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# 2017 ANNUAL REPORT

Blueprint for the future.





# 17 blueprint for the future

## 2017 ANNUAL REPORT

NANAIMO AIRPORT COMMISSION

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# Nanaimo Airport INTRODUCTION

## *Blueprint for the future*

### CORPORATE PROFILE

*“Aviation is critical to growing the B.C. economy and the aviation sector supports British Columbians in their everyday lives”*

-- B.C. Aviation Council

2017 was a milestone for Nanaimo Airport (YCD). We logged another record year for passengers while laying the foundation that will meet the needs of the communities we serve for the next generation.

This was Year 1 of Nanaimo Airport Commission's 20-year master plan - a blueprint for the future. The plan capitalizes on the vast potential of the Central Island's airport of choice and ensures we will continue to be a major economic driver of the region's economy.

Our plan calls for carefully managed growth that responds to the demands of operating one of Canada's fastest-growing airports. It includes critical infrastructure improvements as funding becomes available. And it forecasts development of our vacant land for a variety of aviation-related and general commercial purposes.

The plan began rolling out with some significant achievements in 2017. Among our highlights:

- Funding for a \$15-million expansion plan for the Air Terminal Building, with the Federal and Provincial governments investing \$5 million as part of cost-sharing with the Nanaimo Airport Commission.

- Improvements to the runway apron and lighting, to prepare for the expansion project.

- A new aircraft rescue and fire fighting station, further enhancing our commitment to safety for all users.

- A new business partner, Alkan Air, becoming the first new tenant on the vacant land we have available for development that will create jobs and spending which will support Central Island families.

2017 was also a year of more flight options and connections for pleasure and business travel, thanks to our air carrier partners. Air Canada announced a new direct flight to Toronto that will start next year. WestJet added service to Vancouver. The new options made travel to sun and other global destinations even more convenient, reinforcing our position as the Central Island's gateway to the world.

It's a position we will continue to occupy over the next 20 years, and beyond. Our blueprint for the future isn't just the theme for our annual report; it will also guide us as we meet today's challenges while building for tomorrow.



What we do

# AIRPORT OVERVIEW

*Gateway to the world for today and tomorrow*

CORPORATE PROFILE



The not-for-profit Nanaimo Airport Commission began managing the airport (YCD) on 224 hectares south of Nanaimo in 1990. Current operations include passenger and cargo air services.

Operating revenue in 2017 was approximately \$4.5 million. We directly employ 16 positions. The Executive Flight Centre, which provides aviation support services including multitaskers, firefighting and security, provides another six jobs.

Many additional expert contractors assist our staff. We call on them for highly specialized projects such as hydrogeology, planning and development, wildlife control and vegetation management. Contractors also provide cleaning, electrical contracting, financial services, landscaping, maintenance, marketing and promotions.

We coordinate a team of Blue Navigator volunteers who assist with a variety of passenger needs in the Air Terminal Building.

Large commercial carriers, Air Canada and Westjet, offer regular flights to hubs in Vancouver and Calgary, and from there connections to hundreds of destinations. Our 20-year master plan envisions airport expansion and development that will help us attract more passenger routes to sun and other global locations.

Our other business partners include scheduled and chartered airlines offering both private and corporate flights, an aviation fuel supplier, car rental agencies, ground transportation companies, courier/cargo shippers, and a restaurant.

We're proud to be a major generator of economic prosperity throughout the region. One of our most important roles is to secure air accessibility that allows other businesses to develop.

We're also home base for the non-profit Nanaimo Flying Club, whose members support the aviation industry and have a variety of private planes.

## Mission

To provide a safe, efficient and financially viable airport, offering excellent service and value to all users while fostering economic development.

## Vision

The Nanaimo Airport will be a safe, reliable, air services gateway effectively meeting customers' needs.



Our history

# OUR MILESTONES

*Our past lays the foundation for our future*

## CORPORATE PROFILE

Over our 75-year history, Nanaimo Airport (YCD) has celebrated many milestones. Here are some of the important occasions that have influenced our evolution and laid the foundation for our growth:

- 1942: The Department of National Defense purchases 522 acres in Cassidy for an airstrip for Royal Canadian Air Force pilot training.
- Post-war: The City of Nanaimo leases the airfield for \$1 a year from the federal government and assumes responsibility for operating the facility.
- 1985: The Ministry of Transport adds a modern flight service station to the infrastructure.
- 1990: A new Air Terminal Building, road and parking lots are constructed. The Nanaimo Airport Commission incorporates as a not-for-profit society.
- 1992: The Commission assumes management and operation of the airport from Transport Canada, ensuring decisions are made with local communities.
- 1996: The National Airport Policy transfer initiative grants the Commission fee-simple title to the airport lands.
- 1999: The Commission honours Nanaimo-born World War I ace Raymond Collishaw by adding his name to the Air Terminal Building.
- 2004: The Commission expands the Air Terminal Building.
- 2006: An investment of nearly \$2.5 million in approach path protection helps recover the full 5,000-foot runway for aviation use.
- 2009: The Commission begins a major \$16.4 million expansion that extends the runway, and adds Instrument Landing System and new lighting.
- 2011: The Commission expands the Air Terminal Building and parking during a \$10.4-million project.
- 2016: The Commission develops a 20-year master plan for the Air Terminal Building and starts construction on an aircraft rescue and fire station.
- 2017: As our new master plan rolls out, the Commission and the federal and provincial governments announce funding for a \$15-million Air Terminal Building expansion. Air Canada announces it will start new direct service to Toronto, using an AirBus319 on the route.





# Central Vancouver Island OUR SERVICE AREA

*Growing with our communities*

## CORPORATE PROFILE

We serve more than 275,000 people in central Vancouver Island – a number that has increased considerably this decade. Ladysmith and Duncan, for example, were among B.C.'s fastest growing populations from 2016 to 2017.

As the map to the LEFT shows, our primary service area includes communities that lie within an approximately two-hour trip by bus, car or train to the Nanaimo Airport. The area extends north from Nanaimo to Qualicum, west to the Alberni-Clayoquot Regional District, and south to Duncan and the Cowichan Valley.

The greater service area includes the regional districts of Comox-Strathcona and Mount Waddington, with an additional population base of 150,000.

Nanaimo Airport (YCD) is ideally situated as the most convenient departure/arrival point for the people who live and work in the mid-Island area. Our 20-year master plan, which began this year, calls for ongoing upgrades to ensure airport facilities keep up with demand from the growing communities we serve.

### Primary Service Area

- Nanaimo
- Gabriola Island
- Ladysmith
- Cowichan Valley
- Crofton
- Duncan
- Lantzville
- Parksville
- Qualicum Beach
- Port Alberni
- Ucluelet
- Tofino

### Secondary Service Area

- Cumberland
- Courtenay
- Comox Valley
- Mill Bay
- Saltspring Island
- Other Gulf Islands

● YCD Nanaimo Airport



At a glance  
YCD BY THE NUMBERS

CORPORATE PROFILE

**#1**  
**PASSENGER GROWTH**

in percentage from 2009 to 2017 among similar or larger BC airports

**358,000**  
passengers in 2017

More than  
**550**  
scheduled flights arrive and depart every month

**\$358 million**  
in direct and indirect economic output by 2021

**5%**  
increase in passenger numbers in 2017

**118%**  
growth in passengers since 2010

More than  
**2,000**  
direct and indirect jobs generated by YCD activities by 2021

**98%**  
weather reliability in 2017



did you know?

