



# Expanding Our Horizons

Celebrating 75 Years  
of Growth

# Go Anywhere From Fredericton



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# A Legacy of Service

## Celebrating Our History, Embracing Our Future

When the Fredericton International Airport (YFC) opened in 1951, it had four employees, and the sole aircraft serving it was a twin-engine Lockheed with a maximum capacity of 10 passengers.

As our 75<sup>th</sup> anniversary draws near, we have come a very long way from those humble, yet visionary, beginnings.

If our founders could see us today, they would likely marvel at our beautiful new terminal, robust flight schedules to Canadian hubs and sun destinations, and large jets coming and going every day. They would also see a thriving airport ecosystem, with tenants including Forest Protection Limited, MFC Training, Canadian Helicopters, and other private aviation businesses, as well as military aircraft.

But those local aviation pioneers might also recognize the essentials that haven't changed from those early days—our airport was built to serve a growing region. Today, 75 years later, a close

connection to our community remains at the heart of everything we do, which we explore on [pages 3-6](#).

Growth hasn't happened overnight, but through investing in infrastructure, strengthening air service, and a continued focus on the traveller experience.

Today, our modern airport is a central travel hub for the Fredericton Capital Region and the province, as more New Brunswick travellers choose YFC for business, opportunity, adventure, and leisure. They value our robust flight schedule to Canadian hubs and tropical destinations, as well as our contemporary terminal, upgraded in 2021, to offer a first-class experience.

This year, we continued on a steady growth trajectory across all metrics, with new airline partners and flights, as well as increased capacity on existing routes. Our 2025 highlights include additional daily Air Canada flights, expanded WestJet service to Calgary, Porter extending the season for its second daily service to Ottawa, and Air Transat joining YFC with non-stop service to Cancun for winter 2026, a great addition to Sunwing's roster of warm-weather destinations. See [pages 7-12](#) for more on our airlines and routes.

In 2025, we also expanded our secondary runway to support continued growth. Today, our runways are capable of handling much larger aircraft, including some of the world's largest planes.

This upward trend is reflected in our passenger numbers, which reached 393,687, up 4.4% from 2024. This track record of year-over-year gains demonstrates sustained momentum, and the increased service shows that air carriers are taking note of the strong demand for service at YFC.

We are also coming up on the 25<sup>th</sup> anniversary of the Fredericton International Airport Authority's (FIAA) operation as a not-for-profit corporation on behalf of Transport Canada. While the airport remains federally owned, the FIAA is responsible for its day-to-day operations and long-term planning. The past 25 years have been driven by steady progress and strong community partnerships.

The FIAA team and our airport partners are vital to this success. They deliver a standout experience, drive our service culture, and, above all, prioritize safety. Our team also includes our exceptional, visionary board. In 2025, Richard Isabelle completed his very successful term as Board Chair. We'd like to acknowledge his contributions, along with all our directors.

Our board and staff know that safety, sustainability, and strategy are also fundamental to how we operate and grow. In 2025, we undertook planning to guide the next five years (see [pages 13-14](#)). We also continued to build our commitments to inclusion and accessibility, with new programs and partnerships (see [pages 15-16](#)).

With a strong foundation and a clear path forward, we are ready for what's next. Thank you to our team, partners, and community for your continued support of your airport.

**Johanne Gallant**  
President & CEO

**Lisa LePage**  
Board Chair

# 2025 by the Numbers

**393,687** Passengers

**4.4%** Increase in passengers over 2024

**1,000** Feet of runway added

**475+** People employed

**21** Pieces of art displayed

**20** Companies located at YFC

**10** Community events supported

**10** Local musicians performed

**1** New airline launched

# Built by Community

## FIAA President and CEO Johanne Gallant on momentum, partnership, and the path ahead

**Q: When you think about growth at YFC, what stands out most right now?**

**Johanne Gallant:** For me, it's the visibility of that growth, but also how it happened. This wasn't driven by a single person or team. It's the whole community. From attracting air service to investing in the terminal, there's been strong support at every level. People recognized early on that the airport is a key economic driver, and they got behind it.



**Q: How has that growth changed the role YFC plays in the region?**

**Johanne:** Airports are directly linked to economic growth. And you see that here. What's changed is the scale and the reach. We're not just serving Fredericton; we're serving the province. People are choosing YFC because they can compare options and see the value, whether that's cost, convenience, or connections.

**Q: What are some of the most important drivers behind that growth?**

**Johanne:** It's the mix. Years ago, you might have had one dominant airline. Today, we have multiple carriers—Air Canada, Porter, WestJet, Air Transat—along with military operations, flight training, and general aviation. That diversity creates resilience and opportunity. It also supports jobs across the ecosystem, from ground handling to maintenance to hospitality.

“People are choosing YFC because they can compare options and see the value, whether that's cost, convenience, or connections.”

Johanne Gallant  
FIAA President and CEO

**Q: You've spoken about culture as part of YFC's success. How has that evolved?**

**Johanne:** One of the biggest shifts was cultural. We worked hard to build a culture of growth, innovation, and leadership. The terminal project was a turning point; it made that growth visible. After the pandemic, when people returned, they came back with a different mindset. There was pride. There was momentum. And you could feel it across the entire operation.

**Q: How do infrastructure investments, like the runway extension, fit into that story?**

**Johanne:** It's about being ready. The extension allows us to safely accommodate larger aircraft and maintain service during major projects, like runway resurfacing. It's not about overpromising; it's about ensuring we can support what's coming and continue to serve our clients well.

**Q: What are you seeing today that signals continued growth?**

**Johanne:** We're seeing more choice and more activity. New routes, expanded service, and new airlines all point to momentum. Passenger numbers are up, even in a challenging economic environment, because people still want to travel. They're just changing how and where they go.

