

Elevating YMM

FORT MCMURRAY AIRPORT AUTHORITY
2023 Annual Report

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.

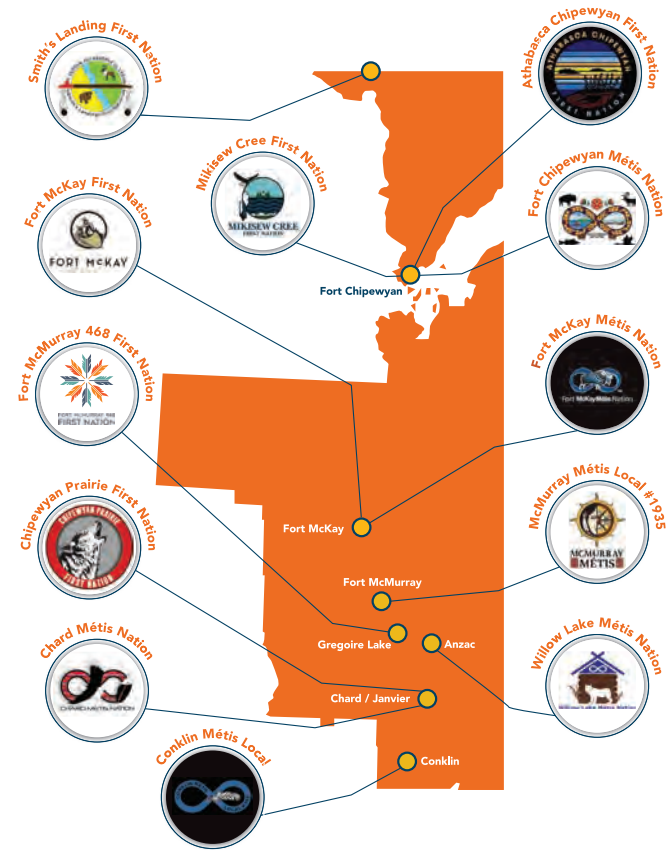


Table of Contents

About the Fort McMurray Airport Authority

2023 In Review:

A Message from President & CEO and Board Chair

Fort McMurray Airport Authority's Five Strategic Priorities:

Delivering Asset Optimization

Accelerating the Customer Experience

Enhancing Operational Excellence

Developing High Performing Teams

Strengthening Stakeholder Relationships

2023 Financials:

Governance & Board of Directors

Financial Statements

Financial Statement Notes

About the Fort McMurray Airport 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 (YMM). The airport campus provides critical transportation services, creating local jobs, procuring local goods and services and offering 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.

About the Fort McMurray International Airport

The Fort McMurray International Airport (YMM) connects the world to Fort McMurray Wood Buffalo. YMM offers direct flights year-round to major Canadian cities, and acts as the launch point for air taxi services to various remote communities. The airport is a major economic driver for the region, with an economic impact of over \$290 million, supporting over 40 businesses and 500 jobs on airport campus.



46,987
Total Aircraft
Movements



40+
Airport Campus
Businesses



367,627
Passengers



500+
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

Leadership

Safety

Sustainability

Creativity

People



2023

In Review

2023 in Review

Message from
President & CEO
Denean Robinson
and Board Chair
Staci Millard

The Fort McMurray Airport Authority (FMAA) chose “Elevating YMM” as this year’s annual report theme to symbolize and recognize the advances our team made in 2023.

The theme perfectly encapsulates our commitment to enhance services, operations and infrastructure, and reflects our mission to support and grow Fort McMurray Wood Buffalo. The theme also aligns with FMAA’s ongoing dedication to elevating the airport’s status both regionally and globally.

The year 2023 was the fourth in our Five-Year Strategic Plan. Working as a team, we made progress towards our goals to optimize our assets on airport campus, enhance the passenger experience, achieve operational excellence, strengthen stakeholder relationships, and develop high performing teams. The benefits advance not only our organization, but our region.

2023 Passenger ridership was up 15% year-over-year, moving the needle in the right direction. This growth is a testament to YMM’s critical role in connecting Fort McMurray Wood Buffalo to the world.



We kicked off the year with news YMM was recognized by Airports Council International (ACI) World with not one, but three 2022 Airport Service Quality (ASQ) Awards, one of them being Best Airport in North America (serving under two million passengers annually)! This announcement resulted in national media coverage and instilled immense pride in our team members as well as the entire community.

As a result of the exceptional efforts put forth by our Operations Team, YMM successfully attained Level 2 ‘Reduction’ certification from ACI World’s Global Airport Carbon Accreditation Program. YMM was recognized on a world stage at ACI-North America’s Annual Conference and Exhibition.

June marked the launch of non-stop flights to Montreal-Pierre Elliott Trudeau International Airport (YUL). The flight was well-received, not only by those taking the opportunity to explore Montreal, but those connecting to one of the 150+ non-stop options offered via YUL.



FMAA’s commitment to equity, diversity and inclusion was reaffirmed as our organization joined the Hidden Disabilities Sunflower program. Through program training, our employees are better equipped to serve passengers living with hidden disabilities. We were also proud to celebrate our Rainbow Space designation from Pride YMM with community members last summer. The designation recognizes YMM as a welcoming community space for everyone to enjoy and feel accepted in.

After much planning and preparation, FMAA was pleased to unveil the Aurora Landing masterplan last fall. The project was met with overwhelming interest and excitement at ICSC TO, North America’s leading retail and development conference. Vice-President of Air Service & Commercial Development Michael Sieger continues in engagement with prospective retailers and developers into 2024.



In November, Mike Chwelos, FMAA Board Chair announced his resignation after five years leading the board. We thank him for his integral leadership and wish him all the best in his retirement. The Executive Leadership Team was pleased to welcome Staci Millard as the new Board Chair.

In 2023, the FMAA embarked on the important journey of creating an Environmental, Social, and Governance (ESG) framework. This initiative highlights our commitment to not only comply with current environmental standards, but also to thoughtfully address social and governance challenges. By imbedding ESG principles into our day-to-day operations, we are ensuring sustainable development, fostering a culture of responsibility and transparency

throughout the organization. While our ESG policy is still a work in progress, this effort aligns our priorities with operational efficiency, and resilience against future challenges. We are optimistic about the lasting positive impacts this ESG strategy will have on our organization, the community we serve, and the environment we care for. Readers will find numerous elements of ESG initiatives mentioned throughout our 2023 annual report “Elevating YMM,” offering stakeholders a transparent view into our progress and steps we are taking towards a more sustainable and responsible future.



Of course, like any other year, 2023 was not without its challenges. We had anticipated a bigger increase in passenger ridership than we saw. We continue to see residents using other airports. This results in passenger ridership statistics which don’t reflect the travel demand in our market. YMM passenger ridership statistics are reviewed by existing and prospective airlines when considering bringing new routes and increasing route frequencies via YMM. By supporting YMM in 2024, passengers are supporting our ability to secure routes and attract new ones – which we all want to see.

FMAA leadership is filled with optimism and excitement for the opportunities that lie ahead in 2024. Our team continues to work with airlines to increase route frequency, secure new routes and explore charter opportunities.

Our goal to provide a world-class travel experience for everyone travelling to and from YMM remains steadfast. We are confident YMM will achieve even greater heights in the year ahead.

We wish to thank our team members, partners and passengers for their continued support and dedication.

