HALIFAX INTERNATIONAL AIRPORT AUTHORITY | 2013 ANNUAL REPORT

The Way Forward

The Way Forward

THE STANFIELD WAY
HALIFAX STANFIELD INTERNATIONAL AIRPORT

At Halifax International Airport Authority we are constantly striving to do better.

In 2013, we honoured that commitment by improving our facilities, expanding the services available to our passengers, prudently managing our finances, and making our airport a hub for the larger community – a place of which all Nova Scotians can be proud. We're delighted to say it was another year of progress, success, and community building.

Message from the Chair

PETER MCDONOUGH
Chair of the
Board of Directors

2013 marked another stellar year for Halifax International Airport Authority. It was the first year of our current five-year strategic plan and we made significant progress.

At Halifax Stanfield International Airport we move people, goods and ideas. The airport is also a major economic contributor to the entire province, accounting for $1.27 billion a year in economic output and about 5,400 jobs. We're very proud of those numbers.

The Stanfield Way program provided a major lift in 2013. Air travel can be a stressful experience. That's why it's important for every airport employee to be as friendly, helpful and knowledgeable as possible. That means providing passengers and visitors anything from directions to a departure gate or a friendly smile. Ongoing Stanfield Way training helps airport staff learn how to best assist our guests and deliver superior customer service. In the past two years, more than 450 people have graduated from this unique program. I believe The Stanfield Way truly sets our airport apart. For us, it is The Way Forward.

The year was also marked by various cultural, community-based activities at the airport – from gymnasts and buskers to musicians and choirs. One highlight of 2013 was a live art event performed by renowned Mi'kmaq artist Alan Syliboy. These events are vibrant proof that Halifax Stanfield is more than just a place where airplanes come and go. It is a focal point of our community.

2013 also marked Tom Ruth's final year as our President and CEO. Tom left us to take up a new challenge as President and CEO of Edmonton International Airports. He provided tremendous leadership over his six years with us, leaving our airport on a solid financial footing and primed for future growth. We thank Tom sincerely for his contribution.

It was my pleasure to welcome Joyce Carter as our new President & CEO on March 11, 2014. Joyce has been an integral part of our airport community and the Airport Authority's growth and development since 1999. We are confident that Joyce will continue to provide effective leadership both at the airport and in our community.

I'm delighted to be the new President & CEO of Halifax International Airport Authority. I look forward to the opportunities that lie ahead, building on the solid foundation we have developed.

JOYCE CARTER
New President & CEO
of Halifax International Airport Authority

Message from the President & CEO

TOM RUTH
President & CEO

Looking back, 2013 was another strong year for our airport. We welcomed almost 3.6 million passengers, making it our third busiest year.

We set passenger records for the months of October, November and December, and had a solid year for air cargo. Our airport continues to be a regional hub, serving half of all air travellers in Atlantic Canada.

We continue to invest in our airport – improving safety, security, efficiency and the passenger experience. In 2013, those efforts produced many highlights for our team: we restored the intersection of our two runways, and made substantial progress on renovating the domestic/international check-in area and modernizing the south end of the terminal building's façade. We also worked diligently on our new baggage handling system, an upgrade that will improve efficiency and passenger safety.

The newly constructed ALT Hotel received its first guests in June. The boutique hotel offers travellers stylish accommodations and amenities – all just a quick indoor stroll from the airport terminal.

We were honoured with several awards in 2013. Our commitment to environmental stewardship was validated with two honours – a Mobius Environmental Award for waste reduction excellence and a Leadership in Energy and Environmental Design (LEED) Silver Certification for our Combined Services Complex. We received a Business Ethics Award from the Better Business Bureau serving the Atlantic Provinces and were named one of the Top 101 Companies in Atlantic Canada. Halifax Stanfield International Airport was once again certified as Airport Service Quality Assured – our industry's global seal of approval for superior service. We are one of only 18 airports worldwide to reach this pinnacle of passenger satisfaction.

Our financial position remains solid, and 2013 saw Standard & Poor's reaffirm our A+ credit rating. Sound fiscal management and a robust financial profile are ensuring the airport continues as a key economic generator for the city, the province and the region.

2013 also marked my last year as President and CEO. It was with mixed feelings that I stepped away from Halifax Stanfield. Those six years saw our team make many improvements to the airport, including a significant runway extension, a new parkade, the construction of a Combined Services Complex, and the hosting of numerous community events and projects.

Halifax Stanfield truly is the community's airport, and it has been a privilege to be part of its growing success for the past six years. I know Halifax International Airport Authority remains in the hands of a strong team and Board, and is poised for continued growth and success. Thank you, and all the best.

Forward momentum

At Halifax Stanfield, we are dedicated to continuous improvement.

Our goal is to make the airport as safe, secure, and inviting as possible.

Our extended runway officially opened in January 2013. The added length allows us to welcome larger aircraft, giving us another competitive edge as we strive to increase passenger numbers and freight in and out of our strategically located airport.

In August we restored the intersection of the airport's two runways, ensuring long-term safety and reliability. Seventeen years of weather data was consulted to ensure we chose the most opportune time for the three-week project. Thanks to thorough planning, it was completed without any significant inconvenience to passengers or disruption of airline schedules.

The ALT Hotel opened in June, providing travellers a comfortable and chic place to stay within steps of their departure or arrival gates.

The year also saw our team make substantial progress on a major, industry-leading, game-changing modernization project.

At the south end, a contemporary look for the building exterior has altered the airport landscape. Inside, work continued to expand the domestic/international check-in area, creating more room for passenger flow, new equipment and processes, and future growth. The cornerstone of these improvements is our use of advanced technology to deliver the utmost efficiency. Case in point: Halifax Stanfield will be the first airport in Canada to offer a fully automated self-serve baggage drop-off service for all domestic and international passengers.

Behind the scenes, we collaborated with our airline partners and the Canadian Air Transport Security Authority to install a new, state-of-the-art system to handle all baggage processed at Halifax Stanfield. With increased capacity, enhanced security, and improved efficiency, this system will serve us well for years to come.


alt
HOTEL

Forward thinking

The success of our airport springs from the combined efforts of our airport community.

The welcoming atmosphere we provide is a true team effort – from Airport Authority employees to the network of tireless volunteers to the front-line workers at every point of the airport experience.

Our culture and approach to the customer experience is defined by The Stanfield Way. It's our way of ensuring passengers feel welcome, safe and comfortable no matter where they are in the airport. Our unique Stanfield Way movement expanded throughout 2013 – and we are delighted that more than 450 airport employees are now graduates of the program. The Stanfield Way has even been endorsed by Saint Mary's University and is gaining worldwide recognition. In 2013, our CEO was invited to present The Stanfield Way at an airport conference in China. Clearly our airport has earned a reputation for superior customer service. That reputation is sustained daily by our Tartan Team, a group of more than 110 volunteers who provide warm greetings and assistance to everyone passing through our airport.

As a further testament to our superior service culture, Halifax Stanfield was once again certified as Airport Service Quality Assured, making it one of only 18 airports worldwide to achieve this distinguished level of passenger satisfaction.

Our connections with passengers also extend onto the web with a growing social media presence. We now have over 15,000 followers and friends on Facebook and Twitter. Communicating with our passengers and visitors – whether in person or online – is critical to maintaining our close relationship with them. That relationship helps us chart the way forward.


NOVA SCOTIA
HI-LITER
NOVA SCOTIA
Cape Breton Island

Forward planning

Thoughtful strategic planning is paramount for any organization to flourish – something we embrace.

