

2022 Annual Report

The Sky's the Limit





Land Acknowledgment

The Fort McMurray Airport Authority respectfully acknowledges that we work, live, and operate in Treaty 8 Territory, the ancestral and traditional land of the Cree, Dene, and Métis people. We honour the First Nations and Métis people whose footsteps have gently marked these lands for the generations before us and generations to come. We are grateful for the culture, traditions and connections to the land, water, animals and people. May we continue to steward these lands together.

***Land Acknowledgment developed in collaboration
with Allison Flett, Mikisew Cree First Nation***

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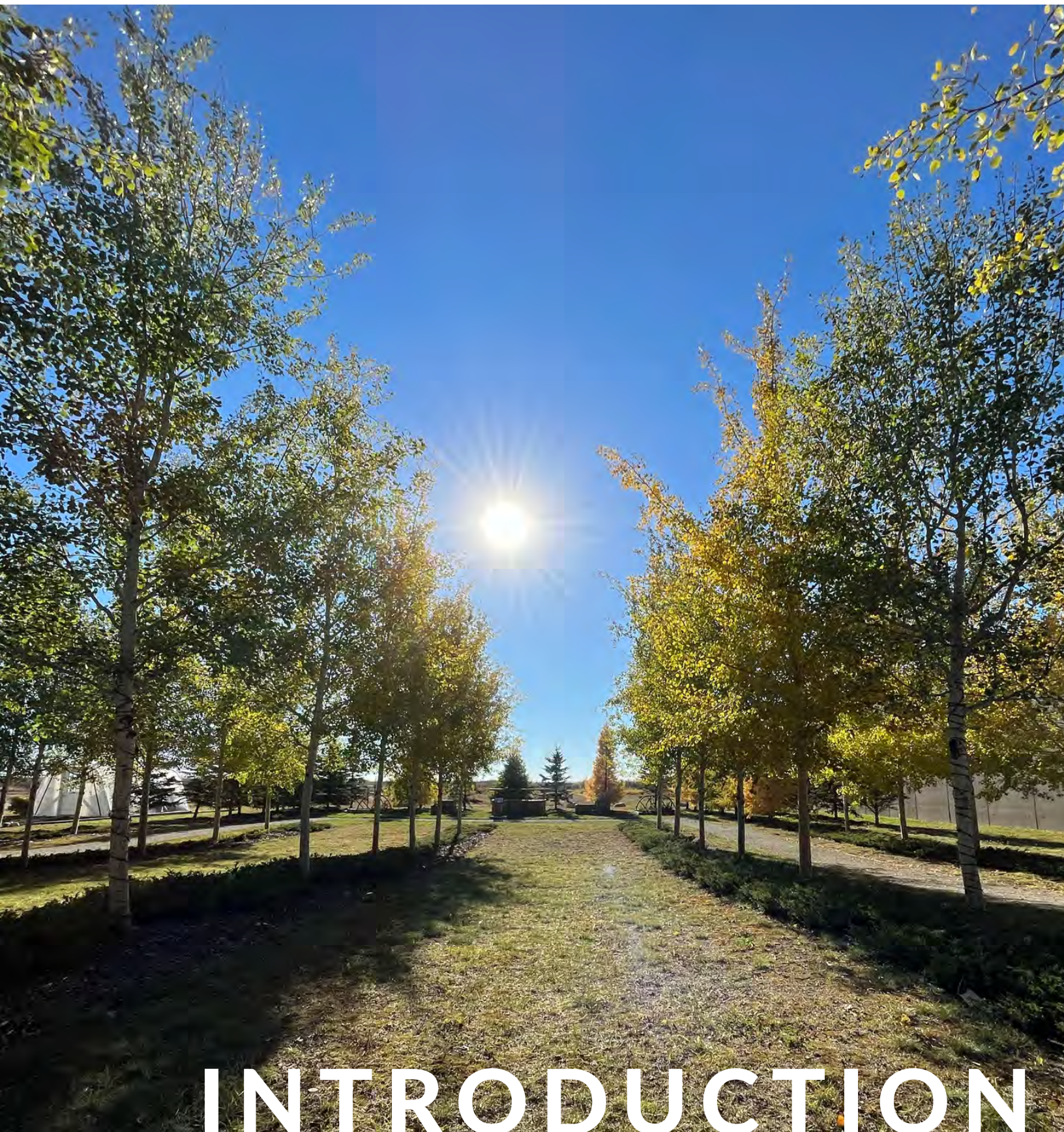
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ABOUT

THE FORT MCMURRAY AIRPORT AUTHORITY



INTRODUCTION

OUR AUTHORITY

The Fort McMurray Airport Authority (FMAA) is an independent not-for-profit non-share capital corporation that owns and operates the Fort McMurray International Airport.

The Airport Authority provides critical transportation services, creates local jobs, procures local goods and services and offers commercial leasing opportunities.

All surplus revenue generated from commercial activities is reinvested back into airport operations and infrastructure to ensure compliance with safety, security, and environmental regulations.

OUR AIRPORT

The Fort McMurray International Airport (YMM) connects the Fort McMurray Wood Buffalo Region to the world. YMM offers direct flights to Edmonton, Calgary, Fort Chipewyan, Toronto and Tucson, Arizona (seasonally).

YMM also acts as the launch point for air taxi services to various remote communities and mining sites. The airport is a major economic driver for the region, with an economic impact of approximately \$355 million. The airport campus supports 70+ businesses and some 900 jobs.



2022 YMM BY THE NUMBERS



43,524

Total Aircraft
Movements
in 2022



320,319

Passengers
in 2022



70+

Snow Eagle
Aviation Park
Businesses



900+

Airport Campus
Employees



OUR MISSION

We are vital to the transportation network
elevating economic growth, social prosperity
and quality of life regionally and across Canada.

OUR VISION

Northern Alberta's
Airport of Choice

OUR VALUES

Safety • Leadership • People
Sustainability • Creativity

2022

THE FORT MCMURRAY AIRPORT AUTHORITY



IN REVIEW

2022 IN REVIEW

Message from President & CEO Denean Robinson and Board Chair Mike Chwelos

The Fort McMurray Airport Authority (FMAA) welcomed 2022 with optimism that the worst of the pandemic was over, and excitement for what the future held in store.

We saw more passengers return to the skies as government-mandated travel restrictions were lifted and travellers' regained confidence. We at FMAA all agreed – in 2022, our credo would be: “The Sky’s the Limit!”

Protecting the health of our passengers and employees, while facilitating essential movement of goods and people in and out of the region continued to be our focus. Progress towards recovery continued as year over year ridership increased to 320,319 passengers. Nonetheless, we anticipate it will take several more years to see a return to pre-pandemic passenger numbers.

FMAA started the new year with a new member: Michael Sieger, Vice President of Air Service & Commercial Development. Sieger has been a welcomed addition to the Executive Leadership Team, and a necessary one, as we are committed to rebuilding flight frequency and attracting new routes, strategically positioning YMM for new transborder and sun destinations.

FMAA welcomed back Flair Airlines to YMM, bringing non-stop flights to Tucson, Arizona. Thousands of residents have since enjoyed the four-hour flight to Arizona. Also announced in 2022 was non-stop service to Montreal via Air Canada Rouge, starting in June 2023. We have made, and continue to make, great progress towards securing new air services with existing and prospective airline partners.



“ We All Agreed – in 2022, the Sky’s the Limit! ”

The community was excited to see the return of YMM events in 2022. The inaugural Easter Family Fun event was very well received, as were the Halloween and Holiday community events hosted at the terminal. Each event served as a fundraiser for a local charity.

In mid-2022, a major change in leadership was announced. RJ Steenstra, who had led the organization for six years, announced his resignation as President & CEO of the Fort McMurray Airport Authority, to pursue a new opportunity as CEO of Ports Toronto. After an international search for a replacement concluded, I (Denean Robinson) was chosen and accepted the role of President & CEO, effective January 1, 2023.

FMAA is poised for a successful future. We continue to work towards securing new air services and exploiting non-aeronautical opportunities, including attracting new tenants to the terminal and Snow Eagle Aviation Park.

We have a variety of spaces available. We hope that you will consider holding your next event in our beautiful courtyard or Observation Area! We also have leasing opportunities for various types of businesses throughout the airport campus.

As we move to realize our potential, we are securing YMM’s future and will continue to provide the best travel experience possible for our passengers in 2023!

Denean Robinson

Denean Robinson
President & CEO



Mike Chwelos

Mike Chwelos
Board Chair

FMAA'S

FIVE STRATEGIC PRIORITIES



PRIORITIES

1

DELIVERING ASSET OPTIMIZATION

There are over 70 businesses (aviation and non-aviation related) which reside in our terminal and the Snow Eagle Aviation Park. Increasing air service capacity and securing appropriate airport campus tenants is key to ensuring a sustainable and prosperous future for YMM.