Warm regards,

 Staci Millard



2023

Five Strategic Priorities



01
Delivering Asset
Optimization

The airport provides an essential service to our community as a connector of people, goods and services. In 2023, YMM offered non-stop flights to Edmonton, Calgary, Toronto, Montreal and Tucson (seasonally). The airport campus acts as a launch pad to rural communities in our region and is home to over 40 aeronautical and non-aeronautical businesses.



Montreal YUL

YMM’s first non-stop flight to YUL Aéroport International Montréal-Trudeau via Air Canada Rouge was celebrated on June 20, 2023, at YMM.

The incoming flight from Montreal arrived to a welcome water salute, thanks to YMM Firefighters. Passengers heading to Montreal enjoyed a poutine bar at Earls Kitchen + Bar ahead of a photo area and jazz music performance by Musician Dan Gillies at the gate.

President & CEO Denean Robinson, and VP of Air Service & Commercial Development Michael Sieger were joined by Janice Stacey, Area Manager with Air Canada to welcome guests. Thank you to everyone who was part of this special day.

The 3.5-hour flight was offered three times a week, for residents to enjoy the beautiful city of Montreal, or the 150+ direct connections they could make through YUL!

Charter Exploration

In 2023, the Air Service Development team made great strides in developing relationships with aviation companies offering chartered flights. The intent is to develop opportunities to work with new partners to bring one-off route services or trip packages to offer residents, enhancing flight offerings via YMM.

Upgraded Self-Serve Systems

New kiosks, equipped with the latest software available make it easier for guests to check-in at YMM.



Survey Kiosks

YMM installed four survey kiosks throughout the terminal last spring to solicit feedback from guests on their passenger experience and opportunities for improvement. One of the questions was, “Which direct services would you like to see at YMM?” further supporting our work to secure a successful charter flight in the future.



Rotating Door Displays

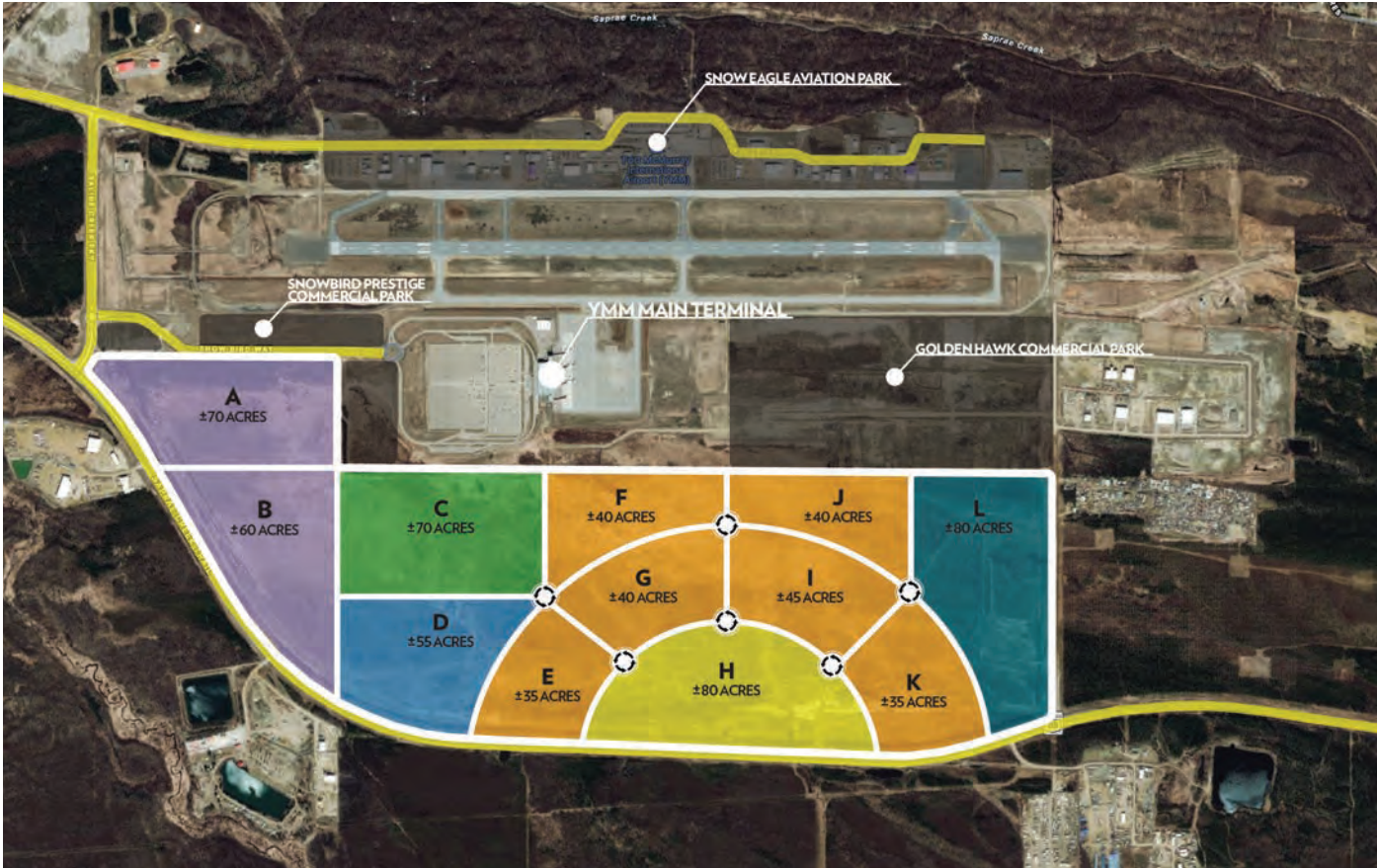
New seasonal displays introduced in 2023 highlighted route offerings and exciting destinations via WestJet and Air Canada.

Tim Hortons Airside

In May, Tim Hortons re-opened their airside location at YMM to better serve passengers. Customers and airport staff were thrilled to have access to the Tim Hortons menu both pre- and post-security.

ICSC TO

Sieger attended ICSC (International Council of Shopping Centers) showcasing Aurora Landing to a global audience of top developers and retailers.



Aurora Landing

In September, Aurora Landing was unveiled, a 650-acre commercial masterplan located at YMM. Envisioned to be a comprehensive commercial and intermodal hub to be developed over a 20-year period, Aurora Landing will comprise of large contiguous land parcels south of the existing airport runway and terminal. This long term multi-phased development is expected to address several critical commercial needs in the growing Fort McMurray Wood Buffalo market, including leading retailers, major hospitality brands and supporting amenities, experiential entertainment, food and beverage operations, signature office campus, state-of-the-art logistics and technology facilities, and regional transportation services.

“This overall masterplan speaks to our conviction in the long-term growth of the region. Aurora Landing has attracted a number of highly reputable and motivated developers and I look forward to continued discussions with such prospective business partners in 2024.”

– Michael Sieger, VP of Air Service & Commercial Development



Grainger’s Greens

In October, The Fort McMurray Airport Authority welcomed Edward, Shalayne, and Isaac Grainger to the Team YMM family. Located on airport campus, Grainger’s Greens is an indoor farming container, similar to a living wall.

Grainger’s Greens will supply local restaurants with produce. The root vegetables, herbs, lettuce, etc. grown in the farming container, will be harvested, and delivered to restaurants same-day, and grown without the use of pesticides or GMO.

Ed spent two years looking for a suitable location in Fort McMurray. After exploring parking lots, lay-down yards, and even considering moving his family to Lac La Biche, Ed was introduced to Michael Sieger, VP of Air Service & Commercial Development, FMAA who worked with him to find the perfect location on airport campus.

