



## Agenda

Annual General Meeting of the Members of the  
Sudbury Airport Community Development Corporation (SACDC)  
Tuesday, June 27, 2023, 3:00 p.m.

In person (Council Chamber) or via electronic participation

1. Agenda Review
2. Declaration of Conflict of Interest
3. Approval of Minutes of the June 28, 2022, Annual General Meeting of the Members  
**(Resolution prepared # 2023-006)**
4. Presentation of the Draft 2022 Audited Financial Statements of the Sudbury Airport Community Development Corporation by Oscar Poloni, KPMG LLP
5. Approval of the Sudbury Airport Community Development Corporation Draft Audited Financial Statements for the year ending December 31, 2022  
**(Resolution prepared - # 2023-007)**
6. Appointment of Auditors for 2023  
**(Resolution prepared # 2023-008)**
7. Appointment of Chair to the Board  
**(Resolution prepared # 2023-009)**
8. Reappointment of Member to the Board  
**(Resolution prepared # 2023-010)**
9. Chair's Remarks
10. Adjournment



**MINUTES OF THE ANNUAL GENERAL MEETING  
OF THE  
SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION**

Wednesday, June 28<sup>th</sup>, 2022

Tom Davies Square/Council Chamber/Electronic Participation

Commencement: 3:01 p.m.

Adjournment: 3:33 p.m.

**Chair:** Dave Paquette

**Present** Mayor B. Bigger, E. Archer, Chief Administrative Officer, Councillors McCausland, Lapierre, Jakubo, Sizer, McIntosh, Cormier, Leduc

**SACDC Membership:** A. Homayed, D. Paquette, B. Battistelli, L. Poratto-Mason, T. Cochrane, R. Picard, G. Seguin

**Staff in Attendance:** Todd Tripp, Chief Executive Officer of the Greater Sudbury Airport; Linda Dubois, Administrative Assistant to the Chief Executive Officer of the Greater Sudbury Airport; J.M. Chénier, Director, Marketing & Airport Development; Robert Tyrer, Director of Airport Operations/ Fire Chief, Phil Rocca, Senior Manager, Airfield Operations/Fire Chief, M. Menczel, Manager, Regulatory Compliance & Safety Management System.

**Others Present:** O. Poloni (KPMG LLP)

**Regrets:** Councillors Landry-Altmann, Signoretti, Vagnini, Montpellier, Kirwan. B. Best

**Waiver of Notice:** A quorum of the members being present and having waived or received due notice of the meeting. The meeting was declared to be properly constituted for the transaction of business.

**1. Adoption of the Agenda:**

Agenda was approved as circulated

**2. Declarations of Pecuniary Interest:** None declared

**3. Adoption of Annual General Meeting Minutes – June 29, 2021**

**RESOLUTION: #2022-004**

**THAT** the Minutes of the Annual General Meeting of the Members of the Sudbury Airport Community Development Corporation (SACDC) dated June 29, 2021 are hereby adopted.

Moved by: Lise Poratto-Mason  
Seconded by: Abbas Homayed

**CARRIED**

**4. Presentation and Approval of Audited Financial Statements:**

Mr. Oscar Poloni presented the 2021 SACDC audited financial statements.

The Members of the Corporation carried the following resolution:

**RESOLUTION: #2022-005**

**WHEREAS** the Members wish to receive and approve the audited Financial Statements of the Sudbury Airport Community Development Corporation (SACDC) for the year ended December 31, 2021.

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

**THAT** the financial statements of the Corporation for the year ended December 31, 2021, which were prepared by KPMG LLP, Professional Chartered Accountants, are hereby received and approved.

**Moved by:** R. Picard  
**Seconded by:** T.Cochrane

**CARRIED**

**5. Appointment of Auditors:**

The Members of the Corporation carried the following resolution:

**RESOLUTION: #2022-006**

**WHEREAS** Section 94 of the Corporations Act requires members to appoint auditors at their annual meeting;

**AND WHEREAS** the Operating Agreement between the City of Greater Sudbury and the Sudbury Airport Community Development Corporation (SACDC) provides for the City of Greater Sudbury (CGS) to supply auditing services to the Sudbury Airport Community Development Corporation as part of its routine corporate audit process;

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

**THAT** the Sudbury Airport Community Development Corporation accept the City of Greater Sudbury's auditors KPMG LLP for 2022.

