

# 2020

# Annual Report

LEADING TRANSPORTATION INNOVATION AND GROWTH



WINNIPEG  
AIRPORTS AUTHORITY

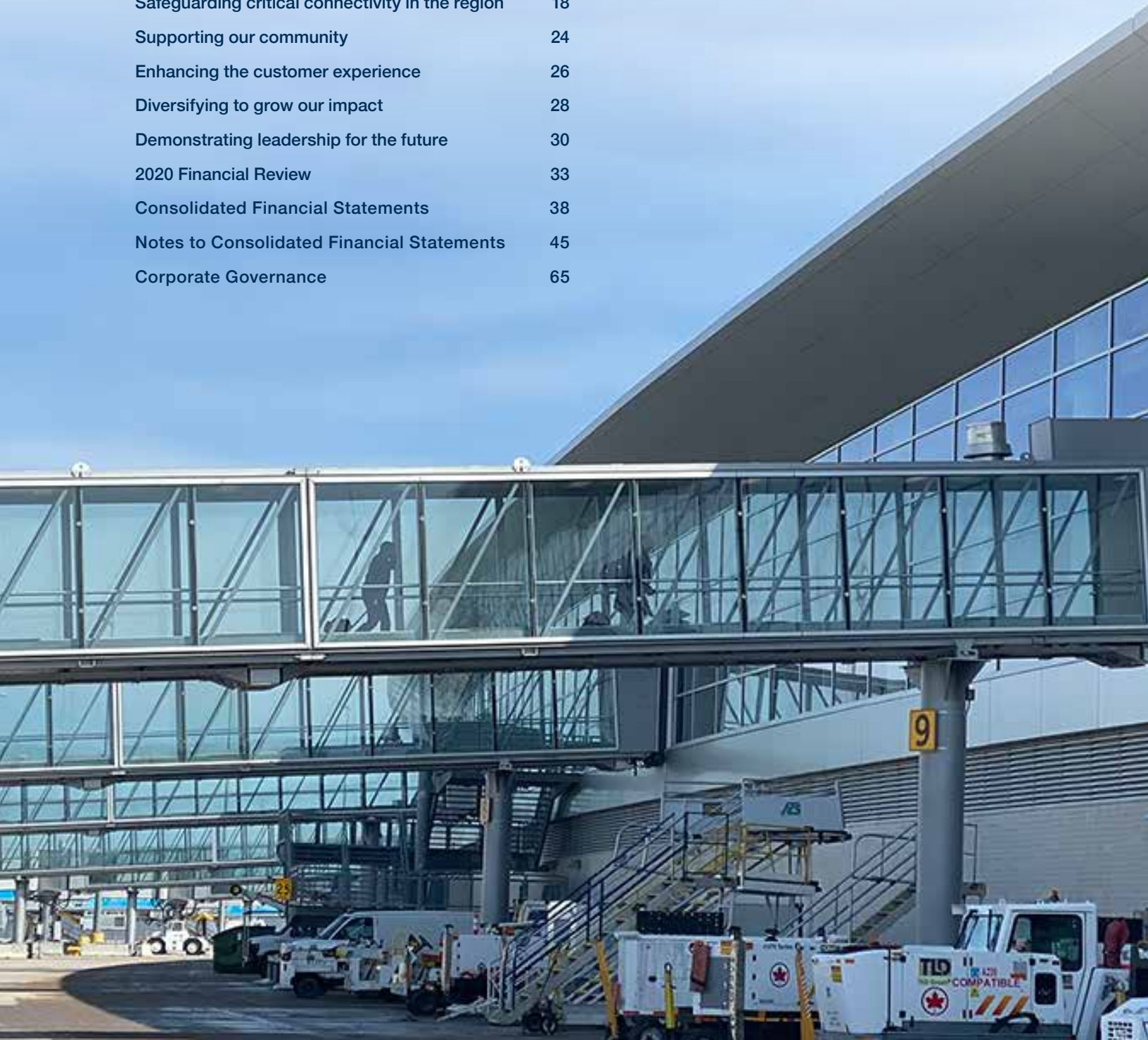




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Some animals are not allowed  
in baggage. For a full list of animals  
that are not allowed, please visit  
www.ana.com



It is prohibited to transport  
live animals in checked baggage.

For more information, please visit  
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# WAA'S STRATEGIC PLAN

## Vision

To lead transportation innovation and growth

## Mission

With our community, we provide excellent airport services and facilities in a fiscally prudent manner

## Values

Respect • Integrity • Service Excellence

## Strategic Directions

### Enhance Customer Service and Value

We will understand our customer needs and assure value through measurements relevant to them.

### Deliver and Operate Excellent Facilities and Services

We will deliver safe, secure and environmentally sound facilities and services incorporating universal design principles.

### Expand Air Service to and from Winnipeg

To improve Manitoba's links to the world, we will build on our 24-hour access and our intermodal connectivity.

### Be an Effective Community Partner

We will be a source of pride for our community and a leader in its growth and development.

### Develop and Realize Employee Potential

Our team attracts and inspires excellence. We have engaged employees, with the right skills, in the right place at the right time.

### Develop New Revenue Streams

Through business development initiatives, we will seek opportunities that will enhance and diversify revenue streams.

*“ 2020 could only be described as a truly unparalleled period in Canadian aviation history and it certainly made for a memorable first year as Chair of the Board for Winnipeg Airports Authority. ”*

*- Brita Chell, Board Chair*



# MESSAGE FROM THE BOARD CHAIR



Brita Chell

2020 could only be described as a truly unparalleled period in Canadian aviation history and it certainly made for a memorable first year as Chair of the Board for Winnipeg Airports Authority. Leading during this past year presented challenges for the entire team as together we worked to understand, mitigate and adapt to a new reality.

The global COVID-19 pandemic and reactions to it, massively disrupted the entire air transportation sector as borders closed and restrictions were placed on travel. While we, as others, were deeply impacted by its effects, difficult choices were made to ensure the company was positioned to address our vision; to serve the community by leading transportation innovation and growth. This commitment included navigating the crisis by ensuring we remained aligned with our purpose and values, each step of the way.

As the year progressed and our understanding increased, it became evermore clear just how important Leadership, Innovation and Diversification were going to be to our sustainability.

Leadership includes a nimble team and a flexible company structure that can adapt as needed to serve our community. Both of these factors proved critical as throughout the year circumstances surrounding the pandemic were changing from one moment to the next. Pivoting, reprioritizing and having access to the best data proved itself in making informed decisions required to safely continue serving our community.

Innovation similarly served us well as we worked to address shifting demands. New technology and processes such as protecting customers' health through provision of contactless experiences, were accelerated by the onset of the pandemic. Fortunately, our already strong focus on innovation gave us a running start in addressing new ways to meet the needs of our stakeholders.

The benefit of prioritizing diversification became increasingly apparent as the year and the impacts of the pandemic progressed. As overall travel volumes declined, we relied upon our innovative business structure to aid in diversifying revenue sources and contribute to sustainability. Two WAA subsidiaries in particular - Winnipeg Airport Services Corp. and Airport City Winnipeg Ltd. - played an integral role in generating new revenue sources, exploring new partnerships and seizing opportunities to make us more competitive and financially secure over the long-term.

Despite the obstacles that arose, I'm proud we were able to chart a path forward to address the ongoing needs of our stakeholders; relying always on our core values. I'd like to thank the entire WAA team, as well as each member of the Board for their significant contributions. On behalf of the Board, I wish to recognize outgoing member Gerry Glatz and thank him for his nine years of dedicated service. Looking ahead, I'm pleased to welcome new board member Adam Kilfoyle to the Board and congratulate Susan Dawes on being appointed WAA's new Vice Chair.

As the pandemic continues to impact our everyday lives, we expect aviation may be one of the last industries to recover as it is built on a worldwide network of connectivity. The path forward is going to take time, dedication and resourcefulness. I'm honoured to be leading your airport authority's board and believe WAA to have a strong team and the right plan in place to shape much brighter days ahead as we continue to serve our community.

Sincerely,

A handwritten signature in black ink that reads "BChell". The signature is fluid and cursive.

Brita Chell

*“ This most unusual of years in aviation history began with the promise of increasing numbers of passengers, a busy terminal, reunions taking place on the Hug Rug and our community experiencing the growth that comes with direct connectivity to 43 destinations around the world. Then virtually overnight, our reality changed... ”*

*- Barry Rempel, President & CEO*





## MESSAGE FROM THE PRESIDENT & CEO



This most unusual of years in aviation history began with the promise of increasing numbers of passengers, a busy terminal, reunions taking place on the Hug Rug and our community experiencing the growth that comes with direct connectivity to 43 destinations around the world. Then virtually overnight, our reality changed entirely as passenger traffic went from above forecast volumes in February to an eerily quiet airport terminal by the end of March. We were required to address a problem no one ever contemplated having to solve: what do you do when 95 per cent of customers disappear and operating costs remain fixed at 85 per cent? Maintaining our region's access was paramount and regardless of the number of flights, we had to continue operating the airport around the clock for those flights critical to our local businesses and to ensure we maintained capacity to meet emergency travel or resupply requirements. In the earliest of days during the pandemic we initiated a process aimed at understanding, mitigating the impacts and sustaining the company, the employees and the services our team enables each day for the people we serve.

Positioning WAA for future success, we strove in real time to first understand the new reality and the change it would bring. Our focus on data proved critical as we came to learn of the inadequacies of a pandemic response plan developed prior to the onset of COVID-19. Through discussions with medical experts, government bodies and other airports around the world a revised plan, focused on alignment with our strategic directions and values, quickly emerged. How the pandemic would alter our everyday lives was greater than anyone could have imagined.

Since assuming responsibility for the operation of Winnipeg Richardson International Airport in 1997, WAA has encountered a number of disruptions in the industry, including 9/11, SARS and the financial crisis of 2008. The team's collective response to, and the outcomes of, prior events demonstrated the long-term resiliency which provides guidance, hope and trust in our plans for sustainability.

When the world changed in March, two significant risks were immediately apparent: the potential risks (short and long-term) of reduced connectivity to our community and the financial impact of pandemic related outcomes on the airport authority itself. Our foremost priority was to ensure the safety of travellers and employees as we activated initiatives designed to exceed public health guidelines. In the weeks that followed and as passenger traffic fell from an average of 12,300 travellers per day to less than 250, we began consolidating operations and implementing all possible cost savings. Our team did a thorough job of assessing every light, thermostat, piece of equipment and process to find efficiencies. We also delayed all non-safety related capital projects and cut department budgets. These actions, along with making the difficult decision to enact salary and workforce reductions were necessary to address the precipitous drop in passenger traffic and associated revenues, especially as the original predictions or hope for an earlier return of travel disappeared. Fortunately, in prudently managing our resources, WAA started 2020 in a strong financial position. This assisted greatly in providing the time to effectively plan a path to sustainability even as it became apparent that sector specific support from government was not forthcoming.

In maintaining operations which support a network of essential services for our region, we were proud of the role WAA played in continuing to ensure availability for essential travel, supporting medevac or search and rescue flights and the movement of critical goods. These services were critical to the supply of Personal Protective Equipment and vaccines necessary to ensuring our community was kept supplied and as safe as possible during a pandemic.

The path forward will rely on a combination of government led, sector-specific support and getting Canadians safely moving again. The airport has the capacity to play a major role in our region's economic and social recovery, but we are unable to do it alone.

While it's no secret this is a challenging time in the industry, we have a clear plan to meet the needs of our community now and for many years to come. In 2020, the WAA team turned obstacles into efficiencies, did an exceptional job of protecting our community and still found ways to enhance our competitiveness and grow WAA's impact. This global pandemic remains a challenge, but I look forward to the day when looking back we reflect on the actions taken in 2020 as having contributed to a stronger, more sustainable airport authority.

Sincerely,

A handwritten signature in black ink, appearing to be 'BR' with a stylized flourish.

Barry Rempel



WINNIPEG  
AIRPORTS AUTHORITY

## INTRODUCTION

Winnipeg Airports Authority Inc. (WAA) is responsible for operating, maintaining and investing in Winnipeg Richardson International Airport (YWG). The company also leverages its business structure, which is made up of three subsidiaries, to grow its impact here in Winnipeg and beyond. This includes steering real-estate and property development on the airport campus, managing and operating Iqaluit International Airport and providing aviation services at other airports across the country.

WAA focuses on enhancing our community's connectivity by supporting passenger travel and facilitating the movement of essential goods to reach more destinations and markets around the world. We continue to grow our impact at home by investing in the airport campus to build a thriving network of industry partners to lead the future of air transportation and serve our community.

To learn more about WAA, visit our website at [waa.ca](http://waa.ca).



Since taking over the operation of the airport in 1997, WAA has invested more than \$1 billion dollars into developing the airport campus to serve the community.



WAA was named one of Manitoba's Top Employers for 2021, marking the 10th consecutive year the company has graced this list.





Each wholly-owned subsidiary of WAA approaches our corporate objectives from a different angle, respective of its unique role and function within the organization. Amid the COVID-19 pandemic, one of the greatest disruptions in the history of the industry, WAA further relied upon its diverse business model to navigate a sustainable path forward. The company's multi-part make-up is essential when it comes to creating new revenue streams, expanding our partnerships and exploring opportunities beyond the airport. See below how each subsidiary carries out a specific role in helping us lead transportation innovation and growth.



## WINNIPEG RICHARDSON INTERNATIONAL AIRPORT

YWG Inc. is responsible for operating, maintaining and managing Winnipeg Richardson International Airport. This subsidiary is comprised of three distinct areas: Airport Terminal and Groundside Operations, Airside Operations, and Operations Compliance, all of which support the day-to-day operations of the airport. YWG Inc. plays a key role in facilitating smooth and seamless airport experiences.



## AIRPORT CITY WINNIPEG

Airport City Winnipeg Ltd. (ACW) coordinates and manages commercial activities to help strategically develop Winnipeg Richardson International Airport. This subsidiary focuses on real-estate development, property and facility management and unlocking airport lands to reach their full potential. The team also works closely with stakeholders and airport tenants to strategically expand airport operations, enhance operational efficiency and explore innovative opportunities for the future.



## WASCO

WINNIPEG AIRPORT SERVICES CORP.

Winnipeg Airport Services Corp. (WASCO) focuses on seeking opportunities to provide aviation services and solutions at other airports across Canada. This subsidiary is in the business of helping other airports operate safely and efficiently in areas including operations, management, maintenance and technical solutions. The group is responsible for sharing their passion for aviation and knowledge of the industry to help other airports operate as effectively as possible to serve their communities.

# A YEAR IN REVIEW





## NAVIGATING THE IMPACTS OF COVID-19

At the start of 2020, WAA's plan remained on track. Passenger traffic surpassed predictions in January and February and plans to further develop the airport to meet the community's needs had also started. In March, however, everything changed. As the COVID-19 pandemic began to severely impact air connectivity around the world, WAA changed course to prioritize a new plan. A specific three-part approach guided WAA throughout the rest of the year as we worked to understand, mitigate and sustain the effects of the COVID-19 pandemic.



### Understand

Prior to there being any confirmed cases of COVID-19 in Manitoba, WAA developed a comprehensive response plan based on early discussions with public health authorities, government bodies and industry partners. We closely monitored the unfolding situation from the start to understand the change that was coming. At the onset of the pandemic, we worked to raise awareness of COVID-19 symptoms, best preventative practices and non-essential travel advisories. WAA also procured personal protective equipment, additional hand sanitizer stations and increased cleaning supplies. Passengers returning home or travelling for essential reasons were kept informed of their responsibilities each step of the way. Our immediate, proactive approach in collaboration with our partners played an integral role in protecting our community during this critical time.



### Mitigate

As we adapted to a new reality, we implemented new health measures into the travelling experience and further elevated cleaning strategies to meet increased standards to help keep our community safe. Passenger traffic fell by 95 per cent in the second quarter, causing airport revenues to decline. Yet the airport had to continue operating 24/7 to serve our community. It became paramount for WAA to mitigate the impacts of the pandemic on the airport. A few examples include consolidating airport operations to the west side of the terminal, freezing all non-essential capital projects and reducing budgets. We worked as a team to find efficiencies wherever possible, and every action mattered.

