



# 2025 Consolidated Financial Statements



# Independent Auditor's Report

To the Directors of  
**Vancouver Airport Authority**

## Opinion

We have audited the consolidated financial statements of the **Vancouver Airport Authority** [the "Airport Authority"], and its subsidiaries [the "Group"] which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of the Group as at December 31, 2025, and its consolidated results of operations and its consolidated 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 consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled 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 included in the Airport Authority's 2025 Annual & Sustainability Report

Other information consists of the information included in the Airport Authority's 2025 Annual & Sustainability Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

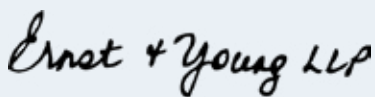
## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 general 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

The logo for Ernst & Young LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

Vancouver, Canada

April 1, 2026

# Consolidated Statement of Financial Position

[expressed in thousands of dollars]

As at December 31	2025 \$	2024 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	95,330	148,226
Short-term investments	225,000	226,111
Accounts receivable <i>[note 3]</i>	85,169	50,924
Other receivables	8,973	9,830
Inventory <i>[note 4]</i>	13,471	14,354
Prepaid expenses <i>[note 8]</i>	11,135	10,420
<b>Total current assets</b>	<b>439,078</b>	459,865
Partnership interests <i>[notes 5 and 14]</i>	88,284	71,601
Capital assets, net <i>[note 6]</i>	2,446,933	2,516,243
Implementation costs—software services <i>[note 7]</i>	18,170	18,894
Other long-term assets, net <i>[note 8]</i>	58,075	52,830
	<b>3,050,540</b>	3,119,433
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>[notes 10, 12, 16[c], 17[a]]</i>	107,220	133,900
Current portion of deferred revenue	16,592	15,456
Current portion of deferred ground lease <i>[note 11]</i>	2,247	2,247
Current portion of debentures <i>[note 12]</i>	149,656	—
<b>Total current liabilities</b>	<b>275,715</b>	151,603
Deferred ground lease <i>[note 11]</i>	14,506	16,439
Deferred revenue	19,273	18,515
Other long-term liabilities <i>[notes 16[b] and 16[c]]</i>	28,356	27,544
Deferred capital contributions <i>[note 13[a]]</i>	108,464	101,248
Debentures <i>[note 12]</i>	1,343,092	1,492,106
<b>Total liabilities</b>	<b>1,789,406</b>	1,807,455
<b>Net assets</b>	<b>1,261,134</b>	1,311,978
	<b>3,050,540</b>	3,119,433

Commitments, contingencies and guarantees *[notes 9 and 17]*

See accompanying notes

On behalf of the Board



Director



Director

# Consolidated Statement of Operations

[expressed in thousands of dollars]

Year ended December 31	2025 \$	2024 \$
<b>REVENUE</b>		
Landing fees <i>[note 18]</i>	66,101	60,232
Terminal fees <i>[note 18]</i>	138,382	129,655
Concessions <i>[notes 8[a] and 18]</i>	94,020	89,249
Airport improvement fees <i>[note 15]</i>	227,828	219,966
Car parking and ground transportation	98,797	90,313
Rentals <i>[notes 8[a] and 18]</i>	63,310	59,402
Fees and miscellaneous	8,702	7,484
Contributions <i>[note 13]</i>	20,605	9,997
	<b>717,745</b>	<b>666,298</b>
<b>OPERATING EXPENSES</b>		
Goods and services <i>[note 4]</i>	217,396	197,382
Salaries, wages and benefits <i>[note 16]</i>	139,155	125,966
Payments in lieu of taxes, insurance and other <i>[note 4]</i>	33,909	31,605
Ground lease <i>[note 17[a]]</i>	77,984	73,629
Revenue sharing <i>[note 17[b][iii]]</i>	7,182	6,754
Amortization of capital assets <i>[note 6]</i>	198,275	195,112
	<b>673,901</b>	<b>630,448</b>
<b>Excess of revenue over operating expenses</b>	<b>43,844</b>	<b>35,850</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest income	13,602	20,346
DOC partnership income <i>[note 5[a]]</i>	3,302	3,451
VAPH partnership income <i>[note 5[b]]</i>	15,365	15,763
Interest and financing charges <i>[notes 11 and 12]</i>	(53,543)	(53,518)
Write-down of capital assets <i>[note 6]</i>	(73,336)	(1,040)
Gain (loss) on disposal of capital assets	512	(1,222)
Foreign exchange loss	(127)	(85)
	<b>(94,225)</b>	<b>(16,305)</b>
<b>(Deficiency) excess of revenue over expenses for the year</b>	<b>(50,381)</b>	<b>19,545</b>

See accompanying notes

# Consolidated Statement of Changes in Net Assets

[expressed in thousands of dollars]

Year ended December 31	2025 \$	2024 \$
<b>Balance, beginning of year</b>	<b>1,311,978</b>	1,290,043
Employee future benefits plan remeasurement <i>[note 16]</i>	<b>(463)</b>	2,390
(Deficiency) excess of revenue over expenses for the year	<b>(50,381)</b>	19,545
<b>Balance, end of year</b>	<b>1,261,134</b>	1,311,978