- We are open from 4 a.m. to midnight daily. A safety and security team member is on site 24 hours a day to assist passengers.
- As part of our commitment to providing fully accessible facilities, our Air Terminal Building accommodates wheel-chairs and has Braille signage posted at washroom entrances.
- Our Air Terminal Building honours Nanaimo-born pilot Raymond Collishaw, who was credited with 60 victories during WWI, placing him second on the roster of Canadian aces.
- Sunny Sam, our family-friendly mascot, has his own social media. You can find him on Facebook @YCDsunnySam.

Message from the Board Chair

LUCIE GOSSELIN

*We're well on our way to our future*

ORGANIZATIONAL LEADERSHIP

What should Nanaimo Airport (YCD) look like by 2036?

This has been an important question for the forward-thinking Nanaimo Airport Commission. Of course, the answer depends on what our communities need and want in an airport. We have the responsibility of meeting our region's air transportation needs today and for future generations.

We've answered this question with sound strategic vision in our 20-year master plan. The masterplan will guide our evolution, promoting managed growth that fulfills our mission of providing excellent service and value while fostering economic development throughout Central Vancouver Island.

This blueprint for our future is the result of countless hours of research and consultation with the communities we serve and with our partners and stakeholders. Their ideas and support helped make the first-year rollout of our plan a success in 2017.

One of our major accomplishments was securing higher level government funding for critical infrastructure improvements. This much-needed investment will enable us to keep up with the demand created by years of record-setting growth.

The federal and provincial governments, under the New Building Canada Fund -- Small Communities Fund, committed \$5 million towards a \$15 million expansion to our air terminal building. The extensive planning for this project was completed in 2017 and work will start in 2018.

Thanks to investment from the BC Air Access Program, we expanded our northern runway apron. That project reduced congestion and improved safety while attracting more airlines.

We further enhanced safety with an investment from Transport Canada's Airports Capital Assistance Program to build our own aircraft rescue and fire fighting building.

In addition to upgrading infrastructure, our master plan positions us for the future with a vision for strategic development of available airport land. We have 50 vacant acres available for a variety of aviation-related and complimentary purposes. Our vision began paying dividends this year when Alkan Air moved onsite. We will continue to seek partnerships with business owners and investors who create jobs that support local families, who diversify the economy and who generate prosperity for the region.

With growth, not only is there a need to expand our physical infrastructure, there is a need to further develop our operational capacity. To make sure we do it right, our Board devoted much time in 2017 to assessing our needs for the next 20 years by overseeing a series of operational audits and reviews. Implementation of recommendations from those reports will be ongoing over the next two to five years as we continue our mission to serve you better.

On behalf of the Board of Directors, I thank all those who support our airport in whatever capacity, whether it be as passengers, as tenants, as neighbours or as promoters. There would be no airport without you. And we also thank our dedicated management, staff, and volunteers for all their hard work. Working together, we'll create a Nanaimo Airport for 2036 and beyond that will be a cornerstone of our communities.

Lucie Gosselin,



Chair, Nanaimo Airport Commission





# BOARD OF DIRECTORS

*Local directors making local decisions for future generations*

## ORGANIZATIONAL LEADERSHIP



**Lucie Gosselin**  
BOARD CHAIR  
Member at large



**Wendy Clifford**  
VICE CHAIR  
Member at large



**Al Tully**  
BOARD SECRETARY  
Regional District of Nanaimo



**Mike Brown**  
DIRECTOR  
Member at large



**Dave Witty**  
DIRECTOR  
Nanaimo Chamber of Commerce



**Mike Kandert**  
DIRECTOR  
City of Nanaimo



**Alex Stuart**  
DIRECTOR  
Town of Ladysmith



**Colleen Johel**  
DIRECTOR  
Cowichan Valley Regional District



**Ray Gauthier**  
DIRECTOR  
Member at large

Our non-profit Nanaimo Airport Commission oversees YCD operations and sets the airport's strategic direction. Directors establish our long-term goals consistent with the Commission's vision. They ensure we have the necessary internal controls and reporting systems to protect our operations and finances. Up to nine Directors and a past Chair serve on the Commission. Each member is appointed by the Commission from the communities we serve. Four Directors represent the community at large.

The other five Directors are nominated by the:

- City of Nanaimo
- Regional District of Nanaimo
- Cowichan Valley Regional District
- Town of Ladysmith
- Greater Nanaimo Chamber of Commerce

Our directors bring a range of experience and skills to their work, and they are all active in their communities.



President and CEO Report  
**MICHAEL HOOPER**

*“As we grow, we continue to deliver on our promise of safety”*

ORGANIZATIONAL LEADERSHIP



Safety has always been our top priority at Nanaimo Airport (YCD). It shapes all of our decisions. As a result, we have a long and solid safety record. It is further proof of our commitment to our customers, who can confidently rely on us for safe, convenient and affordable transportation.

Safety is also the pillar that provides the strongest support for the progress we envision into the future. In 2017, we took several steps to enhance the safety pillar so that we can grow in response to the increasing demand for service from our communities. Here are some examples:

• **Expanding our Air Terminal Building**

We secured a \$5 million federal and provincial investment under a New Building Canada Fund -- a cost-sharing agreement for our \$15-million expansion. The project will provide additional room for passengers and create a much larger security and screening area. Travellers will be able to move through the terminal faster, thanks to enhanced security

equipment. The project is essential as we welcomed a record 358,000 passengers this year and expect to see that number jump to 450,000 by 2020.

• **Expanding and enhancing the aircraft aprons**

Thanks to investment from the BC Air Access Program, we started expanding our northern apron to reduce congestion and provide a safe surface for aircraft. The work will help us attract additional airline partners and ensure we can accommodate heavier jet aircraft. We also worked with the Nanaimo Flying Club to assist with expansion of their apron and fueling facility for the General Aviation Community.

• **Attracting more flights**

Central Island travelers now have even more options thanks to additional flights announced by our two major air carrier partners. WestJet Encore commenced service to Vancouver in December and Air Canada Rouge announced a direct flight to Toronto starting in June 2018. As we continue to enhance our infrastructure, we expect to

attract additional routes to regions throughout North America, including sun destinations.

• **Opening our own emergency response station**

Built with investment from Transport Canada's Airports Capital Assistance Program, our \$1-million aircraft rescue and fire fighting building opened over the summer. It's home to a custom-built emergency vehicle that allows us to provide initial response to any incident onsite within 3 minutes.

• **Upgrading lighting**

New floodlights were installed on the apron, along with new lead-in lines for the air carriers. The work enhances ground safety and helped to prepare for the Air Terminal Building expansion project.