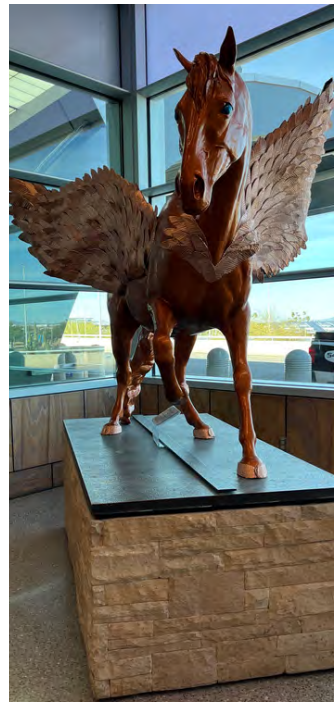
DELIVERING ASSET OPTIMIZATION

AIR SERVICE DEVELOPMENT

There is no better way to optimize our terminal, than to secure new air services for residents and visitors to enjoy. In March 2022, FMAA announced a new non-stop flight to sunny Tucson, Arizona: welcome news for the many residents seeking a quick escape during cold Alberta winters. The first seasonal flight offering ran from November 2022 to March 2023.

In October, the Airport Authority partnered with the Chamber of Commerce to host a luncheon with delegates from Tucson who came up to promote Tucson.

Felipe Garcia, President & CEO, Visit Tucson, Michael Guymon, President & CEO, Tucson Metro Chamber and Eric Tanner, VP of Revenue Management and Network Planning, Flair Airlines, joined the FMAA leadership team to promote Tucson and highlight the benefits the new air service offers to our region.





TALKS OF TUCSON

“We loved Tucson and would definitely go back. So much to do and see. Thanks so much for this opportunity!”
 –Dawn Sidoroff

“Bring it back. We went a couple times and will go even more next year.”
 –Kelsey Skolovy

“Excellent flight. Hope it becomes permanent, would use this every year.”
 –Darryl Woytkiw

News of the flight was not only exciting for Fort McMurray Wood Buffalo residents, but for Tucson residents as well.

Many Tucsonans made their way to the great white north to experience the winter season; this included aurora borealis viewing and sledding to name just two of our region’s tourism attractions that were enjoyed by Tucsonans during the seasonal flight offering.

The inaugural flight on November 30 was celebrated with live music, charcuterie to-go cups, and greetings from FMAA’s Executive Leadership Team as well as from Garth Lund, Chief Commercial Officer, Flair Airlines.



PHOTO: President and CEO Denean Robinson (middle) with Vice President of Air Service & Commercial Development Michael Sieger and Chief Commercial Officer of Flair Airlines Garth Lund.

DELIVERING ASSET OPTIMIZATION

PASSENGER RETENTION

YMM residents' travel booking patterns generate useful data that airlines track and use in their decision process when reviewing existing and potential new route schedules and destinations.

When local customers choose to use other airports in Alberta, such as YEG or YYC, as their starting point for transborder and international flights, the impacts can be seen with reduced regional air service at YMM, fewer direct flight options and less support for local airport businesses and their suppliers.

Residents choosing YMM as Northern Alberta's Airport of Choice provides a pre-condition for sustainable air service development.



DELIVERING ASSET OPTIMIZATION

OPERATIONAL SUPPORT

Relief provided to YMM through the RMWB Sustaining Grant, Regional Air Transportation Initiative Grant and Airport Capital Infrastructure Program Grant – all secured in 2021, continued to support critical operations in 2022.

Reduced debt service obligations (debt mainly associated with the new terminal built in 2011-2014), have enabled YMM to focus on containing operational expenses, a necessity as we face another year of low revenue as we continue to recover from the pandemic.

In 2022, the FMAA Executive Leadership Team continued its important work via grant writing and reporting and working with all levels of government to ensure our current financial sustainability.



DELIVERING ASSET OPTIMIZATION

LEASING OPPORTUNITIES

We have highlighted our retail and land leasing opportunities available at the terminal and Snow Eagle Aviation Park with new signage and wall wraps.

Interest has increased and new tenants have moved in – welcome to Team YMM!



2 ACCELERATING THE CUSTOMER EXPERIENCE

Our customer is at the heart of everything we do at YMM. From the moment a passenger steps onto airport campus, to their last look out the window as their aircraft departs – we want them to have the best experience possible. By continuously exploring opportunities to enhance the customer's journey, we ensure each guest travels with ease and confidence when flying YMM.



ACCELERATING THE CUSTOMER EXPERIENCE

RETURN OF ASQ SURVEYS

Airport Council International (ACI) World's globally recognized Airport Service Quality (ASQ) program provides airports with data, tools and expertise to measure and improve passenger satisfaction.

The survey does so by covering over 30 performance indicators, ranging from way finding, check-in ease and amenity offerings. ASQ allows us to track our own performance over time and additionally, to benchmark our performance against other airports deemed 'best in class.'

2022 was the first year we were able to participate in ASQ since the pandemic brought it to a halt in spring of 2020.

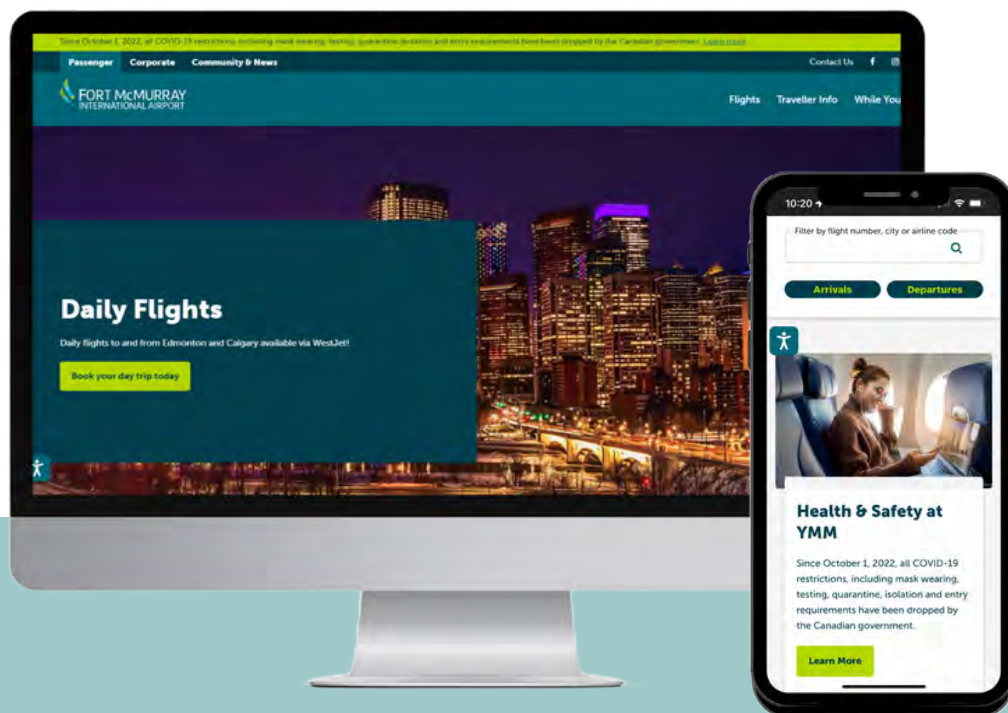


ACCELERATING THE CUSTOMER EXPERIENCE

NEW WEBSITE

Have you seen our new website? Last winter, we launched our new and improved FlyYMM.com. The new site is easy to navigate, and has everything you need to know before, during and after flying YMM.

The website is also now equipped with an accessibility tool to improve the browsing experience for those with vision and/or hearing disabilities, ensuring accessibility for all users.



ACCELERATING THE CUSTOMER EXPERIENCE

CATSA RAIC ES

CATSA supported Fort McMurray Airport Authority staff in launching the Restricted Area Identity Card Enrollment System (RAIC ES) at YMM in 2022.

Enhancements include installation of a new processing and printing system and digitization of the application. The updates to the process have enabled our Pass Office to deliver RAIC services more promptly and effectively. We are grateful for CATSA's collaboration on this front.



ACCELERATING THE CUSTOMER EXPERIENCE

IT'S THE LITTLE THINGS...

In 2022, the Fort McMurray International Airport had new changes brought into the terminal to enhance its passenger experience.



HISTORICAL PHOTOS LOCATED AT LEVEL 1 & LEVEL 2

Historical images of the aviation community in Fort McMurray Wood Buffalo now adorn our walls at YMM. Take a trip back in time and check them out the next time you Fly YMM!

ACCELERATING THE CUSTOMER EXPERIENCE



OPTICWASH

FMAA introduced the Opticwash Pro for passengers to enjoy during downtime airside. Not only can the machine clean jewelry and glasses in just minutes, it's available to passengers at no cost!

