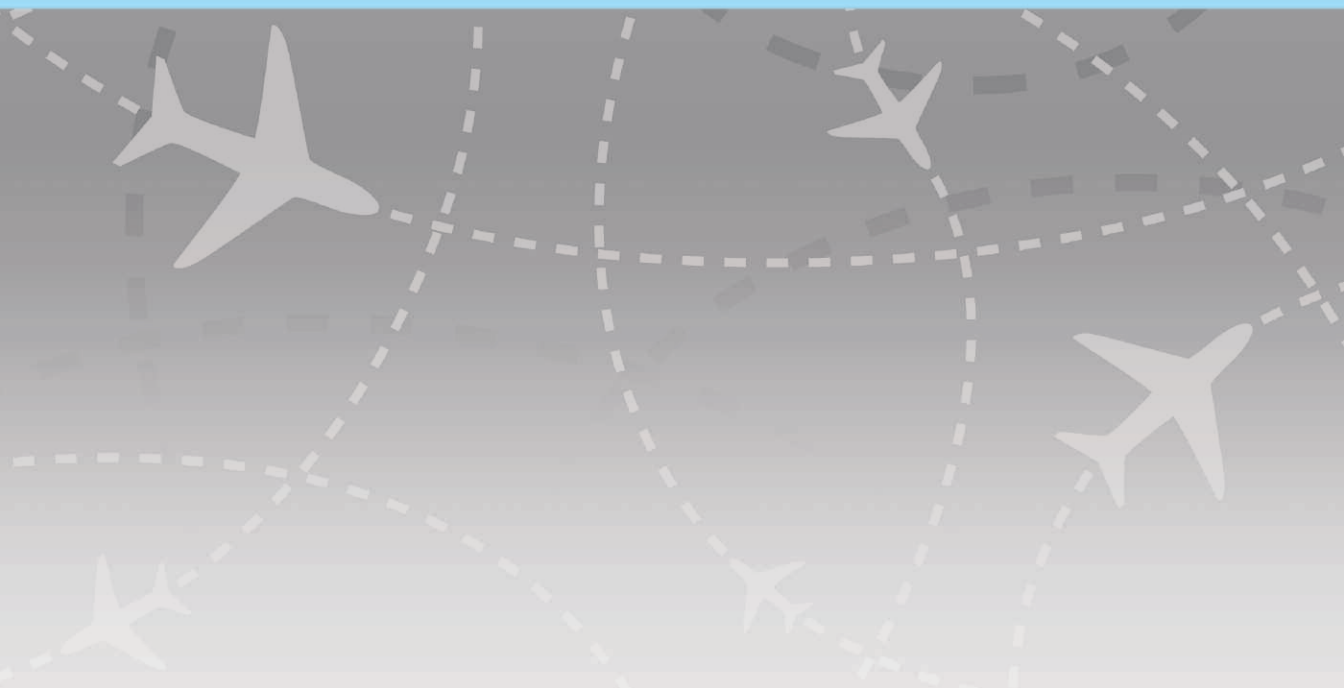




## ANNUAL REPORT **2012-2013**

NORTHERN NEW BRUNSWICK  
AIRPORT AUTHORITY INC.







L' Autorité aéroportuaire  
du nord du **Nouveau-Brunswick** inc.

Northern **New Brunswick**  
Airport Authority Inc.

## MISSION AND VISION

MISSION – To offer a range of airport services  
that are accessible, safe, reliable  
and profitable.

VISION – To become the foremost airport  
authority in northern New Brunswick.

# GREETINGS FROM THE PRESIDENT AND THE EXECUTIVE DIRECTOR

Northern New Brunswick is facing a number of challenges; its residents and communities are finding themselves at a crossroads. The choices we make today will determine our tomorrow. For the Board of Directors and Management of the Northern New Brunswick Airport Authority, our response to these challenging times was to find ways to facilitate access to mining markets outside our region – both for the job opportunities they afforded as well as the business potential they offered our entrepreneurs. It was equally important to improve air access to and from our region to support tourism, retail, financial and other business industries. In these uncertain economic times, our airport can and will be a key piece of our region's success.

Over the past year, we have welcomed increased air service with the arrival of Pascan Aviation. Pascan began operating five flights weekly to Wabush in November. Encouraged by the support it received from the community, Pascan introduced three new destinations in March: Saint-Hubert (Montreal), Quebec City, and the Îles de la Madeleine. Air Canada continues to be a long-standing partner in the Airport's success and continues to offer two flights daily to Montreal.

We have also checked off more items on our Airport Expansion Plan project list. This past July, NAV CANADA published the Airport's RNAV (GPS) LPV Instrument Approach Procedures in its Canada Flight Supplement manual. These approach procedures lower the ceiling minimum by 100' for those aircraft with the appropriate instrumentation. It translates to fewer missed approaches and aborted landings. We also successfully completed our Environmental Impact Assessment (EIA) study in December. The Airport Authority needed to complete this first step in order to move forward with the construction phase of our project. As a result, the Airport Authority submitted a funding proposal to the provincial and federal governments in February.

Passenger and aircraft movements are strong indicators of our success. Last year, 43,534 passengers moved through our airport, compared to 43,425 from the previous year. There were 3,628 aircraft movements for the year, an increase of 12.5% from the previous year. Charter activity rose significantly last year with 1,569 movements compared to 1,293 in the previous year. This is a testament to the importance of mining markets in Labrador and Northern Quebec.

Photos: Christopher Lovegrove



From a financial standpoint, the Airport Authority continues to show growth. As a non-profit entity, all surplus dollars are re-invested into the Airport. For the past 5 years, the Airport Authority has been placing its surplus dollars into a Trust and Reserve account. It invested \$100,000 in the past fiscal year, for a grand total of \$605,010. The Airport Authority intends to use these funds to leverage support for the Airport Expansion Plan.