Our integrated four-tiered planning process – 20-year Master Plan, 10-year Capital and Financial Plan, 5-year Strategic Plan, and an annual Business Plan – has kept us on a steady path of growth and development.

Under our measured guidance, Halifax Stanfield has been dramatically transformed since we took over management of the airport in 2000. With almost $500 million invested in infrastructure and capital improvements, we're committed to creating an airport that exceeds expectations and inspires pride.

We took a significant step toward our strategic goal of generating new non-aeronautical revenue through commercial development of the property between the terminal building and Highway 102. A commercial development strategy was created, along with guiding principles for this long-term project. The strategy and principles were reviewed and approved by our Board of Directors in September.

In 2013, we added two new offerings in the terminal – Metalsmiths Sterling and Best Buy – expanding the retail offerings available to our passengers.

We upgraded our firefighting fleet with the delivery of two state-of-the-art Rosenbauer airfield emergency response vehicles.

We continued to refine and enhance our security programs, drawing on recommendations from a third-party assessment of our procedures and infrastructure. We obtained validation from Transport Canada for our Safety Management System and improved our Flight Information and Service and Asset Management systems.


925
METALSMITHS
STERLING

Forward motion

Halifax Stanfield provides a gateway to the world.

In 2013, we welcomed 3,585,864 passengers, and initiated new opportunities to move people and goods around the globe.

Our air service development team continued to aggressively pursue additional capacity, destinations and routes.

Icelandair added seat capacity and extended its season into November. Condor added a fourth weekly flight to Frankfurt during the summer. Delta resumed year-round service to LaGuardia in New York, with additional capacity. Air Canada added Fort Lauderdale to their multiple Florida destinations.

Our 2013 air service development efforts will also lead to more service in 2014. Europe Airpost will introduce service to Glasgow and Paris in the summer. Air Canada's plans include expanding service to London Heathrow to seven-day-a-week, year-round service. Sunwing enhanced its sun offerings with new service to St. Petersburg, Florida and Freeport, Bahamas. Canadian North will launch non-stop summer service to Iqaluit.

These new routes and increased flight frequencies offer passengers more destinations with less hassle. That means less time in the air and more time spent exploring the world.

And we are encouraged by a fourth quarter passenger record set in 2013 – a positive trend we'll endeavour to maintain.

On the air cargo side, 2013 marked another solid year with 29,500 metric tonnes processed through Halifax Stanfield. This success was achieved, in part, thanks to our main runway extension, as seafood exports to China grew, led by Korean Air Cargo.

As our global connections increase, so do the benefits to our passengers and the region's air cargo sector.


UNITED
?

Paying it forward

Halifax Stanfield is more than a place where airplanes come and go.

It is a hub of the community where people gather to share ideas, unite in new projects, and help support worthy causes. This was especially true in 2013.

Our performing arts program – designed to create a pleasant atmosphere in the terminal building – featured buskers, gymnasts, musicians and choirs. One of the year's standouts was the on-site creation of a mural by renowned Mi'kmaq artist Alan Syliboy.

Halifax International Airport Authority is committed to giving back to our larger community as well. Our Community Outreach Program provided $220,000 in donations to more than 200 charities, businesses, community groups, and local sports teams. We undertook a new Signature Partnership with Parker Street Food and Furniture Bank and provided in-kind assistance to Air Canada's Dreams Take Flight.

Our team also helped organize the second annual Runway Run for the Nova Scotia Lung Association, as well as an annual golf tournament and corporate giving campaign in support of the United Way. And we held our first annual Trim a Tree for Charity airport community event that saw donations to the YMCA of Greater Halifax/Dartmouth and the Tim Horton Children's Foundation.

Thank you to everyone who provided the vision and effort to make these important events happen.

The Airport Authority, with its sights set on the way forward, is dedicated to strengthening our community.

Kids
PENGUINS
EAST HANTS
DREAMS TAKE FLIGHT · VOYAGE DE RÊVE
United Way

Looking back
Moving forward

2013 Highlights and Accomplishments

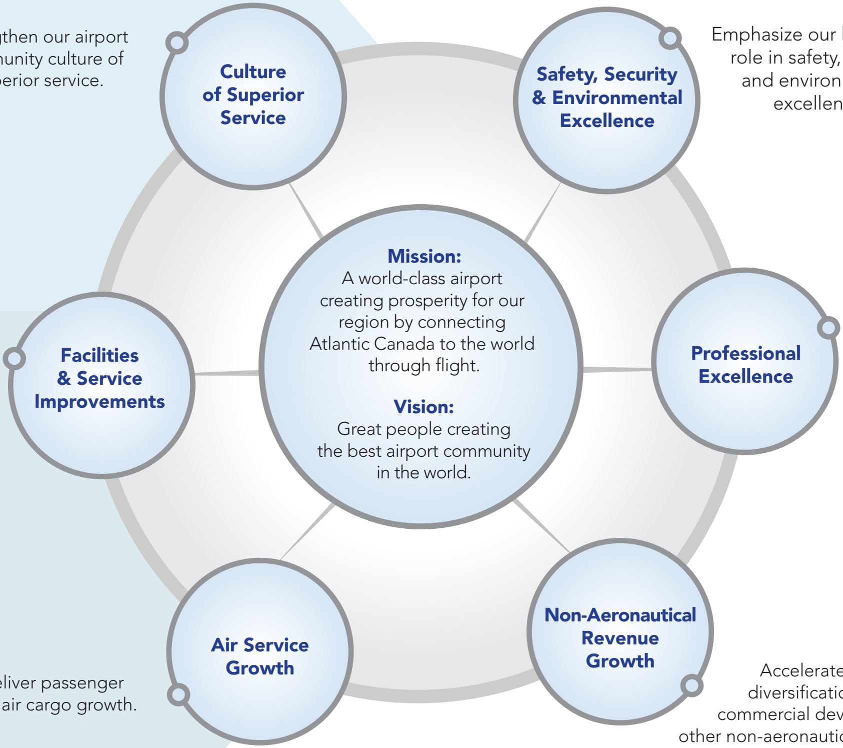
- Served 3,585,864 passengers, setting a record in each of the last three months of the year.
- Processed 29,500 metric tonnes of air cargo.
- Contributed $1.27 billion to the Nova Scotia economy in 2012, directly creating 5,400 full-time equivalent jobs.
- Added new and expanded routes, including additional capacity with Icelandair, Air Canada service to Fort Lauderdale, Sunwing service to St. Petersburg, Florida and Freeport, Bahamas, year-round service to LaGuardia in New York with Delta, and increased summer frequency to Frankfurt with Condor.
- Made substantial progress on renovating the domestic/international passenger check-in area. Using advanced technology, Halifax Stanfield will be the first airport in Canada to offer a fully automated self-serve baggage drop-off service for all domestic and international passengers.
- In collaboration with our airline partners and the Canadian Air Transport Security Authority, continued work on our new, state-of-the art baggage handling system.
- Modernized the façade at the south end of the terminal building.
- Officially opened our extended runway in January.
- Restored the pavement at the intersection of our two runways over a three-week period in August without any significant delays or disruptions.
- Upgraded our firefighting equipment fleet with the delivery of two state-of-the-art Rosenbauer airfield emergency response vehicles.
- Created a commercial development strategy, along with guiding principles, to generate new non-aeronautical revenue on airport property. The strategy and principles were reviewed and approved by our Board of Directors in September.