**Q: Looking ahead, how do you hope this moment will be remembered?**

**Johanne:** I hope people see this as a time when we were bold enough to grow. It required investment, collaboration, and a belief that our community deserves strong air service. We took some risks, but we did it together. And that's what made the difference.



# Community Leaders on YFC

## Connecting to Opportunities

Connections drive growth, and YFC delivers both the access and the partnerships that help the Fredericton Capital Region succeed.

For the Fredericton Chamber of Commerce, the airport is a strategic partner in building economic momentum. That impact starts with access.

“Effective air access is key for our members’ growth, which enables economic prosperity locally, regionally, and provincially,” says CEO Morgan Peters.

For many local companies, particularly in Fredericton’s booming tech and knowledge sector, those connections make business possible. Face-to-face relationships build trust, open new markets, and support expansion beyond New Brunswick.

That connectivity also strengthens Fredericton’s competitive edge. From attracting investment and talent to supporting major events and enhancing quality of life, YFC plays a critical role in helping the region grow and compete on a larger stage.

## Essential for Growth

In his 25-plus years in Fredericton’s tourism industry, David Seabrook has seen the FIAA work tirelessly alongside the community to expand YFC’s destinations, flight schedules, and airlines.

“That collective voice is what our airline partners have responded to,” he says, praising the FIAA’s “professional, positive” approach, respected throughout the industry.



**“Having a great airport in our community is critical for business, and for quality of life.”**

Morgan Peters  
CEO, Fredericton Chamber of Commerce

“Today, we have a robust airport that can compete with top destinations in Atlantic Canada,” he says.

The impacts include a thriving meetings and conventions sector worth millions of dollars to the local economy, including hotels, restaurants, and taxis.

“Whether you’re running a business or running an event, you need a strong airport to grow and connect with the world,” David says. “The strong communities of the future are going to have strong airports.”



**“Today, we have a robust airport that can compete with top destinations in Atlantic Canada.”**

David Seabrook  
Director of Tourism for the Fredericton Capital Region

## Central to Our Value Proposition

The Fredericton International Airport is one of Ignite’s top infrastructure tools for attracting new investments, talent, and people.

“It’s absolutely critical for businesses to have the connectivity to explore new options, export to new countries, develop new relationships, and keep pace with global opportunities,” says Sarah Corey Hollohan, CEO of Ignite, the Capital Region economic development agency.

As employers, employees, and newcomers increasingly emphasize the importance of quality of life, “the airport has become central to our value proposition.”

Just as YFC enables people, products, and ideas to flow freely to and from Fredericton, it empowers Ignite to grow its impact.

“It really accelerates our ability to get in front of the right people and influence decisions as an economic development agency,” Sarah says. “We wouldn’t be able to have those growth conversations if we didn’t have the airport.”



**“Whenever we talk about economic development at the strategic level, it’s really about connection, because it all comes down to relationship-building.”**

Sarah Corey Hollohan  
CEO, Ignite



# A Growing Network

## 9 Destinations

Including Canada's largest hubs

## 4 Non-stop sun destinations

Cayo Coco | Cayo Santa Maria | Punta Cana | Cancun

## 5 Airlines

AIR CANADA porter sunwing Air transat WESTJET

**AIR CANADA**



### Celebrating Air Canada's New Ottawa Route

On December 15, the Fredericton International Airport (YFC) and Air Canada co-hosted a party in our terminal to celebrate the launch of new daily, non-stop service between Fredericton and the Ottawa International Airport (YOW). The year-round flight offers a convenient link between the provincial and national capitals and provides access to Air Canada's extensive domestic and international network for business, government, and leisure travel.

### Popular Air Canada Toronto Flight Times Return

In addition to its new Ottawa route, one of Air Canada's most popular flight times returned to YFC beginning December 15. In September, the airline announced it had adjusted the flight schedule from Fredericton to Toronto Pearson International Airport (YYZ). Starting in December, a 5:45 am departure from Fredericton arrives at Pearson International Airport by 6:54 am, seven days a week. A new return flight departs Toronto at 8:50 pm and arrives at YFC at 11:40 pm the same day.

The early-morning/late-night combination offers same-day travel to Canada's biggest city—a boon for business travellers—as well as easier connections to Air Canada's extensive worldwide network.

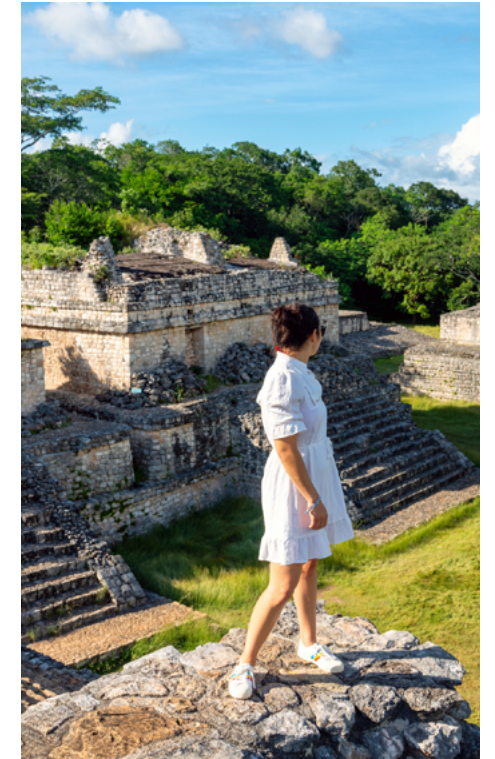


## Welcoming Air Transat to YFC

Our airline family is growing! We were thrilled to announce at our Annual General Meeting in May 2025 that Air Transat would become YFC's newest airline, with direct service to Cancun beginning in winter 2026.

