

# 2016

## ANNUAL REPORT

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## ABOUT THE SAINT JOHN AIRPORT

Saint John Airport Inc. is a not-for-profit corporation serving the air travel needs of 300,000 residents of southwestern New Brunswick, spanning from Sussex to the Fundy Isles, and is a key element in the economic and social development of the region. The airport's economic impact is estimated at \$68.7 million, with more than 480 jobs created directly and indirectly. All revenue of the Saint John Airport is reinvested in operations and facilities on-site.



## OUR ECONOMIC IMPACT

The Saint John Airport is a major employer and contributor to the local economy, according to a 2016 report summarizing its economic impact.

In 2015, airport activity contributed \$63.6 million to the city's gross output, \$33.9 million to its GDP and \$24.5 million to wages and salaries.

"The Saint John Airport is not only a vital piece of transportation infrastructure for all southern New Brunswickers – it's also vital to the continued growth of our province," said Derrick Stanford, President and CEO of the Saint John Airport. "Thanks to our ability to service both business and leisure travellers – and invest significantly in capital projects that employ hundreds and inject millions into our local economy – our airport is a significant economic engine and enabler for Saint John and the entire province."

Findings from the 2015 Economic Impact Report show significant increases since the airport's previous Economic Impact Study in 2010, which showed contributions of \$36 million in economic output (77 per cent increase), \$19 million in GDP (78 per cent increase) and \$10 million in wages (145 per cent increase).

The 2016 report also found that since the transfer of airport land to the Saint John Airport from Transport Canada in 1999, the Airport Authority and tenants have spent more than \$23 million on capital projects.

New private sector projects planned for the region like the Energy East Pipeline, Port of Saint John terminal modernization, and upgrades to municipal water treatment will mean significant new energy, natural resource and infrastructure investments in the Saint John Airport's catchment area, increasing the demand for air service by \$17.5 million in air travel expenditures and resulting in 39,000 new passengers. These projects – and the resulting anticipated airport activity – along with the need to maintain services, are forecasted to spur the airport to make further capital investments of another \$33.7 million by 2025.

By the numbers:

480 direct and indirect jobs

\$68 million+ invested into our local economy every year

252,000 passengers

13,654 aircraft movements

20 tenants who employ 190 FTE employees across airport operations, carriers (Air Canada and Sunwing), general aviation and air terminal building services

For more information and to read the complete 2015 Economic Impact Report, visit [saintjohnairport.com](http://saintjohnairport.com).



Business aviation continues to be a key sector for Saint John, contributing \$14.5 million in economic output and 110 FTE jobs, with an average wage of \$72,730 (64 per cent above the provincial average).



## KEY STRATEGIES

- Promote the Saint John Airport's capabilities and seek enhanced scheduled air service opportunities, including non-stop service to the northeastern United States.
- Ensure that airport infrastructure is developed and maintained with a view to supporting long-term air service facilitation needs.
- Engage with our passengers, community, and stakeholders to foster a sense of ownership and pride for the Saint John Airport while creating a "sense of place" and offering great convenience, safety and amenities.
- Meet or exceed all safety, security, environmental and other regulatory requirements through an established list of performance standards.



## OUR VISION

The Saint John Airport is a premiere gateway to Canadian, transborder and international destinations, offering the highest standards of safety and customer service to the New Brunswick travelling community.





## MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

On behalf of the board of directors, I am pleased to report that the Saint John Airport's 2016 fiscal and operating year was another successful one for business performance and for meeting the needs of our passengers and our community.

We have a strong team of dedicated and hardworking directors, representing wide-ranging expertise. I'd like to thank Troy Northrup and Philip Reeves, whose board terms end in the first half of 2017, and I welcome Karen Chandler as a new board member. We await a nomination from Transport Canada to fill the remaining vacancy, but there is no doubt we have a well-rounded board with a broad skill set and representation from across our catchment area.

Our strategic plan remains focused on four primary pillars for growth:

- Enhance facilities and infrastructure
- Broaden air service options
- Drive community engagement
- Diversify our revenue stream

The first pillar is in recognition of the importance of enhancing passenger experience and continually ensuring passenger and employee safety and security through new, improved and reliable infrastructure, including the refurbishment of our runways. This has been an ongoing focus for the board, and one that will continue for the foreseeable future.

Financially, although times are challenging, we continue to manage the affairs of the airport prudently. We have not yet had to borrow and remain debt-free. Over time, given our infrastructure needs, we may need to re-evaluate this approach, as we continue to look for new sources of revenue, including government funding mechanisms, to sustain the airport in the future.

The board thanks Angela McLean for her more than 13 years of service to the airport, most recently as acting interim CEO. Angela moved on to a new assignment in October 2016, and we wish her all the best. At the same time, we wish to recognize our new President & CEO, Derrick Stanford, and the management team for their exemplary work in continuing to manage our airport. Derrick joined the airport in July, 2016 after a lengthy international search and we are quite pleased with his progress.

Please feel free to contact any member of our board with any concerns or ideas you may have to help us improve the Saint John Airport. It is your airport – and we urge you to continue to use it.

**Norman McFarlane**  
Chair of the Board of Directors





# YOUR BOARD OF DIRECTORS AS AT DECEMBER 2016

CHAIR: NORM MCFARLANE  
NOMINATED BY: TRANSPORT CANADA

VICE-CHAIR: ANDREW MACGILLIVRAY  
NOMINATED BY: SAINT JOHN AIRPORT INC.

MARK BETTLE, JD IRVING LIMITED  
NOMINATED BY: THE SAINT JOHN REGION CHAMBER

NELL HALSE, COOK AQUACULTURE  
NOMINATED BY: SAINT JOHN AIRPORT INC.

LARRY HACHEY, BLUE CHIP LEASING CORP.  
NOMINATED BY: SAINT JOHN AIRPORT INC.

KEVIN SCOTT, IRVING OIL LIMITED  
NOMINATED BY: THE CITY OF SAINT JOHN

SUSAN LAYTON, EMERA NEW BRUNSWICK  
NOMINATED BY: SAINT JOHN AIRPORT INC.

TROY NORTHRUP, NORTHRUP GROUP  
NOMINATED BY: ENTERPRISE SAINT JOHN

CHARLES HICKEY  
NOMINATED BY: SAINT JOHN AND DISTRICT  
LABOUR COUNCIL

PAULETTE HICKS, DELTA BRUNSWICK HOTEL  
NOMINATED BY: THE CITY OF SAINT JOHN

PHILIP REEVES  
NOMINATED BY: REGIONAL SERVICES  
COMMISSION 9

ROB SCOTT, ROB SCOTT INSURANCE AGENCY  
NOMINATED BY: NB DEPARTMENT OF TRANSPORTATION  
AND INFRASTRUCTURE

KAREN CHANTLER, ARCHITECTURE ASSOCIATION  
OF NEW BRUNSWICK  
NOMINATED BY: REGIONAL SERVICES  
COMMISSION 10



Members of the board of directors and leadership team. Left to Right: Brian Wiggins, Larry Hachey, Cindy Thorn, Kevin Scott, Susan Layton, Mark Bettle, Judith Brown, Rob Scott, Andrew MacGillivray, Derrick Stanford and Norm McFarlane.