• **Expanding our parking**

We added additional spaces to our lots, so we now offer more than 900 stalls for short-term and long-term parking.

All of our achievements this year were guided by our 20-year master plan – our blueprint for the future. Each achievement tied in to three critical priorities we have in addition to safety: regional economic development; economic stimulus through infrastructure construction; and meeting escalating demand for air service through the next several decades.

Our success is a credit to the entire YCD team, including our Board, Staff and Volunteers. It's also due to the contributions of our many partners: the communities we serve, air carriers, government agencies, contractors and consultants. Thanks to all of them, we are one of Canada's fastest-growing airports. As we grow, we will always make Safety our Top Priority.

Sincerely

Michael Hooper



## Management responsibility for financial statements

The accompanying financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The Commission's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable. These statements include some amounts based on Management's best estimates and judgments.

Management is satisfied that the financial statements have been prepared within reasonable limits of materiality.

The Board of Directors appoints a Finance and Audit Committee consisting of four Directors. This Committee meets periodically with Management and auditors to review significant accounting, internal control and audit matters. The Committee also reviews and approves annual financial statements and the independent auditor's report before it is submitted to the Board of Directors for final approval.

Audited financial statements contained within this report are consistent with information presented in the full set of financial statements, available at the Airport Office.



Michael K. Hooper  
President, CEO  
Nanaimo Airport

Nanaimo, BC  
March 28, 2018

Partners  
Grant McDonald, CPA, CA\*  
Lee-Anne Harrison, CPA, CA\*  
Anna Jones, CPA, CA\*  
Joanne Novak, CPA, CA\*  
\*incorporated

### REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

#### To the Board of Directors

The accompanying statement of financial position as at December 31, 2017 and the statements of revenue and expenses, changes in net assets, and cash flows for the year ended December 31, 2017, and related notes, are derived from the audited financial statements of the **Nanaimo Airport Commission**. We expressed an unmodified audit opinion on those financial statements in our report dated March 20, 2018.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Nanaimo Airport Commission.

#### Management's Responsibility for the Summary 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

#### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the **Nanaimo Airport Commission** for the year ended December 31, 2017 are a fair summary of those financial statements, on the basis described above.

#### Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Nanaimo, B.C.  
March 20, 2018



CPA  
CHARTERED PROFESSIONAL ACCOUNTANTS



Church Pickard  
CHURCH PICKARD  
Chartered Professional Accountants



Nanaimo Airport Commission  
 Statement of Financial Position  
 As at December 31, 2017

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash - Note 5	\$ 2,679,113	\$ 285,687
Short-term investments - Note 5	637,339	1,169,460
Funding receivable - Note 2	175,607	-
Prepaid expenses and operational supplies	85,322	82,255
Accounts receivable	<u>792,772</u>	<u>727,609</u>
	4,370,153	2,265,011
<b>Long-term investments</b> - Note 5	858,458	1,495,551
<b>Note receivable</b> - Note 3	166,473	-
<b>Deferred leasing costs</b>	11,480	12,076
<b>Property and equipment</b> - Note 4	30,567,062	28,649,595
<b>Internally restricted cash and investments</b> - Note 5	<u>2,484,289</u>	<u>2,922,000</u>
	<u>\$ 38,457,915</u>	<u>\$ 35,344,233</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 781,265	\$ 791,457
Deferred lease revenue	<u>61,593</u>	<u>65,712</u>
<b>Current liabilities before callable debt</b>	842,858	857,169
<b>Callable debt</b> - Note 6	<u>-</u>	<u>1,930,552</u>
	842,858	2,787,721
<b>Deferred contributions related to property and equipment</b> - Note 7	17,937,346	15,840,355
<b>Security deposits</b>	<u>19,771</u>	<u>19,771</u>
	<u>18,799,975</u>	<u>18,647,847</u>
<b>Net Assets</b>		
<b>Invested in property and equipment</b>	12,629,716	10,878,688
<b>Internally restricted</b> - Note 9	2,484,289	2,922,000
<b>Unrestricted</b>	<u>4,543,935</u>	<u>2,895,698</u>
<b>Net assets</b>	<u>19,657,940</u>	<u>16,696,386</u>
	<u>\$ 38,457,915</u>	<u>\$ 35,344,233</u>

APPROVED:

  
 DIRECTOR

  
 DIRECTOR

**Revenue**

	Budget 2017	Actual 2017	Actual 2016
(Unaudited Note 12)			
Passenger revenue	\$ 2,234,002	\$ 2,230,776	\$ 1,979,171
Vehicle parking	999,510	1,263,537	960,582
Regulatory recovery fee	645,227	628,852	596,194
Lease license and concession	569,192	579,234	541,772
Land lease and license	266,245	263,334	245,011
Airside facility lease concession and fees	97,504	119,105	109,609
Interest and miscellaneous income	<u>58,800</u>	<u>83,189</u>	<u>82,927</u>
	<u>4,870,480</u>	<u>5,168,027</u>	<u>4,515,266</u>

**Expenses**

Safety and security services	667,872	752,973	620,275
Administration and management	684,975	751,569	645,698
Operations and maintenance airfield	554,732	622,576	612,107
Operations and maintenance ATB	498,392	481,334	483,182
Marketing	362,144	246,662	309,796
Community engagement	155,580	162,574	148,500
Airport commission	189,637	138,450	156,764
Insurance	85,800	91,427	83,128
Planning and development	73,300	77,029	51,598
Property taxes and miscellaneous	<u>22,800</u>	<u>22,685</u>	<u>20,434</u>
	<u>3,295,232</u>	<u>3,347,279</u>	<u>3,131,482</u>

**Revenue in excess of expenses before other revenue (expenses)**

<u>1,575,248</u>	<u>1,820,748</u>	<u>1,383,784</u>
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**Other revenue (expenses)**

Passenger facility	1,793,472	1,739,329	1,650,716
Amortization of deferred contributions related to property and equipment	879,733	843,753	838,882
Gain on disposal of equipment	-	4,162	-
Interest on demand loan	(75,030)	(52,501)	(63,546)
Amortization of property and equipment	<u>(1,479,142)</u>	<u>(1,393,937)</u>	<u>(1,312,850)</u>
	<u>1,119,033</u>	<u>1,140,806</u>	<u>1,113,202</u>

**Revenue in excess of expenses**

<u>\$ 2,694,281</u>	<u>\$ 2,961,554</u>	<u>\$ 2,496,986</u>
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Nanaimo Airport Commission  
 Statement of Revenue and Expenses  
 For the year ended December 31, 2017



