year ended December 31	Invested in Capital Assets (Note 11)	Restricted Airport Improvement fee (Note 13)	Unrestricted (Note 12)	2022 Total	2021 Total
Balance, beginning of the year	\$ 35,469,444	\$ -	\$ 6,996,785	\$42,466,229	\$ 40,200,937
Excess (deficiency) of revenues over expenses	-	3,579,420	(2,531,314)	1,048,106	2,265,292
Capital asset additions	1,954,032	(1,954,032)	-	-	-
Net repayment of bank demand loan and subsidies	2,030,535	(1,625,388)	(405,147)	-	-
Amortization of capital assets	(4,452,565)	-	4,452,565	-	-
Amortization of deferred contributions (Note 9)	1,599,954	-	(1,599,954)	-	-
Balance, end of the year	\$ 36,601,400	\$ -	\$ 6,912,935	\$43,514,335	\$ 42,466,229

État des opérations

For the year ended December 31	2022	2021
Revenue		
Landing fee	\$ 2,558,052	\$ 1,873,844
Other income	1,568,599	1,279,068
Parking	1,910,588	940,643
General terminal	1,327,328	845,733
Rental income	450,238	414,530
Concessions	536,934	377,884
	<u>8,351,739</u>	<u>5,731,702</u>
Expenses		
Administration	886,299	416,269
Insurance	288,437	251,837
Operations	2,955,074	2,628,820
Property taxes	160,505	162,450
Salaries and benefits	3,342,212	2,998,540
Utilities	517,287	438,268
	<u>8,149,814</u>	<u>6,896,184</u>
Operating surplus (deficit)	<u>201,925</u>	<u>(1,164,482)</u>
Other items		
Government assistance (Note 12)	694,986	4,031,482
Airport improvement fee (net) (Note 13)	3,976,191	2,125,160
Amortization of deferred contributions related to capital assets (Note 9)	1,599,954	1,582,697
Remeasurement of pension benefit assets (Note 4)	(920,000)	268,000
Unrealized gain on derivative financial instrument (Note 8)	344,385	204,966
Loss on disposal of capital assets	-	(14,777)
Interest on long-term debt	(396,771)	(346,853)
Amortization of capital assets	(4,452,565)	(4,420,901)
	<u>846,180</u>	<u>3,429,774</u>
Excess of revenues over expenses	<u>\$ 1,048,105</u>	<u>\$ 2,265,292</u>

État des flux de trésorerie

For the year ended December 31	2022	2021
Cash flows from operating activities		
Cash receipts from customers and government funders	\$15,110,410	\$ 12,621,137
Cash paid to employees and suppliers	(10,191,033)	(9,047,281)
	<u>4,919,377</u>	<u>3,573,856</u>
Cash flows from investing activities		
Purchase of term deposits	(2,308)	(940)
Cash contributions received for capital assets	1,198,656	143,777
Purchase of capital assets	(1,954,032)	(1,220,918)
Proceeds on disposal of capital assets	-	32,000
	<u>(757,684)</u>	<u>(1,046,081)</u>
Cash flows from financing activities		
Repayment of long-term debt	(1,261,209)	(315,302)
Repayment of demand loan	(1,967,982)	(388,012)
	<u>(3,229,191)</u>	<u>(703,314)</u>
Net increase in cash	932,502	1,824,461
Cash, beginning of the year	<u>3,813,189</u>	<u>1,988,728</u>
Cash, end of the year	<u>\$ 4,745,691</u>	<u>\$ 3,813,189</u>

Notes aux états financiers

December 31, 2022

1. Significant Accounting Policies

Incorporation and Nature of Organization The Prince George Airport Authority Inc. (the “Authority”) is incorporated without share capital; incorporated under Part II of the Canadian Business Corporations Act as a not-for-profit organization and thus is exempt from income taxes under section 149(1) of the Income Tax Act (“the Act”). 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.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (“ASNPO”), using the following significant accounting policies:

Notes aux états financiers

December 31, 2022

1. Significant Accounting Policies (continued)

Financial Instruments The Authority recognizes its financial instruments when the Authority becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Authority may irrevocably elect to subsequently measure any financial instrument at fair value. The Authority has not made such an election during the year.