Ed is “planting the seed” for other entrepreneurs to explore the farming container space. “My mission is to leave this community in a better state than I found it in,” says Ed. “It’s been a complicated process to get the required permits and approvals to make this happen. I’m thankful to everyone who helped me along the way, and I look forward to helping anyone else interested in getting into the market.”



Robby’s Tractor Trailer Services

Specializing in heavy and light duty towing, recovery, and equipment transport throughout Fort McMurray Wood Buffalo and Alberta, Robby’s has been in the community for over 15 years. YMM was pleased to welcome the family-owned company to airport campus in February.

Enhanced Cyber Security

In today’s digital age, cybersecurity has become more crucial than ever. As technology continues to advance, the sophistication of cyber threats evolves in tandem, posing significant risks to personal, corporate, and national security. Data breaches, ransomware attacks, and identity theft are becoming more common, with severe consequences. Protecting our digital assets and information is not just a technical challenge but a fundamental aspect of ensuring operational continuity. For these reasons, FMAA’s IT team introduced new, enhanced cyber security programs and processes, to keep information protected.



Observation Area

YMM has beautiful spaces throughout the terminal available to book for events and meetings. The Observation Area was used numerous times – at no cost to non-profit organizations, to host celebrations and important gatherings supporting various social profits in our region.



Check-In Newsletters

YMM Check-In is now available in print form for guests to enjoy while at YMM. Be sure to grab a copy next time you are at the airport!

Boiler Room Pilot Project

FMAA’s Facilities team embarked on a pilot project in 2023 to update operational processes in the boiler room.



Water Bottle Filling Stations

The convenient water bottle filling stations in our terminal reduce the number of plastic bottles used. The filling stations provide clean water in a safe, convenient way for passengers.



Vehicle Rental Quick Turn

After thoughtful consideration and consultation with our vehicle rental partners, a vision was identified for a Quick Turn facility, intended to provide convenience and increased efficiency in vehicle maintenance and turnover.

The Quick Turn will include a car wash, fueling stations and vehicle area – for use by YMM vehicle rental partners. In 2023, FMAA issued the RFP and selected an architectural firm to commence the “design phase” of the project. The building design will incorporate sustainable elements and features, in alignment with FMAA’s values.

Repaved Taxiway Golf

Taxiway Golf was given a facelift in 2023, with pavement replaced to ensure optimal safety and smooth operations for aircraft taxiing.

02

Accelerating the Customer Experience

At YMM, our passengers are at the heart of everything we do. By providing the best passenger journey possible, residents and visitors are incentivised to support their local airport.



ASQ Awards

YMM was recognized by Airports Council International (ACI) World with not one, but three 2022 Airport Service Quality (ASQ) Awards. YMM won in the following categories for exceptional customer service:

- **Best Airport in North America (serving under two million passengers annually)**
- **Most Enjoyable Airport in North America**
- **Cleanest Airport in North America**

ASQ is based on research collected directly from the traveller, rating their satisfaction on the day of travel. Providing the most complete picture of the passenger experience journey from start to finish. The survey covers over 30 performance indicators, from wayfinding and check-in to amenities offered.

ACI’s ASQ initiative is the airport industry’s only global benchmarking program measuring passenger satisfaction while at the airport. The resulting database allows for a comprehensive analysis of the customer service experience.

“I applaud the team at Fort McMurray International Airport on this achievement. It is the result of outstanding teamwork by the entire airport community. Selected by passengers, the Airport Service Quality Awards recognize the best airports worldwide for customer experience.”

– Luis Felipe de Oliveira, Director General of ACI World.



PAWS

Travelling can be stressful for many. YMM’s partnership with the Pets and Wellness Society (PAWS) enhances the passenger journey and relaxes guests during their travels. In 2023, PAWS attended the YMM hosted community events, and visited the terminal weekly to visit with passengers. PAWS teams visited YMM just under 40 times in 2023 to interact with guests and passengers.



Accessibility

In March, FMAA members had the privilege of touring the Wood Buffalo Regional Inclusive Committee (RIC) around our terminal. RIC members, including Chair Koryn Krekoski, joined team members for the tour, affirming YMM processes and procedures are inclusive for passengers travelling with disabilities.



Customer Appreciation Day

On Airports Council International - North America Customer Experience Week, we took the opportunity to celebrate by giving away coffee and Tim Hortons. Pets And Wellness Society joined in on the fun!

YMM Volunteer Program

In August, YMM launched its first-ever YMM Volunteer Program. Volunteers were trained to support passengers with flight information, wayfinding, and answer general questions which commonly arise during the passenger journey.

The program supports individuals in building their resume, socializing, or staying active during retirement years. Team YMM was excited to welcome new members to the team!

In 2023, five volunteers were trained and collectively completed just shy of 100 volunteer hours at YMM.



03

Enhancing Operational Excellence

Operational excellence is the result of our team’s efforts to prioritize the safety and experience of our passengers, while upholding standards to ensure safety and stewardship of the environment.

Team YMM is continuously raising the bar in daily operations, resulting in cost savings and efficiencies.



Second Milestone in Global Airport Carbon Accreditation Program

Our team is resourceful in finding ways to minimize carbon footprint, conserve natural resources, and promote eco-friendly practices throughout operations. By embracing sustainability, we contribute to the well-being of the community, protect our natural surroundings, and lead by example in the aviation industry.

YMM was proud to be recognized with Airport Carbon Accreditation Level 2 ‘Reduction’ in 2023. Our organizations achieved a remarkable -34.59% carbon reduction since joining the program.



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.

“Congratulations to the Fort McMurray Airport Authority on achieving this important certification. This represents another great example of our region’s ongoing commitment to sustainability. Thank you to everyone at the FMAA and YMM for their dedicated efforts in achieving excellence in environmental stewardship.”

– Mayor Sandy Bowman, Mayor of the Regional Municipality of Wood Buffalo

Since 2019:



-16.1%

Carbon footprint



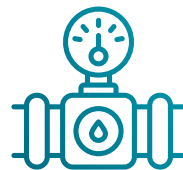
-8.1%

Diesel usage



-10.9%

Gasoline usage



-9.1%

Natural gas used by restaurants and concessions



-18.5%

Electricity consumption



-31.1%

Glycol usage



Fleet modernization

FMAA's eco-friendly snow sweeper, the Øveraasen RS-400, was displayed at the SWIFT23 Conference and Equipment Year Expo hosted by the Winnipeg Airport Authority. Thanks to the generous support from Transport Canada's Airport Critical Infrastructure Program, FMAA's Operations team procured the Norwegian-made sweepers in 2022.

Two new loaders with attachments were also delivered to FMAA in 2023. They're bigger, more modern, and fuel-efficient than the older models, enabling the Maintenance team to increase efficiencies in their day-to-day operations.

Training Hours

FMAA employees are diligent in undertaking training related to emergency response and emergency management, particularly under the Incident Command Systems (ICS), the standardized emergency response system used in Canada and Alberta.

FMAA employees exceeded the goal established for 2023 – recording 990 training hours for the year!



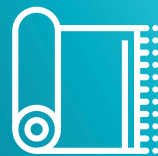
Safety Supplies Stations

Safety Supplies Stations provide a one-stop location for frontline and other qualified staff members to obtain safety supplies.

Safety Supplies Stations were created in seven critical employee areas throughout airport campus in 2023.

Upgraded Working Stations

The Facilities team took a long hard look at the team's working stations throughout the airport campus and implemented updates enabling staff to work more efficiently and safely.