**Nanaimo Airport Commission**  
**Statement of Changes In Net Assets**  
 For the year ended December 31, 2017

	Invested in Property and Equipment	Internally Restricted <small>(Note 9)</small>	Unrestricted	Total 2017	Total 2016
<b>Balance, beginning of the year</b>	\$ 10,878,688	\$ 2,922,000	\$ 2,895,698	\$ 16,696,386	\$ 14,199,400
<b>Revenue in excess of expenses</b>	-	-	2,961,554	2,961,554	2,496,986
<b>Amortization of deferred contributions related to property and equipment</b>	843,753	-	(843,753)	-	-
<b>Amortization of property and equipment</b>	(1,393,937)	-	1,393,937	-	-
<b>Net transfers</b>	-	(437,711)	437,711	-	-
<b>Repayment of debt</b>	1,930,552	-	(1,930,552)	-	-
<b>Purchase of property and equipment, net of disposals</b>	3,311,403	-	(3,311,403)	-	-
<b>Grant funds received</b>	(2,940,743)	-	2,940,743	-	-
<b>Balance, end of the year</b>	<u>\$ 12,629,716</u>	<u>\$ 2,484,289</u>	<u>\$ 4,543,935</u>	<u>\$ 19,657,940</u>	<u>\$ 16,696,386</u>

**Cash provided (used):**

**Operating activities**

Revenue in excess of expenses	\$ 2,961,554	\$ 2,496,986
Items not involving cash		
Amortization of property and equipment	1,393,937	1,312,850
Amortization of deferred contributions related to property and equipment	(843,753)	(838,882)
Gain on disposal of equipment	(4,162)	-
	<u>3,507,576</u>	<u>2,970,954</u>
Changes in non-cash operating accounts		
Increase in accounts receivable	(65,163)	(120,396)
Increase in funding receivable	(175,607)	-
(Increase) decrease in prepaid expenses and operational supplies	(3,067)	26,023
Decrease in deferred leasing costs	596	596
(Decrease) increase in accounts payable and accrued liabilities	(10,190)	464,386
(Decrease) increase in deferred lease revenue	(4,119)	7,248
	<u>3,250,026</u>	<u>3,348,811</u>

**Financing activities**

Decrease in callable debt	(1,930,552)	(356,454)
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**Investing activities**

Purchase of property and equipment	(3,473,714)	(2,116,195)
Proceeds from disposal of property and equipment	166,470	-
Capital contributions	2,940,744	-
Decrease (increase) in short-term investments	532,121	(824,110)
Decrease (increase) in long-term investments	637,093	(143,178)
Increase in long-term notes receivable	(166,473)	-
	<u>636,241</u>	<u>(3,083,483)</u>

**Increase (decrease) in cash**

<b>Cash, beginning of the year</b>	3,207,687	3,298,813
<b>Cash, end of the year</b>	<u>\$ 5,163,402</u>	<u>\$ 3,207,687</u>

**Cash is defined as:**

Unrestricted cash	\$ 2,679,113	\$ 285,687
Internally restricted cash and investments	2,484,289	2,922,000
	<u>\$ 5,163,402</u>	<u>\$ 3,207,687</u>

**Nanaimo Airport Commission**  
**Statement of Cash Flows**  
 For the year ended December 31, 2017



**Nature of operations**

The Nanaimo Airport Commission is registered as a non-profit society which was incorporated under the Society Act of British Columbia and files as a non-profit organization under the Income Tax Act. The commission operates the Nanaimo airport facility which serves individuals travelling to and from central Vancouver Island. On December 2, 1996, all airport land, buildings, and improvements were transferred to the commission from the Ministry of Transport for \$10. Under the terms of the transfer agreement, the commission must continue to operate the airport until December 2, 2046. If the commission ceases to operate or manage the airport, the Ministry of Transport has the option to reacquire the facilities for \$1. This option expires December 2, 2046.

Prior to the transfer, the commission operated the airport through a head lease from the Ministry of Transport.

**1. Significant accounting policies**

- Basis of accounting  
These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
- Cash and cash equivalents  
Cash and cash equivalents consist of cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.
- Deferred leasing charges  
Deferred leasing charges are amortized over the life of the lease.
- Property and equipment  
Purchased property and equipment are recorded at cost at date of transfer and amortized. Contributed property and equipment are recorded at fair market value (as per property assessments) at the date of transfer and amortized.

Amortization is recorded on a straight-line basis over the estimated useful life of the property and equipment as follows:

Buildings and improvements	25 years
Runway, airfield, and parking lot improvements	
Subgrade	20 and 50 years
Paving	10 years
Heavy aviation support equipment	20 years
Fence	10 years
Mobile equipment	15 years
Furniture, equipment, and computer hardware	5 years
Vehicles	5 years
Computer software	5 years

In the year of acquisition, amortization is recorded at one-half of these rates.

**1. Significant accounting policies - cont.**

- Revenue recognition

The commission follows the deferral method of accounting for operating grants. Operating grants are recognized as revenue in the year in which the related expenses are incurred. Capital grants are deferred when received and amortized over the useful life of the corresponding assets.

Revenue is recognized as follows:

- Landing and general terminal fees are recognized as revenue when airport facilities are utilized.
- Passenger facility fee and regulatory recovery fee revenue is recognized at passenger departure.
- Concession revenue is recognized monthly based on the relevant agreements.
- Parking concession revenue is recognized as the lot is used.
- Revenue from leases is deferred and recognized into revenue over the life of the lease.

- Investments

Short-term and long-term investments consisting of term deposits, GICs, and note receivables are recorded initially and subsequently measured at fair value. Changes in fair value are recognized in net income in the period incurred.

- Use of estimates

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the collectibility of accounts receivable, the amortization of property and equipment, and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.



## 2. Funding receivable

At December 31, 2017, \$175,607 was receivable from the British Columbia Air Access Program relating to the northerly expansion of the apron adjacent to the expanding Air Terminal Building. The funds were received in full in January 2018.

## 3. Note receivable

A promissory note was signed on July 14, 2017 for the sale of a fuel truck. The note is in the amount of \$166,473, with interest charged monthly at the Royal Bank of Canada's prime rate (3.2% at December 31, 2017) plus 1%, with monthly payments. The monthly payments will be interest-only from October 2017 to September 2019, \$750 from October 2019 to September 2021, and \$2,500 from October 2021 until the promissory note balance plus interest is paid in full.

## 4. Property and equipment

	Cost	Accumulated Amortization	Net 2017	Net 2016
Land	\$ 3,693,788	\$ -	\$ 3,693,788	\$ 3,676,779
Buildings and improvements	14,778,513	5,558,763	9,219,750	9,011,514
Runway, airfield, and parking lot improvements	24,611,688	8,225,286	16,386,402	14,453,236
Heavy aviation support equipment	806,287	100,785	705,502	908,127
Fence	346,592	256,139	90,453	106,230
Mobile equipment	238,878	46,787	192,091	199,064
Furniture, equipment, and computer hardware	864,723	700,512	164,211	141,369
Vehicles	1,179,585	1,099,091	80,494	118,231
Computer software	102,103	67,732	34,371	35,045
	<u>\$ 46,622,157</u>	<u>\$ 16,055,095</u>	<u>\$ 30,567,062</u>	<u>\$ 28,649,595</u>

Included in property and equipment is \$2,320,103 of assets which have not yet been put into use, and are therefore not being amortized.

