

# Momentum

Halifax International Airport Authority  
2023 Annual Report



# Land Acknowledgment

Halifax Stanfield International Airport is located in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People.

We acknowledge the Peace & Friendship Treaties which Mi'kmaq Wəlastəkwiyik (Maliseet), and Passamaquoddy Peoples signed with the British Crown in this Territory.

We recognize that we are all Treaty People.





# Mission

Accelerating the growth of our communities by connecting people and goods to the world

# Vision

Inspired people and partners creating Canada's best gateway airport



# Strategic Priorities



**Champion People and Community**



**Reinforce our Foundation**



**Chart New Territory**



**Advance the Stanfield Experience**



**Lead a Sustainable Future**

# Message from the Chair of the Board

John S. Fitzpatrick, K.C.

As we close the book on 2023, I can't help but stand in awe of all that our team has achieved. Last year our airport saw a massive resurgence in travel. In stark contrast to the past few years, people are finally on the move again.

I am incredibly proud of our Board and HIAA teams and the way they translated that momentum into a year of spectacular recovery and growth. I am grateful to have begun my tenure as Board Chair of Halifax International Airport Authority (HIAA) on such a high note.

Of course, welcoming more people means every part of our airport is working at full speed to ensure safe and efficient travel. As a Board, we knew we had to harness this energy to solidify our recovery for the long-term. That meant setting clear priorities, while simultaneously remaining adaptable to a shifting business environment. To achieve this, our organization underwent a comprehensive Enterprise Risk Management review in 2023, which resulted in a proactive and updated risk management strategy.

We also conducted a comprehensive governance review to make sure the Senior Leadership Team, the Board, and HIAA employees are all working collaboratively to advance our strategic priorities and address emerging areas of board oversight. The result of this work became effective in January 2024 and included updated Board Committee terms of reference.



I am pleased to say that, in 2023, HIAA achieved financial sustainability for the first time since 2019. Given the pandemic challenges the aviation sector has and continues to face in recovery, our positive cashflow position is no small feat and is a testament to our team's determination and dedication to charting a fiscally sustainable path that allows us to invest in our growth.

Early on in our recovery planning, we recognized that any strategy that neglected the needs of passengers would not succeed. So, we took steps to prioritize traveller experience and invested strategically in areas, such as Verified Traveller, that would have the greatest impact on overall satisfaction.

This included investments in new technologies to bolster the Halifax Stanfield experience and strengthen our position in a competitive market, while renewing our commitment to our people and community.

As part of our ongoing capital plan, major projects were completed including a new taxiway to the end of Runway 14 to enhance efficiencies and reduce the airport's carbon footprint. The expansion of our International Connections Facility will also better position Halifax Stanfield as a convenient hub for our airline partners and their passengers by negating the need to retrieve luggage and clear customs for a second time.

We are also immensely proud of our Carbon Management Plan, which is critical to reducing our carbon footprint. Because of a number of leading initiatives, we are well on our way to net zero carbon emissions by 2050.

In such a pivotal time, we can not afford to shy away from challenging conversations. We must be ready to have frank discussions about who we are, and where we are going. At the Board, we have maintained an environment that is open to new ideas with an awareness that HIAA must be responsive to the evolving needs of our travellers, visitors and employees.

I am proud that we have continued to build on our principles of diversity, equity and inclusion (DEI) and to ensure that our leadership reflects the distinct needs of our community. As we look ahead, we recognize that DEI initiatives must be central to our future planning. At the Board level, we have implemented metrics that enable us to track the success of our DEI goals.

As I think about Halifax Stanfield's post-pandemic recovery, I would be remiss not to highlight the contributions of my predecessor Stephen Dempsey, who expertly guided us through the early days of the pandemic. I would like to personally thank Stephen for his support as I assumed the role of Board Chair. He has been a tremendous friend and mentor to all of us at HIAA.

I would also like to express my deep appreciation and gratitude to Joyce Carter for her exceptional leadership over the past year and throughout her tenure as President & CEO. Joyce's pragmatic dedication has carried Halifax Stanfield through tough times and her genuine care for HIAA's employees and tenants, and the travellers and communities we serve is evident every day.

I am also grateful for the support of my retiring Board colleagues, Ann McLean, Ann MacKenzie, Sherry Porter, and Joe Fiander. They have all contributed greatly and their guidance and support will be surely missed.

As travellers are booking into 2024 and beyond, HIAA is sending a clear message - we are back and in a strong position to continue serving our guests and harnessing their excitement to travel once again.



# Message from the President & CEO

Joyce Carter, FCPA, CPA

In 2023, Halifax International Airport Authority (HIAA) and the entire airport community laid a solid foundation upon which we are excited to build. Together, we took on the tremendous task of restarting and recruiting numerous air passenger services, welcoming millions of travellers, and building the systems we need to thrive long-term. I'm proud of the way we handled these challenges – harnessing the dedication of our entire team and all our partners to provide the seamless service we're known for.

At times in 2023, we asked a lot of our partners, our team members, and our travellers. Travel patterns have changed, and the aftereffects of the pandemic continue to be felt by everyone in the aviation industry. That's why our many successes are so encouraging. They demonstrate that Halifax Stanfield is ready to create even more positive experiences for our local communities and visitors from around the world.

As a significant economic engine that accelerates the growth of Nova Scotia's economy, Halifax Stanfield consistently punches well above its weight in the air transportation industry. In 2023, we continued to invest in our hub strategy. We worked with our partners to simplify customs and security processes so that passengers can spend more time enjoying the comfort and convenience of our airport.



Through our strategic plan and the dedicated efforts of our business development and operations teams, we continue to showcase the very best our region has to offer, while also building new partnerships, fostering positive change, and making a lasting impact in our local communities.

And our hard work paid off! In 2023, we welcomed nearly 3.6 million passengers who were eager to travel, almost half a million more than in 2022. This result is a testament to continued travel demand, the industry's recovery efforts and our team's dedication. We celebrated the return of popular domestic and international routes, giving travellers more options and flexibility. We invested in the safety and comfort of travellers and airport visitors – taking care to make sure each guest enjoyed the highest quality service at every step of their journey.

Cargo activity remained strong in 2023, with 39,450 metric tonnes processed at Halifax Stanfield – the second-best year on record. Nova Scotia’s world-renowned lobster was the province’s most popular export by air. In 2023, our team collaborated with businesses, freight forwarders and cargo airlines to ensure lobsters and other popular export products were safely and efficiently transported to destinations around the world.

As recovery from the pandemic began, we knew that reinforcing our foundation would be more important than ever and that our return to full service would require us to chart new territory. As we transitioned from recovery and started to cast our vision for the future, we seized opportunities to make Halifax Stanfield a leader in air transportation – especially in safety and sustainability.

In 2023, we performed energy audits to help us on our journey to achieving our commitment to net zero carbon emissions by 2050. We worked with external partners to take our carbon accreditation to the next level and expanded our support for electric vehicles to benefit passengers, visitors, and airline partners. We have initiated the conversion of our light-duty vehicles to electric, and we’ve modified our procurement processes to foster partnerships with businesses that are leading the way in sustainability. These projects make our airport greener and more sustainable.

We were immensely proud to celebrate a milestone in August 2023 of over two years without any lost-time workplace injuries.

Safety is in our culture. It’s integrated into every decision we make. It is ingrained in each employee, whether they work in the terminal building, on the grounds, or on the airfield. At Halifax Stanfield, we know that safety is everyone’s job, and we look out for each other.

I’m proud that last year we also completed an Accessibility Plan, making travel easier and barrier-free. In conjunction with community partners, we’ve developed a strategy to tangibly enhance our commitment to inclusivity. This includes built-in accountability measures to make sure we’re moving in the right direction.

I’m grateful for the many ways that our team was able to harness the eagerness of travellers into meaningful growth for our airport. I’d like to personally thank everyone who has helped turn this into reality – including HIAA’s Board of Directors, our airport partners, all airport workers and HIAA employees, and our volunteers at Halifax Stanfield.

To everyone who contributed to our success this past year, thank you so much for bringing your absolute best each day, and for your positive outlook and impact on our organization and our community.

Looking ahead to 2024, I am optimistic and enthusiastic about the trajectory for Halifax Stanfield. I can’t wait to see where this momentum takes us next!

A handwritten signature in black ink, appearing to read "J. Carter". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.





# Champion People and Community







Outreach partnerships are at the core of HIAA's strategic plan. In 2023, as part of the pandemic recovery process, HIAA was proud to introduce its revitalized community outreach and sponsorship program – Uplifted.

“Uplifted is all about amplifying the great work that is already happening in our communities,” said Nicole Blanchard, Community & Customer Relations Coordinator at HIAA. “It’s about forging connections with the people and organizations who are on the frontlines of service to others and empowering them in their work.”