1100 sq ft of runners and mats added to entrances/exits, to mitigate slips, trips and falls



Entli-web building management system training



IT updated document management tools to next generation programs



New learning management system to track training hours/courses



LED Lighting

Baggage Room - The Facilities team replaced 220 light fixtures with LED bulbs in the baggage room, increasing visibility and safety for our partners working in the area. Not only does the enhanced brightness throughout the room make it easy for workers to navigate the space, but the new lights also save staff from hours spent replacing bulbs as they last incredibly longer than traditional light bulbs. Most importantly, the lights are more eco-friendly.



Snowbird Way – 40 Streetlights were replaced with LED bulbs, providing a brighter safe drive to and from the airport terminal for our passengers and team members!

Thanks to the province’s AB Energy Savings for Business Grant FMAA received, approximately 25% of the conversion cost was covered.



Canadian Airports Safety Week (CASW)

The 2023 CASW was a huge success! The activities and learning sessions received rave reviews, empowering team members to perform each and every task with safety top-of-mind.

A record-breaking six in-person activities were held during 2023 CASW:

- Safety Week Burger-Building Lunch & Launch
- Passenger Safety Talk
- Psychological Safety Workshop
- Airside and Control Tower Safety Tour
- Accessibility Safety Talk
- Foreign Object Debris (FOD) Walk



04

Developing High Performing Teams

YMM is privileged to have a diverse workforce with varying skillsets and knowledge. By supporting team members with professional development opportunities and encouragement, we are strengthening our organization and improving customer service for our guests.



New Board Chair

Last fall, the FMAA Executive Leadership Team and Board announced Staci Millard as the new Chair of the FMAA Board of Directors, following Mike Chwelo’s retirement announced.

Millard was previously the Chair of the Governance Committee.

“The ELT is thrilled Staci has accepted the role as FMAA Board Chair. She is a true leader, with a skillset well-suited to support the important work and strategic planning required of the Chair,”

– Denean Robinson, President & CEO, FMAA.



Woman of Inspiration

Girls Inc. introduced Denean Robinson, President & CEO of the Fort McMurray Airport Authority as one of the 2023 Women of Inspiration!

Denean’s journey in the aviation industry started with a unique perspective and a dream. Her inspiring words, “Go for your dream. Don’t feel intimidated, because really, you can do anything you put your mind to,” encapsulate her spirit and inspire all.

Job Fair – Members of the Fort McMurray Airport Authority were pleased to attend the Chamber of Commerce’s Job Fair in the fall of 2023, promoting several job postings. It was a fantastic opportunity to not only engage with residents, but to promote the many positions FMAA has within its workforce and create excitement about the possibility of joining Team YMM.



President’s Awards

The three 2023 President’s Award recipients were announced at Team YMM’s Holiday Party in December.



Each winner shows support and commitment to fellow team members, as well as **FMMA’s Core Values**.

Our Core Values



Airports Council International

North America (ACI-NA) Educational Foundation - Route Development and Passenger Experience Specialist Jessica Perry was included in the inaugural class of scholarship recipients through the ACI-NA Educational Foundation.

Jessica received a scholarship to continue her professional development and industry learning through the Canadian Airports Online College’s Diploma in Airport Operations and Diploma in Leadership Essentials!



5K Run

Over 80 participants gathered at YMM to take part in the Northern Lights Triathlon Club's 5KM Run the Runway event in August! The atmosphere was enthusiastic and the crowd was fantastic.



Team Spotlights

Each month, the YMM Check-In Newsletter highlights a valued Team YMM member. Spotlights are also shared via social media to reach a wide audience and appreciate our valued members.



Team Building

Teams that play together stay together. That's why the Fort McMurray Airport Authority hosts quarterly team building events for staff to enjoy.



Fort Chipewyan Wildfire

Canada's 2023 wildfire season had a record-setting year, burning over 15 million hectares of Canadian landscape.

Included in that statistic is 60,500 hectares of the Boreal Forest surrounding Fort Chipewyan – Alberta's oldest settled community. The community has a population of 1,200 people, made up of members of the Athabasca Chipewyan First Nation, Mikisew Cree First Nation, and Fort Chipewyan Métis Nation.

On May 30, as fire encroached onto Fort Chipewyan, the Regional Municipality of Wood Buffalo (RMWB) stood up an Emergency Response Team (ERT). After the speed and distance of the wildfire was measured, it was decided the 1,200 residents needed to be evacuated.

RMWB's ERT, reached out to the FMAA for support. President & CEO Denean Robinson was immediately committed to helping, "We were eager to support the emergency response in any way we could,"

says Robinson. "We have close ties to the beautiful community of Fort Chipewyan and were all very concerned for the safety of its residents."

FMAA members Michael Sieger, Vice-President of Air Service and Commercial Development and Jessica Perry, Specialist, Route Development & Passenger Experience joined the ERT at the Regional Emergency Coordination Centre (RECC).

"FMAA's existing knowledge and regulatory expertise expedited the air process and removed much of the stress that could have been in play if folks unfamiliar with the carriers had been attempting to do what they have accomplished. Having the FMAA staff's support was an absolute godsend."

– Ian Fox, Government of Alberta's Deputy Director of Emergency Management

05
**Strengthening
Stakeholder
Relations**

Creating new relationships and strengthening existing ones was a focus point for the Executive Leadership Team and staff in 2023. By working collaboratively with businesses, government, and partners, we are discovering our full potential as Northern Alberta’s airport of choice and securing a sustainable future for years to come.



270
children in
9 school tours



31
donations to
community non-profits



4,100
attendees at 3 YMM hosted
family community events



26
YMM Newsletters:
14 internal & 12 external



#NotInMyCity Awareness Event

During Human Trafficking Awareness Month in January 2023, the Fort McMurray Airport Authority hosted Team YMM and guests for a #NotInMyCity (#NIMC) Awareness Event. It was an emotional and powerful afternoon.

#NIMC raises awareness and takes collective action to prevent, disrupt, and end sexual exploitation and trafficking in Canada. YMM is a #NIMC Transportation Ally.

Guests gathered in the Observation Area to hear from #NIMC Champions and Founders Paul and Liz Brandt. FMAA’s President & CEO, Denean Robinson, Royal Canadian Mounted Police in Alberta WB detachment Staff Sergeant Liz MacDonald,

and Janine Keagan from Waypoints spoke to the collaborative efforts and work being done to combat human trafficking in Fort McMurray Wood Buffalo.

“By working with organizations such as the Fort McMurray Airport Authority, we have more people staying vigilant, and knowing what to do if they suspect a victim is travelling through their airport.”

– Paul Brandt, Founder, #NIMC



Arctic Winter Games

YMM welcomed flight arrivals of the Wood Buffalo 2023 Arctic Winter Games, bringing in participants from Alaska, Greenland, Northwest Territories, Nunavik-Quebec, Nunavut, Sápmi and the Yukon. Arrivals of the 2,000+ athletes and spectators took place from January 25-28. Air Greenland’s Airbus A330 is the largest aircraft in history to land at the terminal - attracting aviation enthusiasts from across the province to capture the historic event.

YMM Community Events

Hosting community events at YMM fosters relationships between Team YMM and the local community, showcasing our airport as a vital hub for social and economic activity.

In 2023, YMM had the privilege of hosting family-friendly events celebrating Easter, Halloween, and the holiday season. Over 4,100 attendees participated, raising nearly \$6,000 for Santa’s Anonymous and the United Way Fort McMurray & Wood Buffalo.



