

Northern Ontario's Preferred Gateway



GREATER SUDBURY AIRPORT
ANNUAL REPORT

2017

Opening Remarks

The Greater Sudbury Airport plays an integral role in our community. It supports your leisure travel, it is instrumental for your business travel, and plays an active role as an economic engine – simply put it is a community asset. 2017 marked a year of substantial growth for our Airport. We added additional daily flights to Toronto; we began substantial infrastructure projects, and worked diligently to position YSB as a preferred gateway for the north.

The Greater Sudbury Airport continues to welcome growth as we embrace our role as an economic driver and innovative partner for our community.





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Message from the Chair

As Chairperson for the Sudbury Airport Community Development Corporation (SACDC), it is my pleasure to welcome you to the 2017 Annual Report.

You will see in our Annual Report, our airport has had a tremendous record-breaking year. We have seen record passenger volumes, and a steady increase in number of aircraft movements to and from the Greater Sudbury Airport.

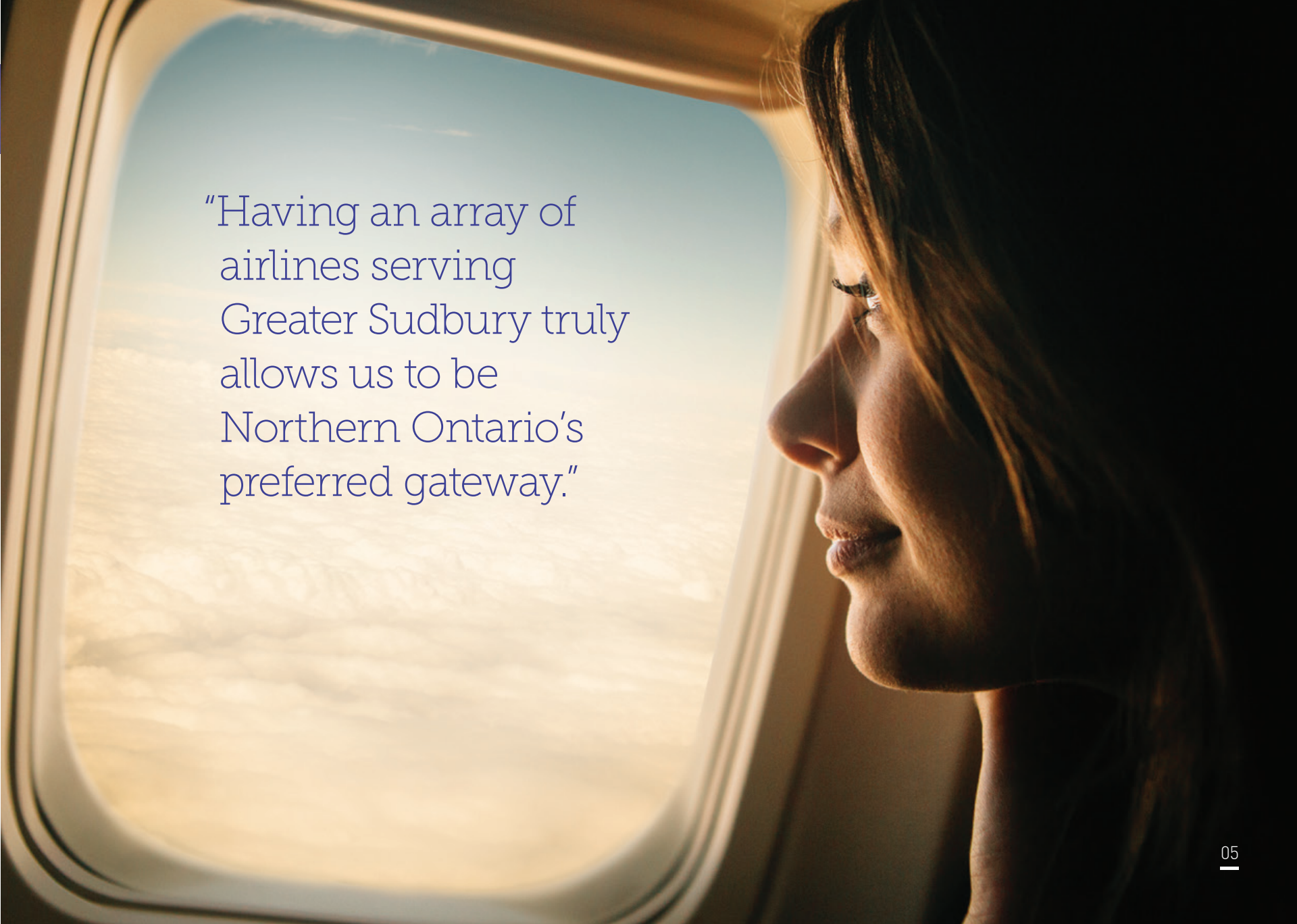
Over the past decade, it has been our mission to provide world-class services and facilities to stimulate economic development in the City of Greater Sudbury. In 2017, we certainly hit this outstanding milestone. We began construction of several safety and growth projects, and extensively expanded air traffic across the North. Having an array of airlines serving Greater Sudbury truly allows us to be Northern Ontario's preferred gateway.