Cancun, on Mexico's Yucatan Peninsula, is a leading sun destination for winter-weary Canadians, and this non-stop weekly flight gives passengers even more options for non-stop warm-weather getaways.

The sold-out status of many of these flights demonstrates the ongoing popularity of sun destinations.



## WestJet Nearly Doubles Seasonal Calgary Service

WestJet's inaugural Calgary-Fredericton service took off in 2024, and it didn't look back! Strong demand in its first year highlighted the region's ties to Alberta and reinforced the importance of direct connections to Western Canada.

In response, WestJet expanded its 2025 schedule by 41%, extending the season and adding capacity when it matters most. Non-stop service operated twice weekly from May 15 to October 7, with a third weekly flight added during peak summer months in July and August.

This marks a meaningful expansion from the inaugural year, when service began later in the season. The result is more choice, greater flexibility, and stronger connectivity for travellers across the region.



*sunwing*

# Sunwing Seats are Hot!

Sunwing's non-stop service to sun destinations was in very high demand in 2025.

It's easy to see why. The direct service offered an easy escape to various tropical paradises, including the white-sand beaches of Cayo Coco and Cayo Santa Maria, in Cuba; Punta Cana in the Dominican Republic, and the ever-popular resort town of Cancun, Mexico.



porter

# Porter Increases Capacity

Porter's steady presence at YFC continued in 2025, with daily service to Ottawa International Airport (YOW) and Toronto's Billy Bishop Toronto City Airport (YTZ), complemented by increased capacity during peak travel periods.

In the summer months, the airline boosted its Ottawa service to twice daily, offering greater flexibility to reach the nation's capital and unlocking more seamless connections across its growing Canadian and U.S. network.



# Ready for Responsible Growth

Our path forward is clear: through our Strategic and Environmental, Social, and Governance plans, we're aligning growth with responsibility, advancing our operations while supporting the long-term well-being of our community and environment, and maintaining our focus on safety in everything we do.

## New Environmental, Social, and Governance (ESG) Plan for a Sustainable Future

The Fredericton International Airport Authority takes a holistic approach to sustainability, integrating environmental responsibility, social and community well-being, and strong governance into how we operate and grow.

As YFC continues to evolve, planning for a more sustainable future is essential. Developed through leadership engagement and long-term visioning, our ESG Plan identifies nine priority pillars to guide action over the next five years. It aligns with global and national frameworks, including the United Nations Sustainable Development Goals, Airports Council International guidance, and Canada's emissions targets.



## Five-Year Strategic Plan Focuses on the Future

In 2025, we released a new strategic plan for 2026-2030 that charts a clear, confident path forward. It reflects our commitment to building and managing a modern, resilient airport, one that connects our community to the world while preparing for the evolving demands of travel and the economy.

As our industry continues to shift, so do the expectations placed on airports. Changing traveller needs, emerging technologies, and an increased focus on sustainability are reshaping how we operate and serve our community. These dynamics bring both complexity and opportunity.

In response, our plan sets a focused direction across four strategic priorities: strengthening a high-performing, inclusive team culture; driving growth through enhanced connectivity and diversified revenue; reinforcing our operational and financial foundation; and advancing environmental sustainability across the organization.





## Connected and Caring

**We're committed to making YFC a place where everyone feels welcome, safe, and supported. From accessibility improvements to community programs, inclusion is built into everything we do.**

### #NotInMyCity

In 2025, YFC partnered with Not In My City, a Canadian non-profit organization working to prevent human trafficking and sexual exploitation. Founded in 2017 by Canadian country music star Paul Brandt and his wife, it works with police forces and airports to counter this growing crime.

Brandt's advocacy was sparked by a trip to Southeast Asia hosted by an anti-trafficking group, as well as by his experience working with vulnerable people through his role as a registered nurse at the Alberta Children's Hospital before his music career took off in the 1990s.

We display #NotInMyCity's iconic yellow rose, created by Canadian designer Paul Hardy, as a symbol of support and solidarity with trafficking survivors. Learn more at [notinmycity.ca](https://notinmycity.ca).

## Our Official Languages Action Plan

The FIAA team is committed to fostering an inclusive environment where every passenger feels welcome. A cornerstone of this commitment is ensuring access to services in both official languages, English and French, in accordance with our obligations under the *Official Languages Act*.

Our Official Languages Action Plan guides our efforts to ensure that both English—and French—speaking individuals receive equitable service. Along with continuously enhancing the traveller experience through signage and wayfinding, public announcements, and services, we are also strengthening our employees' bilingual capacity in our operations.

## GoodMaps Improves Accessibility

In August, YFC became the first New Brunswick airport to implement GoodMaps, an accessible digital mapping and navigation platform that transforms how travellers interact with the terminal and gives them a more independent experience.

The GoodMaps mobile app provides real-time, turn-by-turn navigation throughout the terminal in 18 languages, including English and French. Features include:

- Audio guidance for those who are blind or have low vision
- Visual and text directions for deaf or hard-of-hearing travellers
- Step-free routing options for those with reduced mobility
- Structured routing for neurodiverse individuals

GoodMaps aligns with our goal of supporting travellers and embracing innovation. We're proud to be the first airport in the province to offer this level of digital navigation and accessibility.



## Our Mission

Empowering vibrant communities through global connections.

## Our Vision

We are a dynamic, progressive, and growing airport.

## Our Values

### Safety

Safety is at the core of everything we do. We lead by example, with an unwavering commitment to the well-being of our employees, passengers, and partners. Every decision we make is grounded in a culture of safety and accountability.

