

# Airport Advisory Committee

## AGENDA



Thursday, April 10, 2025

9:00 am

Airport Administration Boardroom

Kelowna International Airport

1-5533 Airport Way

Kelowna, BC

### Pages

1. **Call to Order, Welcome and Introductions - Chair, Mayor Tom Dyas**
2. **Confirmation of Minutes** 2 - 6  
Approve Minutes of the meeting of October 3, 2024.
3. **Reports** 7 - 52
  - 3.1 **Opening Remarks - Sam Samaddar, Airport Chief Executive Officer**
  - 3.2 **Air Service - Geoff Ritchie, Director, Commercial & Air Service**
    - Air Service Performance
    - Potential impacts of tariffs
  - 3.3 **Capital Plan 2025 - Geoff Ritchie, Director Commercial & Air Service**
  - 3.4 **Financial Performance 2024 - Parth Patel, Director, Finance & Corporate Services**
4. **Questions**
5. **Tour of ATB Expansion - Geoff Ritchie, Director, Commercial & Air Service and William Lampard, Airport Senior Project Manager**
6. **Termination of Meeting**

## **Airport Advisory Committee**

### **Minutes**

Date:	Wednesday, October 3, 2024
Time:	9:00 am
Location:	Airport Administration Boardroom Kelowna International Airport 1-5533 Airport Way Kelowna, BC
Members Present	Chair, Mayor Tom Dyas, City of Kelowna Chief Robert Louie, Westbank First Nation Lesley Cormack, Deputy Vice-Chancellor, UBCO Maryse Harvey, President, Kelowna Chamber of Commerce Councillor Mohini Singh, City of Kelowna Blair Ireland, Mayor, District of Lake Country Rick de Jong, Councillor, City of West Kelowna Kelly Watt, Chair, Tourism Kelowna Councillor Louise Wallace Richmond, City of Salmon Arm Amber Hall, Greater Westside Board of Trade Roch Fortin, Summerland Chamber of Commerce Martin Von Holst, Greater Vernon Chamber of Commerce Sherry Louis, Okanagan Indian Band
Members Absent	Krista Mallory, Economic Development Commission Akbal Mund, Councillor, City of Vernon Julius Bloomfield, Mayor, City of Penticton Kevin Kraft, East Area Director, Regional District of Central Okanagan South Okanagan Chamber of Commerce
Members Participating Remotely	Grant Stevens, KF Aerospace, Aviation Industry Representative Corie Griffiths, Regional District of Central Okanagan Patrick Van Minsel, Mayor, District of Peachland
Staff Present	City Manager, Doug Gilchrist, City of Kelowna, Chief Executive Officer, Sam Samaddar, City of Kelowna, YLW, Director, Finance & Corporate Services, Shayne Dyrdal, City of Kelowna, YLW Director, Commercial & Air Service, Geoff Ritchie, City of Kelowna, YLW Director, Operations & Innovation, Phillip Elchitz, City of Kelowna, YLW
Staff Participating Remotely	Legislative Coordinator (Confidential), Clint McKenzie

#### **1. Call to Order, Welcome and Introductions - Chair, Mayor Tom Dyas**

Chair, Mayor Dyas:

- Called the meeting to order at 9:06 a.m.

- Provided an update to recent meetings held between Kelowna International Airport and senior levels of government in Ottawa. A federal communications strategy is being prepared to ensure a coordinated and concise message.
- Meetings were also held with Tracy Gray, Member of Parliament, Nicholas Kang, the B.C. Regional Advisor to the Ministry of Transportation, Maninder Sidhu, the Parliamentary Secretary to the Minister of Export Promotion, International Trade and Economic Development, Arun Thangaraj, Deputy Minister of Transport and Gaylen Richardson, the Senior Regional Advisory at Office of the Deputy Prime Minister and Minister of Finance of Canada.
- Advised the purpose of the meetings was to reinforce the \$25 million request for capital from the federal government to bring infrastructure to the east lands of the airport.

Chief Executive Officer:

- Advised City representatives took the message forward on what the Kelowna International Airport is doing to bring capital expansion into the community.
- Very effective initiative that includes a strategist working on the airport's behalf.
- The message being sent is one of expanding the airport campus and its service in providing economic benefit and growth to the entire region.
- The Kelowna International Airport is putting in its own significant capital investment. Deliberately looking at keeping fees and charges low and the federal contribution is a relatively small ask in the overall investments being made.

## 2. Confirmation of Minutes

Moved By Amber Hall/Seconded By Blair Ireland

THAT the Minutes of the May 29, 2024, Airport Advisory Committee meeting be adopted.

Carried

## 3. Reports

The Chair welcomed Sherry Lewis, Director of Lands, Okanagan Indian Band to their first meeting.

### 3.1 Opening Remarks - Sam Samaddar, Airport Chief Executive Officer

Chief Executive Officer:

- Provided an overview of what is happening at YLW and in the airport industry.
- YLW saw a downturn in the months of June and July.
- Traffic flow in August was up 21% YTD, up 3.8% up from 2023
- 2018 saw 2.509 million passengers and YLW will be well over 2.1 million passengers by the end of 2024.
- There is an unbalanced recovery in the airline industry. Kelowna is in the top 30 airports in Canada for recovery. Outside of the top 30 airports in Canada the recovery rate is below 72%.
- Transborder connectivity was compared to 2019.
- In relation to Canada's connection to the international markets we are down 6% year to date.
- Recovery is not even across the nation and will affect connectivity and how we move goods and services across the country.
- Spoke to ReserTRAC technology improvements for the taxi industry with online on time data for tracking those picking up at the airport.
- Currently the airport is negotiating an agreement with Uber to level playing field with the taxis industry. Uber launched at the airport in July with 1256 transactions and 5284 transactions in August.
- CATSA latest screening CT will be the first level one airport to have the technology, so liquids and electronics do not need to be taken out of your travel bag for screening.
- Spoke to passenger comfort level with facial recognition technology as travelers do not want to give their documents in screening to touch and contaminate.
- Canadian Competition Bureau is studying the Canadian airline industry.
- Transportation Canada policy on pension funds investment is being looked at.

- Significant work is being done by the Ministry of Transport protecting the airspace zoning around airports.
- Significant work is being done to improve the accessibility of the airport and look after the entire gamut of travelers through YLW.
- Responded to questions from the Committee.

City Manager:

- Spoke of the business continuity plans that are in place for service areas the City is responsible for.

Staff:

- Spoke to the airport zone within the Official Community Plan and the layers of mapping available to the planning of buildings and other infrastructure within the airport zone.

### **3.2 Airport Next Survey Results - Geoff Ritchie, Director, Commercial & Air Service**

Staff:

- Spoke to AirportNEXT, a new dynamic tool for airports to assess and improve their stakeholder alignment and support.
- A sentiment-based survey of key stakeholders based on the successful DestinationNEXT program as it assists airports and communities align their strategies around their airport.
- Shared the AirportNEXT assessment results.
- Spoke to the AirportNEXT Model with 80 questions in the survey.
- Three main stakeholder groups - airport, industry and community
- 24 airports with 2600 survey responses with 87% completion rate
- Kelowna had 84 responses.
- Kelowna is slightly below the average of the airports that participated, showing strong infrastructure and facilities.
- Aviation industry groups ranked YLW quite high for their strong infrastructure and facilities.
- Perceived performance of Facilities and Variables (terminal, transportation access, services, security, border and technology) reviewed.
- Spoke to terminal and transportation access and services scores.
- Spoke to the stakeholder alignment and comparing Kelowna to the Tier 2 airport average.
- Slightly lower average for YLW.
- Local government supporting the airport and air travel was well received by stakeholders who completed the survey.
- Many community and sustainability scores above average for YLW.
- Economic development was the strongest scores in the survey with really strong scores.
- Below and above scores were reviewed.
- Areas of strength include being the 4th overall in acceptable taxi service, 4th overall in local government that supports their airport and air travel, 4th overall in working closely with local economic development agencies and 5th overall in support of local business leaders.
- Responded to questions from the Committee.