 **LOCATED ON AIRSIDE**



MASSAGE CHAIRS

Our new massage chairs at YMM are a hit! The chairs are equipped with built-in tap card readers, charging cell ports and cup holders.

 **LOCATED AT GATE 2, 4 & LEVEL 1**

3

ENHANCING OPERATIONAL EXCELLENCE

YMM showcases its commitment to employees, passengers and stakeholders with a daily focus on achieving excellence. To accomplish this, efficient and effective processes and procedures are in place and safety standards scrupulously followed. Thank you to our Team YMM members for doing their part to support operational excellence.



ENHANCING OPERATIONAL EXCELLENCE

INCREASED EFFICIENCY

Finance Department team members collaborated to utilize cloud-based software that connects to our accounting system to support the organization in forecasting financial results and eliminating manual processes. As a result, monthly reporting turnaround time has improved.

The Information Technology (IT) department has upgraded authentication systems to better protect and secure our organization’s digital resources.

PARKING PROGRAM

In 2022, members of our Facilities and IT teams completed a full upgrade to our parking system. The updates include new software, enabling additional payment options. Customers now have the option to pay with “tap” via credit or debit card when paying for parking.

The new system has more functionality options, including the ability to scan QR codes. The new functionality options will be considered as we evaluate our parking program in 2023.



62,800

Vehicles
Parked at
YMM in 2022

2022 INFORMATION TECH AT YMM *(Perspective in Volumes)*



43,763

Unique Wi-Fi
Users



69

Terabytes of
Data Used



2,300

Blu-Ray
Movies Used

ENHANCING OPERATIONAL EXCELLENCE

ECO-FRIENDLY EQUIPMENT

With generous support from Transport Canada's Airport Critical Infrastructure Program, our Operations team procured two new ØVERAASEN RS-400 sweepers in 2022.

The sweepers will be instrumental in supporting snow removal on airport campus. As part of FMAA's commitment to reducing our carbon footprint, the new models (delivered in 2023) are far more energy efficient than those replaced.



3,138

Hours of Documented Winter Maintenance



ENHANCING OPERATIONAL EXCELLENCE

REDUCING OUR CARBON FOOTPRINT

YMM has made continuous progress towards achieving Level 2 'Reduction' certification from Airports Council International Global Airport Carbon Accreditation Program over the past year. Airport Carbon Accreditation is the only institutionally endorsed, global carbon management certification program for airports.

It independently assesses and recognizes the efforts of airports to manage and reduce their carbon emissions through six levels of certification: Mapping, Reduction, Optimisation, Neutrality, Transformation and Transition. Since joining the Carbon Reduction Program in 2019, YMM has achieved a 34% decline in its carbon emissions.

We are committed to collaborating with our airport campus partners to find further opportunities to reduce emissions. Partners include airlines and various service providers, such as ground handlers, tenants and air traffic control.



REDUCING THE NUMBERS

Since Joining the Carbon Reduction Program:



-29%
Glycol Usage



-19%
Electricity Consumption



-13.4%
Overall Carbon Footprint

4 DEVELOPING HIGH PERFORMING TEAMS

Our people are our greatest asset at YMM. That is why we are committed to the development of our team members. By supporting the professional and personal development of our employees, we cultivate a healthy team environment and support one another in achieving our full potential.



DEVELOPING HIGH PERFORMING TEAMS

CHANGE IN LEADERSHIP

The FMAA was pleased to welcome Michael Sieger to the team as Vice President, Air Service & Commercial Development in January 2022. His role is to support our leadership team in achieving its goals to secure new air service and to optimize asset utilization in the non-aeronautical side of our airport's business.

Michael came to us from Fort McMurray Wood Buffalo Economic Development and Tourism (FMWBEDT). He brings over 30 years of professional experience in the Hospitality and Tourism Industry, as well as a wealth of knowledge and a strong commitment to economic development and job creation in the Fort McMurray Wood Buffalo region.

In the summer of 2022, RJ Steenstra, who had led the organization for six years, announced his resignation as President & CEO of the Fort McMurray Airport Authority, to pursue a new opportunity as CEO of Ports Toronto.

After an extensive international search for a replacement was conducted, Denean Robinson (formerly FMAA's Chief Financial Officer) was offered the role and graciously accepted.



PHOTO: Team YMM joined with Fort McMurray Airport Authority's former President & CEO RJ Steenstra in the courtyard at the Fort McMurray International Airport in September 2022.

DEVELOPING HIGH PERFORMING TEAMS

PRIDE YMM

FMAA employees participated in an Inclusivity Workshop, facilitated by Pride YMM in 2022.

Our organization is on-track to receive Pride YMM's Rainbow Space designation in spring of 2023.

Pride YMM's Rainbow Space initiative promotes and fosters safe and inclusive spaces for 2SLGBTQIA+ individuals in local organizations and businesses in Fort McMurray Wood Buffalo.

To earn this designation, Pride YMM conducted a thorough review of FMAA's HR policies, elements of the passenger journey, terminal amenities and ultimately, facilitated the educational workshop.

We look forward to hosting a community event to celebrate our designation and create further awareness of our airport being an inclusive space for everyone in our community to enjoy.



PHOTO: Michael Sieger, FMAA's VP of Air Service & Commercial Development (middle) and Cuyler Green, FMAA's VP of Operations & Infrastructure were joined with Pride YMM representative Simma Downe to raise the Two Spirit Progress Pride Flag at the Fort McMurray International Airport during Pride Week in June 2022.

DEVELOPING HIGH PERFORMING TEAMS

EQUITY, DIVERSITY & INCLUSION

FMAA is privileged to have a diverse workforce, which we celebrate by spotlighting employees in our biweekly internal newsletter, monthly community newsletter and on our social channels. Our team includes a wide range of cultural and ethnic backgrounds, and an age range of 21-70 years old.

At YMM, we're going above and beyond the accessibility and wayfinding in-terminal requirements as per Transport Canada, to better serve our passengers and adapt to their ever-changing needs.

While embracing equity, diversity and inclusion (EDI) has always been a priority, FMAA did not have a formal, corporate approach in place until 2022. Recognizing the gap, an EDI policy was formulated along with a supporting framework outlining training opportunities and goals for the team and overall organization.



PHOTOS (Above): Airport Maintenance Technician Alen Boshnyak. (Right - Top to Bottom) Manager of Financial Services Samantha Bennett, Maintenance Crafts Person Wilson Chow and Director of Finance Helen He.





MOCK INCIDENT EXERCISE

In September, members of FMAA's Health, Safety, Security and Environment (HSSE) Department, along with stakeholders such as the Regional Municipality of Wood Buffalo's Emergency Services, Team YMM partners and members of the public, took part in a mock aircraft accident exercise.

As our team progresses in Incident Command System (ICS) training, it's important to exercise our learning via mock incidents so that members understand their roles and associated expectations should a real incident occur.

The mock exercise was a success, resulting in a team-wide appreciation for the complexity of incident response. FMAA hosts these types of exercises on an annual basis.



RECOGNITION OF POSITIVE SAFETY CULTURE

Each month, the Occupational Health and Safety (OH&S) Committee identifies and awards members and teams of the YMM airport community for efforts put forth to engender a positive safety culture. In 2022, a total of 29 individual team members were recognized.



29
Team Members
Awarded for
OH&S

PHOTOS (Top to Bottom): YMM Firefighter Matt Linney, Health, Safety & Environment Manager Sara Stevens and GardaWorld Security Lead Susan Ubina.

5

STRENGTHENING STAKEHOLDER RELATIONSHIPS

Strong relationships with stakeholders and partners are critical in our ability to realize our vision of “Northern Alberta’s Airport of Choice.” We are committed to working closely with our airlines, tenants, governments, and community stakeholders to find creative ways to benefit our region, it’s residents, and organizations.

PHOTO: Regional Municipality of Wood Buffalo (RMWB) Mayor Sandy Bowman, Fort McMurray Airport Authority President & CEO Denean Robinson, RMWB Culture & Social Development Social Planner Angie Goredema, Member of Parliament Chief-of-Staff Debbie Moses, Wood Buffalo Community Foundation Executive Director Gaylene Weidlich and MLA of Fort McMurray-Wood Buffalo Tany Yao.



STRENGTHENING STAKEHOLDER RELATIONSHIPS

DAY OF TOLERANCE PROCLAMATION

Mayor Sandy Bowman, MP Laila Goodridge and MLA Tany Yao and guests gathered at YMM to proclaim November 16th “International Day of Tolerance.” Following the proclamation, guests moved to the Observation Area for a Vital Conversation: Supports for immigrants and newcomers, hosted by the Wood Buffalo Community Foundation.

To compliment the proclamation, the **I See You: Sawubona** exhibit, created by the Regional Municipality of Wood Buffalo in collaboration with Coalitions Creating Equity Alberta was on display in Level 1 Arrivals for the public to view. We look forward to future opportunities to celebrate diversity and inclusivity in our region!