### Teamwork

People are the heart of our organization. We are a team fostering a workplace and community built on empathy, respect, and inclusion. Whether supporting travellers, collaborating with partners, or engaging with each other, we prioritize meaningful relationships and shared success.

### Sustainability

Sustainability is fundamental to how we operate and grow. We are committed to environmental stewardship, financial responsibility, and operational resilience. By embedding sustainable practices across our organization, we aim to build a thriving, inclusive airport ecosystem that endures for generations.



# Meet the FIAA Team

The FIAA team carries forward a long-standing commitment to serving our community and supporting regional growth. Built on decades of dedication, today's team brings the expertise, pride, and care needed to operate a modern airport that continues to connect and strengthen our province.

Thank you to every member of the FIAA team for your ongoing contribution to YFC and the community we serve.

## STAFF

**ADAM SPENCER**  
Airport Building  
Maintenance

**HEIDI BOULTER**  
Corporate  
Administrative Assistant

**MICHAEL THOMAS**  
Airport Operations  
Specialist

**BILLY LEE**  
Airport Electrical  
Maintenance

**IRINA NEACSU**  
Corporate Executive  
Assistant

**MICHAEL WHALEN**  
Airport Electrical  
Maintenance

**BRADYN BROOKING**  
Airport Operations  
Specialist

**JEREMY NORWOOD**  
Airport Operations  
Specialist

**PHILLIP HOYT**  
Mechanic

**BRODY LEVESQUE**  
Airfield Safety  
Maintenance (Seasonal)

**JOSHUA ENGLISH**  
Airport Operations  
Specialist

**RICK TOMPKINS**  
Operations Supervisor

**CALVIN THOMPSON**  
Airport Operations  
Specialist

**KYLE PRICE**  
Airport Operations  
Specialist

**SAM MOFFITT**  
Airport Electrical  
Maintenance

**DAN CLARK**  
Airfield Safety  
Maintenance (Seasonal)

**LESTER MITCHELL**  
Airfield Safety  
Maintenance

**SCOTT WEBB**  
Airport Operations  
Specialist

**DAWSON CURRAN**  
Airport Operations  
Specialist

**LORNE ANDERSON**  
Airport Operations  
Specialist

**STEPHEN TRAINOR**  
Airport Operations  
Specialist

**DEREK LIBBY**  
Airport Operations  
Specialist

**MICHAEL JACQUARD**  
Airport Building  
Maintenance

**STEVEN GOODSPEED**  
Airfield Safety  
Maintenance

**EMMA MCCLUSKEY**  
Communications  
Assistant

**MICHAEL LORD**  
Airfield Safety  
Maintenance (Seasonal)

**TERRY LUKE**  
Airport Operations  
Specialist

**FAYE DOWNING**  
Operations Assistant

**MICHAEL RIPLEY**  
Safety, Security and  
Systems Officer

**TRAVIS BRIGGS**  
Airfield Safety  
Maintenance (Seasonal)

**GREGORY BABINEAU**  
Mechanic

**VIVIAN TRAN**  
Communications  
Assistant

## MANAGEMENT

**ALVIN NASON**  
Director of Operations

**ANDREW ISBILL**  
Director of Regulatory  
Affairs

**JACQUES FOURNIER**  
Director of Business  
Development

**JEFF BUDAHER**  
Manager of  
Infrastructure and  
Maintenance

**JOHANNE GALLANT**  
President and CEO

**KATE O'ROURKE**  
Manager of Public  
Relations and Marketing

**MEREDITH BOYLE**  
Director of Finance

**PERRY DYKE**  
Manager of  
Administration and  
Human Resources

**RANDALL CHESSIE**  
Manager of Operations  
and Safety

**STEVE PELLETIER**  
Security and Systems  
Manager

# 2025 Board of Directors



**LISA LEPAGE**  
Board Chair



**AARON SAVAGE**  
Vice Chair



**ERIN BLANCHARD**



**MICHAEL CONNORS**



**SHANNON DION**



**JOHANNE GALLANT**  
President and CEO



**MARK GAUDET**



**RICHARD ISABELLE**



**DARREN LAWRENCE**



**KIM NASH-MCKINLEY**



**RICHARD SMITH**



**CATHY PUGH**

# Financials

## BOARD AND MANAGEMENT COMPENSATION

### PER ANNUM

Board Chair **\$14,200**

Vice Chair **\$5,800**

Committee Chairs **\$5,800**

Director **\$4,300**

### PER BOARD MEETING

Board Chair **\$300**

Vice Chair **\$300**

Director **\$300**

### PER COMMITTEE MEETING

Committee Chair **\$300**

Director **\$300**

The total compensation paid to Board of Directors was \$81,496

Total compensation paid to Management was \$1,430,000

The Fredericton International Airport Authority Inc. established and maintains a comprehensive Code of Conduct for Directors, Officers and Employees. All Directors and Officers have completed Conflict of Interest Statements and no conflicts were brought forward during 2025.

## 2025 Business Plan vs. Actuals (in thousands)

	PLAN	ACTUAL	DIFFERENCE	NOTES
Revenue	14,088	14,247	159	On budget
Expenses	13,480	13,211	-269	Savings in new products used
Capital	6,045	5,922	-123	One project deferred

All contracts for goods, services and construction services with a value in excess of \$75,000.00 (1994 dollars subject to annual adjustment for inflation) require a public tender or request for proposals unless the FIAA, for reasons of efficiency and practicality, decides otherwise.

All contracts complied with this requirement for 2025.

## Business Plan Forecast 2026 – 2030 (in thousands)

	2026	2027	2028	2029	2030
Revenue	14,494	14,634	14,764	16,056	16,452
Expenses	13,629	13,721	13,601	13,828	14,153
Capital	13,600	350	900	960	360



**KPMG LLP**

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Fredericton NB E3B 6Z3  
Canada  
Telephone 506 452 8000  
Fax 506 450 0072

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Fredericton International Airport Authority Inc.

