

The Prince George Airport

2025

Annual Report

BUILDING WHAT'S NEXT



Soo tik'ut nininya ink'e nyezul ndzak suli

May your path be clear and your spirit light

The Prince George Airport Authority continues to strengthen its partnership with the Lheidli T'enneh First Nation, building on the foundation established through the 2023 Collaboration Agreement. Together, we are working to meaningfully reflect Indigenous culture, language, and presence throughout the YXS campus.

In 2025, this work continued through the integration of Dakelh language and Indigenous-inspired design across the airport environment. New light post banners now welcome travellers with Dakelh language and cultural imagery, while a permanent installation within the security screening area introduces passengers to the language and stories of the Lheidli T'enneh.

These installations contribute to a growing sense of place at YXS. One that acknowledges the unceded ancestral lands of the

Lheidli T'enneh and honours the deep history of the region while welcoming visitors from around the world.

Our partnership also extends beyond the terminal. In partnership with the British Columbia Aviation Council (BCAC), the Prince George Airport Authority continued its support of the Chief Dolleen Logan Scholarship, helping Canadian Indigenous students pursue education and careers in aviation and aerospace.

These initiatives represent continued steps toward cultural recognition, partnership, and opportunity. As YXS grows and evolves, we remain committed to ensuring that Indigenous heritage is respectfully woven into the future of the airport and the experiences of those who pass through it.

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

**Lheidli T'enneh
Memorial Park**

Tourism Prince George

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Introduction

Reporting period: January 1 - December 31, 2025

The Prince George Airport Authority (PGAA) is pleased to present its 2025 Annual Report. This report reflects the activities, partnerships, and progress that shaped the past year while highlighting the important role YXS plays in connecting Northern British Columbia to destinations across Canada and beyond.

Like the travellers who pass through YXS each day, this report reflects a journey shaped by partnership, progress, and a shared vision for the future.

Airports are more than transportation hubs. They are community connectors and essential infrastructure that support the movement of people, goods, and opportunity throughout the region. At YXS, our work is guided by a commitment to safety, collaboration, and continuous improvement as we plan for the future of aviation in Northern British Columbia.

Guided by the theme Building What's Next, 2025 reflects steady progress in strengthening the airport's operations, partnerships, and long-term vision.

The following message from our Board Chair and President & CEO provides a closer look at the milestones, challenges, and achievements that shaped the year at YXS.

About This Report

This report fulfills the Prince George Airport Authority's reporting obligations under the terms of its Ground Lease with His Majesty the King in Right of Canada, represented by the Minister of Transport, signed March 31, 2003.

The Prince George Airport Authority is 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



ARFF Truck - Red 3
Prince George Airport Authority

Chairperson and CEO Report

2025 marked a year of leadership transition, operational renewal, and continued investment in the future of YXS.



Geoff Ritchie
President and CEO

During a year of leadership transition and operational renewal, the Prince George Airport Authority continued strengthening YXS's role as a connector for Northern British Columbia. Through collaboration, strong operational coordination, and strategic planning, the airport remained focused on supporting the movement of people, goods, and opportunity across the region.

In 2025, Prince George Airport (YXS) welcomed 443,366 travellers, compared to 450,494 in 2024, representing a modest 1.6% year-over-year difference.



Derek Dougherty
Board Chair

While passenger volumes were slightly lower, airline seat capacity increased by approximately six percent during the year and all core routes remained intact. This continued investment from airline partners reflects confidence in the long-term strength of the market and the role YXS plays in connecting Northern British Columbia.

Across Canada, the aviation industry continued to navigate economic pressures, fleet constraints, and evolving travel demand. In this environment, the consistency of YXS's air service network

and operational reliability remained an important achievement. The airport remains focused on strengthening airline partnerships, supporting sustainable growth, and advocating for improved connectivity that supports the economic vitality of the region.

In July, the Prince George Airport Authority welcomed Geoff Ritchie as President and Chief Executive Officer. With more than three decades of international aviation experience spanning airline operations, engineering, and airport development, Geoff brings a global perspective and collaborative leadership approach as YXS enters its next phase of growth.

We would also like to thank Sabrina Angus, who served as Interim President and CEO during the leadership transition. Her steady leadership and commitment to the airport community ensured continuity and progress during an important period for the organization.

Throughout the year, the airport team demonstrated professionalism and adaptability while strengthening operational alignment and shared practices across the organization. These efforts reinforce the foundation that allows YXS

to adapt, grow, and continue serving the evolving needs of Northern British Columbia.

The Prince George Airport Authority also remains committed to strong relationships with the communities and partners that contribute to the success of YXS. Collaboration with Lheidli T'enneh First Nation continues to guide meaningful initiatives that recognize the history and cultural significance of the land on which the airport operates.

As we look ahead, our focus remains on building what's next for YXS by strengthening regional connectivity, enhancing the passenger experience, and supporting the long-term vitality of Northern British Columbia. This work lays the foundation for the airport's next phase of strategic planning. With a strong team and engaged partners, YXS is well positioned for the opportunities ahead.

None of this progress would be possible without the dedication of our employees, the leadership of our Board of Directors, and the continued support of our community and industry partners. Together, we remain committed to strengthening connections and continuing to build what's next for YXS and the region we serve.

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



**Air Canada
Landing**

Prince George Airport
Authority

Who We Are

Connecting Northern British Columbia

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 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 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 maintaining the highest standards of safety, fostering a welcoming experience for passengers, or seeking new ways to enhance our services.

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

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



Geoff Ritchie
President and CEO



Daphne Shelton
Director of Commercial Development



Robyn Leischner
Director of Finance



Sabrina Angus
Director of People, Safety, and Culture



Ashley Bamford
Manager of Contracts and Procurement



Chrissy Blok
Manager of Marketing and Communications



Geoff Stocks
Manager of Safety and Regulatory Compliance



Janice Akerley
Manager of Accounting



Kristy Maclean
Executive Assistant and Board Liaison

The PGAA team includes 33 permanent employees, with staffing levels increasing during the winter months to support snow clearing and seasonal airfield operations. Each year, approximately 10 additional seasonal employees join the team to help ensure safe and efficient winter operations.

Strategic Direction

Guiding the Future of YXS

At the Prince George Airport Authority, our strategic direction reflects our role as a vital connection point for Northern British Columbia. Our work focuses on maintaining safe, reliable airport operations while strengthening regional connectivity and supporting the communities we serve. As a private, not-for-profit corporation, all revenue generated by the airport is reinvested back into YXS to sustain operations and support future development.

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 Priorities

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

These values guide how the Prince George Airport Authority operates, how decisions are made, and how team members work together in service of the airport and the communities it supports.

Safety

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

Respect

Ensuring everyone is treated in a courteous and professional manner.

Integrity

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

Innovation

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

Safety

How we protect what matters every day

At YXS, safety is embedded in how decisions are made, how work is carried out, and how performance is measured across the organization.

From regulatory compliance and emergency preparedness to day-to-day operations on the airfield, the focus remains consistent: protect the people who depend on this airport and strengthen the systems that support them.