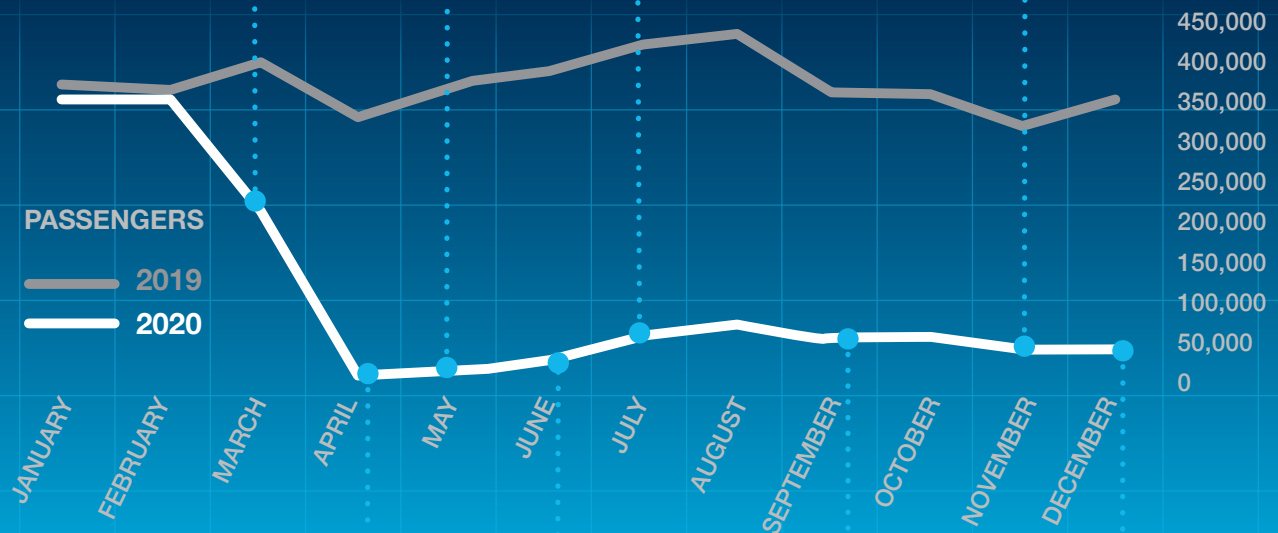


### Sustain

After proactively working to understand the change and taking steps to mitigate the impact of the crisis, WAA focused on sustaining the airport's ability to serve the community long-term. The circumstances surrounding the pandemic and the limitations placed on travel hindered the recovery of air traffic in the region for the entire year. The airport received rent relief from the federal government and was able to take advantage of the Canadian Emergency Wage Subsidy program, although this was the only aid provided in 2020. WAA continued to advocate for targeted assistance, as seen in all other G7 countries except Canada, and near the end of the year, had to explore alternative methods for relief. In December, we commenced our bondholder consent solicitation process, which saw strong support from the market and secured short-term financial relief for the next two years. At the end of the year, we remained focused on finding a path forward by working with our partners to explore rapid testing opportunities, supporting the roll out of the COVID-19 vaccine in the province and continuing to seek government assistance for the industry.

## Timeline of events

- COVID-19 response plan activated to support safe return of travellers.
- COVID-19 cases confirmed in Manitoba. Non-essential travel advisories come into effect. Canada-U.S. border closed.
- The Hug Rug is rolled up, extensive awareness signage is deployed and enhanced cleaning measures are implemented.
- Delta returns for essential travel.
- 2,000+ travellers move through YWG in a single day.
- Face covering requirement implemented in terminal ahead of provincial health orders.
- Province shifts to Critical level (red) as cases rise.



- Several airlines pause service. Passenger traffic drops 95 per cent.
- PPE shipments arriving to support frontline and healthcare workers.
- Non-essential capital projects frozen. Terminal operations streamlined.
- Heightened physical distancing measures implemented throughout terminal.

- Domestic self-isolation protocols lifted for travellers from Western and Northern Canada.
- 1,000+ travellers move through YWG in a single day.

- WAA's Annual Public Meeting is held.
- ACI recognizes the airport with a global health accreditation.
- Temperature screenings come into effect at all security checkpoints.

- Increased travel restrictions implemented for Northern Manitoba.
- First shipment of the COVID-19 vaccines arrive by air.
- WAA secures support to its bond covenant waiver.



## The YWG Clean Program

*Our ever-expanding commitment to provide a healthy airport environment*

Visitors and employees alike have long felt at home inside YWG. It's the reason the Hug Rug became a beloved hotspot at the airport and why we consistently score high in the area of "friendly and helpful airport staff" in annual passenger surveys. Although, when a global pandemic arises, the need to offer a clean, safe and welcoming space must be elevated to meet the highest standards in all areas. At Winnipeg Richardson International Airport, this commitment became known as the YWG Clean Program.

"The airport is like our home," said Sherry Moulden, Manager of Custodial Services at YWG. "We want to make sure everything is taken care of and clean. There's a huge sense of pride within our cleaning staff of working at the airport. They take it seriously and want to bring it to another level."

Each member of the cleaning team rotates through the terminal every day equipped with the latest technology, such as an electrostatic sprayer, to help disinfect high touch

surfaces to the greatest degree. Upon reviewing every cleaning technique, solution, routine and touch surface, we enhanced our practices in all areas at the onset of the pandemic and on an ongoing basis throughout 2020 to deliver the safest result for our community.

On the main escalator in the Arrivals Hall, we installed a UV-C light handrail sterilizer to disinfect every inch of the surface all day long. In addition, the air filtration system in the terminal is maintained to match that of a hospital setting to deliver superior fresh air quality. We also found an innovative way to repurpose a product called Zensors, which combines video analytics and AI technology to track increased traffic outside the main airport washroom. It acts as a back-up to supplement the cleaning team's rigorous sanitization routines.

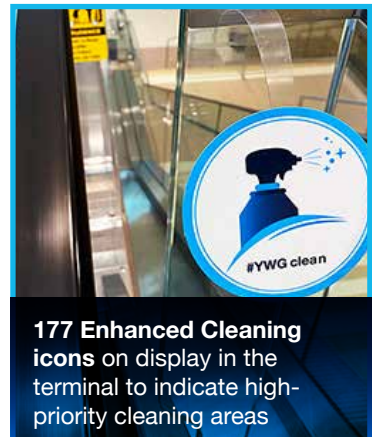
These actions and systems are further complimented by our expanding touch-free portfolio as we continue to roll out more contactless services and products. Combined, all layers of the YWG Clean Program are helping people feel safe and at home when they move throughout the airport.



**32 Litres** of cleaning solution used each week to disinfect surfaces.



**\$250 increased tap limit** for the parking system



**177 Enhanced Cleaning icons** on display in the terminal to indicate high-priority cleaning areas



**300 Microfiber clothes** used each day by the cleaning team



**60 minutes** between each complete washroom cleaning



**4 weeks' worth of supplies** on hand at any given time, including hand soap, sanitizer and PPE

## New YWG Travel Experience

*Our ever-expanding commitment to provide a healthy airport environment*

The travel experience has changed significantly since the start of the COVID-19 pandemic. In 2020, WAA reviewed every aspect of a passenger's journey and implemented new procedures to help protect everyone who enters Winnipeg Richardson International Airport.

YWG was one of the first facilities in the community to mandate the use of masks. Every traveller, visitor and employee must cover their nose and mouth properly at all times in all public areas of the airport. Steps have also been taken to support proper physical distancing, including stickers being placed on the floor to mark six-foot distances and every other self-serve check-in kiosk being powered down. To further provide a safe environment, we installed additional hand sanitizing stations in convenient, easy-to-locate areas that helped encourage traveller use. Throughout the terminal, signage relaying the latest travel updates is also on display to keep travellers informed of their responsibilities and best practices.

When putting together our plan, we didn't forget about the areas outside of the terminal either. On top of increasing the tap limit for parking payments to \$250, we also offered a key storage service in line with isolation protocols so a vehicle could be left for arriving travellers.

While we initiated many new health and safety measures at YWG to protect our community, we also created a step-by-step guide, complete with short videos, to make it easy for travellers to know what to expect before they arrive at the airport. The steps are simple to carry out, but each one makes a big difference in helping keep each other safe.

“ *The people that work here and with the airlines are being so respectful. They're doing everything they can to make it as safe as possible and to make travellers feel comfortable.* ”

*- A traveller interviewed as part of WAA's In the Air Again profile series*

Visit our website at [waa.ca](http://waa.ca) to check out the New YWG Travel Experience section, complete with safe travel updates, tips and helpful resources.





## A Shared Approach

*Working together to prioritize safety and sustainability*

### Our industry partners

From the airport curb to seat 33C on an airplane, the entire industry adopted a unified approach to help prioritize the safety of travellers and employees amid the global COVID-19 pandemic.

Our industry's recovery hinges on how well we work together in supporting safe travel. To uphold the highest standards at YWG, WAA collaborated with all of its airport and airline partners.

Working in tandem with WAA-led health and safety initiatives inside the airport, the Canadian Air Transport Security Authority (CATSA) began conducting temperature screenings for all passengers and airport employees at each security checkpoint. Travellers arriving at YWG on an international flight also had to undergo a health screening by a Canada Border Services Agency officer.

As for airlines, each carrier servicing YWG implemented its own health and safety programs to facilitate a safe travel atmosphere. This included additional health screenings at check-in and during the boarding process to ensure passengers were deemed safe to fly.

The pandemic presented many obstacles, but this shared approach to safety contributed to the act of travelling being deemed very low risk by health authorities. It also helped travellers feel comfortable and confident as they moved through the airport amid the pandemic.

### Airport stakeholders and our community

Providing travellers with an enjoyable airport experience has always been a key priority for WAA. These days, however, safety and customer service are one and the same. Since the beginning of the pandemic, we've worked alongside the airport's shops and dining establishments to prioritize a healthy and sustainable environment.

Retail stores kept their shelves stocked to give travellers an opportunity to grab an extra mask, gloves, hand sanitizer or cleaning wipes before their flight. Restaurants adapted to meet fluctuating public health requirements, such as re-configuring their offerings to emphasize grab-and-go options, limiting capacity, digitizing menus through QR codes and enhancing sanitization routines so travellers could enjoy a sit-down meal. Many establishments also had to prioritize hours of operation to line up with peak travel times to remain sustainable.

Our community also played a big part in helping to support safe travel by following protocols and staying informed. WAA donated ad space to public health authorities in March so they could spread critical awareness within the province and frequently updated all signage in the terminal to share important information. Our community adapted to a new travelling experience by arriving early, wearing a mask, practicing physical distancing and reaching out to ask questions when needed. We thank our travelling community this year for working with us at every turn to help ensure the safety of everyone.



#### Did you know?

*The amount of PPE purchased at YWG was the second highest in the country compared to all other stores operated by Paradies Lagardère at Canadian airports over a six-week period randomly sampled.*



**12 LITRES**

Average amount of hand sanitizer used weekly inside the terminal.

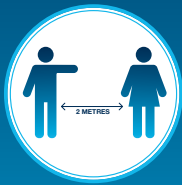


**38°C**

Temperature you must register below to enter a security checkpoint.

**335 ml**

Size of hand sanitizer bottle travellers can pack in their carry-on luggage.

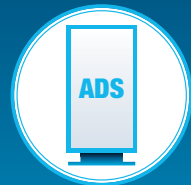


**103**

Physical Distancing signs and floor stickers throughout the terminal.

**41**

Advertisement spots donated to public health authorities to spread awareness messages.



# SAFEGUARDING CRITICAL CONNECTIVITY IN THE REGION

Winnipeg Richardson International Airport operates 24 hours a day, seven days a week, 365 days a year to provide essential services for Manitoba and beyond. Despite a global pandemic, the airport remained open around the clock to keep our community connected, supplied and safe. Critical infrastructure, such as the runways, also required ongoing maintenance to support the many different services linked to the airport.

## Passenger Traffic

1.3 million Passengers  
Average passengers  
per day: 3,550

## Military Operations

1,000+ landings  
Average of three  
landings per day

## Cargo Sector

4,200+ landings  
Average of 11 landings per day

## Medevac Flights

2,000+ landings  
Average of six  
landings per day









## Maintaining our Route Network

The COVID-19 pandemic interrupted air service across the globe, and Winnipeg Richardson International Airport was not immune to the impact.

We began the year with direct service to 43 destinations across Canada, the U.S., Mexico and the Caribbean. Fast forward to the end of the year, that number reduced to 14 domestic connections and direct service to one U.S. destination – Minneapolis-St. Paul. Furthermore, four airlines, Sunwing, Air Transat, Swoop and United Airlines, stopped servicing YWG in 2020 due to the increased limitations placed on travel. This represented a drastic shift in the industry as in 2019, these airlines were expanding service in and out of Winnipeg after recognizing the strong demand and potential in this market. YWG saw 4.5 million passengers move through the terminal in both 2018 and 2019 as our community sought out opportunities to study abroad, grow their businesses, visit loved ones and explore the world.

We know our community's desire to go places will return. However, it will take time due to many factors: travel advisories and protocols, comfort levels, borders restrictions, vaccine rollouts and the state of our economy. When passenger volumes start to return, regaining our community's connectivity will take time, just as it took decades to build before the pandemic.

Since the onset of the pandemic, Canada's aviation and air transportation industry has received minimal financial support to date, especially in comparison to other G7 countries around the world. This lack of aid continues to hurt our country's competitive edge in the sector, and will make low-cost fares, increased service and route options significantly harder to recover.

The airport will always serve our region, and WAA will work tirelessly to provide our community with direct access to the world, protecting the vision of YWG as an international hub.

## Action checklist to help keep our region connected:

- ✓ **MAINTAIN** strong relationships with airline partners to explore future possibilities
- ✓ **ENSURE** airlines view YWG as a turnkey solution to operate
- ✓ **ADVOCATE** for direct financial support for airports beyond rent relief
- ✓ **UTILIZE** all channels to raise awareness of the industry's need for support
- ✓ **IMPLEMENT** countless health measures to provide a safe travel atmosphere
- ✓ **ENGAGE** all partners in exploring rapid testing opportunities for YWG
- ✓ **INCREASE** Airport Improvement Fee to help maintain critical infrastructure





Airline service suspended in 2020 due to the COVID-19 pandemic:





## An Increased Reliance on Cargo Operations

The cargo sector at Winnipeg Richardson International Airport supports the efficient movement of essential goods by air throughout North America. As a leading cargo hub in the heart of the continent, freight operations played an important role in serving our region and protecting our community amid the COVID-19 pandemic in 2020.

During the year, many cargo flights touched down at YWG from around the world to deliver personal protective equipment shipments to support frontline workers and healthcare professionals. As we inched closer to 2021, cargo partners geared up to support the rollout of the COVID-19 vaccine. The first doses arrived by air on December 15, with many more deliveries on the radar for the year ahead. While the arrival of medical supplies was critical to protect our community, overnight cargo operations also continued to boost our local economy.

Many local businesses and industries rely on the 24/7 operations of the airport to efficiently import and export goods from across the world. YWG operates around the clock with cargo flights taking off all night long to help these shipments quickly reach domestic and international markets.

This includes moving Manitoba-made goods to other regions and importing products to support critical industries at home, such as manufacturing and agriculture.

The most considerable economic shift to impact the cargo sector in 2020 was the acceleration of e-commerce. With stay-at-home measures in place and many storefronts closed, online shopping soared, especially during the holiday season. This contributed to a 7.5 per cent increase in cargo plane landings in the fourth quarter compared to the same period in 2019.

While the demand for doorstep deliveries increased, one aspect of the cargo sector remained the same: moving goods to northern and remote communities. The airport's prime geographic location enables cargo carriers to efficiently transport critical goods to Canada's North, including food, clothing, health care supplies and much more. These services are a lifeline for many Canadians as they depend on regular air cargo deliveries to help keep them supplied. Traffic to northern destinations remained steady all year long to continue to serve Canadian communities.

The cargo sector at YWG is continuing to expand to further serve our region. Check out Page 29 to learn more.



4.1 % increase in total cargo plane landings in 2020



4.5 % increase in domestic cargo plane landings in 2020





SCHEDULED CARRIERS



AD HOC CARRIERS FOR PPE ONLY





A water cannon salute on the airfield at YWG carried out by airport employees to honour and recognize the contributions of front-line workers during the COVID-19 pandemic.

## SUPPORTING OUR COMMUNITY

At WAA, our community is at the core of everything we do. We exist to serve our region, and we do that in many ways beyond supporting air connectivity in and out of Winnipeg. In 2020, individuals and families all felt the impacts of the pandemic, which created a strong need for support in our own backyard. We had the capacity to give back by donating our time and our facilities to help generate a positive impact in our community during a pivotal time.

### A physically distant garden in support of Harvest Manitoba

With a spike in community members using food banks amid the pandemic, it was paramount for WAA to continue its deeply rooted tradition of growing a garden in support of Harvest Manitoba. For the 24th consecutive year, employees took time throughout the summer to plant and tend the Harvest Garden located on the airport campus. Except this year, all employee volunteers had to wear masks, practice physical distancing and remember to sanitize often. The fruits of their labour were then collected and donated to families in need.