Volunteerism

Our team members have donated over 1,140 volunteer hours to non-profit organizations in the region in 2023. The Northern Lights Health Foundation, Fort McMurray Chamber of Commerce, Fort McMurray SPCA, St. Aidan’s Society, Arts Council Wood Buffalo, United Way Fort McMurray & Wood Buffalo and the Wood Buffalo Hockey League are just a few of the organizations that have benefited as a result.

Fundraising initiatives include YMM’s Recycling Program in support of the Fort McMurray SPCA, Easter and Halloween community events in support of the United Way Fort McMurray and Wood Buffalo,





Because of You Award

YMM was awarded the Brilliant Beginnings Award by United Way Fort McMurray and Wood Buffalo at an award ceremony in the spring.

The award recognized YMM for participating in the 2022 United Way Campaign for the first time – generating energy and enthusiasm, giving time, energy and resources to support the campaign in creative ways.

“The recipient of this award embodies qualities which define them as community champions, setting a strong example and inspiring others to donate, volunteer, and participate in United Way events and activities,” said Cathy Steeves, Executive Director of UW at the Because of You Awards, before announcing YMM was the winner!



Lost & Surrendered Items Sale

In October, the FMAA held a Lost and Surrendered Items Sale for the first time in five years. The items included in the sale had been surrendered by passengers unable to take them through YMM’s security checkpoint, and lost items that were never claimed.

The sale took place over three days on Departures Level 2. There was a line-up of eager buyers waiting for the doors to open each day! Freezer bags full of scissors or lighters, as well as power tools, luggage, iPads, phone chargers – all sold for just a twoonie.

A grand total of \$4,400 was raised through the sale in support of the Pets & Wellness Society (PAWS) Wood Buffalo. PAWS is a local organization that brings pets and people together for comfort, interaction, stimulation, and joy in safe and relaxing atmospheres.



Christina Gordon Public School Inclusion Fair

YMM had a booth at the 2nd Annual Inclusion Fair. The purpose of the fair was to educate families and educators on what services are available to those with diverse needs in the region.

FMAA members spoke to dozens of families about YMM’s accessibility amenities and newly launched Hidden Disabilities Sunflower program - which supports passengers with hidden disabilities travelling through the terminal.



Alberta Aviation Council Conference

Cuyler Green, Fort McMurray Airport Authority’s Vice President of Operations & Infrastructure, and Jeff Vader, FMAA’s Airport Maintenance Manager attended the Alberta Aviation Council Conference in April.

Cuyler lent his expertise to the Airports 2023 and Beyond panel, along with Steve Maybee, Edmonton International Airport, Chris Miles, YYC Calgary

International Airport and Wendy McArthur, Wetaskiwin Regional Airport.

The annual event brings North America’s aviation industry together to exchange ideas, issues and share best practices.



Spring Tradeshow & Artisan Market

Members of FMAA attended the Fort McMurray Chamber of Commerce’s 2023 Spring Fort McMurray Trade Show & Artisan Market, promoting YMM and its non-stop routes!

Event Hosting

YMM is pleased to share our event spaces rentfree to local non-profit organizations for use. From piano recitals to AGMs, we are happy to support our community by providing a safe space.



Community Investment

In 2023, YMM proudly supported 24 non-profits in our region via in-kind support.



2023

Financials

2023 Financials

Governance & Board of Directors

The FMAA is governed by a Board comprised of 10 Directors, mandated to steward the long-term success of the Fort Murray International Airport (YMM).

Board Directors are appointed through four appointer entities and the community at large, as selected by the current serving board. 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.



Fort McMurray Airport Authority Board of Directors

(from top left):

Michael Chwelos, Staci Millard, Doug Simms, Bill McGoey, Joanne Day, Colin Solbak, Linda Huebscher, Ken Bell, Jason Vargo, Keith Haxton

Board Structure



Board Directors’ Responsibilities

Stewardship

- Facilitate guiding principles of vision, mission, core values, key success drivers and goals.
- Steward the Five Year Strategic Plan.
- Apply best practices for regional airports and ensure the FMAA 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 relationships with stakeholders and the community through effective engagement.
- Ensure FMAA maintains and finds opportunities to enhance their reputation in the region.
- Comply with FMAA’s Communication Policy to ensure effective and timely 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

- Required to disclose all conflicts of interests upon apportionment to the Board.
- Responsible for applying impartiality, 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.

Board of Directors

Name	Board Position	Nominator	Date Appointed	Tenure	Board Meeting Attendance	Committee	Committee Meeting Attendance
Michael Chwelos	Board Chair	Canadian Association of Petroleum Producers	2017/2021	7 years	5/5	All	12/12
Staci Millard	Director/Governance Committee Chair	At Large appointment	2019/2023	4 years	5/5	Governance	4/4
Doug Simms	Director/Finance & Audit Committee Chair	Fort McMurray Chamber of Commerce	2019/2023	5 years	5/5	Finance & Audit	5/5
Bill McGoey	Director	At large appointment	2018/2021	6 years	4/5	Finance & Audit Business Dev.	3/5 4/4
Joanne Day	Director	Regional Municipality of Wood Buffalo	2015/2020	8 years	4/5	Governance Business Dev.	3/4 3/4
Colin Solbak	Director	Fort McMurray Chamber of Commerce	2015/2020	8 years	3/5	Finance & Audit	3/5
Linda Huebscher	Director	CUPE	2016/2020	7 years	5/5	Governance	3/4
Ken Bell	Director	Canadian Association of Petroleum Producers	2019	4 years	4/5	Governance	4/4
Jason Vargo	Director	Regional Municipality of Wood Buffalo	2022	2 year	4/5	Finance & Audit Business Dev.	5/5 4/4
Keith Haxton	Director	Regional Municipality of Wood Buffalo	2019/2023	5 years	4/5	Finance & Audit	5/5

Management Team

Management Team	
Denean Robinson	President & Chief Executive Officer
Cuyler Green	Vice President, Operations & Infrastructure
Michael Sieger	Vice President, Air Service & Commercial Development
Helen He	Director, Finance
Sara Stevens	Manager, Health, Safety, & Environment
Adam LoBianco Manager	Manager, Facilities
Jeff Vader	Manager, Maintenance
Jessica Lipton	Manager, Marketing & Communications
Valery Driz	Assistant Manager, Airport Maintenance

Management Accountability

April 17, 2024

The accompanying Financial Statements of the Fort McMurray Airport Authority (“the Authority”) for the year ended December 31, 2023, 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.