### **3.3 Air Service Development Update - Geoff Ritchie, Director, Commercial & Air Service**

Staff:

- Spoke to air service rebounding quickly and continuing to grow.
- Overall capacity is still 10% below peak. New services launched in 2025 will close that gap.
- There are less airplanes with more seats.
- 34,251 flights in 2019 with 2.03M passengers compared to 24,689 flights in 2024 with 2.1M passengers.
- Domestic capacity provides a stable and strong foundation.
- Transborder air flights were hit hard with US airlines having less interest in coming north. Will see a resurgence in 2025.
- Alaska's withdrawal and subsequent slow entry has limited direct transborder air access.
- In 2024 WestJet added Las Vegas service.
- International connections have been strong and are now the fastest growing segment.
- WestJet has been adding significant capacity to sun market destinations. For 2025 this trend will increase, with winter capacity scheduled to be up by about 50%.

- U.S. seat capacity is up 75% between 2024 and 2023.
- Passenger traffic is up 5.4%.
- International seat capacity is up 30%.
- Incremental AIF revenue is up \$1.2M
- Focused on areas with greatest impact with a focus on transborder with domestic the foundation of demand. U.S. is a major market for inbound and outbound travel and hold high potential growth.
- Responded to questions from the Committee.

### **3.4 Capital Projects Update - Geoff Ritchie, Director, Commercial & Air Service**

Staff:

- Reviewed the projects underway and the investments including airside pavement rehabilitation, airfield lighting control system, airfield lighting & supporting infrastructure, expansion of the childcare facility moving from 86 to 110 children, the combined operations building, air terminal building expansion, air terminal building expansion, the airport development lots, commercial development (Hyatt Group, Velocity Truck Centre, YLW Hotel), YLW parkade and the parking lot reconfiguration
- A total of over \$29 M in 2025 significant projects.

### **3.5 Financial Overview & Recommendations - Shayne Dyrda, Director, Finance & Corporate Services**

Staff:

- Spoke to the actual expenditures versus budget and airport currently at 76% of 2024 budget.
- Revenues are 67% of the annual 2024 budget.
- Financial indicators are tracking closely and coincide with passenger numbers.
- Expenditures are tracking at 62% of the annual budget.
- Significant investment (\$88M) includes the terminal building expansion, combined operations building, airfield lighting and Apron 1 south expansion enabling works.
- Fees and Charges : increase of \$3 enplaned from \$25 to \$28 effective January 1, 2025. The last increase was effective March 1, 2020.
- Landing and terminal fees will see a 25% increase effective January 1, 2025.
- Already been approved in the Airport Fees Bylaw so no amendments will be needed by Kelowna City Council.
- Reviewed aeronautical revenues per landed carrier seat. Substantially lower than the median industry average.
- Reviewed the airport improvement fee per landed air carrier seat. In terms of tier two airports, YLW is slightly below average. and significantly lower than Tier one airports.
- Responded to questions from the Committee.
- Mayor Dyas thanked staff for all the work they have done and best wishes on their maternity leave.

Moved By Councillor Singh/Seconded By Blair Ireland

THAT the AAC receive the report for information, from the Kelowna International Airport, presented on October 3, 2024.

**Carried**

## **4. Questions & Wrap Up**

Staff responded to questions from the Committee.

Chief Executive Officer:

- Spoke to the transition that will be experienced with the ongoing expansion and building of the airport and the need to balance financially protecting the risk involved with opening the next phase of airport expansion.
- Targeting the Fall of 2026 for opening of the current expansion components.

Chair:

- Welcomed Maryse Harvey the President of the Chamber of Commerce to their first meeting.

5. **Termination of Meeting**

The Chair declared the meeting terminated at 11:17 a.m.

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Mayor Tom Dyas, Chair

DRAFT



# Airport Advisory Committee Meeting

April 10, 2025





# Agenda

- ✈ Welcome/Approval of Previous Minutes
- ✈ Opening Remarks
- ✈ Air Service
  - ✈ Air Service Performance
  - ✈ Potential impacts of tariffs
- ✈ Capital Plan 2025
- ✈ Financial Performance 2024
- ✈ Questions
- ✈ Tour of ATB Expansion





# Opening Remarks





## 2024 Record Breaking Year

**2,133,582** passengers in 2024  
(new annual record)

**211,493** passengers in December  
(new monthly record)

**9<sup>th</sup>** Busiest Airport in Canada



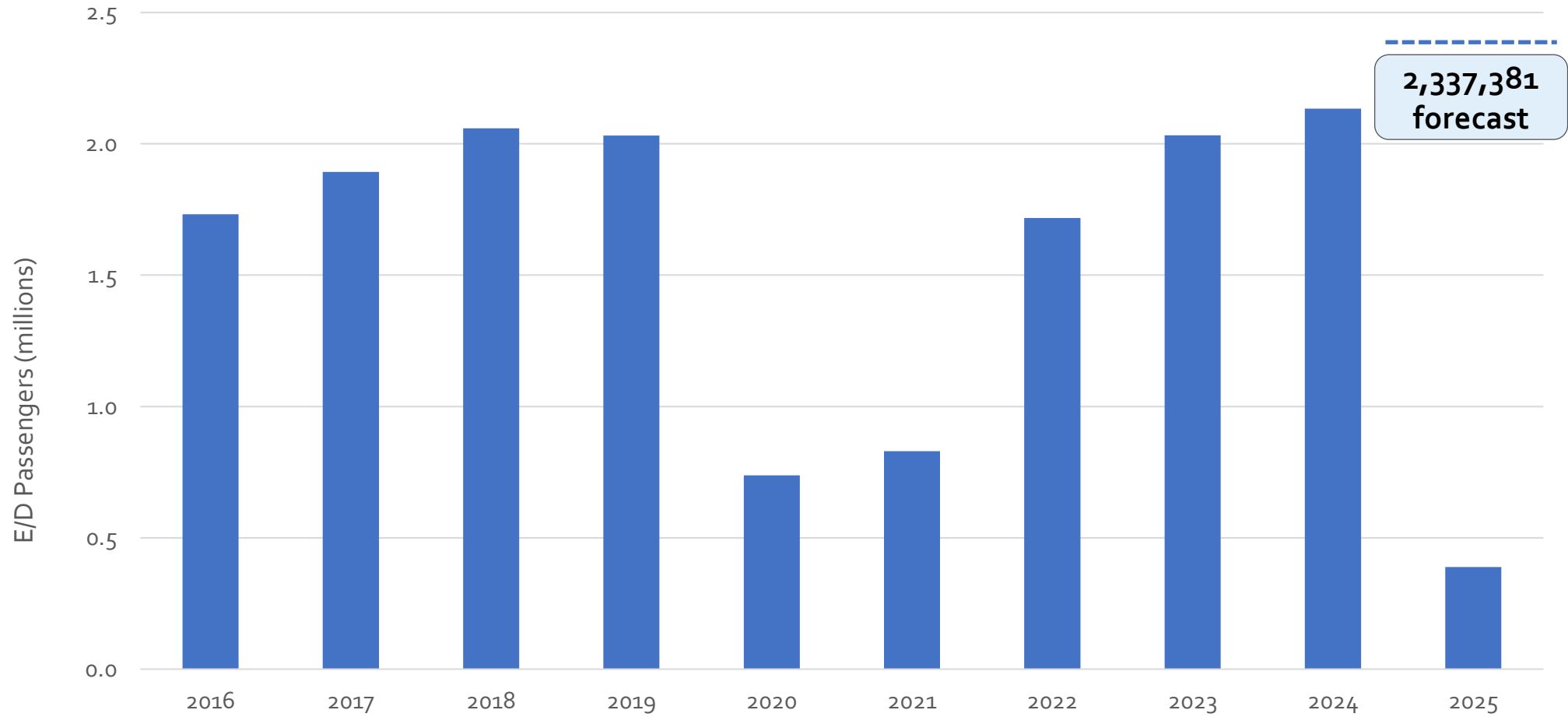
## 2024 & 2025 Monthly Passengers

	Monthly	YTD	Variance Monthly	Variance YTD
November	174,922	1,922,089	10.44%	4.16%
December	211,493	2,133,582	12.94%	4.97%
January	197,630	197,630	12.78%	12.78%
February	191,204	388,834	8.45%	10.61%