- Welcomed Metalsmiths Sterling and Best Buy to our list of terminal shops and services.
- Enhanced the passenger experience with new baggage carts and the introduction of Maritime Bus Airport Express service.
- Obtained validation from Transport Canada for our Safety Management System.
- Completed a third-party security audit.
- Installed a designated parking spot in the parkade for electric vehicles.
- Improved our Flight Information and Service and Asset Management systems.
- Expanded The Stanfield Way – our signature airport culture program – with more than 450 airport employee graduates and endorsement of the program from Saint Mary's University.
- Maintained Airport Service Quality (ASQ) Assured Certification, making Halifax Stanfield one of only 18 airports in the world to reach this pinnacle of passenger satisfaction.
- Nominated by Miller Waste, Halifax Stanfield was recognized by the Resource Recovery Fund Board of Nova Scotia with a Mobius Environmental Award for Institution of the Year for waste reduction excellence.
- Earned Leadership in Energy and Environmental Design (LEED) Silver certification for our Combined Services Complex.
- Received a Business Ethics Award from the Better Business Bureau serving the Atlantic Provinces.
- Named as one of the Top 101 Companies in Atlantic Canada.
- Acknowledged by Airports Council International-North America with an award for our airport magazine *SOAR Halifax*.
- Renewed our $94.5 million credit agreement with Canadian Imperial Bank of Commerce, providing access to funds for capital improvements and upgrades to enhance passenger experience.

2013 Highlights and Accomplishments (continued)

- Concluded the year with a positive bottom line and maintained our A+ credit rating from Standard & Poor's.
- Renewed our Development Grant Agreement with Halifax Regional Municipality, providing stability and predictability on our municipal tax bill.
- Worked hard to build an even more collaborative relationship between our union and management.
- Made significant investments in technical, diversity, and leadership training and development for our people.
- Strengthened our relationships with diverse organizations in our community and was named by reachAbility as an Employer of Excellence.
- Introduced a Peer to Peer Recognition Program to provide encouragement and support throughout the workplace.
- Invested in health and wellness initiatives.
- Provided $220,000 in donations to over 200 charities through our Community Outreach Program.
- Gave back through employee-led charitable activities, providing support to various organizations including the United Way, the Nova Scotia Lung Association, and Air Canada's Dreams Take Flight.
- Presented a captivating three-day public event with renowned Mi'kmaq artist Alan Syliboy.
- Created a pleasant atmosphere for travellers, visitors and staff through our performing arts program that featured buskers, gymnasts, musicians and choirs.
- Expanded our social media presence with over 15,000 followers and friends on Facebook and Twitter.
- Redesigned and launched a new corporate website in July.

Halifax International Airport Authority has identified six business strategies that support its mission and vision.



Strengthen our airport community culture of superior service.

Emphasize our leadership role in safety, security and environmental excellence.

Improve the infrastructure, services and processes to enhance the airport experience.

Optimize organizational success through personal development, recognition, pride and best practices.

Deliver passenger and air cargo growth.

Accelerate revenue diversification through commercial development and other non-aeronautical revenue growth.

Air Service Summary 2013

Scheduled and Charter Passenger Services			Scheduled and Charter Air Carriers	
17 Domestic Destinations	**13 Transborder (USA) Destinations**	**16 International Destinations**	**17 Passenger Carriers**	**12 Cargo Carriers**
Calgary, AB	Atlanta, Georgia	Bermuda – Hamilton	Air Canada	Air Canada
Charlottetown, PE	Boston, Massachusetts	Cuba – Cayo Coco, Havana (one-stop), Holguin, Santa Clara, Varadero	Air Canada Jazz	Air St. Pierre
Charlo, NB	Chicago, Illinois	Dominican Republic – Puerto Plata, Punta Cana, Samana	Air Georgian	Air Transat
Deer Lake, NL	Detroit, Michigan	Germany – Frankfurt	Air St. Pierre	Cargojet
Edmonton, AB	Ft. Lauderdale, Florida	Iceland – Reykjavik	Air Transat	Cargolux
Fredericton, NB	Newark, New Jersey	Jamaica – Montego Bay	CanJet Airlines	Condor Flugdienst
Gander, NL	New York (LGA), New York	Mexico – Cancun	Condor Flugdienst	Icelandair
Goose Bay, NL	Orlando, Florida	St. Pierre et Miquelon – St. Pierre	Cubana Airlines	Kelowna Flightcraft (Purolator)
Hamilton, ON	Philadelphia, Pennsylvania	United Kingdom – London (Gatwick), London (Heathrow)	Delta Air Lines	Korean Air Cargo
Moncton, NB	St. Petersburg, Florida		Icelandair	Morningstar Express (FedEx)
Montréal, QC	Tampa, Florida		Porter Airlines	Skylink Express
Ottawa, ON	Washington (Dulles), Virginia		Provincial Airlines	WestJet
Saint John, NB	Washington (National), Virginia		Sky Regional Airlines	
St. John's, NL			Sunwing Airlines	
Sydney, NS			United Airlines	
Toronto, ON			US Airways	
Toronto City Centre, ON			WestJet	

Five-Year Forecast

	ACTUAL			FIVE-YEAR FORECAST*				
YEAR	2011	2012	2013	2014	2015	2016	2017	2018
Passenger Volume	3,594,164	3,605,701	3,585,864	3,625,309	3,719,567	3,786,519	3,858,463	3,927,915
Per cent Change	2.5 %	0.3 %	-0.6 %	1.1 %	2.6 %	1.8 %	1.9 %	1.8 %
Total Aircraft Movements	86,874	84,486	83,347	83,610	84,350	84,868	85,717	86,317
Per cent Change	-0.2 %	-2.7 %	-1.3 %	0.3 %	1.1 %	0.4 %	1.0 %	0.7 %
Expenditures on Capital Assets, net Government Contributions ($000's)	$ 21,782	$ 24,315	$ 39,993	$ 49,100	$ 34,600	$ 37,400	$ 41,700	$ 17,542
Rent Payable to Transport Canada ($000's)	$ 5,192	$ 5,284	$ 5,938	$ 6,200	$ 6,300	$ 6,600	$ 7,000	$ 7,300

* The forecast figures indicated are subject to change.

Balance forward

2013 Financial Overview

2013 marked yet another year of sound fiscal management at Halifax International Airport Authority, highlighted by a positive bottom line, increased revenues, and a major contribution to the local economy.

The Airport Authority's solid financial performance is best seen in our A+ credit rating, which was affirmed by Standard & Poor's in 2013. Our industry has been severely tested by global economic forces in the past decade, yet the Airport Authority has maintained its A+ rating for an impressive eight straight years. It is a streak we are very proud of, and we're committed to extending it into the future. It's a testament to our prudent financial planning, our strong business and financial profile, and our relatively low debt burden and aeronautical fees.

Another notable streak is the airport's continued importance to the people and communities it serves. According to our latest economic impact report, Halifax Stanfield is a truly valuable asset, worth $1.27 billion to the Nova Scotia economy in 2012. That figure was up $13 million from the previous year. In all, the airport creates 5,400 full-time equivalent jobs, accounting for 2.7 per cent of all employment in the province.

In mid-2012 many airlines began reducing seat capacity, a decision that significantly impacted our revenues. That trend continued throughout 2013, yet our bottom line remained strong, thanks in part to careful management of our expenses.

Although airline seat capacity was down in 2013, our revenues were up – from $79.3 million in 2012 to $87.1 million in 2013. Part of that increase was derived from a rise in the Airport Improvement Fee.

Expenses increased from $77.7 million in 2012 to $81.3 million in 2013. Contributing to the increase was higher amortization costs, as well as increases in salaries, wages and benefits. Security costs, maintenance and electricity were also factors.

