

The Prince George Airport

2024 Annual Report

EMBRACING CHANGE

‘Uda nekeyoh whusahdel soo ts’uhoont’i

Our ancient lands bid you warm welcome

The Prince George Airport Authority remains committed to further strengthening our relationship with the Lheidli T’enneh First Nation and taking meaningful steps towards reconciliation through collaborative partnership.

Since the signing of the Collaboration Agreement in 2023, the Prince George Airport Authority has made meaningful progress towards reconciliation and indigenouness airport spaces.

The raising of the Lheidli T’enneh flag outside the main terminal and developing the grounds around the flag poles into an accessible picnic area to the history display inside the terminal symbolize our dedication to acknowledging and preserving Lheidli T’enneh culture. These initiatives are just the beginning, the first phase of a larger project that aims to weave Indigenous heritage into the fabric of YXS.

In our pursuit of Indigenous representation at the Prince George Airport, The Indigenous Heritage Project was created as a

collaboration between the Lheidli T’enneh and the Prince George Airport Authority.

The Indigenous Heritage Project at YXS aims to create a sense of place that both acknowledges and celebrates the rich Indigenous heritage of our region, while also paving the way for cultural and economic reconciliation with our host First Nation.

We look forward to celebrating many more milestones to come.



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The Prince George Airport Authority respectfully acknowledges the uncaded ancestral lands of the Lheidli T’enneh, on whose land we live, work and play.

Ancient Forest
Chun T’oh
Whudujut Park
Tourism Prince George/
Darrin Rigo

Introduction

Welcome to the PGAA's 2024 Annual Report. This report reflects activities and results from the 2024 fiscal year and highlights the progress, partnerships, and investments that continue to shape the future of YXS.

This publication also fulfills the PGAA's reporting obligations under the terms of its Ground Lease with His Majesty the King in Right of Canada, as represented by the Minister of Transport, signed March 31, 2003.

We are committed to transparency and accountability in our operations. Performance data included in this report is based on information available at the time of publication. For questions or comments about this report, please contact us at info@pgairport.ca.

Previous annual reports are available in PDF format at www.pgairport.ca

2024 was a year of meaningful progress and thoughtful transition for the Prince George Airport Authority (PGAA). As we continued to rebuild and evolve, our airport saw steady growth, community focused milestones, and infrastructure improvements that set the stage for future success.

Passenger numbers rose to 450,494. A strong 8% increase over 2023, bringing us closer to pre-pandemic travel levels. This steady upward trajectory over the past four years signals renewed confidence in air travel and the role YXS plays as a key northern gateway.

Throughout the year, we celebrated several important achievements. We completed the service animal relief area in the departures lounge, welcomed the arrival and commissioning of a new Aircraft Rescue and Fire Fighting (ARFF) truck. And proudly donated two decommissioned ARFF vehicles to Barkerville Historic Town & Park.

Our terminal saw continued investment with fresh carpet, washroom upgrades,

and the completion of a major equipment storage expansion that began in 2023. On the air services front, we welcomed back seasonal service to Puerto Vallarta from WestJet and Pacific Coastal Airlines launched a new non-stop route to Kelowna, further enhancing connectivity for our region.

We also deepened our partnership with Lheidli T'enneh First Nation with a special flag-raising ceremony and the completion of a new outdoor "Reflection" area, featuring accessible paths and picnic tables. This space created with intention, respect, and inclusion, will be further enhanced with landscaping elements and a dedication space in the coming year.

One of the year's major transitions was the retirement announcement of President and CEO Gordon Duke in September. Gordon concluded his service on December 31, 2024, after five years of dedicated leadership. The Board of Directors appointed Sabrina Angus as Interim President and CEO while the

search for a permanent successor is underway.

The most significant operational challenge of the year came in November with the departure of Locals by Farmhouse, our food and beverage provider, as they shifted focus to catering ventures. This change, while disruptive, opened the door to exciting new opportunities. We are pleased to have secured a new food and beverage provider who will launch the Fly Away Cafe in the departures lounge, with the Altitude Restaurant and Lounge to follow in the terminal. We also look forward to welcoming Brewed Coffee and Co. to the cafe/bakery space inside the terminal.

As we look ahead to 2025, we embrace change not just as a theme, but as a catalyst for growth. With continued focus on enhancing the passenger experience, investing in infrastructure, and nurturing community partnerships, we remain committed to building an airport that reflects the values and aspirations of the people and places it connects.



B-17 Flying Fortress

From the Erickson Collection

Chairperson and CEO Report

The Prince George Airport Authority (PGAA) has navigated a dynamic and productive year, meeting challenges with resilience while embracing opportunities for growth and innovation. As we continue to strengthen our role as a vital transportation hub for Northern British Columbia, our focus remains on enhancing the passenger experience, fostering meaningful relationships with the communities we serve, and delivering safe, accessible, and efficient operations.

In 2024, Prince George Airport (YXS) welcomed 450,494 travelers – an 8% increase over 2023 – bringing us closer to pre-pandemic volumes. While the aviation sector continues to face pressures such as pilot shortages and shifts toward larger aircraft, YXS has maintained strong connectivity for passengers traveling across Canada and beyond.

To support evolving travel needs, Pacific Coastal Airlines launched a new non-stop service to Kelowna, expanding direct flight options for the region. Terminal enhancements, including new carpeting and renovated washrooms, further reflect our commitment to providing a comfortable, accessible, and welcoming travel experience for all passengers.

The PGAA also prioritized safety and infrastructure improvements throughout the year. The arrival of a new Aircraft Rescue and Fire Fighting (ARFF) truck has strengthened emergency preparedness, and the completion of an expanded equipment storage facility, initiated in 2023, has enhanced operational capacity. While these developments mark significant progress, the departure of our food and beverage provider left a gap in terminal services. Restoring quality dining options remains a key focus for 2025.

We are especially proud of the PGAA's ongoing collaboration with the Lheidli T'enneh First Nation. In 2024, we celebrated meaningful milestones, including a flag-raising ceremony and the unveiling of the Reflection Area, a welcoming outdoor space with accessible pathways and picnic areas. These initiatives reflect a shared commitment to reconciliation, inclusivity, and cultural understanding.

Throughout the year, PGAA staff continued to demonstrate their deep commitment to community engagement. Through volunteerism and sponsorship, the team supported regional initiatives such as Meals on Wheels, Miracle on 3rd Street, and the Festival of Trees – reinforcing the PGAA's role as both a transportation provider and an engaged community partner across Northern British Columbia.

