



DEER LAKE
AIRPORT AUTHORITY

2025 ANNUAL REPORT

BUILDING FOR OUR FUTURE



THE DEER LAKE REGIONAL AIRPORT AUTHORITY (DLRAA) IS GUIDED BY THE FOLLOWING VISION, MISSION AND VALUES

VISION

A leading regional airport creating opportunity by connecting Western Newfoundland & Labrador to the world.

We are driven to continue to raise our own standards of operational and service excellence as the regional airport in Western Newfoundland and Labrador. We will maximize opportunities for people, businesses and communities to thrive by delivering an exceptional experience through YDF. We will become even greater champions of our region by enabling residents to fulfill all their global outbound air travel journeys while inviting the world to connect with us.

VALUES

Safety

We all take responsibility for the health, safety, security and welfare of colleagues, passengers, partners, goods, and the public.

Inclusion

We actively seek diverse perspectives as a way of enhancing ideas and fostering an environment that is open, respectful, accessible and accepting of people from all backgrounds and ability levels.

Collaboration

We invest in equal partnerships and the success of others, because when we work together, we can achieve more.

Sustainability

We live by our environmental, social and financial sustainability principles to help create a better airport and healthier communities - now and into the future.

MISSION

We're here to get you there.

We are passionate about our airport and deeply proud of our region and our culture of hospitality. We are all in as an airport team and are here to play our part to serve our travelling guests and our partners in any way we can. We will make sure everyone travels successfully through YDF – wherever their journey may take them.

Accountability

We partner to produce meaningful outcomes with accountability and integrity in all our business activities to deliver on commitments made.



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“Newfoundland English”

- the unique, vibrant dialect of the province of Newfoundland & Labrador

MESSAGE FROM THE BOARD CHAIR AND CEO

“Airports are a critical transportation infrastructure that supports family and friends re-connecting and foster our tourism and business sectors.”



STELMAN FLYNN
BOARD CHAIR

On behalf of the Board of Directors, I am pleased to recognize another year of solid progress at Deer Lake Regional Airport. The Airport continues to demonstrate resilience and forward momentum, supported by a dedicated team and a community that values the airport's role in regional growth.

This year marked important milestones including completion of the Functional Plan and Concept Design of the terminal expansion project. As well, the airport welcomed over 302,000 passengers in our fiscal year 2024-2025.

This level of service was a direct result of the Airport Authority's continued positive relationship with our airline partners, which include our anchor airlines Air Canada and PAL Airlines, coupled with seasonal service with Porter Airlines, WestJet and Sunwing. All of these airline options provided the community with increased air access to and from our wonderful area of the province.

Airports are critical transportation infrastructure that supports family and friends re-connecting, fostering our tourism and business sectors. They're also invaluable in the delivery of a variety of government services necessary for the well-being of our communities and our people.

Deer Lake Regional Airport plays a vital role in our emergency health care system, medevac services, critical emergency response services (including forest fire response and forestry management activities), as well as military and search and rescue operations all rely on the availability of our runway and airport. Many of these services happen quietly in the background, often unnoticed until the moment you need them. The Board of Directors and staff oversee this critical infrastructure with a strong commitment to serving the broader community, ensuring our airport is prepared when it is needed most.

We are excited as we look forward to all the work planned in 2026, including advancement of the terminal expansion project and welcoming all guests with increased seat capacity.

The achievements of our airport community are a direct result of the professionalism and commitment of staff, management, stakeholders, tenants and fellow Board members.

Thank you to our community and passengers for your continued confidence in our airport. Your support drives our mission and reinforces the airport's importance as an economic and transportation asset for Western Newfoundland.

A handwritten signature in black ink, appearing to read 'Stelman Flynn'.



MESSAGE FROM THE BOARD CHAIR & CEO



TAMMY PRIDDLE
PRESIDENT & CEO

In 2025, Deer Lake Regional Airport advanced its mandate as a safe, reliable and community focused transportation hub for Western Newfoundland and Labrador. Guided by our 2025–2029 Strategic Plan, we delivered measurable progress to drive business growth, foster organizational excellence, expand services and partnerships, and transform our culture, elevating our performance to further serve as a critical enabler of regional economic development.

Our progress this year reflects disciplined execution. We concluded the first year of the new Strategic Plan with overall performance tracking slightly ahead of plan, supported by strong internal coordination and focused on priority initiatives. Improvements to safety systems, accessibility, stakeholder engagement, land development planning and operational communications are all underway, with tangible results visible across the airport community.

Despite capacity pressures and external disruptions, demand for Western Newfoundland remained resilient. Our team supported a busy tourism season, including more than 166,000 passengers served between June and October and strong activity across airlines, ground transportation partners and tourism operators. Airline performance included continued activity from Air Canada, PAL Airlines, Porter, and WestJet, with carriers expanding offerings like Porter's Halifax and Toronto service and PAL's provincial loop connecting Deer Lake, Gander, and St. John's.

Looking ahead, early indicators for 2026 are positive. Several airlines have already announced increased season length and capacity, supporting strong expectations for sustained tourism and improved seat availability.

2025 marked significant advancement of our multiyear capital program for a total investment of 3.8 million. Apron Expansion Phase 1 was completed, with Phase 2 and asphalt work scheduled for spring of 2026. We also progressed the Functional Plan and Concept Design for the Terminal Expansion, which included employee, tenant and community consultation. This expansion, approved at an estimate of over \$40 million, will alleviate current capacity pressures, improve passenger flow, increase accessibility, and prepare the airport for long term growth.

We also delivered smaller, high impact upgrades, including new fuel tanks for ground side refueling, new furniture to enhance the passenger experience, and prioritized accessibility focused improvements.

Throughout 2025, we invested in strengthening our workplace and partnerships. We continued our Coffee with the CEO events, celebrated National Airport Workers Day for the third year, and continued to welcome new employees across the airport community. We modernized our Safety Management System, released our updated Accessibility Progress Report, and completed the Authority's Employee Engagement Survey.

Our Guest Experience Council, introduced in July, advanced work on accessibility, indigenization, and customer experience enhancements to reinforce our commitment to delivering a welcoming and inclusive airport environment.

We continue to represent YDF at the regional and national level through participation in ACI events, CAC's Airports on the Hill, and the Town of Deer Lake's 75th Anniversary panel discussion on economic development and community partnerships. These efforts support our advocacy for sustained air access funding, affordability, and competitive route development.

Our 2025 achievements belong to the entire airport community—the employees, tenants, partners and stakeholders who support our mission every day. The work they do ensures YDF remains a safe, reliable and welcoming gateway to Western Newfoundland and Labrador. Thank you to each and every one of our Board of Directors, employees, tenants, partners and passengers who have supported our success in 2024-2025.

As we enter 2026, our focus remains steady: deliver on our Strategic Plan, advance the terminal expansion, strengthen air service, improve passenger experience and uphold the highest standards of safety and operational excellence. With the foundation built in 2024-2025 and the momentum already underway, we are well positioned for continued progress.

Tammy Priddle

1 DRIVE BUSINESS GROWTH



Air Service is vital for our region and province. Our airport supported the movement of 302,284 passengers in 2024-2025, providing service for 12,921 aircraft movements. This included the following commercial airlines; Air Canada, PAL Airlines, EVAS, Porter, WestJet, Sunwing while also supporting several government operated aircraft such as Medevac, Search and Rescue, RCMP, Forestry Protection, Fisheries and Oceans, the Canadian Military and many more.

In March, market confidence in Western Newfoundland was reinforced when Porter Airlines expanded its Halifax Stanfield service from four weekly flights to daily service and introduced three weekly flights to Toronto Pearson. This enhancement to Porter Airlines' growing network improved regional connectivity, supported economic activity, and strengthened year-round air access for residents and visitors.

"We are excited to have Porter Airlines expand service at YDF with a direct flight into Toronto Pearson. This new service provides our passengers with more options to connect into Porter's network throughout western Canada and beyond. At the same time, it provides another opportunity for us to welcome tourists, family and friends to western Newfoundland and Labrador. Our partnership with Porter Airlines continues to grow and develop to benefit our entire region."