STRENGTHENING STAKEHOLDER RELATIONSHIPS

TEAM YMM

Connecting with the 900+ employees on airport campus can be a challenge, especially during a pandemic. That is why, in 2022, FMAA continued to host Airport Operations Advisory Committees (AOAC), at which our campus partners can ask questions, and receive updates on anything and everything YMM.



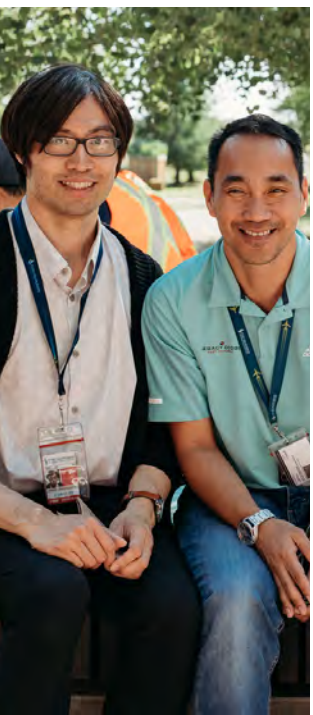
PHOTO: FMAA's VP of Air Service & Commercial Development Michael Sieger and Manager of Marketing & Communications Jessica Lipton.



Over 200 attendees purchased tickets to the Team YMM Holiday Party last November. It was a beautiful evening, complete with food, dancing and most importantly, reconnection. The Executive Leadership Team announced the highly anticipated 2022 President's Award winners at the event.

2022 President's Awards Winners

YMM Passenger Excellence Award: Lisa Spencer, GardaWorld; YMM Co-Pilot Award: Jeff Scherban, Phoenix Heli-Flight and the Local HERO Foundation and YMM Crew Member Award: Barry Desautels, Fort McMurray Airport Authority.



PHOTOS (Left - Top to Bottom) Member of Parliament Laila Goodridge with her son, Eoghan, and FMAA President and CEO Denean Robinson. FMAA team members Dawn Booth, Jessica Perry, Gary Tam and Agustin Derecho.

STRENGTHENING STAKEHOLDER RELATIONSHIPS

NEW OVERHEAD ANNOUNCEMENTS

FMAA celebrates diversity and cultures in our region. In 2022, we introduced new public announcements at our terminal. One public announcement, particularly well-received, was a land acknowledgment voiced by Elder Betty Woodward from Fort McMurray 468 First Nation, spoken in both English and Cree. In 2023, we hope to introduce a Dene version of the land acknowledgment.

We also added a recycling announcement, voiced by Natalie Kemeny, Chair of the Fort McMurray SPCA Board of Directors. In the announcement, Natalie reminds airport guests to discard their recyclables in the appropriate bins. All funds raised through our recycling program are donated to the SPCA.



STRENGTHENING STAKEHOLDER RELATIONSHIPS

AIRPORT TOURS

FMAA hosted ten school tours in 2022. It's no surprise that watching the planes land and visiting the YMM Firehall were the biggest hits with our tour groups!



STRENGTHENING STAKEHOLDER RELATIONSHIPS

COMMUNITY NEWSLETTER

In November 2022, the Commercial team brought back YMM's community newsletter, with a fresh name: The YMM Check-In!

The newsletter includes the latest in air service announcements, contesting, upcoming events and Team YMM Member Spotlights. The newsletter is compiled with the goal of keeping readers informed and bringing us closer to our passengers.



NEWS IN-BRIEF

The Team YMM News In-Brief keeps members engaged and up to date on what's happening in the terminal, Snow Eagle Aviation Park and the community! From employee anniversaries to Team YMM Spotlights – the newsletter aims to celebrate our members and encourage a collaborative mentality!

2022

FINANCIAL OVERVIEW



FINANCIALS

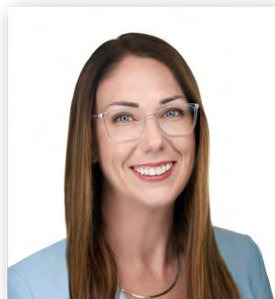
GOVERNANCE & BOARD OF DIRECTORS

The FMAA is governed by a Board comprised of 10 Directors, mandated to steward the long-term success of YMM. Board Directors are appointed through four appointer entities and the community at large, as selected by the current serving board.



Mike Chwelos
Board Chair

Appointer: Canadian Association of Petroleum Producers



Staci Millard
Director/Governance
Committee Chair

*Appointer: Fort McMurray
Airport Authority*



Doug Simms
Director/Finance &
Audit Committee Chair

*Appointer: Fort McMurray
Chamber of Commerce*



Jason Vargo
Director

*Appointer: Regional
Municipality of Wood Buffalo*



Ken Bell
Director

*Appointer: Canadian Association
of Petroleum Producers*



Keith Haxton
Director

*Appointer: Regional
Municipality of Wood Buffalo*



The nominating entities include: Regional Municipality of Wood Buffalo, Canadian Association of Petroleum Producers, Fort McMurray Chamber of Commerce and Canadian Union of Public Employees Local 1505. Using a Board Governance Model, Directors establish policies and procedures to safeguard FMAA's assets and ensure long term viability, profitability, and future development. FMAA operates at arm's length from all Appointers.



Bill McGoey
Director

*Appointer: Fort McMurray
Airport Authority*



Colin Solbak
Director

*Appointer: Fort McMurray
Chamber of Commerce*



Joanne Day
Director

*Appointer: Regional
Municipality of Wood Buffalo*



Linda Huebscher
Director

*Appointer: Canadian Union
of Public Employees*



BOARD OF DIRECTORS

2022 CALENDAR YEAR

	Board Position	Nominator	Term Commencement	Tenure*	BMA*	Committee	CMA*
Michael Chwelos	Board Chair	Canadian Association of Petroleum Producers	2017/2021	6	6/6	All	9/9
Staci Millard	Director/Governance Committee Chair	At-Large Appointment	2019/2023	3	6/6	Governance	4/4
Doug Simms	Director/Finance & Audit Committee Chair	Fort McMurray Chamber of Commerce	2019/2023	4	6/6	Finance & Audit	4/5
Bill McGoey	Director	At-Large Appointment	2018/2021	5	6/6	Finance & Audit	4/5
Colin Solbak	Director	Fort McMurray Chamber of Commerce	2015/2020	7	6/6	Finance & Audit	4/5
Jason Vargo	Director	Regional Municipality of Wood Buffalo	2022	1	6/6	Governance	4/4
Linda Huebscher	Director	Canadian Union of Public Employees	2016/2020	6	6/6	Governance	4/4
Keith Haxton	Director	Regional Municipality of Wood Buffalo	2019/2023	4	6/6	Finance & Audit	5/5
Joanne Day	Director	Regional Municipality of Wood Buffalo	2015/2020	7	6/6	Governance	4/4
Ken Bell	Director	Canadian Association of Petroleum Producers	2019	3	4/6	Governance	4/4

*Tenure By Years

*BMA/Board Meeting Attendance

*CMA/Committee Meeting Attendance

MANAGEMENT OF THE FMAA



Cuyler Green
Vice President
Operations & Infrastructure



Denean Robinson
President & CEO



Micheal Sieger
Vice President
Air Service & Commercial Development

FMAA STAFF	MANAGEMENT TITLE
Helen He	Director of Finance
Samantha Bennett	Manager, Financial Services
Jessica Lipton	Manager, Marketing & Communications
Adam Lo Bianco	Manager, Facilities & Terminal Operations
Sara Stevens	Manager, Health, Safety, Security & Environment
Jeff Vader	Manager, Airport Maintenance
Taphim Zaman	Manager, Information Technology

BOARD STRUCTURE



BOARD DIRECTOR'S RESPONSIBILITIES

STEWARDSHIP

- Facilitate guiding principles of vision, mission, core values, key success drivers and goals.
- Steward the Fire-Year Strategic Plan.
- Apply best practices for regional airports and ensure the GMAA maintains financial viability.
- Maintain an ethical corporate culture.
- Participate in the strategic planning process which considers business opportunities and risks.
- Implement appropriate systems to manage risks.
- Monitor internal controls and management information systems.
- Develop succession plans for management and key Board personnel.

STAKEHOLDER RELATIONS

- Develop strong relations with stakeholders and the community through effective engagement.
- Ensure FMAA maintains and finds opportunities to enhance its reputation in the region.
- Comply with FMAA's Communication Policy to ensure effective and time stakeholder response.
- Create synergies with regional hubs in Western Canada to generate local benefits.
- Build positive relationships between Airport Authorities, Chambers of Commerce, Tourism and Economic Development entities, and Municipalities as they relate to the FMAA.