Through three intake periods per year, HIAA will review applications and allocate funding to organizations that are making Halifax and the surrounding region a better place.



As part of the inaugural intake period, Uplifted allocated much-needed funds to local organizations like Veith House, which used the funding to expand their summer day camps for children in Halifax's North End. “Over fifty per cent of households who apply to our day camps request subsidized registrations,” said Sara Burgess, Executive Director at Veith House. “The funding we received allowed us to accommodate all of these requests, and gave us the flexibility we needed to continue building a strong and vibrant community in the North End.”

HIAA also joined forces with groups advocating for veterans and people with disabilities, helping them grow their reach and magnify their positive impact.



Alliances like this have shown the power of working with community partners – but Uplifted doesn't stop there.

“At HIAA, we know that many of our colleagues are already actively giving back,” said Blanchard. “Whether they volunteer at a food bank, coach a minor league hockey team, or grow a moustache to raise funds for men's health during Movember, the team at Halifax Stanfield play an active role in their communities. That's why HIAA has created an internal component to Uplifted, setting aside dedicated funds employees can access to support causes they are passionate about.”

HIAA employees who applied through Uplifted in 2023, directed funding to organizations that are making a transformational difference in the lives of others. Whether it's funding local program initiatives, providing local housing solutions, or enabling people with disabilities to participate in sports, the HIAA team is involved with a myriad of inspiring organizations that are bringing a spirit of hope and comfort to people across our province.

Working with charitable organizations and community outreach partners is only one aspect of HIAA's work to champion our region. “When people arrive at Halifax Stanfield – whether they're connecting to another destination or staying for a visit – we make sure that they're greeted by the very best of Nova Scotia,” said Jamie Dwyer, HIAA's Terminal Business & Airport Experience Manager.

At Halifax Stanfield, visitors have the opportunity to get an authentic taste of the region, even if they're just passing through.



Jamie Dwyer, Terminal Business & Airport Experience Manager, HIAA

“What better way to show people local flavour than with food! Our partners and tenants offer travellers an excellent variety of choices – from classic Halifax donairs to craft ciders from local orchards. It's all part of showcasing the very best of the city and region we love.”

For years, HIAA has worked to ensure visitors leave with a deeper understanding of Nova Scotia, demonstrating that beyond the lobsters and lighthouses lies a richness of culture and history that makes Nova Scotia a destination of choice.

“In 2023 Halifax Stanfield hosted multiple events to demonstrate our appreciation for the communities that make our region so amazing,” said Dwyer. “We were proud to partner with organizations like the Black Business Initiative and the Mi'kmaq Nation as they celebrated their history and heritage with travellers in unique and powerful ways.”

These events were incredibly well-received by thousands of visitors and have sparked meaningful conversations about HIAA's commitment to diversity, equity and inclusion.



Whether it's through hosting cultural performances, showcasing local artists or championing entrepreneurs from various fields and backgrounds, Halifax Stanfield is dedicated to showing the beauty and vibrancy of communities across the province.

Looking ahead, HIAA is working to renew these partnerships and expand on its thematic plan, bringing more of the province into the airport for travellers to experience.

Halifax is growing, and the world wants to see more. By highlighting the incredible work of community groups and not-for-profits, and by putting the cultural richness of Nova Scotia on full display, Halifax Stanfield continues to be a fierce advocate for the people and communities that have taken the region to new heights.

## 2023 Highlights

- Provided \$59,475 in community donations and sponsorships.
- Celebrated our region's culture and diversity through partnerships and events:
  - Welcomed a special Air Canada Montreal to Halifax flight operated by Black crew members for African Heritage Month.
  - Hosted a Dynamic Rural Black Business Series event in partnership with the Black Business Initiative and Saint Mary's University.
  - Hosted a vendor market during Mi'kmaq History Month in Domestic/International Departures.
- First airport authority in Canada to be Rainbow Registered, meaning our organization is an accredited 2SLGBTQI+ welcoming and inclusive place.
- Supported the arrival and welcoming of 1,500 people on seven refugee flights.
- Completed a comprehensive review of HIAA's Enterprise Risk Management program.
- Completed Connections ERP Program by adopting Oracle modules related to learning, performance management and recruitment.
- Offered Diversity, Equity & Inclusion employee training and awareness sessions on implicit bias, allyship and gender identity.





# Reinforce Our Foundation





Joshua Kolstee, Manager, Airside Services, HIAA



In 2023, millions of travellers returned to Halifax Stanfield, ready to take their long-postponed trips, resume in-person business meetings and visit loved ones after years apart. With such an increase in demand, the need to reinforce the airport's core services became more important than ever.

Over the past year, Halifax Stanfield celebrated the completion of several projects, including the construction of a crucial taxiway to the end of Runway 14, which streamlined airport operations and drove efficiencies.

“This multi-year project is the result of a concerted effort to strengthen airfield safety and efficiency,” said Michael Eakins, Airside/Groundside Infrastructure Manager at HIAA. “Instead of backtracking on the runway, departing aircraft can now taxi from their gate straight to the end of the tarmac. Inbound aircraft have easier access to runway exits.

**It's safer, easier and more efficient – a real win-win-win for everyone at Halifax Stanfield.”**

Construction to connect the runway end began in 2022, and was completed in November 2023. In recognition of the taxiway's value to Halifax Stanfield's recovery and its positive environmental impact, HIAA received funding from Transport Canada's Airport Critical Infrastructure Program to support the project and other airfield improvements.





“It takes a little longer to build something so big in an operational airfield environment – but it was worth the wait,” said Eakins. “The project has cut aircraft queuing times, reducing congestion on the main apron, and added to the safe and secure operation of the airport.”

As Halifax Stanfield looks to leverage the success of 2023 into long-term growth, these kinds of practical improvements to the airport are essential. The taxiway construction is just one part of HIAA’s broader airfield and terminal development programs that are laying the groundwork to ready Halifax Stanfield to meet its forecasted growth in flight activity.

Not only do these foundational enhancements get travellers on their way faster, but spending less time on an active runway makes the airport safer. Less time idling makes operations more sustainable, and having key entry and exit points along the runway creates greater flexibility for stakeholders and airlines. The reduced idling time will yield an estimated annual reduction of 374 tonnes in carbon emissions.

In addition to the work on Runway 14, the team at HIAA has also been busy strengthening other components of the airport’s essential infrastructure. Over the past year, Halifax Stanfield continued a fleet replacement program, scheduled to wrap up in 2025.

“We ensure our teams have the right tools to do the job. Whether it’s clearing snow, generating runway condition reports or enhancing our rescue and firefighting capacity, we need vehicles that are up to the task,” said Joshua Kolstee, Manager,

Airside Services at HIAA. “But it doesn’t happen overnight. Delivery timelines range from between six and eighteen months, and once we have the vehicle on-site, it takes time to get employees trained and learn the dynamics of each piece of equipment. That said, it’s extremely rewarding to watch as these projects come to fruition after months of hard work by our entire team.”

Fleet replacement and expansion projects are making HIAA safer and more efficient in the long term. For instance, the addition of more Aircraft Rescue and Firefighting equipment will allow the airport to maintain its response category rating even when these assets need to be taken out of rotation for maintenance. Switching from traditional fuel-powered vehicles to electric vehicles and adopting more efficient heavy-duty fleet models has led to a reduction in fuel consumption by thousands of litres annually. Increasingly severe weather events will be much more manageable with vehicles that can reliably operate for hours and days on end.

“We can’t afford to be short-sighted,” said Kolstee. “As we continue the fleet replacement program, we’re working with each member of our team to get their feedback, foresee potential challenges and make sure our fleet is dependable and sustainable.”

In the coming years, HIAA will continue to receive more vehicles, train new staff and reinforce the existing fleet. From runway sweepers to loaders, blowers and light duty fleet, there’s always work to be done, but with the groundwork laid in 2023, the team at Halifax Stanfield is well-prepared to take on any challenge.





## 2023 Highlights

- Completed construction of new taxiway 'November' on Runway 14.
- Welcomed 3.6 million passengers.
- Replaced 54 self-serve kiosks in both check-in halls.
- Implemented universal self-serve bag drop services available to all airlines, enhancing user experience and extending functionality.
- 39,450 metric tonnes of cargo processed.
- Icelandair, United Airlines and Delta Air Lines announced their return to Halifax Stanfield in 2024.
- WestJet announced the return of non-stop European services in 2024, including Edinburgh as a new destination.

# Air Service Summary

## Scheduled Passenger Services

Interest and demand for air travel to the Atlantic Region continued to grow in 2023 and our airline partners responded by expanding Halifax Stanfield's air capacity over the year and announcing further expansion for 2024. Air Canada remained Halifax Stanfield's largest airline partner in 2023, while several other airlines added capacity in Halifax including Porter, Condor, Discover Airlines, Air Transat, Sunwing, and Flair.