**Moved by:** A. Homayed  
**Seconded by:** L. Poratto-Mason

**CARRIED**

## 6. Re- appointment of Members to the Board:

The Members of the Corporation carried the following resolution:

**RESOLUTION: #2022-007**

**WHEREAS** the Members of the Corporation deem it desirable to reappoint such member as Director;

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

**THAT** the Members of the Corporation accept the re-appointment of **Mr. Bill Best** to serve on the Board of Directors of the Sudbury Airport Community Development Corporation (SACDC) for a three (3) year term ending June 2025.

**Moved by:** B. Battistelli  
**Seconded by:** R. Picard

**CARRIED**

## 7. Appointment of new members to the Board:

The Members of the Corporation carried the following resolution:

**RESOLUTION: #2022-008**

**WHEREAS** the Members of the Corporation deem it desirable to appoint such members as Directors;

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

**THAT** the Members of the Corporation appoint **Diane McFarlane, Romina Calisi and Boris Naneff** to serve on the Board of Directors of the Sudbury Airport Community Development Corporation (SACDC) for a three (3) year term ending June 2025.

**Moved by:** T.Cochrane  
**Seconded by:** A. Homayed

**CARRIED**

## 8. Recognition of Departing Board Members:

On behalf of the SACDC Board members, the Chair recognized the efforts and dedication of both L. Poratto Mason and G.Séguin.

## 9. Chair's remarks:

The Chair welcomed the new members to the board. He also acknowledged the airport team for their hard work and dedication during these challenging times. Council members were also acknowledged for their ongoing support for the airport both financially and political.

T. Tripp was recognized for his hard work and leadership in helping the Executive Committee in the search of a new CEO as he will be retiring at the end of August 2022.

**10. New Business:**

R. Tyrer and L. Dubois are both retiring effective June 30<sup>th</sup>, 2022. P. Rocca will take over the Director of Airport Operations/ Fire Chief' position and the posting for the Administrative Assistant position is to be posted.

**11. Motion to Adjourn**

**Moved by:** L. Poratto-Mason

**Seconded by:** G. Seguin

***CARRIED***

There being no further business to discuss, the meeting adjourned at 3:33 p.m.

Dave Paquette, Chair

Linda Dubois - Recording Secretary



**RESOLUTION OF THE MEMBERS**

**OF**

**SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION**

(Hereinafter referred to as the Corporation)

**RESOLUTION: #2023-006**

**THAT** the Minutes of the Annual General Meeting of the Members of the Sudbury Airport Community Development Corporation (SACDC) dated June 28, 2022 are hereby adopted.

DATED: June 27, 2023

THE UNDERSIGNED, being an Officer of the Corporation, hereby signs the foregoing Resolution # **2023-006**, pursuant to the provisions of the Corporations Act (Ontario).

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Dave Paquette, Chair

Financial Statements of

**SUDBURY AIRPORT COMMUNITY  
DEVELOPMENT CORPORATION**

And Independent Auditor's Report thereon

Year ended December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Sudbury Airport Community Development Corporation

### ***Opinion***

We have audited the financial statements of the Sudbury Airport Development Corporation (the Corporation), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of income and comprehensive income (loss) for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2022, and its results of operations and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS).

### ***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 auditor's report.

We are independent of the Corporation 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 International Financial Reporting Standards (IFRS), 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 the 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 Corporation'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 Corporation'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 Corporation 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.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

(date)

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 68,625	\$ 301
Trade and other receivables (note 3)	804,999	2,653,352
Prepaid expenses	26,169	26,814
Supplies	146,623	127,600
	<u>1,046,416</u>	<u>2,808,067</u>
Property, plant and equipment (note 5)	23,799,034	25,521,299
	<u>\$ 24,845,450</u>	<u>\$ 28,329,366</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Trade and other payables	\$ 442,221	\$ 795,140
Payable to the City of Greater Sudbury (note 4)	3,693,929	4,657,924
	<u>4,136,150</u>	<u>5,453,064</u>
Non-current liabilities:		
Employee benefit obligations (note 6)	446,115	443,538
Deferred capital contributions (note 7)	7,849,880	8,501,342
	<u>12,432,145</u>	<u>14,397,944</u>
Shareholders' equity:		
Retained earnings	12,387,347	13,920,150
Accumulated other comprehensive income	25,958	11,272
	<u>12,413,305</u>	<u>13,931,422</u>
Commitments (note 8)		
Contingent liability (note 9)		
	<u>\$ 24,845,450</u>	<u>\$ 28,329,366</u>

See accompanying notes to financial statements.