As we look to 2025, the organization enters a new chapter of leadership and opportunity. With the retirement of Gordon Duke at the end of 2024, we welcome Sabrina Angus as Interim President and CEO while the recruitment of a permanent executive leader is underway. We are confident in the strength of the PGAA team to carry our strategic vision forward during this transition period.

Looking ahead, our key priorities include restoring food and beverage services while enhancing accessibility and the overall traveler experience. We are committed to expanding and improving air service and route development, with a focus on strengthening regional connectivity through collaboration with other Canadian airports. Alongside these efforts, the PGAA remains a strong advocate for the aviation industry, actively engaging with stakeholders to support policies and initiatives that promote a resilient and thriving

air transportation network across Canada.

None of this progress would be possible without the dedication of our employees, Board of Directors, and community partners. On behalf of the Prince George Airport Authority, we thank you for your continued support as we work together to build a stronger and more accessible future.

All projects requiring a Canadian Environment Assessment Act review have had the review conducted. Assessment reviews are available upon request info@pgairport.ca.



Gordon Duke
President and CEO



Derek Dougherty
Board Chair



On September 5, 2024, President and CEO, Gordon Duke, announced his retirement with his final day being December 31, 2024.

Who We Are: Connectors of the North

*Proudly connecting Northern British
Columbia to the world.*

The Prince George Airport Authority (PGAA) is a private, not-for-profit corporation responsible for the management and operation of Prince George Airport (YXS), a vital gateway connecting Northern British Columbia to key destinations across Canada and beyond.

As an independently governed airport authority, we generate our own revenue, raise our own capital, pay municipal taxes, and provide rent to the Federal Government under the terms of our Ground Lease. All surplus revenue is reinvested directly into the airport to maintain safe, reliable operations and to support future growth.

Our work is guided by the values of Safety, Integrity, Respect, and Innovation. These values shape how we operate every day, whether it's through maintaining the highest standards of safety, fostering a welcoming experience for passengers, or seeking new ways to enhance our services.

We are proud to operate on the unceded ancestral lands of the Lheidli T'enneh First Nation and continue to deepen this important relationship through meaningful partnership and shared initiatives. Together, we are committed to honoring the history of this land while building pathways for connection, opportunity, and prosperity.

At YXS, we believe that how we achieve success matters just as much as what we achieve, and we remain dedicated to serving the people, businesses, and communities of Northern British Columbia with care and purpose.



Gordon Duke
President and CEO



Sabrina Angus
Director of People, Culture & Safety



Robyn Leischner
Director of Finance



Janice Akerley
Manager of Accounting



Chrissy Blok
Manager of Marketing & Air Service Development



Trevor Gust
Manager of Operations



Kristy Maclean
Executive Assistant & Board Liaison



Geoff Stocks
Manager of Safety & Regulatory Compliance

The PGAA team is comprised of 32 dedicated full-time employees, with staffing levels increasing during the winter months to support snow clearing and other seasonal airfield operations. Each year, we welcome approximately 10 additional seasonal employees to ensure safe and efficient operations through the winter season.

Strategic Direction

At the Prince George Airport Authority, our strategy is rooted in serving the region. Connecting people, businesses, and communities while driving economic growth. As a private, not-for-profit corporation, we reinvest into the airport to ensure safe, reliable operations, and an exceptional passenger experience.

Our Vision

Connecting our region to the world.

Our Mission

A team dedicated to enhancing our region by providing an excellent airport experience while driving economic growth.

Strategic Goals

- **Human Relations:** Attract and retain high-performance talent and focus on diversity, equity, inclusion, and investing in skills training to ensure employees and Board are productive and engaged.
- **Global Marketing:** Grow our market by engaging our partners and connecting the world to our region.
- **Economic Development:** As an economic driver and catalyst for our region, engage with community and stakeholders to drive aeronautical and non-aeronautical revenue.
- **Sustainable Growth:** Maintain a strong financial position while implementing a plan for future growth and recognizing the critical importance of safety, security, and the environment.

Our Values

Safety

PGAA integrates safety, security, and environmental excellence in all aspects of the airport's business and operations.

Integrity

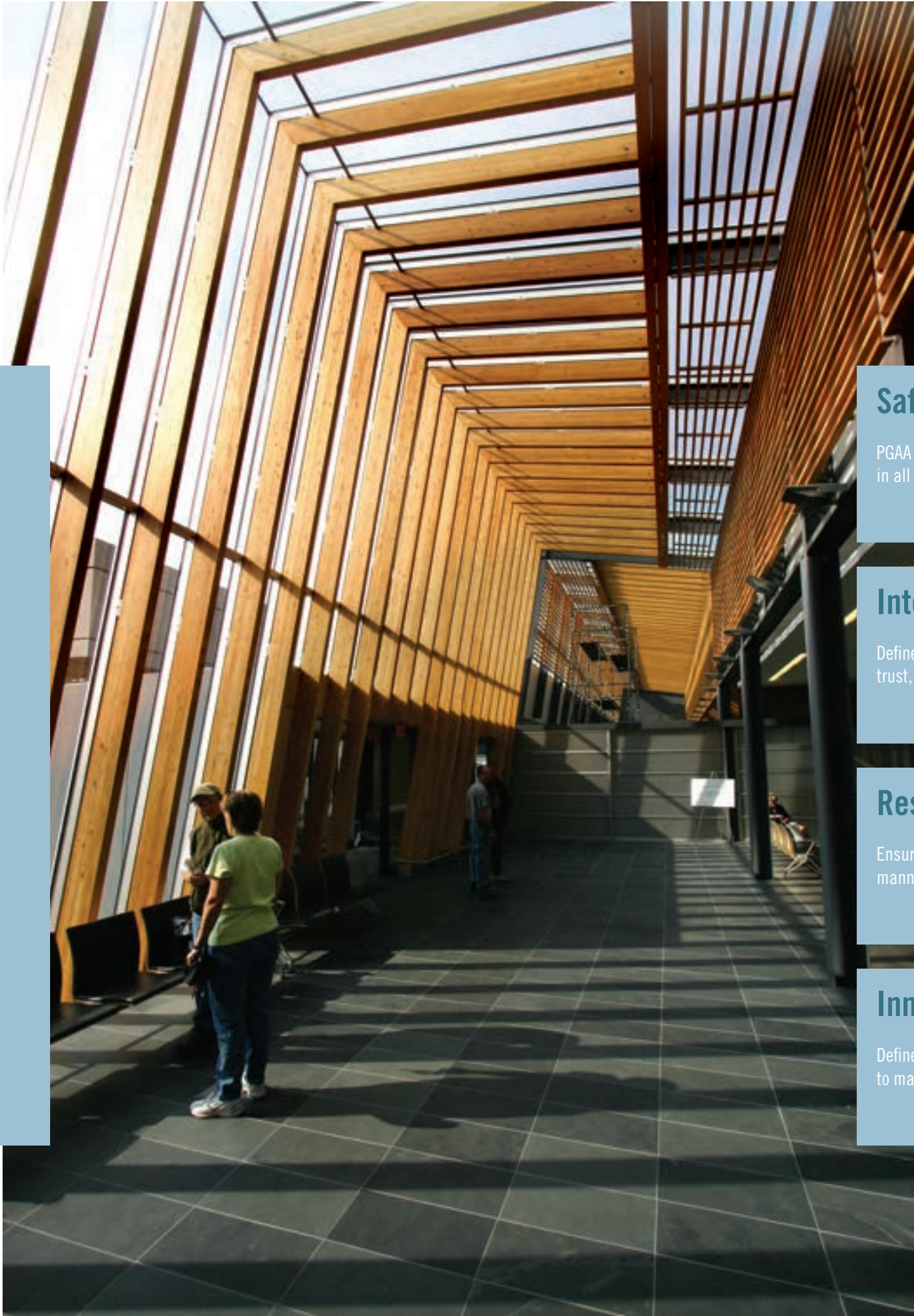
Defined as accountability, transparency, openness, reliability, trust, and how we conduct business.