Overall, Halifax Stanfield welcomed 3,579,293 passengers in 2023, which represented a 15 per cent increase over 2022. Passengers were able to travel to and from 35 non-stop destinations around the world.

Despite the temporary suspension of some popular non-stop European routes in 2023, the international sector still demonstrated a strong recovery. Condor and Discover Airlines returned with their popular non-stop services into Frankfurt, Germany, and Air Canada continued with their year-round London Heathrow service. We also saw increased international growth to winter sun leisure destinations as our airline partners expanded their service offerings to U.S. sun and Caribbean destinations in 2023.

U.S. recovery remained slower than international air service in 2023, with American Airlines being the sole U.S.-based airline to serve Halifax Stanfield in 2023. Daily, non-stop summer seasonal flights to Philadelphia and weekly flights to Boston and Washington, D.C. remained popular. Air Canada's year-round Boston service and their new year-round service to Newark that launched in late 2022 offered passengers convenient non-stop

service to high-demand markets. During the winter months, our airline partners continued to rebuild their Florida services, supporting three destinations: Orlando, Tampa, and Fort Lauderdale.

Looking ahead to 2024, Halifax Stanfield will significantly expand its connections to the New York area through non-stop services by returning airlines United Airlines and Delta Air Lines, and New York will be a new destination offered by American Airlines. Icelandair will return for the first time since 2018 with non-stop service between Halifax and Reykjavik and WestJet will bring back non-stop transatlantic flights to Dublin, London Gatwick, and a new destination, Edinburgh. HIAA is also excited to welcome BermudAir which will be running weekly year-round service beginning in 2024.

As the gateway to Atlantic Canada and a central hub airport for both passengers and cargo, HIAA's Air Service Development team continues to work closely with existing and prospective airlines to increase and maintain Nova Scotia's connections to the world. The following is an overview of all the destinations served and air carriers, both passenger and cargo, that operated during 2023.

## Scheduled & Charter Air Carriers

Air Canada  
Air Canada Jazz  
Air Canada Rouge  
Air Saint-Pierre  
Air Transat  
American Airlines  
Condor Flugdienst  
Discover Airlines  
Flair Airlines  
Lynx Air  
PAL Airlines  
Porter Airlines  
Sunwing Airlines  
Swoop  
WestJet  
WestJet Encore

## Cargo Carriers

Air Canada Cargo  
Air Saint-Pierre  
ASL Airlines Belgium  
Atlas Air  
Cargojet  
Condor Flugdienst  
Discover Airlines  
EVAS  
FedEX  
Korean Air Cargo  
WestJet Cargo

## Domestic Destinations

Calgary, AB  
Deer Lake, NL  
Edmonton, AB  
Gander, NL  
Goose Bay, NL  
Hamilton, ON  
Kitchener-Waterloo, ON  
London, ON  
Montréal-Trudeau, QC  
Ottawa, ON  
Quebec City, QC  
St. John's, NL  
Toronto - Billy Bishop, ON  
Toronto - Pearson, ON  
Vancouver, BC  
Windsor, ON  
Winnipeg, MB

## U.S. (Transborder) Destinations

Boston, Massachusetts  
Fort Lauderdale, Florida  
New York - Newark  
Orlando, Florida  
Philadelphia, Pennsylvania  
Tampa, Florida  
Washington-DC-Reagan, Virginia

## International Destinations

Cancun, Mexico  
Cayo Coco, Cuba  
Frankfurt, Germany  
Holguin, Cuba  
London-Heathrow, UK  
Montego Bay, Jamaica  
Puerto Plata, Dominican Republic  
Punta Cana, Dominican Republic  
Santa Clara, Cuba  
St. Pierre, St. Pierre et Miquelon  
Varadero, Cuba







# Chart New Territory

YHZ EXPRESS



(left) Dimitri Dimitriou, Airport Service Centre Coordinator, HIAA  
(right) Ryan Garnett, Senior Manager, Business Solutions, HIAA

Ever since Halifax Stanfield opened its doors more than 60 years ago, it has continuously been improved and enhanced. Encoded in its history is a spirit of relentless innovation and growth, empowering people to travel and explore.

Today, that pursuit remains inherent in everything HIAA does. As more people pass through Halifax Stanfield, airport operations have become proportionately complex. Coordinating with dozens of airline partners, taking care of millions of travellers and simultaneously maintaining high standards of service has presented some unique challenges.

Thankfully, as technology advances and evolves, the Halifax Stanfield team is able to make use of exciting new resources to help keep pace with the ever-changing nature of air travel and make travel as stress-free as possible for passengers.

No one knows this better than Ryan Garnett, Senior Manager, Business Solutions at HIAA. “We’ve created a culture that embraces data analytics, using technology to make the best decisions possible,” said Garnett. “Everything I do is dedicated to reducing travel anxiety, using the information to make sure people can get to their gate relaxed and on time.”

Over the past year, multiple teams at HIAA have worked to build new data analytics systems to collect information from multiple sources, organizing and shaping it to meet the needs of travellers and carriers.

One of the most tangible outcomes of these carefully crafted systems is YHZ Express – a new online reservation system designed to streamline travellers’ security screening.





This free service allows travellers to book a spot in the domestic/international security screening line, giving them peace of mind about the time it will take to get to their flight.

Since YHZ Express was introduced in August 2023, passengers have enjoyed this simplified process, which has taken the stress out of security screening, and enabled them to spend more time relaxing and enjoying all that Halifax Stanfield has to offer.

But according to Garnett, this is only the beginning. “In 2023, we created the framework that will help us automate more data collection to take the guesswork out of travel. From the moment travellers book their ticket, we’ll be able to equip them with the tools to make the right decisions at the right times to handle whatever comes their way.”

As cargo and airline passenger volumes surged back in 2023, every member of the Halifax Stanfield team has had to work together to meet the demand. Every day, staff are confronted with new challenges as they navigate the complexity of flight schedules and airline business.

Airport infrastructure investments are vital for growth. These projects ensure improved services and capacity, benefiting both passengers and airlines. For example, the construction of the new taxiway to Runway 14 enhances airline access and reduces delays. The new International Connections Facility will offer an improved passenger experience for those arriving on international flights and connecting to a domestic departure.

“We know where our pressure points will be,” said Alexa Taggart, Airport Service Centre Supervisor. “We adapt our operations to meet passengers’ needs while taking into account the physical capacity of our airport.”

HIAA’s embrace of new technology has made these growing pains far more manageable. Coinciding with the initiation of YHZ Express, Halifax Stanfield also launched its partnership with the Canadian Air Transport Security Authority (CATSA) to introduce the Verified Traveller program. This initiative has improved the security process for thousands of passengers by offering simplified screening measures to eligible travellers.

Bag drop services have also improved thanks to new tools that have brought multiple partners together under a single system; expanding the use of check-in kiosks has opened the door to welcome more airlines and travellers; and making these kiosks more accessible has extended HIAA’s ability to offer an inclusive, barrier-free experience to all visitors.

**“The airport has changed – in a good way,” says Taggart. “The return of more airlines and travellers has energized all of us, and innovation allows us to give our passengers top-notch service.”**





As technology advances, HIAA is capitalizing on opportunities to expand airport capacity and alleviate passengers' anxiety. Data is helping to equip travellers with more information so they can plan their time. Behind the scenes, advancements in AI are helping transform HIAA's operations, making them more efficient, secure, and responsive to passenger needs.

This drive towards optimization is keeping HIAA at the leading edge of air travel. As each team continues to work in close collaboration, sharing best practices and learning about the endless opportunities that technology presents – the sky is truly the limit.



## 2023 Highlights

- WestJet Cargo launched new freighter service to and from Halifax Stanfield.
- Collaborated on marketing initiatives with Tourism Nova Scotia and Discover Halifax in support of increased visitation.
- Introduced more efficient security screening options with Verified Traveller and YHZ Express.
- Implemented new service and support contracts for cellular services, parking applications, website hosting and maintenance, and common-use passenger processing systems.
- Initiated construction of a new International Connections Facility.
- Porter Airlines expanded its capacity at Halifax Stanfield by introducing non-stop service to Toronto Pearson with their new E195 jets.
- Air Canada increased capacity with more non-stop seats available to and from Vancouver.



# Advance the Stanfield Experience







Jo-Anne McLean, Director, Commercial & Airport Experience, HIAA

Halifax Stanfield strives to always treat every passenger like family and offer best-in-class services. Whether you're hurrying to close a last-minute business deal, taking off on your honeymoon or reuniting with family, the entire airport community is here to support you.

But we recognize that in a post-pandemic world, many people have forgotten how demanding travel can be, and returning to the airport amidst a flurry of activity can be stressful. In 2023, HIAA took steps to restore the vital support programs that have long helped instill a sense of calm in passengers.