In 2025, that focus translated into measureable progress, strengthened oversight, and a continued commitment improvement.

The organization completed several key audits and inspections, including a Safety Management System Quality Audit conducted by Tetra Tech, a Federal Labour Program Occupational Health and Safety inspection, and a Transport Canada audit and corrective action plan, with all findings fully resolved. These outcomes reflect a disciplined approach to compliance and continuous improvement.

An updated Accessibility Progress Report was submitted to the Canadian Transportation Agency and published publicly, reinforcing a commitment to accessible travel and transparency.

At the operational level, the Safety Task Group continued to drive performance

and accountability across the airport. In 2025, targeted efforts led to a significant achievement: zero contractor-related incidents, supported by improved safety orientation programs, clearly defined PPE zones, and enhanced on-site communication.

Looking ahead, the Safety Task Group has identified two clear objectives for 2026, prevent runway incursions and improve the quality of timeliness of incident investigations. These priorities reflect an ongoing commitment to proactive safety risk management.

Ongoing training and preparedness also remained critical to maintaining a safe operating environment. In 2025, management and leadership teams completed Incident Command System (ICS 100) and Emergency Operations Centre Essentials training through the Justice Institute of British Columbia.

A full-scale emergency exercise delivered by Loomex, brought together 47 participants and multiple emergency partners, including RCMP, BCEHS, Prince George Fire Rescue, NAV Canada, and airline representatives, reinforcing coordinated response capabilities.

In addition, 17 Aircraft Rescue Fire Fighting (ARFF) personnel completed First Aid certification, while both new and existing

Airfield Operations Specialists completed CARs 323.14 ARFF training through partnerships with YVR Fire Rescue and FESTI at Toronto Pearson. These investments ensure teams are prepared to respond effectively in complex and time-critical situations.

Building a strong safety culture remained an important focus in 2025.

The launch of the “See it. Scan it. Report it.” campaign, introduced QR codes across the airport, making it easier for employees and partners to report hazards directly into YXS’s safety management reporting system. By simplifying the process, the initiative reinforces that every observation matters.

In parallel with operational improvements, the airport also advanced important environmental safety initiatives. The transition of the ARFF fleet to flourine-free firefighting foam eliminated PFAS-containing agents and aligned operations with evolving environmental standards.

The Fire Training Centre was also activated to support live fire training for external partners, including Tidewater emergency response crews, expanding the airport’s role in regional preparedness.

YXS was recognized at the provincial level along with 28 other airports, to receive

the BC Aviation Council Environmental Award for participation in a provide-wide carbon audit initiative. The recognition reflects a collective industry effort to advance sustainability while maintaining safe and effective operations.

Safety at YXS continues to evolve beyond compliance. Through structured audits, targeted training, improved reporting tools, and active engagement across the airport community, the organization is building a stronger safety culture grounded in accountability, learning, and shared responsibility. Each initiative, audit, and conversation contributes to a safer, more resilient airport for the communities we serve.



Canadian Airports Safety Week

In 2025, YXS took Airport Safety Week online, engaging the airport community through daily presentations, quizzes, and prize draws. Participants tested their safety knowledge and shared feedback to help guide future training and awareness efforts. The week wrapped up with a FOD walk and lunch at the Fire Hall.



People and Culture

Building a team ready for what's next

At YXS, our people are at the centre of everything we do. Every role, from operations and emergency response to administration and customer service, contributes to a safe, reliable, and welcoming airport experience. In 2025, the Prince George Airport Authority continued to invest in its team, recognizing that building what's next starts with the people who make it possible.

The year marked a period of growth and renewal across the organization. New leadership roles and key operational positions were filled, strengthening internal capacity and supporting long-term stability. The addition of a new President and CEO, alongside leadership in commercial development and procurement, reflects a continued focus on building a strong foundation for the future. At the operational level, the recruitment of Airport Operations Specialists further supports the day-to-day delivery of safe and efficient airfield operations.

Developing internal talent also remained a priority. In 2025, we saw the progression of an employee into a Heavy Duty Equipment Technician apprenticeship, reinforcing our commitment to creating pathways for career growth within the organization. Investing in skills develop-

ment not only strengthens our workforce, it ensures the airport is equipped to meet evolving operational demands.

Employee wellness and support continued to be a key focus. Enhancements to the benefits program removed barriers to accessing health services and expanded coverage, making it easier for employees to prioritize their wellbeing.

Creating a workplace where people feel connected and recognized remains an important part of our culture. Throughout the year, employees were brought together through appreciation events, seasonal celebrations, and social activities organized by staff-led initiatives. Moments of recognition, including years of service milestones in our employee newsletter helped to reinforce a culture grounded in respect and connection.

That sense of connection extends beyond the workplace. PGAA employees continued to support the broader community through volunteerism, fundraising, and awareness initiatives. From participating in community events to recognizing important social movements and industry moments, our team demonstrated a shared commitment to contributing to the communities we serve.

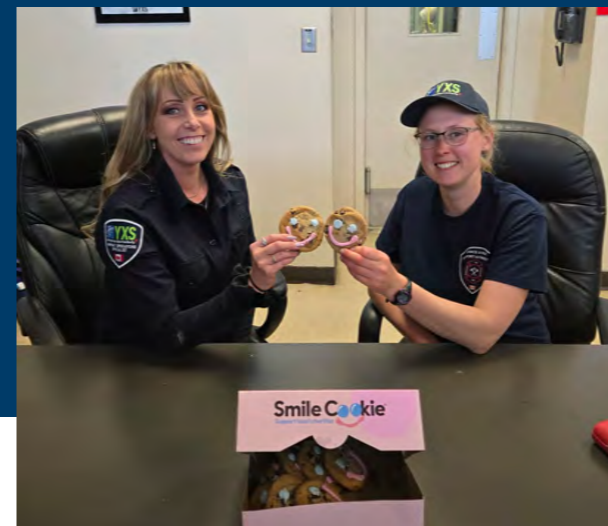
In 2025, our People and Culture efforts reflect a continued focus on building a workplace that is supportive, adaptable, and ready for the future. By investing in our people, we are strengthening the foundation that allows YXS to continue connecting Northern British Columbia with care, purpose, and reliability.

BY THE NUMBERS: 2025

42 ACTIVE EMPLOYEES
33 PERMANENT | 9 SEASONAL

16 NEW HIRES ACROSS LEADERSHIP & OPERATIONS
7 PERMANENT | 9 SEASONAL

208 YEARS OF COMBINED SERVICE



Air Service Development

Keeping our region connected

Air service development in 2025 reflects a year of continued confidence from our airline partners, allowing for a period of stability, resilience, and continued operations.

Following a period of rebuilding across the aviation sector, 2024 marked a return of key services and new route additions. In 2025, that momentum carried forward in a different way. Not through rapid expansion, but through the strength and consistency of the network serving Northern British Columbia.

Total passenger volumes at YXS reached 443,366 travellers, a modest 1.6 per cent decrease compared to 2024. While slightly lower year-over-year, this change does not reflect a decline in service or performance.