On behalf of the SACDC, I would like to thank the Greater Sudbury Airport staff, City of Greater Sudbury staff, City Council and all of the companies operating in and with the Airport community for making our airport outstanding. Thank you to the travelling public who has chosen GSA as their preferred gateway.

As my first year as Chair of the SACDC comes to an end, I reflect back on the achievements and contributions our team have worked so hard to accomplish. I feel an extreme sense of pride, and eagerness for what our future holds.

LISE PORATTO-MASON

Chair, SACDC

A woman with long dark hair is shown in profile, looking out of an airplane window. The window shows a bright, hazy sky with soft clouds. The lighting is warm and golden, suggesting a sunrise or sunset. The woman's face is partially in shadow, and her expression is contemplative.

“Having an array of
airlines serving
Greater Sudbury truly
allows us to be
Northern Ontario’s
preferred gateway.”

Message from the CEO

This past year was one of unprecedented, record growth and achievement for the Greater Sudbury Airport. Improving air service has been a consistent priority and a critical element for the long-term sustainability of the Greater Sudbury Airport.

The Greater Sudbury Airport posted an overall 18% increase in the number of travellers visiting our airport in 2017, with almost 271,000 arriving and/or departing, compared to just over 229,000 in 2016. Our substantial growth is attributed to the air carriers meeting passenger/guest demand through improved scheduling, a stronger focus on flight reliability, and the upsizing of aircraft on key flights. Additionally, the introduction of WestJet to the Sudbury market has been extremely positive. We want to extend our gratitude to Air Canada, Bearskin Airlines, Porter Airlines, Sunwing and WestJet, for their exceptional service over the past year.

The year 2017 proved to be a year of significant growth and planning. We successfully executed our plans for several improvements in the terminal building, upgraded bathrooms, improvements to the ceiling, improved power saving LED lights, a new public address and communications system, improved passenger flows in key areas, new efficient and improved apron lighting system, new airport water reservoir design (build in 2018), and airport airfield power regulator upgrades.

These capital projects are necessary for our airport's growth in air carrier traffic and general aviation traffic as well as supporting land development for new business ventures establishing operations at the airport.

To that end, I would be remiss if I did not commend the hard work of the women and men that keep the Airport operating day after day. The airport has a remarkable team of professionals that value our customers and have a strong focus on working better together. At the Greater Sudbury Airport, collectively employees have put their twist on innovation. Great people sharing their desire to help people and to deliver a superior customer experience.