The Authority subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment.

With the exception of financial liabilities indexed to a measure of the Authority's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Notes aux états financiers

December 31, 2022

1. Significant Accounting Policies (continued)

Financial asset impairment

The Authority assesses impairment of all of its financial assets measured at cost or amortized cost. The Authority groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether objective evidence of impairment exists. When there is an indication of impairment, the Authority determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Authority reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, is included in current year excess of revenues over expenses.

The Authority reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue in the year the reversal occurs.

Revenue Recognition

The Authority follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted interest is recognized as revenue when earned.

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 originate and depart from the Prince George Airport.

Government assistance is recognized when there is reasonable assurance that the Authority has complied and continues to comply with all conditions of the assistance.

Government assistance toward current expenses is recognized in income for the period as other income.

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

Notes aux états financiers

December 31, 2022

1. Significant Accounting Policies (continued)

Canada Lease The Canada Lease is accounted for as an operating lease as described in Note 10.

Capital Assets Capital assets are recorded at cost less accumulated amortization. Amortization is provided when the asset is put in use, using the straight-line method at the following annual rates:

Leasehold improvements	
Building	4%
Fuel farms	2.5%
Other	5-33%
Runway	5 - 50 years
Parking facilities and roadway system	5%
Automotive	10%
Computer hardware and software	33%
Machinery and other equipment	5-20%

Impairment of long-lived assets Long-lived assets consist of capital assets.

The Authority writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Authority's ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Authority determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value

Employee future benefits The cost of the Authority's defined benefit pension plans is determined periodically by independent actuaries. The Authority uses the most recently completed actuarial valuation prepared for funding purposes for measuring its defined benefit plan obligations. A funding valuation is prepared in accordance with pension legislation and regulations, generally to determine required cash contributions to the plan.

The Authority recognizes:

a) the defined benefit obligation, net of the fair value of any plan assets, adjusted for any valuation allowance in the balance sheet; and

b) the cost of the plan for the year.

The Authority also contributes to a defined contribution pension plan for which the Authority pays fixed contributions into a separate pension plan. The Authority has no legal obligation to pay further contributions if the plan is not fully funded.

Notes aux états financiers

December 31, 2022

1. Significant Accounting Policies (continued)

Derivative financial instruments	Derivative financial instruments are financial contracts whose value changes in response to a change in an underlying variable, such as specified interest rate, financial instrument or commodity price, or foreign exchange rate. The Authority enters into derivative contracts to manage its exposure to interest rate risks associated with its loans. Derivative financial instruments may be designated as hedges, provided that certain criteria are met. As at December 31, 2022, the Authority has no derivative financial instruments which have been designated as hedges.
Deferred contributions related to capital assets	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.
Income taxes	The Authority is exempt from federal and provincial income taxes as well as capital tax.
Measurement uncertainty (use of estimates)	<p>The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.</p> <p>Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Employee future benefit asset is based on the most recent actuarial valuation.</p> <p>By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.</p>

Notes aux états financiers

December 31, 2022

2. Incorporation and Nature of Organization

The Prince George Airport Authority Inc. (the “Authority”) is incorporated without share capital; incorporated under Part II of the Canadian Business Corporations Act as a not-for-profit organization and thus is exempt from income taxes under section 149(1) of the Income Tax Act (“the Act”). 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.

3. Capital assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$15,669,335	\$ -	\$ 15,669,335	\$ -
Leasehold improvements				
Building	28,159,249	14,053,389	27,380,288	12,839,855
Fuel farms	2,934,304	1,043,200	2,925,719	932,716
Other	2,798,317	1,051,340	2,527,557	941,477
Runway	40,968,009	20,259,832	40,858,070	18,189,622
Parking facilities and roadway	9,164,560	5,191,645	9,014,578	4,677,622
Automotive	241,120	185,543	241,120	170,307
Computer hardware and software	736,690	541,197	614,096	464,729
Machinery and other equipment	8,043,691	4,759,221	8,062,554	4,576,688
Construction in progress/equipment not in use	1,123,704	-	751,844	-
	109,838,979	47,085,367	108,045,161	42,793,016
		\$62,753,612		\$ 65,252,145