*See accompanying notes*

# Consolidated Statement of Cash Flows

[expressed in thousands of dollars]

Year ended December 31	2025 \$	2024 \$
<b>OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenue over expenses for the year	(50,381)	19,545
Add (deduct) items not involving cash		
Amortization of capital assets	198,275	195,112
Amortization of deferred capital contributions <i>[note 13[a]]</i>	(8,498)	(8,296)
Amortization of deferred financing costs	642	612
Effective interest on deferred ground lease <i>[note 11]</i>	314	347
Amortization of other long-term assets	2,429	1,979
Net change due to straight-line rent adjustments <i>[note 8[a]]</i>	(2,720)	(2,141)
Write-down of capital assets <i>[note 6]</i>	73,336	1,040
(Gain) loss on disposal of capital assets	(512)	1,222
DOC partnership income <i>[note 5[a]]</i>	(3,302)	(3,451)
VAPH partnership income <i>[note 5[b]]</i>	(15,365)	(15,763)
Net change in non-cash working capital balances related to operations <i>[note 20[a]]</i>	(51,084)	862
<b>Cash provided by operating activities</b>	<b>143,134</b>	<b>191,068</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of short-term investments	(225,000)	(226,111)
Maturity of short-term investments	226,111	275,000
Additions to capital assets	(210,485)	(222,674)
Proceeds on disposal of capital assets	1,147	294
Contribution to DOC partnership <i>[note 5[a]]</i>	—	(10)
Partnership distribution from VAPH <i>[note 5[b]]</i>	1,984	2,121
Increase in other long-term assets <i>[note 8]</i>	(594)	(644)
<b>Cash used in investing activities</b>	<b>(206,837)</b>	<b>(172,024)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of deferred ground lease <i>[note 11]</i>	(2,247)	(2,247)
Deferred capital contributions received <i>[note 13[a]]</i>	13,054	15,538
<b>Cash provided by financing activities</b>	<b>10,807</b>	<b>13,291</b>
<b>Net (decrease) increase in cash during the year</b>	<b>(52,896)</b>	<b>32,335</b>
Cash and cash equivalents, beginning of year	148,226	115,891
<b>Cash and cash equivalents, end of year</b>	<b>95,330</b>	<b>148,226</b>

See accompanying notes

# Notes to Consolidated Financial Statements

[Unless otherwise stated, all amounts are in thousands of Canadian dollars]

December 31, 2025

## 1. Operations

The Vancouver Airport Authority [the Airport Authority] is incorporated under the Canada Not-for-profit Corporations Act as a private non-share capital corporation. The Airport Authority is governed by a Board of Directors [the Board] comprised of nine Directors nominated by government and professional organizations, up to five directors appointed by the Board from the community at large, and the President and CEO.

The Airport Authority operates the Vancouver International Airport [the Airport] pursuant to a lease of most of Sea Island, Richmond, British Columbia, from the Government of Canada [the Ground Lease].

The Airport Authority has three wholly owned subsidiaries:

- [i] Vancouver Airport Enterprises Ltd. [VAEL] holds a 100% investment in YVR Project Management Ltd. [YVRPM], which provides capital project management and consulting services to affiliated and non-affiliated entities.
- [ii] Vancouver Airport Enterprises (Templeton) Ltd. [VAEL Templeton] holds the Airport Authority's investment in the following partnerships, collectively referred to as the DOC Partnership:
  - 49.9% investment in Templeton DOC Limited Partnership [DOC LP]: DOC LP's purpose is to own and operate a retail designer outlet centre [DOC] on Sea Island.
  - 50% investment in Templeton DOC General Partner Ltd. [DOC GP]: DOC GP's purpose is to undertake the day-to-day management of the Templeton DOC Limited Partnership. Templeton DOC General Partner also holds an additional 0.2% investment in Templeton DOC Limited Partnership.
- [iii] Vancouver Airport Properties Ltd. [VAPL] holds a 0.1% interest in and manages the following partnerships:
  - Vancouver Airport Property Holding LLP [VAPH]: VAPH's purpose is to hold the leasehold interest from the Airport Authority. The Airport Authority holds the other 99.9% interest in VAPH.
  - Vancouver Airport Property Management LLP [VAPM]: VAPM is the limited liability partnership that owns and operates multi-tenanted buildings on Sea Island. VAPH holds the other 99.9% interest in VAPM.

## 2. Significant accounting policies

### Presentation and basis of accounting

These consolidated financial statements are prepared in accordance with Part III of the CPA Canada Handbook—Accounting, "Accounting Standards for Not-for-Profit Organizations," and include the results of the Airport Authority's wholly owned subsidiaries and partnership interests. All intercompany transactions and balances have been eliminated on consolidation.

### Summary of significant accounting policies

#### Inventory

Inventory is valued at the lower of weighted average cost and net realizable value. Weighted average cost includes the purchase price, import duties, other net taxes, transportation, handling and other costs directly attributable to acquisition. Net realizable value is the estimated current replacement cost.