## 5. Internally restricted cash and investments

The internally restricted cash and investments consist of cash in the bank, short-term investments, and long-term investments. The short-term investments consist of several term deposits and GICs, having interest rates ranging from 1.80% to 2.35% and maturing at various dates from January 11, 2018 to June 18, 2018. The long-term investments consist of several term deposits and GICs having interest rates ranging from 2.05% to 2.55% and maturing at various dates from February 25, 2019 to March 24, 2021.

	2017	2016
Cash	\$ 2,679,113	\$ 285,687
Restricted cash and investments	2,484,289	2,922,000
Short-term investments	637,339	1,169,460
Long-term investments	858,458	1,495,551
Total cash and investments	<u>\$ 6,659,199</u>	<u>\$ 5,872,698</u>
Internally restricted - Note 9	\$ 2,484,289	\$ 2,922,000
Unrestricted	4,174,910	2,950,698
	<u>\$ 6,659,199</u>	<u>\$ 5,872,698</u>

## 6. Callable debt and line of credit

- Callable debt

	2017	2016
Royal Bank of Canada - interest payable at prime plus 0.30% requiring blended, monthly payments of \$35,000; this loan was repaid in full during the year	<u>\$ -</u>	<u>\$ 1,930,552</u>

The following additional loan facilities were approved on September 27, 2017:

- Loan #3 is from the Royal Bank of Canada with interest payable at prime plus 0%, requiring blended monthly payments of \$35,000 beginning 30 days after initial drawdown; \$1,200,000 is available and cannot be drawn until after March 31, 2018. There have been no draws at December 31, 2017 or subsequent to the year-end.

**6. Callable debt and line of credit - cont.**

- Loan #4 loan is from the Royal Bank of Canada with interest payable at prime plus 0%, with blended monthly payments that will be determined within 30 days of the first drawdown; \$3,000,000 is available and cannot be drawn until after December 1, 2018. There have been no draws at December 31, 2017 or subsequent to the year-end.

The above debt is secured by a general security agreement on all property of the commission. Debt is further secured by a collateral mortgage in the amount of \$875,000 constituting a first fixed charge on certain lands and improvements. In addition, there is a collateral mortgage including first ranking assignment of all rents in the amount of \$6,300,000 constituting a first fixed charge on lands and improvements. In addition, the commission must provide a certificate of insurance showing the Royal Bank of Canada as first mortgagee.

- Line of credit

The line of credit is a \$100,000 operating line of credit with the Royal Bank of Canada. Interest is payable at prime plus 0.50% on the outstanding balance. There was no outstanding balance at December 31, 2017.

**7. Deferred contributions related to property and equipment**

Deferred contributions related to property and equipment represent contributed property and equipment and capital grant contributions with which the airport buildings and various other property and equipment were acquired. These contributions are amortized into revenue at the same rates as the related property and equipment are amortized. The changes in the deferred contribution balance for the year are as follows:

	2017	2016
Balance, beginning of the year	\$ 15,840,355	\$ 16,679,237
Capital grants funds received	2,940,744	-
Amortized to revenue	(843,753)	(838,882)
	<u>\$ 17,937,346</u>	<u>\$ 15,840,355</u>

**8. Government remittances**

The commission has the following amounts owing (receivable) for government remittances at December 31, 2017.

	2017	2016
GST	\$ 8,507	\$ (17,952)
Worksafe BC	\$ 2,365	\$ 2,395
Source deductions	\$ 500	\$ 26,456

**9. Internally restricted**

Tangible capital asset reserve

	2017	2016
Opening balance	\$ 2,922,000	\$ 1,722,000
Contributions	4,784,112	1,200,000
Expenditures	(5,221,823)	-
	<u>2,484,289</u>	<u>2,922,000</u>

Regulatory recovery fee reserve

	2017	2016
Opening balance	-	100,000
Contributions	104,040	100,000
Expenditures	(104,040)	(200,000)
	<u>-</u>	<u>-</u>
	<u>\$ 2,484,289</u>	<u>\$ 2,922,000</u>



**10. 2017 budget**

The 2017 budget figures presented in these financial statements are based on the accounting budget as approved by the Board of Directors on December 20, 2016.

**11. Commitments and subsequent events**

- Operating commitments

The commission has entered into various operating agreements for the lease of office equipment. The aggregate minimum payments, excluding applicable taxes, due in the next four years are as follows:

2018	\$	10,176
2019		10,176
2020		5,670
2021		1,164
		\$ 27,186

The commission has also entered into several other operational commitments for the 2018 fiscal year, for an estimated amount of \$533,500.

The commission entered into a five-year agreement with a fuel supplier as of October 1, 2013. If the supplier's gross profit is less than \$11,500 per month, the commission is required to pay the shortfall to the supplier. As of December 31, 2017, there was no amount payable to the supplier as a result of this obligation (2016 - \$0).

The commission has signed various agreements both during and subsequent to the year-end for \$8,090,659 (2016 - \$988,773) for capital projects in progress that have not been accrued/ reflected in the financial statements.

**12. Comparative figures**

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

**13. Financial risk and concentration of risk**

- Credit risk

The commission is exposed to credit risk from its carriers, tenants, and licensees. The commission has a significant number of diverse tenants and licensees which reduce the concentration of credit risk; however, at the year-end there were two major scheduled carriers, which increases the amount of credit risk as the carriers create the largest portion of revenue. At December 31, 2017, receivables included \$418,912 (2016 - \$398,095) from the commission's largest customers.

- Currency risk

There were no significant accounts receivable or accounts payable denominated in foreign currency at the year-end. The US dollar cash balance was \$16,788 CAD at December 31, 2017 (2016 - \$24,623). The commission does not use hedging to minimize their risk to foreign exchange fluctuations as they do not consider this risk to be significant.

The future

# BLUEPRINT FOR OUR FUTURE

*We're on the runway to the Nanaimo Airport of tomorrow*

## REVIEW AND OUTLOOK

Imagine leaving your home and two hours later boarding Boeing's new 737-MAX7 airplane on the runway at Nanaimo Airport (YCD) on your way to Hawaii or the Caribbean.

Our blueprint for the future aims to make that image a reality. Our long-term vision focuses on increasing air services for pleasure and business travellers. Developing service is key to our continued growth to ensure safe, reliable transportation for the region.

As the population grows and more people use the central Island's airport of choice, air carriers will see an even better business opportunity here to add service to a number of destinations. Sun-soaked Hawaii, Mexico and the Caribbean, and other popular spots in North America and even Cuba, could be on the list of options.

The additional choices will help attract passengers from other parts of the Island too, expanding our service area.

The success of our vision relies on upgrading our infrastructure. Our facilities need to keep up with the ever-increasing demand for services

from the hundreds of thousands of people every year that rely on us when travelling. In 2017 some 358,000 people went through our gates -- another record for YCD.

The record won't last long, however. Next year we expect to see over 400,000 travellers as people take advantage of two new services announced this year: WestJet Encore's flight to Vancouver; and Air Canada Rouge's non-stop seasonal service to Toronto, which is expected to begin in June 2018.