2025 Forecast	2,337,381
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## 2016 - 2025 Passengers Statistics







## 2024 / 2025 Aircraft Movements



# Air Service

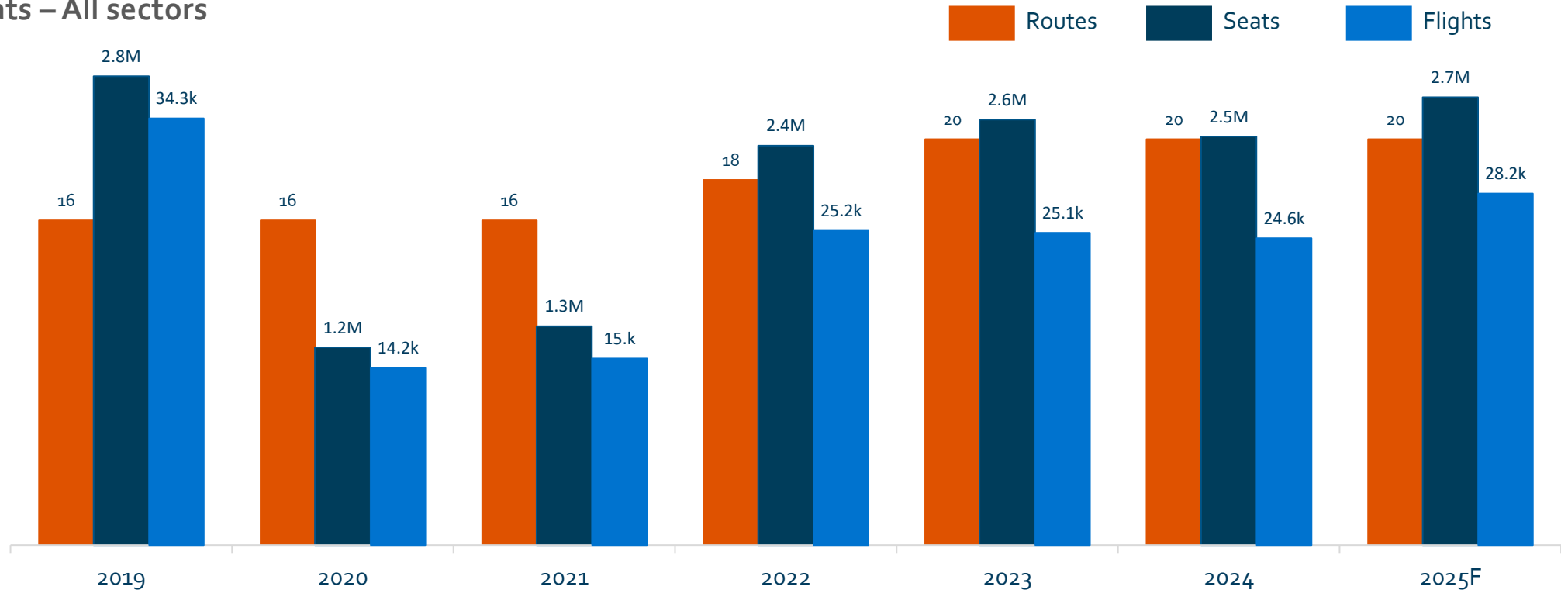
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## YLW air service rebounded quickly and continues to grow

YLW Seats – All sectors

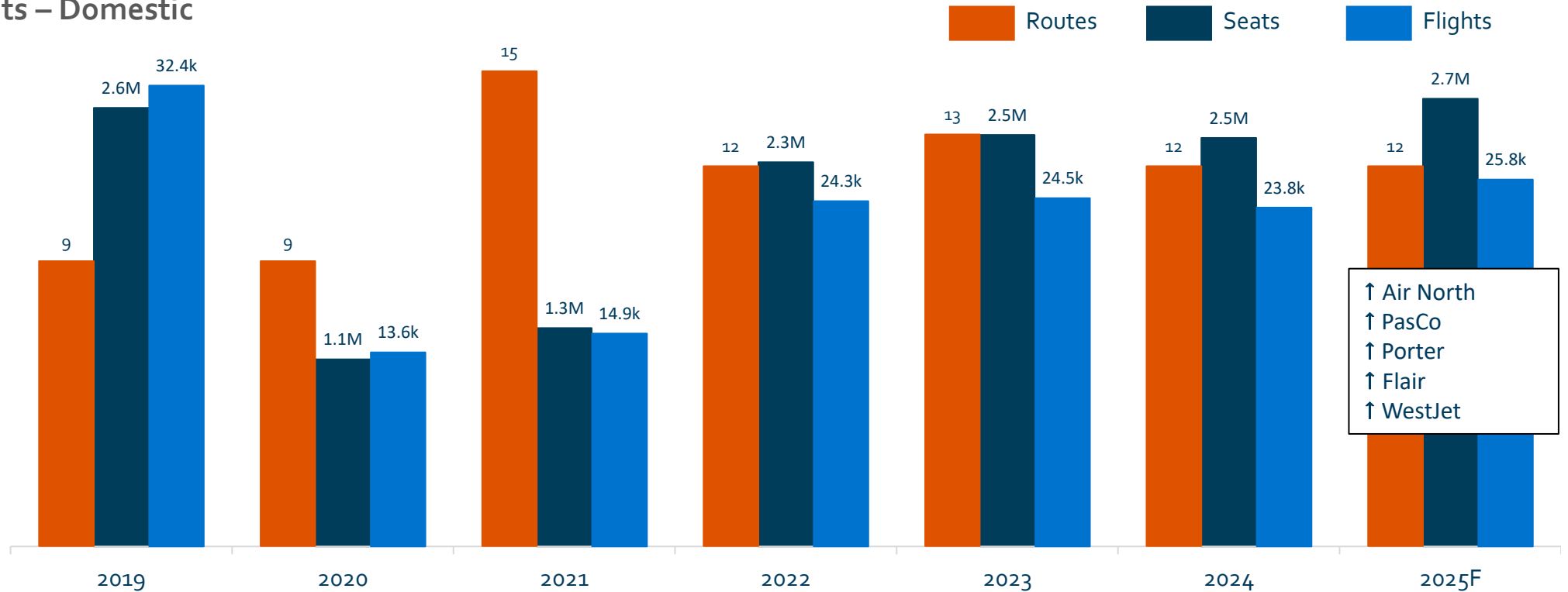


- ✈ Passenger demand remained strong in the first three months of the year, outperforming 2024 result thus far
- ✈ Overall capacity remains below peak 2019 levels but increased service from Alaska and new Toronto service from Porter are helping close the gap
- ✈ Seat capacity in market is reaching close to 2019 numbers with larger planes landing in YLW
  - ✈ Larger gauge aircraft allows for continued capacity growth with less departures and less environmental impact



