

Charlottetown Airport Authority Inc.

Financial Statements
December 31, 2025



Member of The AC Group of Independent Accounting Firms

March 17, 2026

Independent Auditor's Report

To the Board of Directors of Charlottetown Airport Authority Inc.

Opinion

We have audited the accompanying financial statements of Charlottetown Airport Authority Inc., which comprise the statement of financial position as at December 31, 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 Charlottetown Airport Authority Inc. as at December 31, 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 Charlottetown Airport Authority Inc. 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 Charlottetown Airport Authority Inc.'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 Charlottetown Airport Authority Inc. or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing Charlottetown Airport Authority Inc.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Charlottetown Airport Authority Inc.'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 Charlottetown Airport Authority Inc.'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 Charlottetown Airport Authority Inc. 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.

ArsenaultBestCameronEllis

Chartered Professional Accountants

Charlottetown Airport Authority Inc.

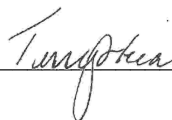
Statement of Financial Position

As at December 31, 2025

	2025	2024
	\$	\$
Assets (note 8)		
Current assets		
Cash	18,121,746	20,214,424
Accounts receivable	1,070,132	325,453
Inventory	168,469	216,397
Prepaid expenses	231,659	227,757
	<u>19,592,006</u>	<u>20,984,031</u>
Capital assets (note 3)	55,990,774	38,699,504
Pension surplus (note 13)	526,000	536,000
	<u>76,108,780</u>	<u>60,219,535</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	3,242,199	1,592,637
Security deposits	75,550	78,750
Deferred revenue (note 6)	260,776	567,072
Current portion of long-term debt	405,345	-
	<u>3,983,870</u>	<u>2,238,459</u>
Long-term debt , less current portion (note 8 and 9)	11,528,861	-
Severance pay obligation (note 12)	314,129	278,652
Deferred capital contributions (note 4)	10,862,467	11,698,205
	<u>26,689,327</u>	<u>14,215,316</u>
Contingencies (note 7)		
Net Assets		
Invested in capital assets	45,128,306	27,001,298
Internally restricted for future requirements (note 10)	3,291,147	18,002,921
Unrestricted	1,000,000	1,000,000
	<u>49,419,453</u>	<u>46,004,219</u>
	<u>76,108,780</u>	<u>60,219,535</u>

Approved by the Board of Directors

 Director

 Director

(3)

Charlottetown Airport Authority Inc.

Statement of Changes in Net Assets

For the year ended December 31, 2025

				2025	2024
	Invested in Capital Assets \$	Restricted for Future Requirements \$	Unrestricted \$	Total \$	Total \$
Net assets - Beginning of year	27,001,298	18,002,921	1,000,000	46,004,219	42,261,238
Excess revenue (expenses) for the year	(2,508,091)	-	5,937,325	3,429,234	3,836,981
Pension remeasurements and other items (note 13)	-	-	(14,000)	(14,000)	(94,000)
Internally imposed restrictions (note 10)	-	5,923,325	(5,923,325)	-	-
Investment in capital assets, net of related capital contributions and proceeds on disposals	20,635,099	(20,635,099)	-	-	-
Net assets - End of year	45,128,306	3,291,147	1,000,000	49,419,453	46,004,219

Charlottetown Airport Authority Inc.

Statement of Operations

For the year ended December 31, 2025

	2025	2024
	\$	\$
Revenue		
Rentals	985,049	947,034
Concessions	1,748,418	1,646,882
Parking	934,430	887,036
Landing fees	1,658,851	1,700,725
Terminal fees	1,200,597	1,153,601
Airport services	31,815	41,581
Other income	1,193,975	1,592,668
Amortization of deferred capital contributions	835,738	834,520
Grants in lieu of property taxes (note 11)	508,698	505,968
Passenger facility fees	5,624,380	5,125,056
	<u>14,721,951</u>	<u>14,435,071</u>
Expenses		
Salaries and benefits (note 13)	3,029,252	2,796,945
Property taxes	537,555	533,045
Materials, supplies and services	4,599,959	4,514,513
Interest on long-term debt (note 9)	116,590	-
Amortization	3,343,829	3,180,520
	<u>11,627,185</u>	<u>11,025,023</u>
Operating income	<u>3,094,766</u>	<u>3,410,048</u>
Other income		
Government assistance (note 6)	330,468	393,899
Gain on disposal of capital assets	-	22,034
Defined benefit pension income (note 13)	4,000	11,000
	<u>334,468</u>	<u>426,933</u>
Excess revenue for the year	<u>3,429,234</u>	<u>3,836,981</u>

Charlottetown Airport Authority Inc.

