



Renforcement des Connexions

Rapport Annuel 2023



Vision

Connecter le monde à notre région

Énoncé de mission

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

Reconnaissance des terres

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

Table des matières

Introduction	3
Faits saillants 2023	4
Rapport du président-directeur général	5
Équipe exécutive	7
Gouvernance d'entreprise	8
Le rapport de l'auditeur	10
États financiers	12
Initiatives d'immobilisations et plan d'affaires	30



Introduction

2023 a été un témoignage de résilience, de croissance et de renforcement des liens au sein de notre communauté. Malgré les défis mondiaux, notamment la pénurie de personnel aéronautique, en particulier d'équipage de conduite, l'Administration aéroportuaire de Prince George (PGAA) est restée ferme dans son engagement envers la sécurité et l'excellence opérationnelle.

Nous sommes heureux d'annoncer une augmentation continue du nombre de passagers à YXS, avec 417 848 passagers transitant par notre aéroport, soit une augmentation remarquable de 14,58 % par rapport à l'année précédente. Avec une croissance continue attendue, nous visons à dépasser les niveaux d'avant la COVID-19 d'ici la fin de 2024.

Sur le plan financier, la PGAA a connu du succès, avec des revenus dépassant les dépenses de 3,3 millions de dollars. Cependant, nous reconnaissons les défis à venir, en particulier avec les projets d'investissement imminents. Une planification stratégique et des initiatives de financement solides seront essentielles pour pérenniser ces rendements.

Nos efforts pour engager des compagnies aériennes partenaires ont abouti à une capacité accrue sur les routes existantes et à l'introduction d'un service saisonnier sans escale vers Puerto Vallarta, qui a été bien accueilli par la communauté.

De plus, la PGAA est restée déterminée à soutenir les initiatives communautaires locales et à renforcer les liens, comme en témoigne l'accord de collaboration historique avec la Première Nation Lheidli T'enneh. Grâce à des initiatives telles que l'intégration d'éléments autochtones dans les infrastructures aéroportuaires et la participation active à des événements communautaires, nous continuons d'approfondir nos liens avec la région.

À l'horizon 2024, la PGAA est prête à poursuivre sa croissance et son engagement communautaire. Nous exprimons notre gratitude à nos employés dévoués, aux membres estimés du conseil d'administration et à nos précieux partenaires pour leur soutien indéfectible. Ensemble, nous nous engageons à bâtir un aéroport prospère qui servira de plaque tournante pour la connectivité et la prospérité à Prince George.



Faits saillants 2023



Rapport du président-directeur général

2023 a marqué un chapitre de résilience, de croissance et de renforcement des liens. Nous avons surmonté des défis, atteint de nouveaux sommets et forgé des relations significatives au sein de notre communauté. Malgré la pénurie mondiale de personnel aéronautique, en particulier d'équipage de conduite, la PGAA est restée optimiste et adaptée tout en maintenant son engagement inébranlable envers des normes de sécurité élevées et l'excellence opérationnelle tout au long de 2023.

Nous sommes ravis d'annoncer que le nombre de passagers à YXS continue d'augmenter par rapport à l'année précédente. En 2023, YXS a accueilli 417 848 passagers, soit une augmentation de 14,58 %. Nous prévoyons que cette tendance se poursuivra, pour atteindre idéalement des chiffres pré-COVID comme la moyenne de 2017-2019 de 500 000 passagers d'ici la fin de 2024.

Au milieu de nos réalisations financières, avec des revenus dépassant les dépenses de 3,3 millions de dollars, nous reconnaissons les défis à venir. Avec des projets d'investissement imminents à l'horizon, maintenir ces rendements sera un défi et nécessitera une planification stratégique et des initiatives de financement solides.

Notre stratégie consistant à présenter des arguments marketing solides aux compagnies aériennes partenaires a abouti à une capacité supplémentaire sur les routes existantes et à une nouvelle destination avec un service saisonnier sans escale vers Puerto Vallarta. Ce service non-stop a été très bien accueilli par la communauté et connaît de bons coefficients de remplissage.