"It's all part of The Stanfield Way," said Jo-Anne McLean, Director, Commercial & Airport Experience. "Every member of the Halifax Stanfield team - whether they work for HIAA or one of our partner organizations - must be united in our efforts to be happy, helpful, courteous, caring, and kind. This means that everyone is working together to help passengers feel welcome at our airport."

Volunteer members of the Tartan Team are indispensable to these efforts. Their here-to-help attitude and keen eyes for anyone having a hard time has brought relief to thousands of travellers and guests over the past year. Building on their inspirational work, efforts are being made to expand the Tartan Team, making sure that it is responsive to the diverse needs of visitors and is reflective of the many people and cultures the airport serves.

Halifax Stanfield was also proud to welcome back the St. John Ambulance Therapy Dog program, which, since 2015, has been a source of excitement and comfort for passengers of all ages - easing their minds and enhancing their experience.







In 2023, the airport's dedication to travellers' wellbeing also resulted in the creation of a new Accessibility Plan. In partnership with Atlantic Accessibility Consulting, HIAA focused intensely on engaging with community members, discussing their needs and taking concrete action to provide a more inclusive and barrier-free experience for people of all abilities.

The Accessibility Plan brought together all team members who interact with passengers, making sure they are equipped to help visitors easily navigate the airport. All employees were required to undergo training on how to best assist passengers with disabilities. Additionally, employees who have a mandate to interact physically with passengers were given another level of intensified training.

"It's not enough to simply meet the existing accessibility regulations – we need to be going above and beyond," said McLean. "We now have a plan that is fiercely devoted to acting on the feedback we received through our community consultations, to guarantee that everyone, regardless of their ability, is treated equitably."

For example, in 2023, not only did Halifax Stanfield welcome back Autism Aviators – a program dedicated to helping reduce stress for travellers on the autism spectrum through advanced tours of the airport – but the program has also been expanded. Offered in partnership with Autism Nova Scotia, the program is now available to a diverse range of individuals who could benefit from an understanding of the expectations of travel.

Part of striving towards a barrier-free environment includes ensuring all of our self-service kiosks are accessible. Modifying the height and technology available at each kiosk ensures that from the very first part of their journey, travellers have access to the high-quality services that are valued at Halifax Stanfield.

The Stanfield Way truly encompasses every aspect of travel. From the check-in hall to baggage claim, HIAA is working to make visitors' experience the very best. But none of this would be possible without an unyielding dedication to safety.

"Quality and safety go hand in hand," said Melissa Upton, Safety Advisor at HIAA. "To deliver the very best service, we also have to ensure safety concerns are reported and addressed."

In August, HIAA celebrated a record milestone of over two years with zero lost-time injuries. This achievement represents over 700,000 hours of work, where no team member sustained an injury that required them to miss time at work. In an airport, where employees walk thousands of steps every day, manage complex building systems and work in harsh weather conditions, this accomplishment is a profound testament to the way the Halifax Stanfield team has faithfully kept each other safe.

"It's really incredible if you think about all the different jobs and skilled trades that are involved in running the airport," said Upton. "From our certified tradespersons to our experienced staff in the office, there's no way we could have reached this milestone without everyone working together."



Advancing the safety of visitors has also been top of mind over the past year. In August, Halifax Stanfield received Public Health and Safety Readiness Accreditation through Airports Council International. HIAA recognizes the need to be ready for future public health emergencies. These efforts included the development of specialized crisis management plans, which are regularly exercised, and can be quickly activated, as well as an inventory of public health supplies to ensure the airport is as prepared as possible.

The future is bright for travellers visiting Halifax Stanfield. By championing safety and inclusivity as top priorities, HIAA continues to invest in ensuring travel is enjoyable, accessible and hassle-free for all.



(left) Melissa Upton, Safety Advisor, HIAA  
(right) Whitley Maybee, Executive Aviation

## 2023 Highlights

- Implemented accessible check-in kiosks and curbside assistance paging system.
- Achieved ACI-North America Customer Experience Accreditation Level 1.
- Achieved passenger satisfaction rating of 86.4% on 2023 Airport Service Quality (ASQ) Index survey.
- Hosted Altitude East, Atlantic Canada's premier air service development conference.
- Proudly welcomed 5,000+ athletes, coaches and supporters for the North American Indigenous Games held in Halifax.
- Welcomed new eateries & shops for a delightful airport experience – JJ's Snack Bar in U.S. departures and The Pizza Box in Domestic/International.





# Lead a Sustainable Future







In 2023, several significant projects dedicated to making the airport more environmentally friendly were brought to completion, paving the way for the exponential improvement of Halifax Stanfield's sustainability efforts.

Major updates to the approach lighting system on Runway 14 saw traditional incandescent lighting systems replaced with eco-friendly LED lighting systems. This enhancement represents the final milestone in HIAA's progressive transition to LED systems across all airfield ground lighting facilities.



"These lights are required to be turned on a lot. Around 4,400 hours per fixture per year," said Michael Eakins, Airside/Groundside Infrastructure Manager at HIAA. "This year's upgrades mean that all runway approaches are now equipped with eco-friendly lighting systems that help continue our decarbonization efforts."

The transition to LEDs represents a 65 per cent energy reduction compared to traditional lighting fixtures, saving almost 80,000 kilowatt hours' worth of energy per year. That's enough energy to power approximately seven average-sized homes for an entire year. Additionally, with LEDs, far less energy is wasted in the form of heat and infrared light leakage.



But LEDs are not only more energy efficient than incandescent fixtures. They also last longer and burn brighter. Their improved performance and intensity also ensure that Halifax Stanfield exceeds the photometric requirements set out in aerodrome regulations that are necessary to keep airfield facilities safely operating and flights moving without delays.

"The new lighting system is a game-changer," said Eakins. "Not only do these lights help drive down our emissions, but their quality and consistency are streamlining the work our ground crews and electricians do every day."



Halifax Stanfield continues to progressively improve the sustainability of the terminal building as well. An energy audit conducted in 2023 identified specific areas and equipment that will be optimized to improve the efficiency of the building.

“As assets age and need to be replaced, we’re capitalizing on the best technology that will make the terminal more efficient,” said Arnold Wood, Air Terminal Infrastructure Manager. “The energy audit has given us a phenomenal foundation that we can build on in the years ahead as we replace equipment in a way that respects our stewardship of the planet.”

As part of the audit, one-third of the entire terminal building was retro-commissioned as heating and cooling systems were realigned to function at their very best. “The terminal building has been progressively expanded since the 1960s, and some of the control systems hadn’t been updated to match newer additions,” said Wood. “We’ve fixed that in the south end of the terminal building, aligning our systems to perform at maximum efficiency.” This process will continue in 2024 and 2025 until the entire terminal building has completed this modernization process.

HIAA is working to encourage greater use of zero-emission vehicles. In 2023, the Sustainability Committee at Halifax Stanfield hosted Next Ride – an organization dedicated to educating Nova Scotians on the benefits of electric vehicles. Next Ride brought electric vehicles on site, offering opportunities for stakeholders and tenants to experience EV efficiency and convenience first-hand.

We also expanded our electric vehicle (EV) charging stations for travellers, and added EV chargers on the airside apron for aircraft servicing equipment. Partnerships and initiatives like this are earning Halifax Stanfield worldwide recognition as a sustainability leader in the

aviation industry. In October, HIAA was proud to announce that the airport had upgraded its Airport Carbon Accreditation (ACA) through Airports Council International – North America (ACI-NA). Starting the year at Level 2, Halifax Stanfield took action to partner with tenants, stakeholders and airlines to encourage them to reduce their emissions and champion renewable energy. In recognition of these partnerships, HIAA attained ACA Level 3 – Optimization accreditation, marking its place as a defender of the environment, as it pioneers innovative solutions to protect the planet.

“HIAA is working hard to reduce emissions within the terminal building,” said Melissa Lee, Environment Program Specialist at HIAA. “And in 2023, we broadened our scope. To have the greatest impact possible, we prioritized working with stakeholders and tenants who occupy buildings outside of the terminal.”

In partnership with local environmental champions at Efficiency Nova Scotia, HIAA hosted a seminar that outlined funding opportunities that are intended to offset the cost of transitioning to green technology. This presentation also offered tips on how each stakeholder could implement energy-saving measures that can help them meet their own sustainability goals and save on operating expenses in the long term.

**“We’re busting the myth that you can’t save money and be environmentally friendly at the same time,” said Lee.**



Looking ahead, HIAA is preparing to build on the achievements of the last year. For example, in 2023, approximately one-third of terminal building waste, measuring 281 tonnes, was diverted from landfills. But as the world continues to intensify efforts to cut down waste, HIAA is working to expand waste avoidance. This includes implementing high standards for capital projects and ensuring that building and assembly materials are sourced through an environmental and sustainability lens.