TAMMY PRIDDLE

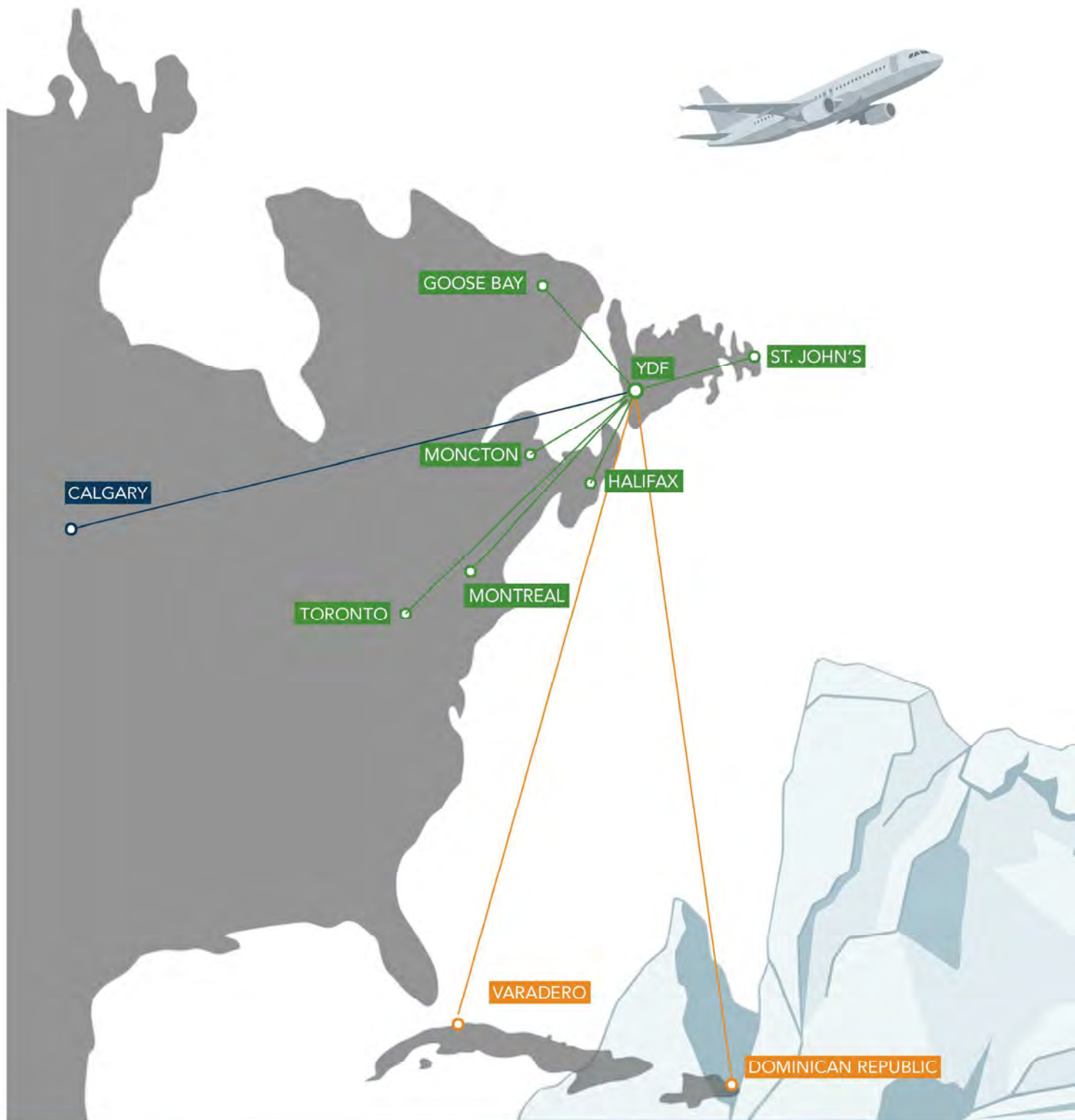
PRESIDENT & CEO
DEER LAKE REGIONAL AIRPORT AUTHORITY

"Domestic travel is at an all-time high and travellers can now explore the east coast charm and beauty that Deer Lake and Charlottetown offer. Travelers heading west will also benefit from increased air service with the launch of these two routes and have options to connect to even more destinations across Canada and beyond."

ANDREW PIERCE
VICE PRESIDENT
NETWORK PLANNING
& REPORTING
PORTER AIRLINES



OUR DIRECT ROUTES



OUR DIRECT ROUTES

AUGUST 2025 PEAK

| CARRIER | DESTINATION | AUGUST 2025 WEEKLY FREQUENCY |
|--------------|-------------|------------------------------|
| Air Canada | Toronto | 14 |
| Air Canada | Montreal | 7 |
| Air Canada | Halifax | 7 |
| WestJet | Calgary | 3 |
| PAL Airlines | Moncton | 5 |
| PAL Airlines | Goose Bay | 12 |
| PAL Airlines | St. John's | 20 |
| Porter | Halifax | 7 |
| Porter | Toronto | 4 |
| | | 79 |

Direct Domestic Destinations:

- Toronto
- Montreal
- Halifax
- St. John's
- Goose Bay
- Moncton
- Calgary*

Direct International Destinations:

- Punta Cana^
- Varadero^

* summer seasonal

^ winter seasonal

"come from away"
- a visitor not from NL



ANNUAL PASSENGER TRAFFIC



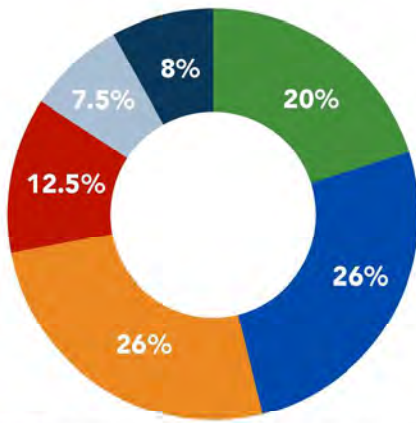
OUR DIRECT ROUTES

"stay where you're to 'til I comes where you're at"

- stay right there until I get to you

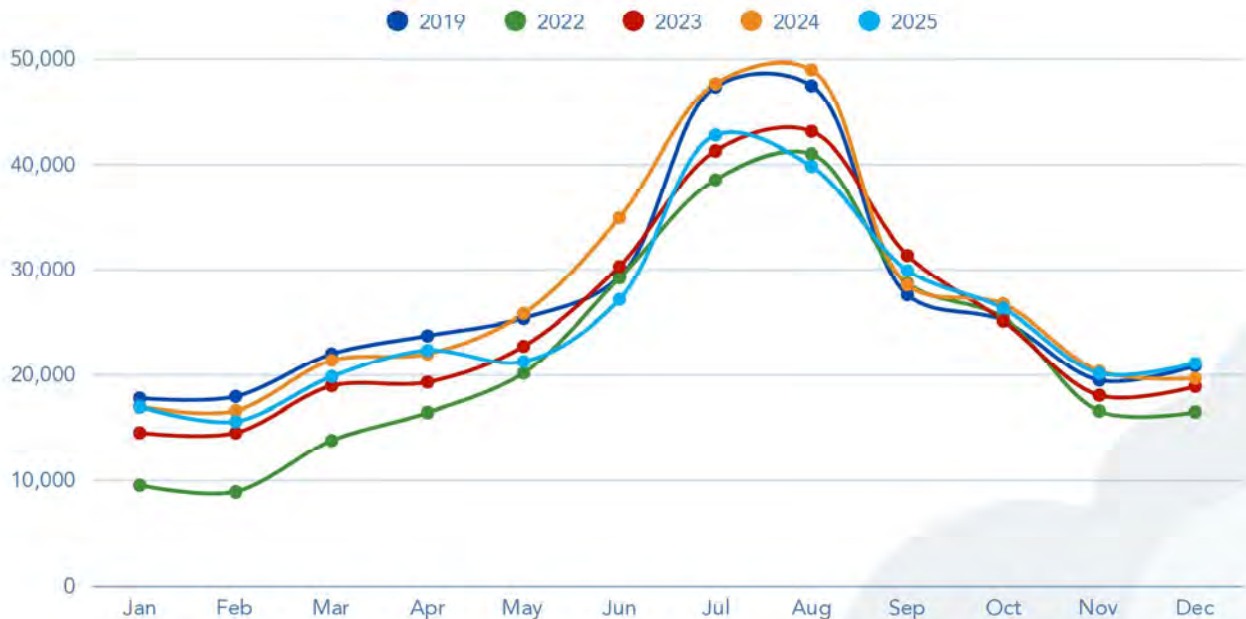


2025 ATLANTIC CANADA PASSENGER TRAFFIC COMPARISON



- YYR Goose Bay
- YFC Fredericton
- YQX Gander
- YYG Charlottetown
- YDF Deer Lake
- YSJ Saint John

MONTHLY PASSENGER TRAFFIC



BUILDING FOR OUR FUTURE

The year 2025 began with the release of the Airport Authority's 2025-2029 Strategic Plan, formally launched through a collaborative event with the Town of Deer Lake and the Greater Corner Brook Board of Trade. The Strategic Plan serves as the Board of Directors' roadmap for the next five years, providing clear direction to DLRAA's Management Team

as it prepares the organization to meet the growing and increasingly diverse needs of the region, while laying the foundation for Deer Lake Regional Airport to continue to evolve as a leading regional airport.