As we reflect on the successes we have enjoyed over the past year, we are optimistic about the future of our region. We have helped to open up access to job and business opportunities beyond our region; we have welcomed a new airline into our community; charter and other commercial aircraft activity has increased; aerial exploration and prospecting continue. Our entrepreneurs are seeking and embracing opportunities in the aftermath of the Xstrata Mines closure; and our workers are opting to keep their families here as they travel across the country to their jobs; the economic spinoffs from these types of

decisions are benefitting our region. Our struggles are not over – not by a long shot; but, as always, we continue to be resilient and creative in times of need.

The Bathurst Regional Airport is an important piece of infrastructure for the success of our region. It is key to attracting investment and facilitating trade. It is time to build upon the successes it has enjoyed over the past several years and create an airport deserving of the region it represents. Bathurst to the World – even closer!

Sincerely,

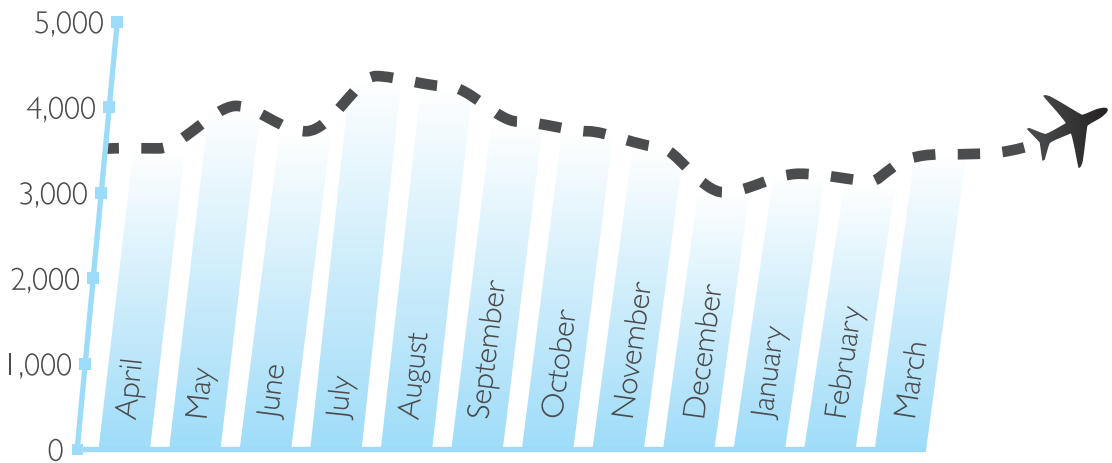
**Colin Brewster,**  
President

**Jennifer Henry,**  
Executive Director





Passenger Statistics ■ April 1, 2012 to March 31, 2013



# MARKETING AND BUSINESS DEVELOPMENT REVIEW

## Air service

Air Canada continues to offer two flights daily to Montreal. As a long-standing service provider at the airport, we recognize the contribution Air Canada has had on our success over the years. Air Canada responds to passenger demand increases by operating its Dash 8 300-series aircraft during the summer months, providing an additional 13 seats per flight. Over 43,500 passengers used Air Canada through the Bathurst Regional Airport over the past 12 months.

Pasca Aviation began operation in November 2012 with 5 flights weekly to Wabush. Pasca was eager to partner with the Airport Authority to help our skilled workers and businesses access job opportunities and important markets in the Wabush/Labrador area. In March 2013, Pasca introduced three new destinations: Saint-Hubert, Quebec City, and the Îles de la Madeleine. Since it began operating, over 800 passengers have enjoyed this new service.

There are also a variety of private and commercial charter services that use our Airport on a regular basis. The more frequent users are: A.G. Aviation, Exact Air, Manan Air Service, Maritime Air Charter and Provincial Airlines. We thank them for their continued support.

## Marketing

The Airport Authority has worked closely with DPG COMMUNICATION and Pasca Aviation to develop tools to promote the new air routes at the Airport. The “Even Closer” campaign was a resounding success and helped to anchor the Airport as a key piece of infrastructure for the economic diversity of our region.



# 2012 CAMPAIGNS





**PASCAN Aviation Inc.**

Plan your business meetings in more than 2000 cities in the new air services offered by PASCAN Aviation Inc. at the Bathurst Regional Airport.

Plan your business meetings in more than 2000 cities in the new air services offered by PASCAN Aviation Inc. at the Bathurst Regional Airport.

Plan your business meetings in more than 2000 cities in the new air services offered by PASCAN Aviation Inc. at the Bathurst Regional Airport.

Plan your business meetings in more than 2000 cities in the new air services offered by PASCAN Aviation Inc. at the Bathurst Regional Airport.

**BATHURST**  
MONTREAL (ST-HUBERT) QUEBEC  
ILES DE LA MADELEINE WABUSH  
EVEN CLOSER

Plan your VACATION to the Iles de la Madeleine!

BOOK NOW AT [www.pascan.com](http://www.pascan.com)

**BATHURST**  
MONTREAL (ST-HUBERT) QUEBEC  
ILES DE LA MADELEINE WABUSH  
ENCORE PLUS PRES

Vous avez une reunion d'affaires importante à MONTREAL? Votre temps est précieux, utilisez l'aéroport de Bathurst pour vos déplacements.

RESERVEZ MAINTENANT [www.pascan.com](http://www.pascan.com)

**BATHURST**  
MONTREAL (ST-HUBERT) QUEBEC  
ILES DE LA MADELEINE WABUSH  
EVEN CLOSER

Need a getaway to QUEBEC? Now it's possible from the Bathurst Airport.