## Domestic capacity provides a stable and strong foundation

YLW Seats – Domestic



↑ Air North  
↑ PasCo  
↑ Porter  
↑ Flair  
↑ WestJet

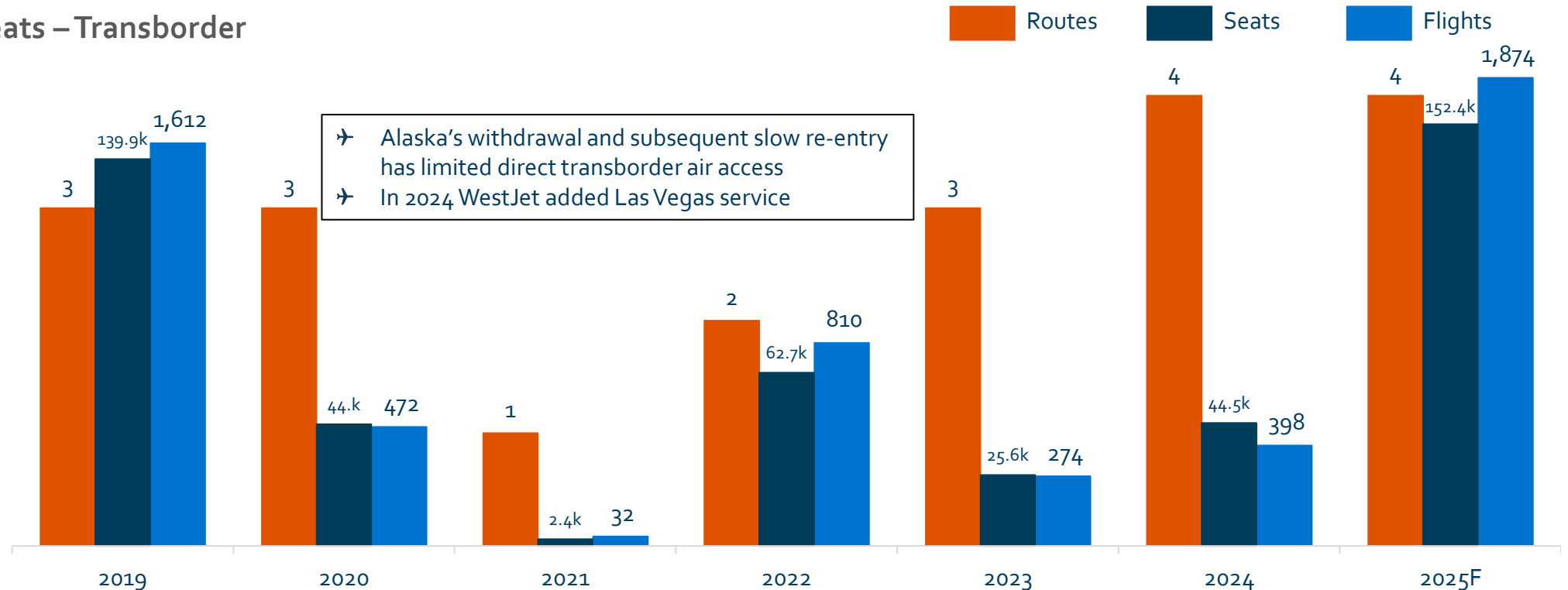
- ✈ Domestic seat capacity is expected to surpass 2019 levels this year
- ✈ Record breaking 2025 passenger traffic (up 10.6% thus far in 2025) is driven by increased seats in the Domestic sector





## 2025 Transborder capacity is scheduled to grow

### YLW Seats – Transborder

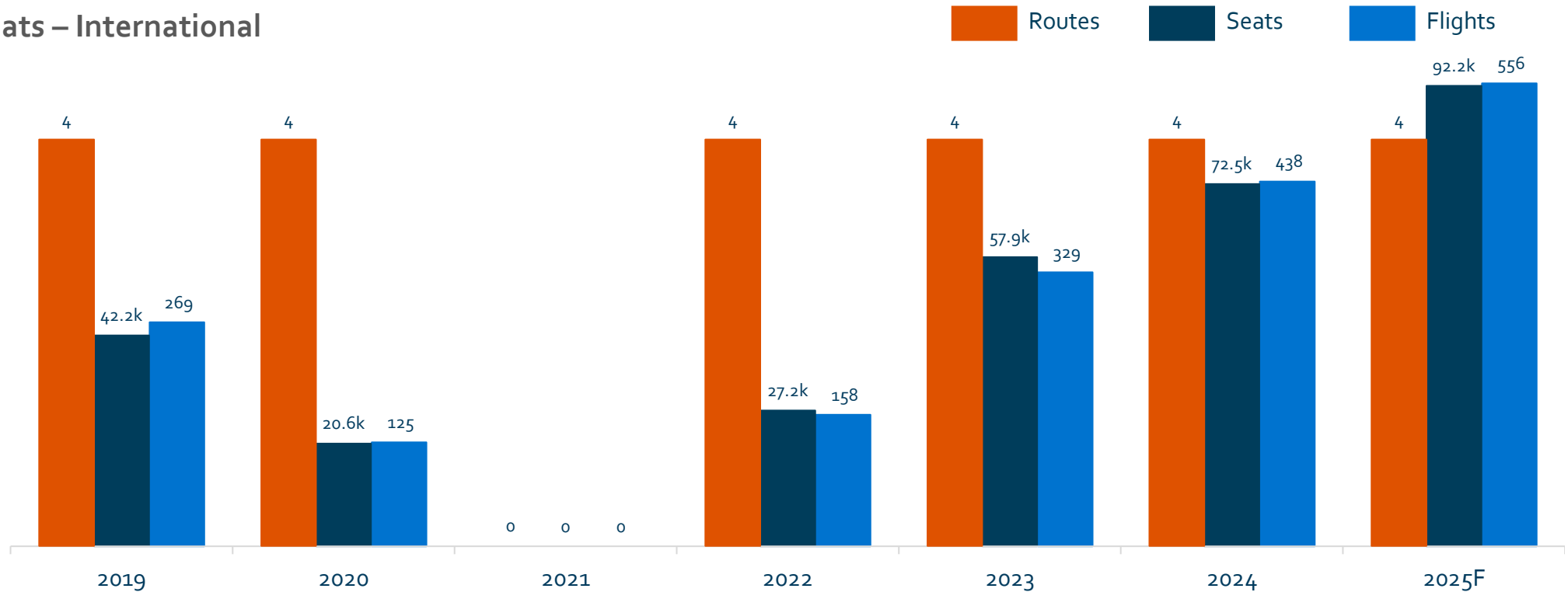


- ✈ New Winter service started in 2025 provided significant growth
  - ✈ New Los Angeles from Alaska Airlines
  - ✈ New Seattle from WestJet
  - ✈ Expanded Seattle from Alaska
  - ✈ Expanded Phoenix from WestJet



## International has been strong and is now fastest growing segment

YLW Seats – International



- ✈ WestJet has been adding significant capacity to sun markets
- ✈ This trend continues to increase in 2025 with Winter 2024/2025 season increasing by ~30%



## ASD Program is performing well on key metrics (2024 vs 2023)



- YYZ (expanded), 2/day, Jul 2023



- LAX (new), 5-7/wk, Dec 2024
- SEA (expanded), 1-2/day year-round, Dec 2024



- YVR (expanded), 5/wk, Jan 2025



- YXS (new), 6/wk, Oct 2024
- YQQ (new), 6/wk, Jun 2024
- YCD (new), 7/wk, Sep 2023