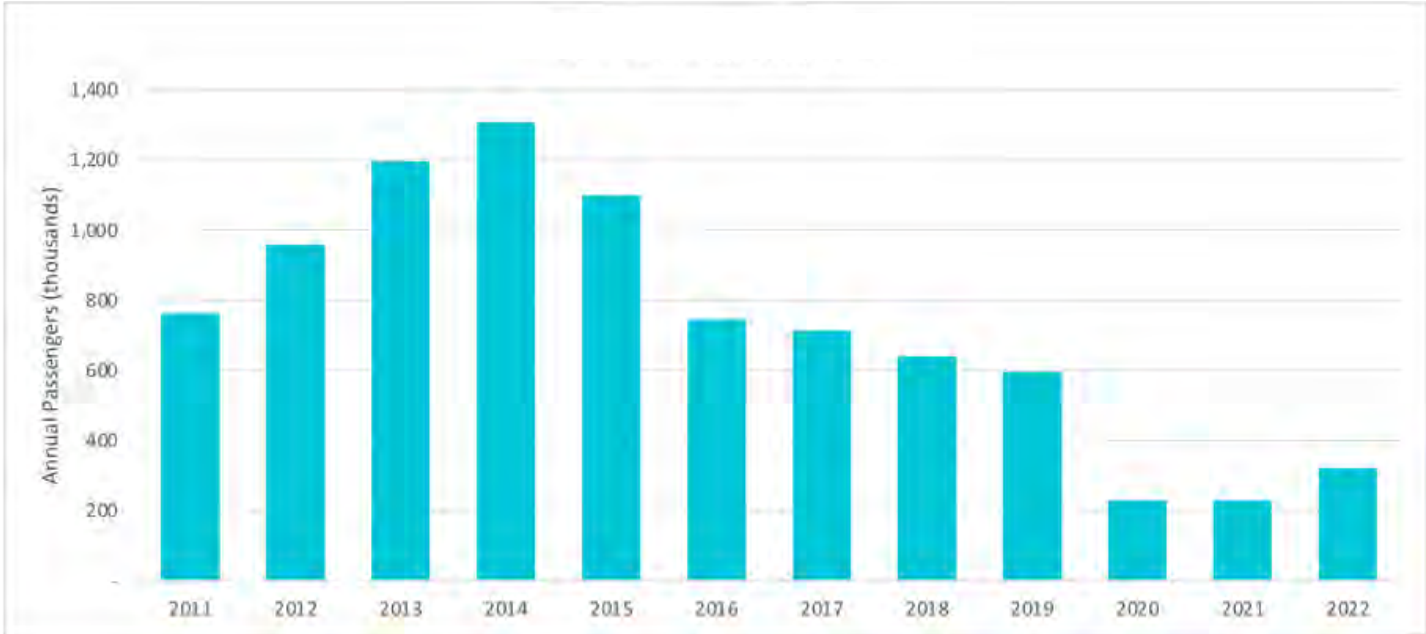
CODE OF CONDUCT

- Maintain an ethical corporate culture of openness, transparency, honesty, trust, integrity, accountability and respect.
- Apply FMAA's values at all times when engaging with airport employees, stakeholders, landowners, suppliers, governments, regulators, Indigenous communities, customers and the general public.
- Maintain confidentiality of all FMAA information and records.

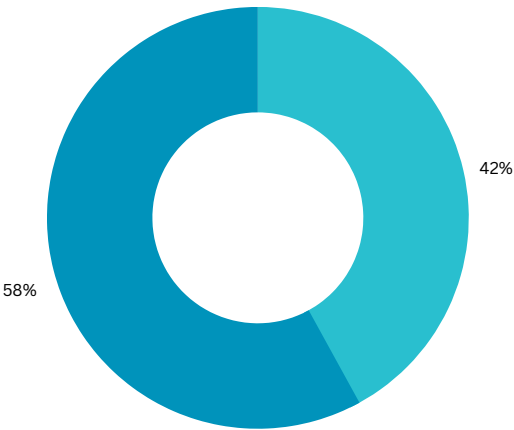
CONFLICT OF INTEREST

- Obligated to disclose all conflicts of interests upon apportionment to the Board.
- Responsible for applying impartially, neutrality, fairness and integrity.
- Complete a Personal Information Form outlining all interests, activities, investments, memberships, appointments, relationships, engagements, gifts (goods, services, hospitality, entertainment), related persons, which may materially or detrimentally conflict with the interests of FMAA, or any interest that may reasonably be perceived as giving rise to an appearance of conflict of interest.
- Comply with Governance Committee mitigation recommendations, if disclosure reveals potential conflict.

TOTAL PASSENGERS BY YEAR

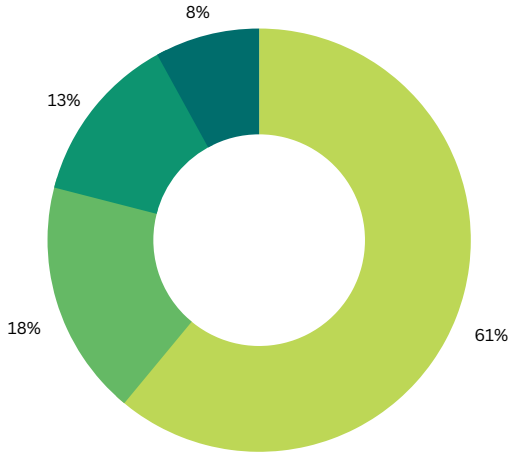


2022 REVENUE BY SOURCE



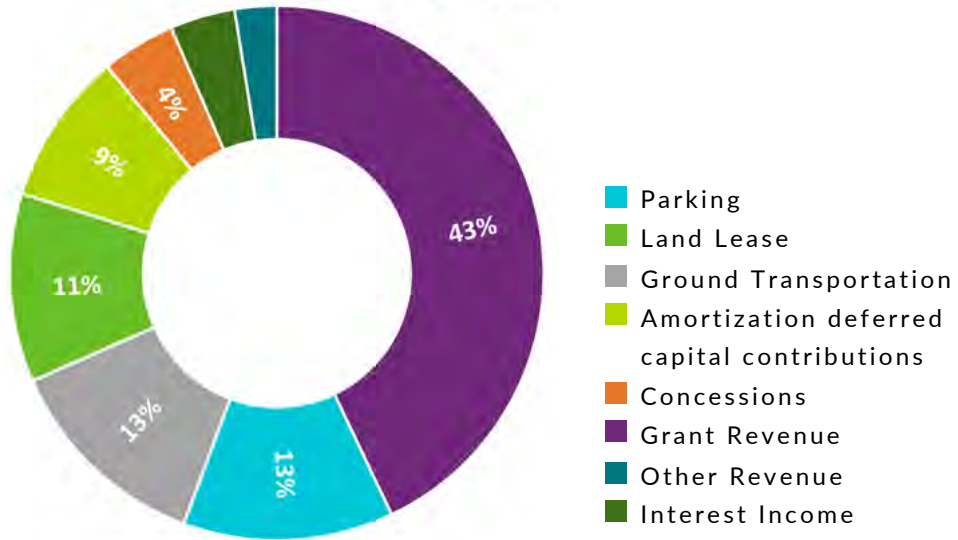
■ Non-Aeronautical Revenue
 ■ Aeronautical Revenue

AERONAUTICAL REVENUE

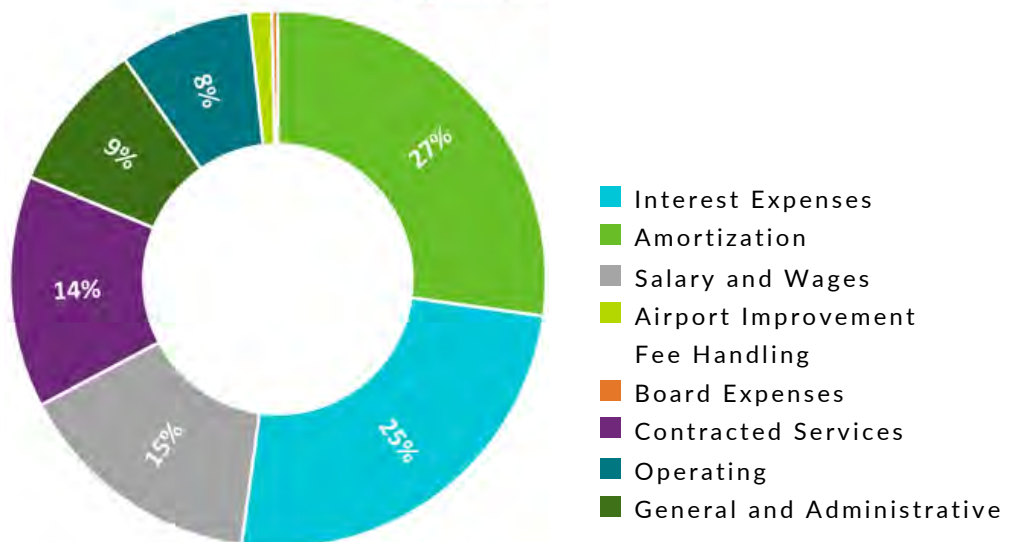


■ Terminal
 ■ Airport Improvement Fee
 ■ Airfield
 ■ General Operations

NON-AERONAUTICAL REVENUE



EXPENSES



MANAGEMENT ACCOUNTABILITY

The accompanying Financial Statements of the Fort McMurray Airport Authority (“the Authority”) for the year ended December 31, 2022, have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles. The most significant of these are set out in Note 2 to the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. 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 wholly of directors who are neither officers nor employees of the Authority, review the financial statements, the adequacy of internal controls, the audit process and financial reporting with management and external auditors. The audit committee reports to the Board of Directors prior to the approval of the audited financial statements.