Respect

Ensuring everyone is treated in a courteous and professional manner.

Innovation

Defined as creative solutions to problems and being responsive to market needs.



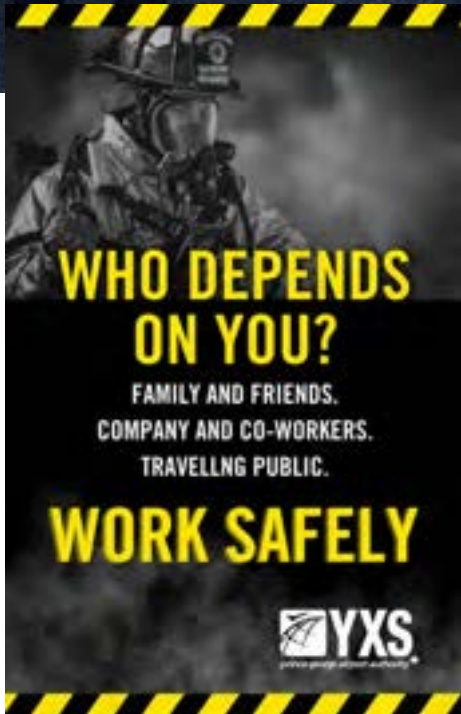


Safety: The Standard Behind Every Goal

At YXS, safety isn't just a requirement, it's a core value that guides everything we do.

Whether it's maintaining our airfield, training our response teams, or developing continuous improvement strategies, we lead with safety at the forefront.

It's about protecting the people who depend on us every day - our family and friends, colleagues, or the travelling public, we remind our team that working safely means everyone gets home safely. And when it comes to reporting hazards and incidents, every voice matters.



Safety is at the core of everything we do at YXS. In 2024, we made significant investments in strengthening both our internal and our emergency response capabilities.

We launched a new Safety Task Group made up of PGAA employees, providing a dedicated forum to review incidents, set safety goals, and advance company-wide safety initiatives. This group ensures that continuous improvement remains a part of our daily operations.

We've welcomed new talent to our safety and emergency response team, further



strengthening our existing capabilities and reinforcing our commitment to

maintaining exceptional emergency preparedness.

We further strengthened our emergency preparedness through a city-wide tabletop exercise, bringing together key partners to corroboratively simulate and respond to an airport emergency scenario.



In support of accessibility and inclusive travel, we developed the PGAA Accessibility Plan and formed a cross-functional committee. This group is responsible for reviewing regulatory updates, assessing airport-wide practices, and setting clear goals to ensure YXS remains welcoming and accessible for all.

We proudly brought into service our newest Aircraft Rescue and Fire Fighting response vehicle, RED 4. This state-of-the-art Rosenbauer Panther provides enhanced reliability and rapid response capabilities for our crews.



We also completed construction on our Combined Services Building (CSB) storage expansion. A project that improves our ability to store and maintain critical airfield equipment year-round.



Canadian Airports Safety Week

The airport community participated in safety related activities to include a "Cash Cab" quiz challenge and a foreign object debris (FOD) walk, ending with a celebratory BBQ to conclude the event.



20
24 | **New Hires: 10 Seasonal and 6 Permanent Employees**
44 ACTIVE EMPLOYEES | 209 COMBINED YEARS OF SERVICE

Human Relations

Our people are the heart of everything we do.

At YXS, our people are the foundation of our success. Every role, from emergency response and operations to administration and customer service, plays a part in delivering a safe, welcoming, and efficient airport experience. In 2024, the Prince George Airport Authority continued to invest in its greatest asset: its team.

We remained focused on fostering a workplace culture grounded in respect, recognition, and opportunity. That commitment was reflected in the way we celebrated our people throughout the year. Employees and the airport community were recognized during industry-wide initiatives like Canadian Airports Safety Week and the inaugural Airport Workers Day, as well as through internal appreciation events such as our End of Winter Operations “thank-you” BBQ.

Employee wellness remained a key area of focus. We hosted several education sessions on extended health benefits and welcomed Canada Life for a special Retirement Savings seminar, providing our team with tools to plan for their future.

Our team also demonstrated their generosity and community spirit by

supporting workplace giving initiatives like, participating in Meals on Wheels, the Spirit of the North Healthcare Foundation Festival of Trees, collecting donations for the Association Advocating for Women and Community (AWAC), Saint Vincent de Paul Society, and the PG Animal Rescue Society (PGARS).

The PGAA human relations efforts in 2024 reflect our commitment to creating a workplace where people feel valued, supported, and connected, to each other, to the airport, and to the communities we serve.



Air Service Development

450,494 passengers took flight in 2024.

Across the aviation industry, 2024 continued to bring both opportunity and challenge. Airlines faced ongoing pressures from pilot shortages, aircraft availability issues, and global economic uncertainty—all factors that have shaped route planning decisions and constrained network growth across many regions.