- SEA (new), 7/wk, Jan 2025
- YYZ (expanded), 7/wk summer, 5/wk winter, May 2024/Oct 2024
- All Sun except LAS (expanded), Oct 2024
- LAS (new), 2/wk, Dec 2023



## Airlines have pushed growth to domestic markets for 2025 so far

Impact of tariffs will likely drive additional capacity to domestic markets as  
Airlines adjust flying to serve changing passenger preferences



- YYZ (new carrier), 7/wk, May 2025



- YVR (expanded), 6/wk, summer



- YYC (expanded), 3-4/wk, year round

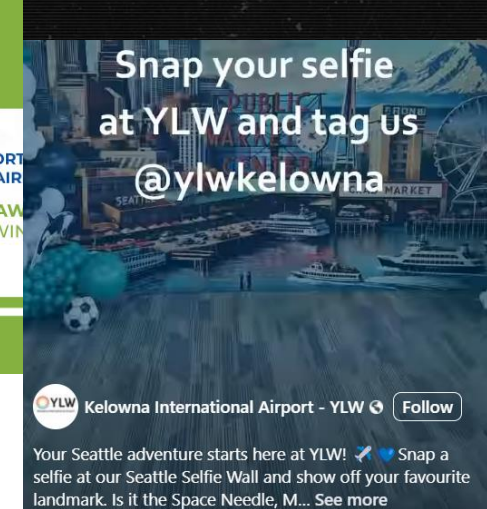




AIR SERVICE

# Marketing Program Propelling Success

- Effective  
(900K impressions & 5,800 entries)
- Low cost  
(sponsored by partner stakeholders)
- Tourism development
- Economic development
- Shoulder season
- Scalable / repeatable





# Air Service Performance





## 2024 VS 2023

**+73%**

**US seat  
capacity**

**+4.9%**

**Passenger  
traffic**

**+25%**

**International  
seat  
capacity**

**+\$1.8M**

**Incremental  
AIF  
revenue**

\* 12 months ended December 2024 vs 12 months ended December 2023.

\*\* Based on net AIF per enplaned passenger of \$23.28.



## Government grants are being leveraged to amplify impact

The YLW air service development team has secured financial support from the federal government.

- ✈ Funding is provided under the PacifiCan Tourism Growth Program (TPG)
- ✈ Program mandate is to develop and improve tourism destinations across Canada, by improving regional tourism assets, while enhancing Canada's competitiveness as an international destination
- ✈ Funds will cover 50% of core program activities over the next two years

# \$174K

### Grant Funding for Tourism Related Air Service Development Activities

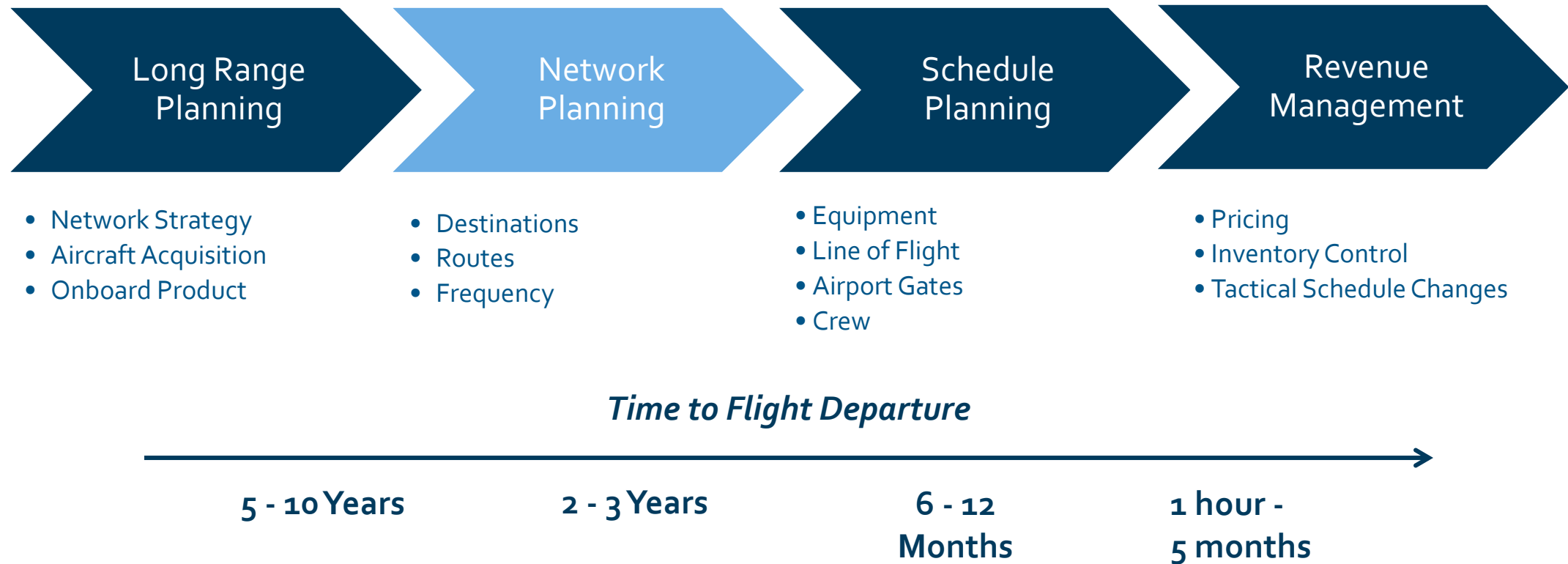
Activities covered, include:

New Service Attraction (Business Case Development)	Demand Generation (Marketing)
Data Collection & Research	Marketing Strategy and Plan
Feasibility Analysis	Implementation Tactics
Business Case Development	Program Optimization
Airline Meetings	





# The Network Development & Planning Process at Airlines





# How to influence the airline planning process

- ✈ Airlines evaluate both current and potential new markets in order of **forecast profitability** and **market risks**
- ✈ Airline planners require **detailed and accurate market information** to make new route decisions, but **do not have the resources** to fully evaluate every market
- ✈ New Markets need to fit in the airline's fleet and network strategy
- ✈ Markets can move up the list with:
  - Solid research & analysis
  - Incentives & risk sharing

## "The Airline Planner List" (Current Routes & New Markets)

RANK		ROUTE
1		— . — . — . — . —
2	↑	— . — . — . — . —
3	↑	— . — . — . — . —
4		— . — . — . — . —
5		— . — . — . — . —
6		— . — . — . — . —
7		— . — . — . — . —
8		— . — . — . — . —

**Some markets sped years moving up the "list" before a service announcement; some are never started**



## ASD focused on areas with the greatest impact

Priority	Market Segment	Rationale
1	Transborder	<ul style="list-style-type: none"><li>• US is a major market for inbound and outbound travel and hold high potential for growth</li><li>• Despite recent wins, still an imbalance between supply and demand for Central and Eastern US</li><li>• Securing access to Central hub would improve US and international air access considerably</li><li>• Despite concerns about Transborder travel, access to the US and having strong connections for US tourists into YLW remains a top priority</li></ul>
2	Domestic (excl. regional BC)	<ul style="list-style-type: none"><li>• Domestic is the foundation of demand</li><li>• Actively looking for key opportunities to grow the Domestic sector as Canadians look to travel within Canada this summer</li><li>• Rebound post-COVID has been strong, but still potential for additional service in big markets</li></ul>
3	Other International	<ul style="list-style-type: none"><li>• Limited inbound potential in short-term (most opportunities are sunspot)</li><li>• Interest from airlines limited at this point</li></ul>
4	Regional BC	<ul style="list-style-type: none"><li>• Relatively well served</li><li>• Smaller markets with less impact compared to other segments</li></ul>