Approved on behalf of the board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Statement of Income and Comprehensive Income (Loss)

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
FedNor Grant	\$ -	\$ 4,450,380
Passenger facility fee	2,182,382	1,043,104
Rentals and concessions	2,201,482	1,366,882
National landing fees	831,050	627,795
Services	594,408	533,184
Terminal fees	408,531	251,193
Miscellaneous revenue	65,868	77,602
	<u>6,283,721</u>	<u>8,350,140</u>
Expenses:		
Salaries, wages and benefits (note 11)	3,165,646	2,899,048
Other	249,369	79,870
Utilities	480,923	404,921
Maintenance	457,708	380,272
Materials	292,381	203,744
Policing and security	641,062	530,772
Consulting and other professional services	272,799	268,003
Property taxes	272,899	266,240
Administrative charges	292,131	251,492
Insurance	110,942	103,903
	<u>6,235,860</u>	<u>5,388,265</u>
Operating income (loss) of revenues over expenses before undernoted	47,861	2,961,875
Depreciation of property and equipment (note 5)	(2,150,116)	(2,333,005)
Capital contributions (note 7)	681,181	709,532
Interest expense	(111,729)	(135,514)
Net income (loss)	<u>(1,532,803)</u>	<u>1,202,888</u>
Other comprehensive income (loss):		
Item that will not be subsequently reclassified to net income - remeasurement of the employee benefit obligation (note 6)	14,686	3,610
Total comprehensive income (loss) for the year	<u>\$ (1,518,117)</u>	<u>\$ 1,206,498</u>

See accompanying notes to financial statements.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

## Statement of Changes in Equity

Year ended December 31, 2022, with comparative information for 2021

	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance, January 1, 2021	\$ 7,662	\$ 12,717,262	\$ 12,724,924
Income for the year	-	1,202,888	1,202,888
Remeasurement gain of employee benefit obligation	3,610	-	3,610
Balance, December 31, 2021	11,272	13,920,150	13,931,422
Loss for the year	-	(1,532,803)	(1,532,803)
Remeasurement gain of employee benefit obligation	14,686	-	14,686
Balance, December 31, 2022	\$ 25,958	\$ 12,387,347	\$ 12,413,305

See accompanying notes to financial statements.

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# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

## Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Comprehensive income (loss) for the year	\$ (1,518,117)	\$ 1,206,498
Items not involving cash:		
Depreciation of property and equipment	2,150,116	2,333,005
Amortization of deferred capital contributions	(681,181)	(709,532)
Non-cash employee future benefit obligation expense	(14,686)	(3,610)
	(63,868)	2,826,361
Changes in non-cash working capital:		
Trade and other receivables	1,848,353	(2,393,668)
Payable to the City of Greater Sudbury	(963,995)	(611,914)
Prepaid expenses	645	(13,523)
Supplies	(19,023)	(26,440)
Trade and other payables	(352,918)	425,559
Employee obligations benefit	17,263	25,641
	466,457	232,016
Investing activities:		
Purchase of property and equipment	(427,851)	(324,927)
	(427,851)	(324,927)
Financing activities:		
Capital contributions received	29,718	80,031
	29,718	80,031
Decrease in cash during the year	68,324	(12,880)
Cash, beginning of year	301	13,181
Cash, end of year	\$ 68,625	\$ 301

See accompanying notes to financial statements.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

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The Sudbury Airport Community Development Corporation (the "Corporation") is incorporated without share capital under the laws of Ontario. Its principal business activity is to manage, operate and maintain the Sudbury Airport. The address of its registered office is 5000 Air Terminal Drive, Suite T202, Garson, Ontario P3L 1V4.