#### Partnership interests

The Airport Authority accounts for its partnership interests using the equity method. The Airport Authority's share of partnership net income is recorded in the consolidated statement of operations [note 5].

#### Borrowing costs

Interest on debt is recognized as an expense in the period in which it is incurred.

## Capital assets

Capital assets are recorded at cost less accumulated amortization. The cost includes the purchase price and other acquisition and construction costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation, transportation charges, labour, insurance and duties. Interest and financing charges are not capitalized.

Software is an integral part of the related hardware and is capitalized to the cost of computer equipment and is included in capital assets.

The costs included in construction-in-progress are capitalized during the construction phase and are not amortized. Upon completion of the project, the assets will be allocated to the respective capital asset classes and amortized at the rates provided in the table below.

Amortization is provided at cost less estimated salvage value on a straight-line basis over the estimated useful lives as follows:

Buildings and other structures	5 to 40 years
Runways and other paved surfaces	3 to 30 years
Rapid transit infrastructure	50 years
Machinery and equipment	5 to 15 years
Furniture and fixtures	5 to 15 years
Computer equipment and software	3 to 10 years

The art collection is considered to have a permanent value and is not amortized.

The Airport Authority assesses write-downs when conditions indicate the future economic benefits or service potential associated with the asset may be less than the carrying amount. The write-downs are assessed based on the fair value or replacement cost on an asset-by-asset basis. A write-down is not reversed.

## Cloud computing arrangements

Cloud computing arrangements are analyzed to determine if a software element in the arrangement meets the recognition criteria of an asset. Any such asset is accounted for as a computer software asset. If the software element is not an asset, the Airport Authority accounts for it as a software service and expenses it as incurred. Expenditures on implementation activities that are directly attributable to preparing the software service for its intended use that do not give rise to a separate intangible asset are capitalized under Implementation costs—software services. The asset for implementation of software services is expensed using the straight-line method over the expected period of access to the software service.

## Deferred revenue

Deferred revenue represents payments received in advance from tenants and operators for goods and services not yet provided, which are deferred and recognized over the terms of the related agreements.

## Revenue recognition

Revenue is recognized when the amount to be received is fixed or can be reasonably estimated, delivery has occurred, and collection is reasonably assured as follows:

- [i] Aeronautical charges, which consist of landing and terminal fees, are generally recognized as revenue when airport facilities are utilized.
- [ii] Concession revenue is recognized based on a percentage of reported concessionaire sales and/or specified minimum annual guarantees. Specified minimum annual guarantee amounts and incentives for lessees to enter into lease agreements are recognized on a straight-line basis over the term of the lease.
- [iii] Revenue from the Airport Improvement Fee [AIF], which is collected from passengers by air carriers, is recognized based on monthly passenger numbers submitted by individual air carriers.
- [iv] Car parking and ground transportation revenue is recognized when airport facilities are utilized.
- [v] Rental revenue is recognized on a straight-line basis over the term of the respective agreements.

[vi] Contributions are accounted for using the deferral method as follows:

Unrestricted contributions are recognized as revenue if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions received to offset specific operating costs are initially deferred and recorded as revenue when the related costs are incurred.

Contributions received and designated by third parties for specific capital purposes are initially deferred and recorded as revenue on a basis consistent with the amortization of the related capital assets.

### **Ground lease**

The ground lease expense is based on a progressive scale of percentages of the Airport Authority's revenue as defined in the Ground Lease and is charged to the consolidated statement of operations.

The Airport Authority does not receive title to the underlying parcels of land; therefore, the Ground Lease has been accounted for as an operating lease.

### **Taxes**

Income arising from the operation of the Airport Authority is exempt from federal and provincial income taxes under the *Airport Transfer (Miscellaneous Matters) Act*.

A payment in lieu of taxes is made for municipal services and is based on the municipality's rates applied to the assessment of property values. Payments are recognized as an expense over the assessment term.

Operations of each subsidiary are subject to taxes in the jurisdictions in which the subsidiaries operate and recorded in payments in lieu of taxes, insurance and other. Taxes in these entities are measured using taxes payable method.

### **Employee future benefits**

The Airport Authority has a contributory defined benefit pension plan (DB plan) that covers employees of the Airport Authority who, immediately prior to joining the Airport Authority, were employees of the Federal Public Service; a defined contribution plan that covers new employees who have joined the Airport Authority since June 1992; and unfunded supplemental plans that cover its senior executives.

#### ***Defined benefit pension plans***

The Airport Authority accrues its obligations under DB plans as the employees render the service necessary to earn the employment benefits.

The Airport Authority measures its accrued benefit obligations and the fair value of plan assets as at December 31 of each year, using the most recent funding valuation for the DB plan. The most recent actuarial valuation of the DB plan for funding purposes was as of December 31, 2024. The next valuation for funding purposes will be as of December 31, 2025, the results of which are expected to be available later in 2026.

The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method prorated on services. Obligations for the DB plan are calculated using the assumptions from the actuarial funding valuation including an estimate of future salary levels, pension indexing, retirement ages of employees, and other actuarial factors. Obligations for the unfunded supplemental plans and non-pension benefit plans are calculated using assumptions that incorporate management's best estimate of cost escalation, retirement ages of employees, pension indexing and other actuarial factors.