BOOK NOW AT [www.pascan.com](http://www.pascan.com)

**BATHURST**  
MONTREAL (ST-HUBERT) QUEBEC  
ILES DE LA MADELEINE WABUSH  
ENCORE PLUS PRES

Vous voyagez pour vos affaires vers QUEBEC (MONTREAL)? Utilisez l'aéroport de Bathurst pour vos déplacements.

RESERVEZ MAINTENANT [www.pascan.com](http://www.pascan.com)

**BATHURST**  
MONTREAL (ST-HUBERT) QUEBEC  
ILES DE LA MADELEINE WABUSH  
ENCORE PLUS PRES • EVEN CLOSER

DES VOYAGES D'AFFAIRES À QUEBEC ET MONTREAL  
5 vols hebdomadaires

BUSINESS TRIPS TO QUEBEC AND MONTREAL  
5 flights weekly

Montreal is the economic heart of Quebec thanks to its key innovative companies, biological research and information technology sectors. Montreal is also the largest destination in North America. Better yet, the airport was designed a "UNESCO City of Design" in 2006.

Many business trips are held in Montreal and it's where the latest technological innovations first appear on the market.

**BATHURST**  
MONTREAL (ST-HUBERT) QUEBEC  
ILES DE LA MADELEINE WABUSH  
ENCORE PLUS PRES  
EVEN CLOSER

[www.pascan.com](http://www.pascan.com)

## OPERATIONAL REVIEW

**The Airport Authority was successful in finalizing the following projects:**

**Environmental Impact Assessment** – This project began in the fall of 2010 as part of the overall Airport Expansion Plan. The process took just over two years to reach a conclusion. In December 2012, the Airport Authority received confirmation from the New Brunswick Department of Environment that it has met all required obligations under the Environmental Impact Assessment process. The Airport Authority will be able to move forward with the construction phase of the Airport Expansion Plan once it has secured the necessary funding.

**RNAV (GPS) LPV Instrument Approach Procedures** – The RNAV (GPS) LPV Instrument Approach Procedures were initiated by Pryde Shropp McComb Inc.,

on behalf of the Airport Authority. Design and implementation were conducted by NAV CANADA. The Airport Authority received confirmation of approval of design from NAV CANADA in March 2013. This new approach design allows aircraft with the appropriate equipment to approach the runway at 100' lower than those aircraft that are not similarly equipped.

**Air Quality Study** – As a result of an open house forum held the previous year and at the request of concerned airport neighbours, the Airport Authority undertook a study to measure the impact of the Airport's operations on air quality. The study was conducted by Roy Consultants in August 2012 and concluded that the Airport's activities do not have a significant impact on air quality in the surrounding area. The report was shared with the concerned neighbours.

## CAPITAL EXPENDITURES

There were no significant capital expenditures undertaken in the 2012-2013 fiscal year. The following expenditures were taken:

Electronic Server:	\$12,995
Counter construction:	\$8,900
<b>TOTAL:</b>	<b>\$21,895</b>

# STRATEGIC PRIORITIES

The Airport Authority identified the following key strategic priorities for the continued growth and success of the Bathurst Regional Airport:

## 1 BUSINESS DEVELOPMENT

**Objective:** to identify and foster business opportunities, marketing strategies and land development options

## 2 HUMAN RESOURCES

**Objective:** to recruit and retain the right people to ensure the corporation's development

## 3 OPERATIONS AND EQUIPMENT

**Objective:** to offer safe and reliable airport services

## 4 FINANCE AND COMMUNITY PARTNERSHIPS

**Objective:** to sustain the financial viability of services and the profitable management of the corporation's resources

**Objective:** to ensure the corporation is well integrated and represented in the community



# GOVERNANCE

The Board of Directors meets five times a year with committee meetings taking place on an ongoing basis. The current board committees are:

- Business Development
- Executive
- Finance and Audit
- Governance
- Human Resources

All committees take an active role in airport activities; however the Executive Committee is convened only when decisions are required on an urgent basis between regularly scheduled board meetings.

## Business Development Committee

**Members:** Francis Frenette (chairperson)  
Yvon Arseneau  
Stephen Brunet  
Carole Caron  
Todd Morrison

The Business Development Committee met several times over the year to discuss the following topics: review of Airport Expansion

Plan – specifically the revision of costs associated with the terminal building expansion; land acquisition; electoral boundaries; Airport Zoning Regulations; and financing options for the Airport Expansion plan.

## Executive Committee

The Executive Committee met twice over the course of the fiscal year to discuss urgent business between board meetings.

## Finance and Audit Committee

**Members:** Marc-André Godin (chairperson)  
Yvon Arseneau  
Raoul Charest

The Finance and Audit Committee met several times over the course of the fiscal year to provide recommendations on the yearly budget, the draft audited financial statements and the following policies: Investment, Interest/Overdue Accounts, Capital Assets and Bad Debt.



## Governance Committee

**Members:** Lorio Roy (chairperson)  
Carole Caron  
Raoul Charest  
André Gozzo

The Governance Committee met in December 2012 to provide recommendations on the following policies: Terms of reference for the Nomination Committee and the Business Development Committee; vacation approval for the Executive Director; Donations; Relationship between Board and Staff; and Retired Members.

## Human Resources Committee

**Members:** Yvon P. Arseneau (chairperson)  
Marc-André Godin  
Lorio Roy

The Human Resources Committee met over several months to discuss and provide guidance and recommendation on the following topics: compliance to the Canada Labour Code; employee evaluation tools for all positions at the Airport (including the Executive Director position); and the development of an employee orientation manual.