L'accent mis par la PGAA sur le soutien aux initiatives communautaires locales et le renforcement des liens est resté constant tout au long de 2023. À un moment historique, la PGAA et la Première Nation Lheidli T'enneh (LTFN) ont forgé un accord de collaboration historique en février, symbolisant un cheminement commun vers la réconciliation économique et culturelle. Pour intégrer des éléments autochtones dans l'infrastructure et les pratiques commerciales de YXS, l'équipe de la PGAA a visité l'exposition du LTFN à Exploration Place sous la tutelle d'un expert en histoire et sous la direction de la Société des aînés du LTFN, nous avons pu produire des résultats tangibles. Nous avons le privilège d'exposer les panneaux de la Société des Aînés de la Première Nation de LTFN à l'intérieur du bâtiment terminal. Ces panneaux retracent l'histoire et les contributions de la LTFN et éduquent le public voyageur sur la riche histoire autochtone de notre région. De nouveaux mâts de drapeaux ont également été installés et arborent fièrement le

drapeau de la LTFN pour que tous les utilisateurs de l'aéroport puissent le voir. La PGAA est reconnaissante du soutien de Tourisme Prince George pour ces initiatives, et nous sommes impatients de poursuivre la collaboration sur ce projet évolutif.

Au-delà des activités commerciales, le personnel de la PGAA a participé activement à une multitude d'initiatives communautaires, incarnant notre éthique de responsabilité sociale d'entreprise. Qu'il s'agisse de livrer des repas par le biais de Meals on Wheels, de parrainer un prix lors des Business Excellence Awards de la Chambre de commerce, d'offrir un soutien au True North Business Forum, de collecter des fonds pour la campagne Tree of Lights de la United Way, de faire du bénévolat lors d'événements tels que le Festival des arbres, ou de mener des campagnes de dons pour diverses œuvres caritatives pendant la saison de Noël, la PGAA est restée profondément ancrée dans le cœur de notre communauté.

La PGAA a tenu son Assemblée publique annuelle en mai à la Maison des Ancêtres. Cet événement a été bien fréquenté et a offert une plateforme au public pour poser des questions et soulever des préoccupations.

Au début du mois de juin, la PGAA a accueilli la Conférence annuelle du Conseil de l'aviation de la Colombie-Britannique, soulignant ainsi notre engagement à mettre en valeur le potentiel de Prince George sur une plus grande scène. Les points forts comprenaient une visite de brasseries artisanales, une promenade organisée au parc Cottonwood Island avec un banquet de conférence organisé au Northern Estate Winery. Lors de la Conférence, la PGAA était heureuse de co-parrainer une bourse de 3000 \$ au nom de la Chef Lheidli T'enneh Dolleen Logan, à attribuer à un étudiant autochtone canadien entrant dans le domaine de l'aviation et de l'aérospatiale ou déjà engagé dans ces études.

Le programme d'ambassadeurs bénévoles de la PGAA continue d'être une ressource précieuse pour les visiteurs à la recherche d'informations et de ressources. En décembre, la PGAA a adopté le programme Sunflower pour les handicaps cachés pour aider à soutenir discrètement les voyageurs qui pourraient avoir besoin d'une aide supplémentaire, de compréhension ou simplement de plus de temps. Depuis son lancement en 2016, plus de 240 aéroports dans plus de 30 pays, et 17 compagnies aériennes dans le monde entier, ont rejoint le réseau Sunflower.

Il y a 12 postes d'administrateurs au conseil d'administration de l'Autorité aéroportuaire de Prince George. À l'heure

actuelle, il y a 11 membres. En 2023, nous avons dit au revoir à Emily Cheung et Shauna Harper et nous avons accueilli Kimberly Pavao en tant que nouvelle administratrice. Nous les remercions tous pour leur contribution à notre conseil. Les membres du conseil sont restés très actifs en 2023, siégeant à cinq comités : le Comité de gouvernance, le Comité des finances et de la vérification, le Comité des ressources humaines, le Comité du développement économique et du marketing, et le Comité des grands projets et de l'environnement.