The Airport Authority measures its defined benefit obligation for the unfunded supplemental pension plans and non-pension benefit plans using an accounting valuation as at the reporting date.

For the purpose of calculating the expected return on plan assets, those assets are valued at fair value at the reporting date.

Remeasurements, which include settlement and actuarial gains and losses, arise from the difference between actual long-term rate of return on plan assets for a period and the expected long-term rate of return on plan assets for that period, differences in demographic and economic experience compared to expectations, or from changes in actuarial assumptions used to determine the accrued benefit obligation. These remeasurements are recognized directly in net assets and presented separately.

Past service costs arising from plan amendments are recognized immediately in the consolidated statement of operations.

### *Defined contribution benefit plans*

The Airport Authority records contributions to defined contribution benefit plans as an expense, which is included in salaries, wages and benefits expense as services are rendered.

### **Financial instruments**

#### *Recognition and measurement*

The Airport Authority recognizes a financial asset or financial liability when the entity becomes a party to the contractual provisions of the financial instrument.

At initial acquisition, financial assets or financial liabilities acquired or assumed in an arm's length transaction are measured at fair value, adjusted for directly attributable financing fees and transaction costs if the instrument is subsequently measured at cost or amortized cost.

#### *Financing costs*

The Airport Authority capitalizes all transaction costs relating to the acquisition of financing as an offset to the related debt and amortizes the costs to interest expense using the effective interest rate method over the term of the underlying debt.

### **Translation of foreign currencies**

The Airport Authority records foreign currency denominated transactions in Canadian dollars at exchange rates in effect at the time of the transactions. Monetary items denominated in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at the reporting date. Foreign exchange gains and losses are included in the results of operations in the period in which they occur.

### **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of accrued revenue, allowance for doubtful accounts, percentage of completion for construction-in-progress, write-down of capital assets, useful lives for amortization of capital assets, accrued liabilities, assumptions with respect to defined benefit plans, and provisions for contingencies. Actual results could differ materially from those estimates.

## **3. Accounts receivable**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Current—30 days past due	<b>62,853</b>	46,295
31-60 days past due	<b>5,348</b>	2,601
61+ days past due	<b>19,372</b>	4,578
Allowance for doubtful accounts	<b>(2,404)</b>	(2,550)
	<b>85,169</b>	50,924

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Allowance for doubtful accounts, beginning of year</b>	<b>2,550</b>	1,765
(Decrease) increase in allowance for doubtful accounts	<b>(146)</b>	785
<b>Allowance for doubtful accounts, end of year</b>	<b>2,404</b>	2,550

## 4. Inventory

For the year ended December 31, 2025, \$7.0 million [2024: \$5.9 million] of inventory was issued into goods and services and \$0.9 million [2024: \$0.3 million] was issued into payments in lieu of taxes, insurance and other of which \$0.6 million [2024: \$nil] was as result of a write-off of inventory identified as obsolete.

## 5. Partnership interests

	2025 \$	2024 \$
DOC Partnership [a]	13,781	10,479
VAPH [b]	74,503	61,122
	<b>88,284</b>	71,601

### [a] DOC Partnership

For the year ended December 31, 2025, the Airport Authority recorded partnership income of \$3.3 million [2024: \$3.5 million] from Templeton DOC Limited Partnership. The amount was recorded in the consolidated statement of operations and as an increase in partnership interests.

To date, the Airport Authority's net equity contribution to Templeton DOC Limited Partnership is \$6.8 million [2024: \$6.8 million] and \$0.02 million [2024: \$0.02 million] to Templeton DOC General Partner Ltd.

Summarized consolidated statements of financial position, operations, and cash flows of the Airport Authority's 50% share of the Templeton DOC Limited Partnership as at and for the years ended December 31, 2025 and 2024, are presented below:

	2025 \$	2024 \$
Assets	97,221	93,638
Liabilities	83,460	83,179
<b>Partners' capital</b>	<b>13,761</b>	10,459

	2025 \$	2024 \$
Revenue	15,178	14,161
Expenses	11,876	10,710
<b>Net income</b>	<b>3,302</b>	3,451

	2025 \$	2024 \$
Cash flows provided by (used in)		
Operating activities	7,864	6,207
Investing activities	(15,713)	(1,340)

### [b] VAPH and VAPM

For the year ended December 31, 2025, the Airport Authority recorded partnership income of \$15.4 million [2024: \$15.8 million] on the consolidated statements of operations based on the Airport Authority's 99.9% partnership interest and VAPL's 0.1% partnership interest in VAPH. The amount was recorded as an increase in partnership interests.

During the year, the Airport Authority recognized partnership distributions from VAPH of \$2.0 million [2024: \$2.1 million]. The distribution was recorded as a reduction in partnership interests.