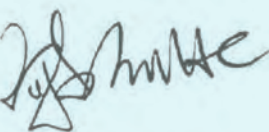
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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

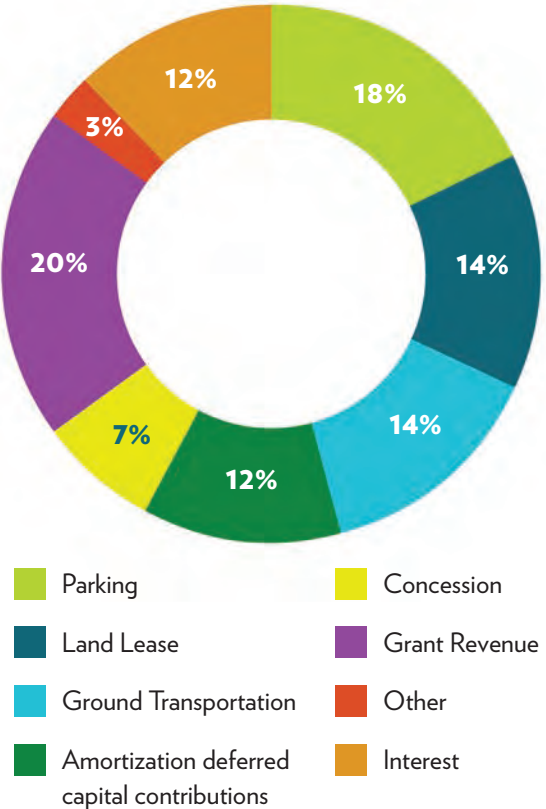


Helen He
Director of Finance

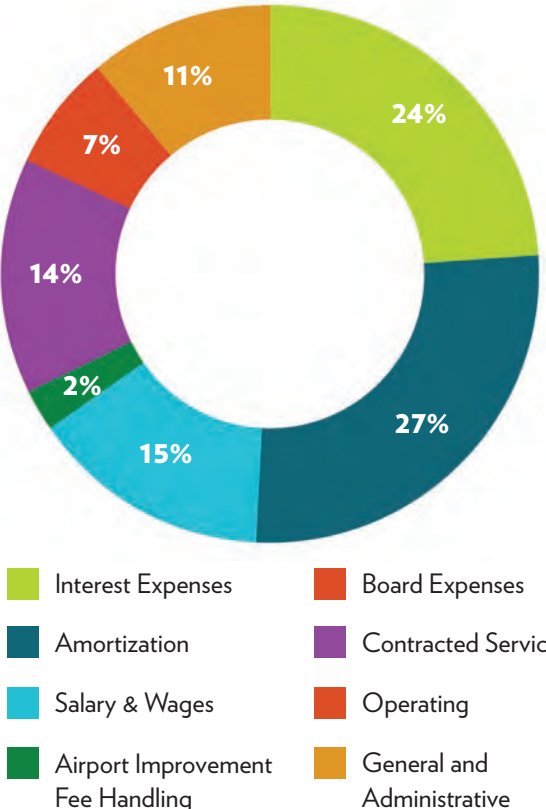
Total Passengers by Year



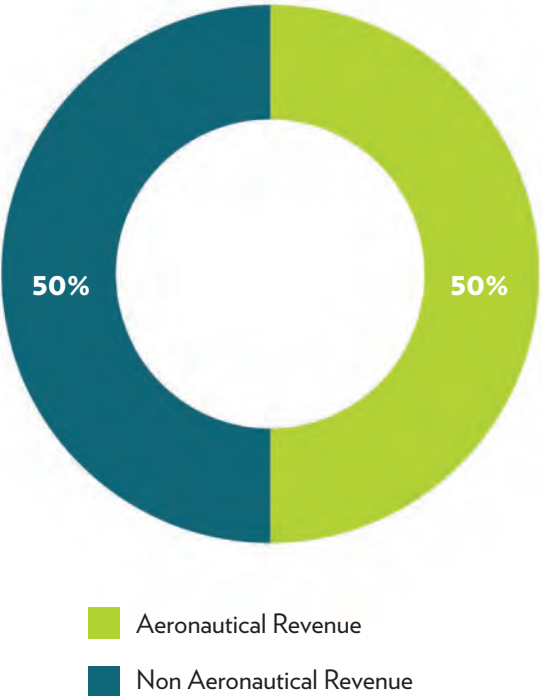
Non Aeronautical Revenue



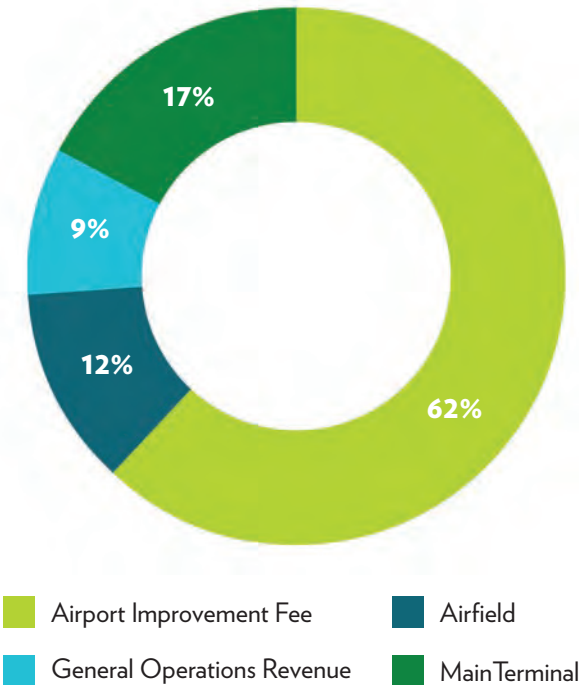
Expenses



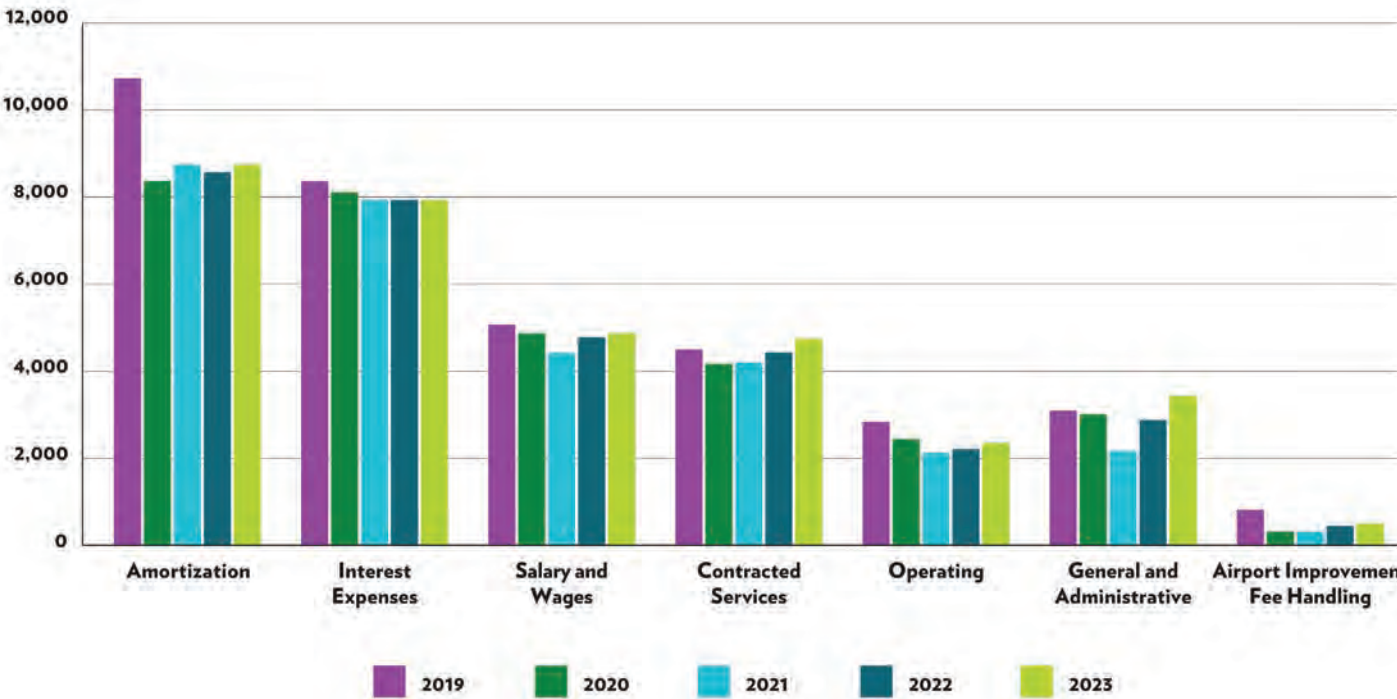
2023 Revenue by Source



Aeronautical Revenue



Expenses Compared to Prior Years (in Thousands)