Thanks to wise financial stewardship, Halifax International Airport Authority posted a surplus of $5.8 million in 2013, up from $1.6 million in 2012. That amount will, as always, be reinvested in airport development, thus helping to improve our facilities and services for our passengers.

2013 also saw the Airport Authority renew two important agreements that will contribute to our long-term financial stability. The first involves our Development Grant Agreement with the Halifax Regional Municipality. We secured a new five-year agreement under the same terms and conditions as the previous arrangement, ensuring we have long-term certainty on our property taxes.

We also renewed our credit facilities with Canadian Imperial Bank of Commerce, under improved conditions. The arrangement provides the Airport Authority with access to a combined availability of $94.5 million, comprised of an $80-million Capex facility and a $14.5 million revolving operating and letter of credit facility. While not being used currently, this facility ensures we have ready access to credit with favourable terms and conditions. These two arrangements further strengthen our long-term financial position, guaranteeing Halifax Stanfield's place as a major employer and economic driver for our province.

Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Directors of
Halifax International Airport Authority

We have audited the accompanying financial statements of **Halifax International Airport Authority** [the "Authority"], which comprise the balance sheet as at December 31, 2013, and the statements of operations and changes in equity 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 private enterprises, 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 in our audit 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 **Halifax International Airport Authority** as at December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Ernst & Young LLP

Halifax, Canada
March 28, 2014

Chartered Accountants

Balance Sheet

As at December 31

[in thousands of dollars]	2013 $	2012 $
ASSETS		
Current		
Cash and cash equivalents	44,185	59,812
Accounts receivable	4,916	5,436
Prepaid expenses	866	1,015
Inventories	811	884
Total current assets	50,778	67,147
Capital assets, net *[note 3]*	349,833	327,376
Debt Service Reserve Fund *[note 4]*	7,427	7,427
Accrued benefit asset *[note 7]*	6,579	5,307
	414,617	407,257
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	23,283	20,766
Deferred contributions and revenue	1,179	2,014
Current portion of long-term debt *[note 4]*	80	80
Total current liabilities	24,542	22,860
Long-term debt *[note 4]*	283,430	283,489
Security deposits	1,402	1,515
Total liabilities	309,374	307,864
Equity in capital assets *[note 5]*	105,243	99,393
	414,617	407,257

Commitments *[note 6]*
Contingencies *[note 10]*

See accompanying notes

On behalf of the Board:

Director

Director

Statement of Operations and Changes in Equity

Year ended December 31

[in thousands of dollars]	2013 $	2012 $
REVENUE		
Terminal and passenger security fees	17,697	17,408
Parking	11,722	11,229
Concessions	10,768	10,556
Landing fees	9,501	9,494
Rental	2,505	2,461
Interest	776	806
Other *[note 3]*	671	512
	53,640	52,466
Airport improvement fees *[note 5]*	33,428	26,863
	87,068	79,329
EXPENSES		
Salaries, wages and benefits	20,014	18,896
Amortization	17,638	16,645
Materials, services and supplies	17,531	16,602
Interest on long-term debt *[note 4]*	14,878	14,813
Ground lease rent	5,938	5,284
General and administrative *[note 3]*	3,881	4,047
Property taxes	1,418	1,405
	81,298	77,692
Excess of revenue over expenses for the year	5,770	1,637
Equity in capital assets, beginning of year	99,393	97,676
Equity in capital assets	105,163	99,313
Amortization of deferred financing costs	80	80
Equity in capital assets, end of year *[note 5]*	105,243	99,393

See accompanying notes

Statement of Cash Flows

Year ended December 31

[in thousands of dollars]	2013 $	2012 $
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	5,770	1,637
Add (deduct) items not affecting cash		
Amortization	17,638	16,645
Accrued benefit asset	(1,272)	(1,371)
Net change in non-cash working capital balances related to operations	3,029	4,075
Cash provided by operating activities	25,165	20,986
INVESTING ACTIVITY		
Expenditures on capital assets	(39,993)	(24,315)
Cash used in investing activity	(39,993)	(24,315)
FINANCING ACTIVITIES		
Deferred contribution related to capital assets	(719)	(3,716)
Decrease in deferred rent	(80)	(80)
Cash used in financing activities	(799)	(3,796)
Net decrease in cash during the year	(15,627)	(7,125)
Cash and cash equivalents, beginning of year	59,812	66,937
Cash and cash equivalents, end of year	44,185	59,812

See accompanying notes

[Tabular amounts are in thousands of dollars]

1. GENERAL

Halifax International Airport Authority [the "Authority" or "HIAA"] was incorporated on November 23, 1995 as a corporation without share capital under Part II of the *Canada Corporations Act*. On February 1, 2000, the Authority signed a 60-year ground lease with Transport Canada and assumed responsibility for the management, operation and development of the Halifax Robert L. Stanfield International Airport [the "Airport" or "HSIA"]. Excess of revenue over expenses is retained and reinvested in airport operations and development.

HSIA is a world-class airport creating prosperity for its region by connecting Atlantic Canada to the world through flight. The airport is the largest airport in Atlantic Canada, and the region's gateway to the world.

The Authority is governed by a Board of Directors whose members are nominated by the Halifax Regional Municipality, the Province of Nova Scotia and the Government of Canada, as well as the Halifax Chamber of Commerce. The nominated members can also appoint additional members who represent the interests of the community.

The Authority is exempt from federal and provincial income taxes, federal large corporation's tax, and Nova Scotia capital tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority's financial statements have been prepared in accordance with Part II of the Chartered Professional Accountants (CPA) Canada Handbook – *Accounting Standards for Private Enterprises*, which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada, and include significant accounting policies described hereafter.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

[Tabular amounts are in thousands of dollars]

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash and cash equivalents. Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. An investment normally qualifies as a cash equivalent when it has a short maturity of approximately three months or less from the date of acquisition.

Government assistance

Amounts received or receivable resulting from government programs for capital development are reflected as reductions of the cost of the assets to which they relate when the Authority becomes eligible to accrue them, provided there is reasonable assurance the benefits will be realized.

Inventories

Inventories consist of materials, parts and supplies and are stated at the lower of cost, determined on an average cost basis, and net realizable value.

Ground lease

The ground lease with Transport Canada is accounted for as an operating lease.

Capital assets

Capital assets are recorded at cost, including interest on funds borrowed for capital purposes, net of contributions and government assistance, and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer hardware and software	20% - 33%
Leasehold improvements	2.5% - 10%
Machinery, equipment, furniture and fixtures	5% - 20%
Vehicles	5% - 17%

Construction in progress is recorded at cost and is transferred to leasehold improvements when the projects are complete and the assets are placed into service.

[Tabular amounts are in thousands of dollars]

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt

Long-term debt is initially measured at fair value, net of transaction costs and financing fees. It is subsequently measured at amortized cost. Transaction costs and financing fees are amortized over the term of the loan.

Revenue recognition

Landing fees, terminal fees, parking revenue and passenger security fees are recognized as the airport facilities are utilized. Concession revenue is recognized on the accrual basis and calculated using agreed percentages of reported concessionaire sales, with specified minimum guarantees where applicable. Rental revenue are recognized over the terms of the respective leases, licenses and permits. Airport improvement fees [“AIF”] are recognized when originating departing passengers board their aircraft as reported by the airlines.

Deferred contributions

Deferred contributions relate to funds for future capital acquisitions. These contributions are applied as the related capital expenditures are realized.

Employee benefit plans

The Authority sponsors a pension plan on behalf of its employees, which has defined benefit and defined contribution components. In valuing pension obligations for its defined benefit component, the Authority uses the accrued benefit actuarial method prorated on services and best estimate assumptions. Pension plan assets are valued at current market values. The excess of the accumulated net actuarial gain or loss over 10% of the greater of the accrued benefit obligation and the fair value of the plan assets is amortized over the average remaining service life of employees. Defined contribution component amounts are expensed as incurred.