# BOARD GOVERNANCE

NNBAA's General Operating Bylaws outline the nomination process for the appointment of its Board of Directors. The majority of directors are nominated by local, regional and provincial governments; other directors are nominated by business or socio-economic organizations such as the Chamber of Commerce. The Board of Directors must be representative of the community and consist of individuals who have experience in different areas. The NNBAA Inc. meets this requirement as evidenced by the list of directors nominating identities set out in this report.

## Code of Conduct for Directors

All directors of the Authority are required to comply with a Code of Conduct and rules concerning Conflict of Interest. These require that directors avoid and refrain from involvement in conflict of interest situations. There were no instances of conflict of interest brought before the Board of Directors in 2012-2013.

## Nominators

The Board of Directors is nominated by various entities representing the community at large:

- Federal Government  
*One representative*
- Provincial Government  
*One representative*
- Municipalities of the Chaleur Region  
*Three representatives*
- Municipalities of the Acadian Peninsula Region  
*One representative*
- Greater Bathurst Chamber of Commerce  
*One representative*
- Northern NB Airport Authority Inc.  
*Four representatives*

Representatives from each group are nominated for 3-year terms and may serve a maximum of 9 years on the Board. In addition to the regular meetings, Board members actively serve on the following committees:

- Business Development Committee
- Executive Committee
- Finance and Audit Committee
- Governance Committee
- Human Resources Committee



## Executive Committee

Colin Brewster, President  
 Raoul Charest, Vice President  
 André Gozzo, Secretary  
 Marc-André Godin, Treasurer

### Senior management officers and board directors 2012-2013 salaries and compensation:

- The combined salaries of the senior management team composed of the Executive Director, Director of Operations and Operations Supervisor were \$212,537.39.
- The Board of Directors remuneration consisting of per diems was \$6,750.
- The Authority is required to report on all contracts in excess of \$75,000 which were not awarded on the basis of a public competitive tendering process. No such contracts were entered into during the report period.

### Corporate Offices

Northern New Brunswick Airport Authority  
 2929 Route 180  
 South Tetagouche, NB E2A 7B9

### Legal Counsel

RTRA ■ Suite 300 – 270 Douglas Avenue  
 Bathurst, NB E2A 1M9

### Auditors

EPR – Bathurst/Péninsule ■ 1935 St. Peter Ave.  
 Bathurst, NB E2A 7J5

### Financial Services & Investments

- Caisse populaire Chaleur  
 1215 St. Peter Ave. ■ Bathurst, NB E2A 3A2
- Dundee Private Investors  
 276 Marie Street ■ Beresford, NB E8K 1P8

## Nominators' representatives

### As at June 2012

- Government of Canada (1)  
*Carole Caron*
- Government of New Brunswick (1)  
*Yvon P. Arseneau*
- Municipalities of the Chaleur Region (3)  
*Stephen Brunet*  
*Raoul Charest*  
*Francis Frenette*
- Municipalities of the  
 Acadian Peninsula Region (1)  
*André Gozzo*
- Greater Bathurst Chamber of Commerce (1)  
*Yvon Arseneau*
- Northern NB Airport Authority Inc. (4)  
*Colin Brewster*  
*Marc-André Godin*  
*Todd Morrison*  
*Lorio Roy*

NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.

# FINANCIAL STATEMENTS





# TABLE OF CONTENT

**Independent Auditor’s Report** ..... 18

## **Administration Fund**

Balance Sheet ..... 20

Statement of Revenues, Expenditures and Surplus ..... 21

Schedule Related to Revenues ..... 22

Schedule Related to Expenditures ..... 23

## **Capital Fund**

Balance Sheet ..... 26

Statement of Operations and Investment in Capital Assets ..... 27

Statement of Capital Financing ..... 28

## **Trust and Reserve Fund**

Balance Sheet ..... 29

Statement of Revenues and Expenditures ..... 30

**Combined Balance Sheet** ..... 31

**Notes to the Financial Statements** ..... 32



COMPTABLES  
GÉNÉRAUX ACCRÉDITÉS  
CERTIFIED GENERAL  
ACCOUNTANTS

## BATHURST

1935, ave St. Peter Avenue  
Suite 100  
Bathurst, NB E2A 7J5

Tél. / Tel.: (506) 549-1984  
Télex. / Fax: (506) 548-0904

eprbath@eprbathurst.ca  
www.epr.ca

## PÉNINSULE

445, boul. St-Pierre Ouest  
Local 13  
Caraquet, NB E1W 1B2

Tél. / Tel.: (506) 727-2010  
Télex. / Fax: (506) 727-2088

eprpeninsule@eprbathurst.ca  
www.epr.ca

## INDEPENDANT AUDITOR'S REPORT

To the Board of Directors of the Autorité Aéroportuaire du Nord du Nouveau-Brunswick Inc. / Northern New Brunswick Airport Authority Inc.,

We have audited the accompanying financial statements of the Autorité Aéroportuaire du Nord du Nouveau-Brunswick Inc./Northern New Brunswick Airport Authority Inc., which comprise the balances sheets of the administration, capital and trust and reserve funds as at March 31, 2013, and the statements of revenues, expenditures and surplus of the administration and trust and reserve funds, the statements of operations, investment in capital assets and capital financing of the capital fund for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed for New Brunswick municipalities by the Department of Local Government, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

### *Basis for Qualified Opinion*

Not having had the mandate to conduct an audit of inventory, we were not present during the ending inventory count and we could not control the inventory quantities by other means. Because inventories are one of the element used to determine the results of operations and cash flows, we could not determine whether any adjustments in the surplus of revenue over expenditures, assets and cash flows from operations were necessary.