Notes aux états financiers

December 31, 2022

4. Pension Plan

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 currently has 31 (2021 - 30) participating employees. The defined benefit component of the pension plan has 1 (2021 - 2) participating employee(s). The Authority pension contributions for the defined contribution component was \$132,759 in 2022 (2021 - \$117,642) and the defined benefit component was \$13,900 in 2022 (2021 - \$28,869). The defined benefit component applies to employee(s) 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.

Information about the Authority's defined benefit plan contained in the actuarial report prepared as at December 31, 2022 is as follows:

	<u>2022</u>	<u>2021</u>
Market value of plan assets	\$ 4,106,000	\$ 4,828,000
Accrued defined benefit obligation	<u>(2,971,000)</u>	<u>(2,848,000)</u>
Defined benefit asset	<u>\$ 1,135,000</u>	<u>\$ 1,980,000</u>

The Authority recognized a remeasurement loss (gain) of it's pension benefit asset as follows:

	<u>2022</u>	<u>2021</u>
Interest less net return on plan assets	\$ 777,000	\$ (248,000)
Actuarial (gains)/losses	138,000	(21,000)
(Gains)/losses on non-investment expense	<u>5,000</u>	<u>1,000</u>
Total remeasurement	<u>\$ 920,000</u>	<u>\$ (268,000)</u>

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

	<u>2022</u>	<u>2021</u>
Discount rate	4.50%	4.50%
Rate of compensation increase	2.50%	2.50%
Rate of inflation	2.0%	2.0%

Notes aux états financiers

December 31, 2022

4. Pension Plan (continued)

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

Employer contribution	(14,000)	(31,000)
Employees' contribution	2,000	5,000
Benefits paid	(156,000)	(139,000)

Plan Assets consists of:

Equities securities	58.50%	63.10%
Debt securities	29.10%	33.10%
Other	12.50%	3.80%

Notes aux états financiers

December 31, 2022

5. Bank demand loans

	<u>2022</u>	<u>2021</u>
CIBC Demand installment loan - repayable in monthly installments of \$18,333 plus interest at the Authority's option of prime rate per annum (December 31, 2022 - 6.45%; December 31, 2021 - 2.45%) or a Banker's Acceptance at the daily CDOR rate plus a 1.5% stamping fee. Secured as described below and maturing in 2041.	\$ 3,884,356	\$ 4,104,356
CIBC Demand revolving loan - repaid during the year	-	1,747,982
	<u>\$ 3,884,356</u>	<u>\$ 5,852,338</u>

In 2022, the Authority had a \$1,000,000 operating line of credit bearing interest at the prime rate (December 31, 2021 - 2.45%), and the demand revolving loan had an authorized limit of \$9,000,000. The line of credit was secured by a demand collateral first mortgage of the Authority's leasehold interest and assignment of rents for an unlimited amount. The line of credit had \$1,000,000 available at December 31, 2022.

In addition, the Authority has a credit card facility with an aggregate limit of \$75,000

Future principle repayments on the demand installment loan, assuming the loan conditions are not modified are:

2023	\$ 219,996
2024	219,996
2025	219,996
2026	219,996
2027	219,996
Thereafter	<u>2,784,376</u>
	<u>\$ 3,884,356</u>

6. Accounts payable and accrued liabilities

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 1,069,673	\$ 667,023
Payroll accruals	610,533	524,628
Government remittances payable	2,682	30,565
	<u>\$ 1,682,888</u>	<u>\$ 1,222,216</u>

Notes aux états financiers

December 31, 2022

7. Long-term debt

	<u>2022</u>	<u>2021</u>
Northern Development Initiative Trust, unsecured, bearing interest at prime rate (December 31, 2022 - 6.45%; December 31, 2021 - 2.45%), monthly payments of \$105,101 plus interest, and maturing February 2027.	\$ 5,227,111	\$ 6,488,319
Less: Current portion	<u>1,261,209</u>	<u>1,261,209</u>
	<u>\$ 3,965,902</u>	<u>\$ 5,227,110</u>