The public expects sustainable leadership in the aviation sector. Whether it's supporting research into the electrification of aircraft or cutting down on the amount of garbage generated within the airport, HIAA is advancing a strong environmental strategy that will improve the Halifax Stanfield experience while protecting the planet for future generations.



Melissa Lee, Environment Program Specialist, HIAA

## 2023 Highlights

- Expanded electric vehicle (EV) charging stations in the public parkade and added EV chargers on airside apron for aircraft servicing equipment.
- Upgraded Runway 14 approach lighting to energy-efficient LED technology.
- Completed stormwater treatment plan upgrades.
- Completed ASHRAE (American Society of Heating, Refrigerating and Air Conditioning Engineers) Level 1 and Level 2 audits of the terminal building to identify opportunities to reduce energy consumption.
- Achieved ACI-North America Airport Carbon Accreditation Level 3.
- HIAA achieved its first positive annual financial results since 2019.



# 2023 Sustainability Report





## Sustainability is a cornerstone for the aviation industry and continues to be embedded into decision-making at HIAA.

HIAA has a long history of focusing efforts on the sustainability pillars of environment, social and governance (ESG). Although progress has been made in these areas, we formalized our sustainability approach by developing a sustainability plan based on our 11 sustainability priorities.

### Sustainability Priorities

#### Environment

Waste Management

Stormwater Management

Carbon Management

Climate Change Adaptation

#### Social

Diversity, Equity and Inclusion

Health, Safety and Security

Airport Experience

#### Governance

Economic Performance

Responsible Procurement

Enterprise Risk Management

Cybersecurity Resilience

Work on some of these priority areas is underway while others are identified as future opportunities to further HIAA's sustainability efforts. Sustainability highlights for 2023 are provided in the following sections.

# 2023 Sustainability Results

## ENVIRONMENT



### Waste Management

**33%** (281 tonnes) of air terminal building waste diverted from landfill

Includes cardboard, paper, recycling (such as plastic items and aluminum cans), and organics.



### Stormwater Management

**98%** conformance with provincial stormwater quality requirements



### Carbon Management

**20%** reduction (3,317 tonnes) in carbon dioxide equivalent emissions (CO<sub>2</sub>e Scope 1 & 2) compared to 2019

## Climate Change Adaptation

A stormwater climate risk vulnerability assessment, which was completed by HIAA in 2022, recommended improvements to mitigate the risk of extreme rainfall events. The first phase of improvements was started in 2023 and an additional study was performed to further evaluate the airfield drainage system. A storm system simulation exercise was completed to quantitatively assess the extreme rainfall event that occurred at Halifax Stanfield in July 2023 in comparison to climate change predictions. The model mirrored the generally understood conditions from the storm and verified that the airfield system is well-designed and has sufficient capacity to address the projected levels of extreme rainfall events over the next 25 years.



## SOCIAL



### Diversity, Equity and Inclusion

**12%** of HIAA employees are from one of the Government of Canada Employment Equity Act's designated groups (Indigenous, disability and racial minority)

**27%** of HIAA's employees identify as women compared to labour market availability of 27.3%

**47%** of HIAA's Senior Leadership Team identify as women or non-binary

**7%** of HIAA's Senior Leadership Team identify as being in another equity-deserving group

**18%** of HIAA's Board of Directors identify as being in another equity-deserving group

**55%** of HIAA's Board of Directors identify as women or non-binary



### Community Investment

**76%** of community investment supported DEI focused organizations or initiatives



### Health, Safety and Security

**96%** of HIAA's employees identify HIAA as a safe place to work



### Airport Experience

**86%** Airport Service Quality passenger satisfaction survey score



### Organizational Reputation

**3<sup>rd</sup>** most reputable organization in Atlantic Canada

**3** lost time workplace injuries

# 2023 Sustainability Results

## GOVERNANCE



### Economic Performance

**3,579,293**  
passenger activity

**1,580**  
cargo flights

**\$16 million**  
Net Income

**\$10.40**  
non-aeronautical  
revenue per passenger

## Responsible Procurement

HIAA is committed to ensuring its procurement practices support the organization's environment and social responsibility goals. In 2023, procurement documents were expanded to incorporate respondent data regarding sustainability and equity & inclusion policies. These efforts will continue in 2024 as all procurement and tendering documents are amended to facilitate expanded supplier diversity and reduced barriers to participation in HIAA's procurement activities.

HIAA is also amending its procurement policy to reflect HIAA's commitment to fostering a diverse and inclusive business environment and will actively seek out diverse suppliers to participate in our sourcing and procurement processes.

Additionally, HIAA is reviewing any risks of forced labour or child labour in its supply chains in compliance with its obligations under the Fighting Against Forced Labour and Child Labour in Supply Chains Act, which came into effect on January 1, 2024.

## Enterprise Risk Management

In 2023, HIAA reviewed and updated its Enterprise Risk Management program to ensure existing and potential risks that affect HIAA's strategic objectives and day to day operations are identified, assessed, monitored, and managed. Risks are regularly reviewed by the Senior Leadership Team and overseen by our Board of Directors.

## Cybersecurity Resilience

Achieving cybersecurity resilience is crucial as it enhances our ability to protect our passenger processing and related technologies to ensure efficient operations and stakeholder confidence in the integrity of our systems. In 2023, our cybersecurity resilience strategies prioritized resourcing, training, identity and access management, technical security services, network traffic inspection and protection, and remote access security. HIAA has a resilience roadmap established to ensure targets are achieved annually. In 2023, those targets were exceeded by 14%, ensuring that we are aligned with achieving our defined cybersecurity ambitions by the end of 2024.





# Annual ESG Performance Data

The following table highlights our ESG performance progress on our 11 sustainability priorities. Where applicable, our 2026 targets outlined in our 5-Year Strategic Plan are identified. Data for 2022 (if available) and 2023 is presented below.

	2022	2023
<b>Environment</b>		
<b>Carbon Management</b> % reduction in carbon dioxide equivalent emissions (CO <sub>2</sub> e Scope 1 & 2) compared to 2019.  2026 Target Over 30% CO <sub>2</sub> e reduction compared to 2019 baseline of 16,470 tonnes	19% reduction (3,115 tonnes)	<b>20% reduction (3,317 tonnes)</b>
<b>Waste Management</b> % of terminal building waste diverted from landfill, including cardboard, paper, recycling (such as plastic items and aluminium cans), and organics	35% (250 tonnes)	<b>33% (281 tonnes)</b>
<b>Stormwater Management</b> % conformance with provincial stormwater quality requirements	100%	<b>98%</b>
<b>Social</b>		
<b>Diversity, Equity and Inclusion</b>		
% of HIAA employees who identify as being one of the Government of Canada Employment Equity Act's designated groups (Indigenous, disability and racial minority) <sup>1</sup>  2026 Target ≥ 33% increase compared to 2020 baseline of 11%	13%	<b>12%</b>
% of HIAA's employees who identify as women compared to labour market availability <sup>1,2</sup>	27%	<b>27%</b>
% of HIAA's Senior Leadership Team who identify as women or non-binary <sup>3,4</sup>	42%	<b>47%</b>
% of HIAA's Senior Leadership Team who identify as being in another equity-deserving group <sup>3</sup>	-	<b>7%</b>
% of HIAA's Board of Directors who identify as women or non-binary <sup>3</sup>	42%	<b>55%</b>
% of HIAA's Board of Directors who identify as being in another equity-deserving group <sup>3</sup>	25%	<b>18%</b>

1 - This data is representative of the prior year due to the timing of the data release.

2 - Labour market availability in 2022: 27.3%.

3 - HIAA is aligned with the 50 - 30 Challenge. The 50 - 30 Challenge asks that organizations aspire to two goals:  
 A. Gender parity (50% women and/or non-binary people) on Canadian boards and/or in senior management; and  
 B. Significant representation (30%) on Canadian boards and/or senior management of members of other equity-deserving groups, including those who identify as Racialized, Black, and/or People of colour ("Visible Minorities"), People with disabilities (including invisible and episodic disabilities), 2SLGBTQ+ and/or gender and sexually diverse individuals, and Aboriginal and/or Indigenous Peoples.

4 - 2022 data adjusted to reflect December 2022 composition.

	2022	2023
<b>Social (continued)</b>		
<b>Organizational Reputation</b> Ranked among the most reputable organizations in Atlantic Canada  2026 Target HIAA named a Top 3 organization in Atlantic Canada in the Atlantic Reputation Monitor Report	11th	3 <sup>rd</sup>
<b>Airport Experience</b> Airport Service Quality passenger satisfaction survey score  2026 Target ≥ 80%	84%	86%
<b>Health, Safety and Security</b>		
% of HIAA employees identify HIAA as a safe place to work	95%	96%
Lost time workplace injuries <sup>5</sup>	0	3
<b>Community Investment</b> % of community investment that supported DEI focused organizations or initiatives	62%	76%
<b>Governance</b>		
<b>Economic Performance</b>		
# of passengers  2026 Target Passenger volume over 4.6 million annually	3,107,425	3,579,293
# of flights  2026 Target More than 1,680 air cargo flights annually	1,585	1,580
Net Income (loss)  2026 Target \$13.6 million	(\$7.4 million)	\$16.0 million
Non-aeronautical revenue per passenger  2026 Target Non-aeronautical revenue per passenger is more than \$10.50	\$9.09	\$10.40

5 - HIAA achieved a record period of 805 days without a lost time workplace injury, from August 2021 to October 2023.