The Authority derives revenues from parking and the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Authority and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditures, assets and surplus.

Associés-Partners  
\*André J. Drouot, C.G.A.  
\*Denis St-Pierre, C.G.A.  
\*Gilles Deveaux, C.A.

Un cabinet indépendant membre du Groupe EPR Canada inc. / An Independent Member Firm of EPR Canada Group Inc.

\*Denote corporation professionnelle / Denotes Professional Corporation

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Autorité Aéroportuaire du Nord du Nouveau-Brunswick Inc./Northern New Brunswick Airport Authority Inc. as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles prescribed for New Brunswick municipalities by the Department of Local Government.

*EPR - Bathurst / Péninsule*

**EPR - BATHURST / PÉNINSULE  
CERTIFIED GENERAL ACCOUNTANTS**

Bathurst, New Brunswick  
April 29, 2013

**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.**  
**NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.**  
**BALANCE SHEET - ADMINISTRATION FUND**  
**AS AT MARCH 31, 2013**

	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 125,506	\$ 2,619
Accounts receivable	226,362	209,845
Receivable from government agencies	-	30,787
Due from Capital fund	16,026	16,026
Inventory	63,626	74,106
Prepaid Expenses	14,272	14,272
	445,792	347,655
<b>INVESTMENTS (Note 3)</b>	<b>2,576</b>	<b>4,240</b>
	<b>\$ 448,368</b>	<b>\$ 351,895</b>
<b>LIABILITIES AND SURPLUS</b>		
<b>CURRENT LIABILITIES</b>		
Demand loan (Note 5)	\$ -	\$ 25,497
Accounts payable and accrued liabilities	216,604	133,012
Payable to government agencies	22,211	-
Due to Capital fund	51,201	47,536
Deferred revenue	1,091	6,169
	291,107	212,216
<b>SURPLUS</b>		
Balance, beginning of year	139,680	239,676
Excess of revenue over expenditures	92,746	64,515
Transfer of Deficit (Surplus) of Second Previous Year	(75,165)	(164,512)
	157,261	139,679
	<b>\$ 448,368</b>	<b>\$ 351,895</b>

APPROVED BY:

Director: 

Director: 

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.**  
**NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.**  
**STATEMENT OF REVENUES AND EXPENDITURES AND SURPLUS**  
**ADMINISTRATION FUND**  
**YEAR ENDED MARCH 31, 2013**

	<b>Budget</b>	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>			
Rentals (Page 4)	\$ 98,500	\$ 101,164	\$ 100,001
User Fees (Page 4)	1,732,200	2,182,316	1,824,673
Other	10,360	8,159	7,674
Transfer from Trust and Reserve fund	-	8,900	-
Surplus of second previous year	131,326	75,165	164,512
	<b>1,972,386</b>	<b>2,375,704</b>	<b>2,096,860</b>
<b>EXPENDITURES</b>			
Administration (Page 5)	485,556	514,879	520,363
Fuel system (Page 5)	392,200	855,433	616,798
Hanger (Page 5)	14,640	15,036	13,993
Operations (Page 5)	180,293	189,724	184,317
Ramp services (Page 6)	98,652	108,421	83,459
Runway and grounds (Page 6)	50,533	25,057	60,510
Security (Page 6)	52,341	35,031	34,519
Snow removal (Page 6)	152,266	195,986	155,024
Terminal building (Page 6)	45,600	39,666	65,698
Other (Page 7)	36,000	45,983	8,006
Fiscal services (Page 7)	464,305	257,742	289,658
	<b>1,972,386</b>	<b>2,282,958</b>	<b>2,032,345</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 92,746</b>	<b>\$ 64,515</b>

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.**  
**NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.**  
**SCHEDULE RELATED TO REVENUES - ADMINISTRATION FUND**  
**YEAR ENDED MARCH 31, 2013**

	<b>Budget</b>	<b>2013</b>	<b>2012</b>
<b>RENTALS</b>			
Advertising space	\$ 3,500	\$ 5,190	\$ 5,430
Land leases	5,000	9,788	6,911
Office leases	90,000	86,186	87,660
	<b>\$ 98,500</b>	<b>\$ 101,164</b>	<b>\$ 100,001</b>
<b>USER FEES</b>			
Airport operations fees	\$ 850,000	\$ 876,820	\$ 863,880
Car parking	142,200	84,391	50,531
Fuel sales	530,000	954,980	662,236
Landing fees	60,000	66,806	56,574
Terminal fees	150,000	199,319	191,452
	<b>\$ 1,732,200</b>	<b>\$ 2,182,316</b>	<b>\$ 1,824,673</b>

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.  
NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.  
SCHEDULE RELATED TO EXPENDITURES - ADMINISTRATION FUND  
YEAR ENDED MARCH 31, 2013**

	<b>Budget</b>	<b>2013</b>	<b>2012</b>
<b>ADMINISTRATION</b>			
Advertising	\$ 45,000	\$ 63,904	\$ 65,719
AIF Handling charges	25,500	24,514	25,916
Insurance	25,000	12,352	18,015
Miscellaneous	22,020	11,751	12,507
Office supplies	20,000	16,085	14,864
Perdiems for directores	10,000	6,750	2,850
Professional fees	28,000	31,583	67,512
Taxes and permits	5,000	6,009	5,394
Telecommunications	13,020	14,584	15,114
Travel and meetings	25,000	15,376	13,301
Salaries and fringe benefits	267,016	311,971	279,171
	<b>\$ 485,556</b>	<b>\$ 514,879</b>	<b>\$ 520,363</b>
<b>FUEL SYSTEM</b>			
Aviation bulk fuel	\$ 375,000	\$ 834,650	\$ 591,104
Insurance	7,000	13,636	9,283
Repairs and maintenance	10,200	7,147	16,411
	<b>\$ 392,200</b>	<b>\$ 855,433</b>	<b>\$ 616,798</b>
<b>HANGER</b>			
Miscellaneous	3,000	1,279	1,710
Repairs and maintenance	5,400	8,209	7,830
Electricity	6,240	5,548	4,453
	<b>\$ 14,640</b>	<b>\$ 15,036</b>	<b>\$ 13,993</b>
<b>OPERATIONS</b>			
Salaries and fringe benefits	\$ 180,293	\$ 189,724	\$ 184,317