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment, are estimated as follows:

2023	\$ 1,261,209
2024	1,261,209
2025	1,261,209
2026	1,261,209
2027	<u>182,275</u>
	<u>\$ 5,227,111</u>

8. Derivative financial instrument

The Authority is party to an interest rate swap contract which terminates in August 2029. Under the terms of the contract, the Authority pays interest at a fixed rate of 1.84%, from September 2019 to August 2029, per annum on the notional capital balance of \$3,719,357 and receives interest at a floating rate based on one-month bankers' acceptance Canadian Dollar Offered Rate ("CDOR") rate plus 1.5% per annum on the same notional capital balance. At December 31, 2022, the fair market value of this derivative contract was \$333,121; 2021 - \$(11,264). This value has been recognized as an asset (2021 - liability) in the financial statements.

Notes aux états financiers

December 31, 2022

9. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received from government and other entities to fund major capital projects. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$17,467,830	\$ 18,906,750
British Columbia Air Access	898,656	143,777
Northern Development Initiative Trust	300,000	-
Less: Amounts recognized as revenue during the year	<u>(1,599,954)</u>	<u>(1,582,697)</u>
Balance, end of year	17,066,532	17,467,830
Less current portion	<u>(1,615,245)</u>	<u>(1,599,954)</u>
	<u>\$15,451,287</u>	<u>\$ 15,867,876</u>

Notes aux états financiers

December 31, 2022

10. 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 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 charged for 2022 was \$nil (2021 - \$nil). As of March 31, 2020, the Government of Canada has waived airport rent for 2020, and all future rent payable for 2021, 2022, and 2023 as part of the Fall Economic Statement announced November 30, 2020.

The Authority also entered into to operating leases for equipment with expected annual payments of the following:

2023	\$	120,000
2024		120,000
2025		120,000
2026		64,167
		<hr/>
	\$	424,167

During the year, the Authority entered into an economic development promotional agreement with the aim of boosting travel through the airport. There are certain costs associated with the agreement that are dependent on various factors. These costs will be determined at a future date. Management has accrued an allowance for these costs, which is included in accounts payable and accrued liabilities.

Notes aux états financiers

December 31, 2022

11. Invested in capital assets

	<u>2022</u>	<u>2021</u>
Opening balance	\$35,469,444	\$ 36,541,970
Capital asset additions, including construction in progress	1,954,032	1,220,918
Loss on Disposal of assets	-	(14,777)
Payment of: Long-term debt and deferred contributions related to additions	2,030,535	559,537
	<u>39,454,011</u>	<u>38,307,648</u>
Amortization	(4,452,565)	(4,420,901)
Amortization of deferred contributions related to capital assets	1,599,954	1,582,697
	<u>(2,852,611)</u>	<u>(2,838,204)</u>
	<u>\$36,601,400</u>	<u>\$ 35,469,444</u>

12. Government assistance

During the year, the Authority recognized \$57,762 (2021 - \$844,960) in Canada Emergency Wage Subsidy ("CEWS") and Canada Recovering Hiring Program ("CRHP") as other income, of which \$nil (2021 - \$44,418) was accrued in accounts receivable at year-end. CEWS and CRHP, introduced in response to the COVID-19 pandemic, provides eligible employers with a subsidy to cover a portion of wage costs paid to eligible employees during prescribed claim periods. There are no unfilled conditions related to the amounts recognized. However, amounts claimed under this program are subject to validation and detailed verification by the Federal Government. Due to the nature of the eligibility requirements and related calculations judgment is applied in assessing compliance, management believes there is reasonable assurance that the Authority has complied with all conditions.

The Authority has recognized \$637,224 in COVID-19 relief funding from the Province of British Columbia (2021 - \$3,186,522), Transport Canada and the Regional Air Transportation Initiative, of which \$nil (2021 - \$839,776) was accrued in accounts receivable.