En regardant vers l'avenir en 2024, la PGAA est prête à approfondir nos liens, à renforcer nos partenariats communautaires et à poursuivre des voies de croissance

durable. Alors que nous entamons ce voyage, nous exprimons notre gratitude sincère à nos employés dévoués, à nos estimés membres du conseil d'administration et à nos précieux partenaires pour leur soutien indéfectible et leurs contributions à notre succès. Nous sommes impatients de poursuivre notre relation avec la Première Nation Lheidli T'enneh et nous nous engageons à rechercher des opportunités de financement qui soutiennent nos besoins en capital et compensent les coûts d'exploitation.

Tous les projets nécessitant un examen en vertu de la Loi canadienne sur l'évaluation environnementale ont été soumis à cet examen. Les évaluations sont disponibles sur demande [e-mail].



Gordon Duke
Président et CEO,
Autorité aéroportuaire de Prince George



Derek Dougherty
Président du conseil,
Autorité aéroportuaire de Prince George



Équipe exécutive



Gordon Duke
Président et CEO



Lindsay Andrezza
Gestionnaire des Communications et des Relations Communautaires



Sabrina Angus
Gestionnaire des Ressources Humaines



Chistine Blok
Gestionnaire du marketing et du développement des services aériens
(Arrivée en janvier 2024)



Trevor Gust
Gestionnaire des Opérations



Michelle Kenny
Gestionnaire des Services Généraux



Robyn Leichner
Gestionnaire de la Comptabilité



Kristy MacLean
Assistante de Direction et Liaison avec le Conseil d'Administration



Geoff Stocks
Gestionnaire de la Sécurité et de la Conformité Réglementaire



Chrisie Berry
Assistante de direction et liaison avec le conseil d'administration
(On Leave)



Diane Bertram
Directrice des Finances et de l'Administration
(Parti en novembre 2023)



Veronica Laass
Gestionnaire de la Comptabilité
(Parti en mars 2023)

Gouvernance d'entreprise

La mission de l'Autorité aéroportuaire de Prince George est d'exploiter un aéroport sûr et sécurisé avec des installations et des services passagers orientés vers la qualité, ainsi qu'un secteur du fret en développement, de manière économiquement durable et écologiquement responsable, contribuant au développement économique régional.

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

Le Conseil a la responsabilité de superviser la conduite des affaires de l'Autorité et de diriger et superviser la gestion, qui est responsable de l'exploitation quotidienne des affaires. Dans l'exercice de ses fonctions, le Conseil tient également compte des intérêts légitimes que d'autres parties telles que les employés, les fournisseurs, les clients et les communautés ont dans l'Autorité. En supervisant la conduite des affaires, le Conseil, par l'intermédiaire du président-directeur général, établira les normes de conduite de l'Autorité et veillera à la sécurité de ses opérations.



Derek Dougherty

Président – Conseil d'administration
Nominés par le district régional de Fraser-Fort George
Conseil d'administration 6/6*, Comité 21/30



Emily Cheung

Vice-Présidente – Conseil d'administration
Présidente – Comité des Grands Projets et de l'Environnement
Nommée par le district régional de Fraser-Fort George
Conseil d'administration 5/6*, Comité 17/30



Alain LeFebvre

Trésorier – Conseil d'administration
Président – Comité des finances et de vérification
Nommé par la Ville de Prince George
Conseil d'administration 6/6, Comité 11/12



Todd Corrigan

Secrétaire – Conseil d'administration
Nommé par la Chambre de commerce de Prince George
Conseil d'administration 6/6, Comité 2/12



Shauna Harper

Directrice
Nommée par la Ville de Prince George
Conseil d'administration 5/6, Comité 10/11



Terry Kuzma

Directeur
Nommé par l'Autorité aéroportuaire de Prince George
Conseil d'administration 5/6, Comité 4/11



Kimberly Pavao

Directrice
Nommée par l'Autorité aéroportuaire de Prince George
Conseil d'administration 2/6, Comité 1/1



Frank Robertson

Directeur
Nommé par l'Autorité aéroportuaire de Prince George
Conseil d'administration 4/6, Comité 7/7



Sandra Rossi

Présidente – Comité des Ressources Humaines
Nommée par l'Autorité aéroportuaire de Prince George
Conseil d'administration 5/6, Comité 7/7



Katherine Scouten

Présidente – Comité du Développement Économique et du Marketing
Nommée par le gouvernement provincial
Conseil d'administration 5/6, Comité 6/6