“ Due to COVID-19, we were unable to plant our garden, losing out on a valuable resource of fresh vegetables for hampers. The veggies harvested by WAA employees filled this gap, providing nutritious food for thousands of families in need across the province. We are so thankful to WAA for nourishing our community. ”

- Keren Taylor-Hughes, CEO, Harvest Manitoba

Since 1997, WAA has provided 64,754 pounds of fresh vegetables to Harvest Manitoba through its Grow-A-Row program. On top of helping to fight hunger in the province, the Harvest Garden gave employees working remotely the chance to connect safely with their co-workers in-person.

### Queen Elizabeth II Scholarship

Each year, WAA supports the next generation in the industry by presenting a scholarship to a local graduate. The WAA Queen Elizabeth II Aviation Scholarship was established in perpetuity with St. James-Assiniboia School Division in 2017 through the St. James Scholarship Foundation. In 2020, this scholarship was awarded to Fionn Forbes who graduated from Collège Sturgeon Heights College. Due to conditions surrounding the pandemic, we could not present the award in person, but Fionn already anticipates his next steps in the industry.

“ I am hoping to be accepted into the air force as a pilot and follow what my brother did. That's my main goal. ”

- Scholarship recipient Fionn Forbes







## The CAA Summer Drive-In Series at YWG

Some couples came to relive their first dates, while others rushed to enjoy a drive-in movie experience for the first time.

The economy parking lot at YWG was transformed into a pop-up drive-in movie theatre from June 11 to July 5, offering the community a safe way to enjoy entertainment amid the COVID-19 pandemic. Hosted by AVentPro, a longstanding partner of WAA, several other local partners came forward to help sponsor the event, including title sponsor, CAA, along with Peak of the Market, Travel Manitoba, QX104, 94-3 The Drive and WAA.

At the time, movie theatres were closed due to public health orders, non-essential travel advisories were in effect in the region and the community was in the early stages of

reopening after the first lockdown. The last drive-in movie theatre to operate near Winnipeg closed in 2008, so this was truly a special event to see come to life on the airport campus.

WAA was proud to support this initiative from the moment the idea surfaced as we knew our community needed something to help spread a little joy during a challenging time. It also presented a unique way to repurpose a quiet parking lot and bring the community to the airport to create lasting memories.

The set up succeeded in meeting all public health protocols and after a number of sold out shows, it was leveraged to host other events too, including a graduation ceremony and performances from the Winnipeg Symphony Orchestra and the Royal Winnipeg Ballet.

Thank you to everyone who came down to check it out and spend time at the airport in a new, unforgettable way.



# ENHANCING THE CUSTOMER EXPERIENCE

At WAA, it is our goal for all travellers and visitors to be able to anticipate an excellent experience at the airport. This begins the moment a guest arrives on campus as we work to ensure all visitors can access the services, supports and amenities they need to enjoy their time at YWG. We followed through on this commitment in 2020 by launching a new individualized service for travellers who require support at the airport, upgrading airport infrastructure to better serve travellers and continuing to remain focused on providing support for all airport guests.

## Shaping a more inclusive airport environment

The airport is a community asset and as such, it is important the facilities and services within reflect the diverse needs of our population.

To support this objective, WAA steers an Accessibility Committee to help guide the company in making informed decisions in the area of equal access at the airport. The committee is a made up of airport partners and representatives from community organizations who work with persons with disabilities on a daily basis. In 2020, this group supported a number of new initiatives at YWG, such as the Passenger Rehearsal Program.

In July, WAA launched the Passenger Rehearsal Program, inviting passengers with a disability or who require additional support to sign up to receive a personalized, guided tour of the airport prior to their trip. We want to help all passengers become familiar and comfortable with airport procedures and alleviate any anxiety or concerns an individual may have before their trip. To meet this goal, an experienced airport guide provides each registered participant with a hands-on tour of the airport and tailors it to meet their individual needs and travel itinerary. While the program benefits travellers moving through Winnipeg Richardson International Airport, it also opened up the door for other airports to consider similar programs.

WAA also sought a security exemption from Transport Canada, allowing individuals not travelling on that specific day to move past security. While the program benefits travellers moving through Winnipeg Richardson International Airport, it also opened up the door for other airports to consider similar program and explore options based on this exception.



Later in the year, WAA expanded upon the program by asking for first-hand feedback from participants. The event was coordinated by WAA and sponsored by Air Canada. A survey was administered afterwards to gain feedback in an array of areas to guide us in next steps at the airport.

**“What was nice about it was that the stress a person with a disability faces when travelling was taken off,” said Tracy Garbutt, a volunteer participant who is blind. “It allowed me to learn about a few new things and make me feel more comfortable for the next time I fly.”**

Our commitment towards enhancing accessibility at the airport, in partnership with our community, continued to grow in 2020 with the help of multiple initiatives. We are excited to share how those collaborative efforts resulted in the airport and WAA being honoured with two prestigious recognitions:

## 2020 Manitoba Accessibility Award (Large Business)

WAA received a 2020 Manitoba Accessibility Award in the large business category recognizing all of the company’s actions throughout the year to enhance inclusivity at Winnipeg Richardson International Airport.



## Best Overall Customer Experience Program (Medium Airport)

Airport Council International North America awarded Winnipeg Richardson International Airport with a Best Overall Customer Experience Program Award in the medium airports category for the Passenger Rehearsal Program.

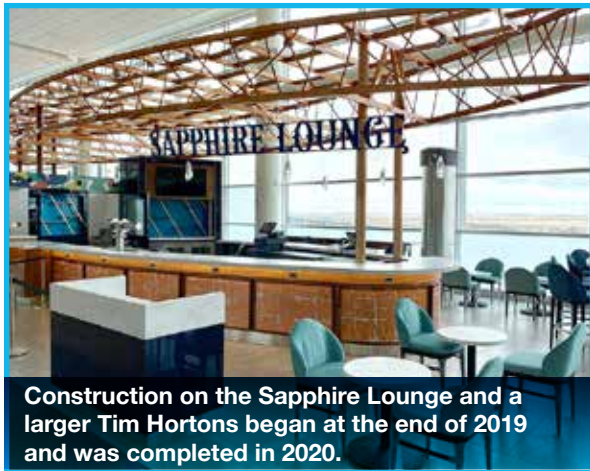




## New options near the gate to serve travellers

The area near Gate 10 presented an opportunity for us to elevate the customer experience in between going through security and boarding one's flight based on feedback from our community.

The construction project, which involved upgrading this entire far corner of the terminal, began in the fall of 2019 and wrapped up in 2020. Today, it is the home of an expanded, modernized Tim Hortons and a chic new eatery called Sapphire Lounge. The area, filled with comfortable seating, also overlooks the airfield and offers a prime spot for catching a prairie sunset. Both restaurants will offer travellers more options to relax, enjoy a bite to eat or grab a drink before their flight in the near future. During 2020, a number of establishments remained closed or were operating with limited hours inside the airport due provincial public health orders and low passenger volumes. We look forward to seeing these establishments officially open when travel picks up.



## Our team's commitment to excellent service

Customer service is one of our core values at WAA and our team keeps this top of mind each and every day. While the airport was significantly quieter amid the pandemic, our team continued to actively engage with guests on a daily basis to support them as needed inside the terminal. In 2020, we also focused on training front-line team members on how to communicate more effectively from behind a mask in advance of the face covering requirement coming into effect in the terminal. This training shared information on how to meaningfully assist each airport guest with friendly and helpful body language. To ensure everyone received the same customer service, WAA also brought in clear plastic masks and visors to allow our team members to communicate with guests who are hard of hearing or deaf. Our Information Booth also continued to support travellers by answering daily inquiries both in-person and via email, including offering responses in multiple languages.

## Upgrading the Baggage Handling System

A major upgrade took place behind the scenes at YWG in 2020 to look after each passenger's bag with improved speed and efficiency.



“With the new equipment, the screening itself is better and we can process more bags per hour as the new machines are approximately four times faster than the old ones.”

- Nevin Edmundson, Manager of Airport Operations

In the fall of 2019, WAA began upgrading the Baggage Handling System by installing new, modernized technology to scan and sort passenger bags. The project wrapped up in early 2020 in anticipation for another year of high passenger volumes to help meet demand, however, the pandemic had other plans in store. All the same, this upgrade, which came to life through a partnership with the Canadian Air Transport Security Authority, sets the airport up for success in the future as it can meet the needs of higher passenger volumes. It also helps to ensure more bags get to where they need to be thanks to enhanced screening technology.



### Did you know?

*WAA is a community-based, non-share capital corporation, which means we function as a private company, but all profits are reinvested back into the airport to serve the community.*



## DIVERSIFYING TO GROW OUR IMPACT

For years, WAA has actively explored and invested in new business opportunities both in Winnipeg and beyond to benefit Canadian communities. Through its two subsidiaries, Winnipeg Airport Services Corp. (WASCO) and Airport City Winnipeg Ltd. (ACW), WAA is able to say yes to initiatives that align with our strategic objectives, helping us remain competitive, sustainable and grow our abilities to serve our region both at home and across the country.

### Expanding our impact across Canada through Winnipeg Airport Services Corp.

Winnipeg Airport Services Corp. (WASCO) is a wholly owned subsidiary of WAA devoted to helping other airports thrive. In 2020, the team did exactly that by growing its portfolio of partner-based agreements to bring cost-effective solutions to more airports across the country, including expanding WAA's reach coast-to-coast-to coast in Canada. These contracts played an integral role in enhancing airport operations to serve Canadian communities and in further diversifying the company's revenue stream to help counter the impacts of the COVID-19 pandemic.

In 2020, an exciting development unfolded as WASCO landed two airport management contracts on opposite sides of the country. The first was at Dawson Creek Regional Airport in B.C., which involved transforming a one-year contract into a three-year agreement. The second represented a new client

as WASCO entered into a partnership with Stephenville Airport Corporation to manage Stephenville Airport in N.L. Airport Management is one of the many services WASCO offers, which supports airport partners in areas such as operations, finance and engineering. In addition to these two contracts, WASCO also delivers Airport Management services at Iqaluit International Airport and The Pas Airport.

Throughout the year, the team applied for and was awarded many new projects, as well as continued to renew its contract agreements based on building a positive reputation across the country. Examples of this work include forming two new partnerships to deliver Safety Management Services, securing a new regulatory document development contract and completing the development of Emergency Response Plans for two Canadian airports. In 2020, the wide range of services WASCO offers helped to support 34 airport partners across Canada in areas spanning from meeting regulatory safety standards, addressing potential hazards, finding operational efficiencies and achieving best industry standards to serve their respective communities.

WASCO's contributions accounted for 19 per cent of WAA's revenues in 2020. This represented an 10 per cent increase from the previous year due to a combination of the subsidiary's expanding portfolio and less revenue being generated from passenger traffic. WASCO continues to explore the potential within the market to further bring their expertise, knowledge and innovative solutions to more airports in 2021.

WASCO renewed its contract with the Government of Nunavut for the fourth consecutive year to provide aviation services at 24 northern airports. Over the past four years, the team has worked closely with each airport to enhance operational processes, including digitalizing reporting systems, developing standardized templates, carrying out Emergency Response Plan exercises and helping to reduce the number of outstanding hazard reports by more than 90 per cent since 2016.



“ *It's about creating a more efficient, stronger and safer environment together in the industry, as opposed to creating systems independently to achieve the same result.* ”

– Michael O’Gorman, Managing Director of WASCO





## Unlocking the potential of the campus with Airport City Winnipeg Ltd.

WAA took another step in further solidifying the airport's reputation as a cargo hub in 2020 by welcoming tenants to the newly constructed Ground Services Equipment (GSE) Building. Airport City Winnipeg Ltd. (ACW), a WAA subsidiary, managed the new property and each phase of development within to strategically relocate each tenant into the new facility. Despite the COVID-19 pandemic, demand for space inside the 96,175-square-foot, multi-use facility was strong due to its location on the airport campus.

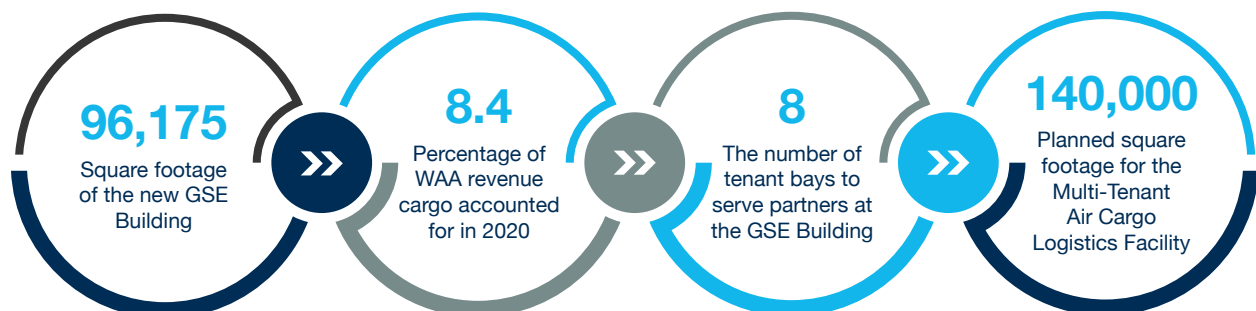
Built just a few metres from the terminal, the GSE Building provides tenants with immediate access to passenger planes parked at boarding gates. This not only allows them to more efficiently deliver ground support services but also reduces fuel costs as they no longer have to haul equipment from the southeast side of the airfield – the site of our growing cargo sector.

The strategic relocation of tenants opens the door for redevelopment in this area of the airport campus, specifically construction of a \$62-million Multi-Tenant Air Cargo Logistics Facility. To help with the construction of the building, the Government of Canada is investing \$30 million through the National Trade Corridors Fund. Once complete, the Multi-Tenant Air Cargo Logistics Facility will include additional cargo space, cold storage capabilities and a livestock

handling area to meet the needs of our region. Throughout the year, our team developed comprehensive plans and outlined next steps in preparation for the 140,000-square-foot building on campus.

To further support YWG's cargo expansion, we're also investing in the components that steered us to where we are today. A number of experienced cargo tenants are located in the southeast corner of the campus, near the end of Sargent Avenue, and make up a vital part of our air freight network. This area is ripe with opportunities for future growth, especially as the facilities are located a stone's throw away from where planes filled with cargo are unloaded and reloaded on the airfield. To support this long-term vision for the entire sector, ACW acquired the land leases in this area from Vermont Property Group in 2020 – totalling approximately 24 acres. This strategy was made possible through a limited partnership structure with Rice Commercial Group and TD Asset Management. Upon gaining control of these assets, the next steps involve expanding the blueprints of the buildings to help cargo tenants meet increasing demand in our region.

As we plan for new state-of-the-art facilities and prioritize the expansion of existing infrastructure, we not only position ourselves to grow as a cargo hub but also unlock the potential of the airport campus. A diverse portfolio will allow us to offset the costs of operating the airport as well as keep us competitive and sustainable so we can serve our community for many years to come.





## DEMONSTRATING LEADERSHIP FOR THE FUTURE

### Prioritizing a safe path to our collective recovery

It's critical our community and industry work together to seek a safe, holistic path forward to help us both recover from the COVID-19 pandemic.

The circumstances, paired with the government decisions made throughout the past year, have deeply impacted our economy as many Canadians lost their jobs and businesses struggled to stay afloat. The pandemic also had a significant social impact as loved ones were forced to celebrate together, connect and even meet new family members through a computer screen or a window.

The choices made to keep us apart were crucial to protect our community as we learned to understand COVID-19. But as our knowledge grew and preventative measures developed, restrictions stayed the same. For many, this meant a quick trip to see family and friends or for business required them to quarantine or self-isolate for 14 days once they returned. Several travellers couldn't afford to sit at home for two weeks so they cancelled trips, which in turn forced airlines to ground once popular routes.

Some people also didn't feel comfortable travelling due to advisories and the potential exposure to the virus, despite data pointing to the risk associated with flying as being incredibly low. In Manitoba, statistics show all types of travel accounts for 1.1 per cent of confirmed COVID-19 cases. As proven in other countries, there is a path for safe travel and reduced isolation periods that rely on science and increased testing.

Since the fall of 2020, WAA has actively engaged all partners to explore opportunities to bring rapid testing to Winnipeg Richardson International Airport. This added safety layer, in addition to the many other health measures in place at the airport, will help travellers feel safe while allowing us to further mitigate any potential new risks.

Apart from increased testing, our collective recovery is also tied to the rollout of the COVID-19 vaccine. This represents hope on the horizon for our society to regain a sense of normalcy. The airport will continue to play a critical role in supporting the safe distribution and delivery of the vaccines as our entire industry works together to move these essential goods as efficiently as possible. There are several steps between now and our country reaching herd immunity levels, which is why we need increased testing to help us live safely with the virus.