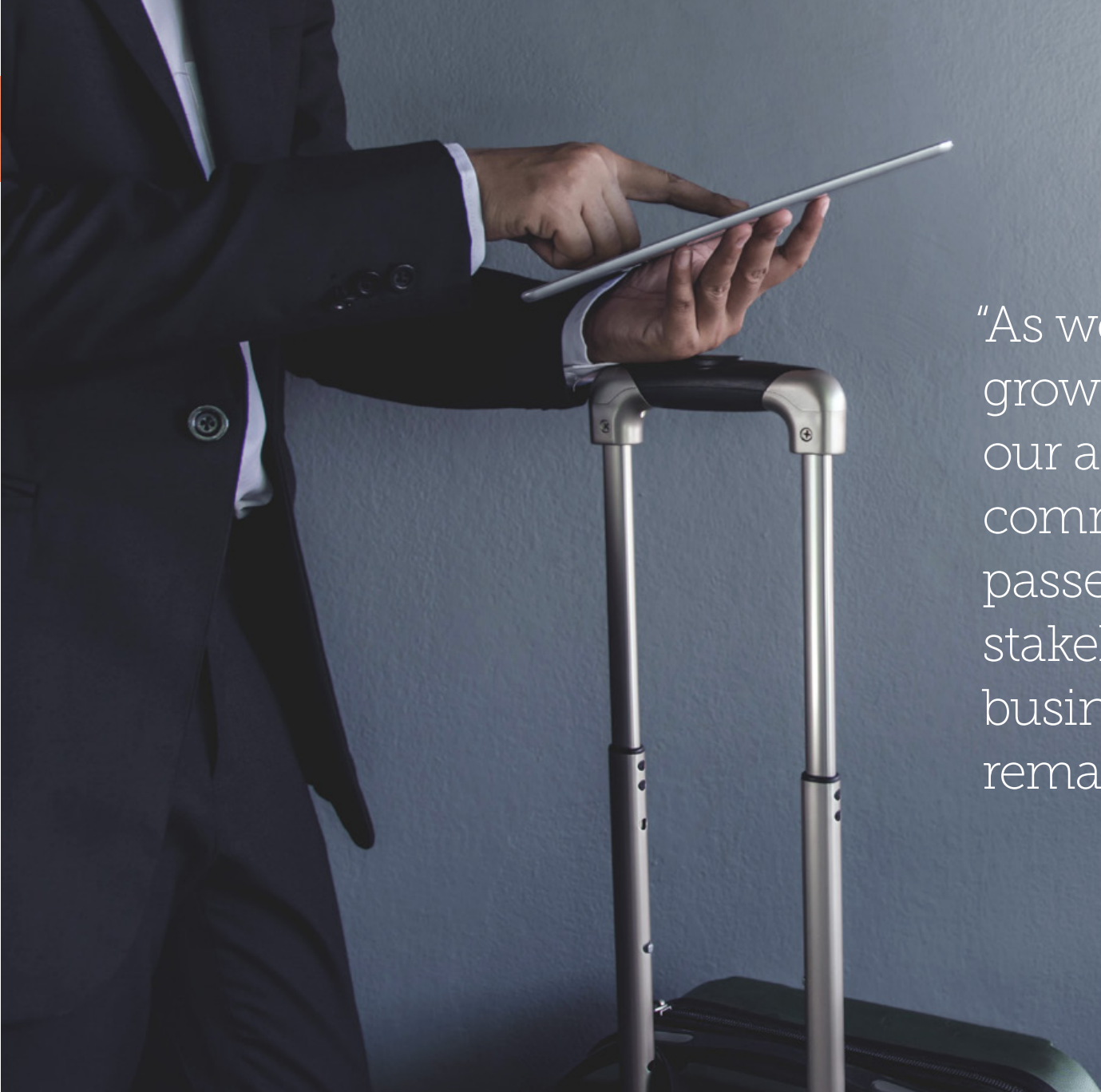
As we continue to grow and expand our airport; our commitment to our passengers, guests, stakeholders, and business partners remains paramount. We must continue to strive for success!