Despite these headwinds, YXS saw meaningful progress in enhancing air service options for the region. We welcomed the return of seasonal non-stop service to Puerto Vallarta with WestJet, a route well-received by leisure travelers seeking winter sun destinations. In addition, Pacific

Coastal Airlines launched new non-stop service to Kelowna, further strengthening our connectivity within British Columbia and supporting both business and leisure travel between the Central Interior and the Okanagan.

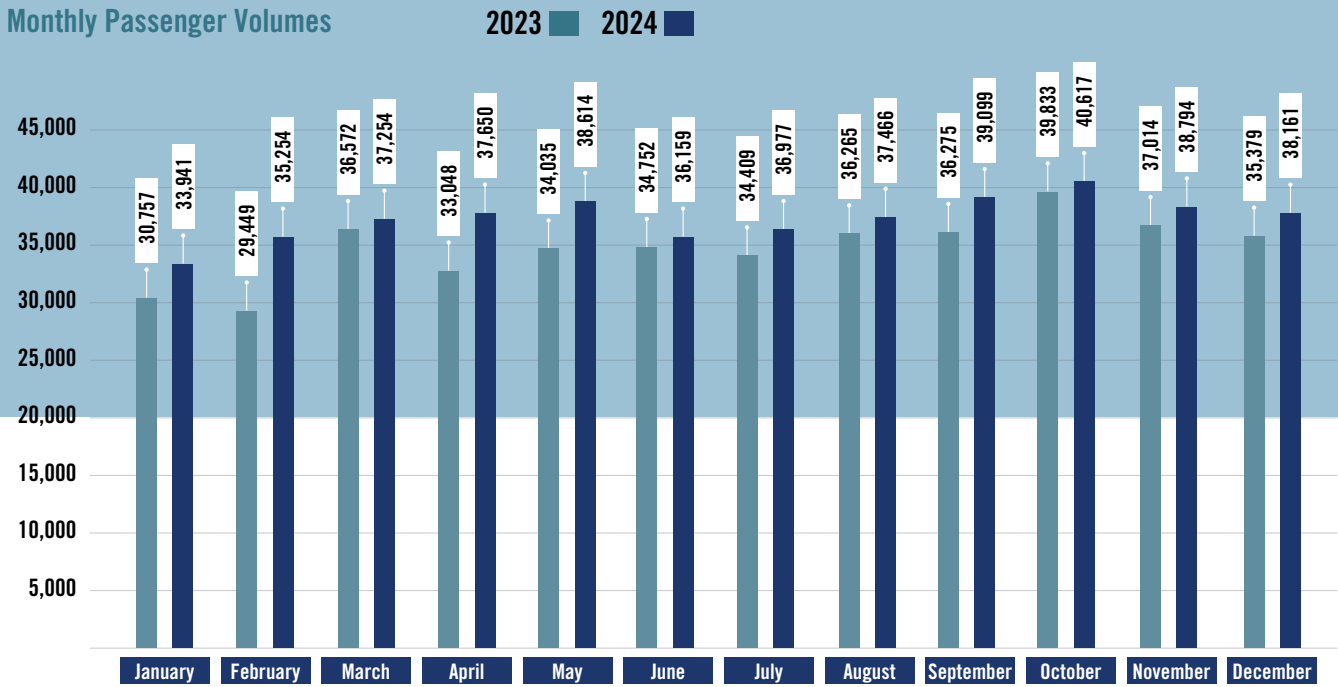
Scheduled passenger service at YXS in 2024 was provided by Air Canada, Central Mountain Air, Pacific Coastal Airlines, and WestJet. Each of these partners plays a vital role in supporting the mobility of our community, whether connecting Northern BC to major hubs, resource projects, family, or vacation destinations.

While challenges across the sector

persist, YXS remains committed to fostering strong relationships with our airline partners and advocating for air service that meets the evolving needs of our passengers and our region.

The Prince George Airport Authority continues to take a proactive and collaborative approach to air service development, engaging with airline partners and using data-informed proposals to advocate for routes that serve our region's evolving needs. As passenger demand rebuilds, we remain focused on strengthening connectivity, enhancing frequency, and identifying new opportunities for growth.

Monthly Passenger Volumes



Ribbon cutting for Pacific Coastal Airlines new non-stop route connecting Prince George and Kelowna six days a week.

Marketing

Marketing initiatives in 2024 were developed and executed in-house by the Prince George Airport Authority's marketing team, with strategic support from external creative partners on select campaigns. This blended approach allows PGAA to stay agile and cost-effective while drawing on specialized expertise when needed.

In 2024, the Prince George Airport Authority took a strategic and collaborative approach to marketing, working alongside our airline and tourism partners to promote key destinations served by YXS and increase awareness of our growing air service network.

A major initiative was the launch of our Explore the Extraordinary campaign, which focused on raising the profile of regional non-stop routes including Calgary, Edmonton, Fort Nelson, Kelowna, Terrace, Vancouver, and Victoria. This multi-platform campaign ran across radio, television, billboards, luggage carousel ads, iFID screen graphics, Google Ads, and social media. The campaign reminded travellers that incredible experiences are only a short flight away, right from Prince George.

In partnership with Tourism Puerto Vallarta, we also launched a social media contest to promote the return of seasonal non-stop service to this popular sun destination with WestJet. The contest generated strong engagement and awarded two prize packages, each including a three-night

hotel stay and \$1,000 in WestJet gift cards. This partnership campaign blended destination marketing with traveller incentives and demonstrated the strength of coordinated promotions across platforms.

In support of new service development, we proudly collaborated with Pacific Coastal Airlines and Tourism Kelowna to promote the launch of its non-stop Kelowna route, which operates six days a week. The campaign utilized television, radio, carousel ads, and digital content to build awareness and drive adoption of the route.

These integrated marketing efforts reflect our ongoing commitment to supporting air service development, strengthening regional tourism, and showcasing YXS as a key northern hub for both business and leisure travel. Through creative storytelling and coordinated outreach, we continue to connect the communities we serve with meaningful travel experiences.

- 7 non-stop destinations promoted
- 6 media channels activated: Radio, TV, Billboards, in-terminal advertising, Google Ads, and social media.
- 2 route-specific promotions.
- 2 vacation giveaways with \$2,000.00 in flight credit.
- Tens of thousands of impressions.



2024 Highlights

The Prince George Airport Authority proudly continued to deepen its connection with the community through meaningful initiatives, events, and partnerships.