## COMMITTEES OF THE BOARD

### FINANCE, AUDIT & INVESTMENT COMMITTEE / CHAIR – MARK BETTLE

A committee of three directors and senior management meet on a regular basis to review the operational and corporate financial activities, review the annual business plan, capital plan, and financial budget and make appropriate recommendations to the board of directors.

The annual audit is reviewed with the airport's auditors prior to presentation to the board of directors for approval. The finance, audit and investment committee recommends investment options to the board of directors and, as required, recommends options for the appointment of the airport's auditors.

### GOVERNANCE COMMITTEE / CHAIR – SUSAN LAYTON

A committee of five directors and senior management meet to review board policies, the airport's by-laws, and the public accountability principles for Canadian airports to ensure compliance with relevant legislation, regulations and current policies and procedures. New board member attraction and orientation is also the responsibility of the committee. This committee evaluates board training options, committee terms of reference, board composition, and any potential gaps in board expertise and diversity.

### FACILITIES AND AIR SERVICE COMMITTEE / CHAIR – ANDREW MACGILLIVRAY

A committee of four directors and senior management meet as required to determine air service priorities and develop strategies for airline attraction. Committee members also seek and recruit community support for airline attraction activities, and expertise for presentation to potential airline partners, all in an effort to broaden our air service options.

The committee also develops for the board of directors, recommendations on infrastructure improvements and development, and strategies for commercial development opportunities. They provide guidance on matters related to long-term growth and viability, revenue diversification, and land development options.

### EXECUTIVE COMMITTEE / CHAIR – NORMAN MCFARLANE

A committee of six directors meets between regular meetings of the board to deal with matters pertaining to the direction of the affairs and business of the airport, in such manner as it deems best for its interests.



## MESSAGE FROM THE CEO

2016 was another successful year for the Saint John Airport. We finished the year with our safety record unblemished and our passenger count and finances stable.

I joined YSJ in late July and have been very impressed with the dedication, pride and hard work of everyone on the team. I didn't join YSJ with an airport management or facilities background, but rather, as a very experienced user of the product (airports) and a long track record in sales, marketing, and leadership. I have travelled extensively around the world, and I've spent a great deal of time in airports while visiting customers and partners. It is my goal to ensure that the passenger experience at YSJ is the best it can possibly be and that our region's travellers get the best possible value for their money while enjoying a safe and convenient air terminal.

Our long-standing partnership with Air Canada continues to be strong, and their commitment to honour the harmonization of fares within New Brunswick has aided in the reduction of lost passengers to other airports. The return of the fourth daily flight to Toronto through the summer months is further evidence of Air Canada's commitment to YSJ. As airlines, including Air Canada, continue to move toward larger and more fuel-efficient aircraft, we will continue to work with them to ensure our infrastructure meets their needs for the long-term.

Operationally, the business enterprise was managed to the absolute realities of our revenue generation. The outcome of this operating standard was a modest year-end operating surplus. While we continue to manage with no operating debt and we finished the year in a positive cash-flow position, we recognize that significant resources, including financing, will be required in order to meet our infrastructure needs in the coming years and we are working on a number of strategies to address this.

On this front, we continue to work with the group of six small National Airport System (NAS) airports to seek a government funding solution for near-term infrastructure requirements, as well as longer-term funding stability.

Capital projects for 2016 included a major improvement to the groundside drainage network serving the tenant buildings and the parking lots. Design work for replacement of the airport's waste water treatment plant was started in support of an Environmental Impact Assessment application which was submitted to the Government of New Brunswick for the project.

Safety and emergency response improvements included the purchase and installation of a new digital handheld radio system. The installation provided back up redundancy for emergency communication and a needed technology upgrade for the handheld radios. Also in the area of safety, the airfield wildlife fence replacement program continued with an additional 0.8 kilometres of fence being replaced.

Equipment purchases included a replacement van for the airport electrician, new multi-purpose tractor for ground maintenance and a replacement truck-mounted sander.

We are pleased to see that many of our commercial tenants also experienced strong growth in 2016, and we look forward to working with them to enhance airport offerings in the future.


Continued and aggressive efforts to improve air access and to generate a stronger sense of "community ownership" were primary objectives in 2016. We continue to engage with our passengers, community, and stakeholders to foster a sense of ownership and pride for the Saint John Airport while creating a "sense of place" and offering great convenience, safety and amenities.

The Saint John Airport is proud to play a vital role in our community by supporting a wide variety of social, cultural, and sporting events. Five main air service issues were identified as paramount to the economic and social development of the region:

- Transborder service to the Northeast United States
  - Increased capacity on existing routes to Halifax, Montreal and Toronto
  - Additional charter options for seasonal, sun destinations
  - Enhanced capacity to access Saint John for tourism, conventions, conferences and meeting delegates
- Additional air carrier options with regards to destinations, airlines, times, and types of aircraft

The “Here for you since ‘52” public awareness campaign that we rolled out in 2015 brought attention to our ongoing commitment as an economic enabler and service provider to the region. The airport is a proud component of the economic and social development of Saint John and southwestern New Brunswick and is eager to play our part to help our region grow.

I thank the board, management, staff and the community for their ongoing support.



**Derrick G Stanford**

President and CEO, Saint John Airport Inc.



# Your local gateway to the world.

For 65 years, we've given our community a lift.  
Onward and upward!

[since52.ca](http://since52.ca)

Since officially opening the terminal for its first flights in 1952, the Saint John Airport has served passengers throughout southwestern New Brunswick, from Sussex to St. Stephen. Its services have expanded over the years, and now flights operate within Canada, to the Dominican Republic, Mexico, Cuba and most recently, Orlando, Florida. In 2015, it reached a record number for passenger traffic when it surpassed 250,000 passengers, for the first time ever.

'Here for you since '52, the Saint John Airport is celebrating 65 years of aviation in our current location. During those years, the airport has invested in its facility, parking and runway improvements to provide safe and reliable service. To continue our momentum, the Saint John Airport will be investing \$60 million in upgrades over the next ten years. These investments will enhance runways, navigation aids, and safety areas, upgrade onsite emergency response vehicles, improve water and wastewater facilities, and support terminal retrofits to electrical systems and the building envelope.

That's all great news for the region as it will maintain and improve the airport's existing air services, position the airport to adapt to increased passenger traffic, attract new services – such as direct connections to the U.S. – and create jobs and additional community spinoffs. We appreciate the past 65 years of support and look forward to being the local gateway to the world for many more years to come.



## 1920s

Home to one of Canada's first municipal airfields



## 1930s

Starting point for the first East-West Trans-Atlantic flight...and Amelia Earhart landed here!