Regina Toth

Directrice
Nommée par le gouvernement fédéral
Conseil d'administration 4/6

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

Conseil d'administration

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

Entités de nomination

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

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

Compétences et l'expérience

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

Responsabilité

L'Autorité aéroportuaire de Prince George est parfaitement consciente de la confiance que lui accordent la communauté et ses parties prenantes. Le conseil d'administration a adopté un code de conduite. Les membres du conseil examinent et signent les déclarations annuelles de conflits d'intérêts potentiels tout en respectant les lignes directrices de la politique sur les conflits d'intérêts du conseil tout au long de l'année. Il n'y a eu aucune infraction au Code de conduite en 2023.

Le maintien de la transparence et de l'ouverture avec le public fait partie intégrante de la bonne gouvernance. Le conseil d'administration adhère au règlement 14.5 qui stipule que les contrats dépassant une valeur totale de 75 000 \$ (sujets à un ajustement annuel pour l'inflation selon l'indice des prix à la consommation basé sur les dollars de 1994) seront attribués sur la base d'un processus d'appel d'offres public. Pour l'année 2023, la valeur ajustée était de 138 204 \$ et tous les contrats d'une valeur égale ou supérieure à cette somme ont été attribués par appel d'offres.

Comités

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

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

Compensation

La rémunération du conseil est revue annuellement par le comité de gouvernance. En 2023, les dirigeants de la société et les administrateurs ont reçu les honoraires annuels suivants :

Président	\$ 13,000
Vice-Président et Président du Comité des Grands Projets et de l'Environnement	\$ 6,500
Secrétaire et Président du Comité de Gouvernance	\$ 7,500
Trésorier et Président du Comité des Finances et de la Vérification	\$ 6,500
Président du Comité des Ressources Humaines	\$ 7,500
Président du Comité du Développement Économique et du Marketing	\$ 5,500
Membres du Conseil	\$ 4,500

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

Agissant sur la recommandation du comité des ressources humaines et de la rémunération, le conseil a la responsabilité d'approuver la nomination et la rémunération de la haute direction, d'approuver les modalités de rémunération totale du personnel exclu et de s'assurer que des plans sont élaborés pour la relève et le perfectionnement de la direction. Les salaires combinés de la direction de l'Autorité aéroportuaire de Prince George et du personnel exclu pour l'année 2023 se sont élevés à 1 154 336 \$.



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Le rapport du vérificateur indépendant

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

Opinion

We have audited the financial statements of Prince George Airport Authority (the Authority), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

BDO Canada LLP

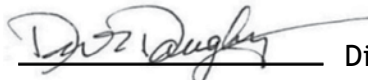
Chartered Professional Accountants


Prince George, British Columbia
June 17, 2024

État de la situation financière

December 31	2023	2022
Assets		
Current		
Cash	\$ 6,196,980	\$ 4,745,691
Term deposits	21,025	18,478
Accounts receivable	1,612,207	1,836,714
Inventories	57,944	29,270
Prepaid expenses	598,748	540,412
Derivative financial instrument (Note 8)	242,479	333,121
	<u>8,729,383</u>	<u>7,503,686</u>
Capital assets (Note 3)	65,301,630	62,753,612
Defined benefit asset (Note 4)	1,182,000	1,135,000
	<u>\$75,213,013</u>	<u>\$ 71,392,298</u>
Liabilities and Net Assets		
Current		
Bank demand loans (Note 5)	\$ 3,664,356	\$ 3,884,356
Accounts payable and accrued liabilities (Note 6)	2,486,395	1,682,888
Deferred revenue	9,227	17,076
Current portion of long-term debt (Note 7)	1,261,209	1,261,209
Current portion of deferred contributions related to capital assets (Note 9)	1,755,647	1,615,245
	<u>9,176,834</u>	<u>8,460,774</u>
Long-term debt (Note 7)	2,704,693	3,965,902
Deferred contributions related to capital assets (Note 9)	16,477,968	15,451,287
	<u>28,359,495</u>	<u>27,877,963</u>
Net Assets		
Invested in capital assets (Note 11)	39,463,545	36,601,400
Unrestricted	7,389,973	6,912,935
	<u>46,853,518</u>	<u>43,514,335</u>
	<u>\$75,213,013</u>	<u>\$ 71,392,298</u>