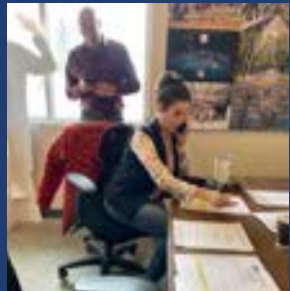
2024 kicked off with the announcement of the Indigenous Heritage Project and permanently raising the Lheidli T'enneh First Nation flag in the newly completed reflection area at YXS.



YXS proudly welcomed athletes, coaches, and visitors for the 2024 World Para Biathlon Championships and Para Nordic World Cup Finals, transforming our Arrivals area with a dedicated display to celebrate the occasion and build excitement throughout the region.



We joined the Spirit of the North Healthcare Foundation for a fundraising BBQ, spending time on-air at a local radio station to encourage donations and spread the word about the cause.



To celebrate Volunteer Appreciation Week, we recognized the incredible individuals who give their time to support our airport community. With the 2024 theme, Every Moment Matters, we highlighted the lasting impact of their efforts.



We welcomed Big Brothers Big Sisters, local schools, and day-cares for educational tours. These behind-the-scenes experiences helped spark curiosity in young minds and introduced the next generation to careers in aviation.





On June 26, we marked the first-ever National Airport Workers Day, recognizing the dedicated people at YXS who help keep air travel safe and moving, day in and day out with a community BBQ in the Fire Hall.



Our support for youth continued through the Junior Cougars program, giving young hockey fans the chance to skate with their heroes and create memories both on and off the ice.



In partnership with the City of Prince George and the Vanderhoof International Airshow Society, we helped coordinate a special flyover and stop at YXS featuring the B17 Flying Fortress, P40 Kitty Hawk, and P51 Mustang. A thrilling prelude to the Vanderhoof Airshow that brought aviation history to life.



We strengthened airport-wide safety culture through Airport Safety Week, which featured engaging activities such as a “Cash Cab” safety trivia challenge, a FOD walk, and a celebratory BBQ, bringing employees together in support of safe practices.



Amelia Bearheart, our beloved airport mascot, remained a frequent community ambassador, participating in numerous events including the inaugural CKPG Today Mascot Challenge at Masich Place Stadium and welcoming travellers at YXS.



2024 also saw the donation of two Aircraft Rescue and Fire Fighting (ARFF) trucks to Barkerville Historic Town & Park. Retired from airport service, the trucks are still fully operational and will play a crucial role in safeguarding Barkerville's historic structures.





One of our most heartwarming moments came when Bob proposed to Pamela in the Departures Lounge at the very spot where they first met. Her answer? A joyful yes! A first for YXS.



YXS also made a meaningful impact at the Festival of Trees, with our airport and airline partner trees helping to raise more than \$10,000 for the Spirit of the North Healthcare Foundation. For the first time, one of our trees was featured in the live auction, a milestone moment for our team.



Finally, the PGAA and airport community rallied together to support PG Animal Rescue Society and AWAC. Donations, including care packs filled with essentials and comfort items, were collected through our Miracle on 3rd Street campaign, showcasing our shared commitment to compassion and community support.



**YXS
Aerial**
Captured by
Tyler Patterson

Corporate Governance

The Mission of the Prince George Airport Authority is to operate a safe airport with quality customer-oriented passenger facilities and services, and a developing cargo business, in an economically sustainable and environmentally responsible manner that contributes to regional economic development.

The primary responsibility of the Board of Directors ('Board') is to foster the long-term success of the Prince George Airport Authority consistent with the Board's responsibilities to the communities it serves.

The Board has the responsibility to oversee the conduct of the business of the Authority and to direct and oversee management which is responsible for the day-to-day operation of the business. In performing its functions, the Board also considers the legitimate interests which others such as employees, suppliers, customers, and communities have in the Authority. In overseeing the conduct of the business, the Board, through the President and CEO, will set the standards of conduct for the Authority and ensure the safety of its operations.

Board of Directors

The Prince George Airport Authority is governed by a board consisting of 12 Directors nominated by the following entities:

Government of Canada	2
Province of British Columbia	1
Regional District of Fraser-Fort George	2
City of Prince George	3
Prince George Chamber of Commerce	1
Prince George Airport Authority	3

Each board member may serve up to a total of 9 years on the board.

Incoming Board Members

The Prince George Airport Authority welcomed two new Board members, Melissa Barcellos and Bruce Johnston, on January 19, 2024.

These individuals bring diverse expertise, fresh perspectives, and a shared commitment to advancing the mission of the Prince George Airport Authority and serving the region.

Their participation will be instrumental as we continue to grow strategically, strengthen community connections, and deliver an exceptional airport experience.



Derek Dougherty
Chair - Board of Directors
Nominated by Regional District of Fraser-Fort George
Attendance 6/6 Board*
19/25 Committee



Todd Corrigan
Vice Chair - Board of Directors
Nominated by Prince George Chamber of Commerce
Attendance 5/6 Board*
15/25 Committee



Sandra Rossi
Secretary - Board of Directors
Chair - Human Resources Committee
Nominated by the Prince George Airport Authority
Attendance 6/6 Board
6/7 Committee



Alain LeFebvre
Treasurer - Board of Directors
Nominated by the City of Prince George
Attendance 6/6 Board
16/18 Committee



Melissa Barcellos
Director
Nominated by the City of Prince George
Attendance 4/6 Board
11/12 Committee



Bruce Johnston
Director
Nominated by Regional District of Fraser-Fort George
Attendance 6/6 Board
12/12 Committee



Terry Kuzma
Director
Nominated by Prince George Airport Authority
Attendance 5/6 Board
8/12 Committee



Kimberly Pavao
Director
Nominated by the City of Prince George
Attendance 2/6 Board
4/7 Committee



Frank Robertson
Director
Nominated by Prince George Airport Authority
Attendance 5/6 Board
7/7 Committee



Katherine Scouten
Director
Chair - Economic Development and Marketing Committee
Nominated by the Provincial Government
Attendance 6/6 Board
12/12 Committee



Regina Toth
Director
Nominated by the Federal Government
Attendance 4/6 Board
9/12 Committee

**The Board Chair and Vice-Chair attend all committee meetings as required.*

Prince George
Nechako River
Tourism Prince George/
Darrin Rigo

Accountability

The Prince George Airport Authority operates with a strong commitment to transparency, ethical governance, and community trust. The Board of Directors adheres to a robust Code of Conduct and Conflict of Interest Policy. Each year, directors complete a disclosure of potential conflicts and are expected to uphold the highest standards of integrity and responsibility in their roles.

In 2024, there were no breaches of the Code of Conduct.