We continued to execute a multi-year capital program focused on safety, capacity, and long-term growth. This included steady advancement on the Terminal Expansion Functional Plan and Concept Design, including consultations with employees, tenants, and the community. Other key achievements are highlighted below.

"We're Here To Get You There"

In January 2025, we launched our new Mission video, "We're Here To Get You There", highlighting those who work behind the scenes to support the safe and efficient movement of the public through our airport. It also depicts our work with our Board, employees, tenants and partners to work collaboratively to elevate each other to reach our corporate and personal goals.

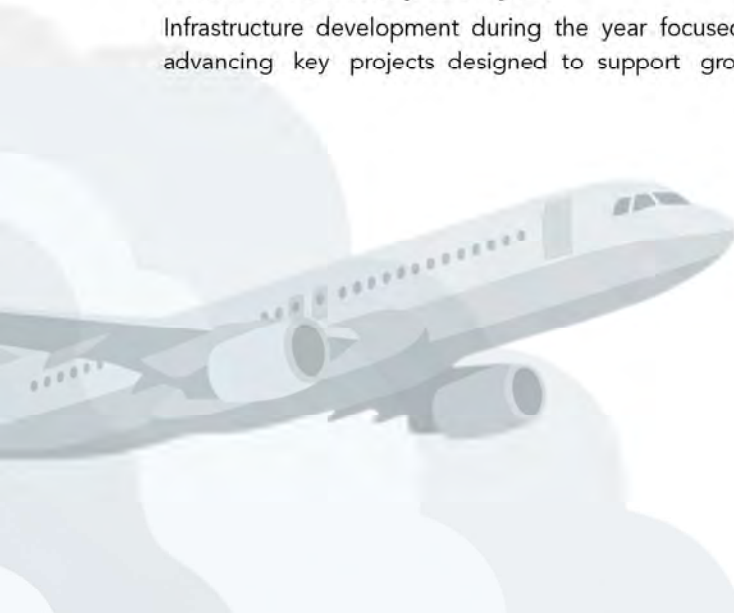
Infrastructure and Capital Projects

Infrastructure development during the year focused on advancing key projects designed to support growth,



modernize aging systems, and position the Airport to meet future operational, regulatory, and passenger needs. These investments respond directly to increasing aircraft size, evolving traffic composition, capacity constraints, and expectations for accessibility, sustainability and user experience.

"long may your big jib draw"
- wish of good fortune, safe travels and prosperity





Airside Expansion and Utility Renewal

The most significant infrastructure initiative during the year was Phase 1 of the Apron I Expansion, which was successfully completed. This phase centred on the relocation of aging electrical and communications infrastructure that serves critical airfield systems, including runway and approach lighting and instrument landing systems. The existing feeds were both shallow and nearing the end of their intended service life, creating operational risk and directly impeding apron expansion efforts.

The need for this project was driven by sustained apron congestion resulting from a shift toward larger commercial aircraft servicing the airport, alongside ongoing demand from general aviation and government air traffic operations. By relocating and modernizing these essential utilities, Phase 1 removed a major constraint to future development while improving system reliability and resilience. Phase 2 of the Apron I Expansion, which includes full grading and paving of the expanded area for aircraft operations is expected to be completed in mid-2026. Once finished, the project will provide additional operational flexibility, improve apron efficiency, and enhanced support for future traffic growth.



Sewer System Capacity Upgrades

The second major infrastructure project advancement was the upgrade of the airport-owned and operated sewer system. The existing system had reached capacity and was no longer sufficient to support current operations or accommodate forecasted growth. Upgrades were therefore required to maintain compliance, protect environmental performance and enable future development across the site.

Construction progressed in 2025 and at the end of the fiscal year the upgraded system was nearing completion and expected to become operational in early 2026. This investment represents a critical foundational upgrade, ensuring that core servicing infrastructure keeps pace with airport activity levels and long-term development objectives.



BUILDING FOR OUR FUTURE

Groundside Washroom Modernization

Work also commenced on the upgrade of the main groundside washroom bank. This project is focused on improving accessibility, inclusion, and overall user experience. Design improvements include enhanced accessibility features and the introduction of more gender-neutral washroom options, reflecting evolving passenger expectations and the Airport's commitment to creating an inclusive and welcoming environment for all users. Construction began during the year and is progressing well, with full completion expected in spring 2026.

Rental Car Fuel Infrastructure

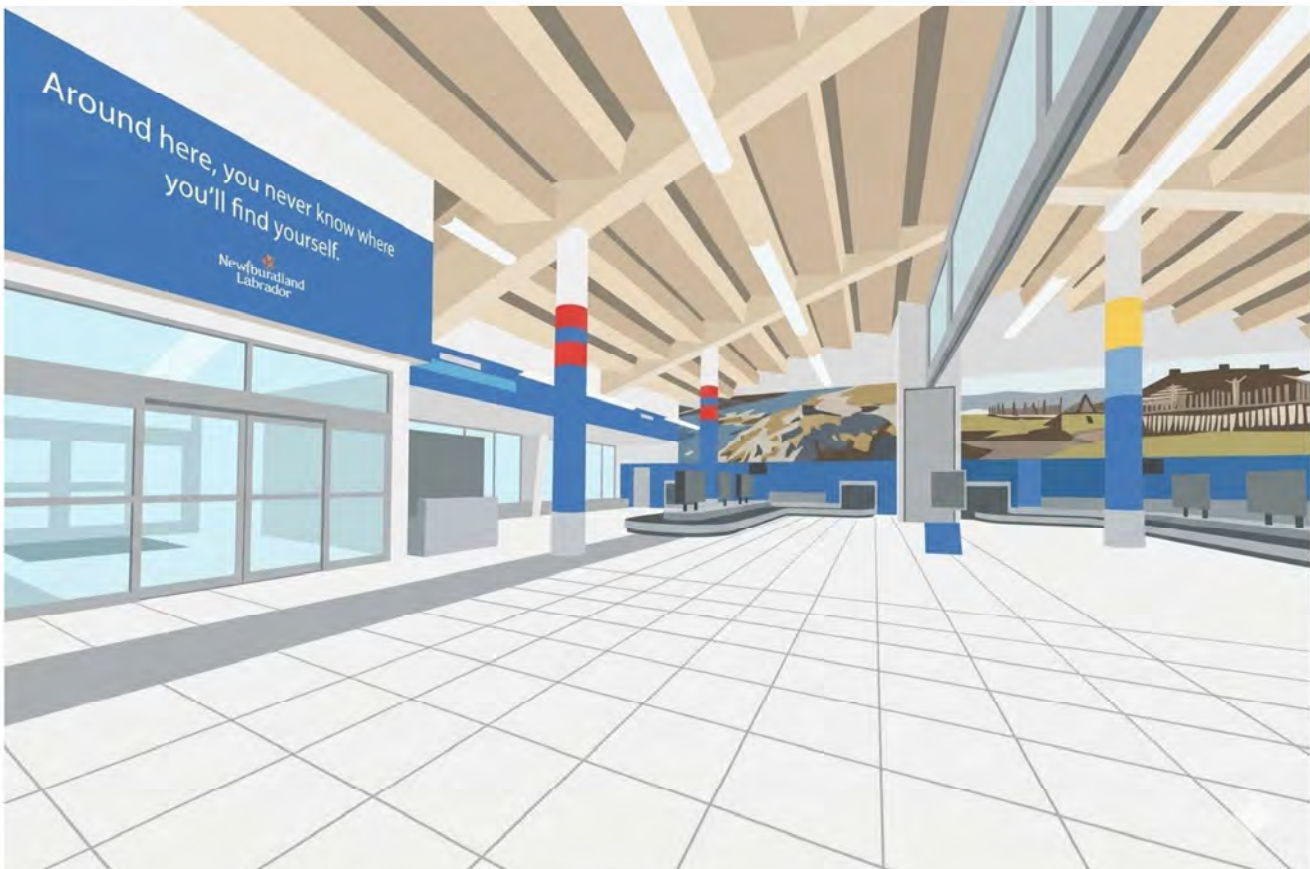
To better support rental car operations and improve on-site service efficiency, the Airport installed new gasoline storage tanks during the year. Commissioning of the system was in progress at year end. Once fully operational, this infrastructure will streamline rental car operations and reduce off-site fuelling requirements, contributing to improved service reliability and operational efficiency.

Internal Workplace Improvements

Internal workplace improvements were also completed following a comprehensive ergonomic assessment. Furniture upgrades were made for many employees, replacing equipment in some cases more than 25 years old and no longer ergonomically suitable. These improvements support employee health, safety, and productivity while modernizing the Airport's working environment.