Our shared recovery will take much longer and be harder to achieve if significant government aid does not come through. Our rent has been waived by the federal government and we've been able to take advantage of the Canada Emergency Wage Subsidy, but this level of financial relief falls well short of what we need to remain sustainable. The ability for the airport to support our region's economic and social recovery depends on help for our industry as seen in many other countries around the world.



## Innovating to stay ahead of future trends

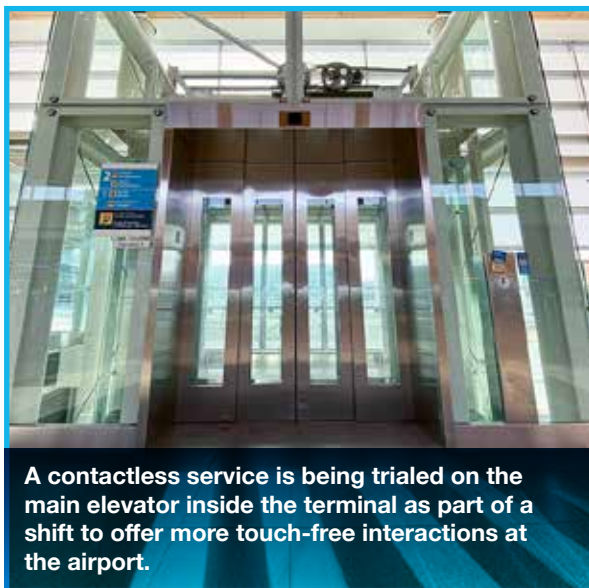
The COVID-19 pandemic, along with several other factors, are changing our world every day. WAA works to be ready for those changes before they arrive by sourcing new ideas and next generation technology to serve travellers at the airport.

Amid the pandemic, more customers were looking for exceptionally clean amenities and facilities as well as contactless interactions to minimize touch encounters. WAA met this shifting demand by innovating products and services to further support healthy and seamless airport experiences.



**UV-C light sterilizer installed in main arrivals escalator**

Every passenger arriving in Winnipeg on a domestic flight can use the main escalator worry-free with the help of recently installed UV-C light sterilizers working to keep the handrails clean. Travellers only know this technology is in

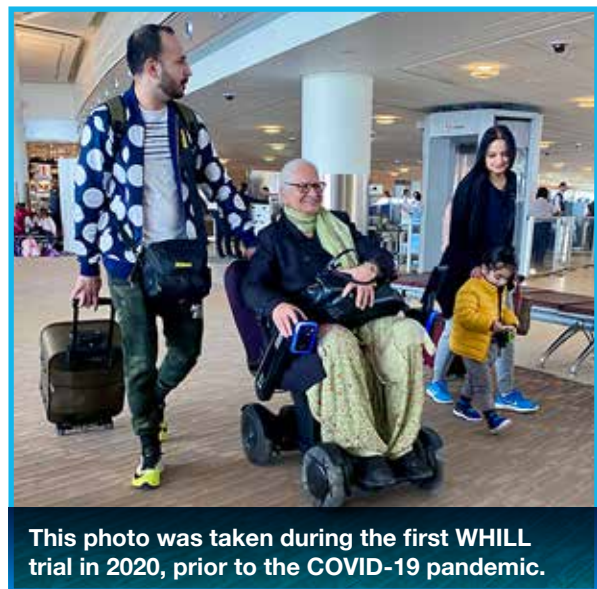


**A contactless service is being trialed on the main elevator inside the terminal as part of a shift to offer more touch-free interactions at the airport.**

place based on the signage as the disinfecting modules are installed inside the escalator to disinfect from all angles and achieve maximum sanitization on the surface. WAA sourced this technology to help travellers feel relaxed and able to grab on to the handrail with confidence, especially as many travellers were visibly reducing their touch interactions amid the pandemic.

In supporting more contactless options for travellers, we evaluated multiple areas and then took action to trial new systems. One example of this is the airport opting to pilot six facial recognition eGates as part of the modernization of Nexus – a trusted traveller program operated by the Canada Border Services Agency. The eGates use secure facial biometrics to efficiently support clearance processes for pre-approved travellers entering the country. In addition, WAA secured a new touch free elevator system to trial in the terminal to reduce high touch points. It allows airport visitors to operate the elevator from their smartphone and move between the Departures and Arrivals Levels. In 2020, the tap limit at all parking pay stations was also increased to \$250 to allow more customers to pay via a contactless option.

To further prepare for the future, we continued to trial autonomous personal mobility devices at the airport through our evolving partnership with WHILL. Two trials were carried out in 2020 and each one collected different data sets to hone



**This photo was taken during the first WHILL trial in 2020, prior to the COVID-19 pandemic.**

in on the product's ability to automatically navigate the airport. Our vision is for this service to assist travellers with limited mobility from the moment they arrive through to boarding their flight. According to a recent Global Passenger Survey, one in every three passengers will require some form of assistance while travelling by 2038, which is why it is important for us to start exploring solutions today.

Our team is always actively finding new ways to serve travellers now and in the future. We anticipate rolling out more measures in the year ahead to continue on our path of touchless and seamless passenger travel.



## Protecting our environment

At WAA, we follow through on our responsibility to protect our environment for future generations. We do this by exploring new partnerships, projects and opportunities to help us enhance our sustainability practices in a number of targeted areas each year.

In 2020, we launched our Strategic Management and Carbon Energy Plan created in partnership with Demand Side Energy. This plan allows us to continue developing the airport campus to support airport operations while managing our overall carbon footprint. With more buildings being constructed on-site, such as the recent completion of the Ground Services Equipment Building, it is critical we take a holistic approach to everything we own to collectively reduce our greenhouse gas emissions. To help us achieve this goal, an analytical device was installed within our air terminal Building Management System to help us identify inefficiencies and opportunities to fine tune our energy use. Our team met on a monthly basis to analyze the comprehensive data and stepped away with different action plans each time to enhance energy efficiency in the terminal.

To further expand upon our Strategic Management and Carbon Energy Plan, WAA's application to receive funding from Natural Resources Canada was approved. Efficiency Manitoba also provided additional support. These two commitments helped us to secure a training program for a member of our team to become our in-house Energy Manager, and also allowed us to grow our strategies

within the program. We look forward to carrying out a more inclusive energy audit in 2021 to help us identify short-term and long-term efficiencies.

We are proud to announce the renewal of our Level One Mapping Accreditation under the Airport Carbon Accreditation Program. This renewal demonstrates our continued commitment towards managing our carbon emissions to help address climate change. The carbon management program, steered by Airports Council International, supports airports around the world in reducing their carbon footprint. Our new plan mentioned above is a major step in positioning us to meet the criteria for Level Two accreditation in the near future.

Inside the terminal, we're working to minimize our disposable waste by sourcing a solution to reduce liquid contamination. If containers are tossed into the recycling with liquid still in them, for example a water bottle that isn't empty, it is considered contaminated and unable to be recycled. In the airport environment specifically, such as when going through security screening, travellers are required to get rid of water or fluids before they can proceed. Through WAA's partnership with the Canadian Beverage Container Recycling Association, three new liquid capture units have been secured to support the need in these specific locations in the terminal. Anyone moving through the airport will be able to conveniently empty the liquid out of their containers before placing it in the appropriate bin, adding up to less contamination in each bag.

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Our commitment to water stewardship is ongoing as we continue to monitor water quality on and near the airport campus. Runoff from the airport primarily drains into Omand's Creek and Truro Creek, both of which flow through or adjacent to the property. Water sampling is conducted at several sites throughout the year to test for a variety of parameters. This diligent monitoring helps us to ensure activities on the land don't negatively impact our surrounding environment.





# 2020 FINANCIAL REVIEW

# 2020 FINANCIAL REVIEW

<i>(In thousands of Canadian dollars)</i>	2016	2017	2018	2019	2020
Revenue	\$ 117,638	\$ 128,529	\$ 138,436	\$ 139,781	\$ 66,232
Operating Expenses <sup>1</sup>	51,334	62,262	60,593	62,983	50,250
Ground Lease Rent	8,011	8,688	9,471	9,730	535
Earnings Before Other Items & Depreciation <sup>2</sup>	58,293	57,579	68,368	67,068	15,447
Depreciation	34,846	31,476	30,055	30,503	32,784
Earnings (Loss) Before Other Items <sup>2</sup>	23,447	26,103	38,313	36,565	(17,337)
Capital Expenditures	18,470	24,323	22,897	56,981	10,620

<sup>1</sup> – Operating expenses excluding ground lease rent and depreciation

<sup>2</sup> – Other items includes gain on long-term land lease, finance expenses and income taxes

This review discusses the financial and operating results of Winnipeg Airports Authority Inc. (the “Company”) for the year ended December 31, 2020 and should be read in conjunction with the Consolidated Financial Statements of the Company for the years ended December 31, 2020 and 2019. These financial statements provide additional information on certain matters that may or may not be discussed in this review.

## Corporate Profile

The Company is a Canadian Airport Authority and a corporation without share capital under the Canada Not-for-profit Corporations Act. The Company is authorized to manage and operate airports in the Winnipeg area on a commercial basis, to set fees for their use and to develop and improve the facilities. In accordance with this mandate, the Company currently manages and operates Winnipeg James Armstrong Richardson International Airport (the “YWG”) under a ground lease with the federal government, which was executed in December 1996 (the “Ground Lease”). The Company also operates ancillary businesses outside of these demised premises.

The Company’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company presents earnings before gain on long-term land leases, interest, taxes and depreciation, which is a financial measure with no standardized meaning under IFRS and therefore may not be comparable to similar measures reported by other companies. This measure provides additional information and should not be used as a substitute for other performance measures prepared in accordance with IFRS. Management uses this measure as an indicator to assess ongoing operational performance.

## Operating Results

The operating results for 2020 have been significantly impacted by the global pandemic and the drastic drop in demand for air travel globally as a result of ongoing travel restrictions, border closures, quarantine periods, COVID-19 testing requirements and wide-ranging public health protection measures.

YWG operations include both passenger and cargo aircraft activity. Passenger aircraft flights were down 53.1% in 2020 and down 66.1% from April through December 2020 following the announcement of the travel restrictions.

Total YWG passenger traffic for 2020 was 1,299,225 which reflects a decrease of 71.0% from the 2019 pre-pandemic levels. The airport’s traffic is segmented into three categories: domestic (passengers travelling within Canada), trans-border (passenger travelling to the United States) and international (passengers travelling to other destinations outside Canada). In March 2020, the federal government restricted all international traffic to four hub airports which resulted in an earlier than planned end to the international charter season which has not started up again as a result of the ongoing travel restrictions. The closure of the US-Canada border to non-essential travel has also impacted the transborder passenger activity with the majority of the remaining passengers flying domestically.

Cargo landings and GTOW were both up over 2019 as a result of increases to e-commerce as well as charter activity for the delivery of personal protective equipment at the start of the pandemic and increases to livestock charters. This further adds to Winnipeg’s reputation as a cargo freighter hub.



## Revenues

The reduction in passenger volumes translates into a \$73.5 million decrease in the Company's revenue which represents a decrease of 52.6% versus 2019. WAA ended 2020 with a net loss of \$40.3 million compared to net income of \$3.5 million in 2019.

Improvements to airport infrastructure are funded through the collection of airport improvement fees (AIF) from passengers originating from YWG. This fee is collected by the air carriers at the point of sale and remitted to the Company based on the date passengers fly out of Winnipeg. The carriers receive a 7% handling fee.

Since this revenue source is linked directly to passenger volumes, WAA only received \$15.0 million in 2020, a decrease of \$33.8 million over 2019 or 69.3%. AIF is used to fund certain capital expenditures including related long-term debt principal and interest payments. Effective September 1, 2020 the AIF rate was increased from \$25 to \$38 per departing passenger in an effort to help offset the significant reduction in passenger volumes.

The largest component of airfield revenue is landing fees that are billed to air carriers on the basis of gross take-off weight ("GTOW") as specified by the aircraft manufacturer. With the reductions to landings noted above, airfield revenue reduced from \$23.3 million in 2019 to \$13.3 million in 2020.

Passenger processing revenue of \$9.7 million decreased by \$16.2 million or 62.6%. Revenue is mostly based on landed seats on aircraft using the main air terminal building in YWG. Other revenue items in this category include ground handling fees and passenger boarding bridge fees charged per use.

The reduced passenger volumes also had a ripple effect on non-aeronautical revenue. Revenue from groundside activities (i.e. car parking and ground transportation services such as ride-sharing services, taxis, limousines and shuttle buses) reduced by 65.5% to \$6.5 million.

Concession revenues are generated from restaurants and retail sales in Winnipeg's air terminal building. As a result of the pandemic the majority of the concessionaires were either closed or operating limited hours throughout most of 2020. Total concession revenue for 2020 was only \$2.6 million, a reduction of \$1.5 million from 2019.

Leasing revenue of \$7.8 million has remained stable throughout the pandemic with a small increase of \$0.3 million over 2019. This represents land and building space that the Company sub-leases to tenants on YWG lands under the terms of the Ground Lease. The increase in 2020 represents revenue from rental space in the new common use ground services equipment facility that was opened in 2020.

The Company has diversified its revenue sources and operates ancillary business including the provision of safety management system audits and consulting for remote airports, the management of Iqaluit International Airport and services to other airports in British Columbia, Newfoundland and Manitoba. Airport Management Contracts revenue increased by \$0.6 million to \$10.4 million in 2020 and now reflects 15.7% of total 2020 revenue (7.0% of total 2019 revenue).

## Operating Expenses

There was a significant focus on cost reduction in 2020 in an effort to offset the reduction to revenue. Overall operating expenses were reduced by \$19.6 million compared to 2019 which reflects a reduction of 19.0%. A large portion of the Company's operating costs are fixed and do not reduce directly with less landings or passengers.

Salaries and benefits costs were \$19.5 million in 2020 which represents a decrease of \$4.6 million. A workforce reduction resulted in 20% of a nearly 150 person workforce being laid off or having retired, which is partly offset by restructuring costs in 2020. Pay reductions were also implemented for non-unionized employees. WAA participated in the Canadian Emergency Wage Subsidy program which provided \$5.5 million in funding towards employee salaries.

Services and repairs costs decreased in 2020 by \$5.8 million, or 25.1%. WAA adjusted the facilities in use at YWG in response to the pandemic, including consolidating operations to the west side of the terminal and closing off about 50% of the gates which reduced the overall footprint in the Airport by approximately 40%. The number of inbound and outbound baggage carousels in use was also reduced with only 50% of the main baggage system in operation. WAA also closed several non-passenger screening access points in an effort to reduce third party service providers.

Ground lease rent is calculated using a graduated rate formula that increases the percentage rent as increased levels of gross revenue are earned by the Company. On March 31, 2020 the federal government waived the ground rent requirements effective from March to December 2020 which resulted in waived rent expense of \$2.7 million. A total of \$0.5 million was recognized as an expense for the year which reflects January and February rent requirements according to the prescribed calculation.

The cost of supplies decreased from \$5.5 million in 2019 to \$3.7 million in the current year which is associated with the planned deferral of certain non-critical maintenance. There was also a reduction in consumable supplies associated with less contractors and employees on site throughout the pandemic. Weather activity also drives a portion of the Company's supplies expense. Weather incidents cause fluctuations in the use of fuel

for airfield mobile equipment as well as safety chemical usage on airfield paving. The combined costs for fuel and chemicals were down slightly in 2020 compared to 2019.

Utility costs are comprised of expenses for consumption of natural gas, electricity and water, along with charges for waste water disposal. Overall utilities costs reduced by 9.4% in 2020 as a result of lower consumption in the terminal.

### **Investments and Financing**

At the end of 2019, the Company had a healthy cash reserve with combined available cash, cash equivalents and unrestricted investments totalling \$67.8 million. The substantial loss in revenue throughout 2020 has resulted in the Company drawing on existing resources to fund operations. Throughout the year, the Company burned through \$34.6 million in cash and investments leaving a balance of \$33.2 million in cash as at December 31, 2020.

Separately, there are restricted cash balances of \$16.1 million held for debt services requirements which is consistent with the prior year.

The Company has multiple types of debt that are used to fund capital investments. The majority of the Company's debt arises from the issuance of Revenue Bonds. These bonds total \$570.6 million compared to \$579.7 million at December 31, 2019, a net decrease of \$9.1 million from principal payments on Series A and D. The Company also has a loan outstanding with the Manitoba Industrial Opportunity Program for \$13.5 million, a reduction through principal payments of \$0.6 million from 2019. Specialized airfield mobile equipment is financed through a leasing program with a total outstanding of \$2.8 million, which reflects an increase of \$1.5 million related to two new leases in 2020.