The Airport Authority is also committed to fair and transparent procurement practices. In accordance with section 14.5 of the by-laws, all contracts exceeding a threshold, adjusted annually for inflation, are subject to a public tendering process. For 2024, this threshold was \$141,745 and all qualifying contracts were awarded through competitive bids.

Through regular reporting, policy reviews, and public engagement, the Board remains accountable to the communities it serves, striving always to balance economic sustainability with public benefit.

Skills and Experience

The Prince George Airport Authority Board of Directors brings together a diverse and experienced group of individuals whose collective knowledge and expertise help guide the organization's long-term vision. Board members are selected to ensure representation from key sectors including business, labour, and consumer interests, in alignment with the Airport Authority's mandate.

Together, the Board reflects a well-rounded mix of competencies - ranging from finance, governance, and law to economic development, human resources, and community engagement. This breadth of experience ensures informed decision-making, supports strong oversight, and advances the Airport's commitment to operational excellence, fiscal responsibility, and community-centered growth.

Committees

The work of the Board is supported by five committees, each focused on key areas critical to the organization's success. These committees provide strategic guidance, oversight, and accountability, ensuring thoughtful governance, sound financial stewardship, and alignment with the long-term vision of the Airport Authority. By meeting regularly throughout the year, these committees help the Board address complex issues efficiently and make informed decisions in service of our mission and mandate.

- Finance and Audit Committee
 - Governance and Nominating Committee
 - Human Resources Committee
- Major Projects and Environment Committee
 - Economic Development and Marketing Committee

Compensation

The Governance and Nominating Committee conducts an annual review of Board compensation to ensure it reflects the responsibilities of each role while remaining fiscally responsible.

In 2024, annual retainers for officers and directors were as follows:

Chair	\$13,000
Vice Chair	\$6,500
Secretary and Chair Human Resources Committee	\$7,000
Treasurer and Chair Finance and Audit Committee	\$7,000
Chair of Major Projects and Environment Committee	\$6,500
Chair Governance and Nominating Committee	\$6,500
Chair Economic Development and Marketing Committee	\$6,500
Board Members	\$4,500

All Board members also receive \$400 per Board and Committee meeting attended.

On the recommendation of the Human Resources and Compensation Committee, the Board also oversees executive-level compensation and succession planning. This includes approving the appointment and compensation of senior leadership, as well as total compensation arrangements for excluded staff. The combined salaries of management and excluded staff in 2024 totaled \$1,232,530.





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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Prince George Airport Authority Inc. (the Authority), which comprise the statement of financial position as at December 31, 2024, the statements of operations, changes in net assets 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, 2024, and its financial performance and 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 opinion.

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.

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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

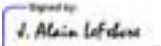
Kamloops, British Columbia
April 10, 2025

**Prince George Airport Authority Inc.
Statement of Financial Position**

December 31	2024	2023
Assets		
Current		
Cash	\$ 6,815,645	\$ 6,196,980
Term deposits	23,651	21,025
Accounts receivable (Note 3)	1,209,304	1,612,207
Inventories	58,268	57,944
Prepaid expenses	650,509	598,748
Derivative financial instrument (Note 9)	141,498	242,479
	<u>8,898,875</u>	<u>8,729,383</u>
Capital assets (Note 4)	64,319,256	65,301,630
Defined benefit asset (Note 5)	854,000	1,182,000
	<u>\$74,072,131</u>	<u>\$ 75,213,013</u>
Liabilities and Net Assets		
Current		
Bank demand loans (Note 6)	\$ 3,444,356	\$ 3,664,356
Accounts payable and accrued liabilities (Note 7)	1,752,278	2,486,395
Deferred revenue	313,688	9,227
Current portion of long-term debt (Note 8)	-	1,261,209
Current portion of deferred capital contributions (Note 10)	1,786,169	1,755,647
	<u>7,296,491</u>	<u>9,176,834</u>
Long-term debt (Note 8)	-	2,704,693
Deferred capital contributions (Note 10)	14,690,278	16,477,968
	<u>21,986,769</u>	<u>28,359,495</u>
Net Assets		
Invested in capital assets (Note 13)	44,424,241	39,463,545
Unrestricted	7,661,121	7,389,973
	<u>52,085,362</u>	<u>46,853,518</u>
	<u>\$74,072,131</u>	<u>\$ 75,213,013</u>

On behalf of the Board:

 Director

 Director

The accompanying notes are an integral part of these financial statements.

Prince George Airport Authority Inc. Statement of Changes in Net Assets					
For the year ended December 31	Invested in Capital Assets (Note 11)	Restricted Airport Improvement fee (Note 14)	Unrestricted	2024 Total	2023 Total
Balance, beginning of the year	\$ 39,463,545	\$ -	\$ 7,389,973	\$46,853,518	\$ 43,514,335
Excess (deficiency) of revenues over expenses	(3,125,471)	7,156,710	1,200,605	5,231,844	3,339,183
Capital asset additions	3,900,265	(3,190,808)	(709,457)	-	-
Repayment of cargo warehouse loan	220,000	-	(220,000)	-	-
Repayment of NDIIT loan	3,965,902	(3,965,902)	-	-	-
Balance, end of the year	\$ 44,424,241	\$ -	\$ 7,661,121	\$52,085,362	\$ 46,853,518

The accompanying notes are an integral part of these financial statements.

Prince George Airport Authority Inc. Statement of Operations		
For the year ended December 31	2024	2023
Revenue		
Landing fee	\$ 3,545,016	\$ 3,175,810
Other income	2,174,705	2,453,681
Parking	2,593,956	2,525,769
General terminal	1,798,303	1,431,685
Rental income	868,791	527,529
Concessions	898,841	845,266
	<u>11,879,612</u>	<u>10,959,740</u>
Expenses		
Administration	1,457,836	1,207,397
Insurance	349,219	336,368
Land lease (Note 11)	514,367	-
Operations	3,284,599	3,328,299
Property taxes	175,974	152,418
Salaries and benefits	3,856,262	3,579,535
Utilities	499,142	542,278
	<u>10,137,399</u>	<u>9,146,295</u>
Operating surplus	<u>1,742,213</u>	<u>1,813,445</u>
Other items		
Airport improvement fee (net) (Note 14)	7,395,646	4,924,866
Amortization of deferred capital contributions (Note 10)	1,757,168	1,668,592
Remeasurement of pension benefit assets (Note 4)	(343,000)	30,000
Unrealized loss on derivative financial instrument (Note 9)	(100,981)	(90,642)
Gain on foreign exchange	5,324	33,135
Gain on disposal of capital assets	10,267	5,714
Interest on long-term debt	(352,154)	(462,302)
Amortization of capital assets	(4,882,639)	(4,583,625)
	<u>3,489,631</u>	<u>1,525,738</u>
Excess of revenues over expenses	<u>\$ 5,231,844</u>	<u>\$ 3,339,183</u>

The accompanying notes are an integral part of these financial statements.