Thank you to all of our customers, passengers, and guests for your business. It is a privilege for us to serve and support you.

A special "thank you" to our exceptional Board of Directors of the Sudbury Airport Community Development Corporation for your confidence and continued support throughout the year. My sincere appreciation for our success in 2017, and I look forward to what we will accomplish together in 2018 and beyond.

TODD TRIPP

Chief Executive Officer, Greater Sudbury Airport



"As we continue to grow and expand our airport; our commitment to our passengers, guests, stakeholders, and business partners remains paramount."

Our Purpose

OUR VISION

To be Northern Ontario's preferred gateway.

OUR MISSION

To provide world class services and facilities and to stimulate the economic development of our community.





Our Values

SAFETY

We value our customers and employees. Their safety will always be paramount to all decisions we make.

QUALITY

We take pride in our business and undertake decisions based on quality service and products.

ACCOUNTABILITY

We are accountable to the City of Greater Sudbury and its citizens for all decisions we make. We will demonstrate integrity in our business relationships, the utilization of our resources and the treatment of our customers and employees.

ENVIRONMENT

We are committed to the future of our planet. We will develop and adhere to best practices based on environmentally friendly standards and will strive towards reducing our carbon footprint.

SUSTAINABILITY

We embrace our role as an economic driver for our community and are responsible and accountable for our own future. We will continue to diversify with a view of lasting sustainability.

Corporate Governance



LISE PORATTO-MASON

Chair of the Board



VINCE POLLESEL

Vice-Chair of the Board



CHRIS MERCER

Treasurer of the Board



GREG SÉGUIN

Secretary of the Board



MIKE JAKUBO

City of Greater Sudbury
Councillor, Ward 7



AL SIZER

City of Greater Sudbury
Councillor, Ward 8



PAUL KUSNIERCZYK

Greater Sudbury
Development Corporation
Appointment



BRENT BATTISTELLI

Greater Sudbury
Development Corporation
Appointment



DIANE MCFARLANE

Director



MONIQUE FORSYTH

Director



BISH BORA

Past Chair of the Board



TODD TRIPP

Chief Executive Officer
Greater Sudbury Airport

2017 Sudbury Airport Community Development Corporation Board of Directors

The Board of Directors is responsible for establishing the strategic direction and overseeing the management of the Greater Sudbury Airport's business affairs.

The composition of the Board include; two (2) City of Greater Sudbury Councillors, two (2) appointments from the Greater Sudbury Development Corporation (GSDC), and seven (7) citizens.



Airport Team

TODD TRIPP

Chief Executive Officer

LINDA DUBOIS

Executive Assistant to the CEO

JEAN-MATHIEU CHÉNIER

Director of Marketing & Airport Development

HAILEY SHORT

Marketing & Communications Coordinator

PAULETTE ETHIER

Airport Accounts Clerk

ROBERT TYRER

Director of Airport Operations/Fire Chief

PHILIP ROCCA

Manager of Airside Operations/Deputy Fire Chief

TIM NORWOOD

Manager of Security & Terminal Operations

BRIAN SITKO

Supervisor Airfield Operations / Trainer

ARRIVALS & DEPARTURES:

Passenger & Aircraft Statistics

PASSENGERS IN 2017: 270,784

The Greater Sudbury Airport continues to work towards improving air travel options for visitors and residents of Northern Ontario. With commencement of WestJet service in 2017, **our passenger numbers substantially increased**. Providing more options for travellers means prices will now become more competitive, positioning air travel as the preferred mode of transportation to and from Greater Sudbury and surrounding communities. Overall, we have seen an 18% increase over 2016, which is a record number of passengers to and from YSB.