The Authority 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.

The Authority independent auditors, MNP LLP have been appointed by the Board of Directors to express their professional opinion on the fairness of these financial statements.



Denean Robinson
President and Chief Executive Officer



Helen He
Director of Finance



FORT MCMURRAY AIRPORT AUTHORITY
FINANCIAL STATEMENTS
December 31, 2022



To the Board of Directors of Fort McMurray Airport Authority:

Opinion

We have audited the financial statements of Fort McMurray Airport Authority (the "Authority"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Fort McMurray, Alberta

April 12, 2023

MNP LLP

Chartered Professional Accountants

Fort McMurray Airport Authority

Statement of Financial Position

As at December 31, 2022

	2022	2021
Assets		
Current		
Cash and cash equivalents	3,424,628	24,775,512
Restricted cash (Note 5)	3,562,728	3,489,394
Accounts receivable (Note 9)	2,759,921	2,387,218
Investments (Note 5)	24,583,951	10,000,000
Prepaid expenses	654,420	552,271
	34,985,648	41,204,395
Restricted cash (Note 5) (Note 15)	4,715,734	4,492,381
Tangible capital assets (Note 3)	304,925,255	310,370,037
Intangible assets (Note 4)	194,580	110,942
	344,821,217	356,177,755
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	4,759,104	3,604,673
Deferred revenue	196,927	5,595,791
	4,956,031	9,200,464
Long-term debt (Note 7)	167,700,497	167,700,497
Deferred capital contributions (Note 9) (Note 14)	3,562,728	3,489,394
Unamortized capital contributions (Note 9)	37,274,510	36,746,637
	213,493,766	217,136,992
Contractual obligation (Note 14)		
Significant event (Note 18)		
Net Assets		
Unrestricted net assets	126,611,717	134,548,382
Internally restricted net assets (Note 15)	4,715,734	4,492,381
	131,327,451	139,040,763
	344,821,217	356,177,755

Approved on behalf of the Board

signed by "Mike Chwelos"

Director

signed by "Doug Simms"

Director

The accompanying notes are an integral part of these financial statements

Fort McMurray Airport Authority

Statement of Operations

For the year ended December 31, 2022

	2022	2021
Aeronautical revenue		
Airport improvement fee <i>(Note 10)</i>	6,178,420	4,362,300
Main terminal	1,822,133	1,591,767
Airfield	1,280,416	949,677
General operations	829,890	603,110
	10,110,859	7,506,854
Non-aeronautical revenue		
Grant revenue <i>(Note 11)</i>	5,920,603	13,669,487
Parking	1,757,588	1,284,845
Ground transportation	1,754,986	928,572
Land lease	1,573,261	1,558,473
Amortization of deferred capital contributions <i>(Note 9)</i>	1,274,000	1,187,479
Concessions	617,749	221,204
Interest	543,660	217,771
Other	350,851	232,706
	13,792,698	19,300,537
	23,903,557	26,807,391
Expenses		
Amortization <i>(Note 3), (Note 4)</i>	8,616,651	8,773,459
Interest	7,917,775	7,938,263
Salaries and wages <i>(Note 12), (Note 17)</i>	4,773,399	4,412,800
Contracted services	4,429,734	4,213,554
General and administrative	2,877,129	2,174,351
Operating	2,524,776	2,378,681
Airport improvement fee handling <i>(Note 10)</i>	432,107	302,677
Board expenses	117,952	70,871
	31,689,523	30,264,656
Deficiency of revenue over expenses before other items	(7,785,966)	(3,457,265)
Other items		
Gain (loss) on disposal of capital assets	72,654	(500)
Canada emergency wage subsidy <i>(Note 18)</i>	-	709,568
	72,654	709,068
Deficiency of revenue over expenses	(7,713,312)	(2,748,197)

The accompanying notes are an integral part of these financial statements

Fort McMurray Airport Authority
Statement of Changes in Net Assets

For the year ended December 31, 2022

	2022	2021
Net assets, beginning of year	139,040,763	141,788,960
Deficiency of revenue over expenses	(7,713,312)	(2,748,197)
Net assets, end of year	131,327,451	139,040,763

The accompanying notes are an integral part of these financial statements

Fort McMurray Airport Authority

Statement of Cash Flows

For the year ended December 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(7,713,312)	(2,748,197)
Amortization	8,616,651	8,773,459
Gain (loss) on disposal of capital assets	(72,654)	500
Amortization of deferred capital contributions	(1,274,000)	(1,187,479)
	(443,315)	4,838,283
Changes in working capital accounts		
Accounts receivable	727,849	(633,870)
Prepaid expenses	(102,149)	(42,556)
Accounts payable and accrued liabilities	744,286	(1,297,994)
Deferred revenue	(5,472,198)	3,366,204
	(4,545,527)	6,230,067
Financing		
Repayment of long-term debt	-	(2,507,396)
Increase in capital contributions (Note 9)	1,801,872	2,032,773
Capital contributions included in accounts receivable	(1,100,552)	-
	701,320	(474,623)
Investing		
Purchase of tangible capital assets	(2,633,206)	(2,136,054)
Purchase of intangible assets	(118,958)	(58,005)
Proceeds on disposal of tangible capital assets	126,125	-
Net change in restricted cash	(296,687)	3,469,037
Net change in investments	(14,583,951)	11,181,544
	(17,506,677)	12,456,522
Increase (decrease) in cash and cash equivalents	(21,350,884)	18,211,966
Cash and cash equivalents, beginning of year	24,775,512	6,563,546
Cash and cash equivalents, end of year	3,424,628	24,775,512

The accompanying notes are an integral part of these financial statements

Fort McMurray Airport Authority

Notes to the Financial Statements

For the year ended December 31, 2022

1. Nature of operations

Fort McMurray Airport Authority (the "Authority") was incorporated on December 1, 2009 under the Regional Airports Authorities Act (Alberta) (the "Act") as a non-share capital corporation. Under the provisions of the Act, the mandate of the Authority is to manage the Fort McMurray International Airport (the "Airport") in a safe, secure and efficient manner, and to advance economic and community development by promoting improved airline and transportation service and an expanded aviation industry; for the general benefit of the public in the region.

The Authority has operated the Airport since January 1, 2010 when the Regional Municipality of Wood Buffalo ("RMWB") transferred the assets and operations of the Fort McMurray Regional Airport Commission (the "Commission") to the Authority. The tangible capital assets of the Commission were transferred to the Authority and recorded at the carrying amount of the Commission.

In accordance with the provisions of the Act, the Authority operates as a not-for-profit corporation, and as such earnings from operations are used towards promoting its purposes and reinvestment in airport development. Under section 149 of the *Income Tax Act (Canada)* the Authority is exempt from payment of income tax.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following significant accounting policies:

Controlled entities

The Authority has elected not to consolidate controlled entities as allowed under ASNPO. The investment in controlled entities is recorded at cost in the statement of financial position and prescribed disclosure is presented in the notes to the financial statements. The Authority has incorporated a wholly owned subsidiary, YMM Inc., which is currently dormant and had no activity in the year.

Cash and cash equivalents

Cash and cash equivalents include unrestricted cash on deposit with financial institutions and short-term investments with maturities of three months or less from the date of acquisition. Cash subject to internal or external restrictions is included in restricted cash.

Tangible capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Tangible capital assets exclude the cost of facilities constructed on airport lands which are owned by tenants. Tangible capital assets are recorded at cost less accumulated amortization and impairment losses. Interest directly attributable to the acquisition, construction or development of tangible capital assets is capitalized.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets, less the estimated residual value, over their estimated useful lives.

	Rate
Airside lighting structures	15 years
Buildings	10 - 60 years
Computer hardware	3 years
Fences	20 years
Fire trucks & equipment	5 - 15 years
Furniture, fixtures & equipment	5 years
Light vehicle fleet	5 years
Maintenance equipment	10 years
Paving	10 - 15 years
Roadways & groundside paving structure	20 years
Subgrade	40 years

2. **Significant accounting policies** *(Continued from previous page)*

Intangible assets

Specified intangible assets are recognized and reported at cost. Contributed intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at a rate intended to amortize the cost of intangible assets over their estimated useful life.