**Prince George Airport Authority Inc.
Statement of Cash Flows**

For the year ended December 31	2024	2023
Cash flows from operating activities		
Cash receipts from customers and government funders	\$21,197,861	\$ 17,712,349
Cash paid to employees and suppliers	(12,500,670)	(10,487,050)
	<u>8,697,191</u>	<u>7,225,299</u>
Cash flows from investing activities		
Purchase of term deposits	(2,626)	(2,547)
Cash contributions received for capital assets	-	2,835,676
Purchase of capital assets	(3,900,265)	(7,131,645)
Proceeds on disposal of capital assets	10,267	5,714
	<u>(3,892,624)</u>	<u>(4,292,802)</u>
Cash flows from financing activities		
Repayment of long-term debt	(3,965,902)	(1,261,208)
Repayment of demand loan	(220,000)	(220,000)
	<u>(4,185,902)</u>	<u>(1,481,208)</u>
Net increase in cash	618,665	1,451,289
Cash, beginning of the year	6,196,980	4,745,691
Cash, end of the year	\$ 6,815,645	\$ 6,196,980

The accompanying notes are an integral part of these financial statements.

**Prince George Airport Authority Inc.
Notes to Financial Statements**

December 31, 2024

1. Significant Accounting Policies

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:

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.

Prince George Airport Authority Inc.
Notes to Financial Statements

December 31, 2024

1. Significant Accounting Policies (continued)

Financial asset impairment	<p>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.</p> <p>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.</p>
Revenue Recognition	<p>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.</p> <p>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 12) is recognized when passengers originate and depart from the Prince George Airport.</p> <p>Government assistance is recognized when there is reasonable assurance that the Authority has complied and continues to comply with all conditions of the assistance.</p> <p>Government assistance toward current expenses is recognized in income for the period as other income.</p>
Inventory	<p>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</p>

Prince George Airport Authority Inc.
Notes to Financial Statements

December 31, 2024

1. Significant Accounting Policies (continued)

Land Lease	<p>The Land lease is accounted for as an operating lease as described in Note 11.</p>																		
Capital Assets	<p>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:</p> <table><tr><td>Leasehold improvements</td><td></td></tr><tr><td> Building</td><td>4%</td></tr><tr><td> Fuel farms</td><td>2.5%</td></tr><tr><td> Other</td><td>5-33%</td></tr><tr><td> Runway</td><td>5 - 50 years</td></tr><tr><td> Parking facilities and roadway system</td><td>5%</td></tr><tr><td>Automotive</td><td>10%</td></tr><tr><td>Computer hardware and software</td><td>33%</td></tr><tr><td>Machinery and other equipment</td><td>5-20%</td></tr></table>	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%
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	<p>Long-lived assets consist of capital assets.</p> <p>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</p>																		
Employee future benefits	<p>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.</p> <p>The Authority recognizes:</p> <p>a) the defined benefit obligation, net of the fair value of any plan assets, adjusted for any valuation allowance in the balance sheet; and</p> <p>b) the cost of the plan for the year.</p> <p>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.</p>																		

Prince George Airport Authority Inc.
Notes to Financial Statements

December 31, 2024

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, 2024, 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>

Prince George Airport Authority Inc.
Notes to Financial Statements

December 31, 2024

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 ("Land 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. Accounts Receivable

	2024	2023
Accounts receivable	\$ 1,536,587	\$ 1,639,171
Allowance for doubtful accounts	(327,283)	(26,964)
	<u>\$ 1,209,304</u>	<u>\$ 1,612,207</u>

**Prince George Airport Authority Inc.
Notes to Financial Statements**

December 31, 2024

4. Capital assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$15,669,335	\$ -	\$ 15,669,335	\$ -
Leasehold improvements				
Building	34,940,965	16,644,706	29,748,194	15,224,359
Fuel farms	2,934,304	1,257,485	2,934,304	1,153,584
Other	3,532,171	1,630,743	3,377,390	1,465,620
Runway	40,968,009	24,409,838	40,968,009	22,335,068
Parking facilities and roadway	9,437,571	6,103,174	9,159,387	5,552,905
Automotive	269,770	161,400	208,281	167,940
Computer hardware and software	883,235	668,091	773,201	612,154
Machinery and other equipment	11,087,249	5,471,192	9,437,379	5,006,951
Construction in progress/equipment not in use	943,276	-	4,544,731	-
	120,665,885	56,346,629	116,820,211	51,518,581
		\$64,319,256		\$ 65,301,630

During the year, there was \$54,592 (2023 - \$150,712) in assets that were fully amortized that were disposed of.

**Prince George Airport Authority Inc.
Notes to Financial Statements**

December 31, 2024

5. 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 (2023 - 26) participating employees. The defined benefit component of the pension plan has 1 (2023 - 1) participating employee(s). The Authority pension contributions for the defined contribution component was \$142,752 in 2024 (2023 - \$140,444) and the defined benefit component was \$nil in 2024 (2023 - \$nil). The defined benefit component applies to an employee 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, 2024 is as follows:

	2024	2023
Market value of plan assets	\$ 4,260,000	\$ 4,358,000
Accrued defined benefit obligation	(3,406,000)	(3,176,000)
Defined benefit asset	\$ 854,000	\$ 1,182,000

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

	2024	2023
Interest less net return on plan assets	\$ 93,000	\$ (256,000)
Actuarial losses	246,000	223,000
Losses on non-investment expense	4,000	3,000
Total remeasurment	\$ 343,000	\$ (30,000)

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

	2024	2023
Discount rate	4.00%	4.50%
Rate of compensation increase	2.50%	3.50%
Rate of inflation	2.00%	3.00%

**Prince George Airport Authority Inc.
Notes to Financial Statements**

December 31, 2024

5. Pension Plan (continued)

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

Employees' contribution	3,000	3,000
Benefits paid	(174,000)	(166,000)

Plan Assets consists of:

Debt securities	32.3%	100.00%
Alternatives (Annuity Buy-ins)	67.7%	0.0%

During the year, the Authority along with other airports across Canada went through a process of de-risking their pension obligations. As a part of this, there was the buyout of a portion of the defined benefit assets in exchange for an annuity. This resulted in an adjustment to the defined benefit asset. Over the long-term, it is anticipated that this annuity will result in less volatility in the value of the defined benefit asset. The Authority retained the full benefit obligation related to the pension.