Summarized statements of financial position, operations, and cash flows of VAPH as at and for the years ended December 31, 2025 and 2024, which includes partnership income of \$6.2 million from VAPM based on its 99.9% partnership interest are presented below:

	2025 \$	2024 \$
Assets	74,468	61,095
Liabilities	10	9
<b>Partners' capital</b>	<b>74,458</b>	<b>61,086</b>

	2025 \$	2024 \$
Revenue and other income	15,368	15,764
Expenses	11	7
<b>Net income</b>	<b>15,357</b>	<b>15,757</b>

	2025 \$	2024 \$
Cash flows provided by (used in)		
Operating activities	9,149	9,096
Investing activities	(17,000)	—
Financing activities	(1,984)	(2,121)

## 6. Capital assets

	2025								
	Buildings & Other Structures	Runways & Other Paved Surfaces	Computer Equipment & Software	Machinery & Equipment	Furniture & Fixtures	Rapid Transit Infrastructure	Art Collection	Construction in Progress	Total
<b>Cost</b>									
Balance, December 31, 2024	3,110,953	878,054	311,279	193,575	39,525	300,069	9,983	313,631	5,157,069
Additions	—	—	—	—	—	—	—	202,937	202,937
Disposals	(4,194)	(1,384)	(30,089)	(41,600)	(14)	—	—	—	(77,281)
Write downs	—	—	—	—	—	—	—	(73,336)	(73,336)
Transfers	77,195	124,682	28,417	10,068	6,342	—	—	(246,704)	—
Balance, December 31, 2025	3,183,954	1,001,352	309,607	162,043	45,853	300,069	9,983	196,528	5,209,389
<b>Accumulated amortization</b>									
Balance, December 31, 2024	1,612,638	504,321	252,632	141,828	36,232	93,175	—	—	2,640,826
Amortization expense	121,434	38,350	22,135	8,515	1,859	5,982	—	—	198,275
Disposals	(4,194)	(1,384)	(29,598)	(41,455)	(14)	—	—	—	(76,645)
Balance, December 31, 2025	1,729,878	541,287	245,169	108,888	38,077	99,157	—	—	2,762,456
<b>Net book value, December 31, 2025</b>	<b>1,454,076</b>	<b>460,065</b>	<b>64,438</b>	<b>53,155</b>	<b>7,776</b>	<b>200,912</b>	<b>9,983</b>	<b>196,528</b>	<b>2,446,933</b>

## 2024

	Buildings & Other Structures	Runways & Other Paved Surfaces	Computer Equipment & Software	Machinery & Equipment	Furniture & Fixtures	Rapid Transit Infrastructure	Art Collection	Construction in Progress	Total
<b>Cost</b>									
Balance, December 31, 2023	2,987,134	847,636	301,284	188,614	41,059	300,069	9,983	284,330	4,960,109
Additions	—	—	—	—	—	—	—	224,356	224,356
Disposals	(1,029)	—	(7,616)	(14,753)	(1,991)	—	—	(967)	(26,356)
Write downs	—	—	(149)	—	—	—	—	(891)	(1,040)
Transfers	124,848	30,418	17,760	19,714	457	—	—	(193,197)	—
Balance, December 31, 2024	3,110,953	878,054	311,279	193,575	39,525	300,069	9,983	313,631	5,157,069
<b>Accumulated amortization</b>									
Balance, December 31, 2023	1,494,577	465,671	238,801	147,376	37,021	87,108	—	—	2,470,554
Amortization expense	119,586	38,650	21,442	8,166	1,201	6,067	—	—	195,112
Disposals	(1,525)	—	(7,611)	(13,714)	(1,990)	—	—	—	(24,840)
Balance, December 31, 2024	1,612,638	504,321	252,632	141,828	36,232	93,175	—	—	2,640,826
<b>Net book value, December 31, 2024</b>	<b>1,498,315</b>	<b>373,733</b>	<b>58,647</b>	<b>51,747</b>	<b>3,293</b>	<b>206,894</b>	<b>9,983</b>	<b>313,631</b>	<b>2,516,243</b>

For the year ended December 31, 2025, the Airport Authority recognized total write downs of capital assets of \$73.3 million (2024: \$1.0 million). The Airport Authority specifically identified indicators of impairment related to a ground transportation facility. As at December 31, 2025, the fair value of these assets was determined to be \$nil resulting in a write-down of \$62.1 million (2024: \$nil) in the consolidated statement of operations.

The Airport Authority recognized additional write downs of \$11.2 million (2024: \$1.0 million) resulting from cancellations and changes in scope of various other capital projects.

## 7. Implementation costs—software services

For the year ended December 31, 2025, the Airport Authority amortized \$2.3 million [2024: \$1.1 million] of capitalized software service implementation costs in goods and services and capitalized \$1.5 million [2024: \$12.5 million] in directly attributable expenditures on implementation activities related to software services.