## 2024 Efforts and Results

24

Business cases  
(Market analysis and route  
forecasts, presented at  
conference, HQ, and  
virtual meetings)

3

Conferences  
(Meetings and networking  
with airline decisions  
makers)

14

Airlines engaged with  
(Via HQ, conference, and  
virtual meetings)

6

HQ meetings  
(Full business case  
presented to key decision  
makers)

porter

YYZ (new), 7/wk, May 2025

WESTJET

SEA (new), 7/wk, Jan 2025

flair  
airlines

YVR (expanded), 5/wk, Jan 2025

Alaska

LAX (new), 5-7/wk, Dec 2024

Alaska

SEA (expanded), 1-2/day year-round,  
Dec 2024

WESTJET

YYZ (expanded), 7/wk summer, 5/wk  
winter, May 2024/Oct 2024

WESTJET

All Sun except LAS (expanded), Oct  
2024

Pacific Coastal  
AIRLINES

YXS (new), 6/wk, Oct 2024

Pacific Coastal  
AIRLINES

YQQ (new), 6/wk, Jun 2024

## Potential Impacts of Tariffs







# Proactively addressing impact of travel due to tariffs

Airlines are continuing to reduce capacity in Canada to U.S. routes as Canadian bookings to the US have reduced

Transborder flights have already been reduced with the possibility of additional cancellations

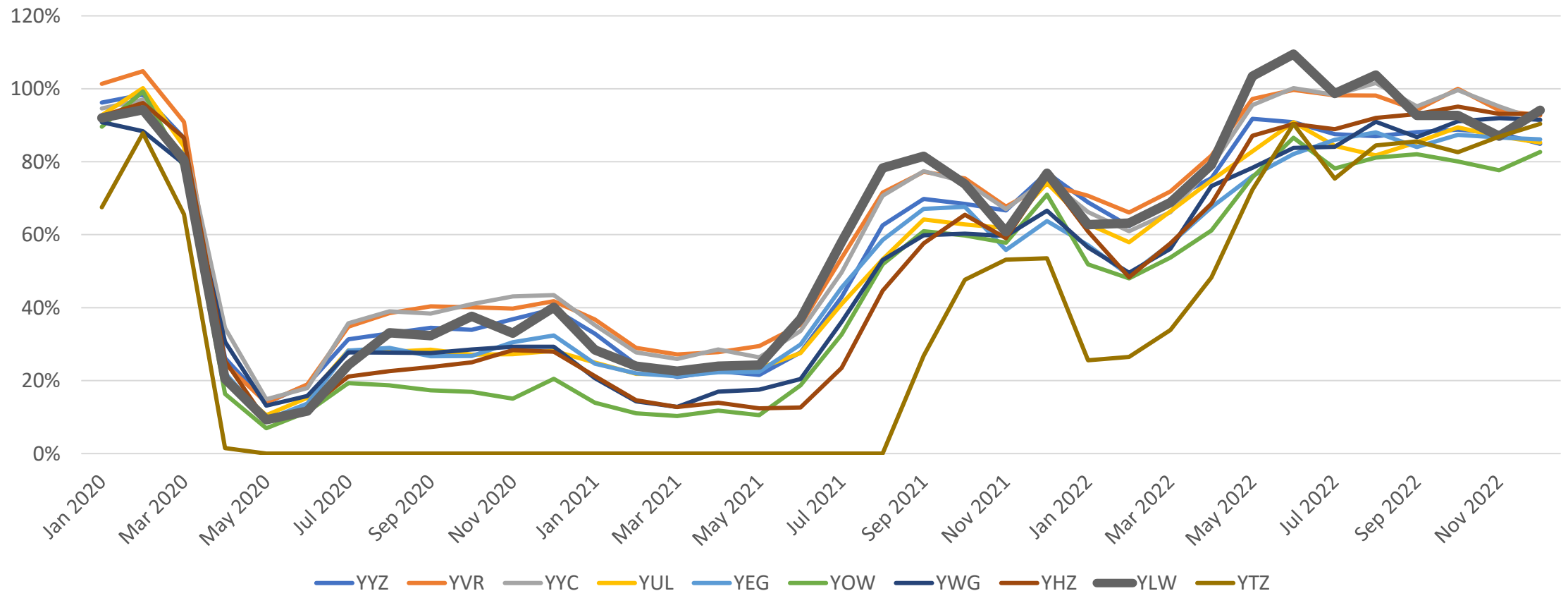
Kelowna is uniquely positioned to attract bookings as Canadians choose to travel closer to home this summer

- ✈ YLW is actively showcasing options for expanded Domestic flying to our Canadian airline partners
- ✈ In discussion with tourism partners to align and promote Kelowna as a friendly destinations for Americans travelling to Canada as well as for Canadians looking to support local



## Kelowna domestic seat recovery compared to 2019

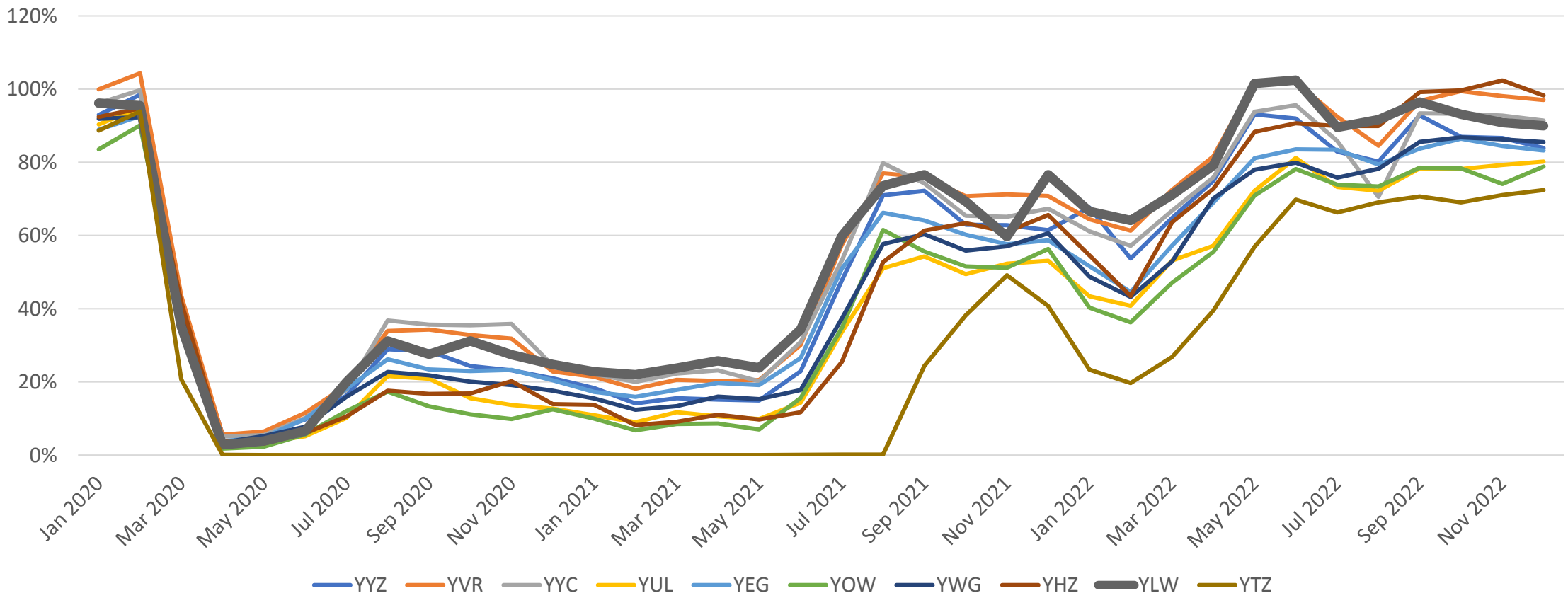
Domestic seat capacity in Kelowna recovered above 2019 levels by May 2022, outperforming other Canadian airports