**Prince George Airport Authority Inc.
Notes to Financial Statements**

December 31, 2024

6. Bank demand loans

	2024	2023
CIBC Demand loan - repayable in monthly installments of \$18,333 plus interest at the Authority's option of prime rate per annum (December 31, 2024 -5.83%; December 31, 2023 - 7.24%) or a Banker's Acceptance at the daily CDOR rate plus a 1.5% stamping fee. Secured as described below and maturing in 2041.	<u>\$ 3,444,356</u>	<u>\$ 3,664,356</u>

In 2024, the Authority had a \$1,000,000 operating line of credit bearing interest at the prime rate, and the demand 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, 2024.

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

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

2025	\$ 219,996
2026	219,996
2027	219,996
2028	219,996
Thereafter	<u>2,564,372</u>
	<u>\$ 3,444,356</u>

7. Accounts payable and accrued liabilities

	2024	2023
Trade payables	\$ 1,151,765	\$ 1,954,285
Payroll accruals	553,460	578,670
Government remittances (recoverable) payable	<u>47,053</u>	<u>(46,560)</u>
	<u>\$ 1,752,278</u>	<u>\$ 2,486,395</u>

**Prince George Airport Authority Inc.
Notes to Financial Statements**

December 31, 2024

8. Long-term debt

	2024	2023
Northern Development Initiative Trust, repaid during the year.	\$ -	\$ 3,965,902
Less: Current portion	-	1,261,209
	<u>\$ -</u>	<u>\$ 2,704,693</u>

9. 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, 2024, the fair market value of this derivative contract was \$141,498 (2023 - \$242,479). This value has been recognized as an asset in the financial statements.

10. Deferred capital contributions

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:

	2024	2023
Balance, beginning of year	\$18,233,615	\$ 17,066,532
ARFF Shelter	-	1,039,039
BCAP Reline Storm Sewer	-	122,560
ARFF Vehicle	-	1,360,156
FN Projects - Tourism BC	-	13,920
NDIT Equipment Storage Expansion	-	300,000
Less: Amounts recognized as revenue during the year	<u>(1,757,168)</u>	<u>(1,668,592)</u>
Balance, end of year	16,476,447	18,233,615
Less current portion	<u>(1,786,169)</u>	<u>(1,755,647)</u>
	<u>\$14,690,278</u>	<u>\$ 16,477,968</u>

**Prince George Airport Authority Inc.
Notes to Financial Statements**

December 31, 2024

11. Land Lease

The Authority has a 60 year lease of the Prince George airport facilities with the Government of 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 Government of Canada.

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 2024 was \$514,367 (2023 - \$nil).

12. Commitments

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

2025	\$ 120,000
2026	107,500
	<u>\$ 227,500</u>

13. Invested in capital assets

	2024	2023
Opening balance	\$39,463,545	\$ 36,601,400
Capital asset additions, including construction in progress	3,900,265	7,131,645
Payment of long term debt	4,185,902	1,481,209
	<u>47,549,712</u>	<u>45,214,254</u>
Amortization	(4,882,639)	(4,583,625)
Amortization of deferred contributions related to capital assets	1,757,168	1,668,592
Deferred contributions received	-	(2,835,676)
	<u>(3,125,471)</u>	<u>(5,750,709)</u>
	<u>\$44,424,241</u>	<u>\$ 39,463,545</u>

Prince George Airport Authority Inc.
Notes to Financial Statements

December 31, 2024

14. 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 \$7,156,710 reflect total AIF revenue \$7,395,646 net of interest on long-term debt \$238,936.

Subsequent to the year end, the Authority entered into a renegotiation of the AIF Agreement. As of the report date the agreement has not been finalized, but upon ratification, the agreement will be retroactive to March 1, 2025.

Prince George Airport Authority Inc.
Notes to Financial Statements

December 31, 2024

15. 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, 2024, the most significant financial liabilities are bank demand loans, accounts payable and accrued liabilities.

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, 2024, four customers (2023 - four) accounted for 69% (2023 - 76%) 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.

Prince George Airport Authority Inc.
Notes to Financial Statements

December 31, 2024

16. Uncertainty Related to Tariffs

Subsequent to the year end, the government of the United States announced tariffs on certain goods imported from Canada and many other countries. Canada and many of these governments have announced their intentions to respond with tariffs on certain goods imported from the U.S. On March 6, 2025, it was announced that the implementation of the tariffs between the United States and Canada and between the United States and Mexico for USMCA compliant goods would be paused for 30 days. The Authority acknowledges that extreme uncertainty exists regarding the magnitude and duration of tariffs impacting the movement of goods across North American borders and is currently assessing the business consequences arising from such tariffs.

Capital Initiatives and Business Plan

During 2024 the Prince George Airport invested in capital projects totalling \$3.9 million. Significant projects completed or underway in 2024 include:

	Thousands \$
CSB Equipment Storage Building - project commenced in 2023, completed in 2024	2,450.9
Equipment Replacement - 4 mowers, Kubota Loader, Mobile Command Trailer	446.7
Restaurant HVAC System	25.9
Renovation of Public Washrooms	96.5
New Carpet in Departures and Holdroom	111.9
Customs Boiler	33.1
Fuel Truck - deposit in 2024, delivery in 2025	136.3
Chubb AFX Proxy Card System	81.0
Security / IT	31.3

2024 Actual vs. Business Plan

Shown in thousands of dollars.

	Actual	Plan	Difference	Explanation
Revenues (net of gov't funding)	\$19,275.2	\$16,927.1	\$2,348.1	Aeronautical, rentals, AIF, and interest revenues higher than planned.
Expenses	\$10,137.4	\$10,056.5	\$80.9	Land rents, repair and maintenance, and bad debts higher than planned.
Capital	\$1,197.5	\$3,450.4	\$ (2,252.9)	Delayed projects to 2025 due to scope change.
Capital prior Year Carryover	\$2,702.5	\$3,018.5	\$ (316.0)	CSB Equipment Expansion project came in under budget.

Business Plan Cash Flow Forecast 2025

Shown in thousands of dollars.

	2025
Revenue	\$19,133.6
Expenses	\$11,727.1
Capital	\$7,220.6

Amortization not included.
The data above reflects the information available at the time of publication. Actual results may vary from the data provided.



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