In fact, the opposite is true.

Airline seat capacity increased by 6 percent in 2025, cancellations declined, and no significant reductions occurred.

All core routes remained intact, reinforcing the strength and reliability of the air service network.

This performance aligns with broader national trends. Across Canada, softer economic conditions influenced both business and discretionary travel. While larger airports experienced growth driven by international demand, regional airports like YXS saw more stable, and slightly moderated, passenger volumes compared to the forecasted national average.

Within that context, YXS remained consistent with comparable regional airports serving resource-based and hub-connected markets.

Most importantly, airline partners continued to demonstrate confidence in the region.

In 2025, Central Mountain Air launched new service to Calgary, expanding access to a major Canadian hub. WestJet intro-

duced limited-time summer service to Edmonton, and seasonal service to Puerto Vallarta returned earlier in the winter schedule and extended into spring 2026.

These developments reflect a measured and sustainable approach to growth. One that prioritizes reliability, strengthens regional connectivity, and builds on existing partnerships.

The Prince George Airport Authority continues to take a proactive and collaborative approach to air service development, working closely with airline partners and using data-informed strategies to advocate for service that reflects the needs of the region.

In a dynamic and evolving industry, stability and growth is not accidental. It is the result of consistent operational performance, continued advocacy, strong partnerships, and clear focus on long-term growth.

AIR SERVICE AT A GLANCE: 2025

443,366
PASSENGERS SERVED

-1.6%
YEAR-OVER-YEAR

+6%
AIRLINE SEAT CAPACITY

CANCELLATIONS DECREASED

CORE ROUTES MAINTAINED

AIR CANADA

Central Mountain Air

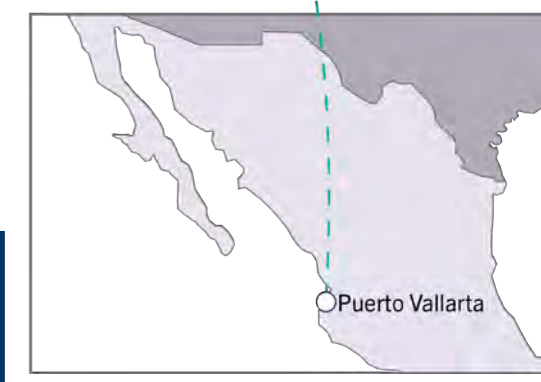
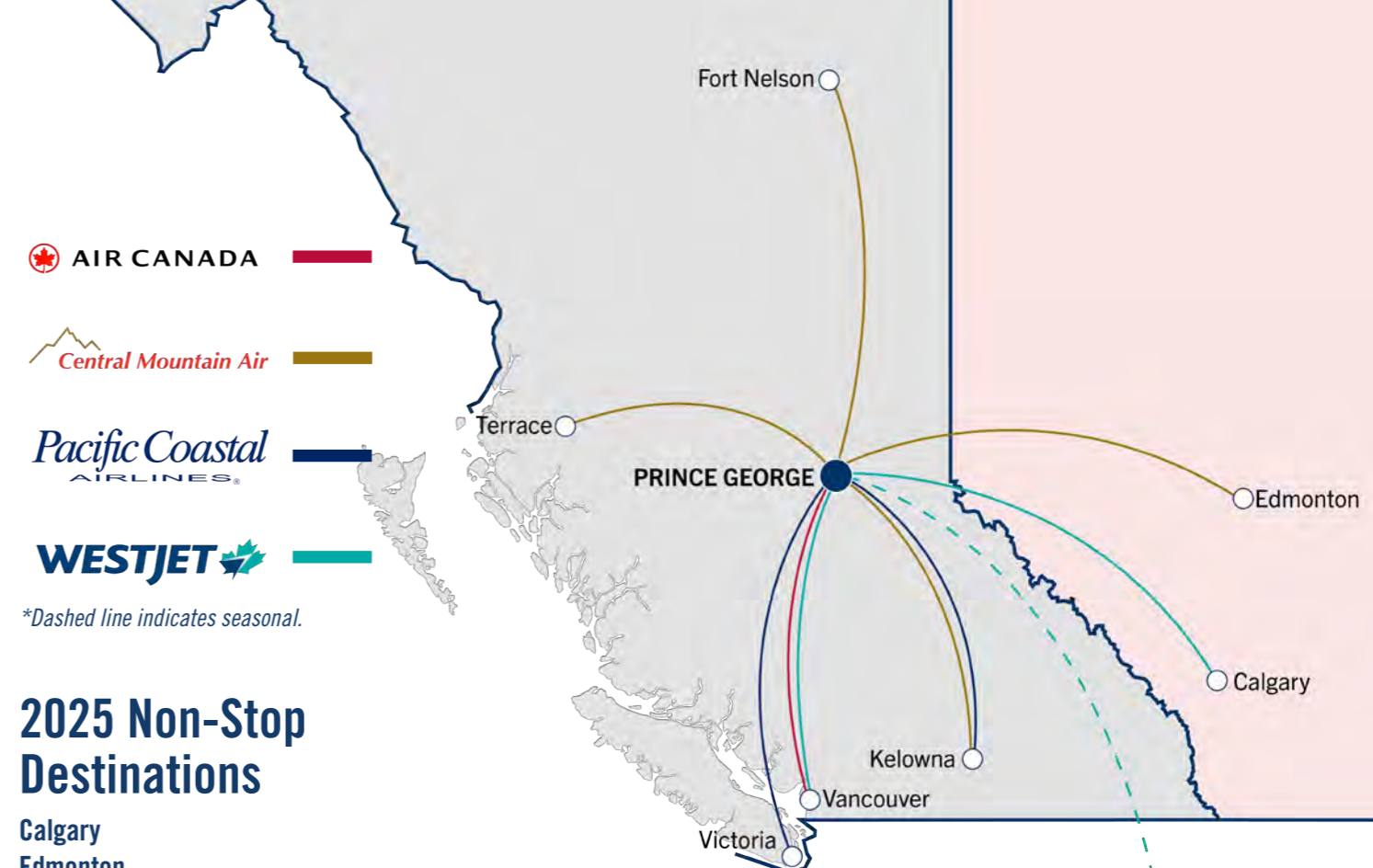
Pacific Coastal AIRLINES