AIRCRAFT MOVEMENTS IN 2017: 38,843

As the airport continues to expand development and attract new business, aircraft movements continue to soar. Commercial air traffic, private aviation and government aircraft activity all contribute to the total aircraft movements for the year. **This past year, there was a significant increase in private aviation movements**, directly attributed to the additional activity related to MAG Aerospace who continue to expand their training facility.





We have seen an 18% increase over 2016, which is a record number of passengers to and from YSB.

2017 Highlights



MORE WESTJET, MORE OPTIONS

WestJet service officially commenced in February 2017, and after only a few short months increased their service to three daily flights to Toronto. As one of Canada's low-fare leaders, WestJet has offered residents of Greater Sudbury the opportunity to fly more affordably and connect seamlessly into expanding networks through Toronto Pearson Airport. With three daily flights to and from Toronto, Sudburians have never had a more competitive, exceptional experience from YSB.

With the reintegration of WestJet back into the Greater Sudbury community, we can attribute a significant portion of the increase in 2017 passenger numbers to this addition.

CAPITAL UPGRADES

Earlier this year, the Greater Sudbury Airport received \$261,901 through the Airports Capital Assistance Program (ACAP) for the investment in a project to replace apron flood lighting and upgrade constant current regulators at the Greater Sudbury Airport. The constant current regulator panels supply power and control all airfield signs, navigation aids and airfield lighting.

This contribution enabled the airport to meet safety requirements and ensure we provide a safe airport experience for all passengers, travellers, staff and airport community.



Featured Travellers

2017 was about growth and celebration. We celebrated our travellers, and how you use your community airport. The Greater Sudbury Airport has played an important role to some truly spectacular trips both for business, and leisure.

THE BUSINESS TRAVELLER



“As a frequent flyer, I’m constantly at airports across the world. YSB has always been the perfect size. Everything is streamlined and convenient when you walk into the Greater Sudbury Airport. From the check-in desk, to security, to the gates, everyone is smiling and eager to help you get your trip started. Just knowing the first leg on my journey starts from

home makes my trip so much more enjoyable. You’re able to see the beauty of Northern Ontario from new heights.

The Sudbury airport is an essential part of the network that services places far and wide... across the north, and coast to coast. It links me to the broad landscape of Canada and the larger world. I feel I’m on my way the minute I arrive at YSB.”

- HUGH KRUZEL

Manager Special Projects NORCAT

THE LEISURE TRAVELLER



“My favourite travel experience from YSB, happens to be my first plane experience too. I flew to Toronto for a business meeting when I was about 22 – I felt so glamorous!

Now as an avid traveller, I am always looking at new destinations. I try to squeeze in at least one trip per

month - even if it is just a quick overnight getaway - just to get a change of scenery. If I have travelled anywhere more than once, it is either a sun holiday destination for some beach time or to a favourite big city for shopping and dining... New York, Chicago, Los Angeles, Montreal and Toronto are some of my favourites.

I am not a fan of driving, if I don’t have to. Being able to get to my destination with a short, inexpensive flight from YSB is a real treat - especially with four airlines to choose from now, why drive?”

- STEPHANIE PICHÉ

Food & Travel Expert stephaniepiche.ca,

President - Legacy Events Inc

Fiscal Stability

\$1.52 MILLION
OPERATING SURPLUS

\$2.8 MILLION
CAPITAL INVESTMENT

The key investment was in the engineering and preparation for the new water reservoir, new airfield electrical supply infrastructure upgrades and new snow clearing equipment.



Improving air service
has been a consistent
priority and a critical
element for the long-term
sustainability of the
Greater Sudbury Airport.