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess revenue for the year	3,429,234	3,836,981
Items not affecting cash		
Amortization	3,343,829	3,180,520
Amortization of deferred capital contributions	(835,738)	(834,520)
Gain on disposal of capital assets	-	(22,034)
	<u>5,937,325</u>	<u>6,160,947</u>
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	(744,679)	1,153,254
Decrease (increase) in inventory	47,928	(5,583)
Increase in prepaid expenses	(3,902)	(28,586)
Increase in accounts payable and accrued liabilities	1,649,562	1,018,866
Increase (decrease) in security deposits	(3,200)	100
Decrease in deferred revenue	(306,296)	(299,720)
	<u>6,576,738</u>	<u>7,999,278</u>
Financing activities		
Increase in long-term debt	12,000,000	-
Payments on long-term debt	(65,794)	-
Increase in severance pay obligation	35,477	24,470
Increase in deferred capital contributions	-	84,031
	<u>11,969,683</u>	<u>108,501</u>
Investing activities		
Purchase of capital assets	(20,635,099)	(6,566,271)
Proceeds on disposal of capital assets	-	22,034
Decrease in pension surplus	10,000	83,000
Pension remeasurement and other items	(14,000)	(94,000)
	<u>(20,639,099)</u>	<u>(6,555,237)</u>
Increase (decrease) in cash	(2,092,678)	1,552,542
Cash - Beginning of year	<u>20,214,424</u>	<u>18,661,882</u>
Cash - End of year	<u>18,121,746</u>	<u>20,214,424</u>

Charlottetown Airport Authority Inc.

Notes to Financial Statements

December 31, 2025

1 Purpose of the organization

Charlottetown Airport Authority Inc. was incorporated without share capital under Part II of the Canada Corporations Act in 1996. The Authority operates the Charlottetown Airport and airport business park under a lease with the Government of Canada that expires in 2079.

Charlottetown Airport Authority Inc. is currently exempt from federal and provincial income taxes.

2 Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These financial statements include the following significant accounting policies:

Method of accounting

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

Cash

Cash consists of cash on hand and bank balances.

Government assistance

Government assistance related to the acquisition of capital assets is recorded as deferred capital contributions and amortized on the same basis as the related capital assets are amortized.

Government assistance relating to expenses is recorded as revenue in the period in which the related expenses are incurred.

Inventory

Inventory consists of petroleum products and maintenance parts and supplies and is valued at the lower of cost and market. Cost is determined on the first-in, first-out method, and market is defined as net realizable value.

Revenue recognition

Rental revenue arises from land leases and rental of space in the air terminal building. These revenues are recognized on an accrual basis.

Concession income is recognized as earned and is primarily from licenses to vehicle rental agencies and other concession type operations.

Charlottetown Airport Authority Inc.

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Parking revenue consists of fees paid for long and short term parking by travellers, car rental parking, and employee parking, and is recognized as earned.

Landing and terminal fees are recognized upon the landing of aircraft at the airport.

Airport services revenue consists of aircraft parking fees, snow removal charges and other miscellaneous charges to airport users, and is recognized as it is earned.

Other income consists primarily of recovered costs and is recognized in the period in which the cost recovery occurs.

Capital assets and amortization

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization of capital assets is calculated using the straight-line method. Amortization is calculated at one-half of the normal rate in the year of acquisition. The estimated useful life of individual assets within a category is determined upon acquisition and the asset's cost is amortized over this term as follows:

Mobile equipment	1 - 25 years
Equipment and furniture	1 - 15 years
Business park	5 - 40 years
Leasehold improvements	3 - 30 years

Construction in progress is recorded at cost and will be allocated to the proper category of asset upon completion. No amortization is recorded on construction in progress.

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable and inventory, and the estimated useful life of capital assets. Actual results could differ from those estimates.

Charlottetown Airport Authority Inc.

Notes to Financial Statements

December 31, 2025

Financial instruments

(a) Measurement of financial instruments

Charlottetown Airport Authority Inc.'s financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, security deposits and long term debt.