*"where ya
'longs to?"*

- where are you from?



2 EXPANDING SERVICES & PARTNERSHIPS



In 2025 we launched our formal Stakeholder Engagement Program, starting with the presentation of our Airport NEXT results in April 2025. Engagement with partners and stakeholders that attended direct the discussion on how to enhance and elevate our programs and services in meaningful ways.

In March, our President and CEO attended the 2025 ACI-NA/AAAE Airport Customer Experience Symposium. There, she participated as a panelist in the Voices of the C-Suite: Executive Insights and Reflections session alongside Joyce Carter, President and CEO of the Halifax International Airport Authority, and Susan Margles, President and CEO of the Ottawa International Airport Authority. This annual C-suite session brought together senior Canadian Airport leaders to share perspectives on leadership approaches, strategies to enhance customer and employee experience, and career development insights. Participation in the symposium provided valuable opportunities to learn from industry leaders and foster professional relationships that will support DLRAA's ongoing efforts to develop its Stakeholder Engagement Program and Guest Experience Council.

In May, we attended the 75th Anniversary of the Town of Deer Lake Gala Celebration and our President and CEO spoke on a panel regarding how much the Town has supported the development and growth of the airport.

Attendance at the Altitudes East Air Service Development

Conference in June 2025 included meetings with several of our airline partners to discuss air service development opportunities, how current services were being received and how we could work together to enhance success of our routes. Our President and CEO moderated a panel on



GOAL 2 - EXPANDING SERVICES & PARTNERSHIPS

the importance of air access for economic development in Atlantic Canada.

DLRAA also hosted several Government partners to discuss the successes of our organization, current affairs and the challenges that lay ahead. We met with MP Dane Lloyd, MP Carol Anstey and MP Richard Bragdon to provide a tour of the facility.

Throughout the year we had the privilege of welcoming both elementary and high school students from within our region to tour our facilities and learn about the airport and the multiple career opportunities that are available in the aviation industry. It is always fun to showcase our airport for students while at the same time inspiring the next generation of airport workers.

Guest Experience Council

July saw the launch and first meeting of our Guest Experience Council (GEC). The GEC was created to bring together a broad range of voices, including Airport Authority management, staff, airlines, tenants, passengers, and members of the public. Its role is to help guide the development and ongoing oversight of our Guest Experience with a focus on accessibility, meaningful indigenization of the guest experience, our volunteer program, as well as awards and recognition.



*"how's ya
gettin' on?"*
- how are you doing?



GOAL 2 - EXPANDING SERVICES & PARTNERSHIPS

Since the GEC's launch, good progress has been made in several key areas. We have begun advancing the authentic indigenization of the airport, taken steps to improve accessibility for all guests, and explored best practices for airport volunteer programs. Early projects include the introduction of a new Procurement Policy that supports Indigenous-owned businesses, the addition of land acknowledgements on terminal screens and banners, and highlighting of Indigenous-owned tourism businesses on our website.



Y - Why We Travel

In September, DLRAA partnered with Toronto Pearson International Airport as part of the ACI World and ACI-NA 2025 Conference to contribute to the publication "Y We Travel." The initiative celebrates the role Canadian airports – of all sizes – play in connecting people, communities, and experiences across the country and beyond. As noted by Deborah Flint, President and CEO of Toronto Pearson International Airport, "Every journey starts with a reason. A spark. 'Y We Travel' is a celebration of these stories."

As part of the publication, our President and CEO Tammy Priddle shared reflections on where her passion for travel began and highlighted Western Newfoundland as a world-class destination that continues to attract visitors from around the world.

I grew up in Port Aux Basques, a small ferry town in western Newfoundland and Labrador where the Trans-Canada Highway meets the Cabot Strait ... I saw tourists passing through our town, which made me realize western Newfoundland and Labrador offered something special to visitors; and I reveled in the annual adventures my parents planned for us ... I loved Port aux Basques, but there was a big world they wanted us to explore.

I think about those days regularly in my role at Deer Lake Regional Airport... I see tourists arrive, eyes wide with anticipation, on their way to the World Heritage sites of Gros Morne, L'Anse aux Meadows, and Red Bay. We have also instilled this curiosity about the world in our children... there's a big world out there and new experiences I want them to discover.

**Tammy Priddle, CEO
Deer Lake Regional
Airport Authority**



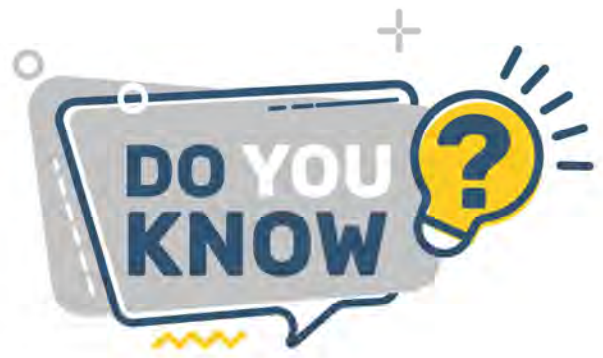
GOAL 2 - EXPANDING SERVICES & PARTNERSHIPS

Accessible Digital Communications

Deer Lake Regional Airport Authority (DLRAA) is committed to providing an accessible, inclusive, and welcoming environment for all passengers, visitors, and employees. Accessibility is a core component of our service philosophy and infrastructure planning. During the past year DLRAA undertook significant initiatives to remove barriers, enhance independence, and improve the overall airport experience for persons of all abilities.

To enhance digital accessibility, DLRAA implemented ReachDeck, an accessibility website tool. A user survey, conducted in the spring of 2025, better explains passenger awareness and usage of our accessible digital features. Survey feedback continues to be used to guide future improvements to digital communication and passenger awareness.

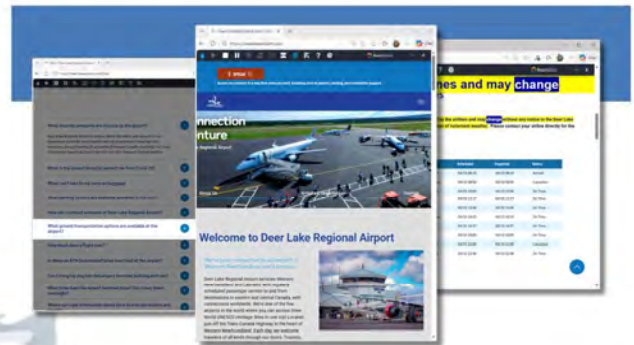
ReachDeck provides DLRA website users with a variety of accessibility tools. These support users with visual, cognitive, learning, and language-related accessibility needs and ensure that critical travel information is available in accessible formats.



Did you know that we have an online tool that makes our website more accessible for all our passengers? Here are some of the ways it can help you find the information you need:

- Text-to-speech functionality
- Translation into multiple languages
- Adjustable text size and font
- Color contrast and screen masking tools
- A reading ruler and dictionary support
- Simplified reading options for improved comprehension

*2025 saw **3,113** ReachDeck users. 49% of which were from within the province of Newfoundland and Labrador.*



GOAL 2 - EXPANDING SERVICES & PARTNERSHIPS

*“sit down, we
has a yarn”*

- let's have a chat



Community Engagement

DLRAA strengthened engagement with our accessibility community through the newly implemented Guest Experience Council. The committee's composition includes two members from organizations that advocate for accessibility. We're confident this will provide valuable insight through lived experience, enabling DLRAA to:

- Identify accessibility gaps
- Review service improvements
- Provide input on infrastructure planning and customer experience initiatives

This inclusive approach ensures that accessible decisions reflect the needs of diverse users and reinforces DLRAA's commitment to collaboration and accountability.

Training and Awareness

To ensure accessibility awareness is embedded across the organization, all DLRAA employees completed accessibility training throughout the 2024-2025 fiscal year. In addition, all frontline Aerodrome Security employees working within the air terminal completed the same training.

The training focused on accessible customer service principles, understanding visible and non-visible disabilities, appropriate communication and assistance techniques, and legal obligations under accessibility legislation.

This organization-wide approach ensures a consistent, respectful, and informed experience for passengers and visitors at every point of contact.

Inclusive Navigation and Wayfinding

During the year, DLRAA completed the integration of GoodMaps and YDF terminal mapping. GoodMaps is an accessible wayfinding application that uses precise indoor mapping to provide turn-by-turn navigation through smartphones. The technology supports:

- Voice-guided directions
- Step-by-step navigation for users with visual impairments
- Real-time orientation and location awareness
- Accessible routing to services such as washrooms, gates, and exits

The app is live and will be formally launched in 2026.