Financial Statements

STATEMENT OF FINANCIAL POSITION

(DECEMBER 31, 2017, WITH COMPARATIVE INFORMATION FOR 2016)

| | 2017 \$ | 2016 \$ |
|-------------------------------|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| CASH | 45,701 | 21,244 |
| TRADE AND OTHER RECEIVABLES | 779,606 | 516,804 |
| PREPAID EXPENSES | 370,011 | 42,446 |
| SUPPLIES | 97,893 | 86,863 |
| | 1,293,211 | 667,357 |
| PROPERTY, PLANT AND EQUIPMENT | 24,645,449 | 25,872,793 |
| | 25,938,660 | 26,540,150 |

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

| | 2017 \$ | 2016 \$ |
|--|------------------|------------------|
| TRADE AND OTHER PAYABLES | 1,054,027 | 726,584 |
| PAYABLE TO THE CITY OF GREATER SUDBURY | 847,380 | 1,498,570 |
| | 1,901,407 | 2,225,154 |

NON-CURRENT LIABILITIES

| | | |
|--------------------------------|-------------------|-------------------|
| EMPLOYEE BENEFIT OBLIGATIONS | 363,202 | 328,025 |
| DEFERRED CAPITAL CONTRIBUTIONS | 10,008,353 | 10,836,611 |
| | 12,272,962 | 13,389,790 |

SHAREHOLDERS' EQUITY

| | | |
|--|-------------------|-------------------|
| RETAINED EARNINGS | 13,650,679 | 13,135,341 |
| ACCUMULATED OTHER COMPREHENSIVE INCOME | 15,019 | 15,019 |
| | 13,665,698 | 13,150,360 |
| | 25,938,660 | 26,540,150 |

Financial Statements

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(YEAR ENDED DECEMBER 31, 2017, WITH COMPARATIVE INFORMATION FOR 2016)

| REVENUE | 2017 \$ | 2016 \$ |
|-------------------------|------------------|------------------|
| PASSENGER FACILITY FEE | 2,936,884 | 2,727,830 |
| CAPITAL CONTRIBUTIONS | 877,784 | 877,784 |
| RENTALS AND CONCESSIONS | 2,550,142 | 2,101,940 |
| NATIONAL LANDING FEES | 760,759 | 658,142 |
| TERMINAL FEES | 677,426 | 581,607 |
| SERVICES | 765,547 | 597,811 |
| | 8,568,542 | 7,545,114 |

| EXPENSES | 2017 \$ | 2016 \$ |
|---|--------------------|--------------------|
| SALARIES, WAGES AND BENEFITS | 2,535,885 | 2,173,307 |
| MATERIALS | 695,658 | 618,567 |
| UTILITIES | 514,685 | 512,218 |
| POLICING AND SECURITY | 374,728 | 373,014 |
| CONSULTING AND OTHER PROFESSIONAL SERVICES | 248,401 | 280,803 |
| OTHER | 1,006,396 | 264,328 |
| PROPERTY TAXES | 218,914 | 247,935 |
| ADMINISTRATIVE CHARGES | 240,503 | 225,171 |
| MAINTENANCE | 216,534 | 204,398 |
| INSURANCE | 85,006 | 88,011 |
| DEPRECIATION OF PROPERTY AND EQUIPMENT | 1,877,186 | 1,848,431 |
| | 8,013,896 | 6,836,183 |
| EXCESS OF REVENUES OVER EXPENSES BEFORE UNDERNOTED | 554,646 | 708,931 |
| INTEREST EXPENSE | (39,308) | (61,476) |
| | 515,338 | 647,455 |
| OTHER COMPREHENSIVE INCOME (LOSS) | - | (1,719) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 515,338 | 645,736 |

Financial Statements

STATEMENT OF CHANGES IN EQUITY

(YEAR ENDED DECEMBER 31, 2017, WITH COMPARATIVE INFORMATION FOR 2016)

| | ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) \$ | RETAINED EARNINGS \$ | TOTAL \$ |
|--|---|-------------------------|-------------------|
| BALANCE - JANUARY 1 , 2016 | 16,738 | 12,487,886 | 12,504,624 |
| INCOME FOR THE YEAR | - | 647,455 | 647,455 |
| REMEASUREMENT OF THE EMPLOYEE BENEFIT OBLIGATION | (1,719) | - | (1,719) |
| BALANCE - DECEMBER 31 , 2016 | 15,019 | 13,135,341 | 13,150,360 |
| INCOME FOR THE YEAR | - | 515,338 | 515,338 |
| REMEASUREMENT OF THE EMPLOYEE BENEFIT OBLIGATION | (1,719) | - | (1,719) |
| BALANCE - DECEMBER 31, 2017 | 15,019 | 13,650,679 | 13,665,698 |