[Tabular amounts are in thousands of dollars]

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

The Authority's financial instruments consist of cash, accounts receivable, Debt Service Reserve Fund, accounts payable and accrued liabilities and long-term debt. Accounts receivable are accounted for at amortized cost. Cash and the Debt Service Reserve Fund are recorded at fair value with realized and unrealized gains and losses reported in earnings in the period during which they arise. Accounts payable and accrued liabilities and long-term debt are accounted for at amortized cost with gains and losses reported in earnings in the period during which they arise. The Authority has no held-to-maturity or available-for-sale financial assets.

Transaction costs are capitalized and added to the cost of financial assets and liabilities not classified as held-for-trading.

Future accounting developments

The Authority actively monitors developments and changes in accounting standards. Accounting standards for Employee Future Benefits have been updated and will be effective for fiscal years commencing on or after January 1, 2014. The Authority is currently assessing the impact of the adoption of this standard on its 2014 financial statements. The new standard will be applied retrospectively and the impact will be disclosed in the 2014 financial statements.

The new standard includes changes that eliminate the use of the accrued benefit actuarial method for non-recognized actuarial gains and losses, changes to the dates that the defined benefit assets and obligations are measured, changes to how the discount rates are applied and changes to required disclosure.

The application of the new standard in 2014 will potentially increase the variability in financial results due to its impact on pension expense for the defined benefit plan and the balance sheet value of the accrued benefit asset or liability.

[Tabular amounts are in thousands of dollars]

3. CAPITAL ASSETS

Capital assets consist of the following:

	2013			2012
	Cost $	Accumulated amortization $	Net book value $	Net book value $
Computer hardware and software	11,267	7,413	3,854	1,729
Leasehold improvements	389,430	87,448	301,982	301,784
Machinery, equipment, furniture and fixtures	12,718	8,469	4,249	4,676
Vehicles	16,020	5,096	10,924	8,394
Construction in progress	28,824	–	28,824	10,793
	458,259	108,426	349,833	327,376

During the year, $1,114,000 [2012 – $6,687,000] in government contributions was received or is owing to the Authority, and was applied to capital assets. The contributions relate to capital development.

During the year a gain of $51,000 [2012 – $148,000] was recognized in other income and a loss of nil [2012 – $39,000] was recognized in general and administrative expenses that related to the disposal of capital assets.

[Tabular amounts are in thousands of dollars]

4. LONG-TERM DEBT

Long-term debt consists of the following:

	2013 $	2012 $
5.503%, non-amortizing Series A Revenue Bonds due July 19, 2041. Interest payable semi-annually in arrears on January 19 and July 19 of each year until maturity, which commenced on January 19, 2007.	150,000	150,000
4.888%, non-amortizing Series C Revenue Bonds due November 15, 2050. Interest payable semi-annually in arrears on May 15 and November 15 of each year until maturity, which commenced on May 15, 2011.	135,000	135,000
Transport Canada deferred rent, non-interest-bearing, repayable in monthly installments of $6,700, which commenced in 2006.	161	241
	285,161	285,241
Less current portion	80	80
Less transaction costs net of accumulated amortization	1,651	1,672
	283,430	283,489

Bond issues

In July 2006, the Authority completed its inaugural $150 million Revenue Bond issue. The $150 million 5.503% Series A Revenue Bonds are due on July 19, 2041. In November 2010, the Authority completed a $135 million Revenue Bond issue. The $135 million 4.888% Series C Revenue Bonds are due on November 15, 2050.

The net proceeds from these offerings were used to finance the capital plan and for general corporate purposes. These purposes included repaying existing bank indebtedness and funding of the Debt Service Reserve Fund. The bonds are direct obligations of the Authority ranking pari passu with all other indebtedness issued under the Master Trust Indenture.

[Tabular amounts are in thousands of dollars]

4. LONG-TERM DEBT (CONTINUED)

Credit facilities

The Authority has authorized credit facilities with the Canadian Imperial Bank of Commerce, which provide the Authority with a combined availability of $94.5 million, comprised of an $80 million Capex facility and a $14.5 million revolving operating and letter of credit facility. These facilities are secured under the Master Trust Indenture and are available by way of overdraft, prime rates loans, or bankers' acceptances.

As at December 31, 2013, an amount of $12.0 million of the operating and letter of credit facility had been committed, with $2.1 million designated to pension plan funding regulations and $9.9 million designated to the Operating and Maintenance Reserve Fund.

Reserve funds

Pursuant to the terms of the Master Trust Indenture, the Authority is required to establish and maintain with a trustee a Debt Service Reserve Fund. The balance within this fund must be equal to at least 50% of annual bond debt service costs. As at December 31, 2013, the Debt Service Reserve Fund included $7.4 million [2012 – $7.4 million] in interest-bearing deposits held in trust. These trust funds are held for the benefit of bondholders for use in accordance with the terms of the Master Trust Indenture.

The Authority is also required to maintain an Operating and Maintenance Reserve Fund. The balance in the Operating and Maintenance Reserve Fund must be equal to at least 25% of certain defined operating and maintenance expenses for the previous fiscal year. Approximately $10.4 million will be required to fund the Operating and Maintenance Reserve Fund in 2014. The Operating and Maintenance Reserve Fund may be satisfied by cash, letters of credit, or the undrawn availability under a committed credit facility.

Capitalized interest

Interest on long-term debt amounting to $131,000 [2012 – $224,000] was capitalized as part of construction in progress during the year.

5. AIRPORT IMPROVEMENT FEES

The AIF are used to fund the cost of the Authority's capital program and related financing costs, along with debt and operational surpluses. Operational surpluses consist of excess of revenue over expenses before depreciation and interest. The AIF rate at December 31, 2013 was $25 [December 31, 2012 – $20] and applies to each departing enplaned passenger. The AIF are collected by the air carriers for a fee of 6% under an agreement between the Authority, the Air Transport Association of Canada, and the air carriers serving the Airport. Under the agreement, AIF

[Tabular amounts are in thousands of dollars]

5. AIRPORT IMPROVEMENT FEES (CONTINUED)

revenue may only be used to pay for the capital and related financing costs as jointly agreed with air carriers operating at the Airport.

A summary of the AIF collected and capital and related financing expenditures are as follows:

	2013 $	2012 $
AIF revenue (net):		
AIF revenue	35,591	28,606
AIF collection costs	(2,163)	(1,743)
	33,428	26,863
Interest on surplus funds	776	806
Net funds received	34,204	27,669
Capital expenditures funded by AIF	39,202	24,315
Interest expense funded by AIF	14,878	14,813
	54,080	39,128
Excess of expenditures over AIF revenue	(19,876)	(11,459)
Excess of expenditures over AIF revenue, beginning of year	(290,601)	(279,142)
Excess of expenditures over AIF revenue, end of year	(310,477)	(290,601)

From January 1, 2001 to December 31, 2013, the cumulative capital expenditures funded by AIF totalled $533,868,000 [2012 – $479,788,000] and exceeded the cumulative AIF revenue by $310,477,000 [2012 – $290,601,000].