The Authority initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. This fair value amount is then deemed to be the amortized cost of the financial instrument.

The Authority subsequently measures all its financial assets and financial liabilities at amortized cost.

Investments with maturity dates within twelve months are classified as short-term. All other investments are classified as long-term.

(b) Hedge accounting

The Authority uses interest rate swaps to manage its exposure to fluctuations in interest rates on floating-rate long-term debt. The Authority designates these swaps as cash flow hedges of interest-bearing liabilities, and hedge accounting is applied when the hedging relationship meets the required criteria of the applicable accounting standards. Under hedge accounting, net amounts received or payable on the interest rate swap are recognized as an adjustment to interest on the hedged long-term debt in the period in which they accrue.

Gains or losses arising on settlement of the swap are recognized as an adjustment to the related interest expense on the hedged long-term debt in the period in which they accrue.

(c) Impairment

For financial assets measured at cost or amortized cost, the Authority determines whether there are indications of possible impairment. When there is an indication of impairment, and the Authority determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess revenue for the year. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess revenue for the year.

(d) Risks

Transacting in financial instruments exposes the Authority to certain financial risks and uncertainties. These risks include:

Charlottetown Airport Authority Inc.

Notes to Financial Statements

December 31, 2025

- i) Interest rate risk: The Authority is exposed to interest rate risk due to the variable rate interest on their long-term debt. The Authority has entered into an interest rate swap in order to manage the fluctuating interest rate on its debt (note 9).
- ii) Credit risk: The Authority is exposed to credit risk in connection with the collection of its accounts receivable. The Authority mitigates this risk by performing continuous evaluation of its accounts receivable.
- iii) Liquidity risk: The Authority's exposure to liquidity risk is dependent on the collection of accounts receivable or raising of funds to meet commitments and sustain operations. The Authority controls liquidity risk by management of working capital, cash flows and availability of borrowing facilities.

3 Capital assets

			2025	2024
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Land	217,868	-	217,868	217,868
Mobile equipment	8,738,096	4,473,255	4,264,841	4,574,718
Equipment and furniture	2,693,995	2,039,575	654,420	781,878
Business park	2,257,681	1,589,900	667,781	708,580
Leasehold improvements	60,388,739	31,671,242	28,717,497	27,171,794
Construction in progress	21,468,367	-	21,468,367	5,244,666
	95,764,746	39,773,972	55,990,774	38,699,504

4 Deferred capital contributions

			2025	2024
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Mobile equipment	3,667,445	1,502,138	2,165,307	2,306,718
Equipment and furniture	152,194	152,194	-	-
Business park	535,784	334,910	200,874	214,269
Leasehold improvements	17,509,763	9,013,477	8,496,286	9,177,218
	21,865,186	11,002,719	10,862,467	11,698,205

Charlottetown Airport Authority Inc.

Notes to Financial Statements

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5 Accounts payable and accrued liabilities

	2025	2024
	\$	\$
Account payables and accruals	4,068,067	1,757,433
HST receivable	(825,868)	(164,796)
	<u>3,242,199</u>	<u>1,592,637</u>

6 Deferred revenue

	2025	2024
	\$	\$
Balance - Beginning of year	567,072	866,792
Add: funding received during the year	12,876	57,802
Less: amount recognized as revenue in the year	(319,172)	(357,522)
	<u>260,776</u>	<u>567,072</u>

During 2023, the Authority received \$1,000,000 of government assistance for a project that is to be completed by March 31, 2027. The Authority has recognized \$261,370 (2024 - \$337,220) as government assistance revenue on the statement of operations for 2025.

7 Commitments and contingencies

Charlottetown Airport Authority Inc. is involved in a legal dispute concerning personal injury matters. No amount has been accrued in the records of the Authority as the outcome of the dispute is uncertain and the amount of the liability, if any, is expected to be fully covered by insurance.

Charlottetown Airport Authority Inc. has entered into a construction management contract with a value of \$25,472,352 plus HST of which \$21,139,423 plus HST has been paid/payable as of December 31, 2025. The contract is to be completed by July 2027.

The responsibility for any liability that may arise in the future relating to the existence of hazardous substances, originating before the transfer on March 1, 1999 to the Authority, rests with the Government of Canada. The Authority has responsibility for any environmental liabilities that arise from hazardous substance problems that occur subsequent to the transfer date.