## 1950s

YSJ was founded in '52 at its current location; control tower built in '56



## 1960s

Passenger levels exceeded 100,000 per year by '67



## 1980s

\$3-million upgrade U.S. Air Force's largest here in '87





*A Proud Part  
Of Saint John*

- Private, not-for-profit company, reinvesting revenue in our operations
- Maintain and improve existing air services
- Supporter of local sports, art, theatre and public safety organizations
- Direct daily flights to Toronto, Montreal and Halifax provide 1-stop connection to the world

*Here For You*



*since*

**52**

**Attract  
New Services**  
particularly direct  
connections to the  
**USA**

Position the  
airport to adapt to  
**Increased  
Passenger  
Traffic**

Serving  
**300,000  
People**



within a  
**3-Hour  
Drive**



**Aéroport de  
SAINT JOHN  
Airport**



...s completed for '85 Canada Games;  
...gest aircraft, the C-5 Galaxy, landed



**1990s**

YSJ is privatized in '99 as part of the  
National Airport Program



**2000s**

Sunwing Vacations began direct  
charters to the Caribbean in '07



**2010s**

Passenger levels surpassed  
250,000 per year in '15



## SAFETY

Beyond regulatory compliance, the Saint John Airport is focused on the safety, security and well-being of everyone who visits or works at our airport including our employees, airline staff, service providers, contractors and the 250,000 passengers who travel through the airport every year.

Continual improvement is key to our occupational health and safety, safety management system (aviation safety) and the airport security program. Management ensures that policies and practices are effective and meet or exceed legislative and regulatory requirements and best practices. Results from the Saint John Airport's annual objectives and goals, internal audit program, reported hazards, and corrective actions allow the airport to identify areas of success, areas where advancements in safety

culture have been made, and areas where further improvement is required.

The Saint John Airport recognizes that training is essential to improving safety culture. In addition to all staff completing the required training, the operational staff completed training in our on-site safety management system, current standards for airport security, wildlife management, runway surface condition reporting, and performing accident investigations.

We will continue to reinforce and engage Saint John Airport employees in promoting a safety culture through scheduled training, awareness talks, and newsletter publications.



## SECURITY

While the Government of Canada is responsible for passenger and baggage screening at Canadian airports, the Saint John Airport is responsible for other aspects of security, including maintaining secure access to restricted areas of the airport and inspections.

In 2016, the Saint John Airport renewed its contract with the Canadian Corps of Commissionaires to oversee the provision of facility services and parking control.

**“The Saint John Airport is proud to continue our relationship with the Commissionaires. In addition to providing excellent service, safety and value to the Saint John Airport, it provides employment opportunities for many of our local veterans.”**

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**Derrick Stanford,**  
**President and CEO, Saint John Airport.**

## 2016 SECURITY EXERCISE

In 2016, a full-scale security exercise was conducted at the Saint John Airport in partnership with our first responding agencies, including: the Saint John Police Department, Royal Canadian Mounted Police, Ambulance NB, Public Safety Canada, NavCanada, Jazz airlines and Securitas screening company.

The exercise was designed to test the airport's emergency plans, evaluate the operational capability of emergency responders in an inter-agency format, and to mobilize field personnel and resources.

The 2016 exercise featured a mock hostage scenario, involving approximately 75 people, including Saint John Airport firefighters, Saint John Police Force, EMS Services and students from Simonds High School's police foundation program, who acted as passengers.

**"Involving members of our local community – from emergency responders to the students at Simonds High School – helps all members of our community better understand airport operations and prepare for any potential emergency situations,"** said Derrick Stanford, President and CEO of YSJ.

As part of its Airport Operators Certificate, the Saint John Airport is required to hold a full-scale emergency security exercise every two years – incorporating all of the activities that could potentially happen during a real event including simulated passengers, enacting operations, communications and equipment and manpower deployment.





# COMMUNITY IMPACT & ENGAGEMENT

## COMMUNITY SUPPORT

The Saint John Airport steps up to support worthy causes. This year, we assisted the Saint John's chapter of the Children's Wish Foundation by providing free parking, continued our PALs partnership with Loch Lomond Elementary School, and hosted a community day event which saw more than 3,000 people visit our airport and raised more than \$4,000 for charity. We also joined with airports across the country and provided a donation in support of the victims of the Fort McMurray wildfires.

Being an active and connected part of our region is important to us. That's why we are always looking for opportunities to contribute to our community.

We are committed to fundraising. The YSJ team regularly supports local charities and fundraising for the **United Way, Saint John Community Foundation** and many others.





## 6<sup>TH</sup> ANNUAL RUNWAY RUN

More than 300 participants raised \$3,250 for The Brighton Group (formerly the Saint John Regional Hospital Auxiliary) at this year's Runway Run, hosted by the airport staff and tenants. The Saint John Airport Runway Run has become the model for several charity runway runs at other airports across the country and plans for the Seventh Annual Runway Run are well underway for June 2017.



## PROUD SPONSOR OF OUR COMMUNITY

We were proud to sponsor several major community organizations, events and activities in 2016, including Saint John Theatre Company, Saint John Sea Dogs, Saint John Riptide, Imperial Theatre, Saint John Port Authority, NB Competitive Festival of Music, Greater Saint John Community Foundation, Alzheimer Society of New Brunswick, Kings Way LifeCare Alliance, YMCA of Greater Saint John, Early Music Studio.