Financial Statements

Independent Auditor’s Report

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, 2023, 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, 2023, 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.v

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 17, 2024

MNP LLP

Chartered Professional Accountants

MNP

Statement of Financial Position

As at December 31, 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents	3,117,120	3,424,628
Restricted cash and investment (Note 3)	1,618,179	3,562,728
Accounts receivable (Note 9)	5,990,213	2,759,921
Investments (Note 3)	18,538,981	24,583,951
Prepaid expenses	753,711	654,423
	30,018,204	34,985,651
Restricted cash (Note 3), (Note 14)	5,034,342	4,715,734
Tangible capital assets (Note 4)	296,928,943	304,925,255
Intangible assets (Note 5)	239,123	194,580
	332,220,612	344,821,220
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	4,230,320	4,759,107
Deferred revenue	224,317	196,927
Current portion of long-term debt (Note 8)	19,288,837	-
	23,743,474	4,956,034
Long-term debt (Note 8)	148,411,660	167,700,497
Deferred contributions (Note 9) (Note 13)	6,186,262	3,562,728
Unamortized capital contributions (Note 9)	37,343,697	37,274,510
	215,685,093	213,493,769
Contractual obligation (Note 13)		
Net Assets		
Unrestricted net assets	111,501,177	126,611,717
Internally restricted net assets (Note 14)	5,034,342	4,715,734
	116,535,519	131,327,451
	332,220,612	344,821,220

Approved on behalf of the Board

Staci Millard

Staci Millard, Director

Doug Simms

Doug Simms, Director

The accompanying notes are an integral part of these financial statements

Statement of Operations

For the year ended December 31, 2023

	2023	2022
Aeronautical revenue		
Airport improvement fee (Note 10)	7,096,380	6,178,420
Main terminal	1,913,381	1,822,133
Airfield	1,385,351	1,280,416
General operations	973,715	829,890
	11,368,827	10,110,859
Non-aeronautical revenue		
Grant revenue (Note 9)	2,288,231	5,920,603
Parking	1,985,333	1,757,588
Land lease	1,565,928	1,573,261
Ground transportation	1,542,413	1,754,986
Amortization of deferred capital contribution (Note 9)	1,390,426	1,274,000
Interest	1,352,545	543,660
Concessions	818,308	617,749
Other	329,061	350,851
	11,272,245	13,792,698
	22,641,072	23,903,557
Expenses		
Amortization (Note 4), (Note 5)	8,792,623	8,616,651
Interest	7,934,288	7,917,775
Salaries and wages (Note 11), (Note 16)	4,871,135	4,773,399
Contracted services	4,736,011	4,429,734
General and administrative	3,450,545	2,877,129
Operating	2,451,624	2,524,776
Airport improvement fee handling (Note 10)	487,914	432,107
Board expenses	128,487	117,952
	32,852,627	31,689,523
Deficiency of revenue over expenses before other items	(10,211,555)	(7,785,966)
Other items		
Gain (loss) on disposal of tangible capital assets	(184,861)	72,654
Write-down on tangible capital assets	(4,395,516)	-
	(4,580,377)	72,654
Deficiency of revenue over expenses	(14,791,932)	(7,713,312)

The accompanying notes are an integral part of these financial statements

Statement of Changes in Net Assets

For the year ended December 31, 2023

	2023	2022
Net assets, beginning of year	131,327,451	139,040,763
Deficiency of revenue over expenses	(14,791,932)	(7,713,312)
Net assets, end of year	116,535,519	131,327,451

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(14,791,932)	(7,713,312)
Amortization	8,792,623	8,616,654
Gain (loss) on disposal of tangible capital assets	184,861	(72,654)
Write-down on tangible capital assets	4,395,516	-
Amortization of deferred capital contributions	(1,390,426)	(1,274,000)
Deferred capital contribution written off	(1,393,096)	-
	(4,202,454)	(443,312)
Changes in working capital accounts		
Accounts receivable	238,052	727,849
Prepaid expenses	(99,288)	(102,152)
Accounts payable and accrued liabilities	(529,854)	744,286
Deferred revenue	27,390	(5,472,198)
	(4,566,154)	(4,545,527)
Financing		
Receipt of capital contributions	5,477,357	1,801,872
Change in capital contributions included in accounts receivable	(3,468,344)	(1,100,552)
	2,009,013	701,320
Investing		
Purchase of tangible capital assets	(5,368,594)	(2,633,206)
Proceeds on disposal of tangible capital assets	49,859	126,125
Purchase of intangible assets	(102,543)	(118,958)
Net change in restricted cash	1,625,941	(296,687)
Net change in investments	6,044,970	(14,583,951)
	2,249,633	(17,506,677)
Decrease in cash resources	(307,508)	(21,350,884)
Cash and cash equivalents, beginning of year	3,424,628	24,775,512
Cash and cash equivalents, end of year	3,117,120	3,424,628

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

For the year ended December 31, 2023

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 - 5 years
Fences	20 years
Fire trucks & equipment	5 - 15 years
Furniture, fixtures & equipment	5 years
Light vehicle fleet	4 years
Maintenance equipment	10 years
Paving	10 - 20 years
Roadways & groundside paving structure	20 years
Subgrade	40 years

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.

An intangible asset recognized separately from goodwill and subject to amortization are recorded 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	3 - 5 years

An intangible asset recognized separately from goodwill and not subject to amortization are recorded at cost, less any permanent write-down. Contributed intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

When an intangible asset no longer contributes to the Authority’s ability to provide goods or services, or the value of future economic benefits or service potential associated with the intangible asset is less than its net carrying amount, its carrying amount is written down to fair value.

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.

Interest revenue is recorded as it is earned on a time proportioned basis.

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.

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 revenue 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 revenue 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 revenue over expenses in the year the reversal occurs.

Assets held for sale

Long-lived assets are classified as an asset held for sale at the point in time when the asset is available for immediate sale, management has committed to a plan to sell the asset and is actively locating a buyer for the asset as a sales price that is reasonable in relation to the current fair value of the asset, and the sale is probable and expected to be completed within a one-year period.

Assets to be disposed of are presented separately on the balance sheet and reported at the lower of carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale are presented separately in the appropriate asset and liability sections of the balance sheet.

3. Restricted cash and investments

	2023	2022
Investments		
RBC Wealth Management Dominion Securities (GIC, 5.00%, maturing January 9, 2024)	13,525,561	16,410,105
RBC Wealth Management Dominion Securities (GIC, 5.00%, maturing May 01, 2024)	4,907,466	-
RBC Wealth Management Dominion Securities (GIC, 2.95%, maturing April 28, 2023)	-	8,173,846
Royal Bank of Canada Savings Account	105,954	-
	18,538,981	24,583,951
	2023	2022
Restricted cash and short-term investment		
RBC Wealth Management Dominion Securities (GIC, 5.20%, maturing December 27, 2024)	1,617,461	-
Royal Bank of Canada Bank Account - Project	718	3,562,728
	1,618,179	3,562,728

Restricted cash

Non-current restricted cash includes \$5,034,342 (2022 - \$4,715,734) 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.

Restricted cash and short-term investment

Current restricted cash and short-term investment balance of \$1,618,179 (2022 – \$3,562,728) represents grant proceeds received from the RMWB which is restricted to capital expenditures (Note 9 and Note 13).