It has been our mission to provide world-class services and facilities to stimulate economic development in the City of Greater Sudbury.

Financial Statements

STATEMENT OF CASH FLOWS

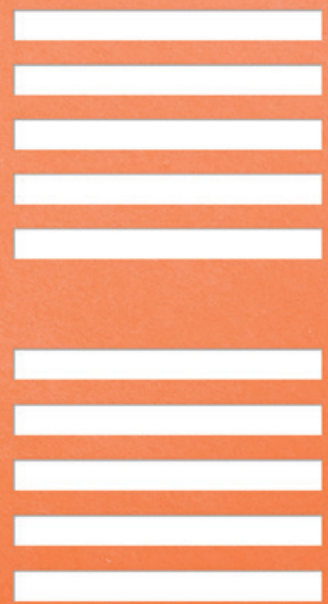
(YEAR ENDED DECEMBER 31, 2017, WITH COMPARATIVE INFORMATION FOR 2016)

CASH PROVIDED BY (USED IN)

OPERATING ACTIVITIES

| | 2017 \$ | 2016 \$ |
|--|------------------|------------------|
| COMPREHENSIVE INCOME FOR THE YEAR | 515,338 | 645,736 |
| ITEMS NOT INVOLVING CASH | | |
| DEPRECIATION OF PROPERTY AND EQUIPMENT | 1,877,186 | 1,848,431 |
| AMORTIZATION OF DEFERRED CAPITAL CONTRIBUTIONS | (877,784) | (877,784) |
| NON-CASH EMPLOYEE FUTURE BENEFIT OBLIGATION EXPENSE (GAIN) | - | 1,719 |
| | 1,514,740 | 1,618,102 |

| CHANGES IN NON-CASH WORKING CAPITAL | 2017 \$ | 2016 \$ |
|--|--------------------|--------------------|
| TRADE AND OTHER RECEIVABLES | (262,802) | 801,969 |
| PAYABLE TO THE CITY OF GREATER SUDBURY | (651,190) | (1,485,494) |
| PREPAID EXPENSES | (327,565) | 36,279 |
| INVENTORY | (11,030) | 25,832 |
| TRADE AND OTHER PAYABLES | 327,443 | (677,703) |
| EMPLOYEE FUTURE BENEFITS | 35,177 | 3,365 |
| | 624,773 | 322,350 |
| INVESTING ACTIVITIES | | |
| PURCHASE OF PROPERTY AND EQUIPMENT | (649,842) | (323,610) |
| | (649,842) | (323,610) |
| FINANCING ACTIVITIES | | |
| CAPITAL CONTRIBUTIONS RECEIVED | 49,526 | - |
| | 49,526 | - |
| INCREASE (DECREASE) IN CASH DURING THE YEAR | 24,457 | (1,260) |
| CASH, BEGINNING OF YEAR | 21,244 | 22,504 |
| CASH, END OF YEAR | 45,701 | 21,244 |



We have seen record passenger volumes, and a steady increase in number of aircraft movements to and from the Greater Sudbury Airport.

Our Destinations

For more information about the Greater Sudbury Airport, please visit our website at www.flysudbury.ca

 facebook.com/FlySudbury

 [@FlySudbury](https://twitter.com/@FlySudbury)

 [Fly Sudbury](https://www.instagram.com/FlySudbury)


 youtube.com/flysudbury



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