WESTJET

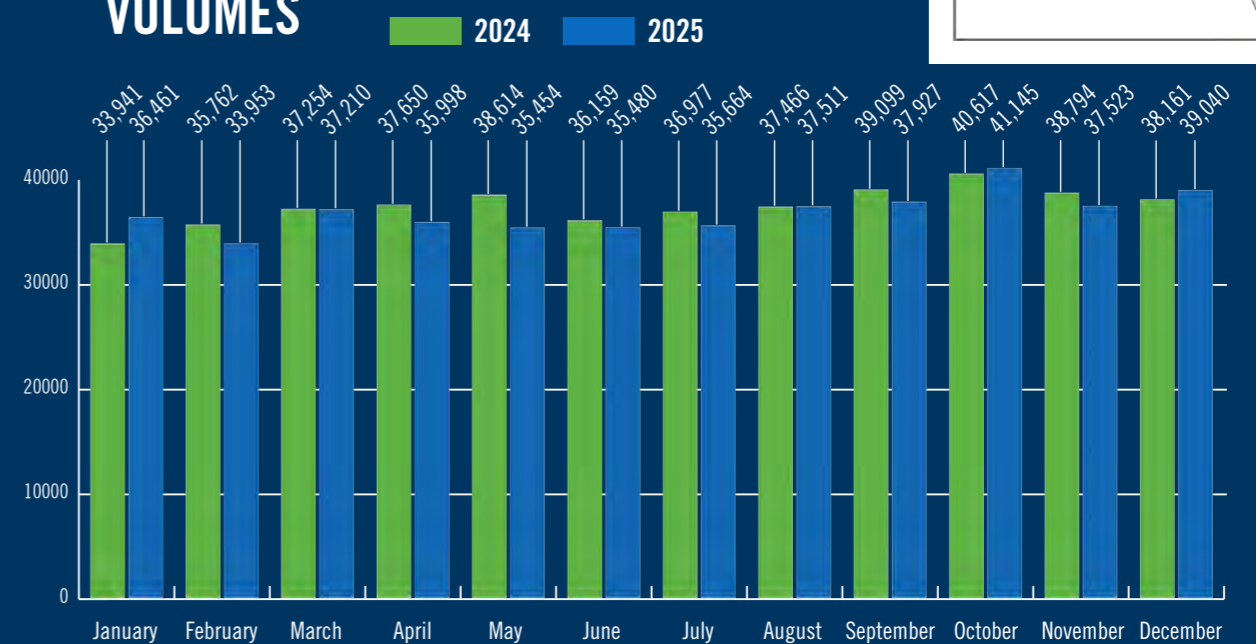
*Dashed line indicates seasonal.

2025 Non-Stop Destinations

- Calgary
- Edmonton
- Fort Nelson
- Kelowna
- Puerto Vallarta
- Terrace
- Vancouver
- Victoria



MONTHLY PASSENGER VOLUMES



Marketing

Supporting air service through targeted, collaborative campaigns

Marketing initiatives in 2025 continued to be delivered in-house by the Prince George Airport Authority, supported by strategic partnerships with airlines, tourism organizations, and external creative resources. This approach allows PGAA to remain agile, responsive, and cost-effective while aligning campaigns directly with air service priorities.

Throughout the year, marketing efforts focused on supporting route performance, strengthening regional awareness, and encouraging travel through targeted, partner-led campaigns.

A key collaboration in 2025 was the Take a Hike campaign, delivered in partnership with Kelowna International Airport (YLW) and Pacific Coastal Airlines. This campaign highlighted the natural connection between Northern British Columbia and the Okanagan, encouraging regional travel through shared storytelling and coordinated promotion.

By aligning airport and airline efforts, the campaign reinforced both awareness and accessibility of the route.

Building on the success of previous destination campaigns, YXS partnered with Uniglobe Sunburst Travel to promote seasonal service to Puerto Vallarta. This included digital engagement, in-person activation at the Prince George Cougars game, and a travel credit featured as part of YXS's Festival of Trees display. Together, these touchpoints created direct opportunities to engage with travellers and build interest in winter sun travel from Prince George.

To support WestJet's seasonal Edmonton service, PGAA worked alongside Tourism Prince George and an Edmonton-based content creator to showcase the region from a visitor's perspective. This campaign focused on experiential storytelling, highlighting Prince George as a destination while reinforcing the value of the air

service.

Marketing efforts also supported airline-led initiatives. Central Mountain Air's new non-stop service to Calgary was promoted through coordinated campaign efforts including television, radio, and in-terminal advertising, complemented by shared digital content to amplify reach.

Across all campaigns, PGAA maintained a consistent focus on promoting the value of air travel from YXS, emphasizing convenience, connectivity, and the role of key hub airports in expanding travel options beyond the region.

These efforts reflect a continued shift toward more targeted, partnership-driven marketing, aligning closely with air service development goals and ensuring that marketing investment directly supports route awareness and performance.

MARKETING HIGHLIGHTS: 2025

3 AIRLINE SUPPORTED ROUTE PROMOTIONS

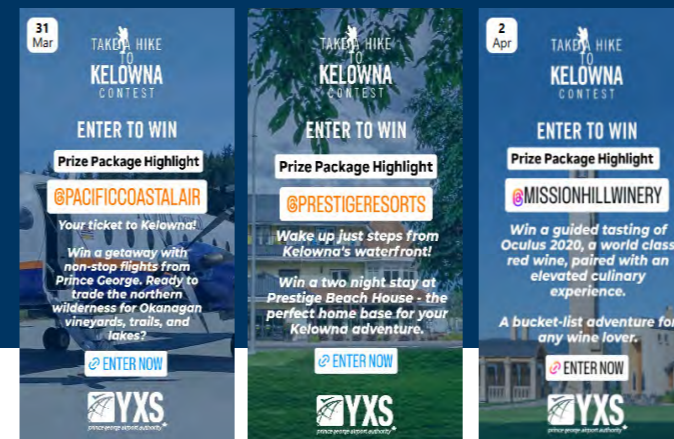
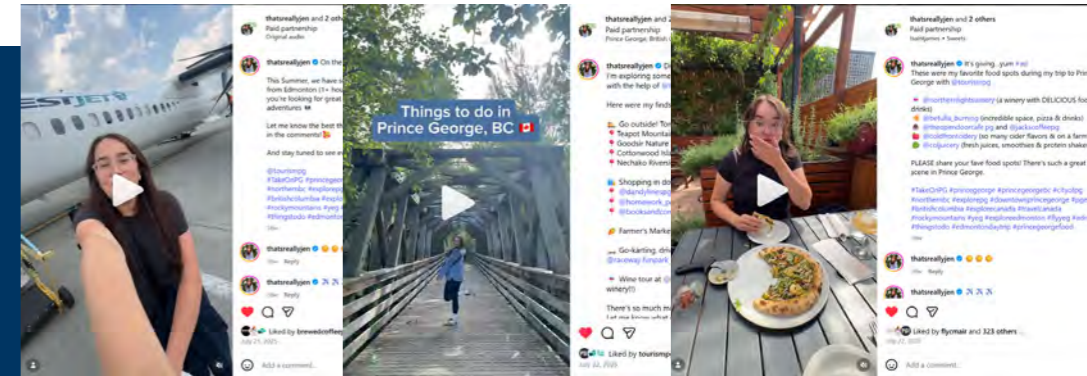
MULTI-CHANNEL CAMPAIGNS ACROSS RADIO, DIGITAL, SOCIAL MEDIA, AND IN-TERMINAL ADVERTISING

1 REGIONAL COLLABORATION CAMPAIGN

YLW AND PACIFIC COASTAL AIRLINES

2 IN-PERSON ACTIVATIONS & COMMUNITY TOUCHPOINTS

INTEGRATED DIGITAL AND IN-PERSON CAMPAIGN APPROACH TO ENGAGE TRAVELLERS



Campaign examples shown (top left, clockwise): WestJet Edmonton seasonal service content creator campaign; Central Mountain Air Calgary service luggage carousel graphic; Puerto Vallarta contest activation with the Prince George Cougars; evergreen billboard displayed at YXS; Take a Hike campaign collaboration with Kelowna International Airport (YLW) and Pacific Coastal Airlines.