# Kelowna domestic passenger recovery compared to 2019

Following the domestic capacity adds, Kelowna domestic passenger traffic recovered quickest compared to other Canadian airports



# Capital Plan 2025





## 2025 Programs and Projects

2025 Budget	
Programs	
Airside Pavement Rehabilitations & Expansion	\$10,251,000
Airport Airside Equipment	\$3,973,000
Lifecycle Replacement & Upgrades	5,641,000
Loading Bridges	707,000
Carbon Neutral Initiatives	1,229,000
Land Development	113,000
Projects	
Airport Terminal Building Expansion	39,642,000
Combined Operations Building	11,250,000
Airside Lighting and Supporting Infrastructure	8,710,000
Mill Creek Improvements	871,000
Airport Hotel and Parkade Enabling Works	3,381,000
Child Care Facility Expansion	2,550,000





# Air Terminal Building

- ✈ Project Investment: \$108m
- ✈ Project Timeline: Complete 2026
- ✈ Project Status: In Construction



- ✈ Interesting Fact: Mass Timber for this project is sourced sustainably and manufactured by a local, family operated company.



# Combined Operations Building Expansion

- ✈ Project Investment: \$22m
- ✈ Project Timeline: Complete late 2025
- ✈ Project Status: In Construction



- ✈ Interesting Fact: The newly erected COB steel structure is 21,000 sq ft required and required 474,000 pounds of steel (that is equal to more than five of the ARFF firetrucks!)





# Airfield Lighting & Supporting Infrastructure

- ✈ Project Investment: \$8.7m
- ✈ Project Timeline: April - November 2025
- ✈ Project Status: In Construction

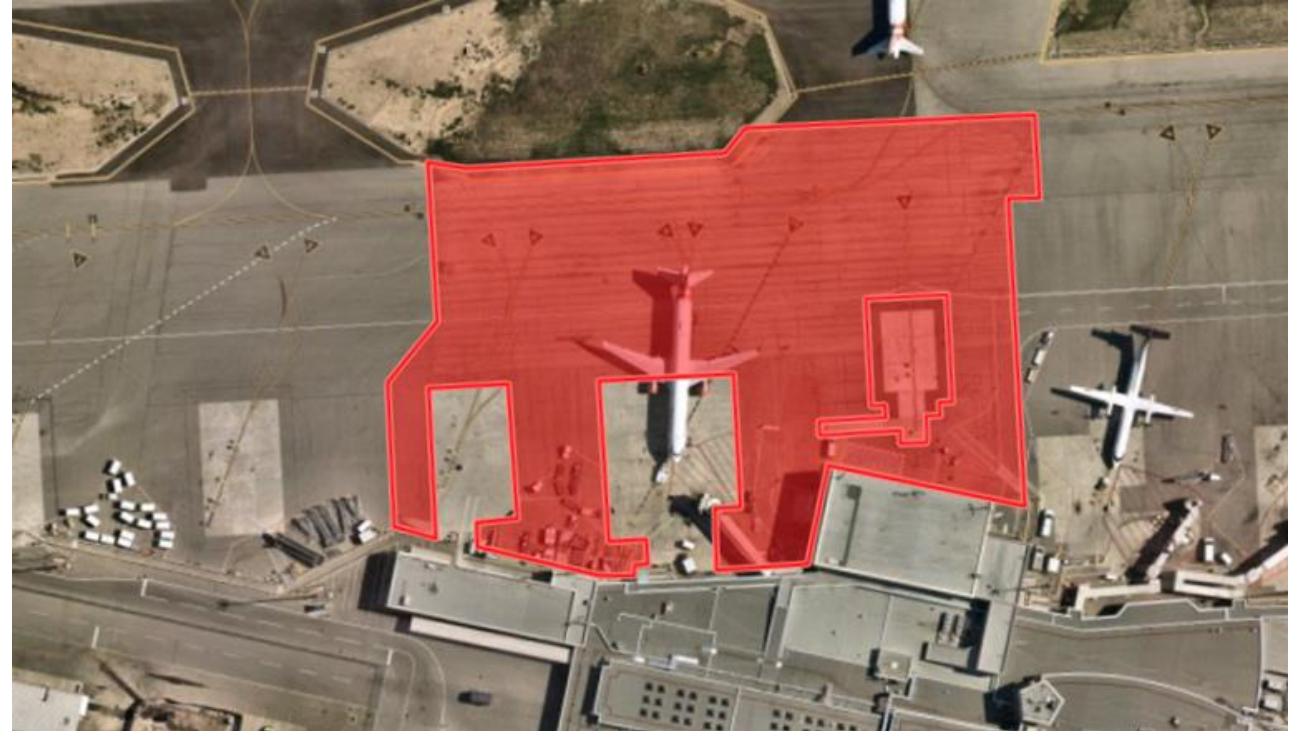


- ✈ **Interesting Fact:** YLW will lay down approx. 43 km of new electrical cabling for this project, which is roughly the distance from Peachland to Lake Country!



# Pavement Rehabilitation

- ✈ Project Investment: \$2.1m
- ✈ Project Timeline: April – June 2025
- ✈ Project Status: In Construction