On behalf of the Board:

 Director

 Director

État des variations de l'actif net

For the year ended December 31	Invested in Capital Assets (Note 11)	Restricted Airport Improvement fee (Note 13)	Unrestricted (Note 12)	2023 Total	2022 Total
Balance, beginning of the year	\$ 36,601,400	\$ -	\$ 6,912,935	\$43,514,335	\$ 42,466,229
Excess (deficiency) of revenues over expenses	(5,750,709)	4,593,207	4,496,685	3,339,183	1,048,106
Capital asset additions	7,131,645	(3,331,998)	(3,799,647)	-	-
Repayment of cargo warehouse loan	220,000	-	(220,000)	-	-
Repayment of NDIT loan	1,261,209	(1,261,209)	-	-	-
Balance, end of the year	\$ 39,463,545	\$ -	\$ 7,389,973	\$46,853,518	\$ 43,514,335

État des opérations

For the year ended December 31	2023	2022
Revenue		
Landing fee	\$ 3,175,810	\$ 2,558,052
Other income	2,453,681	1,568,599
Parking	2,525,769	1,910,588
General terminal	1,431,685	1,327,328
Rental income	527,529	450,238
Concessions	845,266	536,934
	<u>10,959,740</u>	<u>8,351,739</u>
Expenses		
Administration	1,207,397	886,299
Insurance	336,368	288,437
Operations	3,328,299	2,955,074
Property taxes	152,418	160,505
Salaries and benefits	3,579,535	3,342,212
Utilities	542,278	517,287
	<u>9,146,295</u>	<u>8,149,814</u>
Operating surplus	<u>1,813,445</u>	<u>201,925</u>
Other items		
Government assistance (Note 12)	-	694,987
Airport improvement fee (net) (Note 13)	4,924,866	3,976,191
Amortization of deferred contributions related to capital assets (Note 9)	1,668,592	1,599,954
Remeasurement of pension benefit assets (Note 4)	30,000	(920,000)
Unrealized gain(loss) on derivative financial instrument (Note 8)	(90,642)	344,385
Gain on foreign exchange	33,135	-
Gain on disposal of capital assets	5,714	-
Interest on long-term debt	(462,302)	(396,771)
Amortization of capital assets	(4,583,625)	(4,452,565)
	<u>1,525,738</u>	<u>846,181</u>
Excess of revenues over expenses	<u>\$ 3,339,183</u>	<u>\$ 1,048,106</u>

État des flux de trésorerie

For the year ended December 31	2023	2022
Cash flows from operating activities		
Cash receipts from customers and government funders	\$17,712,349	\$ 15,110,410
Cash paid to employees and suppliers	(10,487,050)	(10,191,033)
	<u>7,225,299</u>	<u>4,919,377</u>
Cash flows from investing activities		
Purchase of term deposits	(2,547)	(2,308)
Cash contributions received for capital assets	2,835,676	1,198,656
Purchase of capital assets	(7,131,645)	(1,954,032)
Proceeds on disposal of capital assets	5,714	-
	<u>(4,292,802)</u>	<u>(757,684)</u>
Cash flows from financing activities		
Repayment of long-term debt	(1,261,208)	(1,261,209)
Repayment of demand loan	(220,000)	(1,967,982)
	<u>(1,481,208)</u>	<u>(3,229,191)</u>
Net increase in cash	1,451,289	932,502
Cash, beginning of the year	<u>4,745,691</u>	<u>3,813,189</u>
Cash, end of the year	<u>\$ 6,196,980</u>	<u>\$ 4,745,691</u>

Notes aux états financiers

December 31, 2023

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.

Notes aux états financiers

December 31, 2023

1. Significant Accounting Policies (continued)

Financial asset impairment

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

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

Revenue Recognition

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

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

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

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

Inventory

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

Notes aux états financiers

December 31, 2023

1. Significant Accounting Policies (continued)

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

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

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

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

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

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

The Authority recognizes:

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

b) the cost of the plan for the year.