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.**  
**NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.**  
**SCHEDULE RELATED TO EXPENDITURES - ADMINISTRATION FUND**  
**YEAR ENDED MARCH 31, 2013**

	<b>Budget</b>	<b>2013</b>	<b>2012</b>
<b>RAMP SERVICE</b>			
Miscellaneous	\$ 5,000	\$ 6,170	\$ 1,788
Salaries and fringe benefits	93,652	102,251	81,671
	<b>\$ 98,652</b>	<b>\$ 108,421</b>	<b>\$ 83,459</b>
<b>RUNWAY AND GROUNDS</b>			
Repairs and maintenance	\$ 44,533	\$ 19,889	\$ 55,203
Vehicle expenses	6,000	5,168	5,307
	<b>\$ 50,533</b>	<b>\$ 25,057</b>	<b>\$ 60,510</b>
<b>SECURITY</b>			
Salaries and fringe benefits	\$ 52,341	\$ 35,031	\$ 34,519
<b>SNOW REMOVAL</b>			
Repairs and maintenance	\$ 60,000	\$ 80,299	\$ 75,178
Runway anti-ice	30,000	28,541	27,370
Salaries and fringe benefits	62,266	87,146	52,476
	<b>\$ 152,266</b>	<b>\$ 195,986</b>	<b>\$ 155,024</b>
<b>TERMINAL BUILDING</b>			
Electricity	\$ 18,000	\$ 23,331	\$ 23,163
Repairs and maintenance	15,000	4,239	29,368
Supplies	12,600	12,096	13,167
	<b>\$ 45,600</b>	<b>\$ 39,666</b>	<b>\$ 65,698</b>

The accompanying notes are an integral part of these financial statements.





**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.**  
**NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.**  
**SCHEDULE RELATED TO EXPENDITURES - ADMINISTRATION FUND**  
**YEAR ENDED MARCH 31, 2013**

	<b>Budget</b>	<b>2013</b>	<b>2012</b>
<b>OTHER</b>			
Nav Aid Maintenance	\$ 6,000	\$ 3,181	\$ 3,311
Special projects	30,000	42,802	4,695
	<b>\$ 36,000</b>	<b>\$ 45,983</b>	<b>\$ 8,006</b>
<b>FISCAL SERVICES</b>			
Capital expenditures	\$ -	\$ 21,895	\$ 41,743
Interest and bank charges	3,600	8,500	6,063
Interest on long-term debt	3,600	25,564	12,042
Interest on short-term debt	-	75	77
Principal repayment on long-term debt	257,000	101,708	29,733
Transfer to Operating reserve fund	200,105	100,000	200,000
	<b>\$ 464,305</b>	<b>\$ 257,742</b>	<b>\$ 289,658</b>

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.**  
**NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.**  
**BALANCE SHEET - CAPITAL FUND**  
**AS AT MARCH 31, 2013**

	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Due from Administration fund	\$ 51,201	\$ 47,535
	51,201	47,535
<b>PROPERTY, PLANT AND EQUIPMENT (Note 4)</b>	<b>1,317,095</b>	<b>1,396,084</b>
	<b>\$ 1,368,296</b>	<b>\$ 1,443,619</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Due to Administration fund	\$ 16,026	\$ 16,026
Current portion of the long-term debt	44,345	45,367
	60,371	61,393
<b>LONG-TERM DEBT (Note 6)</b>	<b>291,703</b>	<b>388,723</b>
	<b>352,074</b>	<b>450,116</b>
<b>EQUITY</b>		
<b>INVESTMENTS IN CAPITAL ASSETS (Page 9)</b>	<b>1,016,222</b>	<b>993,503</b>
	<b>\$ 1,368,296</b>	<b>\$ 1,443,619</b>

APPROVED BY:

Director: 

Director: 

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.  
NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.  
STATEMENT OF OPERATIONS AND INVESTMENT IN CAPITAL ASSETS  
YEAR ENDED MARCH 31, 2013**

	2013	2012
<b>Expenditures</b>		
Amortization expense	\$ 100,884	\$ 91,720
<b>Excess of expenditures over revenues</b>	<b>\$ 100,884</b>	<b>\$ 91,720</b>
<b>Investment in Capital assets</b>		
Balance, beginning of the year	\$ 993,503	\$ 1,013,747
Add:		
Property, plant and equipment financed by Administration fund	21,895	41,743
Principal payment on long-term debt	101,708	29,733
	1,117,106	1,085,223
Less:		
Excess of expenditures over revenues	100,884	91,720
<b>BALANCE, end of year</b>	<b>\$ 1,016,222</b>	<b>\$ 993,503</b>

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.  
NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.  
STATEMENT OF CAPITAL FINANCING - CAPITAL FUND  
YEAR ENDED MARCH 31, 2013**

	2013	2012
<b>FUNDS PROVIDED BY</b>		
Proceeds from bank loans	\$ -	\$ 448,234
Transfer from Administration fund		
Property, plant and equipment	21,895	41,743
Long-term debt repayment	101,708	29,733
	<b>\$ 123,603</b>	<b>\$ 519,710</b>
<b>FUNDS APPLIED TO</b>		
Due from Administration fund	\$ -	\$ 46,960
Purchase of property, plant and equipment	21,895	443,017
Long-term debt repayment	101,708	29,733
	<b>\$ 123,603</b>	<b>\$ 519,710</b>

The accompanying notes are an integral part of these financial statements.