Charlottetown Airport Authority Inc.

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8 Long-term debt

	2025	2024
	\$	\$
3.94% Scotiabank loan, linked to an interest rate swap (note 9) and secured as disclosed below. Advances are repayable in monthly instalments of \$72,360 including principal and interest. The term of the loan is five years, due October 2030, and amortized to October 2045	11,934,206	-
Less: Current portion	<u>(405,345)</u>	-
	<u>11,528,861</u>	-

The aggregate amount of principal payments estimated to be required in each of the next five years to meet retirement provisions is as follows:

	\$
Year ending December 31, 2026	405,345
2027	421,606
2028	437,280
2029	453,851
2030	10,216,124

Security on long-term debt

The Authority's obligations under its credit facilities with Scotiabank are secured by a general security agreement over all present and after-acquired personal property. The security provides the Bank with a first-ranking security interest in the Corporation's present and after-acquired personal property, except for tangible personal property used in connection with the management, operation, or maintenance of the Charlottetown Airport, in respect of which the Bank holds a second-ranking security interest behind His Majesty the King in Right of Canada.

Charlottetown Airport Authority Inc.

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9 Interest rate swap

The Authority has designated an interest rate swap as a cash flow hedge of the interest rate risk associated with its variable rate long-term debt (note 8). The swap is effective October 3, 2025 and matures October 3, 2030. The notional amount of the swap declines in step with the outstanding balance of the related Scotiabank loan (note 8), which had an initial principal amount of \$12,000,000.

Under the terms of the swap, the Authority pays a fixed rate of 3.94% and receives a floating rate equal to the bank's prime lending rate less 0.75% plus a Banker's Acceptance fee of 0.9%. Monthly net settlements arising under the swap are recognized as an adjustment to interest on long-term debt on the statement of operations.

The Authority has determined that the hedging relationship is effective and qualifies for hedge accounting in accordance with its accounting policies for financial instruments (note 2).

The Scotiabank prime rate at December 31, 2025 is 4.45%.

10 Net assets internally restricted for future requirements

Effective December 31, 2025, the Board authorized the transfer of \$5,923,325 (2024 - \$6,066,947) from unrestricted net assets to internally restricted net assets. The internal restrictions set by the Board allow transfers from this fund only for authorized purposes including the purchase of capital assets.

11 Grants in lieu of property taxes

The Province of Prince Edward Island and the City of Charlottetown provide the Authority annually with grants in lieu of property taxes. The granted amount of \$508,698 for the year ended December 31, 2025 (2024 - \$505,968) is included as revenue in these financial statements.

12 Severance pay obligation

Employees, other than management, are entitled to severance pay under the terms of a collective agreement. The severance pay obligation is accrued by the Authority commencing with an individual's employment. No actuarial valuation is performed on the severance pay obligation.

Management is entitled to severance pay per their employment contracts based on a minimum number of service years or when the employee is entitled to an immediate annuity under the Authority's defined contribution pension plan.

13 Pension plan

Charlottetown Airport Authority Inc. is a member of the Canadian Airport Authorities and Canadian Port Authorities Pension Plan (the "Plan"), a multiple employer pension plan. The Plan includes both a defined benefit portion ("Superannuation Plan") and a defined contribution portion ("Defined Contribution Plan"). Employees who were previously employed by Transport Canada automatically became members of the Superannuation Plan on March 1, 1999 when control of the Charlottetown airport was transferred to Charlottetown Airport Authority Inc. The Superannuation Plan was closed to new members subsequent to that date, and all other employees of the Authority are members of the Defined Contribution Plan.

Charlottetown Airport Authority Inc.

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All eligible members of the Superannuation Plan have retired and no further annual employee contributions are required.

The Authority is required to make annual contributions to the Superannuation Plan as advised by the actuaries.

During 2024, the Authority de-risked the Superannuation Plan by purchasing annuity buy-ins from Sun Life for the plan's retired members.

Pension expense for the Defined Contribution Plan was \$141,435 in 2025 (2024 - \$121,105), and is included in salaries and benefits in the statement of operations.

Valuation information on the Superannuation Plan for the year ended December 31, 2025 is provided by the Plan's actuary, Baartman Melinte Actuarial Consulting Services, based on data as at January 1, 2024 and extrapolated to December 31, 2025.