**Opinion**

We have audited the financial statements of Fredericton International Airport Authority Inc. (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025 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 auditor's report.

We are independent of the Entity 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.

Financial Statements of  
In thousands of dollars

**FREDERICTON  
INTERNATIONAL  
AIRPORT AUTHORITY  
INC.**

And Independent Auditor's Report thereon  
Year ended December 31, 2025

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

Chartered Professional Accountants

Fredericton, Canada

April 21, 2026

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Fredericton International Airport Authority Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Fredericton International Airport Authority Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the Authority's auditors to review significant accounting, reporting and internal control matters. Following the review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the directors, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the directors by KPMG Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, in accordance with generally accepted auditing standards.



Johanne Gallant  
 President and CEO



Meredith Boyle  
 Director of Finance

**Fredericton International Airport Authority Inc.**

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# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Statement of Financial Position  
In thousands of dollars

December 31, 2025, with comparative information for 2024

	2025	2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,704	\$ 3,883
Receivables (note 3)	1,091	848
Inventory	114	68
HST recoverable	10	92
	<u>4,919</u>	<u>4,891</u>
Short-term deposits (note 2)	6,306	10,071
Tangible capital assets (note 8)	37,969	35,459
Pension surplus (note 9)	1,784	1,432
Financial instrument asset (note 12)	254	296
	<u>\$ 51,232</u>	<u>\$ 52,149</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 10)	\$ 833	\$ 1,273
Current portion of long-term debt (note 11)	365	402
	<u>1,198</u>	<u>1,675</u>
Long-term debt (note 11)	5,872	6,239
Deferred capital contributions (note 4)	17,118	18,505
Severance liabilities (note 9)	532	521
	<u>24,720</u>	<u>26,940</u>
Net assets:		
Investment in tangible capital assets (note 7)	14,876	10,617
Internally restricted for specific purposes (note 7)	9,636	12,592
Unrestricted net assets	2,000	2,000
	<u>26,512</u>	<u>25,209</u>
Commitments and contingencies (note 13)		
	<u>\$ 51,232</u>	<u>\$ 52,149</u>

See accompanying notes to financial statements.

On behalf of the Board:

Lisa LaPage Director [Signature] Director

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Statement of Operations  
In thousands of dollars

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
<b>Revenues:</b>		
Amortization of deferred contributions (note 4)	\$ 1,387	\$ 1,450
Passenger facility fees	5,868	5,554
Rentals	659	628
Landing fees	1,469	1,452
Terminal fees	1,075	1,034
Parking	1,809	1,418
Concessions	1,037	866
Other revenue	943	569
	<u>14,247</u>	<u>12,971</u>
<b>Expenses:</b>		
Administration	1,431	1,304
Amortization of tangible capital assets	3,412	3,337
Bad debts	10	2
Insurance	184	180
Interest on long-term debt	228	241
Operating materials and supplies	3,408	2,999
Professional fees	109	220
Property taxes	170	166
Salaries, wages and benefits	4,259	3,927
	<u>13,211</u>	<u>12,376</u>
Excess of revenues over expenses before the undernoted items	1,036	595
<b>Other income (expense):</b>		
Gain on sale of tangible capital assets	-	4
Change in fair value of financial instruments (note 12)	(42)	(171)
	<u>(42)</u>	<u>(167)</u>
<b>Excess of revenues over expenses</b>	<b>\$ 994</b>	<b>\$ 428</b>

See accompanying notes to financial statements.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Statement of Changes in Net Assets  
In thousands of dollars

Year ended December 31, 2025, with comparative information for 2024

	Investment in tangible capital assets (note 7)	Internally restricted for specific purposes (note 7)	Unrestricted	2025 Total	2024 Total
Net assets, beginning of year \$	10,617 \$	12,592 \$	2,000 \$	25,209 \$	24,383
Excess (deficiency) of revenues over expenses	(2,067)	-	3,061	994	428
Remeasurement in actuarial gains (losses)	-	-	309	309	398
Net change in investment in capital assets	6,326	-	(6,326)	-	-
Transfer to unrestricted funds (note 7)	-	(2,956)	2,956	-	-
Net assets, end of year	\$ 14,876 \$	\$ 9,636 \$	\$ 2,000 \$	\$ 26,512 \$	\$ 25,209

See accompanying notes to financial statements.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Statement of Cash Flows  
In thousands of dollars

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 994	\$ 428
Items not involving cash:		
Amortization of tangible capital assets	3,412	3,337
Pension expense	7	10
Amortization of deferred contributions	(1,387)	(1,450)
Change in fair value of financial instrument	42	171
Gain on sale of tangible capital assets	-	(4)
	3,068	2,492
Changes in non-cash operating working capital:		
Receivables	(243)	73
Inventory	(46)	23
HST recoverable	82	(91)
Accounts payable and accrued liabilities	(440)	437
Severance liabilities	11	64
Pension contributions	(50)	(66)
	2,382	2,932
Financing:		
Repayment of long-term debt	(404)	(383)
Investing:		
Decrease (increase) in short-term deposits	3,765	(2,400)
Purchase of tangible capital assets	(5,922)	(913)
Proceeds on sale of tangible capital assets	-	4
	(2,157)	(3,309)
Decrease in cash and cash equivalents	(179)	(760)
Cash and cash equivalents, beginning of year	3,883	4,643
Cash and cash equivalents, end of year	\$ 3,704 \$	\$ 3,883

See accompanying notes to financial statements.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements  
In thousands of dollars

Year ended December 31, 2025

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Greater Fredericton Airport Authority Inc. (the "Authority") was incorporated, without share capital, on November 21, 1996 under Part II of the Canadian Corporations Act. On April 28, 2009, the Authority incurred an approved name change to Fredericton International Airport Authority Inc. The Authority is exempt from income tax according to the *Airport Transfer (Miscellaneous Matters) Act*. The excess of revenues over expenses is retained and reinvested in airport operations and development.