	Rate
Computer software	5 years

When an intangible asset no longer contributes to the Authority's ability to provide services, its carrying amount is written down to residual value, if any.

Long-lived assets

Long-lived assets consist of tangible capital assets and intangible assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Authority determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Revenue recognition

Revenue generated from airport improvement fees, airfield revenues, fees charged for parking, terminal and ground transportation and other revenues, including general operations, are recognized as the airport facilities are utilized. Concession revenues are charged on a monthly basis and are recognized on a percentage of sales or specified minimum rent basis. Other rentals are recognized over the term of the respective agreements. The Authority follows the deferral method of revenue recognition for externally restricted revenues.

The Authority has retained substantially all of the benefits and risks of ownership of its rental assets; therefore, it accounts for leases as operating leases. Rental revenue from operating leases is recognized as income over the term of the lease as it becomes due.

Unamortized capital contributions

Unamortized capital contributions related to tangible capital assets represent the unamortized portion of restricted contributions that were used to purchase certain tangible capital assets. Recognition of these amounts as revenue is deferred to periods when the related tangible capital assets are amortized.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year.

Key components of the financial statements that require management to make estimates include the provision for doubtful accounts in respect of accounts receivables and the useful life and residual value of tangible capital assets and intangible assets. Actual results could differ from these estimates.

Financial instruments

The Authority recognizes financial instruments when the Authority becomes party to the contractual provisions of the financial instrument.

Fort McMurray Airport Authority
Notes to the Financial Statements
For the year ended December 31, 2022

2. Significant accounting policies *(Continued from previous page)*

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Authority may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Authority has not made such an election during the year.

The Authority subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Authority assesses impairment of all its financial assets measured at cost or amortized cost. The Authority reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year deficiency of revenues over expenses.

The Authority reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenues over expenses in the year the reversal occurs.

3. Tangible capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Airside lighting structures	6,735,852	2,561,345	4,174,507	3,258,756
Airside paving structure - subgrade and paving	45,152,024	17,151,855	28,000,169	29,328,217
Apron expansion - subgrade and paving	41,535,313	21,909,878	19,625,435	20,352,303
Assets under construction	6,428,046	-	6,428,046	5,459,047
Buildings	264,051,797	48,731,117	215,320,680	220,467,646
Computer hardware	85,533	35,733	49,800	29,393
Fences	111,891	16,162	95,729	103,188
Fire trucks & equipment	1,452,562	1,402,794	49,768	56,121
Furniture, fixtures & equipment	951,722	481,389	470,333	338,879
Land	25,037,536	-	25,037,536	25,037,536
Light vehicle fleet	713,143	460,249	252,894	60,324
Maintenance equipment	8,580,975	5,898,418	2,682,557	2,858,075
Parking lots - subgrade and paving	2,595,586	1,633,524	962,062	1,092,678
Roadways & groundside paving structure	3,039,032	1,263,293	1,775,739	1,927,874
	406,471,012	101,545,757	304,925,255	310,370,037

The Authority has commenced an expansion project under the Building Canada Fund (Note 14). Assets under construction include \$6,428,046 (2021 - \$5,459,047) which are not subject to amortization as the asset was not available for use at December 31, 2022. Tangible capital asset additions of \$556,814 (2021 - \$nil) remain in accounts payable as at December 31, 2022.

Fort McMurray Airport Authority
Notes to the Financial Statements
For the year ended December 31, 2022

4. Intangible assets

	2022	2021
	Net book value	Net book value
Computer software	194,580	110,942

During the year, amortization of \$35,320 (2021 - \$101,073) was recorded relating to intangible assets.

5. Investments and restricted cash

	2022	2021
Investments		
Royal Bank of Canada one year cashable GIC (0.86%)	-	10,000,000
RBC Wealth Management Dominion Securities (GIC, 1.00%, maturing January 5, 2023)	16,410,105	-
RBC Wealth Management Dominion Securities (GIC, 2.95%, maturing April 28, 2023)	8,173,846	-
	24,583,951	10,000,000

Restricted cash

Non-current restricted cash includes \$4,715,734 (2021 - \$4,492,381) received from car rental agencies (the "agencies") operating from the Airport. The cash is internally restricted to be applied for the purposes of developing a quick turn-around facility ("QTA") at the Airport which will include a car wash and refueling station. As per the rental agreement between the Authority and agencies, the agencies are required to charge customers a customer facility charge, which in turn is remitted to the Authority to finance the QTA project. The remaining current balance of \$3,562,728 (2021 - \$3,489,394) represents grant proceeds received from the RMWB which is restricted to capital expenditures related to the runway rehabilitation project (Note 9).

6. Accounts payable and accrued liabilities

Included in accounts payable are the following preferred creditor amounts: Goods and Services Taxes of \$10,637 (2021 - \$21,498).

7. Long-term debt

Alberta Treasury Board (the "Province")

On March 7, 2011, the Authority secured \$198,000,000 in long-term financing from the Alberta Capital Finance Authority (the "ACFA") for construction of the new Airport Terminal Building which opened in June 2014, at a fixed rate of 4.719% for thirty years, due March 15, 2041. Interest only payments commenced September 2011 with principal and interest payments commencing in September 2014 in the amount of \$13,046,904 annually.

Effective April 14, 2020 the ACFA was dissolved, and the Authority's credit facility was transferred to His Majesty The King in Right Alberta as represented by the Alberta Treasury Board and Minister of Finance (the "Province").

The debenture is secured by a first charge on all Authority assets. A Letter of Guarantee for an amount of up to \$3,000,000 (2021 - \$3,000,000) in support of the debenture held by the Province has been arranged by the RBC, pari passu with the Province.

Under the terms of the facility, when debentures are outstanding, the Authority is required to maintain an Interest Coverage Ratio of not less than 1.25:1, net cash flows greater than zero as of the end of any fiscal quarter on a rolling four fiscal quarter basis and a minimum long-term Standard & Poor ("S&P") issuer credit rating.

Interest coverage is 0.61 (2021 - 1.76) and net cash flow was negative for the 12 months ending December 31, 2022.

Fort McMurray Airport Authority
Notes to the Financial Statements
For the year ended December 31, 2022

7. Long-term debt (Continued from previous page)

On March 14, 2022, the First Amended and Restated Waiver Agreement was executed by the Province and the Authority. This amended agreement authorizes a deferral of principal payments effective September 15, 2021 to September 15, 2024 (the "Deferral Term") and waives compliance with the above noted financial covenants during the Deferral Term, including maintaining the Authority's S&P credit rating.

The remaining balance of debt is presented as long term in the statement of financial position at December 31, 2022 as this represents the expected timing of payment based on terms authorized during the year.

	2022	2021
Alberta Treasury Board long-term debt	167,700,497	167,700,497

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to the amended contractual terms of repayment, including a deferral of principal payments to September 2024 are estimated as follows:

2024	19,288,837
2025	6,114,655
2026	6,406,610
2027	6,712,504
Thereafter	129,177,891
	167,700,497

8. Operating line of credit

The Authority has a \$1,800,000 (2021 - \$1,800,000) line of credit, (the "Operating Facility") bearing interest at the Royal Bank prime lending rate. The operating facility is secured by land and assignment of lease rentals and repayment terms are on demand. As at December 31, 2022, no amounts were drawn (2021 - \$nil).

9. Grants and capital contributions

Regional Municipality of Wood Buffalo

On May 24, 2011, the Council of the RMWB approved a matching funding grant of \$25,000,000 to the Authority. Of that amount, \$24,000,000 of the grant was designated to provide support for airport infrastructure development of the new Airport Terminal Building which opened in June 2014.

On January 1, 2020, the Council of the RMWB approved a capital funding grant of \$15,000,000 to the Authority. The capital grant is designated for the Runway Rehabilitation project at the Fort McMurray International Airport which commenced in 2020.

During the year, the Authority recognized government grant revenue of \$1,190,028 (2021 - \$1,107,087).

The RMWB is an appointer of three directors to the Board of Directors of the Authority.

Canadian Air Transport Security Authority ("CATSA")

In 2014, the CATSA approved funding of \$3,215,693 for engineering, coordination and infrastructure construction for the screening project as set out in the Guidance Material for 100% EDS Screening ("EDS Guidelines") and Screening Project Funding Agreement ("SPFA"). The contribution has been classified as unamortized capital contributions on the statement of financial position, as the project was completed in June 2014. During the year the Authority recognized government grant revenue of \$80,392 (2021 - \$80,392).

Fort McMurray Airport Authority
Notes to the Financial Statements
For the year ended December 31, 2022

9. Grants and capital contributions *(Continued from previous page)*

Infrastructure Canada

In 2017, Infrastructure Canada provided funding of \$1,393,096 for the Building Canada Project. As the project is not yet complete, the full contribution has been classified as unamortized capital contributions on the statement of financial position and no amortization was recognized during the year.