## 8. Other long-term assets

	2025		
	Cost \$	Accumulated Amortization \$	Net Book Value \$
Operating lease receivables [a]	29,358	—	29,358
Accrued benefit asset [note 16[a]]	19,430	—	19,430
Leasehold interest [b]	4,640	(1,323)	3,317
Long-term prepaid	8,003	(5,081)	2,922
Lease contract assets	2,828	—	2,828
Operating lease inducements	1,031	(249)	782
Total other long-term assets	65,290	(6,653)	58,637
Less: current portion of long-term prepaid	(562)	—	(562)
	64,728	(6,653)	58,075

	2024		
	Cost \$	Accumulated Amortization \$	Net Book Value \$
Operating lease receivables [a]	26,638	—	26,638
Accrued benefit asset [note 16[a]]	19,313	—	19,313
Leasehold interest [b]	4,640	(1,252)	3,388
Long-term prepaid	7,454	(3,540)	3,914
Operating lease inducements	1,514	(647)	867
Total other long-term assets	59,559	(5,439)	54,120
Less: current portion of long-term prepaid	(1,290)	—	(1,290)
	58,269	(5,439)	52,830

[a] For the year ended December 31, 2025, the Airport Authority recorded a net increase in concession and rental revenue across all leases of \$2.7 million [2024: \$2.1 million] as result of straight-line rent adjustments.

[b] In June 2008, the Airport Authority acquired a leasehold interest on Sea Island for \$4.6 million, which included the estimated cost of decommissioning and demolishing the existing building on the land. Accordingly, the Ground Lease with Transport Canada was amended to include this additional site. The leasehold interest is being amortized over the remaining term of the Ground Lease. For the year ended December 31, 2025, the amortization of the leasehold interest was \$0.1 million [2024: \$0.1 million].

## 9. Revolving credit facility

	December 31, 2025 \$	December 31, 2024 \$
Credit facility	300,000	300,000
Less: Outstanding letters of credit	(18,945)	(17,291)
<b>Available credit facility</b>	<b>281,055</b>	282,709

The Airport Authority has a revolving credit facility [credit facility] of \$300.0 million [December 31, 2024: \$300.0 million] bearing interest at the bank prime rate, which was 4.45% as at December 31, 2025 [2024: 5.45%], or at prevailing market interest rates if issuing bankers' acceptances. The credit facility was undrawn as at December 31, 2025 and 2024.

## 10. Government remittances payable

Included in accounts payable and accrued liabilities are government remittances payable, which include amounts payable for sales, parking, payroll related taxes and ground lease payable.

	2025 \$	2024 \$
Transport Canada [note 17[a]]	5,136	4,405
TransLink	878	729
British Columbia Ministry of Finance	685	673
Canada Revenue Agency	520	7
	<b>7,219</b>	5,814

## 11. Deferred ground lease

The Government of Canada provided relief for 2021 ground lease payments to Canadian airports due to the significant decline in passenger traffic resulting from COVID-19. The relief allowed the Authority's payments for the 2021 fiscal year totalling \$22.5 million to be deferred and repaid over a 10-year term bearing no interest, with repayments commencing January 1, 2024. The deferred ground lease payments were initially measured at fair value and subsequently measured at amortized cost using the effective interest rate of 1.76% which was internally consistent with existing financing activities at the time.

In January 2024, the Airport Authority began making repayments towards the deferred ground lease. As at December 31, 2025, the Airport Authority has repaid a cumulative total of \$4.5 million of deferred rent to Transport Canada [2024: \$2.2 million].

For the year ended December 31, 2025, the Airport Authority recorded interest expense of \$0.3 million [2024: \$0.3 million] in the consolidated statement of operations relating to the deferred ground lease. As at December 31, 2025, the amortized cost of the deferred ground lease payments was \$16.8 million [2024: \$18.6 million], of which \$2.2 million [2024: \$2.2 million] was recorded in the current portion of ground lease payments.

## 12. Debentures

### Current portion

Series	Maturity	Interest	Redemption Premium	2025 \$	2024 \$
Series B	December 7, 2026	7.425%	+0.150%	150,000	—
Less unamortized deferred financing costs				(344)	—
				149,656	—

### Long-term portion

Series	Maturity	Interest	Redemption Premium	2025 \$	2024 \$
Series B	December 7, 2026	7.425%	+0.150%	—	150,000
Series F	November 10, 2045	3.857%	+0.370%	200,000	200,000
Series G	November 23, 2048	3.656%	+0.310%	250,000	250,000
Series H	October 18, 2049	2.874%	+0.295%	300,000	300,000
Series I	September 20, 2030	1.760%	+0.295%	250,000	250,000
Series J	September 21, 2050	2.800%	+0.425%	350,000	350,000
				1,350,000	1,500,000
Less unamortized deferred financing costs				(6,908)	(7,894)
				1,343,092	1,492,106
<b>Total debentures</b>				<b>1,492,748</b>	1,492,106

As at December 31, 2025, the Airport Authority has accrued debenture interest of \$8.5 million [2024: \$8.5 million], which is recorded in accounts payable and accrued liabilities.

The debentures are direct, unsecured and subordinated obligations of the Airport Authority. Interest is payable semi-annually in arrears in June and December for Series B, in May and November for Series F and G, in April and October for Series H, and in March and September for Series I and J. The debentures are redeemable at the option of the Airport Authority, in whole or in part, at any time.