### **Capital Investments**

The total cash flow related to capital investments in 2020 was \$19.7 million compared to \$57.0 million in 2019. Of the total spend in 2020, \$15.4 million related to the finalization of 2019 projects including the new common use ground services equipment facility that opened in the summer of 2020. In order to preserve cash, only new capital investments related to safety and security were undertaken in 2020 with the majority of the capital plan being deferred to subsequent years.

### **Cash Flow**

The operating activities of the Company did not generate positive cash flow in 2020. The operating cash shortfall was \$7.7 million compared to a positive cash flow of \$40.8 million in 2019. This is a direct result of the revenue shortfall and related net loss due to significantly reduced passenger volumes.

The Company generated \$10.0 million of cash from investing activities arising from the sale of their investment portfolio which generated proceeds of \$28.5 million. The proceeds were used to invest in the capital investments as noted above.

Financing activities relate to net principal repayments on debt of \$8.4 million in 2020. In 2019, there was a debt reduction of \$135.0 million associated with the repayment of Series C revenue bonds of \$125.0 million plus additional principal payments of \$10.0 million on Series A and D.

The ending balance of cash and cash equivalents is a decrease of \$6.1 million compared to 2019, driven by a shortfall of cash from operating activities of \$7.7 million, and \$10.0 million of positive cash flow from investing activities which was used for capital investments and debt repayments as noted above.



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Year ended December 31, 2020

The accompanying consolidated financial statements of Winnipeg Airports Authority Inc. have been prepared by management and approved by the Board of Directors of Winnipeg Airports Authority Inc.

Management is responsible for the preparation and representations contained in these financial statements and other sections of this Annual Report. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. An Audit Committee comprised entirely of independent directors of the Company reviews the financial statements, the adequacy of internal controls, the audit process and financial reporting with management and the external auditors. The Audit Committee reports to the Board of Directors prior to the approval of the audited financial statements.

Winnipeg Airports Authority Inc. maintains appropriate systems of internal control, policies and procedures which provide management with reasonable assurance that assets are safeguarded and that financial records are reliable and form a proper basis for the preparation of financial statements.

Winnipeg Airports Authority Inc.'s independent auditors, PricewaterhouseCoopers LLP, have been appointed by the Members of the Authority to express their professional opinion on the fairness of these consolidated financial statements.

March 25, 2021



Barry W. Rempel  
President and Chief Executive Officer



Nicole Stefaniuk, CPA, CA  
Vice President, Finance and Administration



**Consolidated Financial Statements of**  
**WINNIPEG AIRPORTS AUTHORITY INC.**  
Year ended December 31, 2020





To the Board of Directors of Winnipeg Airports Authority Inc.

## Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Winnipeg Airports Authority Inc. and its subsidiaries (together, the Company) as at December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheet as at December 31, 2020;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of comprehensive income (loss) for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flow for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants  
Winnipeg, Manitoba  
March 25, 2021



## CONSOLIDATED BALANCE SHEET

As at December 31 (In thousands of Canadian dollars)

	2020		2019
<b>Assets</b>			
Current:			
Cash and Cash Equivalents	\$ 33,196	\$	39,263
Accounts Receivable (note 6)	5,509		11,211
Prepaid Expenses	2,859		1,762
Current Portion of Financing Lease Receivable (note 11)	721		689
Inventory	3,087		2,692
Short-Term Investments (note 9)	-		9,958
Restricted Cash (note 8)	16,139		16,193
	61,511		81,768
Non-Current:			
Property and Equipment (note 7)	653,858		676,098
Investments (note 9)	-		18,556
Investments in Associates (note 10)	1,755		2,191
Financing Lease Receivables (note 11)	24,862		18,249
Contract Assets	125		1,311
Deferred Income Tax (note 19)	298		325
	\$ 742,409	\$	798,498
<b>Liabilities and Equity</b>			
Current:			
Accounts Payable and Accrued Liabilities	\$ 19,301	\$	30,946
Income Taxes Payable	716		103
Deferred Revenue	1,107		1,425
Current Portion of Long-Term Debt (note 14)	11,318		10,351
	32,442		42,825
Non-Current:			
Deferred Revenue	2,806		2,271
Post-Employment Benefits (note 17)	14,346		7,764
Long-Term Debt (note 14)	575,590		584,702
	\$ 592,742	\$	594,737
Equity:			
Retained Earnings	138,162		183,529
Accumulated Other Comprehensive Loss (note 18)	(20,937)		(22,593)
	117,225		160,936
	\$ 742,409	\$	798,498

Contingencies, Commitments & Guarantees (note 16)

Subsequent Event (note 10 and 14)

The accompanying notes are an integral part of these financial statements



Director



Director

## CONSOLIDATED STATEMENT OF OPERATIONS

Year ended December 31 (In thousands of Canadian dollars)

	2020	2019
Revenue:		
Airport Improvement Fees (note 13)	\$ 15,008	\$ 48,862
Passenger Processing	9,689	25,921
Airfield	13,325	23,274
Groundside	6,458	18,710
Concessions	2,611	4,157
Leasing	7,774	7,474
Airport Management Contracts	10,427	9,793
Other	940	1,590
	66,232	139,781
Operating Expenses:		
Salaries and Benefits	19,462	24,107
Services and Repairs	17,429	23,271
Ground Lease Rent (note 11)	535	9,730
Supplies	3,750	5,512
Utilities	2,448	2,703
Property Taxes, Insurance and Other	7,161	7,390
Depreciation	32,784	30,503
	\$ 83,569	\$ 103,216
(Loss) Income before Gain on Long-Term Land Lease, Net Finance Expense and Income Taxes	(17,337)	36,565
Share of Profit of Associates (note 10)	(73)	(220)
Gain on Long-Term Land Lease (note 11)	(7,350)	-
Loss on Disposal of Property and Equipment	43	180
Net Finance Expense (note 14)	29,512	32,894
Net (Loss) Income Before Income Tax	(39,469)	3,711
Income Tax Expense (Recovery) of Subsidiaries:		
Current	800	640
Deferred (note 19)	27	(378)
	827	262
Net (Loss) Income	\$ (40,296)	\$ 3,449

The accompanying notes are an integral part of these financial statements



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

Year ended December 31 (In thousands of Canadian dollars)

	2020	2019
Net (Loss) Income	\$ (40,296)	\$ 3,449
Other Comprehensive Income:		
<b>Items Subsequently Reclassified to Profit or Loss</b>		
Recognition of Loss on Previously Settled Cash Flow Hedges	1,644	3,447
Unrealized Gain (Loss) on Investments	-	571
Realized Loss on Investments	12	350
<b>Items that will not be Reclassified to Profit or Loss</b>		
Employee Benefit Plan Re-Measurements (note 17)	(5,071)	(6,774)
Comprehensive (Loss) Income	\$ (43,711)	\$ 1,043

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended December 31 (In thousands of Canadian dollars)

	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Equity
<b>Balance – January 1, 2019</b>	\$ (26,961)	\$ 186,854	\$ 159,893
Net Income	-	3,449	3,449
Other Comprehensive Income			
Unrealized Gain on Investments	571	-	571
Realized Loss on Investments	350	-	350
Employee Benefit Plan Re-Measurements	-	(6,774)	(6,774)
Recognition of Loss on Previously Settled Cash Flow Hedges	3,447	-	3,447
<b>Balance - December 31, 2019</b>	\$ (22,593)	\$ 183,529	\$ 160,936
Net Loss	-	(40,296)	(40,296)
Other Comprehensive Income			
Realized Loss on Investments	12	-	12
Employee Benefit Plan Re-Measurements	-	(5,071)	(5,071)
Recognition of Loss on Previously Settled Cash Flow Hedges	1,644	-	1,644
<b>Balance – December 31, 2020</b>	\$ (20,937)	\$ 138,162	\$ 117,225

The accompanying notes are an integral part of these financial statements

## CONSOLIDATED STATEMENT OF CASH FLOW

Year ended December 31 (In thousands of Canadian dollars)

	2020	2019
Operating Activities:		
Net (Loss) Income	\$ (40,296)	\$ 3,449
Adjustments for:		
Depreciation	32,784	30,503
Loss on Disposal of Property and Equipment	43	145
Deferred Income Taxes	27	(445)
Non-Cash Interest Expense (note 14)	1,935	3,930
Post-Employment Benefit Expense in Excess of Funding	1,511	506
Decrease (Increase) in Contract Asset	1,186	(82)
Gain on Long-Term Land Lease	(7,350)	-
Realized Loss on Investments	12	350
Share of Profit of Associates	(73)	(220)
Change in Non-Cash Operating Working Capital	2,554	2,630
	(7,667)	40,766
Investing Activities:		
Additions to Property and Equipment	(19,777)	(60,131)
Proceeds from disposal of Property and Equipment	31	3,192
Decrease in Investments	28,514	18,321
Decrease in Financing Lease Receivable	705	7,594
Decrease in Restricted Cash	54	127,865
Investment in Associates	-	(50)
Dividends and return of capital received from Associates	509	28
	10,036	96,819
Financing Activities:		
Proceeds from Long-Term Debt, net of Financing Costs	2,216	-
Repayment of Long-Term Debt	(10,652)	(135,039)
	(8,436)	(135,039)
(Decrease) Increase in Cash and Cash Equivalents	(6,067)	2,546
Cash and Cash Equivalents, Beginning of Year	39,263	36,717
Cash and Cash Equivalents, End of Year	\$ 33,196	\$ 39,263
Cash and Cash Equivalents:		
Cash on Account	\$ 33,196	\$ 15,604
Cash Equivalents	-	23,659
Interest Paid	27,566	33,714
Interest Received	783	3,924

The accompanying notes are an integral part of these financial statements





Notes to the Consolidated Financial Statements of  
**WINNIPEG AIRPORTS AUTHORITY INC.**

Year ended December 31, 2020

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2020 (In thousands of Canadian dollars, unless otherwise noted)

### 1. Nature of Operations:

#### The Corporation:

Winnipeg Airports Authority Inc. (the "Company") is incorporated under the Canada Not-for-Profit Corporations Act. The address of the Company and its principal place of business is 249 – 2000 Wellington Avenue, Winnipeg, Manitoba, Canada R3H 1C2.

The Company operates the Winnipeg James Armstrong Richardson International Airport (the "Winnipeg Airport"), under a long-term lease with the Government of Canada for the benefit of the community (the "Ground Lease").

The Company is governed by a fifteen member Board of Directors of whom eleven members are nominated by the City of Winnipeg, the Rural Municipality of Rosser, Economic Development Winnipeg, the Winnipeg Chamber of Commerce, The Assiniboia Chamber of Commerce and the Federal and Provincial governments, with the remaining members appointed by the Board from the community at large.

Airport City Winnipeg Ltd. (ACW) provides property development services at the Winnipeg Airport.

Nunavut Airport Services Ltd. (NASL) provides operations, maintenance services, and lifecycle rehabilitation of the Iqaluit International Airport under an agreement that terminates in December 31, 2047.

Winnipeg Airport Services Corp. (WASCO) provides airport operations, management, facility maintenance and technical services to Canadian airports.

WASCO North Ltd. provides airport safety management systems services to airports in Nunavut.

YWG Inc. provides airport management services at the Winnipeg Airport.

#### COVID-19 Pandemic:

In March 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The outbreak has resulted in governments worldwide enacting emergency measures and restrictions to combat the spread of the virus. These measures include travel advisories/bans, border closures, quarantine periods, COVID-19 testing requirements and wide-ranging public health protection measures.

These requirements have caused material disruption globally resulting in an economic slowdown.

The COVID-19 pandemic has impacted the Company's operations. Several countries and provinces have taken steps to restrict air travel, and many companies have adopted policies prohibiting business travel by their employees. Even in the absence of formal restrictions and prohibitions, contagious illness and fear of contagion have adversely affected travel demand and travel behavior.

The Company has taken several steps to mitigate the potential negative impacts of COVID-19, and is continuing to monitor the balance sheet and liquidity position. The Company has taken numerous actions, including, but not limited to obtaining covenant waivers, applying for wage subsidies, restructuring employee costs, eliminating non-critical capital expenditures, and subsequent to year-end issuing \$100 million of bonds.

Management continues to analyze the extent of the financial impact of COVID-19, which is and continues to be material. While the full duration and scope of the COVID-19 pandemic cannot be known at this time, the emergence of several highly effective vaccines provides some visibility to a path to recovery later in 2021. In the meantime, the Company continues to evaluate numerous scenarios involving macro-economic factors, government regulation and support for the sector, consumer travel sentiment and air carrier forward-looking schedules.

### 2. Basis of Presentation:

The Company prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of March 25, 2021, the date the Board of Directors approved the statements.

### 3. Changes in Accounting Policies:

IFRS 16 – The Company applied the amendment to IFRS 16 providing lessees with an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In accordance with the amendment provision, concessions granted during the year were recorded by the Company through the statement of operations. The amendment is effective for periods beginning on or after June 1, 2020, with earlier adoption permitted, and expires on June 30, 2021.



#### 4. Significant Accounting Policies:

The significant accounting policies used in the preparation of the consolidated financial statements are described below:

##### (a) Basis of Measurement:

These consolidated financial statements are prepared using the historical cost method, except for certain financial instruments measured at fair value, including investments.

##### (b) Principles of Consolidation:

The financial statements include the accounts of the Company and its wholly-owned subsidiaries and a portion of the results of joint arrangements (note 4[m]).

All inter-company balances and transactions have been eliminated on consolidation.

##### (c) Cash and Cash Equivalents:

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

##### (d) Restricted Cash:

Restricted cash represents funds held by financial institutions relating to debt service reserves.

##### (e) Inventory:

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first in, first out method for all inventory categories.

In 2019, the Company changed the costing method of replacement part inventory from the average cost method to the first in, first out method, which resulted in an immaterial adjustment to the financial statements.

##### (f) Leases:

###### Company as a Lessee:

Leases are recognized as a right of use asset and corresponding liability at the date of which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- The exercise price of a purchase or extension option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Variable lease payments that are not based on an index or rate, such as those that are based on usage, have been excluded from the asset and liability and will continue to be recorded as incurred. Each lease payment is allocated between the liability and interest expense. The interest cost is charged to the consolidated statement of operations over the lease period to produce a constant rate of interest on the remaining balance of the liability for each period.

Right of use assets are accounted for under *IAS 16 Property, Plant and Equipment*. Right of use assets have the same accounting policies as directly owned assets, meaning the right of use assets are componentized and depreciated over the lease term, as applicable.

###### Ground Lease:

Annual operating lease payments under the Ground Lease (note 11) are variable as they are calculated based on revenues of the Company as defined in the lease agreement, and are recognized as an expense in the year in which they are incurred.

###### Company as a lessor:

Subleases are classified by the lessor as operating or financing by comparing the characteristics of the sublease to the right of use asset resulting from the head lease. In circumstances where the head lease is accounted for as an operating lease due to the variable nature of the payments, upon inception of the sublease, a financing lease receivable equal to the present value of all future lease payments under the sublease is recorded with the offset recognized in the statement of operations.

Income related to direct financing leases is recognized in a manner that produces a constant rate of return on the investment in the leases. The lease receivables are comprised of net minimum lease payments less unearned finance income.

For all other leases, leasing revenue is recognized straight-line over the duration of the respective agreements. The Company recognizes contingent rent receivable based on the year in which it is incurred.

##### (g) Property and Equipment:

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Property and equipment include items such as improvements to leased land, runways, building and roadways. These assets will revert to Transport Canada upon the expiration or termination of the Ground Lease (note 11). No amounts are amortized longer than the lease term.

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and depreciates each part separately. Residual values, the method of depreciation and estimated useful lives of the assets are reviewed annually and adjusted if appropriate. Property and equipment are depreciated on a straight-line basis as follows:



Assets	Term
Civil Infrastructure	10 to 40 years
Buildings and Other Structures	10 to 40 years
Vehicles, Machinery and Equipment	5 to 20 years
Technology	3 to 10 years
Artwork	not depreciated

Assets under construction are not depreciated and are transferred to property and equipment when the asset is available for use.

Normal repairs and maintenance are expensed as incurred. Expenditures constituting enhancements to the assets by way of change in capacity or extension of useful lives are capitalized.

**(h) Contract Assets:**

The Company has contract assets related to certain fixed-price stand-ready contracts with customers whereby the amount of revenue recognized to date has exceeded the payments required (note 4(o)). The performance obligations within the contracts will be achieved over the term of the contracts.

**(i) Deferred Revenue:**

Deferred Revenue is related to a long-term contract in one of the subsidiaries (note 4(o)). Receipts received in advance of assets purchased are held in deferred revenue and are recognized as revenue over the life of the underlying asset based on the expected total contract profit margin.