**FD**

**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.  
NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.  
BALANCE SHEET - TRUST AND RESERVE FUND  
AS AT MARCH 31, 2013**

	2013	2012
<b>ASSETS</b>		
Cash	\$ 605,010	\$ 496,454
<b>RESERVE</b>		
Administration Operating reserve fund (Page 12)	\$ 28,413	\$ 28,413
Capital reserve fund (Page 12)	576,597	468,041
	<b>\$ 605,010</b>	<b>\$ 496,454</b>

APPROVED BY:

Director:

Director:

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.**  
**NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.**  
**STATEMENTS OF REVENUES AND EXPENDITURES - TRUST AND RESERVE FUND**  
**YEAR ENDED MARCH 31, 2013**

	Reserve Fund		2013	2012
	Operating	Capital		
Balance, beginning of the year	\$ 28,413	\$ 468,041	\$ 496,454	\$ 292,976
Revenues:				
Interest earned	-	17,456	17,456	3,478
Transfer from Administration fund	-	100,000	100,000	200,000
	28,413	585,497	613,910	496,454
Expenditures:				
Transfer to Administration fund	-	8,900	8,900	-
Balance, end of the year	\$ 28,413	\$ 576,597	\$ 605,010	\$ 496,454

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.  
NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.  
COMBINED BALANCE SHEET  
AS AT MARCH 31, 2013**

	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 730,516	\$ 499,073
Accounts receivable	226,362	209,845
Receivable from government agencies	-	30,787
Inventory	63,626	74,106
Prepaid expenses	14,272	14,272
	1,034,776	828,083
INVESTMENTS (Note 3)	2,576	4,240
PROPERTY, PLANT AND EQUIPMENT (Note 4)	1,317,095	1,396,084
	<b>\$ 2,354,447</b>	<b>\$ 2,228,407</b>
<b>LIABILITES AND SURPLUS</b>		
<b>CURRENT LIABILITIES</b>		
Demand loan (Note 5)	\$ -	\$ 25,497
Accounts payable and accrued liabilities	216,604	133,015
Payable to government agencies	22,211	-
Deferred revenues	1,091	6,169
Current portion of long term debt	44,345	45,367
	284,251	210,048
LONG TERM DEBT (Note 6)	291,703	388,723
	575,954	598,771
<b>SURPLUS</b>		
Investment in Capital assets (Page 8)	1,016,222	993,503
Surplus (Page 2)	157,261	139,679
Trust and Reserve (Page 11)	605,010	496,454
	1,778,493	1,629,636
	<b>\$ 2,354,447</b>	<b>\$ 2,228,407</b>

APPROVED BY:

Director: 

Director: 

The accompanying notes are an integral part of these financial statements.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.  
NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.  
NOTES TO FINANCIAL STATEMENTS**

---

## 1. NATURE OF OPERATIONS

The Authority co-ordinates operations of an airport in Bathurst, New-Brunswick. The Authority is a not for profit organization and, therefore, is exempt from tax under the *Income Tax Act*.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The Autorité Aéroportuaire du Nord du Nouveau-Brunswick Inc./Northern New Brunswick Airport Authority Inc. follows the deferral method of accounting for contributions.

### a) Revenue Recognition

Operating revenues are recorded based on the accrual method of accounting and are recognized when they are earned, specifically when:

- Services are provided or products are delivered to customers.
- There is a clear proof that an arrangement exists.
- Amounts are fixed or can be determined.
- Our ability to collect is reasonably assured.

### b) Inventory

Inventory is valued at the lower of cost and net realizable value. The cost is determined using the first-in-first-out method.

### c) Capital Assets

Purchases of capital assets are recorded in the Capital fund at cost. Amortization is calculated using the methods which reduce the original cost of capital assets to estimated residual values over the useful life of each asset using the following rates:

Buildings	4 - 10%	Diminishing balance
Equipment and Machinery	10 - 55%	Diminishing balance
Motor vehicle	30%	Diminishing balance
Parking lot	8%	Diminishing balance
Runway improvements	8%	Diminishing balance
Runway Navigation equipment	20%	Diminishing balance
Snow removal equipment	20 - 30%	Diminishing balance

Amortization expense is recorded in the Capital asset fund. Grants received are amortized at the same rate as the asset they relate to.

Only half the rate is charged on additions for the year.



**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.  
NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.  
NOTES TO FINANCIAL STATEMENTS**

---

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Surplus / Deficit**

The Authority has adopted the policy of budgeting in the current year operations any surplus or deficit of the second preceding year.

**e) Cash and cash equivalents**

The policy of the association is to disclose bank balances under cash and cash equivalents, including bank overdrafts and temporary investments with a maturity of three months or less from the date of acquisition. Also, bank borrowings are considered as financing activities.

**f) Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

**g) Pension Plan**

The employees are members of a defined contribution plan for which the Authority contribution to this plan are limited to 4% of the members' pensionable earnings.

**h) Financial Instruments**

Financial instruments are comprised of cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued liabilities. Due to their short-term nature, all financial instruments are carried at amounts which are considered to approximate their fair value.