[Tabular amounts are in thousands of dollars]

5. AIRPORT IMPROVEMENT FEES (CONTINUED)

Equity in capital assets of the Authority is as follows:

	2013 $	2012 $
Equity in capital assets provided by AIF	40,164	38,476
Equity in capital assets provided by other operations	67,281	63,198
Opening adjustment to equity in capital assets	(2,202)	(2,281)
Equity in capital assets, end of year	105,243	99,393

The opening adjustment to equity in capital assets represents deferred financing costs amounting to $2.761 million related to a cash flow hedge, which was discontinued before the end of the original hedge term. The balance of these costs was allocated to equity in capital assets on January 1, 2007, the date at which the hedge was discontinued.

The deferred costs are amortized over the remaining term of the previously hedged instruments. The amortization related to the current year amounts to $80,000 [2012 – $80,000] and cumulative amortization to date amounts to $560,000.

6. COMMITMENTS

Transfer agreement

Effective February 1, 2000, the Authority signed a 60-year ground lease with Transport Canada which provides for the Authority to lease the Airport. A 20-year renewal option may be exercised, but at the end of the term, unless otherwise extended, the Authority is obligated to return control of the Airport to Transport Canada. Lease payments are based on a percentage of gross revenue on a progressive scale.

The estimated lease obligations over the next five years are approximately as follows:

	$
2014	6,200
2015	6,300
2016	6,600
2017	7,000
2018	7,300

[Tabular amounts are in thousands of dollars]

6. COMMITMENTS (CONTINUED)

Long-term debt – bond issues

The interest payable over the next five years on the Authority's Series A and Series C bonds is as follows:

	$
2014	14,854
2015	14,854
2016	14,854
2017	14,854
2018	14,854

Construction in progress

As at December 31, 2013, the Authority had outstanding contractual construction commitments amounting to approximately $13.0 million [2012 – $5.0 million].

7. PENSION PLAN

The Authority sponsors a pension plan [the "Plan"] on behalf of its employees, which has defined benefit and defined contribution components. An actuarial valuation has been prepared as at January 1, 2013 for purposes of funding the Plan. A measurement date of December 31, 2013 has been used for the purposes of the financial statements.

[Tabular amounts are in thousands of dollars]

7. PENSION PLAN (CONTINUED)

The following table provides information concerning the assets, accrued benefit obligation, funded status and prepaid (accrued) pension costs of the Plan as at December 31:

	2013 $	2012 $
Plan assets	38,711	34,216
Accrued benefit obligation	(40,933)	(38,602)
Funded status – plan deficit	(2,222)	(4,386)
Unamortized net actuarial loss	8,801	9,693
Accrued benefit asset	6,579	5,307

The significant actuarial assumptions adopted in measuring the Authority's accrued pension benefits are as follows:

	2013 %	2012 %
Discount rate	4.75	4.50
Expected long-term rate of return on plan assets	6.25	6.25
Rate of compensation increase	3.75	3.75

Other information related to the Authority's defined benefit component is as follows:

	2013 $	2012 $
Employer's contribution	2,505	2,464
Employees' contributions	165	164
Benefits paid	1,236	1,449

	2013 %	2012 %
Equity securities	44	48
Fixed income securities	48	42
Real estate securities	8	10
	100	100

[Tabular amounts are in thousands of dollars]

7. PENSION PLAN (CONTINUED)

Pension expense amounted to $715,000 [2012 – $635,000] for the defined contribution component and $1,233,000 [2012 – $1,093,000] for the defined benefit component.

8. CAPITAL RISK MANAGEMENT

The Authority is a corporation without share capital and, accordingly, is funded through operating revenue, AIF revenue, reserve funds, the debt capital markets and its bank credit facility. Aeronautical charges are set each year to cover the projected operating costs, after consideration of the projected air traffic and passenger activity and non-aeronautical revenue. Any funds generated by the Authority are used to cover costs within its mandate.

The Authority's objective for managing capital is to acquire and maintain sufficient capital to safely and effectively manage the Airport's operations. The Authority aims to manage capital to deliver world-class facilities and services to the travelling public. The capital managed by the Authority is composed of long-term debt. As at December 31, 2013, the balance outstanding, excluding any current portion, amounts to $283,349,000 [2012 – $283,328,000].

The Authority's indebtedness is secured under the Master Trust Indenture, and supplemented from time to time with established common security and a set of common covenants by the Authority for the benefit of its lenders. The covenants that the Authority must meet include two specific coverage tests for operating expenses and debt service payments. The gross debt service covenant states that the total revenue, including the revenue account balance at the beginning of the year, must at least cover operating expenses, including interest and principal payments. The debt service covenant states that the net revenue for that specific year must be at least 1.25 times the total interest and principal payments for that year. As at December 31, 2013, the Authority is in compliance with all covenants outlined in the Master Trust Indenture.

In accordance with the Master Trust Indenture, two reserve funds must also be maintained: a Debt Service Reserve Fund and an Operating and Maintenance Reserve Fund. As at December 31, 2013, the Authority satisfies the requirements for both of these reserve funds.

9. FINANCIAL INSTRUMENTS

Fair value

The Authority's financial instruments consist of cash, accounts receivable, Debt Service Reserve Fund, accounts payable and accrued liabilities and long-term debt. The difference between the carrying values and the fair market values of the financial instruments, excluding long-term debt, are not material due to their short-term maturities. The carrying amount of the current portion of long-term debt approximates its fair value given its short-term nature. The fair value of the bonds was calculated to be $283,349,000.

[Tabular amounts are in thousands of dollars]

9. FINANCIAL INSTRUMENTS (CONTINUED)

Risk management

The Authority is exposed to a number of risks as a result of the financial instruments on its balance sheet that can affect its operating performance. These risks include interest rate risk, liquidity risk, credit risk, and concentration risk. The Authority's financial instruments are not subject to foreign exchange risk or other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is subject to interest rate risk relating to its Debt Service Reserve Fund and credit facilities. The Authority manages its interest rate risk through the use of fixed-rate financing where applicable.

The Authority has entered into fixed-rate long-term debt and, accordingly, the impact of interest rate fluctuations has no effect on interest payments until such time as this debt is to be refinanced.

However, changes in prevailing benchmark interest rates and credit spreads may impact the fair value of this debt.

The Authority's most significant exposure to interest rate risk relates to its credit facilities. The Authority's Capex facility, which is in place for the financing of near-term construction costs related to the Authority's Capital Program, is subject to floating interest rates. Management believes that the impact of interest rate fluctuations on construction costs is not material.

The Authority's Debt Service Reserve Fund is subject to changes in interest rates. Management believes that the impact of interest rate fluctuations on the Debt Service Reserve Fund is not representative of the Authority's exposure to interest rate risk as interest income is not essential to the Authority's operations. These funds are intended for reinvestment in airport operations and development, and not for purposes of generating interest income.

If interest rates had been 50 basis points [0.50%] higher or lower and all other variables were held constant, including timing of expenditures related to the Authority's capital expenditure programs, the Authority's earnings for the year would not have been significantly impacted.

[Tabular amounts are in thousands of dollars]

9. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

The Authority manages its liquidity risk by maintaining adequate cash and credit facilities, by updating and reviewing multi-year cash flow projections on a regular and as-needed basis, and by matching its long-term financing arrangements with its cash flow needs. The Authority has ready access to sufficient financing as well as committed lines of credit through credit facilities with a major Canadian bank.

The future annual payment requirements of the Authority's obligations under its long-term debt are described in note 6.

Credit and concentration risks

The Authority is subject to credit risk through its accounts receivable, which consist primarily of current aeronautical fees and AIF owing from air carriers. The Authority performs ongoing credit valuations of receivable balances and maintains an allowance for potential credit losses. The Authority's right under the *Airport Transfer (Miscellaneous Matters) Act* to seize and detain aircraft until outstanding aeronautical fees are paid mitigates the risk of credit losses. The majority of the Authority's accounts receivables are paid when they are due.