Moments from 2025

Snapshots from across the year

Building what's next doesn't happen in one place. It happens across partnerships, in the community, and through the moments that bring people together. This section captures a range of highlights from 2025 that reflect how YXS showed up throughout the year.

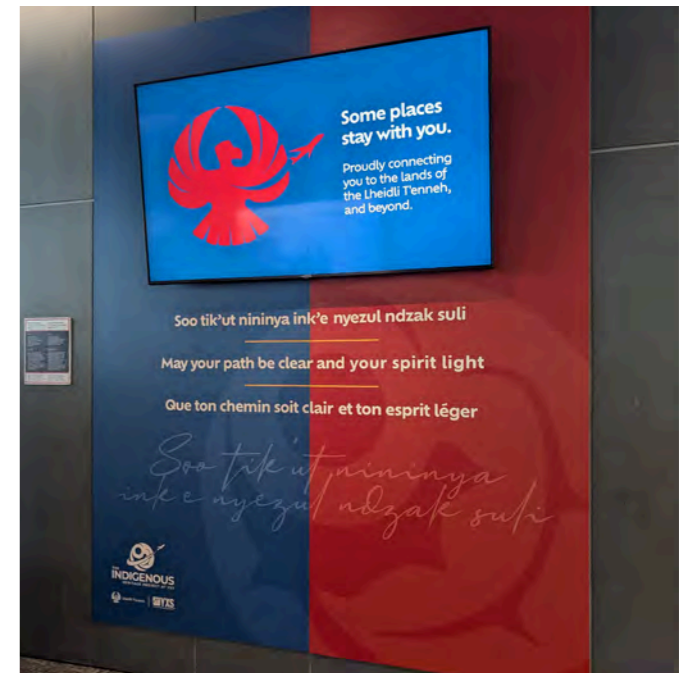
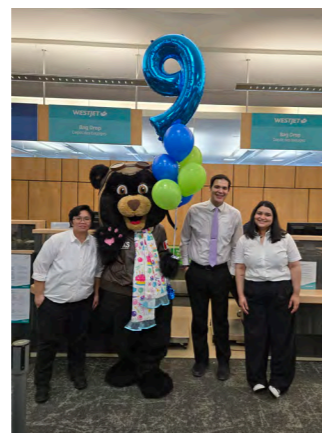
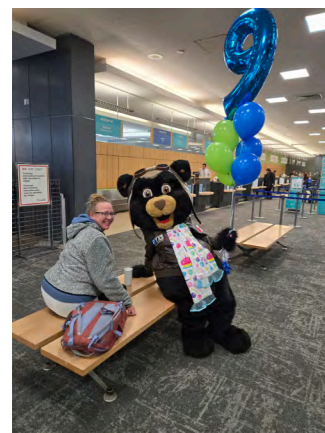


YXS launched the Not In My City initiative, joining a national effort to raise awareness of human trafficking and support prevention through education and partnership. The program included staff training, terminal signage, and a public awareness campaign designed to help individuals recognize and respond to potential situations.

The launch event brought together community leaders, including Mayor Simon Yu and members of City Council, reinforcing a shared commitment to protecting vulnerable individuals and strengthening community awareness.

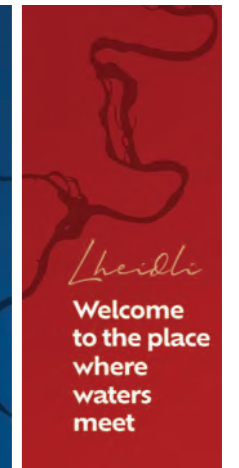


Amelia Bearheart celebrated her 9th birthday at YXS with cupcakes, balloons, and visits throughout the terminal, sharing bear hugs and birthday cheer with travellers and airport partners.

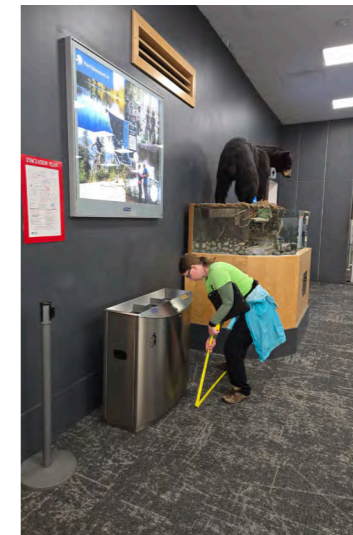


New installations across the YXS campus continue to reflect the language, culture, and presence of the Lheidli T'enneh First Nation.

From light post banners welcoming travellers in Dakelh and English to a permanent installation within the security screening area. These elements contribute to a growing sense of place and recognition of the unceded lands on which the airport operates.



To recognize National Accessibility Week, YXS welcomed representatives from Spinal Cord Injury BC to conduct an accessibility assessment of the airport. Their insights will help guide improvements to better support an accessible and inclusive passenger experience for all.

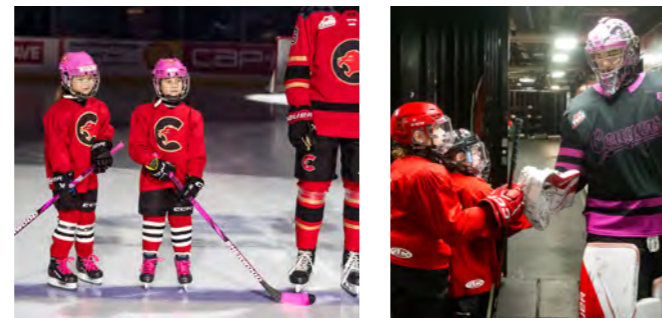




Two new food and beverage options were introduced at YXS in 2025, enhancing the passenger experience both before and after security. Fly Away Café opened in the departures lounge followed by Brewed Coffee & Co. in the main terminal, offering travellers more choice and convenience throughout their journey.



YXS continued its support of the Junior Cougars program, giving young hockey players the opportunity to take to the ice alongside their hometown team and create lasting memories.



YXS welcomed athletes, coaches, and supporters arriving for the 2025 Special Olympics BC Summer Games, as participants from communities across the province gathered in Prince George to compete and connect. The airport was proud to be part of the journey as athletes arrived ready to take part in this inspiring event.



YXS took part in Downtown Summerfest, connecting with the community through giveaways and hands-on tours of the ARFF truck. Festival attendees had the opportunity to learn more about airport operations, with a special visit from Amelia Bear-heart adding to the experience.



