

Yarmouth International Airport Corp.

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ANNUAL REPORT

FOR THE FISCAL YEAR ENDED MARCH 31, 2020

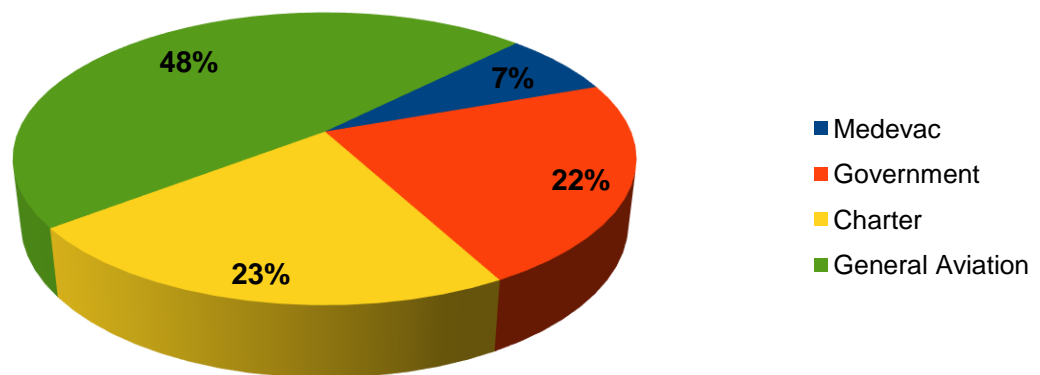
YARMOUTH INTERNATIONAL AIRPORT CORPORATION

Annual report

This report is to provide a view of the fiscal year ending March 31, 2020 for the benefit of the Board of Directors as well as the owners of and contributors to the Yarmouth International Airport Corporation.

SUMMARY OF ACTIVITY FOR THE 2019-20 FISCAL YEAR

- Completed annual repairs to the main runway 06-24, investing \$55,000. worth of runway repair. In the prior year, we invested \$70,000.
- Operated one runway during the winter season, and blessed with another milder than expected winter, keeping costs of winter operation similar to previous year. (.5% increase)
- Instrument approaches for runway's 06-24 reinstated and published in the aeronautical publications, allowing 06-24 to be fully operational.
- Repairs were conducted to the Field Electrical Center after the failure of key electrical components. Total cost of the partial repair of the FEC was \$22,000.
- 1421 aircraft movements. An increase of 3.7%.



Other points of interest

- Increased facility utilization by The Department of National Defense due to competitive fees.
- Main aircraft storage hangar filled to capacity. (13 Aircraft)
- Rental of the former Fire Station to a local manufacturer for the year, resulting in increased rental fees.
- The former Scotia Prince call center facility continues to be winterized and closed.
- Aviation Petroleum sales = 59,253L 100LL and 126,939L Jet A-1
- CAO from Argyle continued as interim manager on a temporary basis as a transition measure.
- Discussed advantages and disadvantages of unionization with non-unionized employees.
- Met with Provincial representatives to discuss the possibility and viability of air cargo out of Yarmouth.
- Engaged CBCL for cost estimate of infrastructure improvement to facilitate air cargo.
- Attended a Municipal Airports Networking Event to discuss issues and solutions facing small rural airports in the Maritimes. This is ongoing work.
- Work continues to find appropriate tenants for remaining rental space at the facility.

SUMMARY OF RESULTS 2020-21 (UNAUDITED FINANCIALS ATTACHED)

Overall, it appears the airport has broken even this year. The airport budgeted a \$95,000 use of prior year surplus. This was not required, due to deferred capital projects, and the fact that the Airport did not hire a specialist this year to look into operating efficiencies. Municipal contributions dropped from \$700,000 in the 18-19 to \$685,000 in 19-20. We are proposing similar funding in 2020-21, with a slight drop. The unaudited actual figures are included, along with comparison to budget for your review.

ACTION'S FOR 2020-21

These are some of the top items for the coming year.

WHAT IS THE DESIRED OUTCOME?

1. Continued focus on lowering operating costs, including closure of runway 15-33.
2. Renegotiate multi-year funding agreement with the owners.
3. Engage the interest of our Federal and Provincial governments to aid in the preservation of essential service at the airport.
4. Reduction of footprint, therefore operating expenses.
5. Continue preventative maintenance work on runway.
6. Re-access Infrastructure conditions and reprioritize rehabilitation priorities.
7. Continued engagement with Provincial and Federal governments to highlight the importance of air transportation out of South West Nova, for support on initiatives, or operations.
8. Increase visibility and marketing and business opportunities at the airport.
9. Increase engagement with community to promote airport awareness.
10. Continued engagement with similar airports to formulate better economic options forward.

POTENTIAL CAPITAL PROJECTS FOR THE NEXT 12-24 MONTHS

1. LED (electrical) replacement of lighting in Terminal, addressing safety issues and reducing ongoing operating costs.
2. Determine fate of the former Waste Check/Scotia Prince building and develop land use plan to determine options for sale or lease.
3. Potential sale of excess land.
4. Investing up to \$45,000 on runway maintenance and crack repairs for the 20-21 year.
5. Repairs to buildings and other infrastructure budgeted at \$45,000.

2020-21 BUDGET AND LONG-TERM PLANNING

See attached document that outlines proposed 2020-21 budget. Here are the highlights of the year.

- Total municipal grant (owners) request of \$665,000, down from \$685,000.
- \$50,000 is planned for runway repair on the main runway in 2020
- Fees to support cost reduction and right sizing of airport operations, provision for assistance on land sale negotiations, appraisals.

Alain D. Muise, CPA, CA