**(j) Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in financing costs in the period in which they are incurred.

**(k) Government Grants:**

Government grants are recognized when there is reasonable assurance that the Company has complied with the conditions associated with the relevant government program. These programs are recorded as either a reduction to the carrying amount of the related asset or as a recovery in the statement of operations. Government grants receivable are recorded in trade and other receivables in the statement of financial position.

**(l) Investment in Associates:**

The Company uses the equity method of accounting for investments in associates over which it has significant influence. The original investment in associates is initially recorded at cost, and is subsequently increased or decreased to account for the Company's share of comprehensive income or loss of the investee company and is reduced by dividends received.

**(m) Joint Arrangements:**

Joint arrangements are assessed at the inception of the agreement based on the structure as well as the legal and contractual terms. Where the arrangement meets the definition of a joint operation, the Company recognizes its share of assets and liabilities of the joint operation. Where the arrangement meets the definition of a joint venture, the equity method of accounting is used.

**(n) Impairment:**

Property and equipment are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, and written down to the net recoverable amount. The loss is charged to the consolidated statement of operations.

The Company assesses at each balance sheet date whether there is any objective evidence that its investments in associates are impaired. If so, the carrying value of the Company's share of the underlying assets of associates is written down to its net recoverable amount and the loss is charged to the consolidated statement of operations.

**(o) Revenue Recognition:**

Revenue from providing services is recognized over time in the accounting period in which the services are rendered.

The Company's principal sources of revenues are comprised of revenue from the rendering of aeronautical activities, commercial activities, airport improvement fees, real estate and other activities.

Airfield, passenger processing and groundside revenue are recognized as airport facilities are used. Airport improvement fees are accrued based on the enplanement of passengers. Concession revenue is earned on a monthly basis and is recognized based on a percentage of sales or specified minimum annual guarantees. Leasing revenue is recognized over the duration of the respective lease agreements.

In the case of fixed-price stand-ready contracts, the customer pays the fixed amount based on a payment schedule. Revenues from these contracts are recognized on a straight-line basis over the contract period as this depicts the Company's progress towards completion in satisfying the performance obligation. If the amount of revenue recognized to date exceeds the payments required, a contract asset is recognized. If the payments received to date exceed the revenue recognized, a contract liability is recognized.

The Company has entered into several airport management contracts. Certain management contract revenue is recognized as services are rendered.

For airport management contracts which have several components revenue is recognized as the service obligation is

performed. Revenue recognized related to services from such contracts are recognized as the services are rendered based on the total expected contract profit margin. Revenue related to lifecycle payments for assets where the Company takes ownership are recognized into revenue over the useful life of the asset purchased, with a margin determined based on the total expected contract profit margin. Revenue related to lifecycle payments for assets purchased on behalf of the contracting party are recognized into revenue when the asset is purchased, with the cost of the asset being expensed based on the total expected contract profit margin.

**(p) Post-Employment Benefit Obligations:**

The Company sponsors defined benefit pension plans, defined contribution pension plans and other post-employment benefit plans on behalf of its employees.

The cost of defined benefit pension plans, other post-retirement and post-employment benefits earned by employees is actuarially determined annually as at December 31. The cost is determined using the projected unit credit method and assumptions including market interest rates, salary escalation, retirement ages of employees, mortality rates, and health care costs. Past service costs are recognized immediately in income.

Gains and losses on curtailments or settlements are recognized in the period in which the curtailment or settlement occurs.

Net actuarial gains and losses are recognized immediately in other comprehensive income (loss) without subsequent reclassification to income. The current service cost and recognized element of any past service cost of employee benefits expense is recorded in salaries and benefits.

Certain of the Company's pension plans are subject to minimum funding requirements. The liability in respect of minimum funding requirements is determined using the projected minimum funding requirements, based on management's best estimates of the actuarially determined funded status of the plan, market discount rates and salary escalation estimates. The liability, if any, in respect of the minimum funding requirement and any subsequent re-measurement of that liability are recognized immediately in other comprehensive income (loss) without subsequent reclassification to income.

The amount recognized in the balance sheet at each year end reporting date represents the present value of the defined benefit obligation reduced by the fair value of plan assets.

Any recognized asset or surplus is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions. To the extent that there is uncertainty regarding entitlement to the surplus, no asset is recorded.

Contributions to the Company's defined contribution pension plan are expensed as incurred.

**(q) Financial Instruments:**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive income, which results in an accounting loss being recognized in profit or loss when an asset is recognized.

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets for debt instruments depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified and measured based on two categories: amortized cost or FVTPL.

The Company's cash and cash equivalents, restricted cash, accounts receivable, financing lease receivable and contract assets are classified as financial assets at amortized cost. Accounts payable and accrued liabilities and long-term debt are classified as financial liabilities at amortized cost. Investments in short-term notes and bonds have been classified as financial assets at fair value through other comprehensive income.

**Financial assets at amortized cost**

Financial assets at amortized cost are debt instruments that are held for collection of contractual cash flows when those cash flows represent solely payments of principal and interest.

Financial assets at amortized cost are initially recorded at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset and are subsequently measured at amortized cost using the effective interest method. Interest income from these financial assets is included in the statement of operations.

**Financial liabilities at amortized cost**

Financial liabilities at amortized cost are initially recorded at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost using the effective interest method. Interest expense from these financial liabilities is included in the statement of operations.

### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise debt instruments that have been acquired for the purpose of both collecting contractual cash flows and selling the specified assets. The financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, with any subsequent changes in fair value recognized through other comprehensive income. Interest income (calculated using the effective interest rate method), and impairment gains or losses are recognized directly in profit or loss. Upon derecognition, changes in fair value accumulated in equity through other comprehensive income are reclassified to profit or loss.

### Impairment

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at each balance sheet date. The Company assesses all information available, including on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortized cost and FVOCI.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The Company applies the simplified approach of the ECL model to recognize lifetime ECL for accounts receivable. For finance lease receivables the Company recognizes 12 months of ECL unless there has been a significant increase in credit risk since initial recognition. The Company's investment in debt instruments at FVOCI is considered to have low credit risk, and the loss allowance recognized during the period was therefore limited to 12 months expected losses.

An impairment loss is recognized in the statement of operations in accordance with the policy outlined in note 4(n).

### Derecognition

Financial assets are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either the Company has transferred substantially all of the risk and rewards of ownership or the Company neither transfers nor retains substantially all the risk and rewards of ownership and the Company has not retained control. Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

### Fair Value

All financial instruments measured at fair value are classified according to the following hierarchy:

- Level 1: valuation based on quoted prices in active markets for identical assets or liabilities obtained from the investment custodian, investment managers or dealer markets

- Level 2: valuation techniques with significant observable market parameters including quoted prices for assets in markets that are considered less active
- Level 3: valuation techniques with significant unobservable market parameters

### **(r) Income Taxes:**

The Company is exempt from income taxes. Subsidiaries are taxable corporations and follow the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized based on expected future tax consequences of differences between the carrying amount of the balance sheet items and their corresponding tax basis, using the substantively enacted income tax rates for the years in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

### **(s) Provisions:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to settle the Company's present obligation.

Provisions for litigation and claims are recognized in cases where legal actions, proceedings and other claims are pending or may be instituted or asserted in the future against the Company which are a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required for the settlement and a reliable estimate of the obligation amount can be made.

## **5. Critical Accounting Judgments and Estimates:**

In applying the Company's accounting policies (note 4) management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.



The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

**(a) Depreciation of Property and Equipment:**

Critical judgments are utilized in determining depreciation rates and useful lives of property and equipment. Depreciation is calculated to write off the cost, less estimated residual value, of property and equipment on a straight-line basis over expected useful lives. Estimates of residual value and useful lives are based on data and information from various sources including vendors, industry practice and Company-specific history. A change in any of the significant assumptions or estimates could result in a material change in the depreciation amount.

**(b) Provisions:**

The determination of a provision is based on the best available information and is subject to change based on new information. Provisions, if required, take into account the relevant facts and circumstances of each matter and the consideration of any legal advice obtained.

**(c) Post-Employment Benefit Obligations:**

The Company accounts for pension and other post-employment benefits in accordance with actuarial valuations. These valuations rely on statistical and other factors in order to anticipate future events.

These factors include key actuarial assumptions including discount rates, expected salary increases and mortality rates. Actual results may differ from results which are estimated based on assumptions.

**(d) Leases:**

The Company accounts for its Ground Lease (note 11) as an operating lease. In consideration of the terms of the lease, the Company has concluded that a right-of-use asset and related lease liability should not be recognized due to the variable nature of the rental formula. Certain long-term leases where the Company acts as the lessor are classified as finance lease receivables and calculated based on the present value of future lease payments discounted at a rate representing the estimated borrowing rate for a similar term.

**(e) Future Cash Flow Projections:**

The COVID-19 pandemic has caused a significant disruption to the industry and as a result the Company has endeavored to incorporate its impact on future cash flow projections which includes making assumptions and estimates regarding the timing and amounts of future revenues. These projections are incorporated into the Company's assessment of its ability to manage liquidity as well as its impairment assessments on fixed assets.

**6. Accounts Receivable:**

	2020		2019
Trade Accounts	\$ 6,456	\$	11,532
Other Receivables	103		138
	6,559		11,670
Provision for Doubtful Accounts	(1,050)		(459)
Total Accounts Receivable	\$ 5,509	\$	11,211

The aging analysis of these trade receivables and the expected credit losses as at December 31, 2020 and 2019 are as follows:

	2020		2019	
Current	4,641	(74)	8,723	-
30 – 60 days	712	(113)	1,457	-
60 – 90 days	265	(130)	303	-
Greater than 90 days	838	(733)	1,049	(459)
Total	6,456	(1,050)	11,532	(459)

## 7. Property and Equipment:

	Vehicles Machinery & Equipment	Technology	Buildings & Other Structures	Civil Infrastructure	Artwork	Construction in Progress	2020 Total
<b>Gross Value</b>							
Balance, January 1, 2020	\$ 60,061	\$ 38,144	\$ 564,314	\$ 238,594	\$ 1,282	\$ 43,665	\$ 946,060
Additions	2,989	4,019	519	1,280	-	1,813	10,620
Transfers	350	22	25,504	3,839	-	(29,715)	-
Disposals	(204)	-	-	-	-	-	(204)
At December 31, 2020	\$ 63,196	\$ 42,185	\$ 590,337	\$ 243,713	\$ 1,282	\$ 15,763	\$ 956,476
<b>Accumulated Depreciation</b>							
Balance, January 1, 2020	\$ 30,682	\$ 26,155	\$ 128,602	\$ 84,523	\$ -	\$ -	\$ 269,962
Depreciation	2,831	2,106	16,004	11,843	-	-	32,784
Disposals	(128)	-	-	-	-	-	(128)
At December 31, 2020	\$ 33,385	\$ 28,261	\$ 144,606	\$ 96,366	\$ -	\$ -	\$ 302,618
<b>Net Value at</b>							
December 31, 2020	\$ 29,811	\$ 13,924	\$ 445,731	\$ 147,347	\$ 1,282	\$ 15,763	\$ 653,858
<b>Gross Value</b>							
Balance, January 1, 2019	\$ 58,157	\$ 31,905	\$ 565,463	\$ 217,591	\$ 1,282	\$ 6,146	\$ 880,544
Additions	2,161	6,239	960	782	-	58,816	68,958
Transfers	-	-	1,076	20,221	-	(21,297)	-
Disposals and other adjustments	(257)	-	(3,185)	-	-	-	(3,442)
At December 31, 2019	\$ 60,061	\$ 38,144	\$ 564,314	\$ 238,594	\$ 1,282	\$ 43,665	\$ 946,060
<b>Accumulated Depreciation</b>							
Balance, January 1, 2019	\$ 28,057	\$ 24,806	\$ 113,048	\$ 73,653	\$ -	\$ -	\$ 239,564
Depreciation	2,730	1,349	15,554	10,870	-	-	30,503
Disposals and other adjustments	(105)	-	-	-	-	-	(105)
At December 31, 2019	\$ 30,682	\$ 26,155	\$ 128,602	\$ 84,523	\$ -	\$ -	\$ 269,962
<b>Net Value at</b>							
December 31, 2019	\$ 29,379	\$ 11,989	\$ 435,712	\$ 154,071	\$ 1,282	\$ 43,665	\$ 676,098

## 8. Restricted Cash:

	2020	2019
Debt Service Reserve	\$ 16,139	\$ 16,193
Total Restricted Cash	\$ 16,139	\$ 16,193

Under the terms of a Master Trust Indenture, the Company is required to maintain a debt service reserve to cover principal and interest payments to be made on the long-term bonds (note 14 [a]).

## 9. Investments:

	2020	2019
Short-Term Notes	\$ -	\$ 6,941
Provincial & Municipal Bonds	-	6,490
Corporate Bonds	-	14,925
Accrued Income	-	158
Total Investments	\$ -	\$ 28,514
Less: Short-Term Investments	-	9,958
Total Investments	-	18,556

During the year the Company disposed of its entire portfolio of investments for a realized gain of \$756 which was recorded in net finance expense (note 14e).

## 10. Investments in Associates:

	2020	2019
Investment in affiliated companies:		
Cost accounted investments	\$ 50	\$ 50
Equity accounted investments	1,137	1,573
Preference shares	568	568
	\$ 1,755	\$ 2,191

Preference shares of SRG Security Resource Group Inc. have a 5% per annum cumulative dividend rate calculated on the issue price of the 568,092 preference shares of \$568.

Subsequent to year-end, the Company exercised its put option and redeemed its preference shares for proceeds equal to the carrying value.

Effective February 1, 2021 the common shares of SRG were purchased by Input Capital Corp. The sale resulted in proceeds of \$6.7 million of which \$3.7 million was paid in cash and \$3.0 million was settled with shares of Input Capital Corp. The total gain on disposal is equal to \$5.7 million.



In 2020, the Company entered into a new limited partnership, ATR Cargo One LP for nil consideration. The partnership's principal activity is real estate and it owns several assets on the cargo campus at the airport and leases land from the Company which is reflected in the long-term lease receivable.

Name of Entity	Principal Activity	Place of Incorporation	Ownership %
SRG Security Resource Group Inc.	Security Services	Canada	35%
Winnipeg Airport Lands Corp.	Land Development	Canada	50%
Churchill Transportation Inc.	Airport Operations	Canada	50%
ATR Cargo One LP	Real Estate	Canada	25%

The Company has significant influence over all of its associates. Summarized financial information in respect of these associates is set out below:

	2020	2019
<b>Financial Position:</b>		
Total Assets	\$ 27,859	\$ 5,737
Total Liabilities	2,165	2,005
Company's Share of Associates' Net Assets	1,557	1,874
<b>Financial Performance:</b>		
Total Sales and Other Revenues	17,635	17,825
Total Profit for the Year	1,258	697

During the year, the Company received \$481 in return of capital and \$28 in dividends. (2019 - \$28 in dividends). Of the total assets \$23,329 belong to ATR Cargo One LP (2019: nil).

## 11. Leases:

### Company as a Lessee:

The Winnipeg Airport lands are rented under a long-term lease entered into on December 31, 1996 with Transport Canada (Ground Lease). The lease is for a term of 80 years and can be terminated only in the event of default. The lease is on an "absolute net" basis allowing the Company peaceful possession of the leased premises. The rent relating to this lease is calculated by formula based on revenues of the Company as defined in the Ground lease.

On March 31, 2020, the Government of Canada announced that it would be waiving ground lease rent from March 2020 through to December 2020 for Canadian Airport Authorities that pay rent to the federal government. The waiver was subsequently extended to December 31, 2021. As a result the Company has recognized an expense of \$535 which represents ground rent for January and February 2020. The ground rent paid in 2020 in excess of the amount calculated in accordance with the waiver will be applied against future payments and as such has been recorded as a prepaid expense.

The Company has entered into certain equipment leases that result in the recognition of a right-of-use asset and lease liability, which are described in note 14. The net book value of those assets included in property and equipment and associated with a lease liability is \$4,005 (2019 - \$1,731).

**Company as a Lessor:**

The Company leases out, under operating leases and subleases, land and certain assets that are included in property and equipment. Many leases include renewal options and are subject to market price revision. The lessee does not have the possibility to acquire the leased assets at the end of the lease.

The estimated fixed lease revenue for the next five years is approximately as follows:

	\$	
2021	8,751	
2022	9,232	
2023	9,429	
2024	9,631	
2025	9,837	

**Company as a Lessor – Finance Leases:**

The Company's net investment in financing leases is:

	2020	2019
Total Minimum Lease Payments Receivable	\$ 53,378	\$ 27,695
Unearned Interest Income	27,795	8,757
	25,583	18,938
Current Portion	721	689
Long-Term Portion of Financing Lease Receivable	\$ 24,862	\$ 18,249

During the year, the Company entered into a new long-term sub-lease with ATR Cargo One LP. A financing lease receivable was set up equal to the present value of future lease payments with the offset recognized as a Gain on long-term land lease in the Consolidated Statement of Operations. Finance income earned on the leases was \$204 (2019: \$72).