These new flights immediately increase our capacity as the central Island's gateway to the world. Air Canada will fly non-stop from here to three of its Canadian hubs – Vancouver, Calgary and Toronto. WestJet now flies non-stop to its hubs in Vancouver and Calgary.

From those hubs hundreds of connecting flights are available, meaning residents can visit most places on the globe within hours of leaving their homes. And flying out of Nanaimo to start a trip is easier, hassle-free, faster and more affordable than fighting ferry traffic to get to the airport in Vancouver.



The direct flight to Toronto will mark another first in our history: our first scheduled jet service since we expanded our runway in 2010. Air Canada Rouge will fly a 136-seat Airbus A319 on the route.

Our runway can accommodate the Airbus A319 and other large jets like Boeing's 737-700 and its new 737-MAX7, which has a much further range than previous generations of the 737. Jets flying out of Nanaimo will be able to reach all of North America, Hawaii and the Caribbean.

Some of our other infrastructure will need upgrades to accommodate the larger aircraft. Our northern apron, where planes park, was enlarged and resurfaced this year with the help of a B.C. Air Access Program investment. The apron will expand further, as needed, as part of our blueprint for the future.

Our Air Terminal Building will also need more room, to make sure our passengers are comfortable and can efficiently move through the airport and on to their flights. This year we implemented a process to expand seating in the passenger departure lounge during peak times. The additional space substantially increased the number of seats in the

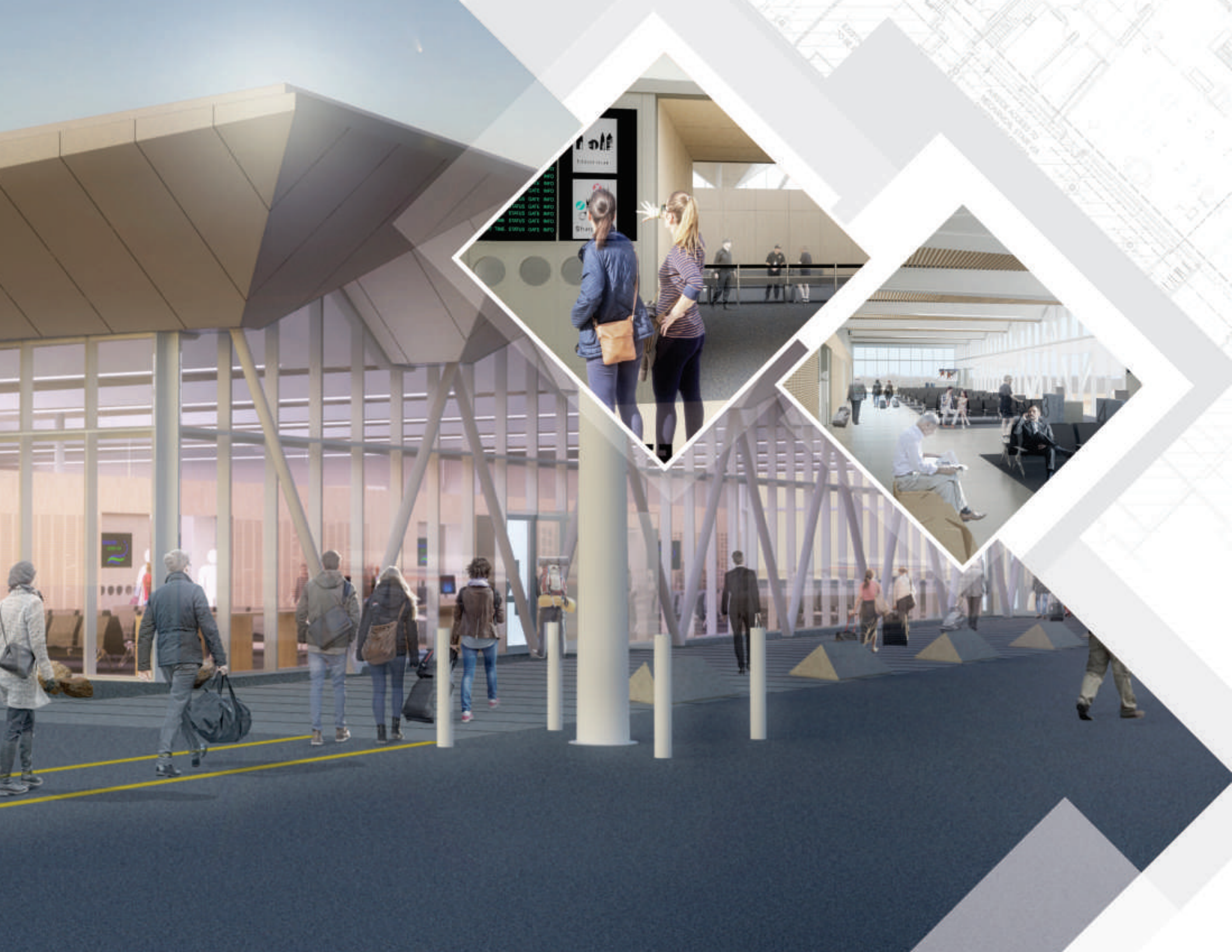
boarding lounge, provided a standing area for those who want to stretch their legs before their flight, and generally reduced overall congestion in the boarding area.

Importantly, our new aircraft rescue and fire fighting building opened in 2017 and can easily be expanded to ensure safety coverage for the increasing number of aircraft expected to arrive at YCD.

2017 also gave us another glimpse into our future: More specialized charter services, and private planes, made their home with us. Alkan Air, for example, invested in its own hangar on site for medical flights and charters. Three of its planes are based here, including one that can fly non-stop to southern California.

An emerging demand for charter aircraft has come from the need to transport the central Island's skilled workforce to other job locations. For years many workers have relied on YCD to help them commute to work in the oil and gas industry. In 2017, that trend accelerated. Charter flights transported workers from the Island to Alberta, the Yukon and Fort. St. John in northern B.C.





Expansion

# OUR EXPANSION PLAN

## *Funding secured to transform Air Terminal Building*

### REVIEW AND OUTLOOK

A \$15-million expansion of Nanaimo Airport's (YCD) Air Terminal Building took a major step in 2017 when we secured funding for the project, allowing construction to begin next year.

The work is part of our 20-year expansion plan. It will help ensure we continue to meet the needs of the communities we serve, today and for future generations.

We secured approximately \$5 million in funding for the project from the federal and provincial governments from the New Building Canada Fund -- Small Communities Fund. The B.C. Airport Assistance Program contributed \$150,000, and the Nanaimo Airport Commission will pay the remainder.

The expansion will increase comfort and efficiency for passengers. The Air Terminal Building's size will grow by nearly 60 per cent, with an additional 14,000 square feet. The extra room will create more space in the security area so travellers and their baggage can move faster through the screening process.

Passengers will also enjoy the benefits of a much larger

departure lounge. We'll more than double the number of seats, to about 320 from the current 140.