The objective of the Corporation is to promote community economic development in the City of Greater Sudbury (the "City") with the co-operation and participation of the community by encouraging, facilitating and supporting community strategic planning and increasing self-reliance, investment and job creation within the community through the development and enhancement of the Sudbury Airport.

The Corporation is a municipal corporation pursuant to paragraph 149(1)(d.5) of the Income Tax Act (Canada) and is therefore exempt from income taxes having met certain requirements of the Income Tax Act (Canada).

## 1. Basis of presentation:

### (a) Statement of compliance:

These financial statements of the Corporation have been prepared by management in accordance with International Financial Reporting Standards (IFRS).

The financial statements were approved and authorized for issue at the Annual General Meeting on June 27, 2023.

### (b) Basis of measurement:

The financial statements have been prepared using the historical cost basis, unless otherwise stated.

### (c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the functional currency of the Corporation. All financial information presented has been rounded to the nearest Canadian dollar.

### (d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

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## 1. Basis of presentation (continued):

(d) Use of estimates and judgments (continued):

### Significant Judgment in Applying Accounting Policies:

The areas which require management to make significant judgments in applying the Corporation's accounting policies in determining carrying values include, but are not limited to:

#### *Valuation of property, plant and equipment*

The Corporation is required to use judgment in determining if indicators of impairment exist at each reporting date. For all assets this determination impacts whether or not the Corporation performs a detailed impairment assessment which could result in impairment charges. In making this judgment, the Corporation considers external information on the industry and market trends including the impact on costs to construct and maintain the assets. The Corporation also considers decisions by management to change the extent and manner in which the asset is used or is expected to be used.

#### *Valuation of lease obligations*

The Corporation is required to use judgment in determining whether or not an arrangement contains a lease, as well when determining the lease term. When determining such, the Corporation must consider factors in the agreement, the economic environment, and credit risk.

### Significant Accounting Estimates and Assumptions:

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

#### *Discount rate of lease obligations*

If the discount rate is not implicit in the capital lease agreement, the Corporation is required to use their own incremental borrowing rate. The Corporation is required to use estimation in determining their own incremental borrowing rate. This rate factors in credit risk, term of lease, the economic environment, as well as the nature of any security. This rate impacts both the value of the capital lease and the monthly principal repayments.

#### *Depreciation of property, plant and equipment and amortization of deferred capital contributions*

Significant estimation is involved in the determination of useful life and residual values for the computation of depreciation of property, plant and equipment and amortization deferred capital contributions and no assurance can be given that the actual useful lives and residual values will not differ from current assumptions.

# SADBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

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## 1. Basis of presentation (continued):

### (d) Use of estimates and judgments (continued):

#### *Provision for impairment of trade and other receivables*

Significant estimation is involved in the determination of the provision for impairment over trade and other receivables. IFRS 9 allows for the use of a provision matrix where the expected credit loss is determined as a fixed percentage based historical data. However, significant estimation is involved when assessing both current and prospective information and applying to such provision.

#### *Computation of employee benefit obligation*

Significant estimation is involved in the determination of the discount rate, inflation rate, rate of compensation increase, medical cost increase rate, and other various inputs that factor into the value of the employee benefit obligation. The Corporation uses a third party actuary to assist in computing such rates which factors in both current and prospective company and economic environment data.

## 2. Summary of significant accounting policies:

### (a) Revenue recognition:

National landing fees, terminal fees, passenger facility fees, rentals and concessions and services are recognized as revenue in the year when the respective service is performed.

Contributions restricted for property and equipment purchases (capital contributions) are deferred and amortized to revenue on the same basis as the related property, plant and equipment is depreciated. Unrestricted contributions are recognized as revenue when received.

### (b) Property, plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset, including the costs of borrowing on qualifying assets and any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Corporation. Ongoing repairs and maintenance is expensed as incurred.

Depreciation is calculated over the depreciable amount and is recognized in income on a straight-line basis over the estimated useful life of each part of component of an item of property, plant and equipment. The depreciable amount is cost.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

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## 2. Summary of significant accounting policies (continued):

### (b) Property, plant and equipment (continued):

Depreciation is provided using the following methods and annual rates:

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Buildings	10 – 30 years
Equipment	2 – 80 years
Runway	15 years
Parking lot	20 years
Land development	20 - 80 years

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Assets under construction are not depreciated until they are placed into use in the manner intended by management.