The Authority is governed by a Board of Directors consisting of 11 members from the Greater Fredericton Area whose objective is to be a key driver of our community's vitality and economic prosperity by providing a gateway to the world.

On February 26, 2001, the Authority entered into a sixty year ground lease agreement with Transport Canada and assumed responsibility for management, operations and development of the Fredericton Airport on May 1, 2001.

## 1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and are presented in thousands (000s) of Canadian dollars unless otherwise stated.

### (a) Revenue recognition:

Landing fees, terminal fees and parking fees revenue are recognized as the airport facilities are utilized and collection is reasonably assured. Passenger facility fee revenue is recognized when departing passengers board the aircraft as reported by the airlines. All other revenue items are recognized as services or facilities are provided, revenue is earned, and collection is reasonably assured.

The Authority follows the deferral method of accounting for contributions. Restricted contributions and related investment income are recognized as revenue in the year in which related expenditures are incurred. Restricted contributions for the purchase of tangible capital assets that will be amortized are deferred and recognized as revenue at the same rate of amortization as the related tangible capital assets. Restricted contributions for the purchase of tangible capital assets that will not be amortized are recognized in net assets upon receipt. Unrestricted contributions and related investment income are recognized as revenue when received or receivable.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

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## 1. Significant accounting policies (continued):

### (b) Government assistance:

The Authority recognizes government assistance toward current expenses in the Statement of Operations. When government assistance is specified to relate to future expenses, the Authority defers the assistance and recognizes it in the Statement of Operations as the related expenses are incurred. When government assistance relates to the acquisition of tangible capital assets, the Authority deducts the assistance from the cost of the related tangible capital asset.

### (c) Expense recognition:

Expenses are recognized on an accrual basis as costs are incurred.

### (d) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, net of overdrafts. Bank borrowings are considered to be financing activities. Cash equivalents includes highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. An investment normally qualifies as a cash equivalent when it has a short maturity of approximately three months or less from the date of acquisition.

### (e) Inventories:

Inventories consist of petroleum products and maintenance parts and supplies and are stated at the lower of cost and net realizable value. The cost is determined on a first in, first out basis. During the year \$485 (2024 - \$553) of inventories were recognized as an expense.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

## 1. Significant accounting policies (continued):

### (f) Tangible capital assets:

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and method:

Asset	Basis	Rate
Buildings	Straight-line	4 and 5%
Mobile equipment	Straight-line	6 and 8%
Terminal expansion and renovation	Straight-line	5%
Other equipment	Straight-line	6, 8 and 10%
Runways and hard surfaces	Straight-line	6%
Water well	Straight-line	4%

The Authority regularly reviews its tangible capital assets to eliminate obsolete items and to ensure that the useful lives of the remaining assets are appropriate. Tangible capital assets acquired during the year but not placed into use are not amortized until such time as they are placed into use.

### (g) Deferred capital contributions:

Government grants for the purchase of tangible capital assets are recorded as deferred contributions when received. When these funds are expended the purchase is capitalized as tangible capital assets of the Authority at cost. Deferred capital contributions are amortized at the rate for the related asset acquisition at the corresponding rates noted above for tangible capital assets.

### (h) Employee future benefits:

The Authority sponsors two pension plans for its employees: a defined benefit plan and a defined contribution plan.

#### (a) Defined benefit plan

For the Authority's defined benefit pension plan, the defined benefit obligation is determined using the most recent actuarial valuation report prepared for funding purposes.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

## 1. Significant accounting policies (continued):

### (h) Employee future benefits (continued):

#### (a) Defined benefit plan (continued):

Plan assets are measured at fair value.

The Authority recognizes the plan's funded surplus, which is the net amount of the defined benefit obligation and the fair value of plan assets, on the balance sheet.

Actuarial gains and losses and past service costs are included in the cost of the plan for the year in the statement of changes in net assets.

The Authority only recognizes a plan funded surplus on the balance sheet to the extent it is expected to be realized. A valuation allowance is recognized for any excess of the plan surplus over the expected future benefit.

#### (b) Defined contribution plan:

Amounts paid by the Authority under the defined contribution plan are expensed as incurred.

#### (i) Severance pay:

A liability for severance pay is recorded in the accounts for all employees who have a right to receive such payment at the estimated future expected cash flows.

#### (j) Use of estimates and judgments:

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Areas of estimation where complex or subjective judgments were made include useful lives and recoverability of tangible capital assets and related amortization of deferred contributions, the future collectability of receivables, as well as employee future benefits liability. Significant changes in the assumptions could change the recorded amounts in the financial statements and actual results may differ from these estimates.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

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## 1. Significant accounting policies (continued):

### (k) Financial instruments:

The Authority considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in limited circumstances. The Authority accounts for the following as financial instruments:

- Cash and cash equivalents
- Short-term deposits
- Receivables
- Payables and accruals
- Long-term debt
- Severance liability
- Financial instrument liability

A financial asset or liability is recognized when the Authority becomes party to contractual provisions of the instrument.

Initial recognition:

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value.

Subsequent measurement:

The Authority subsequently measures all of its financial assets and financial liabilities at cost, amortized cost less any reduction for impairment or fair value. Financial assets measured at cost or amortized cost less any reduction for impairment include cash and cash equivalents, short term deposits, and receivables. Financial liabilities measured at amortized cost include payables and accruals, long-term debt and severance liability.