In addition to having more room to relax and stretch their legs before catching a flight, passengers will be able enjoy additional food service when the work is done. They'll continue to have access to vending machines in the meantime. The airport's Blue Navigator volunteers will continue to do an excellent job of assisting our guests. The work has also been planned to ensure minimal disruption to people travelling through the airport.

Our 20-year blueprint for the future calls for many other improvements as demand requires and funds are available, to ensure fiscal responsibility. Future expansion will include:

- Enlarged airside apron for aircraft
- New roads on site
- More parking spaces
- Additional space in the Air Terminal Building, tripling its size to 70,395 square feet and adding features such as boarding bridges to aircraft
- Development of unused land to attract new businesses



Key projects overview

# OUR KEY PROJECTS IN 2017

*Improvements today lay the foundation for our next 20 years*

REVIEW AND OUTLOOK

2017 was an exceedingly busy year at Nanaimo Airport (YCD) as we made numerous infrastructure and service improvements. Everything was done with the goal of enhancing our services today and preparing for the continued growth that will transform us tomorrow. Here are some of the projects we completed this year:

**Attracting more air service**

Air Canada and WestJet both announced new flights. WestJet Encore added service to Vancouver while Air Canada Rouge will launch a new direct route to Toronto for the summer of 2018. We will continue to work with our business partners to secure additional service to destinations throughout North America, Hawaii and the Caribbean.

**Securing funding for our Air Terminal Building expansion**

A joint investment from the federal and provincial governments through the New Building Canada Fund and our own resources, allowed us to begin implementing our 20-year plan for the Air Terminal Building.

**Expanding our passenger departure lounge**

We added seating capacity at peak times to respond to the increasing

volume of passengers. The extra room provided more comfort to people waiting to board their flights.

**Enlarging our runway aprons**

To prepare for the Air Terminal Building expansion and to reduce congestion, we created more space for our apron, where airplanes park.

**Adding lighting to the apron**

New flood lights created better visibility for ground and air crews, enhancing safety and efficiency.

**Opening our own emergency response station**

Our new Aircraft Rescue and Fire Fighting (ARFF) station opened this year, with the help of a \$1-million investment from the federal Airports Capital Assistance Program.

**Upgrading parking facilities**

As our passenger numbers have grown, so too has the number of parking stalls we provide. We now offer more than 800 stalls for short-term and long-term parking.



## *As YCD grows, the regional economy grows too*

The expansion we envision in our 20-year blueprint for the future isn't just essential to ensure we keep up with demand for airport services. It's also a critical component to the regional economy.

Nanaimo Airport (YCD) has long been one of the economic drivers for central Vancouver Island. By 2021 it's estimated that we will directly and indirectly generate more than 2,000 jobs that support central Island families, and \$358 million in economic output per year.

"Given this role, it becomes a priority to ensure that the necessary facilities and infrastructure are in place to allow for continued airport growth to occur," says a 2017 economic impact assessment and forecast prepared by Vann Struth Consulting Group Inc. If our facilities fall behind, economic growth for the region will be constrained, it added.

Air connectivity serves as a catalyst for economic development, the report notes, by:

- Enhancing tourism
- Improving export and trade opportunities for local businesses
- Making the area more attractive as an investment location
- Generating overall improvements in productivity by improving the frequency, speed, reliability and affordability of transportation and shipping options.

"Improving air services make it easier for business, investment and population growth to occur, while expansion in those areas drives higher demand for even more air service," the report states.



Highlight projects

# LAND DEVELOPMENT

## *Airport land creates opportunities for investment, jobs*

### REVIEW AND OUTLOOK

Unlocking the development potential of some of our vacant land will help Nanaimo Airport (YCD) expand its role as an economic engine for the region. It will also help ensure the financial stability of airport operations.

Our blueprint for the future envisions well-managed development, unfolding in phases, that acts as a catalyst for the central Island's economic growth. Attracting a variety of aviation-related and general commercial businesses will create new jobs and diversify the economy. The resulting investment will spin benefits – and prosperity -- throughout our communities.

It's not just a theory, as one of our many successes in 2017 proved. Alkan Air became one of our newest business partners, moving its air ambulance and charter air service into a 9,000-square-foot hangar it built on site. The Whitehorse-based company's new Nanaimo operations will employ five people full-time.

Three planes from its fleet of 17 are based here. In addition to its core

air services, Alkan flies mining and exploration industry workers to Watson Lake in the Yukon from Nanaimo, and has started a charter service on the Island. The firm plans to expand into corporate charters to Vancouver and Seattle for events such as hockey and football games. Being based at our airport gives the company the opportunity to make those decisions.

Alkan's confidence in our airport reflects the prime business potential of the more than 50 hectares of land we have available. The lots for airside and groundside development is among the largest amount of vacant property of any B.C. airport near to Vancouver – a major advantage for business owners and investors.

Our land is expected to be fully developed, in phases, over the next 20 years, according to an economic impact assessment and forecast in 2017 prepared by Vann Struth Consulting Group Inc. The first phase focuses on aviation-related businesses. All construction will be in accordance with our land use plan, which guides development on our property to ensure it is compatible with the surrounding communities.



Our plan identifies four types of available land:

- Taxiway (suitable for low density, large buildings with minimal office, such as aircraft maintenance and other aviation-reliant uses)
- Higher-value airport-reliant (suitable for office space and often two storeys)
- Airport-compatible (suitable for hotel, retail and office uses, such as medical/dental or finance/insurance to serve airport workers and passengers and the surrounding community)
- Prestige highway development (suitable for largely retail, food service and other highway commercial uses on lands fronting the Island Highway)

As we expand our Air Terminal Building, the report projects additional growth in the number of businesses partnering with us as tenants and in the number of jobs they'll create.

Any commercial activities will complement current airport activities and provide the services needed to support our long-term growth and financial sustainability.

To help unlock the potential of our vacant land, we have partnered with Executive Flight Center Developments. The industry experts are marketing to firms in the aviation and other sectors.

We're committed to responsible development that will have direct and indirect benefits for residents throughout central Vancouver Island, today and for the next generations. The most immediate impact would come from employment opportunities. Engineers, tradespeople and other construction-related positions would be created initially, and new businesses would hire staff once open.

The additional services made possible by development could also help the airport attract more air carriers, which would mean additional and easier travel options for residents.





Highlight projects

# LAND DEVELOPMENT

## *Prime business opportunity for aviation firms*

### REVIEW AND OUTLOOK

The Nanaimo Airport (YCD) of the future could be home to an even greater variety of businesses, thanks to the development potential of our available vacant land.

Our first phase of development will focus on aviation-related businesses such as cargo facilities, commercial fixed-base operations like fuel suppliers or aircraft maintenance, aircraft sales, and maintenance, repair and overhaul (MRO) services including a/c conversions, interiors, painting, etc. Hangars for corporate or private aircraft would also be prime uses.