Notes aux états financiers

December 31, 2022

13. Airport improvement fee

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. Earned AIF is a net of a 7% handling fee withheld by airlines. Excess of revenue over expenses reported in AIF equity during the year \$3,579,420 reflect total AIF revenue \$3,976,191 net of interest on long-term debt \$396,771.

Notes aux états financiers

December 31, 2022

14. Financial instruments

Interest rate risk

The interest rate risk is the risk to the Authority's earnings from fluctuations in interest rates and the degree of volatility of these rates. The Authority uses the derivative instruments described in Note 8 as part of the management of interest rate risk.

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 at December 31, 2022, the most significant financial liabilities are bank demand loans, accounts payable and accrued liabilities and long-term debt.

Financial assets

The Authority's financial assets consist of cash, accounts receivable and investments. All of these financial assets are measured at amortized cost, with the exception of investments which are measured at cost less any reduction for impairment and defined benefit asset which is measured at fair value.

Credit Consideration

As at December 31, 2022, three customers (2021 - three) accounted for 57% (2021 - 66%) of trade accounts receivable. The Authority believes that there is no unusual exposure associated with the collection of these receivables. The Authority performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

These risks remain unchanged from the prior year.

Notes aux états financiers

December 31, 2022

15. Global Pandemic

During the year, the global outbreak of COVID-19 (coronavirus), and the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders, continued to ease and increases to the number of airline passengers have begun to be realized. However, the airline industry has continued to struggle with returning to pre-COVID-19 service levels. With Government programs now expiring, the Authority's full recovery from COVID-19 is dependent on the recovery of the airline industry.

The Authority has been closely monitoring and continues to monitor the impact of these developments on its operations and finances and has taken measures to preserve capital and reduce expenses. In particular, non-essential capital projects have been postponed and discretionary spending reduced. In addition, the Authority has been able to defer payments of certain debt obligations, received rent relief from the Government of Canada through 2023, and received wage subsidies described above.

Initiatives d'immobilisations et plan d'affaires

En 2022, l'aéroport de Prince George a investi dans des projets d'immobilisations totalisant 1,95 million de dollars. Les projets importants achevés ou en cours en 2022 comprenaient :

	Milliers \$
Superpositions de piste	150.0
Agrandissement/rénovation de l'alimentation et des boissons	683.9
Abri pour véhicules d'intervention d'urgence – projet démarré en 2022 ; achèvement 2023	426.1
Évacuation des eaux de pluie	287.0
Période de maintenance	30.0
Mise à niveau de la signalisation obligatoire TP312	109.9
Système d'interphone d'accès au portail	30.0
Modernisation du centre de formation incendie	18.9
Sécurité / Informatique	32.5

Réel 2022 par rapport au plan d'affaires

Montré en milliers de dollars.

	Réel	Estimation	Différence	Explication
Revenus (net de l'aide gouvernementale)	12 327,9 \$	11 676,4 \$	651,5 \$	Revenus aéronautiques, stationnement et concessions supérieurs aux prévisions.
Expenses	8 149,8 \$	8 598,9 \$	(449,1) \$	Les salaires et avantages sociaux et les opérations de carburant coûtent moins cher que prévu.
Capital	1 954,0 \$	3 683,9 \$	(1 729,9) \$	Calendrier en raison des projets commencés, mais non terminés à la fin de l'année, et des projets réaffectés aux années suivantes.

Prévisions de trésorerie du plan d'affaires 2023 - 2027

Montré en milliers de dollars.

YEAR	2023	2024	2025	2026	2027
Revenus	\$14 093,8 \$	\$14 837,3 \$	\$15 450,9 \$	\$15 764,5 \$	\$16 072,1 \$
Dépenses	\$9 543,0 \$	\$9 776,0 \$	\$10 117,1 \$	\$10 290,2 \$	\$10 444,5 \$
Capital	\$8 283,5 \$	\$6 166,0 \$	\$3 864,0 \$	\$8 118,0 \$	\$1 147,0 \$

Amortissement non inclus.

Les données ci-dessus reflètent les informations disponibles au moment de la publication. Les résultats réels peuvent différer des données fournies.



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