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

Notes aux états financiers

December 31, 2023

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, 2023, the Authority has no derivative financial instruments which have been designated as hedges.
Deferred contributions related to capital assets	Contributions towards capital expenditures are accounted for under the deferral method whereby the contributions are deferred and brought into income on a basis consistent with the amortization of the related capital assets.
Income taxes	The Authority is exempt from federal and provincial income taxes as well as capital tax.
Measurement uncertainty (use of estimates)	<p>The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.</p> <p>Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Employee future benefit asset is based on the most recent actuarial valuation.</p> <p>By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.</p>

Notes aux états financiers

December 31, 2023

2. Incorporation and Nature of Organization

The Prince George Airport Authority Inc. (the "Authority") is incorporated without share capital; incorporated under Part II of the Canadian Business Corporations Act as a not-for-profit organization and thus is exempt from income taxes under section 149(1) of the Income Tax Act (the "Act"). All earnings from operations are reinvested in airport development.

The Authority signed a 60-year ground lease with Transport Canada effective March 31, 2003 ("Canada Lease") and assumed responsibility for the management, operations and development of the Prince George Airport. The lease provides for an option to extend the term a further 20 years.

3. Capital assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$15,669,335	\$ -	\$ 15,669,335	\$ -
Leasehold improvements				
Building	29,748,194	15,224,359	28,159,249	14,053,389
Fuel farms	2,934,304	1,153,584	2,934,304	1,043,200
Other	3,377,390	1,465,620	3,008,874	1,214,316
Runway	40,968,009	22,335,068	40,968,009	20,259,832
Parking facilities and roadway	9,159,387	5,552,905	8,954,003	5,028,669
Automotive	208,281	167,940	241,120	185,543
Computer hardware and software	773,201	612,154	736,690	541,197
Machinery and other equipment	9,437,379	5,006,951	8,043,691	4,759,221
Construction in progress/equipment not in use	4,544,731	-	1,123,704	-
	116,820,211	51,518,581	109,838,979	47,085,367
		\$65,301,630		\$ 62,753,612

During the year, there was \$150,712 in assets that were fully amortized that were disposed of.

Notes aux états financiers

December 31, 2023

4. Pension Plan

The Authority sponsors a pension plan on behalf of its employees, which has defined benefit and defined contribution components. The defined contribution component of the pension plan currently has 26 (2022 - 31) participating employees. The defined benefit component of the pension plan has 1 (2022 - 1) participating employee(s). The Authority pension contributions for the defined contribution component was \$140,444 in 2023 (2022 - \$132,759) and the defined benefit component was \$nil in 2023 (2022 - \$13,900). The defined benefit component applies to employee(s) employed by the Authority on the date of airport transfer, including former Transport Canada employees who may elect to transfer their pensionable service credits under the Public Service Superannuation Act plan to the Authority plan.

Information about the Authority's defined benefit plan contained in the actuarial report prepared as at December 31, 2023 is as follows:

	<u>2023</u>	<u>2022</u>
Market value of plan assets	\$ 4,358,000	\$ 4,106,000
Accrued defined benefit obligation	<u>(3,176,000)</u>	<u>(2,971,000)</u>
Defined benefit asset	<u>\$ 1,182,000</u>	<u>\$ 1,135,000</u>

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

	<u>2023</u>	<u>2022</u>
Interest less net return on plan assets	\$ (256,000)	\$ 777,000
Actuarial (gains)/losses	223,000	138,000
(Gains)/losses on non-investment expense	<u>3,000</u>	<u>5,000</u>
Total remeasurement	<u>\$ (30,000)</u>	<u>\$ 920,000</u>

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

	<u>2023</u>	<u>2022</u>
Discount rate	4.50%	4.50%
Rate of compensation increase	3.50%	2.50%
Rate of inflation	3.00%	2.00%

Notes aux états financiers

December 31, 2023

4. Pension Plan (continued)

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

Employer contribution	-	(13,900)
Employees' contribution	3,000	2,000
Benefits paid	(166,000)	(156,000)

Plan Assets consists of:

Equities securities	0.00%	58.50%
Debt securities	100.00%	29.10%
Other	0.00%	12.50%

Notes aux états financiers

December 31, 2023

5. Bank demand loans

	<u>2023</u>	<u>2022</u>
CIBC Demand loan - repayable in monthly installments of \$18,333 plus interest at the Authority's option of prime rate per annum (December 31, 2023 -7.24%; December 31, 2022 - 6.45%) or a Banker's Acceptance at the daily CDOR rate plus a 1.5% stamping fee. Secured as described below and maturing in 2041.	<u>\$ 3,664,356</u>	<u>\$ 3,884,356</u>

In 2023, 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, 2023.