For the Series B debentures, the redemption price at any time is the higher of par and that value which would result in a yield to maturity equivalent to that of a Government of Canada bond of equivalent maturity plus the redemption premium.

For all the other series, the redemption price six months prior to maturity is the higher of par and that value which would result in a yield to maturity equivalent to that of a Government of Canada bond of equivalent maturity plus its redemption premium. The redemption price within six months of maturity is par.

While the debentures are outstanding, the Airport Authority is required to maintain an interest coverage ratio of not less than 1.25:1. Any further issuances of debt with a maturity of 12 months or longer are subject to a minimum interest coverage ratio of 1.75:1 on a pro-forma basis. The Trust Indenture also places certain limitations on the Airport Authority in the areas of encumbrances of assets, sales of assets, acquisitions of corporations, investments and guarantees. For the years ended December 31, 2025 and 2024 the Airport Authority remained in compliance with its covenants.

### 13. Deferred capital and operating contributions

	2025 \$	2024 \$
Amortization of deferred capital contributions [a]	8,498	8,296
Operating contributions	12,107	1,701
	<b>20,605</b>	<b>9,997</b>

#### [a] Deferred capital contributions

	2024 \$	Contributions Recorded	Amortization	2025 \$
CATSA	63,435	—	(5,932)	57,503
Government of Canada	23,996	8,305	(1,117)	31,184
Province of British Columbia	2,256	1,536	(430)	3,362
Municipal and other	11,561	5,873	(1,019)	16,415
	101,248	15,714	(8,498)	108,464

### 14. Related party transactions

Related parties include the Board of Directors, key management personnel, and partnerships. The Airport Authority has not engaged in any significant related party transactions with directors and key management personnel for the years ended December 31, 2025 and 2024.

The Airport Authority provides certain administrative support services including information technologies, legal, accounting and human resources to its subsidiaries for no consideration.

For the year ended December 31, 2025, the Airport Authority recognized \$0.4 million [2024: \$0.4 million] of rental revenue from Templeton DOC Limited Partnership.

### 15. AIF—use of funds

The AIF is collected on the airline ticket by air carriers under the Airport Improvement Fee [AIF] Agreement [Agreement] between several Canadian airport authorities and signatory air carriers. Under the Agreement, all AIF revenue collected is to be used to fund capital and related financing costs of airport infrastructure development as jointly agreed with the air carriers.

For the year ended December 31, 2025, the Airport Authority recorded \$227.5 million [2024: \$219.6 million] main terminal AIF revenue, and main terminal AIF eligible capital expenditures totalled \$183.7 million [2024: \$188.6 million]. The remainder of the revenue was from the south terminal passenger facility charge. As at December 31, 2025, the cumulative main terminal AIF revenue totalling \$3.3 billion [2024: \$3.1 billion] was used to fund the cumulative main terminal AIF eligible capital expenditures totalling \$5.4 billion [2024: \$5.3 billion] in accordance with the Agreement.

## 16. Employee future benefits

### [a] Funded pension plans

#### *Defined benefit plan*

Information regarding the Airport Authority's defined benefit pension plan is as follows:

	2025 \$	2024 \$
Fair value of plan assets	81,271	82,864
Accrued benefit obligation	61,841	63,551
<b>Accrued benefit asset</b>	<b>19,430</b>	19,313

The accrued benefit asset is included in other long-term assets [note 8].

#### *Total cash payments*

Total cash payments for employee future benefits for the year ended December 31, 2025, consisting of cash contributed by the Airport Authority to its funded pension plans [the defined benefit plan and defined contribution plans], were \$6.7 million [2023: \$5.6 million].

### [b] Unfunded pension plans

The Airport Authority participates in unfunded supplementary pension plans and a non-pension benefit plan for its senior executives. Pension expense for the year ended December 31, 2025 was \$1.6 million [2024: \$1.6 million] and has been recognized in salaries, wages, and benefits on the consolidated financial statements. Based on an actuarial report, the total accrued benefit liability of these plans as of December 31, 2025 was \$20.5 million [2024: \$20.0 million], which is included in other long-term liabilities.

### [c] Retiring allowance

The Airport Authority provides a retiring allowance to bargaining unit employees based on their number of years of service and their salary at retirement. The total accrued benefit liability of this plan was \$4.5 million [2024: \$4.4 million], of which the current portion of \$0.5 million [2024: \$0.5 million] is recorded in accounts payable and accrued liabilities and \$4.0 million [2024: \$3.8 million] in other long-term liabilities.

## 17. Commitments, contingencies and guarantees

### [a] Ground Lease

The Ground Lease governs both the economic and day-to-day relations between the Airport Authority and the Government of Canada for a term ending on June 30, 2072.

The ground lease expense is based on a progressive scale of percentages of the Airport Authority's revenue as defined in the Ground Lease. At a minimum, the required monthly payments are based on the immediately preceding year's actual ground lease expense while the expense is calculated as a percentage of current year's revenue.

The difference between the Airport Authority's remitted monthly ground lease installments and total actual ground lease expense for the year ended December 31, 2025 is \$5.1 million [2024: \$4.4 million]. This amount is included in the accounts payable and accrued liabilities as at December 31, 2025.