GOAL 2 - EXPANDING SERVICES & PARTNERSHIPS

Accessibility Infrastructure Enhancements

DLRAA continued to make tangible improvements to physical accessibility across airport facilities. This included smaller, but impactful projects focused on improving passenger experience and accessibility throughout the terminal.

Seating options within the terminal were expanded and diversified. Where seating had previously consisted primarily of beam seating and benches, the Airport introduced a mix of soft seating, bistro-style tables, and supplemental hard seating. This expanded inventory provides passengers with greater choice and flexibility while improving accessibility for individuals with different mobility and comfort needs.

Responding directly to passenger feedback, new desk-style seating with stools and power outlets were added both before and after security screening. These areas provide improved options for eating, working, and device charging, while also supporting accessibility and ease of use.

Six flight information display monitors were upgraded during the year. The new displays are larger and positioned lower, improving sightlines and visibility for all passengers, including those who are visually impaired.

The addition of twelve new accessible parking spaces, with plans for further expansion in future phases, were installed.

DLRAA also implemented a weekly infrastructure inspection procedure to ensure all facility features, including accessibility components, remain in proper working order and are easily accessible at all times. This includes doors, signage, elevators, washrooms and emergency response equipment (AED's).

Airport Accessibility Awareness Campaigns

Accessibility initiatives were also highlighted through



multiple social media posts throughout the year. These posts:

- Promoted use of the accessible website tools
- Recognized the International Day of Persons with Disabilities
- Communicated improvements to washrooms and parking accessibility
- Demonstrated DLRAA's commitment to inclusive airport services

These communications help raise public awareness, encourage utilizing accessibility tools, and reinforce transparency and accountability.

Accessible and Inclusive Procurement

In June 2025, DLRAA published a new Procurement Policy with the goal of being more accessible and inclusive. The policy includes specific language requiring compliance with applicable accessibility legislation, consideration of accessibility standards in goods and services procurement, integration of accessibility requirements into vendor selection where applicable. This ensures accessibility considerations are embedded at the planning stage and supported throughout the lifecycle of contracts and infrastructure development.

Looking Ahead

DLRAA recognizes that accessibility is an ongoing journey. The initiatives completed last year represent meaningful progress, but it doesn't end there. By continuing to engage stakeholders, train staff, invest in accessible design, and monitor facility performance, DLRAA remains committed to providing an airport environment that is safe, inclusive, and accessible for everyone.



In 2025, Airport Authority conducted an employee engagement survey to better understand staff experiences and identify opportunities to strengthen our workplace. The survey generated thoughtful, honest, and valuable feedback that continues to support our efforts to build a positive, engaged, and thriving organization.

Staff expressed strong pride in the accomplishments achieved during the year, including the implementation of the strategic plan, operational successes, effective teamwork, the return of passenger traffic to pre-pandemic levels, and a strong sense of camaraderie across teams. One of the strongest indicators of employee satisfaction—willingness to recommend the organization as a place to work—was overwhelmingly positive. Employees cited a strong workplace culture, desirable scheduling, competitive compensation and benefits, opportunities for professional development, and a community-focused approach that supports work-life balance.



GOAL 3 - TRANSFORMING OUR CULTURE

The survey also highlighted opportunities for improvement. Key areas identified included enhancing communication around policies and changes, increasing access to training opportunities, and reviewing operational policies with direct input from frontline operational teams. Overall, staff consistently identified teamwork, camaraderie, intellectual engagement, pride in their work, and the ability to contribute meaningfully to the community as the aspects they value most.

In response to this feedback, the management team implemented a new change management framework designed to strengthen communication related to organizational changes, new initiatives, and policy updates. The framework also emphasizes employee engagement by providing opportunities for staff input, feedback, and suggestions for improvement.

To further support open communication and operational excellence, Safety and Operations Meetings are now held quarterly with each operations team. These meetings provide a forum for information sharing, reinforce our safety culture, and support continuous improvement in the efficient and effective operation of the airport.

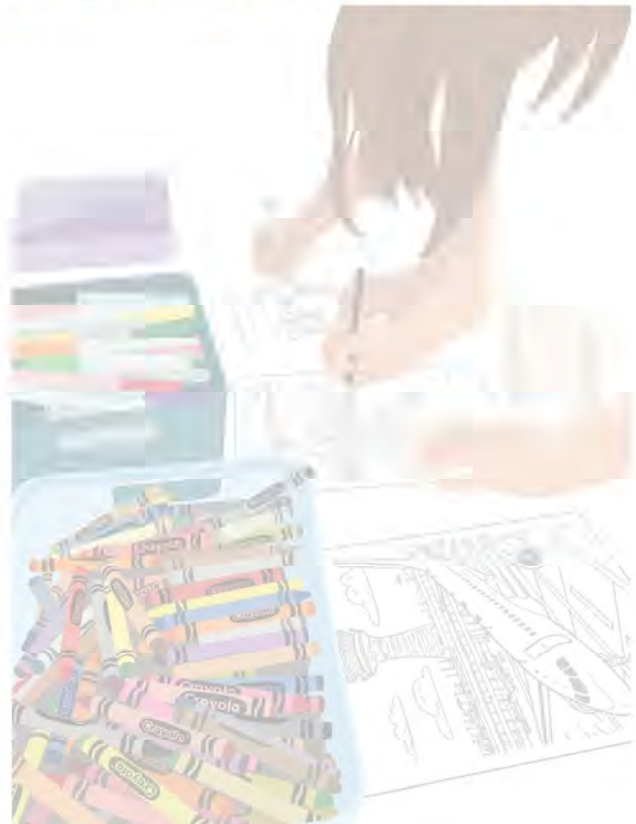
Employee engagement is also supported through leadership visibility and connection. The President and CEO hosts “Coffee with the CEO” sessions twice annually, offering updates on airport activity, air service developments, passenger volumes, and other key performance indicators. These sessions also allow employees to ask questions, share ideas, and connect informally with colleagues. Feedback from participants has been highly positive.





For the second consecutive year, the Airport Authority proudly celebrated Canadian Airport Workers Day, recognizing the vital role airport workers play in aviation. The event featured a fun, community-oriented atmosphere with a BBQ, games, local vendors, and family-friendly activities. The celebration was also shared across social media through photos, videos, and the “We’re Here to Get You There” campaign, highlighting the people behind airport operations.

In support of strong governance, the Board of Directors’ Governance Committee developed and implemented a new orientation program for incoming Board members. This program ensures a consistent, comprehensive onboarding experience and supports effective governance from the outset of each member’s term.



“best kind!”
- excellent!

4 FOSTERING ORGANIZATIONAL EXCELLENCE

DLRAA continued to work collaboratively to foster a safe and respectful workplace. Respectful Workplace training was provided to all Airport Authority management and staff, reinforcing our commitment to professionalism, inclusion, and mutual respect. In addition, accessibility training was offered to both employees and security contractors to ensure all guests are supported with dignity and care throughout their airport experience.

Targeted operational training was also prioritized. Our staff participated in Emergency Preparedness activities including live fire training at the Fire and Emergency Service Training Institute (FESTI) in Toronto.

Our Aircraft Rescue Firefighting Training specific to YDF, was vastly revised and improved upon. DLRAA also tested our Emergency Response Plan with our partners during a tabletop emergency exercise.



"... I just wanted to share what a great job your team did today in YDF with passengers requiring extra assistance. Their kindness and attention to the passenger needs was outstanding!"

- SANDRA

"we're here to get you there"

Airport Technicians completed Runway Reporting training, strengthening compliance and operational safety.

Several safety-focused initiatives were implemented throughout the year, including the introduction of an Apron Management Policy, the development of a Contractor Safety Training Program, and preparation for the implementation of Non-Passenger Screening.

The year included comprehensive audits of our Safety Management System and Information Technology Systems, supporting continuous improvement and risk management.

All of these initiatives and training are in an effort to further elevate the skills, abilities and competencies of the staff and tenants working at our airport necessary to achieve organizational excellence.

"... YDF is by far the most welcoming, appealing and aesthetically pleasing... keep up the fantastic work."
- BARB

320
Jobs
(direct, indirect, induced)

260+
CM Snow
winter of 2025

+1K
Runway Reports
completed

2357
Work Orders
completed

1744
Wildlife Inspections
completed

9K+
Social Media Likes

130+
Training Programs
completed

"who knit ya?"
- who are your parents?