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:

2024	\$ 219,996
2025	219,996
2026	219,996
2027	219,996
Thereafter	<u>2,784,372</u>
	<u>\$ 3,664,356</u>

6. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u>
Trade payables	\$ 1,954,286	\$ 1,069,673
Payroll accruals	578,670	610,533
Government remittances (recoverable) payable	<u>(46,560)</u>	<u>2,682</u>
	<u>\$ 2,486,396</u>	<u>\$ 1,682,888</u>

Notes aux états financiers

December 31, 2023

7. Long-term debt

	<u>2023</u>	<u>2022</u>
Northern Development Initiative Trust, unsecured, bearing interest at prime rate (December 31, 2023 - 7.24%; December 31, 2022 - 6.45%), monthly payments of \$105,101 plus interest, and maturing February 2027.	\$ 3,965,902	\$ 5,227,111
Less: Current portion	<u>1,261,209</u>	<u>1,261,209</u>
	<u>\$ 2,704,693</u>	<u>\$ 3,965,902</u>

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

2024	\$ 1,261,209
2025	1,261,209
2026	1,261,209
2027	<u>182,275</u>
	<u>\$ 3,965,902</u>

8. Derivative financial instrument

The Authority is party to an interest rate swap contract which terminates in August 2029. Under the terms of the contract, the Authority pays interest at a fixed rate of 1.84%, from September 2019 to August 2029, per annum on the notional capital balance of \$3,719,357 and receives interest at a floating rate based on one-month bankers' acceptance Canadian Dollar Offered Rate ("CDOR") rate plus 1.5% per annum on the same notional capital balance. At December 31, 2023, the fair market value of this derivative contract was \$242,479; 2022 - \$333,121. This value has been recognized as an asset in the financial statements.

Notes aux états financiers

December 31, 2023

9. Deferred contributions related to capital assets

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

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$17,066,532	\$ 17,467,830
British Columbia Air Access	-	898,656
ARFF Shelter	1,039,039	300,000
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>(1,668,592)</u>	<u>(1,599,954)</u>
Balance, end of year	18,233,615	17,066,532
Less current portion	<u>(1,755,647)</u>	<u>(1,615,245)</u>
	<u>\$16,477,968</u>	<u>\$ 15,451,287</u>

Notes aux états financiers

December 31, 2023

10. Commitments

The Authority has a 60 year lease of the Prince George airport facilities with Transport Canada which expires in 2063, with an option to renew for an additional 20 years. At the end of the renewal term, unless otherwise extended, the Authority is obligated to return control of the airport to the landlord.

The rent is calculated based on a formula reflecting annual gross revenues less government contributions, with the first \$5,000,000 exempt from the calculation. The formula is applied at a rate of 1% of adjusted gross revenues in excess of \$5,000,000 and 5% of adjusted gross revenues in excess of \$10,000,000, up to \$25,000,000. Rent charged for 2023 was \$nil (2022 - \$nil). As of March 31, 2020, the Government of Canada has waived airport rent for 2020, and all future rent payable for 2021, 2022, and 2023 as part of the Fall Economic Statement announced November 30, 2020.