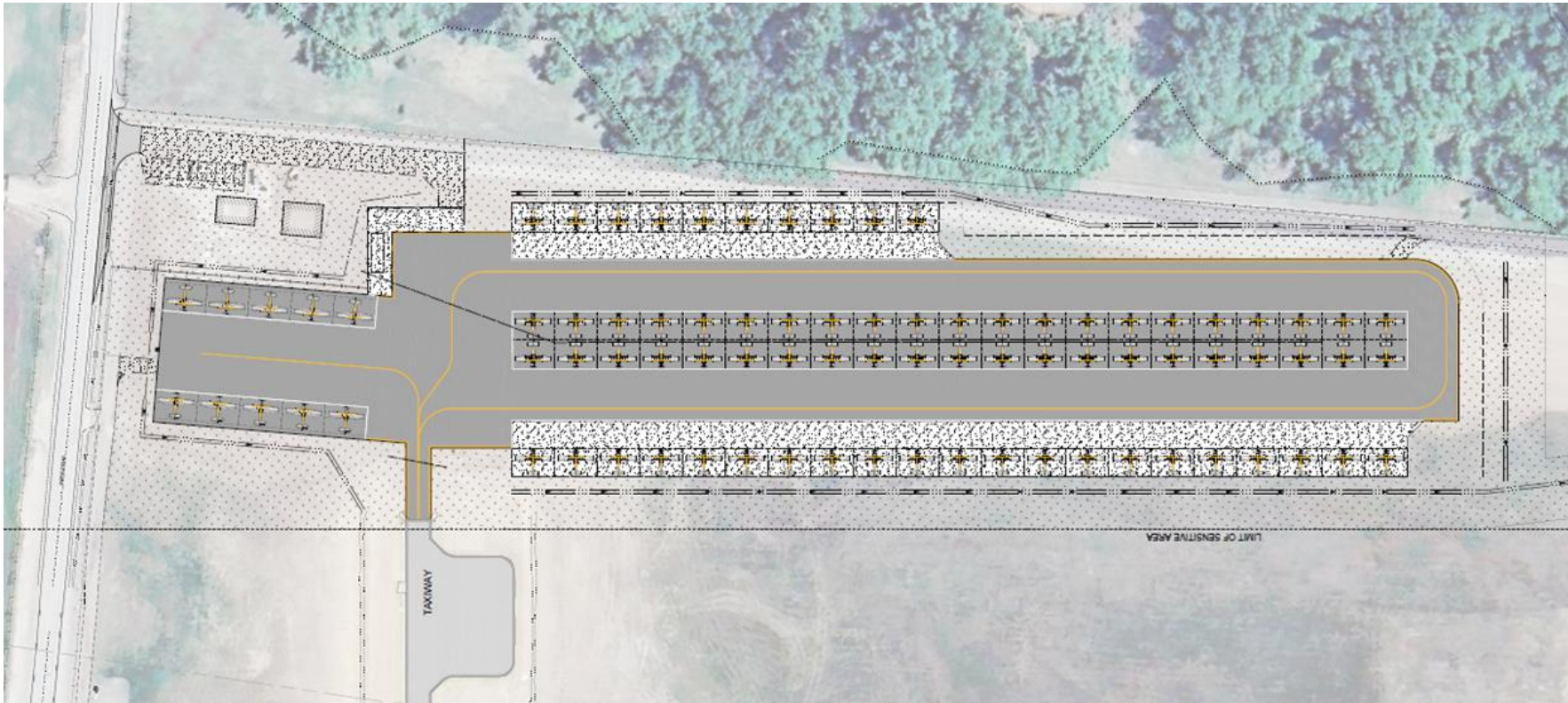
- ✈ **Interesting Fact:** YLW plans to mill the current asphalt from the apron and repurpose it for a new parking lot. This approach will reduce greenhouse gas emissions by minimizing the need to transport new materials to the site.





# General Aviation Development

- ✈ Project Investment: \$2.1m
- ✈ Project Timeline: June - September 2025
- ✈ Project Status: Design / Procurement



- ✈ Interesting Fact: This phased project will provide parking for light aircraft.





# Sutton Place Hotel & Parkade

- ✈ Project Scope: Development of the first 5-star hotel in the Okanagan and a 7-story parkade.
  - ✈ Project Timeline: 2025 – 2027
  - ✈ Project Status: Building Permit Submission
- 
- ✈ Interesting Fact: The YLW Sutton Place Hotel will be Kelowna's first five-star hotel.





# Hotel / Parkade Enabling Works

- ✈ Project Budget: \$8.3m
- ✈ Project Timeline: Started March 2025
- ✈ Project Status: In Construction







# Apron Expansion Enabling Works

- ✈ Project Scope: Construction of new bridge across Mill Creek. 600 vehicle parking stall expansion.
- ✈ Project Timeline: June – August 2025
- ✈ Project Status: In Construction





# Childcare Expansion

- ✈ Project Budget: \$2.5m
- ✈ Project Timeline: 2024 - 2025
- ✈ Project Status: Building Permit submitted



- ✈ Interesting Fact: This project is a collaboration between the Province, City of Kelowna, YLW, KF Aerospace & YMCA of Southern Interior BC.



# YLW Campus Advertising- EXECUTED

Agreement Scope:

- ✈ Complete ATB Expansion deployment and existing ATB upgrades
- ✈ Potential for sponsorship (lounge, branding, WiFi)

Agreement Status: Complete

Next Steps: Work to commence on installation of new infrastructure Q3 2025





# Financial Performance 2024





# Statement of Financial Position

(in thousands of dollars)

	Actual 2024	Actual 2023
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 2,330	\$ 7,131
Accounts receivable	5,322	5,810
Portfolio investments (Note 4)	37,599	55,731
	<u>45,251</u>	<u>68,672</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	15,075	11,698
Performance deposits	1,830	996
Deferred revenue	1,267	128
Long term payable (Note 5)	36	44
Debenture debt (Note 6)	4,997	7,373
Asset retirement obligations (Note 7)	80	542
	<u>23,285</u>	<u>20,781</u>
<b>Net Financial Assets</b>	<u>21,966</u>	<u>47,891</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	724	241
Inventory	525	437
Work in progress (Note 8)	69,480	23,463
Tangible capital assets (Note 9)	154,575	153,716
	<u>225,304</u>	<u>177,857</u>
<b>Accumulated Surplus</b>	<u>247,270</u>	<u>225,748</u>
Accumulated surplus is comprised of		
Accumulated surplus (Note 10)	247,358	223,602
Accumulated remeasurement gain (loss)	(88)	2,146
<b>Accumulated Surplus, end of year</b>	<u>\$ 247,270</u>	<u>\$ 225,748</u>



# Statement of Operations and Accumulated Surplus

(in thousands of dollars)

	Budget 2024	Actual 2024	Actual 2023
	(Note 18)		
<b>Revenue</b>			
Sale of services (Note 14)	\$ 27,261	\$ 27,072	\$ 25,188
Interest earned	908	2,036	1,917
Government transfers (Note 15)	9,159	3,872	5,178
Actuarial increase	-	479	404
	37,328	33,459	32,687
Airport improvement fee (Note 16)	23,651	24,654	22,892
	60,979	58,113	55,579
<b>Expenses (Note 17)</b>			
Administration	7,601	6,929	4,960
Interest	584	584	584
Terminal operations	6,542	7,822	7,661
Airport improvement fee	-	6,368	6,041
Airport policing	242	242	230
Groundside operations	6,068	6,701	5,792
Airside operations	4,948	5,671	5,140
Write-down of tangible capital assets	-	40	213
	25,985	34,357	30,621
<b>Annual Surplus</b>	\$ 34,994	23,756	24,958
Accumulated surplus, beginning of year	223,602	223,602	198,644
<b>Accumulated surplus, end of year</b>	\$ 258,596	\$ 247,358	\$ 223,602





# Statement of Cash Flows

(in thousands of dollars)

	Actual 2024	Actual 2023
Net inflow (outflow) of cash and cash equivalents related to the following activities:		
<b>Operating</b>		
Annual surplus	\$ 23,756	\$ 24,958
Adjustments for non-cash items		
Amortization of tangible capital assets	9,269	8,864
Accretion on asset retirement obligation	(327)	20
Actuarial adjustment on debenture debt	(479)	(404)
Writedown of tangible capital assets	40	213
Changes in assets and liabilities		
Accounts receivable	488	5,616
Inventory and prepaid expenses	(571)	(124)
Accounts payable and accrued liabilities	3,377	5,747
Performance deposits	834	67
Deferred revenue	1,139	(397)
	<u>37,526</u>	<u>44,560</u>
<b>Capital</b>		
Acquisition of tangible capital assets	<u>(56,320)</u>	<u>(25,352)</u>
<b>Investing</b>		
Disposition (purchase) of portfolio investments	<u>15,898</u>	<u>(15,045)</u>
<b>Financing</b>		
Repayment of long term payable	(8)	(349)
Repayment of debenture debt	(1,897)	(1,898)
	<u>(1,905)</u>	<u>(2,247)</u>
<b>Net increase in cash and cash equivalents</b>	<u>(4,801)</u>	<u>1,916</u>
Cash and cash equivalents, beginning of year	<u>7,131</u>	<u>5,215</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,330</u>	<u>\$ 7,131</u>

# Questions





# Recommendations





# Recommendations

- ✈ THAT the Airport Advisory Committee receive, for information, the report from Kelowna International Airport, presented on April 10, 2025.