YXS once again participated in the Spirit of the North Healthcare Foundation's Festival of Trees, partnering with airline partners to create and donate themed trees for the silent auction. Each tree featured travel-inspired packages, contributing to fundraising efforts in support of healthcare in Northern BC.



YXS was recognized at the BC Aviation Council's Silver Wings Awards as part of a province-wide environmental initiative, acknowledging the airport's participation in advancing sustainability efforts across the aviation sector.

YXS was also pleased to see Jayden Green (pictured fourth from the left) named as the recipient of the BCAC and YXS Lheidli T'enneh Chief Dolleen Logan Scholarship, supporting Indigenous students pursuing careers in aviation.

Corporate Governance

Guiding YXS with accountability and care

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

The Board of Directors is responsible for guiding the long-term success of the Prince George Airport Authority, consistent with its accountability to the communities it serves.

The Board provides oversight of the Authority's business and

strategic direction and is responsible for guiding management, which carries out the day-to-day operations of the airport. In fulfilling its responsibilities, the Board considers the interests of employees, partners, customers, and the broader community, ensuring decisions are made in the long-term interest of the organization.

Through the President and CEO, the Board establishes expectations for conduct, performance, and the safe and effective management of airport operations.

Skills and Experience

The Prince George Airport Authority Board of Directors brings together a diverse and experienced group of individuals whose collective knowledge supports the organization's long-term direction.

Board members are selected to reflect key sectors including business, labour, and consumer interests, in alignment with the Airport Authority's mandate.

Together, the Board represents a broad range of competencies, including finance, governance, law, economic development, human resources, and community engagement. This depth of experience supports informed decision-making, strong oversight, and responsible stewardship of the organization.

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.



Derek Dougherty
Chair
Nominated by Regional District of Fraser-Fort George
Attendance: 6/6 Board
18/21 Committee*



Todd Corrigan
Vice Chair
Nominated by Prince George Chamber of Commerce
Attendance: 5/6 Board
14/21 Committee*



Sandra Rossi
Secretary
Chair, Human Resources Committee
Nominated by Prince George Airport Authority
Attendance: 5/6 Board
5/5 Committee



Alain LeFebvre
Treasurer
Chair, Finance Committee
Nominated by City of Prince George
Attendance: 6/6 Board
15/16 Committee



Melissa Barcellos
Director
Nominated by City of Prince George
Attendance: 6/6 Board
10/10 Committee



Bruce Johnston
Director
Chair, Major Projects and Environment Committee
Nominated by Regional District of Fraser-Fort George
Attendance: 6/6 Board
15/15 Committee



Terry Kuzma
Director
Nominated by Prince George Airport Authority
Attendance: 5/6 Board
3/10 Committee



Kimberly Pavao
Director
Co Chair, Governance Committee
Nominated by City of Prince George
Attendance: 4/6 Board
4/5 Committee



Frank Robertson
Director
Co Chair, Governance Committee
Nominated by Prince George Airport Authority
Attendance: 6/6 Board
2/5 Committee



Katherine Rasmussen
Director
Chair, Economic Development and Marketing Committee
Nominated by the Provincial Government
Attendance: 6/6 Board
15/16 Committee



Regina Toth
Director
Nominated by the Federal Government
Attendance: 3/6 Board
6/11 Committee

Prince George Nechako River
Tourism Prince George/
Darrin Rigo

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

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 Code of Conduct and Conflict of Interest Policy, with all Directors completing annual disclosures and upholding the highest standards of integrity and responsibility.

In 2025, 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 bylaws, all contracts exceeding an annually threshold are subject to a public tendering process. For 2025, this threshold was \$143,150 and all qualifying contracts were awarded through competitive bids.

Through regular reporting, policy oversight, and public engagement, the Board remains accountable to the communities it serves, balancing economic sustainability with public benefit.

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 2025, annual retainers for officers and directors were as follows:

Chair	\$13,000
Vice Chair	\$6,500
Secretary and Human Resources Committee Chair	\$7,000
Treasurer and Finance Committee Chair	\$7,000
Major Projects and Environment Committee Chair	\$6,500
Governance Committee Chair	\$6,500
Economic Development and Marketing Committee Chair	\$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 frameworks for excluded staff.

The combined salaries of management and excluded staff in 2025 totaled \$1,361,389.

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 oversight, guidance, and accountability, supporting effective governance and sound financial stewardship.

By meeting regularly throughout the year, committees enable the Board to address complex matters efficiently and make informed decisions in support of the Authority's mandate.

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



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BDO Canada LLP
 300 - 275 Lansdowne Street
 Kamloops, BC V2C 6J3



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, 2025, 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.

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.



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
March 26, 2026

Prince George Airport Authority Inc. Statement of Financial Position

December 31	2025	2024
Assets		
Current		
Cash	\$ 7,631,072	\$ 6,815,645
Externally restricted cash (Note 3)	4,317,005	-
Term deposits	25,030	23,651
Accounts receivable (Note 4)	1,433,554	1,209,304
Inventories	46,411	58,268
Prepaid expenses	625,091	650,509
Derivative financial instrument (Note 9)	101,131	141,498
	<u>14,179,294</u>	<u>8,898,875</u>
Capital assets (Note 5)	63,552,161	64,319,256
Defined benefit asset (Note 6)	839,000	854,000
	<u>\$ 78,570,455</u>	<u>\$ 74,072,131</u>
Liabilities and Net Assets		
Current		
Bank demand loans (Note 7)	\$ 3,224,356	\$ 3,444,356
Accounts payable and accrued liabilities (Note 8)	2,466,113	1,752,278
Deferred revenue	34,527	313,688
Current portion of deferred capital contributions (Note 10)	1,859,161	1,786,169
	<u>7,584,157</u>	<u>7,296,491</u>
Deferred capital contributions (Note 10)	13,662,189	14,690,278
	<u>21,246,346</u>	<u>21,986,769</u>
Net Assets		
Capital Fund		
Invested in capital assets (Note 13)	45,679,544	44,424,241
Restricted airport improvement fee (Note 14)	3,346,351	-
Future capital general reserve (Note 15)	1,000,000	-
Unrestricted operating net assets	7,298,214	7,661,121
	<u>57,324,109</u>	<u>52,085,362</u>
	<u>\$ 78,570,455</u>	<u>\$ 74,072,131</u>

On behalf of the Board:

Alain Lefebvre

Director

Signed by:

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 13)	Restricted airport improvement fee (Note 14)	Future capital general reserve (Note 15)	Unrestricted	2025 Total	2024 Total
Balance, beginning of the year	\$ 44,424,241	\$ -	\$ -	\$ 7,661,121	\$52,085,362	\$ 46,853,518
Excess (deficiency) of revenues over expenses	(3,243,815)	7,625,469	-	857,093	5,238,747	5,231,844
Capital asset additions	4,279,118	(4,279,118)	-	-	-	-
Transfers	-	-	1,000,000	(1,000,000)	-	-
Repayment of cargo warehouse loan	220,000	-	-	(220,000)	-	-
Balance, end of the year	\$ 45,679,544	\$ 3,346,351	\$ 1,000,000	\$ 7,298,214	\$57,324,109	\$ 52,085,362