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

2024	\$	120,000
2025		120,000
2026		<u>107,500</u>
	\$	<u>347,500</u>

11. Invested in capital assets

	<u>2023</u>	<u>2022</u>
Opening balance	\$36,601,400	\$ 35,469,444
Capital asset additions, including construction in progress	7,131,645	1,954,032
Payment of long term debt	<u>1,481,209</u>	<u>3,229,191</u>
	<u>45,214,254</u>	<u>40,652,667</u>
Amortization	(4,583,625)	(4,452,565)
Amortization of deferred contributions related to capital assets	1,668,592	1,599,954
Deferred contributions received	<u>(2,835,676)</u>	<u>(1,198,656)</u>
	<u>(5,750,709)</u>	<u>(4,051,267)</u>
	<u>\$39,463,545</u>	<u>\$ 36,601,400</u>

Notes aux états financiers

December 31, 2023

12. Government assistance

During the year, the Authority recognized \$nil (2022 - \$57,762) in Canada Emergency Wage Subsidy ("CEWS") and Canada Recovering Hiring Program ("CRHP") as other income.

The Authority has recognized \$nil in COVID-19 relief funding from the Province of British Columbia (2022 - \$637,225).

13. Airport improvement fee

On January 30, 2003, the Authority entered into an agreement (the "AIF Agreement") with the Air Transport Association of Canada and major air carriers serving the Prince George International Airport. The AIF Agreement provides for a consultation process with the air carriers on airport development as well as the collection of an AIF by air carriers. AIF revenues can only be used to pay for airport passenger service facilities development and related financing costs. Earned AIF is a net of a 7% handling fee withheld by airlines. Excess of revenue over expenses reported in AIF equity during the year \$4,593,207 reflect total AIF revenue \$4,924,866 net of interest on long-term debt \$331,659.

Notes aux états financiers

December 31, 2023

14. Financial instruments

Interest rate risk

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

Liquidity risk

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

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

Accounts payable and accrued liabilities are generally repaid within 30 days. As at December 31, 2023, the most significant financial liabilities are bank demand loans, accounts payable and accrued liabilities and long-term debt.

Financial assets

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

Credit Consideration

As at December 31, 2023, four customers (2022 - three) accounted for 76% (2022 - 57%) of trade accounts receivable. The Authority believes that there is no unusual exposure associated with the collection of these receivables. The Authority performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

These risks remain unchanged from the prior year.

Notes aux états financiers

December 31, 2023

15. Global Pandemic

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

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

Initiatives d'immobilisations et plan d'affaires

En 2023, l'aéroport de Prince George a investi dans des projets d'immobilisations totalisant 7,13 millions de dollars. Parmi les projets importants achevés ou en cours en 2023, on trouve :

	Milliers \$
Achat de Balayeuse 4x4	1 322,5
Achat de Camion de Pompiers	1 303,0
Abri pour véhicule de réponse d'urgence – projet commencé en 2022 ; achevé en 2023	1 116,7
Bâtiment de stockage d'équipement du CSB – projet commencé en 2023 ; achevé en 2024	2 271,4
Espace de soulagement pour animaux de service	117,4
Système HVAC du bâtiment terminal	158,9
Remplacement de VUS	73,0
Réhabilitation de drain pluvial	153,8
Système d'irrigation	29,1
Accessoires de lame d'aile pour chargeur	134,2
Mise à niveau du centre de formation des pompiers	15,5
Sécurité / TI	41,1

2023 Réalisé par rapport au Plan d'Affaires

Présenté en milliers de dollars.

	Réel	Plan	Différence	Explication
Revenus (net de l'aide gouvernementale)	15 884,6 \$	13 926,7 \$	1 957,9 \$	Revenus aéronautiques, de stationnement et d'intérêts supérieurs aux prévisions.
Expenses	9 146,3 \$	9 176,8 \$	(30,5) \$	Coûts des salaires et avantages sociaux, ainsi que des opérations de carburant inférieurs aux prévisions.
Capital	3 904,3 \$	6 961,0 \$	(3 506,7) \$	Décalage en raison de projets commencés mais non terminés à la fin de l'année.
Capital prior Year Carryover	3 690,2 \$	3 403,5 \$	286,7 \$	Dépenses supplémentaires en raison du financement reçu pour le projet d'abri ARFF.

Prévision de trésorerie du plan d'affaires pour 2024

Présenté en milliers de dollars.

	2024
Revenus	16 927,1 \$
Expenses	10 056,5 \$
Capital	6 166,0 \$

L'amortissement n'est pas inclus.

Les données ci-dessus reflètent les informations disponibles au moment de la publication. Les résultats réels peuvent varier par rapport aux données fournies.



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