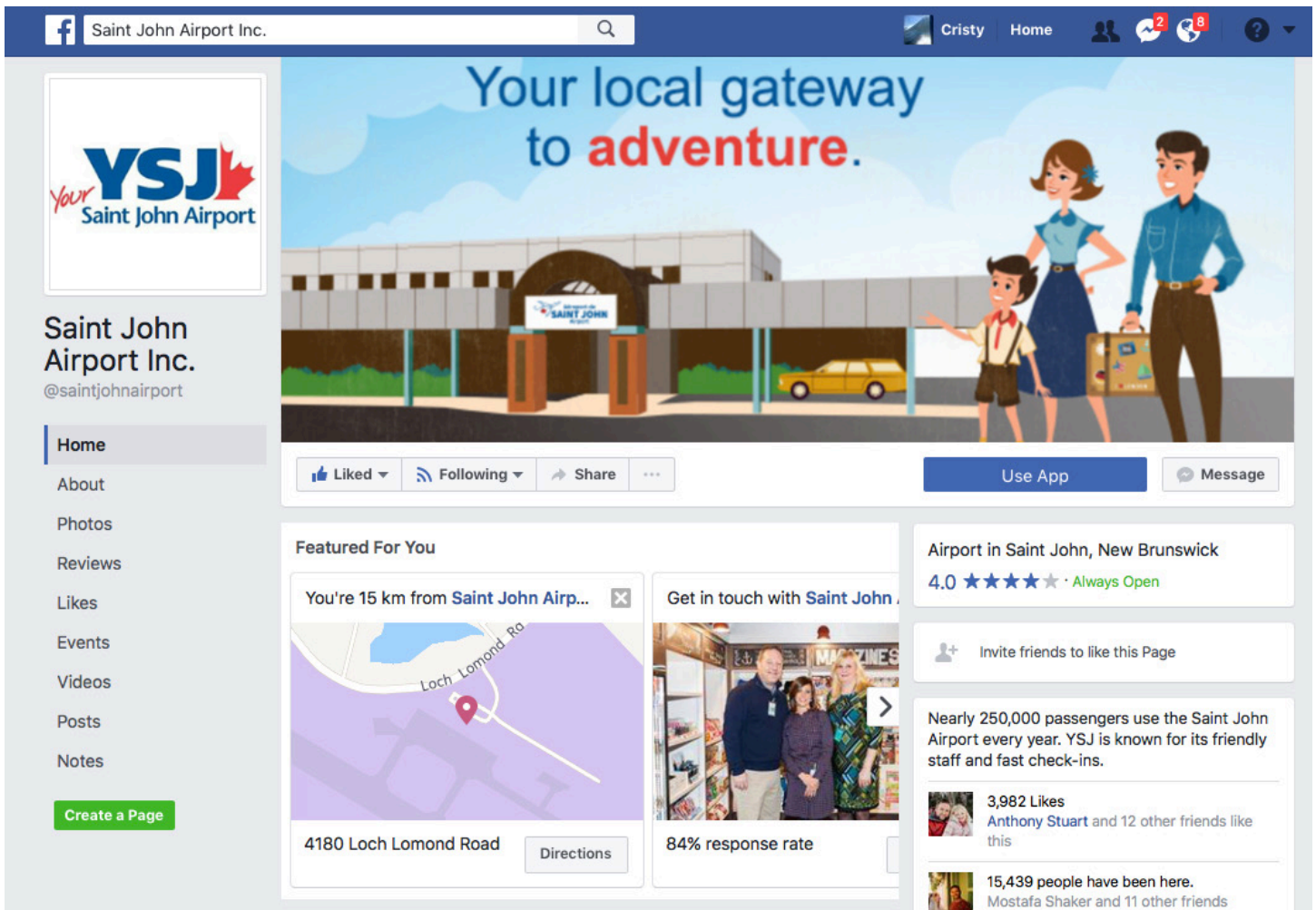
# OUR DIGITAL COMMUNITY

We're more social than ever before. In 2016, we began using social media in support of our primary business objective of growing the number of passengers that use the Saint John Airport.

Our goal is to provide relevant and compelling reasons 'why' to fly with YSJ – to both business and leisure travelers. We do it by:

- Reinforcing existing strengths: Friendly staff, fast check-ins, short travel time to airport.
- Creating awareness of YSJ's existing services & convenience: Airport restaurant-gift shop-bar, affordable parking.
- Creating awareness of direct flights available from the Saint John Airport with Air Canada (daily) and Sunwing (seasonal).
- Educating our customers about recent enhancements: Free Hi-Speed WiFi, HotSpot Parking.

And it's working. In only four months in 2016, YSJ reached between **3,050** and **15,784 unique users** on Facebook every single day. **We have more than doubled our page likes (i.e. Facebook Followers).** As of October 13th, before paid Facebook advertising began, YSJ had 1,410 Facebook Followers. As of March 31st, 2017, YSJ had 4,051 Facebook followers; a net growth of 2,641 new page likes in less than 5 months.




## 'PEOPLE OF YSJ'

YSJ's intention is to beat our competition in both the hearts and minds of travellers. In October 2016, the Saint John Airport began an ongoing Facebook marketing initiative intended to develop a friendly, authentic, and engaging online personality. The 'People of YSJ' is one Facebook initiative, where each month we feature a real-life business or leisure traveler who has chosen to fly via our airport. These people serve to illustrate "the nearly 250,000 passengers who use the Saint John Airport every year." And most importantly, keeps YSJ top-of-mind with both business and leisure travelers.

**YSJ** Saint John Airport Inc.  
Published by Tracy Heikel [?] · January 6 · 🌐

Julia says "I think I like Saint John better than any of the other cities we've visited." Julia and Bill are from Michigan and recently toured NS, PEI and NB; a vacation they've wanted to take for years. They're two of the nearly 250,000 passengers who use the Saint John Airport every year.



**YSJ**  
Your Saint John Airport

18,182 people reached

Boost Post

Like Comment Share

Carolyn Morse, Chris Thomson and 411 others

Chronological

**YSJ** Saint John Airport Inc.  
Published by Tracy Heikel [?] · October 12, 2016 · 🌐

"We're definitely coming back for business." It was the first time to Saint John for Luc and Benoit who were heading home after an overnight business trip to Sussex. They work for Doppelmayer, a company that manufactures rope and tow lines for cable cars and ski lifts. Luc and Benoit are just two of the nearly 250,000 passengers who use the Saint John Airport every year.



**YSJ**  
Your Saint John Airport

14,896 people reached

View Results

Like Comment Share

Carole Trinque, Susan Bradley Dunn and 166 others

Chronological



## ART AT THE AIRPORT

We were pleased to offer our 'Art at the Airport' series again in 2016, showcasing the work of our talented artistic community and enhancing the welcoming atmosphere for our passengers.

Located throughout the first floor of the terminal building, the exhibits include paintings, displays of jewelry, pottery and mixed media pieces, and a digital display of local photography on our Welcome Wall. Exhibits are changed regularly, offering passengers and visitors new displays of artwork to discover and enjoy. This year we had the privilege of hosting 16 professional artists.

### 2016 FEATURED ARTISTS

ALISON MURPHY  
MARIA GUEVARA  
PETER KINSELLA  
HELEN SHIDELER  
LISA FULLARTON  
ALISON GAYTON  
RACHEL MOROUNEY  
SHERYL CROWLEY  
DARIN BAVIS  
KEN WAIWOOD  
MANAMI FUKUDA  
MARTHA MILLARD  
COLIN HUGH SMITH  
HELGA HOBB  
ROB ROY  
BRIAN COMEAU





## SCULPTURE: 'ICARUS'

In September 2016 the Saint John Airport was thrilled to receive Artist Janine Waintrop's sculpture Icarus, which will proudly be a permanent fixture of our landscape.

### ARTIST'S STATEMENT:

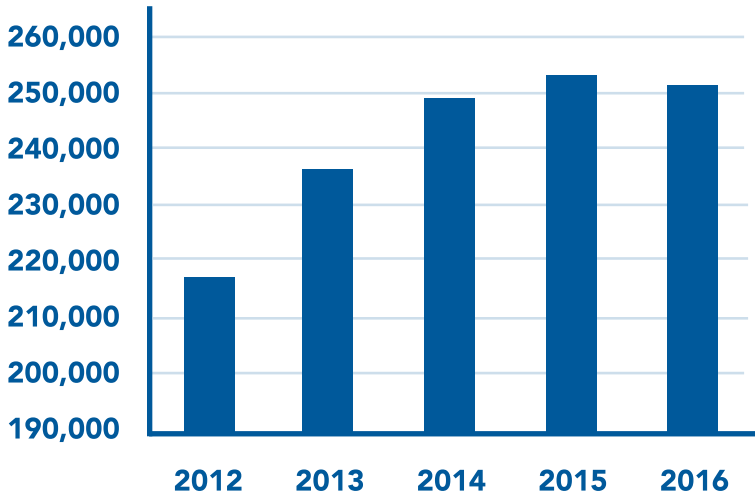
"This sculpture is made up of three natural shape granite stones, one of which is representative of a wing. They are brought together like a brain teaser - playing with movement, balance, light and colour. The black basalt heart in the centre is the key bringing it all together."