Significant assumptions used by the Plan's actuary for this valuation are:

	2025	2024
Economic assumptions:		
Discount rate	4.00% per year	4.00% per year
Inflation rate	2.00% per year	2.00% per year
Increase in pensionable earnings	2.50% per year	2.50% per year
Increases in year's maximum pensionable earnings ("YMPE")	2.50% per year	2.50% per year
Increases in maximum pension limit	in accordance with Income Tax Act, then	in accordance with Income Tax Act, then
	2.50% per year	2.50% per year
Interest on member contributions	4.50% per year	4.50% per year

Significant demographic assumptions include using the CPM2014 Combined Mortality Table with projection scale CPM-B in both 2025 and 2024, as well as assumptions on life expectancy, retirement and termination rates, and proportion married.

Valuation allowance:

A valuation allowance is recognized to limit a defined benefit asset recognized on the balance sheet for any excess of the plan surplus over the expected future benefit the Airport expects to realize from the plan surplus. The valuation allowance for 2025 was calculated as the difference between the plan's defined benefit asset and a limit based on the "expected future benefit" projected to be available to the Airport, including:

- The present value of potential future contribution holidays as related to employer current service costs (including the non-investment expense component of the employer current service cost), plus;
- The present value of potential future contribution holidays as related to employer contributions for the defined contribution component of the plan (if any), minus;
- An offset for any future solvency amortization payments.

Charlottetown Airport Authority Inc.

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December 31, 2025

Pension remeasurements and other items:

Remeasurements and other items comprise the aggregate of:

- The difference between the actual return on plan assets and interest on those assets calculated using the discount rate;
- Actuarial gains and losses;
- The effect of any valuation allowance;
- Past service costs; and
- Gains and losses arising from settlements and curtailments.

Remeasurements and other items are recognized directly in net assets in the statement of the financial position rather than in the statement of operations. As such, these amounts have been excluded from the defined benefit cost.

The following information was calculated by the Plan's actuary in accordance with accounting standards for not-for-profit organizations:

Superannuation Plan - Actuarial valuation information

	2025	2024
	\$	\$
<u>Fair value of plan assets</u>		
Balance - beginning of year	1,612,000	1,654,000
Return on plan assets	43,000	48,000
Benefits paid	(75,000)	(73,000)
Administrative expenses	(11,000)	(17,000)
	<hr/>	<hr/>
Balance - end of year	1,569,000	1,612,000
	<hr/>	<hr/>
<u>Defined Benefit Obligations</u>		
Balance - beginning of year	1,076,000	1,035,000
Interest on defined benefit obligations	42,000	45,000
Benefits paid	(75,000)	(73,000)
Actuarial gains	-	69,000
	<hr/>	<hr/>
Balance - end of year	1,043,000	1,076,000
	<hr/>	<hr/>
<u>Defined Benefit Asset (Liability)</u>		
Fair value of the plan assets	1,569,000	1,612,000
Defined benefit obligation	(1,043,000)	(1,076,000)
	<hr/>	<hr/>
Funded Surplus	526,000	536,000
Valuation allowance	-	-
	<hr/>	<hr/>
Defined Benefit Asset - end of year	526,000	536,000
	<hr/>	<hr/>
<u>Continuity of Defined Benefit Asset (Liability)</u>		
Defined Benefit Asset - beginning of year	536,000	619,000
	<hr/>	<hr/>
Defined benefit income (cost)		

Charlottetown Airport Authority Inc.

Notes to Financial Statements

December 31, 2025

Finance income (cost)	21,000	27,000
Provision for non-investment expenses	(17,000)	(16,000)
	<hr/>	<hr/>
	4,000	11,000
Pension remeasurements and other items		
Net return on plan assets less interest	(20,000)	(24,000)
Actuarial gains (losses)	-	(69,000)
Gains (losses) on non-investment expense	6,000	(1,000)
	<hr/>	<hr/>
	(14,000)	(94,000)
Charlottetown Airport Authority Inc. contributions	-	-
	<hr/>	<hr/>
Defined Benefit Asset - end of year	526,000	536,000
	<hr/>	<hr/>

14 Comparative figures

Certain comparative figures presented for the 2024 fiscal year have been restated to conform with the financial statement presentation adopted in the current year.