In the remaining phases of development, other potential users or tenants for airport land could include:

- Freight and courier operations
- Aviation support services
- Aircraft-related suppliers
- Aerospace education and training
- Air transport-dependent businesses
- Aircraft storage and maintenance

We offer many competitive advantages for investors and entrepreneurs

- Easy air access to undeveloped airside land, including taxiway lots, and larger areas of unimproved land.
- Ample land with general access for the public and restricted access for aircraft operations.
- Modern infrastructure that includes an Instrument Landing System, on-site aircraft rescue and firefighting.
- A full-service Air Terminal Building with Customs and passenger screening facilities.
- An airport management team with decades of aviation industry experience.
- Growing customer traffic.
- A strategic location at the hub of the regional economy, with high-visibility land fronting the Island's main highway.
- Easy access to markets, both on and off Vancouver Island.
- Competitive lease rates.



Highlight projects

# COMMUNITY ENGAGEMENT

## *Working with our communities creates lasting benefits*

REVIEW AND OUTLOOK

Community support is an essential element of our blueprint for the future. We will continue to rely on the strong relationships we have built throughout the region to help us build the Nanaimo Airport (YCD) of tomorrow.

We're a community-based, not-for-profit organization. Our operations touch the everyday lives of people throughout the central Island – from being their travel gateway to the world, to being the shipping centre their cargo and online orders flow through, to creating employment and investment opportunities that support their families.

As we continue to grow to meet the needs of the communities we serve, we're committed to continue being a good corporate citizen and a good neighbour. Our commitment includes supporting many projects that contribute to the well-being of the people who live here, and that have lasting benefit to our region.

Here are some of our community projects from 2017:

### Sharing and listening in our communities

We're committed to keeping residents updated on our activities and

plans. We use a variety of communication tools to share information and ask for feedback.

In 2017 we made a variety of public presentations, formally and informally, throughout the region. The comments and questions we received helped shape our operations today, and gave us ideas for the next generation of airport services.

Our annual Open House invited our community on site to learn about our operations, equipment and plans for the future, and to meet members of our team. We also provided regular updates and encouraged community response through social media (we're on Facebook and Twitter @flyYCD) and our website ([www.NanaimoAirport.com](http://www.NanaimoAirport.com)) and blog. Our website offers an online form that makes it easy to share feedback on our expansion project.

### Hosting a noise mitigation roundtable

Continuing a trend from the last several years, noise exposure in inhabited areas around the airport remained well below Transport Canada guidelines. We host annual roundtable meetings to share information about how we manage airport noise and to foster a better

understanding of the issues. To provide a balanced forum, we invite neighbours as well as representatives from the Nanaimo Flying Club, area pilots, Nav Canada and airport staff. Participants have a chance to be heard while learning about aviation regulations and procedures.

### Sponsoring the Ladysmith Festival of Lights

We're proud to be a sponsor of the largest family winter celebration in our communities, the Ladysmith Festival of Lights. Our sponsorship helped fund energy-saving LED bulbs for the Chuck Perrin Memorial Tree, which serves as the festival's focal point. 2017 marked our third year of sponsorship.

### Supporting Vancouver Island University (VIU)

VIU relies on our airport for the growth of its international student market; the majority of them fly here from their home countries. We support the central Island's post-secondary and its students – the leaders of tomorrow -- in other ways too, sponsoring events such as the first-ever national MBA Games hosted on the West Coast. VIU's organizing committee brought 600 MBA candidates, professors and dignitaries from 19 Canadian universities to Nanaimo for the event. We also helped sponsor the Canadian Collegiate Athletic Association national men's soccer championships. The host VIU Mariners won the title on their home turf.

### Supporting aviation

As the centre of the local aviation sector, we champion the industry and promote its generational importance to Canadians. This year we

partnered with Nav Canada to host a Nanaimo Prep Air forum, bringing together users from all paths of aviation. The session fostered communication and connection, and a commitment to even safer runways, taxiways and skies.

### Supporting Air Cadets

We help the next generation of aviators by co-hosting the Annual Review for the 205 Collishaw Nanaimo Squadron of Air Cadets, along with the Nanaimo Flying Club. Cadets demonstrate their skills to families and guests in attendance and then get to participate in a medal presentation ceremony where various merit awards are passed out.

### Supporting the North Oyster & Area Historical Society

We donate annually to the society to support its work on the area's community centre – a focal point of the North Oyster area today and for the future. The historic centre hosts a variety of functions vital to the community, including wedding receptions, birthday parties, social gatherings and meetings. Our donation shows our appreciation for the Society volunteers who run barbecues at airport events.

### Supporting airport users

Our team of volunteer ambassadors, the Blue Navigators, contribute an average of 5,000 hours of service per year to assist people at our airport. This year saw 35 volunteers give their time. The Blue Navigators have volunteered 23,000 hours since June 2012.



Highlight projects

# ENVIRONMENTAL STEWARDSHIP

*Sustaining our environment for the next generations*

REVIEW AND OUTLOOK



## We're committed to our environment

Environmental protection is one of our core corporate values. It's a pillar of our long-term sustainability, and connects our business values to our social responsibilities.

We embrace the trust we have been given by our communities to protect and preserve the Nanaimo Airport (YCD) ecosystem, today and for future generations. We factor our environmental responsibilities into every business decision we make, to ensure a balance between the maintenance of a safe airfield and the management of our land as a habitat for species that can safely coexist with aviation.

We've committed substantial resources to protecting our ecosystem and exceed the requirements for compliance with federal regulations. Environmental protection is also part of our workplace culture. Our staff and business partners have numerous programs and policies in place, ranging from managing and conserving habitat to recycling.

Here are some of the ways we helped to preserve the environment for the benefit of our communities in 2017:

### Being pro-active

Our Environmental Management Plan (EMP) uses a "Plan, Do, Check, and Act" model. It requires us to proactively protect the environment by monitoring and correcting risks before they result in unsafe conditions, accidents or environmental harm.

Our EMP covers all of our water and land resources, natural habitat, aeronautical noise, energy use, and waste management. It sets priorities and direction for our environmental performance.

### Protecting water resources

We remain committed to careful, responsible management of surface and ground water. A team of consulting scientists helps us protect the Cassidy Aquifer, which stretches under our property and across the region. Ongoing sampling allows us to monitor and better understand water flow and quality. To enhance the quality of the readings, we rely on eight monitoring locations.

Additional protective measures include strict management strategies for preventing leaks and spills of harmful substances.

### Managing vegetation

Protecting our flight path from any kind of encroachment enhances safety for all of our users. Accordingly, we have a vegetation management program crafted with the help of experts. Its strict guidelines help ensure the sustainability of our environment. We use a re-vegetation strategy that helps us control growth and reduces the need to top trees. As part of the plan, we plant new, slower growing trees and shrubs to replace vegetation that has to be removed for safety reasons. The existing poplars around the airport on site can grow more than three metres per year.

### Sustaining fish habitat

For more than a decade we have partnered with community organizations to create sustainable fish habitat in the nearby Haslam Creek. As part of our stewardship of this important resource, we support, monitor and maintain a restoration project in the creek's lower reaches.