# PLANNING FOR THE FUTURE

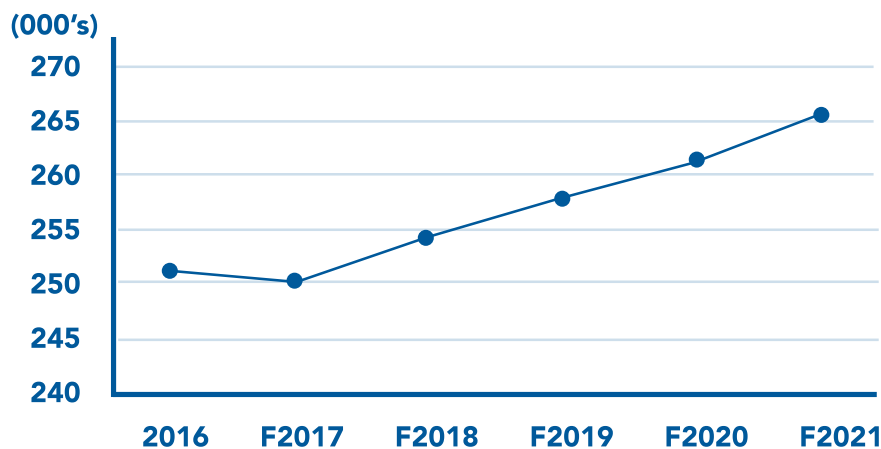
CONNECTING 250,000 PEOPLE PER YEAR TO THE WORLD AND BACK



## FIVE-YEAR PASSENGER FORECAST

YEAR	PASSENGERS	INCREASE	% INCREASE
2012	216,868		
2013	235,815	18,947	8.7%
2014	248,280	12,465	5.3%
2015	252,002	3,722	1.5%
<b>2016</b>	<b>250,670</b>	<b>(1,332)</b>	<b>-0.5%</b>
2017	250,000	(670)	-0.3%
2018	253,750	3,750	1.5%
2019	257,556	3,806	1.5%
2020	261,420	3,863	1.5%
2021	265,341	3,921	1.5%





Air traffic growth is a function of population, economic growth, tourism and air service stimulation

\*Forecast passenger growth of 1.5% for each year 2018-2021

## BUSINESS PLAN FORECAST 2017-2021 (IN THOUSANDS)

	2017	2018	2019	2020	2021
Revenue (Note 3)	6,046	6,268	6,371	6,450	6,553
Expenses (Note 2)	4,663	4,736	4,817	5,008	5,242
Capital Expenditures (Note 4)	4,802	6,197	2,115	8,381	4,668

## 2016 ACTUAL VS BUSINESS PLAN (IN THOUSANDS)

	PLAN	ACTUAL	FAV (UNFAV)	
Revenue (Note 1)	6,146	6,318	172	Favorable due to larger aircraft allocated, as compared to budget
Expenses (Note 2)	4,876	4,442	434	Favorable resulting from position vacancies and decreased fuel consumption due to a mild winter
Capital Expenditures	2,042	635	1,407	ATB improvements, fleet purchases and upgrades to the waste water system deferred to 2017

1. Revenue includes Passenger Facility Fees and Operations
2. Expenses include interest and do not include non-cash items of amortization of capital assets and the deferred grant.
3. Assumes annual passenger growth of 0% for 2017 and 1.5% for 2018-2021

4. Capital forecast includes runway rehabilitation, fleet equipment, water & waste water treatment centre upgrades, sidewalks & curb replacement

*Government funding will be required to complete the infrastructure projects over the next five years such as runway resurfacing and upgrading. We seek to partner with all levels of government in our effort to secure the necessary funding.*



## FINANCIAL REVIEW

The Saint John Airport Inc. (SJAI) was incorporated as a corporation without share capital on Feb. 19, 1997, under Part I of the New Brunswick Companies Act. On June 1, 1999, the corporation signed an agreement with the Government of Canada to transfer managerial, operational and developmental control of the Saint John Airport to the corporation. The SJAI is exempt from income tax according to the Airport Transfer (Miscellaneous Matters) Act. All earnings are retained and reinvested in airport operations and development.







# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Saint John Airport Inc.

We have audited the accompanying financial statements of Saint John Airport Inc., which comprise the statement of financial position as at December 31, 2016, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saint John Airport Inc. as at December 31, 2016, 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.

Saint John, NB  
March 15, 2017

*Teed Saunders Doyle Co.*

CHARTERED PROFESSIONAL ACCOUNTANTS




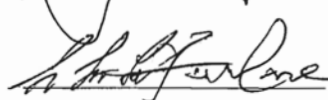
# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2016

	2016		2015
<b>ASSETS</b>			
CURRENT			
Cash (Notes 2 and 3)	\$ 1,851,750	\$	836,830
Accounts receivable (Notes 2 and 3)	542,015		389,383
Parts inventory (Note 2)	97,571		101,533
Prepaid expenses	<u>81,436</u>		<u>80,662</u>
	<u>2,572,772</u>		<u>1,408,408</u>
ACCRUED DEFINED BENEFIT PENSION ASSET (Notes 2, 3 and 6)	<u>1,134,000</u>		<u>1,228,000</u>
RESTRICTED INVESTMENTS FOR CAPITAL ASSET REPLACEMENT (Notes 2 and 3)	<u>5,318,346</u>		<u>5,250,142</u>
CAPITAL ASSETS (Notes 2 and 4)	<u>5,755,860</u>		<u>6,194,740</u>
	<u>\$ 14,780,978</u>	\$	<u>14,081,290</u>
<b>LIABILITIES</b>			
CURRENT			
Accounts payable and accrued liabilities (Notes 2 and 3)	\$ 613,838	\$	636,794
Harmonized sales tax payable	<u>9,317</u>		<u>85,126</u>
	<u>623,155</u>		<u>721,920</u>
PROVISION FOR RETIREMENT ALLOWANCE (Notes 2, 3 and 6)	<u>69,077</u>		<u>67,596</u>
DEFERRED GRANT FOR AIRPORT CAPITAL IMPROVEMENTS (Notes 2 and 5)	<u>1,184,141</u>		<u>1,581,669</u>
<b>NET ASSETS</b>			
Unrestricted	3,014,540		1,846,892
Invested in capital assets (Note 10)	4,571,719		4,613,071
Internally restricted - Replacement Reserve Fund (Note 2)	<u>5,318,346</u>		<u>5,250,142</u>
	<u>12,904,605</u>		<u>11,710,105</u>
	<u>\$ 14,780,978</u>	\$	<u>14,081,290</u>

COMMITMENTS AND CONTINGENCIES (Note 7)

APPROVED ON BEHALF OF THE BOARD:

 Director  
 Director

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Invested In Capital Assets	Subtotal	Replacement Reserve Fund	Total 2016	Total 2015
BALANCE AT BEGINNING OF YEAR	\$ 1,846,892	\$ 4,613,071	\$ 6,459,963	\$ 5,250,142	\$ 11,710,105	\$ 10,544,254
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	2,013,628	(649,332)	1,364,296	68,204	1,432,500	1,070,851
EMPLOYEE FUTURE BENEFITS OTHER REMEASUREMENT ITEMS (Notes 2 and 6)	(238,000)	-	(238,000)	-	(238,000)	95,000
CAPITAL ASSETS PURCHASED	(634,580)	634,580	-	-	-	-
CAPITAL ASSETS DISPOSED OF	<u>26,600</u>	<u>(26,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE AT END OF YEAR	\$ <u>3,014,540</u>	\$ <u>4,571,719</u>	\$ <u>7,586,259</u>	\$ <u>5,318,346</u>	\$ <u>12,904,605</u>	\$ <u>11,710,105</u>

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
<b>REVENUE (Notes 2 and 9)</b>		
Aircraft landing and terminal fees	\$ 1,745,857	\$ 1,621,045
Vehicle parking	783,335	755,877
Concessions	533,718	517,110
Land and office rentals	214,796	214,037
Airport services	95,262	149,485
Gain on disposal of capital assets	6,600	33,841
Other	7,317	13,421
Interest income	<u>2,381</u>	<u>439</u>
	3,389,266	3,305,255
Passenger facility fee (Note 8)	<u>2,928,828</u>	<u>2,946,301</u>
	<u>6,318,094</u>	<u>6,251,556</u>
<b>EXPENDITURE</b>		
Salaries, wages and benefits	2,088,042	2,274,582
Materials, supplies and services	1,305,489	1,236,696
General and administrative (Note 7)	1,048,335	1,347,410
Net amortization expense (Note 11)	<u>655,932</u>	<u>634,093</u>
	<u>5,097,798</u>	<u>5,492,781</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE FROM OPERATIONS</b>	1,220,296	758,775
<b>DEFINED BENEFIT PENSION INCOME (Notes 2 and 6)</b>	<u>144,000</u>	<u>244,000</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	\$ <u>1,364,296</u>	\$ <u>1,002,775</u>
<b>ALLOCATED TO:</b>		
Unrestricted	\$ 2,013,628	\$ 1,603,027
Invested in Capital Assets	<u>(649,332)</u>	<u>(600,252)</u>
	\$ <u>1,364,296</u>	\$ <u>1,002,775</u>

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
<b>CASH PROVIDED BY (USED IN)</b>		
Operating activities		
Excess of revenue over expenditure	\$ 1,364,296	\$ 1,002,775
Items not involving cash		
Amortization of capital assets	1,053,460	1,093,994
Amortization of deferred grant	(397,528)	(459,901)
Gain on disposal of capital assets	(6,600)	(33,841)
Defined benefit pension income	(144,000)	(244,000)
Increase (decrease) in provision for retirement allowance	<u>1,481</u>	<u>(74,614)</u>
	1,871,109	1,284,413
Changes in non-cash working capital balances		
Accounts receivable	(152,632)	(28,414)
Parts inventory	3,962	3,532
Prepaid expenses	(774)	(7,004)
Accounts payable and accrued liabilities	(22,956)	(389,963)
Harmonized sales tax payable	<u>(75,809)</u>	<u>71,540</u>
	1,622,900	934,104
Investing activities		
Purchase of capital assets	(634,580)	(1,308,083)
Proceeds on disposal of capital assets	<u>26,600</u>	<u>33,841</u>
	<u>(607,980)</u>	<u>(1,274,242)</u>
INCREASE (DECREASE) IN CASH	1,014,920	(340,138)
CASH AT BEGINNING OF YEAR	<u>836,830</u>	<u>1,176,968</u>
CASH AT END OF YEAR	\$ <u><u>1,851,750</u></u>	\$ <u><u>836,830</u></u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest received	\$ <u><u>70,585</u></u>	\$ <u><u>68,515</u></u>

## 1. INCORPORATION AND ACTIVITIES

Saint John Airport Inc. (the “Corporation”) was incorporated on February 19, 1997 under the Companies Act of New Brunswick as a non-share capital, not-for-profit corporation.

On June 1, 1999, the Corporation signed an agreement with the Government of Canada to transfer managerial, operational and developmental control of the Saint John Airport to the Corporation. Effective that date, the Corporation signed a ground lease agreement (the “ground lease”) with the Government of Canada which provides that the Corporation will lease the airport facilities for an initial term of sixty years. A twenty-year renewal option may be exercised but at the end of the renewal term, unless otherwise extended, the Corporation is obligated to return control of the Saint John Airport to the Government of Canada. Regulation of Safety Standards for the airport continues to be the responsibility of the Government of Canada, but the Corporation is responsible for operating the airport safely.

Income arising from the operation of the Saint John Airport is exempt from federal and provincial income taxes. The Corporation is subject to HST and real property tax.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNFP”).

### CASH AND CASH EQUIVALENTS

The corporation considers cash on hand, short term deposits, balances with banks as cash and cash equivalents. The cash balance at year end consists of funds held in bank accounts.

### LEASE WITH GOVERNMENT OF CANADA

The ground lease is accounted for as an operating lease.

### FINANCIAL INSTRUMENTS POLICY

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in excess of revenue over expenditure. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

### PARTS INVENTORY

Parts inventory is valued at the lower of cost or replacement value. Cost is determined on a first in, first out basis.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### CAPITAL ASSETS

Capital assets are stated at cost less accumulated amortization. As assets are put in use, amortization is provided for on a straight-line basis at the following annual rates:

Leasehold improvements	
Buildings	5.0 - 20.0 %
Runways, roads and grounds	5.0 - 30.0 %
Vehicles	5.5 - 25.0 %
Machinery and equipment	6.7 - 30.0 %
Systems and software	20.0 - 33.3 %
Furniture and fixtures	10.0 %

The Corporation regularly reviews its capital assets to eliminate obsolete items.

### RESTRICTED INVESTMENTS FOR CAPITAL ASSET REPLACEMENT AND REPLACEMENT RESERVE FUND

The Board of Directors has established a Replacement Reserve Fund for the purpose of replacing capital assets. Transfers to and from the fund require approval from the Board of Directors. Income earned on the fund is recorded as a direct increase in net assets of the Replacement Reserve Fund.

The Replacement Reserve Fund is comprised of Guaranteed Investment Certificates, mutual funds and cash and is stated at cost plus accrued interest which approximates market value. At December 31, 2016, the market value was \$5,318,346 (2015 - \$5,250,142).

### EMPLOYEE FUTURE BENEFITS - DEFINED BENEFIT PENSION PLAN

The Corporation reports its employee future benefits based on the going concern funding valuation basis. Remeasurements and other items include gain/(loss) on pension liabilities, gain/(loss) on pension assets and the change in impact of the valuation allowance. These are recognized directly in net assets.