**i) Financial Risk Management Objectives and Policies**

Consistent with similar not-for-profit organizations, risk management policies are part of the overall management of the entity's operations. The Authority's direct involvement in day-to-day operations identifies risks and variations from expectations leading to changes in risk management activities, requirements and actions. The Authority has not entered into hedging transactions to manage risk. As a part of the overall management of the Authority's operations, management considers avoidance of undue concentrations of risk, and employs appropriate investment and credit management policies to manage the organization's exposure.

**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.**  
**NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**3. INVESTMENT**

	2013	2012
Ace Aviation Holdings Inc., at fair market value	\$ 2,576	\$ 4,240

The cost at March 31, 2013 was \$4,240

**4. CAPITAL ASSETS**

	2013		2012	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 263,262	\$ -	\$ 263,262	\$ 263,262
Building - Administration	135,458	26,284	109,174	113,723
Building - Air Transport	670,898	320,812	350,086	355,587
Building - Snow maintenance	228,862	134,109	94,753	100,445
Equipment and machinery	416,307	349,815	66,492	69,400
Motor vehicle	24,253	15,732	8,521	12,173
Parking lot	526,364	111,051	415,313	451,427
Runway improvement	1,662,589	311,662	1,350,927	1,468,399
Runway navigation equipment	2,402,155	2,245,729	156,426	195,533
Snow removal equipment	1,098,845	969,799	129,046	161,307
	7,428,993	4,484,993	2,944,000	3,191,256
Less Grants:				
Building - Administration	66,035	13,269	52,766	54,965
Building - Air Transport	43,723	8,785	34,938	36,393
Equipment and machinery	38,994	28,877	10,117	12,719
Runway improvement	1,662,589	311,662	1,350,927	1,468,399
Runway navigation equipment	171,300	72,631	98,669	123,336
Snow removal equipment	138,000	58,512	79,488	99,360
	2,120,641	493,736	1,626,905	1,795,172
	<b>\$ 5,308,352</b>	<b>\$ 3,991,257</b>	<b>\$ 1,317,095</b>	<b>\$ 1,396,084</b>

**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.  
NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.  
NOTES TO FINANCIAL STATEMENTS**

**5. BANK INDEBTEDNESS**

	2013	2012
Demand loan	\$ -	\$ 25,497

The Authority has an operating line of credit of \$150,000 with an interest rate of prime plus 0.75%. As security, the Authority has provided a general security agreement against the assets of the airport.

**6. LONG-TERM DEBT**

	2013	2012
Caisse Populaire loan, 8.49%, payable in monthly instalments of \$661 including interest, secured by a vehicle with a net book value of \$8,475, due in May 2013.	\$ 1,048	\$ 8,724
Caisse Populaire Term loan, 6.75%, payable in monthly instalments of \$5,454, including interest, secured by a blanket collateral mortgage on buildings and a transfer of comprehensive insurance policy on the buildings with the Caisse Populaire Chaleur showing as first mortgage on the building, due in 2021.	335,000	425,366
	336,048	434,090
Current portion of the long-term debt	44,345	45,367
	<b>\$ 291,703</b>	<b>\$ 388,723</b>

Long-term debt principal repayments to be made during the next five years are the following:

2014	\$ 44,345
2015	\$ 47,274
2016	\$ 50,565
2017	\$ 54,086
2018	\$ 57,852

**7. COMMITMENT**

As at March 31, 2013, the Authority has an outstanding commitment over the next four years of \$9,834 with respect to the lease of equipment.

**AUTORITÉ AÉROPORTUAIRE DU NORD DU NOUVEAU-BRUNSWICK INC.  
NORTHERN NEW BRUNSWICK AIRPORT AUTHORITY INC.  
NOTES TO FINANCIAL STATEMENTS**

---

**8. ECONOMIC DEPENDANCE**

The majority of the revenue earned by the Authority is from Air Canada and the continued operation of the airport by the Authority at its present capacity is dependent on these revenues continuing.

**9. MANAGEMENT OF NET ASSETS**

The objective of Autorité Aéroportuaire du Nord du Nouveau-Brunswick Inc./Northern New Brunswick Airport Authority Inc. in managing its net assets is to remain a sustainable operation while fulfilling its overall mandate. It achieves its objective by strong day-to-day management of its cash flows and by regularly monitoring revenues and expenditures against its annual operating and capital budgets. When necessary, Autorité Aéroportuaire du Nord du Nouveau-Brunswick Inc./Northern New Brunswick Airport Authority Inc., takes prompt action to raise additional revenues when actual revenues do not meet its budget and to reduce expenditures or curtail programs when alternate sources of revenue can not be found.

**10. COMPARATIVE FIGURES FOR THE PRIOR YEAR**

Figures for 2012 have been audited by another auditor. Some of the comparative figures have been restated to conform with the presentation adopted for the current year.



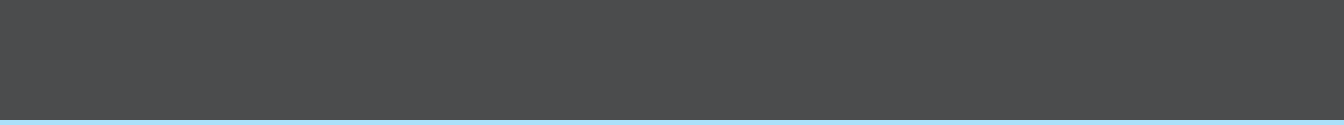
# FIND US ONLINE:

On our website



or on Facebook





2929 Route 180  
South Tetagouche ■ NB E2A 7B9  
 506 549-5050 ■  506 549-5051  
[www.airbathurst.com](http://www.airbathurst.com)



L' Autorité aéroportuaire  
du nord du **Nouveau-Brunswick** inc.

Northern **New Brunswick**  
Airport Authority Inc.