**12. Investments in Joint Operations:**

The Company has entered into a joint arrangement to provide operational services at the Winnipeg Airport. The arrangement meets the definition of a joint operation and is accounted for by recording the Company's share of assets and liabilities. The intergroup profit has been eliminated and 50% of the remaining operational results are consolidated, as follows:

	2020	2019
<b>Financial Position:</b>		
Total Assets	\$ 280	\$ 439
Total Liabilities	375	454
<b>Financial Performance:</b>		
Total Sales and Other Revenues	1,562	1,984
Total Expenses	1,504	1,656

**13. Airport Improvement Fees:**

The Company charges Airport Improvement Fees (AIF) per local boarded passenger through an agreement with the Air Transport Association of Canada and major air carriers serving the Winnipeg Airport. Effective September 1, 2020 the AIF increased from \$25 to \$38 per passenger. AIF revenue is collected by the airlines, at a handling fee of 6%, for the benefit of the Company. AIF revenues are used to pay for airport infrastructure development and related financing costs as jointly agreed with air carriers operating at the Winnipeg Airport.

#### 14. Long-Term Debt:

	2020	2019
Revenue bonds series A, 5.205%, due September 28, 2040, semi-annual blended principal and interest payments of \$8,221 payable March 28 and September 28 of each year until maturity	\$ 201,264	\$ 206,817
Revenue bonds series D, 6.102%, due November 20, 2040, semi-annual blended principal and interest Payments of \$6,393 payable on May 20 and November 20 of each year until maturity	145,355	148,960
Revenue bonds series E, 3.039%, due April 13, 2023, interest payable semi-annually on April 14 and October 14 of each year until maturity	99,852	99,770
Revenue bonds series F, 3.659%, due September 30, 2047, interest payable semi-annually on March 30 and September 30 of each year until maturity	124,145	124,113
Manitoba Industrial Opportunity Program	13,457	14,130
Lease Liability	2,835	1,263
	586,908	595,053
Current Portion	11,318	10,351
Long-Term Portion of Debt	\$ 575,590	\$ 584,702

##### (a) Revenue Bonds:

The revenue bonds are direct obligations of the Company ranking pari passu with all other indebtedness issued under a Master Trust Indenture (MTI). All indebtedness, including indebtedness under bank credit facilities, are secured under the MTI by assignment of revenue and related accounts receivable, a security interest in the debt service reserve and certain accounts of the Company, and an unregistered mortgage of the Company's leasehold interest in the Winnipeg Airport.

Under the terms of the MTI, the Company is required to establish and maintain with a trustee a debt service reserve with a balance equal to at least 50 percent of annual debt service costs. These trust funds, which total approximately \$16 million in cash (note 8), plus a letter of credit of \$2.3 million, are held for the benefit of the bond holders in accordance with the terms of the MTI. In addition the Company is required to maintain an operating and maintenance reserve of approximately \$11.3 million. The operating and maintenance reserve is satisfied by availability under a committed credit facility (note 15).

On December 21, 2020, the Company completed an amendment to the MTI. The amendment temporarily exempts the requirement for the Company to comply with its rate covenants prescribed under the MTI, for fiscal years 2020, 2021 and 2022. The exemption was sought due to the uncertain potential negative impacts of COVID-19, the unknown duration of the material decline in passenger and flight activity and the risks to achieving covenant compliance.

Subsequent to year-end, the Company issued \$100 million of privately placed bonds to finance capital expenditures and general operations. The Series G revenue bonds are due February 2051 and bear interest at 3.04% per annum. Interest payments are due semi-annually.

##### (b) Finance Lease Obligation:

The Company leases certain equipment with effective interest rates ranging from 1.7% to 3.1% over varying terms ending in 2025.

##### (c) Manitoba Industrial Opportunity Program Loan:

The loan is secured and repayable to the Province of Manitoba in equal monthly installments until December 2040 at 5.88% interest.



(d) The future annual principal and interest payments of long-term debt as at year-end are as follows:

	Principal	Interest
2021	\$ 11,318	\$ 27,712
2022	11,894	27,092
2023	112,331	26,440
2024	12,757	22,725
2025	13,092	22,014

(e) Net Financing Expense:

	2020	2019
Revenue Bond Interest	\$ 29,348	\$ 36,778
Other Interest and Financing Costs	1,500	242
Interest Income	(1,336)	(4,126)
	\$ 29,512	\$ 32,894

Revenue bond interest includes non-cash interest of \$1,935 (2019 - \$3,930) due to the amortization of deferred financing costs and settled cash flow hedges.

15. Credit Facilities:

The Company has authorized credit facilities of \$150 million (2019 - \$100 million) with a Canadian chartered bank. The third amended and restated senior credit facility of \$100 million was entered into on August 9, 2019 (the "Senior Facility"). A new subordinated credit facility of \$50 million was issued on June 17, 2020 to provide additional liquidity as a result of the economic impact resulting from the COVID-19 pandemic (the "Subordinated Facility"). The Senior Facility is secured under the Master Trust Indenture (note 14) and the Subordinated Facility is not secured under the Master Trust Indenture. Each facility is available by way of overdraft, prime rate loans, bankers' acceptances and, in the case of the Senior Facility only, by letter of credit.

	2020	2019
Senior Facility	\$ 100,000	\$ 100,000
Subordinated Facility	50,000	-
Reductions to Available Balance:		
Outstanding Letters of Credit	(12,320)	(12,120)
Allocation to Operating and Maintenance Reserve (note 14)	(11,286)	(15,186)
Available Unsecured Bank Operating Line	\$ 126,394	\$ 72,694

## **16. Contingencies, Commitments and Guarantees:**

### **(a) Contingencies:**

The Company is involved in various claims and litigation arising in the ordinary course and conduct of business. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to such litigation to be material to these financial statements.

### **(b) Subsidiary Guarantee:**

The Company guarantees the operational performance of its subsidiary NASL, up to a maximum of \$18.8 million partially secured by a letter of credit of \$4.8 million (2019 – \$4.8 million). This is a long-term contract with 27 years remaining, and includes specific price indexing parameters. The contract is to provide airport operations, maintenance services and lifecycle rehabilitation to Iqaluit International Airport.

### **(c) Director and Officer Indemnity:**

The Company has agreed to indemnify its directors and officers to the extent permitted by law against any and all charges, costs, expenses, amounts paid in settlement and damages incurred by them as a result of any lawsuit or any other judicial administrative or investigative proceeding in which they are sued as a result of their service as long as they have acted honestly and in good faith. These indemnification claims will be subject to any statutory or other legal limitation period.

## **17. Post-Employment Benefit Plans:**

The Company sponsors defined benefit pension plans and other post-employment benefit plans on behalf of its employees. The plans provide benefits to members in the form of a guaranteed level of pension payable for life. All of the plans have similar risk characteristics and operate under the same regulatory framework. The level of benefit payable depends on members' length of service and their salary in the final years leading up to retirement.

The responsibility for the governance of the plans lies with the Company, including overseeing contribution schedules and investment decisions. The plan assets are held in trust and governed by federal regulation. The Company has a pension committee to assist in the management of the plans.

Information for the post-employment benefit plans, based on the latest actuarial reports, measured as of December 31 is as follows:

	Defined Benefit Pension Plans		Post- Employment Plans	
	2020	2019	2020	2019
<b>Change in Defined Benefit Obligation:</b>				
Balance, Beginning of Year	\$ 85,425	\$ 71,510	\$ 5,035	\$ 3,703
Current Service Cost	2,269	1,872	243	132
Employee Contributions	264	300	-	-
Interest Cost	2,594	2,733	156	144
Re-Measurements:				
Loss (Gain) recognized from Changes in Economic Assumptions	8,295	10,992	621	1,107
Loss (Gain) recognized from Experience	(307)	1,048	-	(13)
Gain recognized from Changes in Demographic Assumptions	-	(140)	-	-
Benefits Paid	(3,511)	(2,890)	(35)	(38)
Balance, End of Year	\$ 95,029	\$ 85,425	\$ 6,020	\$ 5,035
<b>Change in Fair Value of Plan Assets:</b>				
Fair Value, Beginning of Year	\$ 82,696	\$ 74,729	\$ -	\$ -
Interest Income	2,534	2,894	-	-
Re-Measurements:				
Return on Plan Assets, excluding any amounts included in Interest Income	3,538	6,220	-	-
Contributions:				
Employer	1,311	1,519	-	-
Plan Participants	264	300	-	-
Benefits Paid	(3,511)	(2,890)	-	-
Administrative Expenses	(129)	(76)	-	-
Fair value, End of Year	\$ 86,703	\$ 82,696	\$ -	\$ -
<b>Funded Status:</b>				
Plan Surplus (Deficit)	\$ (8,326)	\$ (2,729)	\$ (6,020)	\$ (5,035)
Accrued Asset (Liability)	\$ (8,326)	\$ (2,729)	\$ (6,020)	\$ (5,035)



The Company's net benefit plan (income) expense is as follows:

	Defined Benefit Pension Plans		Post-Employment Plans	
	2020	2019	2020	2019
<b>Net Benefit Plan Cost:</b>				
Current Service Cost	\$ 2,269	\$ 1,872	\$ 243	\$ 132
Net Finance Expense relating to Employee Benefits	60	(161)	156	144
Administrative Expenses	129	76	-	-
<b>Net Benefit Plan Expense Recognized</b>	<b>\$ 2,458</b>	<b>\$ 1,787</b>	<b>\$ 399</b>	<b>\$ 276</b>
<b>Actual Return on Plan Assets</b>	<b>\$ 6,072</b>	<b>\$ 9,114</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Amounts Recognized in Other Comprehensive Income (Loss):</b>				
Re-Measurements	\$ (4,450)	\$ (5,680)	\$ (621)	\$ (1,094)
<b>Cumulative Re-Measurements Recognized in Other Comprehensive Income (Loss):</b>				
Cumulative Amount, Beginning of Year	\$ 639	\$ 6,319	\$ (2,608)	\$ (1,514)
Recognized	(4,450)	(5,680)	(621)	(1,094)
<b>Cumulative Amount, End of Year</b>	<b>\$ (3,811)</b>	<b>\$ 639</b>	<b>\$ (3,229)</b>	<b>\$ (2,608)</b>

The significant weighted average assumptions used are as follows:

	2020	2019
<b>Defined Benefit Obligation:</b>		
Discount Rate	2.6%	3.1%
Long-Term Average Rate of Compensation Increase	3.0%	3.0%
Long-Term Average Rate of Health Benefit Cost Increase		
Initial Trend Rate	7.5%	7.5%
Annual Decrease	0.3%	0.3%
Ultimate Trend Rate	4.5%	4.5%
Year of Ultimate Trend Rate	2031	2031
<b>Benefit Costs:</b>		
Discount Rate	3.1%	3.9%
Long-Term Average Rate of Compensation Increase	3.0%	3.0%

The sensitivity of the defined benefit obligation (DBO) to changes in assumptions is set out below. The effects on each plan of a change in an assumption are weighted proportionately to the total plan obligations to determine the total impact for each assumption presented.

	Impact on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount Rate	1.00%	\$ (16,685)	\$ 22,192
Salary Growth Rate	1.00%	\$ 2,993	\$ (2,750)
Life Expectancy	1 year	\$ 3,372	\$ (3,363)

Each sensitivity analysis is based on changing one assumption, while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the DBO to variations in actuarial assumptions, the same method has been applied as for calculating the liability recognized.

The plans' assets consist of the following asset mix:

	2020	2019
Equity Funds	48%	48%
Debt and Mortgage Funds	44%	44%
Real Estate Funds	8%	8%

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset Volatility:** The plans' liabilities are calculated using a discount rate set with reference to corporate bond yields; if the plans' assets underperform this yield, this may create a deficit.

**Changes in Bond Yield:** A change in corporate bond yields will increase or decrease plan liabilities, although this will be partially offset by an opposite change in the value of the plans' bond holdings.

**Inflation Risk:** The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. The majority of the plans' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit, or reduce the surplus

**Life Expectancy:** The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

The investment positions are managed within an asset-liability matching that has been developed to achieve long-term investments that are in line with obligations under the pension plans. The Company monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. Investments are diversified such that the failure of any single investment would not have a material impact on the overall level of assets.

The effective date of the most recent actuarial valuation for funding purposes was December 31, 2019 for all plans and the next required valuation will be as of December 31, 2020. Based on most recent actuarial valuations, the Company has provided a letter of credit in the amount of \$5.2 million to satisfy funding requirements for the defined benefit pension plans and will not be contributing cash to the other post-employment plans.

Contributions to the defined contribution pension plan were \$399 during the year (2019 - \$361).

## 18. Accumulated Other Comprehensive Income (Loss):

Accumulated other comprehensive income (loss) (AOCI) includes the recognized loss on previously settled cash flow hedges related to Series A and D, and unrealized changes in fair value of investments. The components of AOCI are as follows:

	2020	2019
Recognized Loss on Previously Settled Cash Flow Hedges	\$ (20,937)	\$ (22,583)
Unrealized Loss in Fair Value of Investments	-	(10)
	\$ (20,937)	\$ (22,593)

## 19. Income Taxes:

Income tax expense differs from the amount that would be computed by applying the federal and provincial statutory rates of 27% (2019 - 27%) to the earnings before income taxes. The reasons for the differences and related tax effects are as follows:

	2020	2019
(Loss) Income before Income Taxes	\$ (40,296)	\$ 3,711
Expected (recovery) provision for income taxes at the statutory rate	(10,880)	1,002
Increase (decrease) in taxes resulting from:		
Tax Effect of Not-For-Profit Earnings	11,549	(712)
Impact of Tax Rate on Investment Income	(79)	(34)
Tax Effect of Non-Deductible Expenses	3	7
Other	234	(1)
	\$ 827	\$ 262

## 20. Financial Instruments:

### Fair Value:

The fair value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximates their carrying value due to their relatively short term to maturity. The fair value of other financial instruments is as follows:

	2020	2019	Level
<b>Assets</b>			
Investments			
Short-Term Notes	\$ -	\$ 5,756	Level 2
Short-Term Notes	-	1,343	Level 1
Provincial/Municipal Bonds	-	6,490	Level 1
Corporate Bonds	-	14,925	Level 1
<b>Liabilities</b>			
Revenue Bonds Series A	249,209	255,559	Level 2
Revenue Bonds Series D	192,953	199,689	Level 2
Revenue Bonds Series E	104,839	102,936	Level 2
Revenue Bonds Series F	142,722	139,517	Level 2
Manitoba Industrial Opportunity Program Loan	12,926	13,201	Level 2

The fair value of the Revenue Bonds and Manitoba Industrial Opportunity Program loan is determined through current market rate yield calculations. The fair value of investments in short-term notes and bonds are based on current market yields and traded values in the market.



**Risk Management:**

The Company 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 liquidity risk, credit risk, interest rate risk and concentration risk. The Company's financial instruments are not subject to foreign exchange risk or other price risk.

**Liquidity Risk:**

Along with the rest of the global aviation industry, the Company has faced an abrupt and severe drop in air traffic as a result of the COVID-19 pandemic which has led to substantial declines in revenues, earnings and cash flow from operations.

The Company has managed its liquidity risks by implementing cost reduction initiatives, deferring capital spend, increasing its Airport Improvement Fees, and applying for federal support programs including the Canada Emergency Wage Subsidy ("CEWS").

The total CEWS recorded as a reduction to salaries and benefits in the consolidated statements of comprehensive (loss) ending December 31, 2020 was \$5.5 million (2019: nil). As at December 31, 2020 the CEWS balance included in accounts receivable on the consolidated statement of financial position was \$1.1 million (2019: nil). The CEWS program has been extended to June 2021 and the Company intends to apply for all subsequent application periods, subject to continuing to meet the applicable qualification criteria.

Management further managed its risk by liquidating its investment portfolio, increasing its credit facilities by \$50 million and obtaining a covenant waiver from bondholders, which is further explained in note 14. Subsequent to year-end, a \$100 million of privately placed bonds were issued to finance capital expenditures and general operations (note 14).

The Company updates and reviews its multi-year cash flow projections on a regular and as-needed basis, and matches its long-term financing arrangements with its cash flow needs. In view of its credit ratings (March 31, 2021: Moody's: A1 and Standard & Poors A), the Company has ready access to sufficient long-term funds as well as committed lines of credit through credit facilities with a Canadian bank. The future annual principal payment requirements of the Company's obligations under its long-term debt are described in note 14.

**Credit and Concentration Risks:**

The Company is subject to credit risk through its cash and cash equivalents, restricted cash, accounts receivable, finance lease receivable and investments in the event that the counterparty defaults.