# 2023 Financial Overview

Halifax International Airport Authority (HIAA) reported a significant improvement in financial performance in 2023, returning to financial sustainability as travel demand and available capacity reverted to historical norms. The increase in activity resulted in significant revenue growth after three years of limited travel demand and diminished financial performance.

Total revenue in 2023 was \$139.5 million, up 25 per cent from 2022 as passenger volumes and airline seat capacity increased across Halifax Stanfield's domestic, international and transborder sectors. This continued recovery in passenger activity provided growth in aeronautical and non-aeronautical revenue along with a \$10.8 million increase in airport improvement fee revenue. This revenue growth exceeded the increase in expenses in 2023 resulting in a significant improvement in net income over 2022.

HIAA's financial results consist of a general airport operating component, and an airport infrastructure investment component. The strong passenger recovery has improved results in both components; however, the airport infrastructure investment component is generating much of the improvement in bottom-line performance, while continued inflationary pressures resulted in only a marginal breakeven result for general airport operations.

In 2023, total passenger volumes at Halifax Stanfield increased to 85% of pre-pandemic levels, supporting broad revenue growth, most notably in non-aeronautical revenue sources and airport improvement fees, which rose 26 per cent and 24 per cent, respectively. The strength of non-aeronautical revenue reflects improving diversification in revenue sources and provides more flexibility in future years as HIAA competes for expanded air service capacity for the community. While HIAA's financial and activity level recovery is not complete, financial stability has been achieved and continued moderate growth is expected to continue over the next few years.

Total expenses for 2023 were \$123.9 million, up from \$119.2 million in 2022. While HIAA continued its efforts to limit expense growth, the increase in overall activity levels and inflationary pressure affected general airport operating costs. Increased costs in services and supplies, personnel, and ground lease rent paid to the federal government were the primary drivers of increased expenses compared to 2022. Amortization and debt servicing costs were stable in 2023 relative to 2022, while net administration and air service stimulus costs declined versus the prior year.

HIAA reported a gain related to its defined benefit pension plan of \$0.3 million in 2023, which was consistent with the net impact reported in 2022.



Together, the combined impact of year-over-year changes in revenue, expenses and defined benefit pension accounting resulted in HIAA reporting a net income of \$16.0 million in 2023 compared to a loss of \$7.4 million in 2022.

In 2023, HIAA continued to focus capital investment initiatives on strategic priorities and necessary investments to maintain the safe and efficient operation of the airport. In 2023, capital expenditures totalled \$30.1 million, a 23 per cent increase from the \$24.4 million reported in 2022. Capital expenditure growth is expected to continue over the next few years as HIAA continues to invest in facility and process improvements to meet rising peak-hour capacity constraints, sustainability goals, and planned accessibility enhancements.

The Canadian aviation sector responded in 2023 to the challenges experienced in 2022, as passenger demand exceeded industry expectations. While challenges remain, HIAA has continued to work cooperatively with all stakeholders operating at Halifax Stanfield to effectively manage growth and maintain the positive experiences our passengers deserve and have come to expect.



# Financial Review and Five-Year Forecast

The following chart highlights HIAA's recent financial performance and the potential outlook over the next five years. The forecast data reflects the pace of recovery and growth expected over the next five years. Preparation of this forecast required management to make estimates and assumptions. Actual results could differ.

Year	ACTUAL			FORECAST				
	2021	2022	2023	2024	2025	2026	2027	2028
<i>All amounts in \$000's</i>								
Revenue*	48,212	111,412	139,534	151,548	152,507	160,360	167,927	173,354
Expenses**	84,052	119,221	123,865	134,962	141,071	146,264	151,194	154,658
Net income (loss) before pension plan	(35,840)	(7,809)	15,669	16,586	11,437	14,096	16,732	18,696
Capital Expenditures	11,084	24,417	30,126	37,716	33,761	36,866	49,426	43,731
AIF Revenue*	14,968	44,356	55,114	60,079	56,243	59,193	61,696	63,305
Ground lease Rent	--	7,936	10,291	11,787	11,984	12,845	13,644	14,228

\*Revenue includes AIF net of collection charge.

\*\* Expenses include amortization and exclude gain/loss on pension plan.

# Business Plan Results 2023

## (Actual vs. Plan)

(All amounts in \$000's)

	Actual	Plan	Difference	Explanation
<b>Revenue*</b>	139,534	119,821	19,713	Increased AIF, parking, and concession revenue as a result of a higher percentage of originating, departing passengers than planned. Increased interest revenue due to higher interest rates than anticipated.
<b>Expenses**</b>	123,865	126,833	(2,968)	Savings from staffing delays, milder winter weather, reduced air service promotional expenses and lower protection services costs than planned. Lower depreciation expense from timing variances in anticipated capital investments.
<b>Capital Expenditures (net)</b>	30,126	38,900	(8,774)	Unplanned external funding for a project as well as timing differences on construction activities and anticipated annual expenditure. Some cost savings for projects.

\*Revenue includes AIF net of collection charge.

\*\* Expenses include amortization and exclude gain/loss on pension plan.



# Financial Statements

# Independent Auditor's Report

To the Directors of:

**Halifax International Airport Authority**

## Opinion

We have audited the consolidated financial statements of Halifax International Airport Authority (the "Authority"), which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated statements of operations and changes in equity and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Halifax International Airport Authority as at December 31, 2023, and the results of its consolidated operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted

auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Halifax, Canada  
March 28, 2024

*Grant Thornton LLP*

Chartered Professional Accountants



# Consolidated Balance Sheet

As of December 31

[in thousands of dollars]	2023 \$	2022 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents [note 3]	154,327	138,382
Accounts receivable	11,477	12,647
Inventories	1,941	1,808
Prepaid expenses	2,808	1,796
<b>Total current assets</b>	<b>170,553</b>	<b>154,633</b>
Capital assets, net [note 4]	387,240	387,765
Deposits in trust [note 5]	10,185	10,185
Accrued benefit asset [note 8]	6,224	5,893
	<b>574,202</b>	<b>558,476</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	34,479	36,495
Deferred revenue and government assistance [note 3]	32,201	30,385
<b>Total current liabilities</b>	<b>66,680</b>	<b>66,880</b>
Long term debt [note 5]	433,152	433,105
Security deposits	1,597	1,611
Long term deferred revenue	2,486	2,593
<b>Total liabilities</b>	<b>503,915</b>	<b>504,189</b>
<b>Net assets</b>	<b>70,287</b>	<b>54,287</b>
	<b>574,202</b>	<b>558,476</b>

Commitments [note 7]  
Contingencies [note 11]  
Subsequent events [note 12]  
*See accompanying notes*

On behalf of the Board:



Director



Director

# Consolidated Statement of Operations and Changes in Equity

Year ended December 31

[in thousands of dollars]	2023 \$	2022 \$
<b>REVENUE</b>		
Terminal and passenger security fees	18,760	16,386
Parking	18,172	12,822
Concessions	19,061	15,415
Landing fees	13,065	12,032
Interest [note 6]	8,260	3,393
Rental	5,715	5,230
Other	1,387	1,778
	84,420	67,056
Airport improvement fees [note 6]	55,114	44,356
	139,534	111,412
<b>EXPENSES</b>		
Salaries, wages and benefits	26,668	24,145
Amortization	29,750	29,700
Materials, services and supplies	26,396	22,551
Interest on long-term debt [note 5 and 6]	20,492	20,493
Ground lease rent	10,291	7,936
Air service stimulus and administration	8,452	12,751
Property taxes	1,816	1,645
	123,865	119,221
<b>Net loss before pension plan gain (loss)</b>	15,669	(7,809)
Defined benefit pension plan gain [note 8]	331	450
<b>Net income (loss)</b>	16,000	(7,359)
Net assets, beginning of the year	54,287	61,646
<b>Net assets, end of year</b>	70,287	54,287

See accompanying notes

# Consolidated Statement of Cash Flows

Year ended December 31

[in thousands of dollars]	2023 \$	2022 \$
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	16,000	(7,359)
Add items not affecting cash		
Amortization	29,750	29,700
Accrued benefit asset	(331)	(450)
Net change in non-cash working capital balances related to operations	652	25,631
<b>Cash provided by operating activities</b>	<b>46,071</b>	<b>47,522</b>
<b>INVESTING ACTIVITIES</b>		
Expenditures on capital assets (note 3)	(30,126)	(24,417)
<b>Cash used in investing activities</b>	<b>(30,126)</b>	<b>(24,417)</b>
<b>Net increase in cash during the year</b>	<b>15,945</b>	<b>23,105</b>
Cash and cash equivalents, beginning of the year	138,382	115,277
<b>Cash and cash equivalents, end of year</b>	<b>154,327</b>	<b>138,382</b>

*See accompanying notes*

# Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2023

## 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”]. In 2014, the Authority was granted an extension of the lease for an additional 20 years, extending the lease to January 31, 2080. The net income or loss for the year is retained and reinvested in airport operations and development.