### (c) Impairment of non-financial assets:

Property, plant and equipment are tested for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use (which is the present value of the expected future cash flows of the relevant asset or cash generating unit). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Corporation evaluates impairment by examining long-lived assets for impairment indicators and examines any prior years' impairment losses for potential reversals when events or circumstances warrant such consideration.

### (d) Employee benefit obligations:

Vacation entitlements are accrued for as entitlements are earned.

Sick leave benefits are accrued where they are vested and subject to payout when an employee leaves the Corporation.

Other post-employment benefits are accrued in accordance with the projected benefit method pro-rated on service and management's best estimate of salary escalation and retirement ages of employees. The related liability recognized in the statement of financial position is the present value of the obligation at the statement of financial position date. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating the term of the related liability.

Actuarial valuations for the sick leave and other post-employment benefit plans are carried out at each statement of financial position date.

Actuarial gains and losses are recognized in full immediately in other comprehensive income and are reported in accumulated and other comprehensive income.

Current service cost, the recognized element of any past service cost, and the interest arising on the liability are included in salaries and benefits on the statement of income and comprehensive income.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

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## 2. Summary of significant accounting policies (continued):

### (d) Employee benefit obligations (continued):

Past-service costs are recognized immediately to the extent the benefits are vested, and otherwise are amortized on a straight-line basis over the average period until the benefits become vested.

#### i) Pension plan:

The Corporation provides a pension plan for all its full-time employees through the Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (the Fund), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefits pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in net income when they are due.

### (e) Financial instruments:

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

At initial recognition, the Corporation classifies its financial instruments in the following categories, depending on the purpose for which the instruments were acquired:

- a) Loans and receivables: Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. The Corporation's loans and receivables comprise trade and other receivables, and cash which are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.
- b) Financial liabilities at amortized cost: Financial liabilities at amortized cost comprise trade and other payables and payable to the City of Greater Sudbury. These items are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Subsequently, these items are measured at amortized cost. Financial liabilities are classified as current liabilities if payments are due within 12 months. Otherwise, they are presented as non-current liabilities on the statement of financial position.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

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## 2. Summary of significant accounting policies (continued):

### (f) Provisions:

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, when it is more likely than not that the Corporation will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to settle the Corporation's present obligation.

### (g) Leases:

At interpretation of a contract, the Corporation assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation uses the definition in IFRS 16.

At inception or on modification of a contract that contains a lease component, the Corporation allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Corporation acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Corporation makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Corporation considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains a lease and non-lease component, then the Corporation applies IFRS 15 to allocate the consideration in the contract.

Generally, the accounting policies applicable to the Corporation as a lessor in the comparative period were not different from IFRS 16 except for the classification of subleases. The Corporation does not currently hold and sub-lease contracts.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

### 3. Trade and other receivables:

	2022	2021
Trade receivables	\$ 501,997	\$ 613,600
Less: provision for impairment	(20,109)	(16,702)
Trade receivables - net	481,888	596,898
Other receivables	323,111	2,056,454
Trade and other receivables	\$ 804,999	\$2,653,352

The fair values of trade and other receivables approximate their book values due to their short-term nature.

As at December 31, 2022, trade receivables of \$70,320 (2021 - \$175,515) were past due but not impaired. These receivables relate to a number of customers for whom there is no recent history of default. The aging of these trade receivables is as follows:

	2022	2021
31 days to 3 months	\$ 60,615	\$ 164,228
3 to 6 months	2,501	669
Over 6 months	7,204	10,618
	\$ 70,320	\$ 175,515

The provision for impaired trade receivables is recognized in the statement of income and comprehensive income within operating expenses. When a balance is considered uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to operating expenses in the statement of income and comprehensive income when they occur.