### DEFERRED GRANT FOR AIRPORT CAPITAL IMPROVEMENTS

In accordance with the terms of the ground lease, the Corporation received a capital based grant of \$6.3 million during the period ended December 31, 1999 from the Government of Canada. These funds, and all interest accrued thereon, have been spent on airport safety and security infrastructure capital projects. The deferred grant will be amortized to excess of revenue over expenditure on the same basis as the related capital assets acquired with the funds.

### REVENUE RECOGNITION

Aircraft landing and terminal fees and parking revenues are recognized as the airport facilities are utilized. Concession revenues are recognized on the accrual basis and calculated using agreed percentages of reported concessionaire sales, with specified minimum rent guarantees. Rental revenues are recognized over the lives of respective leases. Passenger facility fees are recognized upon the enplanement of passengers.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Examples of significant estimates contained in these financial statements include:

- the allowance for doubtful accounts;
- the allowance for inventory obsolescence;
- the estimated useful lives of assets;
- the recoverability of tangible assets; and
- certain actuarial and economic assumptions used in determining defined benefit pension costs, accrued pension obligations and pension plan assets.

## 3. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Corporation's risk exposure and concentration as of December 31, 2016.

### CREDIT RISK

The Corporation is exposed to credit risk on the accounts receivable from its customers. The Corporation reviews a new customers' credit history before extending credit and conducts regular reviews of existing customers' credit performance. At December 31, 2016, accounts receivable consisted primarily of aviation fees and passenger facility fees arising from normal operations. A significant portion of the accounts receivable is from one customer and its subsidiaries.

### INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Corporation is exposed to interest rate risk on the mutual funds that are held in the Restricted Investments for Capital Asset Replacement.

### CURRENCY RISK

Currency risk is the risk to the Corporation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Corporation is not exposed to this type of risk as it does not hold foreign currency.

### 3. FINANCIAL INSTRUMENTS (CONT'D)

#### LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its customers, contributions to the pension plan, accounts payable and other obligations.

### 4. CAPITAL ASSETS

	2016			2015
	Cost	Accumulated Amortization	Net	Net
Leasehold improvement				
Buildings	\$ 6,249,612	\$ 4,241,697	\$ 2,007,915	\$ 2,264,323
Runways, roads and grounds	7,956,893	5,265,796	2,691,097	2,778,562
Vehicles	2,817,799	2,277,149	540,650	640,766
Machinery and equipment	1,238,212	804,254	433,958	453,359
Systems and software	149,690	116,319	33,371	21,940
Furniture and fixtures	91,814	42,945	48,869	35,790
	<u>\$ 18,504,020</u>	<u>\$ 12,748,160</u>	<u>\$ 5,755,860</u>	<u>\$ 6,194,740</u>

### 5. DEFERRED GRANT FOR AIRPORT CAPITAL IMPROVEMENTS

	2016	2015
Balance at beginning of year	\$ 1,581,669	\$ 2,041,570
Amortized during the year	<u>(397,528)</u>	<u>(459,901)</u>
Balance at end of year	<u>\$ 1,184,141</u>	<u>\$ 1,581,669</u>

### 6. EMPLOYEE FUTURE BENEFITS

	2016	2015
Accrued Defined Benefit Pension Asset	\$ <u>1,134,000</u>	\$ <u>1,228,000</u>
Provision for Retirement Allowance	\$ <u>69,077</u>	\$ <u>67,596</u>



## 6. EMPLOYEE FUTURE BENEFITS (CONT'D)

### DEFINED BENEFIT PENSION PLAN

On June 1, 1999, the Corporation joined the Canadian Airport Authorities and Canadian Port Authorities Pension Plan, a multi-employer pension plan. This plan covers employees of the Corporation who, immediately prior to joining the Corporation, were employees of the Federal Public Service and were accruing pension benefits under the Public Service Superannuation Act. The federal government remains responsible for all pension benefits accrued in respect of those individuals up to that time.

Pension assets consist primarily of Canadian and foreign equity and fixed income funds. The fair value of the plan assets is based on the market value of the funds that the plan assets are invested in. Pension benefit obligations are determined based on management's best estimate of long term salary escalation rates and are discounted based on management's best estimate of long term interest rates. The significant actuarial assumptions used in measuring the Corporation's accrued benefit obligation and the fair value of the plan assets are as follows:

	2016	2015
Compensation escalation rate	2.50%	3.00%
YMPE escalation rate	2.50%	3.00%
Indexation rate	2.00%	2.50%
Discount rate	4.75%	5.25%

Variances between such estimates and actual experience, which may be material, are recognized immediately as a direct increase or decrease to net assets.

The Corporation bears the risk of experience loss against the above assumptions. The maximum risk of loss is equal to the difference between the fair value of the pension benefit obligation and the amount of the pension benefit obligation accrued in the financial statements. Should actual experience differ from the assumptions, future contributions will be adjusted to make up for any variances. Risk is managed by placing the pension plan assets in trust and through the pension investment policy, which defines the plan's allowable investments.

Actuarial reports prepared are based on projections of employees' compensation levels to the time of retirement and estimates of long term interest rates which are determined based on stochastic projections of the various asset classes the plan assets are invested in, and agreed to by the plan administrator. The most recent actuarial valuation was performed as at January 1, 2016. The valuation was performed using the projected unit credit method to determine the minimum employer contribution under the Pension Benefits Standards Act and the maximum deductible contribution according to the Income Tax Act of Canada. Based on the recommendations of the Plan's actuary, the employer contributions for the year were set at 21.6% (2015 - 20.0%) of the employees' earnings plus an additional special contribution of \$7,760 per month (2015 - \$11,928). These contribution requirements will remain in effect until the next actuarial valuation scheduled for January 1, 2017.

## 6. EMPLOYEE FUTURE BENEFITS (CONT'D)

Information about the defined benefit portion of the plan as at December 31 is as follows:

	2016	2015
Fair market value of plan assets	\$ 4,669,000	\$ 4,491,000
Accrued benefit obligation	<u>3,535,000</u>	<u>3,236,000</u>
	1,134,000	1,255,000
Valuation allowance adjustment	<u>-</u>	<u>(27,000)</u>
Accrued benefit asset	\$ <u><u>1,134,000</u></u>	\$ <u><u>1,228,000</u></u>
Accrued benefit asset - beginning of year	\$ 1,228,000	\$ 889,000
Net pension expense for the year	(14,000)	(24,000)
Employer contributions	158,000	268,000
Other remeasurement items	<u>(238,000)</u>	<u>95,000</u>
Accrued benefit asset - end of year	\$ <u><u>1,134,000</u></u>	\$ <u><u>1,228,000</u></u>
Employee contributions	\$ 7,000	\$ 11,000
Pension and termination benefits paid	\$ 170,000	\$ 398,000

The actuarial present value of accumulated benefits for the 2016 fiscal year is based on an extrapolation provided by the actuaries. The actuaries believe that the financial results would not differ materially from the extrapolation if a formal valuation was performed at year end.

### DEFINED CONTRIBUTION PENSION PLAN

The Corporation's defined contribution pension plan covers new employees who have joined the Corporation since June 1, 1999. Employees covered by this plan are required to contribute 6% of their earnings which are matched by the Corporation. All employer contributions vest with the employee immediately. During the year, the Corporation contributed \$71,131 (2015 - \$57,534) towards this plan.