A significant portion of the Authority's revenue, and resulting receivable balances, are derived from air carriers. The Authority derives approximately 51% [2012 – 53%] of its landing fee and terminal fee revenue from Air Canada and its affiliates. Management believes, however, that the Authority's long-term exposure to any single airline is mitigated by the fact that approximately 80% of the passenger traffic through the airport is origin and destination traffic and therefore other carriers are likely to absorb the traffic of any carrier that ceases operations. In addition, the Authority's unfettered ability to increase its rates and charges mitigates the impact of these risks.

10. CONTINGENCIES

The Authority may, from time to time, be involved in legal proceedings, claims and litigation that arise in the ordinary course of business, which the Authority believes would not reasonably be expected to have a material adverse effect on its financial position.

Corporate Governance

Halifax International Airport Authority (Airport Authority) is governed by a Board consisting of a maximum of 14 directors nominated by the following entities:

Federal Government	2
Provincial Government	1
Halifax Regional Municipality	4
Halifax Chamber of Commerce	3
Airport Authority Board of Directors	4

Generally, a director may serve no more than a total of nine years from the date of transfer, February 1, 2000. Collectively, directors are expected to possess knowledge relating to the aviation industry, air transportation, business, finance, administration, law, government, engineering, labour organizations, and the interests of consumers.

The Board oversees the conduct and operation of the Airport Authority; reviews and approves corporate strategies, plans and financial objectives; appoints the Chief Executive Officer; assesses the performance of the Board and the Chief Executive Officer; ensures effective communication with the nominators and the community; and ensures the effectiveness of the Airport Authority's internal controls and systems in preserving and enhancing the Airport Authority's assets and pursuing its mission. The Board meets as often as is required to carry out its responsibilities and maintains three standing committees that make recommendations to the Board with respect to matters within their jurisdiction: the Governance Committee, chaired by Jeff Hunt; the Audit Committee, chaired by Marie Mullally; and the Capital Projects Committee, chaired by Wadih Fares.

The Airport Authority has adopted conflict of interest guidelines to govern the conduct of, and the disclosure and avoidance of conflicts of interest for, all officers and directors. These disclosures are updated as required.

During 2013, the Governance Committee of the Board reported that there were no breaches of the conflict of interest guidelines by any officer or director of Halifax International Airport Authority.

Compensation of the senior officers and directors of the Airport Authority is reviewed annually. Amounts paid to Airport Authority officers and directors during 2013 follow.

Board of Directors Total Compensation

Chair: P. McDonough	$ 67,500
Vice Chair: W. Fares	$ 30,875
Secretary: J. S. Cowan	$ 31,950
DIRECTORS:	
R. Batherson*	$ 3,700
B. Buckles	$ 18,400
S. Dempsey	$ 18,400
J. Hunt	$ 25,788
M. Mullally	$ 27,438
C. Newcombe	$ 20,000
R. Wilber	$ 16,600
M. Wood-Tweel	$ 15,750

Notes: Amounts represent payments made in 2013

* R. Batherson joined the Board effective July 26, 2013

Executive Compensation

The salary range for the President & CEO and for the Vice Presidents of the Airport Authority during 2013 was $140,000 to $295,000. In addition to base salaries, annual bonus payments totalling $333,619 were paid during the year. Bonus payments are contingent upon both corporate and individual achievements.

Contracts in excess of $108,105

The Airport Authority, in accordance with its lease with Transport Canada, is required to report all contracts in excess of $108,105 ($75,000 in 1994 dollars adjusted by the Consumer Price Index) that were entered into during the year and that were not awarded on the basis of a public competitive tendering process.

In 2013, the Airport Authority amended and restated an existing credit agreement with Canadian Imperial Bank of Commerce (CIBC) for an additional three years. CIBC was the successful proponent following a competitive tendering process in 2010. The contract was amended and restated as CIBC had effectively provided these services in the past, their skill and knowledge of the Airport Authority's requirements developed as a result of this experience was a significant benefit to the Airport Authority, and transaction costs were minimized. The value of this contract will depend on the Airport Authority's use of the funds available under the amended and restated credit agreement over the three year period, and the prevailing interest rates at that time.

The Airport Authority also extended an existing agreement with exp Services Ltd. to provide design and services during the runway intersection reconstruction project. exp Services Ltd. was the successful proponent from previous competitive tendering processes to provide the same services. The experience and knowledge of the exp project team with this particular airfield construction project minimized the risk of operational disruptions. The value of this contract was $185,770.

Board of Directors

Peter McDonough, Q.C. – Chair
Peter is Counsel at McInnes Cooper and has been practicing corporate, property development and real property law for over 40 years.

He has served on the Board of Governors of Dalhousie University, Nova Scotia College of Art & Design, Nova Scotia Special Olympics, and the YMCA.

As well, he has been the Vice Chair of the Halifax Industrial Commission and President of the Dalhousie Alumni Association, and is the founding President of the Dalhousie Black & Gold Club.

Wadih M. Fares, C.M., P. Eng., FEC, D. Comm. – Vice Chair
Wadih received his Bachelor of Engineering degree from the Technical University of Nova Scotia and a Diploma of Engineering from Dalhousie University. He has also received an Honourary Doctorate in Commerce from St. Mary's University. Wadih has over 25 years of experience in every aspect of building design, project management and development. He currently serves as President and CEO of WM Fares Group.

Wadih has held an impressive record of community involvement over the years, including: Honourary Consul of Lebanon for the Maritime Provinces and Honourary member on the Board of the Canadian Lebanese Chamber of Commerce and Industry. He also sits on the Board of Directors for Waterfront Development Corporation Limited and the Planning and Development Committee as Chairman, Dalhousie University Board of Governors and Capital Projects and Facilities Committee as Chairman, Minister's Immigration Advisory Council, QEII Board of Trustees, and is Past Chair and Director on the Board of Pier 21 Society.

Wadih has received a number of honours, including: the Order of St. Gregory, the Queen's Golden Jubilee Medal Award, the Queen Elizabeth II Diamond Jubilee Medal, and in 2012 was named a Member of the Order of Canada (C.M.).

Board of Directors (continued)

James S. Cowan, Q.C. – Secretary to the Board

Jim is a member of the Senate of Canada where he serves as the Leader of the Opposition. He is also a partner of the law firm Stewart McKelvey. He was the Chair of the Board of Governors of Dalhousie University from 2000 to 2008 and past Chair of the Atlantic Provinces Transportation Commission. Upon his appointment to the Senate in March of 2005, Jim resigned from the Airport Authority Board but continues as Secretary, a position that he has held since 1995.

Robert Batherson – Director

As Senior Vice President and co-owner, Rob leads the public affairs practice for Colour, a leading communications and marketing agency with offices in Halifax, Moncton, St. John's and Toronto.

Since joining Colour more than nine years ago, Rob has provided strategic counsel to clients in the energy, telecommunications, transportation, health care, financial services, construction, food service, tourism, entertainment and small business sectors. Before his move into private practice, Rob spent most of the previous decade working in the Office of the Leader of the Opposition in Nova Scotia, on Parliament Hill in Ottawa and in the Office of the Premier of Nova Scotia, first as Press Secretary, then as Communications Director.

A dedicated community volunteer, Rob currently serves as President of Neptune Theatre Foundation, a board member of the Halifax Chamber of Commerce and a member of the national board of the Communications and Public Relations Foundation.