HSIA is a world-class airport accelerating the growth of our communities by connecting people and goods to the world. 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.

The Authority has one wholly owned subsidiary, Halifax Stanfield Services Inc. [“HSSI”]. HSSI provides aviation services to third parties.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### Use of estimates

The preparation of consolidated 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. Items subject to significant management judgment and estimates include indicators of impairment, capital assets useful lives, allowances for bad debt, and defined benefits obligation.

### Principles of consolidation

The financial statements include the accounts of the Authority and its wholly-owned subsidiary HSSI. All inter-company balances and transactions have been eliminated on consolidation.



## Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2023

### Cash and cash equivalents

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, and restricted cash 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. Restricted cash relates to funding received from the Province of Nova Scotia to support air service growth [note 3].

### 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. Assistance for future air service support are applied to the related expenditure as the related air service activity is realized in accordance with agreed terms and conditions. Assistance received to cover current period expenses is applied to the related expenditures.

### 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:

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

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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.

### Impairment

The Authority tests long-lived assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

### 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 debt.

## Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2023

### 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 is 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.

### 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. Defined contribution component amounts are expensed as incurred.

Actuarial gains and losses are recognized in full in the period in which they occur. Current service cost and the interest cost on the accrued benefit obligation are included in the results of the Statements of Operations and Changes in Equity.

### Financial instruments

The Authority's financial instruments consist of cash and cash equivalents, accounts receivable, deposits in trust, accounts payable and accrued liabilities and long-term debt. Accounts receivable are accounted for at amortized cost. Cash and cash equivalents 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.

## 3. GOVERNMENT ASSISTANCE

Cash includes \$28.0 million [2022 - \$30.0 million] from remaining funds received in 2018, 2020, and 2022 from the Province of Nova Scotia to support air service growth initiatives. The funding is available for use at HIAA's sole discretion to support new service opportunities that meet pre-defined criteria. The funds must be fully discharged by December 31, 2031.

During the year, \$6.1 million [2022 - \$8.2 million] of government contributions were received or receivable that were applied to capital assets. The contributions relate to capital development.

## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2023

### 4. CAPITAL ASSETS

Capital assets consist of the following:

	Cost \$	Accumulated Amortization \$	2023 Net Book Value \$	2022 Net Book Value \$
Computer hardware and software	36,250	27,494	8,756	8,432
Leasehold improvements	624,185	289,954	334,231	348,465
Machinery, equipment, furniture and fixtures	25,877	20,298	5,579	6,183
Vehicles	27,534	17,032	10,502	9,366
Construction in progress	28,172	-	28,172	15,319
	742,018	354,778	387,240	387,765

### 5. LONG-TERM DEBT

Long-term debt consists of the following:

	2023 \$	2022 \$
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
3.678%, non-amortizing Series D Revenue Bonds due May 3, 2051. Interest payable semi-annually in arrears on May 3 and November 3 of each year until maturity, which commenced on November 3, 2021.	150,000	150,000
	435,000	435,000
Less transaction costs, net of accumulated amortization	1,848	1,895
	433,152	433,105

# Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2023

## Bond issues

In July 2006, the Authority completed its inaugural \$150.0 million Revenue Bond issue. The \$150.0 million 5.503% Series A Revenue Bonds are due on July 19, 2041. In November 2010, the Authority completed a \$135.0 million Revenue Bond issue. The \$135.0 million 4.888% Series C Revenue Bonds are due on November 15, 2050. In May 2021, the Authority completed a third Revenue Bond issue of \$150 million. The \$150 million 3.678% Series D Revenue Bonds are due November 3, 2051.

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.

## 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 a \$54.5 million Capex facility and a \$40.0 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, 2023 an amount of \$16.8 million [2022 - \$10.6 million] of the operating and letter of credit facility had been committed,

with \$nil [2022 - \$nil] advanced as a prime rate loan, \$2.1 million [2022 - \$2.1 million] designated to pension plan funding regulations and \$14.7 million [2022 - \$8.5 million] designated to the Operating and Maintenance Reserve Fund. As at December 31, 2023 an amount \$nil [2022 - \$nil] of the Capex facility had been committed.

## 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, 2023, the Debt Service Reserve Fund included \$10.2 million [2022 - \$10.2 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 \$15.3 million [2023 - \$14.7 million] will be required to fund the Operating and Maintenance Reserve Fund in 2024. The Operating and Maintenance Reserve Fund may be satisfied by cash, letters of credit, or the undrawn availability under a committed credit facility.



## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2023

### 6. AIRPORT IMPROVEMENT FEES

The AIF revenue is used to fund the cost of the Authority's capital program and related financing costs, along with debt and operational surpluses. The AIF rate at December 31, 2023 was \$35 [2022 - \$35] and the Intra-Provincial rate was \$22 [2022 - \$22] 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 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:

	2023 \$	2022 \$
<b>AIF revenue, net:</b>		
AIF revenue	58,749	47,708
AIF collection costs	(3,635)	(3,352)
	55,114	44,356
Interest on surplus funds	8,260	3,393
<b>Net funds received</b>	<b>63,274</b>	<b>47,749</b>
Capital expenditures funded by AIF	30,624	19,267
Interest expense funded by AIF	20,492	20,493
	51,116	39,760
Excess of expenditures over AIF revenue	12,258	7,989
Excess of expenditures over AIF revenue, beginning of year	(394,282)	(402,271)
<b>Excess of expenditures over AIF revenue, end of year</b>	<b>(382,024)</b>	<b>(394,282)</b>

From January 1, 2001 to December 31, 2023, the cumulative capital expenditures funded by AIF totaled \$972.6 million [2022 - \$921.5 million] and exceeded the cumulative AIF revenue by \$382.0 million [2022 - \$394.3 million].

# Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2023

## 7. 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 extension was granted in 2014, extending the lease to January 31, 2080. 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:

	\$
2024	11,787
2025	11,984
2026	12,845
2027	13,644
2028	14,228

### Long-term debt - bond issues

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

	\$
2024	20,370
2025	20,370
2026	20,370
2027	20,370
2028	20,370

### Construction in progress

As at December 31, 2023, the Authority had outstanding contractual construction commitments amounting to approximately \$7.9 million [2022 - \$3.9 million].

# Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2023

## 8. 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 December 31 for both funding and measurement purposes. The responsibility for governance of the Plan including overseeing aspects of the Plan such as investment decisions lies with the Authority through a Pension Committee. The Pension Committee in turn has appointed experienced independent experts such as investment advisors, investment managers, actuaries and custodians for assets.

The Authority has adopted various policies in respect to the Plan:

- a. Plan assets are valued at fair value for the purpose of calculating the expected return on the Plan assets.
- b. At December 31, 2023, the plan assets were invested in various pooled funds.
- c. Due to the nature of the benefit promise, the Authority’s defined benefit obligation cannot be accurately predicted. Gains and losses arise because of changes in assumptions and from experience differing from what has been assumed. Under CICA Handbook section 3462, these gains and losses are recognized immediately in the Statements of Operations and Equity.

- d. Differences in the actual investment return on plan assets and the return using the discount rate are recognized immediately in the Statements of Operations and Changes in Equity.
- e. The last actuarial valuation for funding purposes was prepared as at December 31, 2023.
- f. The Authority uses a December 31 measurement date.

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

	<b>2023</b>	<b>2022</b>
	\$	\$
Plan assets	22,343	21,764
Accrued benefit obligation	(16,119)	(15,871)
	<b>6,224</b>	<b>5,893</b>

## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2023

The following table provides information concerning the components of the pension gain:

	2023 \$	2022 \$
Employers' current service cost	(281)	(432)
Interest cost on accrued benefit obligation	(811)	(676)
Expected return on the assets	1,105	846
	13	(262)
Actuarial gain on accrued benefit obligation	635	5,503
Difference between expected and actual return on assets	(317)	(4,791)
<b>Pension gain</b>	<b>331</b>	<b>450</b>

The significant actuarial assumptions adopted in measuring the Authority's accrued pension benefits, using the funding valuation basis, are as follows:

	2023 %	2022 %
Discount rate - year end benefit obligation	5.35	5.10
Discount rate - net benefit expense	5.10	3.25
Rate of compensation increase	3.25	3.25

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

	2023 \$	2022 \$
Employees' contributions	68	70
Benefits paid	277	694

	2023 %	2022 %
Equity securities	29	29
Fixed income securities	62	59
Real estate securities	9	12
	100	100

Pension expense amounted to \$1.2 million [2022 - \$1.0 million] for the defined contribution component for which the pension expense is equal to the contributions made by the Authority to the Plan during the year.



# Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2023

## 9. 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, 2023, the balance outstanding, excluding any current portion, amounts to \$435.0 million [2022 - \$435.0 million].

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, 2023, 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, 2023, the Authority satisfies the requirements for both of these reserve funds.

## 10. FINANCIAL INSTRUMENTS

### Fair value

The Authority's financial instruments consist of cash and cash equivalents, accounts receivable, deposits in trust, 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 fair value of the Revenue Bonds as at December 31, 2023 is approximately \$427 million.

### 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.

## Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2023

### 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.

### 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 7.

### 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

# Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2023

until outstanding aeronautical fees are paid mitigates the risk of credit losses. The majority of the Authority's accounts receivable 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 43.6% [2022 - 37.5%] 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 over 85% 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.

## 11. CONTINGENCIES

The Authority may, from time to time, be involved in legal proceedings, claims and litigation that arise in the ordinary course of business and may enter into agreements that provide contingent support for new business. The Authority believes any liabilities arising from these matters would not reasonably be expected to have a material adverse effect on its financial position.

## 12. SUBSEQUENT EVENTS

On February 22, 2024, Lynx Air obtained an initial order for creditor protection from the Court of King's Bench of Alberta under the Companies' Creditors Arrangement Act (CCAA). In connection with the commencement of these proceedings, Lynx Air ceased operations as of February 26, 2024. It is not expected that there will be a material impact to HIAA's financial statements as a result of this event.

# Corporate Governance





Halifax International Airport Authority (Airport Authority) is governed by a Board of Directors consisting of a maximum of 15 directors nominated by the following entities:

NOMINATOR	NUMBER OF DIRECTORS
Government of Canada	2*
Province of Nova Scotia	1
Halifax Regional Municipality	4
Halifax Chamber of Commerce	3
Airport Authority Board of Directors	4

*\*Can be increased to 3 in certain circumstances*

Generally, a director may serve no more than a total of nine years. However, at any given time, by a vote of the Board, one director’s term can be extended for three years, to a maximum total of 12 years. The Board regularly reviews the skills and experience of its board members to ensure the appropriate competencies are represented on the Board.

The Board has overall responsibility for the stewardship of the Airport Authority, overseeing governance and strategic direction. The Board also oversees management, who are responsible for the day-to-day conduct of the business, with the fundamental objective of ensuring that the Airport Authority meets its obligations and operates in a safe, efficient, and responsible manner. The Board meets as often as is required to carry out its responsibilities and maintains three standing committees, which are accountable to the Board: Audit Committee, chaired by Ann

Mackenzie; Capital Projects Committee, chaired by John Fitzpatrick (January 1 – May 25) and Benjie Nycum (May 26 – December 31); and Governance Committee, chaired by Ann MacLean. The purpose of each Committee is as follows:

### Audit Committee

The Audit Committee’s responsibilities include (i) approving the Airport Authority’s quarterly unaudited financial statements and reviewing the annual audited financial statements; (ii) monitoring the integrity of the Airport Authority’s financial reporting process and internal control system regarding financial reporting; (iii) reviewing and recommending the financial component of the 10-Year Capital and Financial Plan; and (iv) monitoring the independence and performance of the Airport Authority’s external auditors. The Audit Committee acts in an advisory capacity to the Board except for approving the quarterly unaudited financial statements and the annual audit plan.

### Capital Projects Committee

The Capital Projects Committee’s responsibilities include (i) reviewing and recommending the capital component of the 10-Year Capital and Financial Plan and all proposed major capital projects; and (ii) monitoring the progress and results of approved projects against pre-established measures and targets.

## Governance Committee

The Governance Committee assists the Board by providing a focus on governance that is intended to enhance the Board’s performance as well as add value and support to the Airport Authority in achieving its corporate objectives. As part of this mandate, the Governance Committee leads the Board nomination process and receives reports and makes recommendations on a variety of governance matters including (i) the Board Governance Framework, consisting of the Board Governance Policy and accompanying plans/programs; (ii) Board composition and effectiveness; (iii) the terms of reference for each Board committee; and (iv) functions pertaining to the President & CEO position, including performance review and succession planning.

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 2023, the Governance Committee of the Board reported that there were no breaches of the conflict of interest guidelines by any officer or director of the Airport Authority.

## Board of Directors Compensation (\$)

Chair: J. S. Fitzpatrick (effective May 26, 2023)	39,828
Chair: S. Dempsey (term completed May 25, 2023)	45,548
D. Bastow	18,700
P. Boulter	18,700
J. Fiander (resigned from the Board November 24, 2023)	19,900
D. Holland	19,900
A. MacKenzie	24,950
A. MacLean	24,950
M. Martel	17,900
B. Nycum	22,679
J. Poirier (joined the Board June 1, 2023)	5,954
S. Porter	20,300
D. Whalen	17,900

*Note: Amounts represent payments made in 2023.*

## Executive Compensation

The base salary range for the Vice Presidents of the Airport Authority during 2023 was \$170,000 to \$369,820, and the base salary range for the President & CEO of the Airport Authority was established as \$337,000 to \$456,000.

## Contracts in excess of \$134,935

In accordance with its ground lease with Transport Canada, the Airport Authority is required to report all contracts in excess of \$134,935 (\$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 process. In 2023, the Airport Authority entered into one sole source contract.


A three-year support and maintenance contract, not to exceed \$507,584, was awarded to ARINC International of Canada ULC (ARINC). The Airport Authority has invested over time in ARINC common use solutions, equipment, and training for its personnel. The software is proprietary technology, which can only be provided by ARINC. ARINC's products and services are an example of standardization at the Airport Authority and ARINC has previously and satisfactorily performed these services resulting in a demonstrated and quantified cost saving to the Airport Authority.

# Board of Directors





Name and Position	Occupation	Nominator and Date Appointed	Meeting Attendance*			
			Board	Audit Committee	Capital Projects Committee	Governance Committee
 <b>John Fitzpatrick</b> Board Chair Director	KC, Partner, BOYNECLARKE LLP	Halifax Regional Municipality  July 2014	7/7	2/2**	4/4**	2/2**
 <b>Doug Bastow</b> Director	Retired Airline Executive  Retired Airline Pilot	Airport Authority  September 2016	7/7	-	4/4	-
 <b>Pernille Fischer Boulter</b> Director	President & CEO, Kisserup International Trade Roots Inc.	Federal Government  May 2019	7/7	-	-	4/4
 <b>Daniel Holland</b> Director	Chief Executive Officer,  Community Foundation of NS	Halifax Regional Municipality  January 2017	7/7	4/4	-	3/3
 <b>Ann MacKenzie</b> Chair, Audit Committee Director	Retired Corporate Executive	Airport Authority  March 2015	7/7	4/4	-	-
 <b>Ann MacLean</b> Chair, Governance Committee Director	Former Mayor of New Glasgow, NS  Retired Senior Administrator	Province of Nova Scotia  February 2015	7/7	-	-	4/4

Name and Position	Occupation	Nominator and Date Appointed	Meeting Attendance*			
			Board	Audit Committee	Capital Projects Committee	Governance Committee
 <b>Matthew Martel</b> Director	Chief Executive Officer, Black Business Initiative	Halifax Chamber of Commerce January 2021	6/7	-	-	4/4
 <b>Benjamin Nycum</b> Chair, Capital Projects Committee Director	Chief Executive Officer, William Nycum & Associates Ltd	Halifax Chamber of Commerce March 2018	7/7	2/2	4/4	-
 <b>Jackie Poirier</b> Director	Retired Federal Government Executive	Halifax Regional Municipality June 2023	5/5	2/2	-	-
 <b>Sherry Porter</b> Director	Retired Corporate Executive	Halifax Chamber of Commerce March 2015	6/7	-	4/4	4/4
 <b>Diana Whalen</b> Director	Former Deputy Premier of Nova Scotia Retired Elected Official	Halifax Regional Municipality October 2022	6/7	4/4	-	-

\*Ratio equals number of meetings attended/number of meetings eligible to attend. Excludes Annual Public Meeting.

\*\*As Board Chair, Mr. Fitzpatrick's attendance at committee meetings is discretionary. The ratios for the Audit, Capital Projects and Governance Committee meetings reflect his attendance since his appointment as Board Chair, as well as 2 meetings as Chair of the Capital Projects Committee.



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