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	2025	2024
Revenue		
Landing fee	\$ 3,764,937	\$ 3,545,016
Other income	1,801,154	1,857,989
Parking	2,494,330	2,593,956
General terminal	1,951,308	1,798,303
Rental income	1,034,025	1,185,507
Concessions	910,196	898,841
	<u>\$ 11,955,950</u>	<u>\$ 11,879,612</u>
Expenses		
Administration	\$ 1,830,848	\$ 1,457,836
Insurance	317,692	349,219
Land lease (Note 11)	526,235	514,367
Operations	3,259,692	3,284,599
Property taxes	180,813	175,974
Salaries and benefits	4,350,339	3,856,262
Utilities	472,372	499,142
	<u>10,937,991</u>	<u>10,137,399</u>
Operating surplus	<u>1,017,959</u>	<u>1,742,213</u>
Other items		
Airport improvement fee (net) (Note 14)	7,633,271	7,395,646
Amortization of deferred capital contributions (Note 10)	1,802,379	1,757,168
Remeasurement of pension benefit assets (Note 6)	(4,000)	(343,000)
Unrealized loss on derivative financial instrument (Note 9)	(40,367)	(100,981)
Gain (loss) on foreign exchange	(2,337)	5,324
Gain on disposal of capital assets	1,342	10,267
Interest on long-term debt	(123,306)	(352,154)
Amortization of capital assets	(5,046,194)	(4,882,639)
	<u>4,220,788</u>	<u>3,489,631</u>
Excess of revenues over expenses	<u>\$ 5,238,747</u>	<u>\$ 5,231,844</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	2025	2024
Cash flows from operating activities		
Cash receipts from customers and government funders	\$ 20,845,484	\$ 21,644,132
Cash paid to employees and suppliers	(12,061,179)	(12,946,941)
	<u>8,784,305</u>	<u>8,697,191</u>
Cash flows from investing activities		
Purchase of term deposits	(1,379)	(2,626)
Cash contributions received for capital assets	847,282	-
Purchase of capital assets	(4,279,118)	(3,900,265)
Proceeds on disposal of capital assets	1,342	10,267
	<u>(3,431,873)</u>	<u>(3,892,624)</u>
Cash flows from financing activities		
Repayment of long-term debt	-	(3,965,902)
Repayment of demand loan	(220,000)	(220,000)
	<u>(220,000)</u>	<u>(4,185,902)</u>
Net increase in cash	5,132,432	618,665
Cash, beginning of the year	6,815,645	6,196,980
Cash, end of the year	<u>\$ 11,948,077</u>	<u>\$ 6,815,645</u>

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

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

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:

Reserve Funds Externally restricted funds are resources subject to restrictions imposed by external parties, such as government, funding agencies, or other third parties through legislation, contribution agreements, or contractual agreements.

Internally restricted funds are resources that have been restricted by the Authority's board of directors for specific purposes, such as capital projects, future operating requirements, or strategic initiatives.

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

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.

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

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 14) 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.

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies (continued)

Inventory	The inventory of consumable supplies is recorded at the lower of cost, determined on a first-in first-out basis and estimated net realizable value.																		
Land Lease	The Land lease is accounted for as an operating lease as described in Note 11.																		
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 border="0" style="margin-left: 20px;"> <tr> <td colspan="2">Leasehold improvements</td> </tr> <tr> <td style="padding-left: 20px;">Building</td> <td style="text-align: right;">4%</td> </tr> <tr> <td style="padding-left: 20px;">Fuel farms</td> <td style="text-align: right;">2.5%</td> </tr> <tr> <td style="padding-left: 20px;">Other</td> <td style="text-align: right;">5-33%</td> </tr> <tr> <td style="padding-left: 20px;">Runway</td> <td style="text-align: right;">5 - 50 years</td> </tr> <tr> <td style="padding-left: 20px;">Parking facilities and roadway system</td> <td style="text-align: right;">5%</td> </tr> <tr> <td style="padding-left: 20px;">Automotive</td> <td style="text-align: right;">10%</td> </tr> <tr> <td style="padding-left: 20px;">Computer hardware and software</td> <td style="text-align: right;">33%</td> </tr> <tr> <td style="padding-left: 20px;">Machinery and other equipment</td> <td style="text-align: right;">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>																		

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies (continued)

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> <ol style="list-style-type: none"> 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. <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>
Derivative of financial instruments	<p>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, 2025, the Authority has no derivative financial instruments which have been designated as hedges.</p>
Deferred contributions related to capital assets	<p>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.</p>
Income taxes	<p>The Authority is exempt from federal and provincial income taxes as well as capital tax.</p>

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies (continued)

Measurement uncertainty (use of estimates) 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.

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.

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.

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

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. Externally Restricted Cash

As at the reporting date, the Authority held cash subject to external restrictions on use, which is presented separately from unrestricted cash and cash equivalents.

Restricted cash represents the unspent portion of Airport Improvement Fee ("AIF") collected and reserved in accordance with the Airport Improvement Fee Agreement dated March 1, 2025 (Note 14). Under the terms of the agreement, these funds may only be used for eligible airport infrastructure expenditures and are not available for general operating purposes.

The restrictions on these funds remain in place until qualifying expenditures are incurred in accordance with the AIF Agreement.

4. Accounts Receivable

	2025	2024
Accounts receivable	\$ 1,573,554	\$ 1,536,587
Allowance for doubtful accounts	(140,000)	(327,283)
	\$ 1,433,554	\$ 1,209,304

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

5. Capital assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 15,669,335	\$ -	\$ 15,669,335	\$ -
Leasehold improvements				
Building	35,199,844	18,184,624	34,940,965	16,644,706
Fuel farms	3,662,224	1,364,440	2,934,304	1,257,485
Other	3,533,353	1,803,951	3,532,171	1,630,743
Runway	40,981,001	26,477,369	40,968,009	24,409,838
Parking facilities and roadway	9,563,108	6,657,719	9,437,571	6,103,174
Automotive	249,292	180,934	269,770	161,400
Computer hardware and software	822,313	624,606	883,235	668,091
Machinery and other equipment	12,517,211	5,952,708	11,087,249	5,471,192
Construction in progress/ equipment not in use	2,600,831	-	943,276	-
	<u>124,798,512</u>	<u>61,246,351</u>	<u>120,665,885</u>	<u>56,346,629</u>
		<u>\$63,552,161</u>		<u>\$64,319,256</u>

During the year, there was \$146,491 (2024 - \$54,591) in assets that were fully amortized that were disposed of.