OUR BOARD OF DIRECTORS



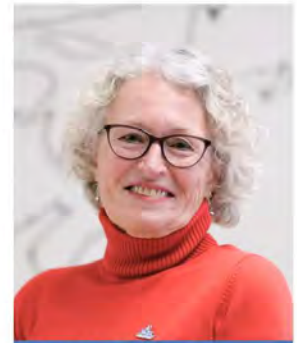
STELMAN FLYNN

Chair
Province of NL



DEVON GOULDING

Vice Chair
Town of Deer Lake



BARBARA CAINES

Treasurer
Town of Deer Lake



AUTUMN GALE

Director
*Deer Lake Airport
Authority*



GARY BISHOP

Director
*Greater Humber
Joint Council*



TARA SAUNDERS

Director
*Deer Lake Airport
Authority*



GLEN SEABORN

Director
City of Corner Brook



IAN OSMOND

Director
*Greater Corner Brook
Board of Trade*



WILLIAM GRIFFIN

Director
City of Corner Brook



CORPORATE GOVERNANCE

DLRAA Board of Directors provides oversight to ensure its purpose and objectives are realized and that the airport operates in a safe, efficient and reliable manner for the overall benefit of the region.

| NOMINATING ENTITY | BOARD POSITIONS |
|--------------------------------------|-----------------|
| Town of Deer Lake | 2 |
| City of Corner Brook | 2 |
| Greater Corner Brook Board of Trade | 1 |
| Great Humber Joint Council | 1 |
| Government of Newfoundland Labrador | 1 |
| Deer Lake Regional Airport Authority | 3 |

In 2024-2025, DLRAA was governed by a Board of Directors consisting of nine prominent women and men from the Western Region. All members are expected to act with honesty, integrity and impartiality, adhering to the policies and procedures set out through the DLRAA Board Bylaws.

The Authority has six nominating bodies including itself, who strive to ensure a balanced composition of skills and knowledge relating to the aviation industry, air transportation, business, finance, administration, law, government, engineering, labor relations, risk, strategy and the interest of consumers. A Director may serve no more than three (four) year terms for a total of 12 years.

Compensation Framework

The annual remuneration of the Board of Directors, consisting of honorariums and per diems for the year ending November 30th, 2025 was \$42,000. 2024 was \$51,000.

| TYPE | REMUNERATION |
|-------------------------------------|--------------|
| Board Chair Annual Retainer | \$6,500 |
| Board Vice Chair & Committee | \$2,500 |
| Individual Director Annual Retainer | \$1,500 |

Director Attendance

In 2025 there were 16 Board, Committee and Public Meetings. Overall Participation by the Board members was 78%.

Risk Management Oversight

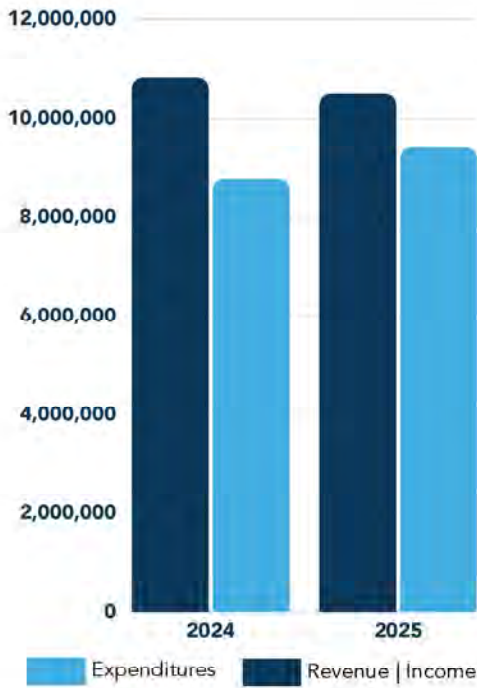
The Governance Committee takes the lead role working closely with the Board for risk management oversight. Annually the President and CEO presents the management team’s annual risk assessment for consideration, and this informs operational and strategic plan development. These plans are then monitored quarterly by the Board of Directors.



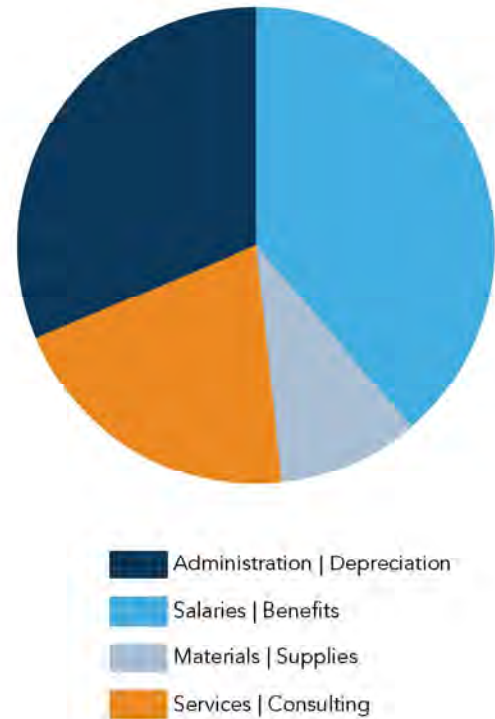
FINANCIAL SUMMARY



REVENUE/INCOME VS EXPENSES



EXPENSES OVERVIEW



FINANCIALS

Financial Statements of

DEER LAKE REGIONAL AIRPORT AUTHORITY

Year ended November 30, 2025



Financial Statements

Deer Lake Regional Airport Authority

November 30, 2025

Contents

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| Statement of Changes in Net Assets | 4 |
| Statement of Financial Position | 5 |
| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7 - 15 |
| Schedule of Expenditures | 16 |

Independent Auditor's Report

To the Directors of
Deer Lake Regional Airport Authority

Opinion

We have audited the financial statements of Deer Lake Regional Airport Authority, which comprise the statement of financial position as at November 30, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at November 30, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Independent Auditor's Report (continued)

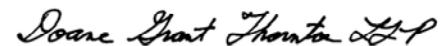
Auditor's responsibilities for the audit of the financial statements

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

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

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

Corner Brook, Canada
April 15, 2026



Chartered Professional Accountants

Deer Lake Regional Airport Authority

Statement of Operations

Year ended November 30

2025

2024
(Note 13)

| | 2025 | 2024 (Note 13) |
|---|---------------------|---------------------|
| Revenues | | |
| Parking revenue | \$ 2,117,236 | \$ 2,046,817 |
| Aircraft movements | 2,019,129 | 2,100,185 |
| Concession revenue | 1,666,481 | 1,617,472 |
| Amortization of deferred capital contributions (Note 7) | 595,737 | 631,827 |
| Interest income | 326,864 | 422,820 |
| Leases | 251,130 | 259,218 |
| Recoverable services | 35,784 | 31,829 |
| Other income | 12,991 | 3,631 |
| | <u>7,025,352</u> | <u>7,113,799</u> |
| Passenger facility fees | <u>3,457,715</u> | <u>3,691,917</u> |
| | 10,483,067 | 10,805,716 |
| Expenditures (Schedule 1) | <u>9,394,194</u> | <u>8,760,150</u> |
| Excess of revenues over expenditures before other income (item) | <u>1,088,873</u> | <u>2,045,566</u> |
| Other income (item) | | |
| ACOA subsidy | - | 500,000 |
| Operating subsidy (Note 6) | 496,431 | 334,046 |
| Gain (loss) on sale of property and equipment | 1,235 | (24,867) |
| | <u>497,666</u> | <u>809,179</u> |
| Excess of revenues over expenditures | <u>\$ 1,586,539</u> | <u>\$ 2,854,745</u> |

Deer Lake Regional Airport Authority Statement of Changes in Net Assets

Year ended November 30

| | Unrestricted | Internally restricted for capital (Note 10) | Total 2025 | Total 2024 (Note 13) |
|--|-----------------------------|--|-----------------------------|-----------------------------|
| Balance, beginning of year | \$ 21,050,591 | \$ 5,344,691 | \$ 26,395,282 | \$ 23,540,537 |
| Excess of revenues over expenditures | 1,586,539 | - | 1,586,539 | 2,854,745 |
| Transfer to internally restricted for capital net assets (Note 10) | (3,457,715) | 3,457,715 | - | - |
| Transfer from internally restricted for capital net assets (Note 10) | <u>3,856,541</u> | <u>(3,856,541)</u> | <u>-</u> | <u>-</u> |
| Balance, end of year | <u>\$ 23,035,956</u> | <u>\$ 4,945,865</u> | <u>\$ 27,981,821</u> | <u>\$ 26,395,282</u> |

See accompanying notes and schedule to the financial statements.