4. Tangible capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	25,922,961	-	25,922,961	25,037,536
Buildings	264,051,797	54,022,550	210,029,247	215,320,680
Light vehicle fleet	713,143	510,640	202,503	252,894
Computer hardware	147,279	57,743	89,536	49,800
Airside lighting structures	7,086,638	3,024,904	4,061,734	4,174,507
Apron expansion	41,535,313	22,636,745	18,898,568	19,625,435
Fences	111,891	23,622	88,269	95,729
Furniture, fixtures & equipment	1,067,519	633,489	434,030	470,333
Parking lots	2,595,586	1,764,141	831,445	962,062
Assets under construction	366,798	-	366,798	6,428,046
Maintenance equipment	10,670,380	5,210,764	5,459,616	2,682,557
Airside paving structure - subgrade and paving	47,271,279	18,515,225	28,756,054	28,000,169
Roadways & groundside paving structure	3,039,032	1,415,427	1,623,605	1,775,739
Fire trucks & equipment	1,578,372	1,413,795	164,577	49,768
	406,157,988	109,229,045	296,928,943	304,925,255

Assets under construction include \$366,798 (2022 - \$6,428,046) which are not subject to amortization as the asset was not available for use at December 31, 2023. Tangible capital asset additions of nil (2022 - \$556,814) remain in accounts payable as at December 31, 2023.

During the year the Authority abandoned components of a project under construction due to changes in economic circumstances and these abandoned components no longer have an expected value in use. As a result, assets under construction has been reduced by \$4,395,516 and an impairment charge of the same amount has been recognized in the statement of operations.

During the year, buildings with a net carrying amount of \$234,581 were classified as held for sale as they are actively listed on the market as at December 31, 2023.

5. Intangible assets

	2023 Net book value	2022 Net book value
Computer software	239,123	194,580

During the year, amortization of \$58,001 (2022 - \$35,320) was recorded relating to intangible assets.

6. Accounts payable and accrued liabilities

Included in accounts payable are the following preferred creditor amounts: Goods and Services Taxes of \$28,609 (2022 - \$10,637).

7. Operating line of credit

The Authority has a \$1,800,000 (2022 - \$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, 2023, no amounts were drawn (2022 - \$nil).

8. Long-term debt

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 Her Majesty The Queen 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 (2022 - \$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 negative 0.14 (2022 – 0.61) and net cash flow was negative for the 12 months ending December 31, 2023.

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 between September 15, 2021 to September 15, 2024 (the “Deferral Term”) until September 30, 2024 and waives compliance to the above noted financial covenants during the Deferral Term, including maintaining the Authority’s S&P credit rating.

	2023	2022
Alberta Treasury Board long-term debt	167,700,497	167,700,497
Less: Current portion	19,288,837	-
	148,411,660	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 30, 2024 are estimated as follows:

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

9. Grants and capital contributions

a) Capital

Regional Municipality of Wood Buffalo (“RMWB”)

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.

On August 18, 2023, the RMWB approved a reallocation of the 2020 capital funding grant to a maximum of \$5,000,000 for other capital expenditures (Note 13).

During the year, the Authority recognized government grant revenue of \$956,192 (2022 - \$932,644) in amortization of deferred capital contributions.

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 (2022 - \$80,392) in amortization of deferred capital contribution.

Infrastructure Canada

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.

On May 25, 2023, the Authority requested a project scope change to the Government of Canada to reduce the total project scope under the Building Canada Fund to \$19 million and reduce the Authority’s committed contribution to \$13 million. An amended agreement was signed by the Authority in November 2023 and the project was completed during the year.

During the year, the Authority claimed \$4,568,544 (2022 – nil) under the program of which \$4,568,544 (2022- nil) was in accounts receivable at year end.

The Authority recognized government grant revenue of \$269,156 (2022 - \$257,383) in amortization of deferred capital contributions and \$1,393,096 (2022- \$nil) in operating grants and \$3,789,940 (2022 - \$1,393,096) is recognized as unamortized capital contributions on the statement of financial position.

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 contribution under 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 \$733,455 (2022 - \$1,801,872) under the program and recognized government grant revenue of \$84,686 (2022 - \$3,580), of which \$459 (2022 - \$1,100,200) was in accounts receivable at year-end. The remaining \$2,447,061 (2022 - \$1,798,292) is recognized as unamortized capital contributions on the statement of financial position.

	Opening Balance	Additions/ Transfers	Write off	Amortized	Ending Balance
Unamortized:					
Infrastructure	1,393,096	4,059,096	(1,393,096)	(269,156)	3,789,940
Canada					
CATSA	2,532,358	-	-	(80,392)	2,451,966
RMWB	21,492,729	-	-	(417,879)	21,074,850
RMWB - Runway	10,058,035	(1,939,842)	-	(538,313)	7,579,880
ACIP	1,798,292	733,455	-	(84,686)	2,447,061
	37,274,510	2,852,699	(1,393,096)	(1,390,426)	37,343,697
Deferred:					
RMWB - Project	3,562,728	2,623,534	-	-	6,186,262
	40,837,238	5,476,233	(1,393,096)	(1,390,426)	43,529,959

b) Operating

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 2023 in the amount of \$112,000 (2022 - \$112,000).

The Authority has a Contribution Agreement with Wood Buffalo Economic Development Corporation (“WBEDC”) to promote air transportation service in the region. The Authority has recognized government grant revenue of \$783,135 (2022 - \$33,486) in the statement of operations.

Also included in grant revenue is the \$1,393,096 (2022 - \$nil) in Infrastructure Canada BCF that was written off, \$nil (2022 - \$5,360,754) from RMWB and \$nil (2022 - \$414,362) from Regional Air Transportation Initiative.

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.

	2023	2022
Earned revenue	7,096,380	6,178,420
Airline / ATAC handling and administration fees	(487,914)	(432,107)
Net AIF revenue earned	6,608,466	5,746,313

11. 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, 2022, the LAPP reported a surplus of \$12.7 billion (2021 - \$11.9 billion). Total service contributions by the Authority to the LAPP for 2023 totaled \$305,674 (2022 - \$296,032).

12. 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, 2023, the Authority had three (2022 – four) major customers which represented 63% of the Authority’s accounts receivable (2022 – 62%). Accounts receivable are presented net of an allowance for doubtful accounts of \$191,564 (2022 - \$188,144) 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.

13. Contractual obligation

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. On August 18, 2023, the RMWB approved a reallocation of the 2020 runway rehabilitation capital funding grant to a maximum of \$5,000,000 for other capital expenditures.

The Authority anticipates completion of the remainder of the capital project work in 2024 and has recognized \$6,186,262 (2022 - \$3,562,728) as a liability for unspent funds.

14. Internally restricted net assets

As described in Note 3, the Authority collects a Customer Facility Charge from car rental operations. In the current year, the Authority has internally restricted net assets in the amount of \$5,034,342 (2022 - \$4,715,734) for the purpose of constructing a quick turnaround facility (QTA).

15. Economic dependence

Revenue generated from major airlines such as Air Canada/Air Canada Express and WestJet/Encore account for approximately one-half of total 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.

16. 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 2023:

Total remuneration to the Board of Directors was \$114,071 (2022 - \$101,437), and expenses reimbursed totaled \$6,916 (2022 - \$9,516).

Total base compensation range for the senior officers of the Authority is \$189,977 to \$220,000 (2022 - \$176,509 to \$243,789).

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.



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