Transport Canada

On April 11, 2022, Transport Canada approved in principle for a financial contribution to the Authority for 50% of eligible capital expenditures to a maximum \$2,766,065 under the Airport Critical Infrastructure Program (ACIP). The contribution is to support upgrades to the airfield lighting system and purchase new snow removal equipment.

During the year, the Authority claimed a total of \$1,801,872 under the program and recognized government grant revenue of \$3,580 (2021 - \$nil), of which \$1,100,200 (2021 - \$nil) was in accounts receivable at year-end. The remaining \$1,798,292 (2021 - \$nil) is recognized as unamortized capital contributions on the statement of financial position.

10. Airport improvement fee

The Authority derives revenue from the Airport Improvement Fee ("AIF"), which is collected by air carriers pursuant to an agreement among various airports in Canada, the Air Transport Association of Canada (ATAC) and air carriers serving airports that are signatories to the agreement (the "AIF Agreement"). Pursuant to the AIF Agreement, signatory airlines receive a 7% collection fee. AIF revenue is used to fund the costs of new airport infrastructure, major improvements to existing facilities at the Airport, as well as related financing costs, debt repayment and the collection fee retained by the signatory airlines.

Effective March 1, 2011, the Authority additionally derives revenue from the Airport Improvement Fee – Equivalent ("AIF-E") for charter aircraft exceeding ten seats.

	2022	2021
Earned revenue	6,116,790	4,293,950
Airline / ATAC handling and administration fees	(432,107)	(302,677)
Net AIF revenue earned	5,684,683	3,991,273

11. Government grants

The Authority has a Maintenance Contribution and Support Agreement (the "Support Agreement") with the Canadian Air Transport Security Authority ("CATSA") under which CATSA agreed to pay to the Authority a contribution in respect to baggage handling systems, maintenance support and handler support services. The contribution is equal to the lesser of the maximum amount defined in the support agreement, or the amount of allocated costs incurred. The Support Agreement can be extended annually by mutual agreement. Contributions were received during 2022 in the amount of \$112,000 (2021 - \$112,000).

On January 1, 2021, the Council of the RMWB approved \$15,000,000 of sustaining grant funding for the Authority. The sustaining grant is to support business recovery and critical operations of the Authority and to assist the Authority's provision of community services within the Regional Municipality of Wood Buffalo. The Authority received \$15,000,000 as a cash contribution and has recognized revenue of \$5,360,754 (2021 - \$9,639,246) in the statement of operations.

On May 26, 2021, Transport Canada approved \$2,645,000 under the Airport Relief Fund Program for the Authority. The Airport Relief Fund provided immediate one-time financial support to identified airport authorities managing the financial impact of reduced air travel as a result of the impact of the COVID-19 pandemic. During the year, the Authority recognized government grant revenue of \$nil (2021 - \$2,645,000).

11. Government grants *(Continued from previous page)*

On July 23, 2021, Western Economic Diversification of Canada approved a non-repayable financial contribution not exceeding \$1,596,160, under the Regional Air Transportation Initiative to support restoration of air service at the Fort McMurray International Airport for the period covering April 1, 2021 to March 31, 2022. The Authority has recognized government grant revenue of \$414,362 (2021 - \$1,181,798) in the statement of operations.

12. Employee future benefits

Employees of the Authority participate in the Local Authorities Pension Plan ("LAPP"), which is a multi-employer contributory defined benefit pension plan covered by the Public Sector Pension Plans Act of Alberta. The Authority does not have sufficient plan information on the LAPP to follow standards for defined benefit accounting and therefore follows the standards for defined contribution accounting. At December 31, 2021, the LAPP reported a surplus of \$11.9 billion (2020 - \$5.0 billion). Total service contributions by the Authority to the LAPP for 2022 totaled \$296,032 (2021 - \$288,555).

13. Financial instruments

The Authority, as part of its operations, carries a number of financial instruments. It is management's opinion that the Authority is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

The Authority is exposed to credit risk as it provides credit to a large number of customers in the normal course of its operations. This risk is minimized through the Authority's diverse customer base and assessment of potential customers' financial condition prior to extending credit. As at December 31, 2022, the Authority had four (2021 - five) major customers which represented 62% of the Authority's accounts receivable (2021 - 78%). Accounts receivable are presented net of an allowance for doubtful accounts of \$188,144 (2021 - \$261,836) in the statement of financial position.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risk from interest rate fluctuations, the Authority manages exposure through its normal operating and financing activities.

The Authority is exposed to interest rate risk primarily through its investments and restricted cash, long-term debt, and operating line of credit.

Liquidity risk

The Authority actively maintains its credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements at a reasonable cost. Management believes that cash flows from operations, along with available credit under existing banking facilities, will be adequate to support the payment of the Authority's financial liabilities.

14. Contractual obligation

During 2016, the Authority commenced an expansion of runway project. The project is to be funded by the Authority and the Government of Canada. A Building Canada Fund contribution agreement has been signed by the Authority. The contribution agreement requires the Authority to match the Government of Canada on a two to one basis and the Authority has committed to contribute \$50 million.

Completion of this project has been deferred and will recommence when economic conditions in the region improve. The Authority has until 2026 to execute the project.

During 2020, the Authority received a capital grant in the amount of \$15,000,000 from the Regional Municipality of Wood Buffalo to fund a runway rehabilitation project which commenced in 2020. The Authority anticipates completion of the remainder of the rehabilitation project work in 2023 and has recognized \$3,562,728 (2021 - \$3,489,394) as a liability for unspent funds.

15. Internally restricted net assets

As described in Note 5, the Authority collects a Customer Facility Charge from car rental operators. In the current year, the Authority has internally restricted net assets in the amount of \$4,715,734 (2021 - \$4,492,381) related to this charge for the purpose of constructing a quick turnaround facility (QTA).

16. Economic dependence

Revenue generated from major airlines such as Air Canada/Air Canada Express and WestJet/Encore account for approximately one-half of total operating revenues on a recurring basis. In addition, passengers flying with these airlines generate a significant portion of remaining revenue amounts. The Authority's ability to continue viable operations is dependent on Air Canada/Air Canada Express and WestJet/Encore continuing to fly to and from the Airport. As of the financial statement date, the Authority believes that their relationship with these airlines will continue into the foreseeable future.

17. Directors' and officers' remuneration

As required by the Regional Airports Authorities Act (Alberta), the Authority outlines the Directors' and Officers' remuneration and expenses as follows for 2022:

Total remuneration to the Board of Directors was \$101,437 (2021 - \$61,965), and expenses reimbursed totaled \$9,516 (2021 - \$2,246).

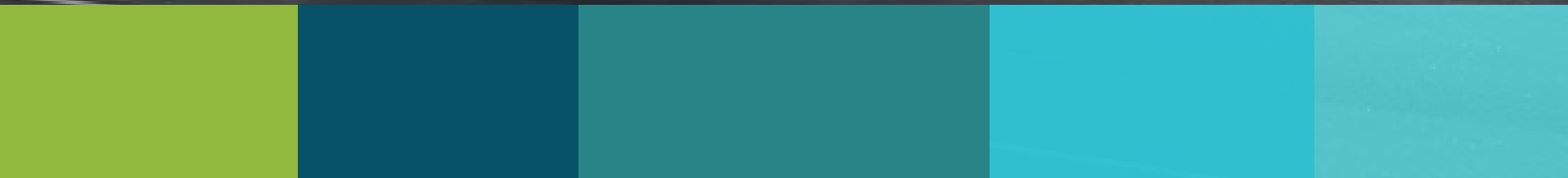
Total base compensation range for the senior officers of the Authority is \$176,509 to \$243,789 (2021 - \$172,205 to \$236,691).

18. Significant events

In early March 2020, there was a global outbreak of COVID-19, which had a significant impact on the Authority's results of operations for the years ending December 31, 2020, December 31, 2021 and December 31, 2022. Traffic recovery has commenced, however, has not returned to pre-pandemic level. The resulting reduction in traffic of carriers served by the Authority could continue to have a material adverse effect on the Authority, its business, results from operations and financial condition.

The Authority was eligible for the Canada Emergency Wage Subsidy due to the significant drop in revenue experienced in 2020 and 2021 during the COVID-19 pandemic. A wage subsidy of \$nil (2021 - \$709,568) has been recognized in the statement of operations. The Canada Emergency Wage Subsidy program ended in October 2021.

Due to the impact of the COVID-19 pandemic on the air transportation sector, the Authority provided support to tenants by providing either rent waivers or deferrals. The Authority has applied the practical expedient to all rent concessions that meet the relevant conditions. The amount recognized in the statement of operations for the reporting period to reflect changes in lease payments arising from rent concession waivers to which the Authority has applied the practical expedient for COVID-19 related rent concessions is \$329,055 (2021 - \$530,473).





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