Deer Lake Regional Airport Authority
Statement of Financial Position

November 30

2025

2024
(Note 13)

Assets

Current

| | | |
|------------------------------|---------------|--------------|
| Cash | \$ 12,476,626 | \$ 9,721,692 |
| Accounts receivable (Note 3) | 1,269,989 | 673,129 |
| Inventory | 592,940 | 253,405 |
| Prepaid expenses | 9,333 | 10,539 |

14,348,888 10,658,765

Property and equipment (Note 4) 25,375,736 23,741,699

\$ 39,724,624 \$ 34,400,464

Liabilities

Current

| | | |
|--|--------------|--------------|
| Accounts payable (Note 5) | \$ 4,850,849 | \$ 1,010,054 |
| Deferred revenue (Note 6) | 112,379 | 28,772 |
| Current portion of deferred contributions - capital (Note 7) | 536,039 | 595,737 |
| Current portion of sick leave and severance payable (Note 8) | 175,354 | 56,348 |

5,674,621 1,690,911

Deferred contributions - capital (Note 7) 5,654,371 6,190,409

Sick leave and severance payable (Note 8) 413,811 123,862

11,742,803 8,005,182

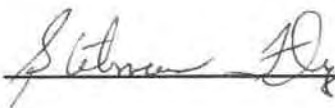
Net assets 27,981,821 26,395,282

\$ 39,724,624 \$ 34,400,464

Nature of operations (Note 1)

Subsequent event (Note 11)

On behalf of the Board



Director



Director

Deer Lake Regional Airport Authority

Statement of Cash Flows

Year ended November 30

2025

2024
(Note 13)

Increase (decrease) in cash

Operating

| | | |
|---|------------------|------------------|
| Excess of revenues over expenditures | \$ 1,586,539 | \$ 2,854,745 |
| Items not affecting cash | | |
| Amortization | 2,222,505 | 2,251,946 |
| (Gain) loss on sale of property and equipment | <u>(1,235)</u> | <u>24,867</u> |
| | 3,807,809 | 5,131,558 |
| Change in non-cash working capital items | | |
| Accounts receivable | (596,860) | 147,134 |
| Inventory | (339,535) | (111,934) |
| Prepaid expenses | 1,206 | 3,361 |
| Accounts payable | 3,840,794 | 44,936 |
| Deferred revenue | 83,607 | (471,228) |
| Deferred contributions - capital | (595,737) | (196,745) |
| Sick leave and severance payable | <u>408,956</u> | <u>(9,965)</u> |
| | 6,610,240 | 4,537,117 |

Investing

| | | |
|--|--------------------|--------------------|
| Purchase of property and equipment | (3,856,541) | (1,926,712) |
| Proceeds on disposal of property and equipment | <u>1,235</u> | <u>10,000</u> |
| | (3,855,306) | (1,916,712) |

Increase in cash **2,754,934** 2,620,405

Cash

| | | |
|-------------------|----------------------|---------------------|
| Beginning of year | <u>9,721,692</u> | <u>7,101,287</u> |
| End of year | \$ 12,476,626 | \$ 9,721,692 |

Deer Lake Regional Airport Authority

Notes to the Financial Statements

November 30, 2025

1. Nature of operations

Deer Lake Regional Airport Authority manages the operations of Deer Lake Airport, officially known as Deer Lake Regional Airport (YDF), located in Deer Lake, Newfoundland and Labrador, Canada. The organization took over the operation of the Airport from Transport Canada on December 1, 1998, and the authority oversees the administration and development of the airport to meet the evolving needs of air travelers in the western region of Newfoundland and Labrador.

The airport's modern facilities, including a terminal building, runway, taxiways, and apron areas, are designed to facilitate the smooth flow of air traffic and provide passengers with a comfortable travel experience.

In addition to supporting commercial air travel, Deer Lake Regional Airport Authority plays a significant role in promoting economic development and tourism in the region. By facilitating business travel, cargo transportation, and leisure trips, the airport contributes to the growth of local businesses and enhances the overall quality of life for residents.

2. Significant accounting policies

The Authority applies the Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents

The organization's policy is to present bank balances under cash and cash equivalents and term deposits with a maturity period of three months or less from the date of acquisition.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

Property and equipment

Each class of property and equipment is carried at cost less, where applicable, any accumulated amortization and impairment losses.

The following rates applied on a declining balance method will apply the cost over the estimated useful lives of property and equipment:

| | |
|---------------------------|-----|
| Buildings | 4% |
| Equipment | 20% |
| Vehicles | 30% |
| Utility upgrade | 4% |
| Electronic data equipment | 30% |
| Fences | 20% |
| Artwork | 20% |
| Land Improvements | 8% |
| ACAP Assets | 8% |

Contributed property and equipment is recorded at fair value. If fair value cannot reasonably be estimated, property and equipment are recorded at cost.

Deer Lake Regional Airport Authority

Notes to the Financial Statements

November 30, 2025

2. Significant accounting policies (continued)

Employee future benefits

Defined contribution plan

The Authority offers a defined contribution registered retirement savings plan (RRSP) or a DBplus pension plan with The Board of Trustees of the College of Applied Arts and Technology (CAAT) Pension Plan Trust Fund to employees and the contributions are recorded as an expense in the period incurred.

Defined benefit plan

For the Authority's defined benefit pension plan in which a funding valuation is required to comply with legislative, regulatory or contractual requirements, the defined benefit obligations are determined using the most recent actuarial valuation report prepared for funding purposes.

Plan assets are measured at fair value.

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

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

Accrued severance

Upon termination or retirement, the organization provides their unionized employees with severance benefits equal to one week of pay per year of service. Severance accumulation and payment of severance are both charged to the liability.

Accrued sick leave

Employees earn sick leave that accumulates and may be used to offset future employee absences due to illness. A liability is recognized for the sick leave benefits that employees are entitled to as a result of service rendered to the reporting date. The liability is measured for union members based on current collective agreement language for accumulation of entitlement, carry-over provisions, and current wage. Non-union sick leave liability is measured based on employment contracts, carry over provisions, and current wage.

Deer Lake Regional Airport Authority

Notes to the Financial Statements

November 30, 2025

2. Significant accounting policies (continued)

Revenue recognition

Passenger facility fee revenue is recognized as income in the periods that passengers depart from the airport.

Aeronautical charges, which consist of terminal fees, are generated principally from scheduled airline and non-scheduled commercial aviation and are recognized as revenue when airport facilities are utilized.

Concessions revenue is recognized based on the agreed percentage of reported concessionaire sales.

Parking revenue is recognized when airport facilities are utilized.

Lease revenue is recognized over the respective tenants' lease for space, land and buildings.

Interest income is recognized on a time proportion basis.

Contribution revenue

Contributions from government related to the purchase of property and equipment is deferred and amortized on the same basis as the related asset.

Other government contributions and wage subsidies are accounted for as revenue in the period in which the assistance has been approved and the related eligible costs have been incurred.

Financial instruments

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

- cash and cash equivalents
- accounts receivable
- accounts payable
- deferred revenue
- severance payable
- sick leave payable
- deferred contributions

Financial instruments in arm's length transactions

Initial measurement

The Authority initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Deer Lake Regional Airport Authority

Notes to the Financial Statements

November 30, 2025

2. Significant accounting policies (continued)

Financial instruments (continued)

Subsequent measurement

The Authority subsequently measures these financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value; investments in equity instruments that are not quoted in an active market, which are measured at cost less any reduction for impairment; derivative contracts, which are measured at fair value; and certain financial assets and financial liabilities which the Company has elected to measure at fair value. Changes in financial instruments measured at fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, deferred revenue, severance payable, sick leave payable and deferred contribution.

Derecognition

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

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial 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 income.

Deer Lake Regional Airport Authority

Notes to the Financial Statements

November 30, 2025

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial instruments in related party transactions

Initial measurement

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Authority does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Subsequent measurement

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Authority initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Authority has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include allowance for doubtful accounts, useful lives of property and equipment, defined benefit obligation pension plan, and asset retirement obligations.

Income taxes

The Authority is exempt from Federal and Provincial income tax.