### RETIRING ALLOWANCE

Following the guidelines set forth by the Saint John Airport Collective Agreement, employees who have ten or more years of service are entitled to a retirement allowance of one week's pay per year of service since June 1, 1999. This is limited to a maximum of thirty weeks of pay. There was \$8,040 (2015 - \$81,194) for retirement allowances paid during the year.

## 7. COMMITMENTS AND CONTINGENCIES

As described in Note 1 to the financial statements, the Corporation signed a ground lease agreement with the Government of Canada which provides that the Corporation will lease the airport for an initial term of sixty years. A twenty-year renewal option may be exercised but at the end of the renewal term, unless otherwise extended, the Corporation is obligated to return control of the Saint John Airport to the Government of Canada.

- a) Under the terms of the amended ground lease, the occupation of the airport by the Corporation was rent free until 2016. During the year and onwards, the rent formula is as follows: no rent charged on the first \$5,000,000 of airport revenue; 1% of the portion of airport revenue in excess of \$5,000,000 but equal to or less than \$10,000,000; 5% of the portion of airport revenue in excess of \$10,000,000 but equal to or less than \$25,000,000; 8% of the portion of airport revenue in excess of \$25,000,000 but equal to or less than \$100,000,000; 10% of the portion of airport revenue in excess of \$100,000,000 but equal to or less than \$250,000,000; and 12% of the portion of airport revenue in excess of \$250,000,000. During the year, \$16,111 was calculated as the rent charge for 2016.
- b) An environmental site assessment on the Saint John Airport property was carried out in December 1998 by the Government of Canada and the report that was issued is referred to as the Environmental Baseline Study Report. This report was to identify the extent of the hazardous substances that existed as of December 1998 and extended to the June 1, 1999 transfer date. Article 37 of the Ground Lease for the airport will govern responsibility for any remedial work, if necessary.

The responsibility for any liability that may arise in the future relating to the existence of a hazardous substance originating before the transfer on June 1, 1999 to the Corporation rests with the Government of Canada. The Corporation has responsibility for any environmental liabilities that arise from hazardous substances that occur subsequent to the transfer date. At December 31, 2016 there are no known environmental liabilities.

## 8. PASSENGER FACILITY FEE

	2016	2015
Passenger facility fees collected	\$ 3,082,985	\$ 3,101,601
Handling fees	<u>(154,149)</u>	<u>(155,300)</u>
Passenger facility fee	\$ <u>2,928,836</u>	\$ <u>2,946,301</u>

## 9. ECONOMIC DEPENDENCE

The Corporation derives a significant amount of revenue from Air Canada and its subsidiaries and consequently, is economically dependent on this customer.

## 10. NET ASSETS INVESTED IN CAPITAL ASSETS

	2016	2015
Invested in capital assets, beginning of year	\$ 4,613,071	\$ 3,939,081
Amortization of capital assets	(1,053,460)	(1,093,994)
Amortization of deferred grant	397,528	459,901
Gain on disposal of capital assets	6,600	33,841
Purchase of capital assets	634,580	1,308,083
Proceeds on disposal of capital assets	<u>(26,600)</u>	<u>(33,841)</u>
Invested in capital assets, end of year	\$ <u>4,571,719</u>	\$ <u>4,613,071</u>

## 10. NET AMORTIZATION EXPENSE

	2016	2015
Amortization of capital assets	\$ 1,053,460	\$ 1,093,994
Amortization of deferred grant (Note 5)	<u>(397,528)</u>	<u>(459,901)</u>
	\$ <u>655,932</u>	\$ <u>634,093</u>



# COMPENSATION DISCLOSURES

## COMPENSATION FOR THE BOARD OF DIRECTORS AND MANAGEMENT

- Annual Fee to Chairman \$5,000
- Annual Fee to Directors \$1,000
- The Chairman and Directors receive \$100 per meeting
- The total compensation to the board of directors was \$36,800
- The total compensation paid to the management team was \$541,380

## SUMMARY OF CAPITAL EXPENDITURES IN 2016 (IN THOUSANDS)

Roads & Grounds – drainage improvements	\$351
Vehicles, Motor & Parking Lot Equipment	\$ 99
Waste Water System Preliminary Design	\$ 62
Other fixed assets <\$10,000	\$ 49
Safety & Security Equipment	\$ 43
Air Terminal Building Improvements	<u>\$ 30</u>
	<u>\$635</u>

There were no reports of non-compliance to Codes of Conduct on the part of the Board, nor on the part of the Airport tenants.

In 2016 all contracts exceeding \$75,000 were awarded on the basis of a public tendering process.

## YSJ TEAM ANNOUNCEMENTS

### WE WELCOME THE NEW OPERATIONAL TEAM MEMBERS

#### Nicholas Oram and John Langille – Airport Operations Specialists

Airport Operational Specialists are trained in Airport Rescue Fire Fighting as well as being skilled heavy equipment operators or, in the case of Nick, hold a journeyman's license. A plumber by trade, Nick joined the team in July, 2016. John had previously been employed as a seasonal equipment operator and assumed his new responsibilities in October 2016.



### SAINT JOHN AIRPORT STAFF

Pictured in photo,  
from left to right:  
Grant Brown  
Cindy Thorn  
Jason Price  
Nick Oram  
Michael Lutes  
Stephen Price  
Kelly MacKinnon  
Roger Fortune

Randy Folkins  
Devin Hunter  
Brad Bennett  
John Langille  
Shawn Pollock  
Natalie Withers  
Andrew Hunter  
Brian Wiggins  
Derrick Stanford  
Anita Shrieves

Jack Landry  
Judith Brown

### MISSING FROM PHOTO:

Matthew Ryan  
Craig Bietz  
Troy Milton  
Ray Alberts



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## Saint John Airport Inc.

4180 Loch Lomond Road Saint John, NB Canada E2N 1L7 | Telephone (506) 638-5555

Fax (506) 638-5550 | E-mail: [fly@sjairport.ca](mailto:fly@sjairport.ca) | [www.saintjohnairport.com](http://www.saintjohnairport.com)  

## Executive Management:

President & CEO  
Derrick Stanford  
[dstanford@sjairport.ca](mailto:dstanford@sjairport.ca)

Director, Finance and Administration:  
Judith Brown  
[jbrown@sjairport.ca](mailto:jbrown@sjairport.ca)

Director, Maintenance and Operations:  
Brian Wiggins  
[bwiggins@sjairport.ca](mailto:bwiggins@sjairport.ca)

Manager, Regulatory Affairs  
Cindy Thorn  
[cthorn@sjairport.ca](mailto:cthorn@sjairport.ca)

Auditors – Teed Saunders Doyle & Co.  
39 Canterbury Street, Saint John, NB  
E2L 4S1

Legal Counsel – Lawson Creamer  
133 Prince William Street, Saint John,  
NB E2L 4S2

Banker – RBC Royal Bank  
100 King Street, Saint John, NB, E2L  
4B3