Financial instrument liabilities are measured at fair value with the gain or loss reporting in the statement of operations.

The Authority removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

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## 1. Significant accounting policies (continued):

### (k) Financial instruments (continued):

A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statements of operations and changes in net assets. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write downs or reversals are recognized in net loss.

Derivative financial instruments are utilized by the Authority in the management of its interest rate exposure. The Authority's policy is not to utilize derivative financial instruments for trading or speculative purposes. Derivative instruments are recorded on the statement of financial position as financial instrument assets and liabilities and are measured at fair value. Changes in the derivative instrument's fair value are recognized in the statement of operations unless specific hedge accounting criteria are met. Changes in the fair value of effective cash flow hedges are included directly in the fund balances.

The Authority entered into an interest rate swap in order to reduce the impact of fluctuating interest rates on its long-term debt. The swap agreement requires the periodic exchange of payments without the exchange of the notional principal amount on which the payment is based. Interest expense on the debt is adjusted to include the payment made under the interest rate swap. Changes to the fair value of the derivative are recognized in the Statement of Operations.

## 2. Short-term deposits:

Short term deposits consist of Guaranteed Investment Certificates with term lengths of one year and maturing later than three months subsequent to year end. These deposits are internally restricted and are to be used to maintain and replace the capital infrastructure required for operation or as contingencies for areas of operation risks.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

## 3. Receivables:

	2025	2024
Accounts receivable	\$ 1,093	\$ 850
Allowance for doubtful accounts	(2)	(2)
	<u>\$ 1,091</u>	<u>\$ 848</u>

## 4. Deferred capital contributions:

Deferred capital contributions consist of the unamortized balance of contributions received by the Authority which have been expended on capital assets as approved by the donors.

	2025	2024
Balance, beginning of year	\$ 18,505	\$ 19,955
Amortization	(1,387)	(1,450)
Balance, end of year	<u>\$ 17,118</u>	<u>\$ 18,505</u>

## 5. Operating line of credit:

The Authority has an authorized bank operating credit facility in the amount of \$650 which bears interest at the bank's prime lending rate less 0.25% and is secured by a general security agreement supported by a first charge on all assets of the Authority and a general assignment of rents and leases. There were no advances outstanding on the operating credit facility at December 31, 2025.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

## 6. Capital management:

The Authority's objective when managing capital is to continue as a going concern to protect its ability to meet its on-going liabilities. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels and maintaining current financial strength rating requirements.

The conditions of the credit agreements with TD Bank require that the company maintain certain financial covenants and ratios including a debt service coverage ratio of 1.25 to 1 and a current ratio of 1.2 to 1. The Authority was in compliance with debt covenants for the year ended December 31, 2025.

Capital is comprised of the Authority's net assets and long-term debt and in 2025 the balances outstanding were net assets \$26,512 (2024 - \$25,379) and financed debt \$6,237 (2024 - \$6,641).

## 7. Net assets:

Change in net assets invested in tangible capital assets:

	2025	2024
Invested in tangible capital assets, beginning of year	\$ 10,617	\$ 11,379
Net tangible capital asset purchases	5,922	913
Repayment of debt regarding tangible capital asset purchases funded by operations	404	383
Amortization of tangible capital assets	(3,412)	(3,337)
Amortization of deferred capital contributions	1,387	1,450
Change in fair value of financial instrument (note 12)	(42)	(171)
Invested in tangible capital assets, ending of year	<u>\$ 14,876</u>	<u>\$ 10,617</u>

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

## 7. Net assets (continued):

Net assets invested in tangible capital assets:

	2025	2024
Tangible capital assets	\$ 37,969	\$ 35,459
Long-term debt	(6,237)	(6,641)
Deferred capital contributions	(17,118)	(18,505)
Financial instrument asset (liability) (note 12)	254	296
Other	8	8
	\$ 14,876	\$ 10,617

### Internally restricted for specific purposes

The Authority has established an internally restricted fund to achieve its objective to operate a self-sustained aviation complex, which includes the ability to maintain and replace the capital infrastructure required for operation. In addition to capital, other allocations that could be considered include specific contingencies for areas of operation risks. Use of internally restricted funds are subject to Board authorization. The Board has authorized a transfer to restricted of \$nil (2024 - \$1,588) from the unrestricted fund. In the current year, the Board has authorized a transfer to unrestricted of \$2,956 (2024 - \$nil) from the restricted fund.

## 8. Tangible capital assets:

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,345	\$ -	\$ 1,345	\$ 1,345
Land development	411	-	411	411
Buildings	7,668	6,107	1,561	1,868
Mobile equipment	6,398	4,566	1,832	2,215
Terminal expansion and renovation	31,006	7,376	23,630	25,180
Other equipment	2,795	1,616	1,179	972
Runways and hard surfaces	29,812	22,163	7,649	3,082
Water well	604	242	362	386
	\$ 80,039	\$ 42,070	\$ 37,969	\$ 35,459

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# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

## 9. Employee future benefits:

### Defined benefit pension plan

The Authority is a participating employer in the Canadian Airport Authorities and Canadian Port Authorities Pension Plan, a multiple employer pension plan. The Plan provides pension benefits for those individuals who transferred employment from the federal public service at the time operation of the airport was transferred to the Authority in 2001. The federal government remains responsible for all pension benefits accrued in respect of those individuals up to that time.

The most recent actuarial valuation of the Plan is at January 1, 2024. The next required valuation will be as at January 1, 2027. The following information concerning the Plan is from an extrapolation of the January 1, 2024 valuation to December 31, 2025.