3. Accounts receivable

| | <u>2025</u> | <u>2024</u> |
|---------------------------------|---------------------|-------------------|
| Trade receivables | \$ 919,760 | \$ 673,129 |
| Harmonized sales tax receivable | <u>350,229</u> | <u>-</u> |
| | <u>\$ 1,269,989</u> | <u>\$ 673,129</u> |

Deer Lake Regional Airport Authority

Notes to the Financial Statements

November 30, 2025

| 4. Property and equipment | | | <u>2025</u> | <u>2024</u> |
|---------------------------|----------------------|-------------------------------------|-----------------------------|---------------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | <u>Net Book Value</u> |
| Buildings | \$ 15,189,639 | \$ 9,330,480 | \$ 5,859,159 | \$ 5,721,291 |
| Equipment | 14,187,562 | 10,154,702 | 4,032,860 | 4,729,277 |
| Vehicles | 294,870 | 281,702 | 13,168 | 21,165 |
| Utility upgrade | 6,469,438 | 1,194,479 | 5,274,959 | 2,154,426 |
| Electronic data equipment | 94,641 | 71,017 | 23,624 | 36,340 |
| Fences | 62,571 | 57,029 | 5,542 | 6,927 |
| Artwork | 32,525 | 24,199 | 8,326 | 10,408 |
| Land Improvements | 20,019,609 | 10,542,197 | 9,477,412 | 10,301,385 |
| ACAP Assets | 2,544,363 | 1,863,677 | 680,686 | 760,480 |
| | <u>\$ 58,895,218</u> | <u>\$ 33,519,482</u> | <u>\$ 25,375,736</u> | <u>\$ 23,741,699</u> |

| 5. Accounts payable | <u>2025</u> | <u>2024</u> |
|------------------------------|----------------------------|---------------------|
| Trade payables | \$ 4,741,032 | \$ 860,889 |
| Security deposits | 62,722 | 62,722 |
| Payroll deductions payable | 47,095 | 40,779 |
| Harmonized sales tax payable | - | 45,664 |
| | <u>\$ 4,850,849</u> | <u>\$ 1,010,054</u> |

| 6. Deferred revenue | <u>Balance, beginning of year</u> | <u>Received</u> | <u>Recognized</u> | <u>Balance, end of year</u> |
|--|---|-------------------|---------------------|---------------------------------|
| ACOA | \$ - | \$ 162,500 | \$ (162,500) | \$ - |
| Government of Newfoundland and Labrador | <u>28,772</u> | <u>417,538</u> | <u>(333,931)</u> | <u>112,379</u> |
| | <u>\$ 28,772</u> | <u>\$ 580,038</u> | <u>\$ (496,431)</u> | <u>\$ 112,379</u> |

The Authority received ACOA funding to support the development of a functional plan for the expansion of the Airport.

The Authority also received funding from the Government of Newfoundland and Labrador to support marketing and environmental transition programs and to support the development of a functional plan for the expansion of the Airport.

Deer Lake Regional Airport Authority

Notes to the Financial Statements

November 30, 2025

| 7. Deferred contributions - capital | 2025 | 2024 (Note 13) |
|--|---------------------|--------------------------|
| Contribution - Canada /Newfoundland Infrastructure Program | \$ 6,000,000 | \$ 6,000,000 |
| Contribution - CATSA | 642,696 | 642,696 |
| Contribution - Transport Canada | 7,502,949 | 7,502,949 |
| Contribution - ACOA | 249,031 | 249,031 |
| Amounts amortized to revenue - current | (595,737) | (631,827) |
| Amounts amortized to revenue - prior | (7,608,529) | (6,976,703) |
| Less current portion | (536,039) | (595,737) |
| | \$ 5,654,371 | \$ 6,190,409 |

8. Sick leave and severance payable

| | 2025 | 2024 (Note 13) |
|------------------------------------|-------------------|--------------------------|
| Sick leave | \$ 379,785 | \$ - |
| Severance | 209,380 | 180,210 |
| | 589,165 | 180,210 |
| Less current portion of sick leave | (119,006) | - |
| Less current portion of severance | (56,348) | (56,348) |
| | \$ 413,811 | \$ 123,862 |

9. Pension plan

The Authority established a defined benefit pension plan for permanent members of its staff effective December 1, 1998; effective December 1, 2006, any new employees are not eligible for participation in the defined benefit plan but are covered under a defined contribution Registered Retirement Savings Plan (RRSP) or a DBplus pension plan with The Board of Trustees of the College of Applied Arts and Technology (CAAT) Pension Plan Trust Fund.

The most recent actuarial valuation used in determining the defined benefit obligation was completed as of June 30, 2025.

| | 2025 | 2024 |
|----------------------------|--------------|--------------|
| Fair value of plan assets | \$ 4,868,000 | \$ 4,481,900 |
| Defined benefit obligation | (3,192,200) | (2,931,800) |
| Pension surplus | 1,675,800 | 1,550,100 |
| Valuation allowance | (1,675,800) | (1,550,100) |
| | \$ - | \$ - |

Deer Lake Regional Airport Authority

Notes to the Financial Statements

November 30, 2025

9. Pension plan (continued)

While this defined benefit plan permits the Authority to direct the use of a surplus certified by an actuary, such use is subject to prior consent of the Office of the Superintendent of Financial Institution (OSFI). Further, the plan permits any surplus to be used to provide the Authority with a contribution holiday, provided that the requirements of the Pensions Benefits Act, 1997 and the Income Tax Act are satisfied. As at the June 30, 2025 valuation date, there are 10 individuals remaining in the defined benefit plan, all of which are retirees. The plan only requires the Authority to make contributions for active employees.

Given that the expected future benefit of a contribution holiday is not expected to be significant and the use of the plan surplus for any other purposes is subject to prior approval from OSFI, the Authority has recorded a valuation allowance to reduce the plan surplus asset to \$Nil.

Key assumptions used in the actuarial valuation as of June 30, 2025, include the discount rate of 4.74% per annum for 6 months and 1.95% per annum thereafter.

Defined Contribution Pension Plan Expense

Effective December 1, 2006, any new employees are not eligible for participation in the existing defined benefit plan but are covered under a defined contribution RRSP plan or effective February 10, 2025, for unionized employees, a DBplus pension plan with The Board of Trustees of the College of Applied Arts and Technology (CAAT) Pension Plan Trust Fund.

Under the RRSP and CAAT DBplus plans, the Authority's obligations are limited to the annual contributions. Under the terms of the RRSP and CAAT DBplus plans, the employees are required to contribute a fixed 7% of their earnings which are matched by the Authority. During the year, the Authority contributed \$85,675 (2024 - \$142,883) towards the RRSP plan and \$79,009 (2024 - \$Nil) towards the CAAT DBplus plan.

10. Net assets internally restricted for capital

For the 2023 and 2024 fiscal year ends, the Board authorized a total transfer of \$9,374,051 from unrestricted net assets to internally restricted net assets and authorized a total utilization of these funds in the amount of \$4,029,360. For the November 30, 2025 year end, the Board authorized the transfer of \$3,457,715 from unrestricted net assets to internally restricted net assets, and authorized utilization of these funds in the amount of \$3,856,541. The internal restrictions set by the Board allow transfers from this fund only for authorized purposes, including the purchase of capital assets.

Deer Lake Regional Airport Authority

Notes to the Financial Statements

November 30, 2025

11. Subsequent event

In January 2025, the Authority proceeded with a request for quote (RFQ) for purchase of buy-in annuities for all members of their defined benefit pension plan. The annuity purchase was successful and awarded to Co-operators Life Insurance Company. The pension premium was transferred from the prior custodian to Co-operators Life Insurance Company in February 2025. The Authority finalized the buy-in annuity contract in June 2025.

In January 2026, the Office of the Superintendent of Financial Institution (OSFI), approved the wind-up of the plan.

12. 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 November 30, 2025:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority's main credit risks relate to its receivables which arises primarily from terminal and passenger facility fees. In order to reduce its risk, the Authority has adopted credit policies which include regular review of customer accounts with prompt follow-up on overdue invoices. There was no significant change in exposure from the prior year.

Concentration risk

The Authority is exposed to concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total receivables balance and thus there is a higher risk to the Authority in the event of a default by these customers. There was no significant change in exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting the obligations associated with its financial liabilities. The Authority reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. There was no significant change in exposure from the prior year.

13. Comparative figures

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

Deer Lake Regional Airport Authority

Schedule to the Financial Statements

Year ended November 30

| Schedule of expenditures | Schedule 1 | |
|---------------------------|---------------------|---------------------|
| | 2025 | 2024 |
| Accounting and legal | \$ 58,860 | \$ 119,341 |
| Amortization | 2,222,505 | 2,251,946 |
| Bad debts | 1,224 | 2,537 |
| Cleaning | 360,302 | 348,407 |
| Communications | 160,588 | 92,131 |
| Consulting fees | 622,673 | 443,706 |
| Donations | 6,876 | 7,560 |
| Fleet and facility | 31,014 | 20,977 |
| Freight | 26,109 | 9,971 |
| Fuel and lubrication | 317,997 | 318,396 |
| Insurance | 177,982 | 162,094 |
| Interest and bank charges | 67,025 | 55,186 |
| Marketing and promotion | 379,861 | 342,311 |
| Memberships | 37,965 | 34,195 |
| Office and administration | 81,637 | 82,724 |
| Property taxes | 36,667 | 40,000 |
| Repairs and maintenance | 174,096 | 360,163 |
| Security | 560,946 | 567,686 |
| Travel and training | 114,013 | 157,797 |
| Utilities | 231,907 | 211,196 |
| Wages and benefits | 3,723,947 | 3,131,826 |
| | \$ 9,394,194 | \$ 8,760,150 |



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