The Company manages the exposure for cash and cash equivalents, restricted cash and investments by contracting only with financial institutions that maintain a very high credit rating, and therefore generally considers the exposure to be low.

The Company performs ongoing credit valuations of its accounts receivable and financing lease balances and maintains valuation allowances for potential credit loss. The investments are limited to short-term and medium-term debt instruments with high quality credit ratings in order to minimize credit exposure.

The Company derives a substantial portion of its revenues from airlines through airfield and passenger processing fees and through airlines' collection of airport improvement fees on its behalf. The Company's right under the *Airport Transfer (Miscellaneous Matters) Act* to seize and detain aircraft until outstanding aeronautical fees are paid mitigates the risk of credit losses.

In addition there is concentration risk with two main carriers contributing to 38% of total revenue. These carriers continue to provide service to the Company and meet their payment obligations.

The impact of the global pandemic on the aviation industry has increased this risk in the current year and management has responded by increasing the frequency of monitoring its aged accounts receivable balance.

**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 Company's cash equivalents and restricted cash are subject to floating interest rates. Management has oversight over interest rates that apply to its cash equivalents and restricted cash. These funds are invested from time to time as permitted by the Master Trust Indenture, while maintaining liquidity for purposes of investing in the Company's capital programs. The fair value of short-term and medium-term investments will fluctuate with changes in interest rates.

	2020		2019	
	Carrying Value	Effective Year End Interest Rate	Carrying Value	Effective Year End Interest Rate
Cash Equivalents	\$ -	-	\$ 23,659	1.9%
Debt Service Reserve Fund	\$ 16,139	0.9%	\$ 16,193	0.9%

If interest rates had been 50 basis points (0.50 %) higher/lower and all other variables were held constant, including timing of expenditures related to the Company's capital expenditure programs, the Company's net loss for the year would have increased/decreased by \$81 (2019 - \$420) (due to changes in returns on interest bearing assets), and the Company's other comprehensive loss would have increased/decreased by \$0 (2019 - \$250) (due to changes in the fair value of investments).

The Company has entered into fixed rate long-term debt, and accordingly, the impact of interest rate fluctuations has no effect on interest payments. However, changes in prevailing benchmark interest rates and credit spreads may impact the fair value of this debt.

## 21. Related Party Transactions:

The Company's related parties include key management personnel, the post-employment benefit plans for the Company's employees (note 17), as well as investment in associates.

In 2020, the Company paid \$2,624 (2019 - \$3,593) to associates for operational services included in services and repairs in the Consolidated Statement of Operations.

The Company has a Financing Lease Receivable of \$9,640 with ATR Cargo One LP and a corresponding gain on Long-Term Land Lease in the Consolidated Statement of Operations (2019: nil). The Company also performed property management and maintenance services for ATR Cargo One LP and recognized revenue of \$90 (2019: nil).

### Transactions with Key Management Personnel

Key management includes the Board of Directors, the President and Vice Presidents. Compensation paid, payable or provided by the Company to key management personnel during the year was as follows:

	2020	2019
Salaries and Short-Term Benefits	\$ 1,610	\$ 1,854
Post-Employment Benefits	147	157
Total	\$ 1,757	\$ 2,011

## 22. Capital Management:

The Company is incorporated without share capital under the *Canada Not-for-Profit Corporations Act* and, as such, net income is retained and reinvested in operations and development. Accordingly, the Company's only sources of capital for investing in operations and development are available bank debt, long-term debt and accumulated earnings included on the Company's balance sheet as retained earnings for a total of \$851,464 (2019 - \$851,276). The Company incurs debt to fund development based on what it considers affordable due to revenues from AIF and in order to maintain a minimum debt service coverage ratio. This provides for a self-imposed limit on what the Company can spend on major development. As described in note 14, the Company obtained waivers for its rate covenants, and therefore, the Company is in compliance with its covenants as at December 31, 2020.

The Company manages its rates for aeronautical and other fees to safeguard the Company's ability to continue as a going concern and to maintain a conservative capital structure. It makes adjustments to these rates in light of changes in economic conditions and events, and to maintain sufficient net income to meet ongoing debt coverage requirements.



# CORPORATE GOVERNANCE



# CORPORATE GOVERNANCE

## Governance Principles

The Board of Directors of Winnipeg Airports Authority Inc. recognizes that it has stewardship responsibility of a valuable community resource. The Board has implemented a corporate governance framework that aligns with best practices for effective corporate governance. This has resulted in a governance system that rests on the following four principles:

1. Accountability
2. Clear delineation of responsibilities between the Board and Management
3. The full Board, not Board committees, is involved in decision making
4. Transparency

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## Board Committees

The Board has organized its affairs around two standing committees – Governance and Audit. They are complemented by the use of Task Forces (Special Committees) on an as required basis to deal with particular matters. The full Board meets on a regular basis at least six times a year.

The mandate of the Governance Committee is to assist the Board in effectively meeting its responsibilities.

The Audit Committee attends to matters that are financial and/or risk related.

## Public Accountability Principles

Incorporated into the Company's By-laws is a set of accountability principles that were accepted by the Board as part of the Airport transfer conditions. Following is a summary of these principles.

## Board Composition

The Board is composed exclusively of unrelated, non-management Directors. Eleven members of the Board of Directors are nominated by seven different public and private sector agencies:

- City of Winnipeg (3)
- The Assiniboia Chamber of Commerce (1)
- Province of Manitoba (1)
- Rural Municipality of Rosser (1)
- Government of Canada (2)
- Economic Development Winnipeg (1)
- Winnipeg Chamber of Commerce (2)

A maximum of four members may be nominated by the Board of Directors.

The Board cannot consist of fewer than seven or more than 15 members at any time.

Qualification and eligibility requirements of Board members:

- A Director may serve for a term not exceeding three years and that no more than three terms (or nine years) may be served.
- Directors can be neither elected to nor employed by any level of government.
- No Director can be an elected official or government employee at any time during the two years prior to becoming a Director.

## Community Consultative Committee

The Company has a Community Consultative Committee (CCC) to provide for effective dialogue and dissemination of information on various matters, including airport planning, operational aspects of the Airport and municipal concerns. The CCC meets at least twice a year and is comprised of members who are generally representative of the community, including persons representing the interests of consumers, the travelling public and organized labour, aviation industry representatives and appropriate provincial and municipal government representatives.

## Corporate Reporting & Disclosure

- The Company has adopted a Code of Conduct and Conflict of Interest Policy. All Directors are in compliance with this policy.
- The Company discloses non-arm's length transactions.
- Directors make a general report annually to their respective Nominator and the Board reports collectively to all Nominators.
- The Board has a self-evaluation process in place to review the performance of the Board and Board committees. As a general practice, the Company optimizes the use of Canadian resources and supplies and employs a competitive process for contracts in excess of \$110,000 (\$75,000 1994 dollars).
- Over 40% of the Board of Winnipeg Airports Authority Inc. is female.
- In the event the Company increases airport user charges it provides advance public notice.
- Full audits in accordance with generally accepted auditing standards are conducted and Transport Canada has the right at any time to cause a complete audit to be conducted.
- The Company publishes its Annual Report and includes specific performance comparisons and discloses the remuneration paid to Board members and to its senior officers.
- The Annual Report is distributed in advance of the Annual Public Meeting to all Nominators and the Minister of Transportation.
- At least once every five years the Company conducts a comprehensive independent review of WAA's management, operation and financial performance by a qualified independent person. The report is distributed on a timely basis to the Minister of Transportation and to each Nominator and is available to the public on request.
- The Company provides for public access to the Airport Master Plan, five-year business plan, past five-year annual financial statements and business plans, incorporation documents, and all signed airport transfer agreements.

## WAA Board of Directors 2020

### Nominated by the City of Winnipeg

D. Greg Doyle, FCPA, FCA, Corporate Director  
Scott Penman, Corporate Director  
Kimberley Gilson, LL.B, Corporate Director  
James Wilson, Vice President Corporate Development,  
*Arctic Gateway Group*

### Nominated by Assiniboia Chamber of Commerce

Gerry Glatz, Owner  
*Teledisc Systems*

### Nominated by Economic Development Winnipeg Inc.

Ian Smart, Executive Vice President Business Transformation, *NFI Group Inc.*

### Nominated by the Government of Canada

Don Boitson, President & CCO, *Longview Aviation Capital*  
Kenneth Grower, Corporate Director

### Nominated by the Province of Manitoba

Peter Kaufmann, Vice President - Sales & Leasing  
*Capital Commercial Real Estate Services Inc.*

### Nominated by the Rural Municipality of Rosser

Robert Penner, President & CEO, *Bison Transport Inc.*

### Nominated by the Winnipeg Chamber of Commerce

BJ Reid, Corporate Director  
Sangeet Bhatia, CPA, CA, CMC, Partner, Consulting,  
*Deloitte Inc.*

### Appointed by the WAA Board

Brita Chell (Chair), FCPA, FCA, Corporate Director  
Paul Vogt, Corporate Director  
Donna Price, FCPA, FCGA, Corporate Director  
Susan Dawes (Vice Chair), Partner, *Myers LLP*  
Arthur Mauro (Chair Emeritus), Corporate Director

## 2020 Board Attendance

	Board Meetings		Audit Committee		Governance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Sangeet Bhatia	7	6			5	5
Don Boitson	7	7	5	5		
Brita Chell	7	7			5	4
Susan Dawes	7	7			5	5
D. Greg Doyle	2	1	2	1		
Kimberley Gilson	7	7			5	5
Gerry Glatz	7	7	5	5		
Kenneth Grower	7	7	5	5		
Peter Kaufmann	7	7			5	5
Scott Penman	7	7	5	5		
Robert Penner	6	6	3	3		
Donna Price	7	7			5	5
BJ Reid	7	7	5	5		
Ian Smart	7	6	3	3		
Paul Vogt	3	3			2	2
James Wilson	7	7			4	4

## Board of Directors Compensation for 2020

Name	Retainer	Meeting	Chair	Total Earnings
Sangeet Bhatia	\$ 11,200	\$ 3,600		\$ 14,800
Don Boitson	11,200	4,995		16,195
Brita Chell	43,502			43,502
Susan Dawes	11,200	4,200		15,400
D. Greg Doyle	4,000	1,275	\$ 2,333	7,608
Kimberley Gilson	11,200	4,200	4,667	20,067
Gerry Glatz	11,200	4,995		16,195
Kenneth Grower	11,200	4,995		16,195
Peter Kaufmann	11,200	4,200		15,400
Scott Penman	11,200	4,920		16,120
Robert Penner	9,200	3,270		12,470
Donna Price	11,200	4,200		15,400
BJ Reid	11,200	4,995	5,867	22,062
Ian Smart	10,200	3,270		13,470
Paul Vogt	6,005	1,770		7,775
James Wilson	10,200	3,900		14,100



### Executive Officers

Barry Rempel, President and Chief Executive Officer

Pascal Bélanger, Executive Vice President, Airport and Commercial Operations

The base compensation range for the President & Chief Executive Officer is \$275,000 to \$375,000.

### Community Consultative Committee and their Affiliations

Loren Remillard - The Winnipeg Chamber of Commerce

Jan Forster - Deputy Minister of Economic Development and Training

Colin Ferguson - Travel Manitoba

Dayna Spiring - Economic Development Winnipeg

Mike Ruta - City of Winnipeg

Tareq Al-Zabet - Deputy Minister of Infrastructure

Jeff Traeger - United Food & Commercial Workers Union

Wendell Wiebe - Manitoba Aerospace Association

Ron Evans - Indigenous Relations

Chuck Davidson - Manitoba Chambers of Commerce

### Corporate Information

Auditors: PricewaterhouseCoopers LLP

Bank: Canadian Imperial Bank of Commerce

Legal Counsel: MLT Aikins LLP, Fillmore Riley LLP, Taylor McCaffrey LLP, Dentons Canada LLP

### Single Source Contracts

During 2020 contracts were awarded in excess of \$112,000 (\$75,000 in 1994 dollars) outside of a competitive process for the reasons indicated in the following table:

Vendor	Description	Value	Basis for selection
STONHARD CANADA	Coat GSE Floor w/ Epoxy	\$ 188	B
XEROX CANADA INC	Printer Leases	\$ 139	A
DEMAND SIDE ENERGY CONSULTANTS	Energy Manager & Facility Energy Assessment	\$ 132	A
DELL COMPUTER CORPORATION	System Integration Platform	\$ 127	D

*(In thousands of Canadian dollars)*

### Basis for Selection

A – The acquisition is part of an equipment standardization program.

B – The goods or services are of a proprietary nature or there is only one qualified supplier.

C – Safety, security or critical operating needs require urgent procurement.

D – The vendor was awarded a contract for goods or services as a result of previous competitive process and has no prior performance issues.

E – There is only one qualified vendor available when all factors are considered.

F – A strategic alliance/partnership can be formed with one vendor in order to take advantage of current technology and expertise.

G – An alliance/partnership can be formed with one supplier in order to significantly promote the strategic objectives.

# WINNIPEG RICHARDSON INTERNATIONAL AIRPORT SERVICES

## Passenger Carriers

### Serving Main Terminal Building

Air Canada  
 Air Canada Express  
*(Jazz Aviation on behalf of Air Canada Express)*  
 Air Transat  
 Bearskin Airlines  
 Calm Air  
*(Canadian North on behalf of Calm Air)*  
 Delta Air Lines  
 Delta Air Lines  
*(Endeavor Air / SkyWest on behalf of Delta)*  
 Flair Air  
 Sunwing Airlines  
 Swoop  
 United Airlines  
*(ExpressJet / SkyWest on behalf of United)*  
 WestJet  
 WestJet Encore

### Other

AIR BRAVO CORP  
 AIR NUNAVUT  
 AIRSPRINT INC  
 CHARTRIGHT AIR INC  
 CORPORATE AIR  
 EXECAIRE AVIATION  
 EXECAIRE, A DIVISION OF  
 FAST AIR LTD  
 FLEXJET LLC  
 FLIGHT NORTH HOLDINGS CORPORATION  
 FOX FLIGHT INC  
 JR SIMPLOT CO  
 KEEWATIN AIR LIMITED  
 KISSISSING LAKELODGE LTD  
 KREOS AVIATION GENPAR INC

LONDON AIR SERVICES LIMITED  
 MISSINIPPI AIRWAYS  
 MORNINGSTAR PARTNERS LTD  
 ORNGE  
 PERIMETER AVIATION LP  
 SAULTS and POLLARD REAL ESTATE  
 SKYNORTH AIR LTD  
 SUMMIT AIR  
 SUNWEST AVIATION LTD  
 SUPERIOR AIRWAYS LIMITED  
 TAIGA AIR SERVICES LTD  
 THE NORTH WEST COMPANY LP  
 THUNDER AIRLINES  
 TVPX ARS INC TRUSTEE  
 WASAYA AIRWAYS LTD

## Air Cargo Carriers

### Scheduled

Cargojet  
 DHL  
 FedEx

Morningstar  
 Skylink  
 Sunwest  
 UPS

### Non-Scheduled

Air Canada  
 Atlas Air Cargo  
 AeroMexico  
 Korean Air Cargo  
 Plus Ultra  
 Volga-dnepr

## Restaurants/Bars

### Pre-Security

Harvey's  
 Root98  
 Stella's Café and Bakery  
 Tim Hortons

### Post-Security Domestic

Freshii  
 Fuel Bar  
 Green Carrot Juice Company  
 Plaza Premium Lounge  
 Prairie Bistro  
 Sapphire Lounge  
 Skylights Lounge  
 Starbucks  
 Tim Hortons  
 True Burger

### Post-Security Transborder

Tim Hortons Express  
 Urban Crave Restaurant and Lounge

## Retailers

### Pre-Security

ICE Currency Exchange  
 Red River News

### Post-Security Domestic

Bentley  
 Best Buy Express  
 ICE Currency Exchange  
 Lolë  
 Metalsmiths Sterling  
 PGA TOUR Shop  
 Prairie News  
 Red River News Express  
 Rocky Mountain  
 Chocolate Factory  
 The Scoreboard  
 The Exchange News & Gifts  
 The Loop Duty Free

### Post-Security Transborder

CNBC News  
 ICE Currency Exchange  
 The Loop Duty Free

## Hotels

Courtyard by Marriott  
 Four Points by Sheraton  
 The Grand by Lakeview

## Car Rentals

Avis/Budget/Payless Rent-A-Car  
 Enterprise Rent-A-Car  
 Hertz Rent-A-Car  
 National/Alamo Rent-A-Car







WINNIPEG  
AIRPORTS AUTHORITY

249-2000 Wellington Avenue  
Winnipeg, Manitoba R3H 1C2