	2025	2024
Fair value of plan assets	\$ 4,769	\$ 4,259
Defined benefit obligation	(2,985)	(2,827)
Pension surplus	\$ 1,784	\$ 1,432

The amount of remeasurement and other items for the period was a gain of \$309 (2024 - \$398).

### Defined contribution pension plan

The defined contribution plan is for full-time employees who began employment after transfer of the airport to the Authority in 2001. The Authority's contributions during the year under the defined contribution plan were \$161 (2024 - \$144).

### Severance liabilities

Under the terms of its collective agreement, and provided to certain management employees as well, the Authority is required to pay retiring, terminated or resigning employees severance pay provided the conditions set out in the agreement are met. The Authority records a liability for the severance earned by the employees each year determined on the assumption that the qualifying conditions will be met. The accrued severance liabilities for the Authority at the end of the year amounts to \$532 (2024 - \$521).

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# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

## 10. Accounts payable and accrued liabilities:

	2025	2024
Account payable - trade	\$ 697	\$ 1,034
Accrued liabilities	82	164
Refundable deposits	52	50
Deferred revenue	2	25
	<u>\$ 833</u>	<u>\$ 1,273</u>

## 11. Long-term debt:

	2025	2024
TD term loan bearing interest at 3.42% per annum, repayable in monthly blended payments of \$43. The loan matures in June 2041 and is secured by a general security agreement supported by a first charge on all assets of the Authority, general assignment of rents and leases. The carrying value of the security is \$51,140	\$ 6,145	\$ 6,441
TD term loan bearing interest at 5.94% per annum, repayable in monthly blended payments of \$5. The loan matures in October 2026 and is secured by equipment owned by the Authority with a carrying value of \$77.	92	148
TD term loan bearing interest at 5.95% per annum, repayable in monthly blended payments of \$2. The loan matured in October 2025.	-	26
TD term loan bearing interest at 5.95% per annum, repayable in monthly blended payments of \$2. The loan matured in October 2025	-	26
	<u>6,237</u>	<u>6,641</u>
Less current portion of long-term debt	365	402
	<u>\$ 5,872</u>	<u>\$ 6,239</u>

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

## 11. Long-term debt (continued):

Principal repayments are due as follows:

2026	\$ 365
2027	353
2028	328
2029	339
2030	351
Thereafter	4,501
	<u>\$ 6,237</u>

## 12. Financial instrument asset:

The Authority has entered into a forward interest rate swap with an effective date of June 30, 2021 with a total notional amount of \$6,145 (2024 - \$6,441). The swap matures on June 30, 2031. At December 31, 2025, the forward interest rate swap had a positive fair value of \$254 (2024 - positive fair value of \$296). The change in fair value is recorded in other income "change in fair value of financial instruments", in the statement of operations which was a loss of \$42 (2024 - loss of \$171).

## 13. Commitments and contingencies:

(a) Commitments:

### *Transfer agreement*

On February 26, 2001, the Authority entered into a sixty year ground lease agreement, effective May 1, 2001, with Transport Canada which provides for the Authority to lease the Fredericton Airport. The lease agreement contains a twenty year renewal option which is exercisable by the Authority if they maintain the terms and conditions of the agreement, otherwise the Authority is obligated to return control of the airport to Transport Canada at the end of the 60 year term. Rent is calculated annually based on terms of the lease.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

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## 13. Commitments and contingencies (continued):

### (a) Commitments (continued):

#### *Waste Water Treatment Plant Project*

In February 2019, the Authority undertook a project in partnership with the Province of New Brunswick to establish a waste water treatment plant that would be used to provide service to the Gillies subdivision and the FIAA Aerospace Defense Park. The Authority has committed \$125 for infrastructure costs, \$10 per year for annual maintenance and operating costs and \$150 for end of life refurbishment in 25 years.

### (b) Contingencies:

The Authority entered into an agreement which stipulates that consideration be paid in the event that the ground lease is broken prior to the end of the agreement. As of December 31, 2025, the consideration required would be \$340.

## 14. Directors compensation:

Total compensation paid to Directors of the Authority in 2025 was \$81 (2024 - \$99). This amount is included in the determination of the current year's excess of revenues over expenses.

## 15. Financial instruments:

The Authority is exposed to various risks through its financial instruments. The following analysis provides a measure of the Authority's risk exposures and concentrations at December 31, 2025.

### (a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices which includes fair value risk, interest rate risk and foreign exchange risk.

# FREDERICTON INTERNATIONAL AIRPORT AUTHORITY INC.

Notes to Financial Statements (continued)  
In thousands of dollars

Year ended December 31, 2025

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## 15. Financial instruments (continued):

### (b) Interest rate risk:

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Given the current composition of debt, fixed rate instruments subject the Authority to a fair value risk while floating rate instruments when outstanding subject the Authority to a cash flow risk. To help manage interest rate risk on debt the Authority has entered into an interest rate swap.

### (c) Credit risk:

Credit risk is the risk that the Authority will incur a loss because a customer fails to meet an obligation. The Authority is subject to credit risk through receivables. The Authority mitigates credit risk associated with its receivables by establishing credit approval policies and monitoring accounts regularly. The Authority maintains provisions for potential credit losses and any such losses to date have been within management's expectations.

### (d) Liquidity risk:

Liquidity risk is the risk that the Authority will encounter difficulty in raising funds to meet its obligations to suppliers and lenders. The Authority is exposed to this risk mainly in respect of its long-term debt, contributions to the pension plan and accounts payable. To manage liquidity risk, the Authority has sufficient credit facilities in place should cash requirements exceed cash generated from operating activities.

## 16. Comparative information:

Certain comparative information have been reclassified from that previously presented to conform to the presentation of the 2025 financial statements.

Aéroport international de  
**Fredericton** **YFC**  
International Airport

Fredericton International Airport Authority Inc.

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