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

6. 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 39 (2024 - 31) participating employees. The defined benefit component of the pension plan has 1 (2024 - 1) participating employee(s). The Authority pension contributions for the defined contribution component was \$154,779 in 2025 (2024 - \$142,752) and the defined benefit component was \$nil in 2025 (2024 - \$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, 2025 is as follows:

	2025	2024
Market value of plan assets	\$ 4,221,000	\$ 4,260,000
Accrued defined benefit obligation	<u>(3,382,000)</u>	<u>(3,406,000)</u>
Defined benefit asset	<u>\$ 839,000</u>	<u>\$ 854,000</u>

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

	2025	2024
Interest less net return on plan assets	\$ 20,000	\$ 93,000
Actuarial losses	-	246,000
Losses on non-investment expense	<u>(16,000)</u>	<u>4,000</u>
Total remeasurement	<u>\$ 4,000</u>	<u>\$ 343,000</u>

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

6. Pension Plan (continued)

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

	2025	2024
Discount rate	4.00%	4.00%
Rate of compensation increase	2.50%	2.50%
Rate of inflation	2.00%	2.00%

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

Employees' contribution	3,000	3,000
Benefits paid	(179,000)	(174,000)

Plan Assets consists of:

Debt securities	32.1%	32.3%
Alternatives (Annuity Buy-ins)	67.9%	67.7%

Prince George Airport Authority Inc. Notes to Financial Statements

December 31, 2025

7. Bank demand loans

	2025	2024
CIBC Demand loan - repayable in monthly installments of \$18,333 plus interest at the Authority's option of prime rate per annum (December 31, 2025 - 4.09%; December 31, 2024 - 5.83%) or a Banker's Acceptance at the daily CDOR rate plus a 1.5% stamping fee. Secured as described below and maturing in 2026	\$ 3,224,356	\$ 3,444,356

In 2025, 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, 2025.

In addition, the Authority maintains a business credit card facility and a contingency foreign exchange facility. The credit card facility has an aggregate limit of \$75,000 and is repayable on demand in accordance with the cardholder agreement. The contingency foreign exchange facility has a limit of US\$250,000 and may be terminated by CIBC at any time.

Under the terms of the credit agreement, the Authority is required to maintain sufficient cash flow such that net income, together with depreciation and amortization and unrestricted passenger facility charges, provides 100% coverage of scheduled debt repayments and capital expenditures not funded by arranged financing. The agreement also restricts the creation of liens on the Authority's assets without lender consent.

As at December 31, 2025, the Authority was in compliance with all covenants associated with the credit agreement.

Future principal 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	2,344,372
	<u>\$ 3,224,356</u>

Prince George Airport Authority Inc.

Notes to Financial Statements

December 31, 2025

8. Accounts payable and accrued liabilities

	2025	2024
Trade payables	\$ 1,729,863	\$ 1,151,765
Payroll accruals	718,348	553,460
Government remittances payable	17,902	47,053
	<u>\$ 2,466,113</u>	<u>\$ 1,752,278</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 \$3,059,357 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, 2025, the fair market value of this derivative contract was \$101,131 (2024 - \$141,498). 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:

	2025	2024
Balance, beginning of year	\$ 16,476,447	\$ 18,233,615
BCCAP - Fuel Truck Project	612,542	-
BCCAP - Runway Lighting Project	234,740	-
Less: Amounts recognized as revenue during the year	<u>(1,802,379)</u>	<u>(1,757,168)</u>
Balance, end of year	15,521,350	16,476,447
Less current portion	<u>(1,859,161)</u>	<u>(1,786,169)</u>
	<u>\$ 13,662,189</u>	<u>\$ 14,690,278</u>

Prince George Airport Authority Inc.

Notes to Financial Statements

December 31, 2025

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 2025 was \$526,235 (2024 - \$514,367).

12. Commitments

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

2026	<u>\$ 110,00</u>
------	------------------

13. Invested in capital assets

	2025	2024
Opening balance	\$ 44,424,241	\$ 39,463,545
Capital asset additions, including construction in progress	4,279,118	3,900,265
Payment of long term debt	220,000	4,185,902
	<u>48,923,359</u>	<u>47,549,712</u>
Amortization	<u>(5,046,194)</u>	<u>(4,882,639)</u>
Amortization of deferred contributions related to capital assets	1,802,379	1,757,168
	<u>(3,243,815)</u>	<u>(3,125,471)</u>
	<u>\$ 45,679,544</u>	<u>\$ 44,424,241</u>

Prince George Airport Authority Inc.

Notes to Financial Statements

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14. Airport improvement fee

On March 1, 2025, 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 net of a 4% handling fee withheld by airlines. Excess of revenue over expenses reported in AIF equity during the year \$7,625,469 reflect total AIF revenue \$7,633,271 net of financing charges of \$7,802.

During the year, the Authority did not spend all AIF amounts received, and as such, the unspent amounts are shown as restricted surplus funds to be spent in future periods in accordance with the AIF Agreement.

15. Internally restricted

During the year, the Prince George Airport Authority Inc.'s board of directors internally restricted resources amounting to \$1,000,000 (2024 - \$nil). This reserve was created based on future projected capital project and is not available for other purposes without the approval of the board of directors.

Prince George Airport Authority Inc.

Notes to Financial Statements

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16. 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 9 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, 2025, 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, 2025, three customers (2024 - four) accounted for 74% (2024 - 69%) 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

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17. Uncertainty Related to Tariffs

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

In 2025, the Prince George Airport Authority invested in infrastructure and equipment to support safe, reliable operations and prepare for future growth. These investments reflect a balanced approach, maintaining essential assets while advancing projects that improve efficiency and service across the airport campus.

During the year, capital spending totaled \$4.2 million, with key projects completed or underway as outlined below.

	Thousands \$
4x4 Sweeper	1,600.1
Heavy Duty Plow/Spreader Truck	700.0
Fuel Truck - deposit in 2024; delivery in 2025	591.6
Runway Edge Lights and Pull-Pits on 01-19 - Phase 1 in 2025; Phase 2 in 2026	366.9
Groundside Snow Plow	281.1
Baggage Alignment Machine - deposit in 2025; delivery in 2026	115.6
Restaurant Equipment	113.9
Security Desk Relocation	83.5
Security / IT	33.4

2025 Actual vs. Business Plan Shown in thousands of dollars.

	Actual	Plan	Difference	Explanation
Revenues (net of gov't funding)	\$19,589.2	\$19,133.6	\$455.6	Aeronautical, concessions, AIF, and interest revenues higher than planned.
Expenses	\$10,137.4	\$11,503.7	\$ (1,366.3)	Salaries, training, marketing, utilities, and fuel lower than budget.
Capital	\$3,688.8	\$7,228.2	\$ (3,539.4)	Delayed projects to 2026 due to scope change/order timelines.
Capital prior Year Carryover	\$591.6	\$628.9	\$ (37.3)	Fuel truck came in under budget. CCTV upgrades to be completed in 2026.

Business Plan Cash Flow Forecast 2026 - 2030 Shown in thousands of dollars.

	2026	2027	2028	2029	2030
Revenue	\$19,589.2	\$20,369.3	\$21,031.0	\$21,557.3	\$22,085.6
Expenses	\$12,993.1	\$13,154.8	\$13,480.6	\$13,774.0	\$14,158.0
Capital	\$12,513.4	\$7,709.7	\$7,864.1	\$8,021.5	\$8,262.2

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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