Board of Directors (continued)

Brian Buckles – Director
Brian had over 40 years experience with Scotiabank prior to retiring in 2004. He is a Fellow of the Institute of Canadian Bankers and held various Management positions in both Nova Scotia and the New Brunswick and Prince Edward Island Regions.

Brian has served as Chair for the Pictou County United Way, New Glasgow Downtown Development, and as a director for the Pictou County Chamber of Commerce.

Stephen Dempsey – Director
Stephen Dempsey is the Executive Director of the Offshore Energy Research Association of Nova Scotia. A former CEO of the Greater Halifax Partnership, Stephen's contributions have been recognized by being named one of the Top 50 CEO's in Atlantic Canada.

Stephen serves his community by participation on several boards and is currently chair of the board for Partners for Care Association, as well as having served as past chair of the Halifax Gateway Council and the Atlantic Provinces Chambers of Commerce.

Board of Directors (continued)

Jeffrey R. Hunt – Director

Jeff is a Partner with the Truro office of Patterson Law. He is immediate Past Chair of the firm's Litigation Group, with a practice in areas of insurance, employment and general litigation. He has been with Patterson Law since 1992 and a Partner since 1997.

Jeff is the Past Division Chair of the United Way of Colchester County Campaign Cabinet, Past Member of the Parish Council and Finance Committee for St. John's Anglican Church, and a Board Member of the Honourable G. I. Smith Memorial Trust. He has served as a member of the Regional Assessment Appeal Court since 2008, and has served as a one person Board of Inquiry under the Police Act. In 2009, Jeff was appointed to the Election Commission of Nova Scotia.

Marie Mullally, FCA, MBA – Director

Marie Mullally, FCA, MBA is President & CEO of Credit Union Atlantic (CUA). CUA is a customer owned financial institution providing banking services and financial solutions to individuals and businesses in Greater Halifax/Dartmouth, and is one of the largest credit unions in Atlantic Canada.

Ms. Mullally has served as a member of a number of private, not-for-profit and public sector boards. In 2007, she received a Fellow Chartered Accountants designation and in 2008 was named CA of the Year. Ms. Mullally has also been named one of Atlantic Canada's Top 50 CEO's and she holds a Certified Director designation from the Institute of Corporate Directors.

Board of Directors (continued)

Cheryl Newcombe – Director
Cheryl joined the Airport Authority Board in July 2005. She is President of the Human Resources Association of Nova Scotia, Chair of the Canadian Council of Human Resource Associations, and is the past Chair of the Halifax Regional Water Commission.

Robin Wilber – Director
Robin is President of Elmsdale Lumber Company Limited, a position he has held for over 30 years. He is responsible for the management of day to day operations of the sawmill, and provides leadership and direction to upwards of 60 staff. Robin is also Partner in Wilber & Fenton, a housing development company and Corridor Developments, a residential rental development company. He is the immediate past Chairman of the Maritime Lumber Bureau, President of L&R Property Management Ltd., a member of the East Hants Water Advisory and Protection Committee, and a founding member of the East Hants & District Chamber of Commerce.

Michele A. Wood-Tweel, FCA, CFP, TEP – Director
Michele is CEO and Executive Director of The Institute of Chartered Accountants of Nova Scotia (ICANS). Before joining ICANS, she practiced with KPMG LLP for over 20 years in the areas of personal taxation and financial planning. Michele is a member of the Board of Trustees of the IWK Health Centre Foundation and a Director of Efficiency Nova Scotia Corporation. She is a past Chair of Saint Mary's University Board of Governors and has previously served on the Boards of the Halifax-Dartmouth Bridge Commission, The Royal Nova Scotia International Tattoo Society and the Halifax Chamber of Commerce.

Our People (During 2013) Peter Hilton, Doug Eisan, Zack Zunic, Stephanie Gorman, Anita Chisholm, Joyce Carter, Blair Christian, Darin Clarke, Alex Lyall, Peter Spurway, Ron Conway, Kelly Corbett, Darrell Corkum, Bill Cowan, Bill Crosman, David Dawe, Daniel Archibald, Shawn DeLong, Jonathon Heffernan, Sean Dempsey, Tara Wheaton, Bobby Ettinger, Joanne Fabrizi, Matt McDonald, Daniel Chandler, Mark Fletcher, Paul Chisholm, Paul Tuttle, Derek Forrest, Ivan Frame, Stephen Fudge, Jamie Wilkins, Bruce Gaudet, Syeda Nargis, Cliff Gillie, Barry Woynar, Twila Grosse, Gregory Shackleton, Scott Baines, Keith Gurschick, Dean Bouchard, Kellie Hannam, Michael Hartlen, Jim Moulton, Steve Bezanson, Michael Healy, Steve Nelson, Robert Hewitt, Chris Collier, Todd Hickey, Cathy Towers, Donald Mattinson, Steven Hilchie, Donna Anderson, Paul Hood, Stephen Whalen, Catherine Huddleston, Tom Murray, Janet Ingraham, Mark Bowser, Zack Keeping, Chris Cartwright, Burton Wright, Danny Kennedy, Jeremy Bedard, Peter Khattar, David Brown, Michael Hatfield, Jamie Dwyer, Marcel Laforest, Tim Leeman, Shawn Hicks, Dean Letto, Paul Dalrymple, Andy Lyall, Michael MacEwan, Carol Mackie, Bill Turple, Tom Winsor, Debby MacLeod, Jeff MacMillan, Taras Chemerys, Alexa Chegrinec, Kelly Martin, Brian Gillette, Paula Cannon, Clayton Maynard, Tim Bull, Betsy McCully, Milly Walker, Marcia Connolly, Robert Clarke, Jo-Anne McLean, Leonard Brown, Tonya McLellan, Gord Duke, Kevin Boutilier, Delbert Geddry, Scott Singer, Tony McMillen, Howard Rose, Terry Hilchey, Edward Dempsey, Doug Meek, Alan Carragher, Robert Miller, Wayne DeCoste, Tara Mombourquette, Tim Zinck, Carl Brown, Kevin Mosher, Arnold Wood, Karen Murphy, Sherrie Clow, Reg Beeler, Marlene More, Jennifer Best-White, Vernon Myers, Todd D'Arcy, Rick Boutilier, Larry Naugle, Ruth Stoddard, Sandi Nicholson, Rick Gooding, Art Nowen, Kim Oakley, Alan O'Leary, Steven Clarke, Patrick Oster, Al Pace, Reg Verge, Gordon Brooks, Drake Clarke, Cathy Paget, Jennifer Delorey Lyon, Rhonda Brassard, Ashley Gallant, Joey Young, Malcolm Phippen, Lee Nolter, Tim Fisher, Mike Rantala, Scott Roberts, Chris Altass, Leigh Robinson, Kim Porter, Harry McMullen, Paul Baxter, Norman Ross, Tom Ruth, Gerry Rygiel, Michael Samson, Joe MacLean, Rachael Robinson, Jane Scott, Roxanne Hilchie, Bug Turple, Valerie Seager, Dan Pride, Robert Silver, Danny Chaplin, Alex Skinner, Peter Sworin, Nicole Burchell-Isenor, Jerry Staples, Nancy Fong, Kris Stevens, Garth Barber, John Melbourne, Laurie Brown, Richard Garson, Dan Tanner, Lydia Bowie, Jim Tanswell, Corey Teed, Brian Thomas, Troy Appleby, Joyce Hoskin, Mark Urquhart, Christina Yeadon, Ken Bayers, Mike Walker, Craig Singer, Jack Weir, Bill Wellwood, Mike Maxwell, Shelia Williams, Todd Ball, Rick Wyatt, Donald Myers, Joey MacPherson, Tom Antonio, Karen Sinclair.

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