## **[b] Commitments**

- (i) As at December 31, 2025, in connection with the construction of certain capital projects, the Airport Authority has capital commitments outstanding of approximately \$70.5 million [2024: \$136.6 million].
- (ii) As at December 31, 2025, in connection with the operation of the Airport, the Airport Authority has total operating commitments of over the next 5 years of approximately \$263.1 million [2024: \$297.6 million].
- (iii) On June 21, 2017, the Airport Authority and a third party entered into a 30-year mutually beneficial agreement based on the four pillars of sustainability—economic, social, environmental, and governance. The agreement includes a revenue sharing arrangement whereby the Airport Authority will pay, on an annual basis, to the third party an amount equal to 1% of the Airport Authority's revenue as defined in the agreement.

## **[c] Guarantees**

In 2022, the Templeton DOC Limited Partnership entered into a new loan agreement with a banking consortium (the Loan Agreement). The Loan Agreement includes principal repayment guarantees from the partners of the Templeton DOC Limited Partnership to a maximum amount of \$50.0 million plus the costs to enforce. The maximum amount of the Airport Authority's guarantee is \$25.0 million plus half of the costs to enforce. On October 29, 2025, the Airport Authority entered into a 1-year extension of the Loan agreement.

## **[d] Legal claims**

In the normal course of operations, the Airport Authority becomes involved in various claims and legal proceedings. While the final outcome with respect to these claims and legal proceedings cannot be predicted with certainty, management believes that the resolution of these proceedings will not have a material adverse effect on the Airport Authority's financial position or the results of its operations. As at December 31, 2025, there were no material claims pending against the Airport Authority.

## **18. Customer concentration**

The Airport Authority derives approximately \$94.4 million [2024: \$92.1 million] in landing fees, terminal fees, and rental revenue from one airline and \$36.8 million [2024: \$33.1 million] in concessions and rental revenue from one concession operator. The Airport Authority believes that the cessation of operations of the airline or concession operator would not have a material long-term effect on the Airport Authority's revenue or operations as the lost revenue would eventually be earned from other service providers.

## **19. Financial instruments and risk management**

The Airport Authority primarily has exposure to credit, currency, interest rate and liquidity risk on its financial instruments.

### **Credit risk**

The Airport Authority is subject to credit risk through its financial assets. Ongoing credit valuations are performed on these accounts and valuation allowances are maintained for potential credit losses. The credit quality of financial assets is assessed by reference to external credit ratings or historical information about the customer. As at December 31, 2025, the Airport Authority held cash security deposits in the amount of \$2.9 million [2024: \$7.1 million] and letters of credit in the amount of \$36.9 million [2024: \$27.9 million] from its customers.

An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific customers, historical trends and other information. The accounts receivable aging and allowance for doubtful accounts reconciliation are detailed in note 3.

### **Currency risk**

The Airport Authority has minimal transactions denominated in foreign currencies. The majority of revenue, expenses and capital asset expenditures are denominated in Canadian dollars, therefore making the Airport Authority's exposure to currency risk insignificant.

## Interest rate risk

The Airport Authority is exposed to interest rate risk on its credit facility which is charged at the bank prime rate. The Airport Authority has no bank indebtedness as at December 31, 2025 [2024: \$nil] either in the form of bankers' acceptances or drawings on the credit facility [note 9]. The balance of outstanding debt is by way of debentures [note 12], which have fixed interest rates for their term and, therefore, any changes in market interest rates do not impact the Airport Authority's interest payments.

## Liquidity risk

The Airport Authority manages liquidity risk by maintaining adequate cash or available credit facilities. Cash flow projections are continually updated and reviewed by management to ensure a sufficient continuity of funding.

## 20. Supplementary cash flow information

### [a] Net change in non-cash working capital balances related to operations

	2025 \$	2024 \$
Accounts receivable	(31,984)	12,749
Other receivables	505	(3,484)
Inventory	883	(1,129)
Prepaid expenses	(451)	(1,165)
Accounts payable and accrued liabilities	(19,854)	(12,827)
Deferred revenue	(183)	6,718
	(51,084)	862

### [b] Other supplementary information

	2025 \$	2024 \$
Non-cash transactions:		
Construction-in-progress accrual	27,885	35,434
Deferred capital contribution accrual	3,179	519
Employee future benefits plan remeasurement	(463)	2,390

# ᑲᑦ ᑲᑦ ᑲᑦ Thank you Merci



**At YVR, everything we do is guided by our purpose:  
to serve our community and the economy that  
supports it—today and for generations to come.**

Thank you for reading our Consolidated Financial Statements. If you have any questions or comments regarding this report, please send us a message at: [community\\_relations@yvr.ca](mailto:community_relations@yvr.ca).

Follow Vancouver International Airport |  
L'Administration de l'aéroport de Vancouver

**Website** [yvr.ca](http://yvr.ca)

**LinkedIn** Vancouver Airport Authority

**Instagram** @yvrairport @aeroportyvr

**X** @yvrairport @yvraeroport