Other receivables within trade receivables and other receivables do not contain impaired amounts.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of trade and other receivables mentioned above. The Corporation does not hold any collateral as security.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

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#### 4. Payable to the City of Greater Sudbury:

The Corporation is owned by the City and run in accordance with an operating agreement between the City and the Corporation (the operating agreement). Under the terms of the operating agreement, employees of the corporation remain employed by the City; however, the Corporation is responsible for reimbursing the City for all employee related costs.

All cash receipts and disbursements of the Corporation are received and paid by the City. Therefore, cash flows of the Corporation flow through the City. The resulting payable as at December 31, 2022 in the amount of \$3,693,929 (2021 - \$4,657,924) is unsecured and the Corporation accrues interest at the City's average monthly rate of return on investments, plus a margin of 1% and has no specified terms of repayment. In the event the account is in a receivable balance, it earns interest at the City's average monthly rate of return on investments.

Included in operating expenses is \$229,108 (2021 - \$223,044) charged by the City for the provision of administrative services. In addition, interest in the amount of \$111,729 (2021 - \$135,514) was paid during the year.

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# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

## 5. Property, plant and equipment:

Cost:

	Buildings	Equipment	Runway	Transferred assets	Assets under construction	Parking lot	Land development	Total
Balance, January 1, 2021	\$ 21,071,659	11,556,644	10,087,336	2	44,667	540,677	4,977,552	\$ 48,278,537
Additions	73,825	63,611	-	-	187,491	-	-	324,927
Balance, December 31, 2022	21,145,484	11,620,255	10,087,336	2	232,158	540,677	4,977,552	48,603,464
Transfers	463,803	-	-	-	(463,803)	-	-	-
Additions	89,476	9,053	-	-	329,322	-	-	427,851
Balance, December 31, 2022	\$ 21,698,763	11,629,308	10,087,336	2	97,677	540,677	4,977,552	\$ 49,031,315

Accumulated depreciation:

	Buildings	Equipment	Runway	Transferred assets	Assets under construction	Parking lot	Land development	Total
Balance, January 1, 2021	\$ 5,928,674	6,172,156	7,300,303	-	-	252,781	1,095,246	\$ 20,749,160
Depreciation expense	727,632	729,963	672,491	-	-	27,034	175,885	2,333,005
Balance, December 31, 2021	6,656,306	6,902,119	7,972,794	-	-	279,815	1,271,131	23,082,165
Depreciation expense	748,084	666,134	532,979	-	-	27,034	175,885	2,150,116
Balance, December 31, 2022	\$ 7,404,390	7,568,253	8,505,773	-	-	306,849	1,447,016	\$ 25,232,281

Carrying amounts:

	Buildings	Equipment	Runway	Transferred assets	Assets under construction	Parking lot	Land development	Total
At December 31, 2021	\$ 14,489,178	4,718,136	2,114,542	2	232,158	260,862	3,706,421	\$ 25,521,299
At December 31, 2022	14,294,373	4,061,055	1,581,563	2	97,677	233,828	3,530,536	23,799,034

Transferred assets represent assets acquired pursuant to an agreement with Transport Canada that transferred the Sudbury Airport on March 31, 2000 to the newly incorporated Sudbury Airport Community Development Corporation. This transfer included the transfer of all chattels by way of bill of sale and property by way of instruments of grant to the Corporation for consideration of \$2. The Corporation has recorded both the asset and the grant at the exchange amount of \$2 pursuant to the guidance under IAS 20, Accounting for Government Grants and Disclosure of Government Assistance.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

## 6. Employment benefit obligations:

	2022	2021
Other post-employment and sick leave benefits	\$ 161,566	\$ 163,476
Vacation pay	284,549	280,062
	\$ 446,115	\$ 443,538

Other post-employment benefits represent the Corporation's share of the cost to provide certain employees with extended benefits on early retirement.

Accumulated sick leave benefits accrue to certain employees of the Corporation and are paid out either on approved retirement, or on termination or death.

The most recent actuarial valuation pertaining to other post-employment and sick leave benefits was as at December 31, 2022.

The movement in the employee benefit obligation and fair value of assets for other post-employment and sick leave benefits during the year is as follows:

	2022	2021
Other post-employment benefits:		
Balance, beginning of year	\$ 163,475	\$ 156,349
Current service cost	13,339	11,327
Interest cost	5,037	4,992
Actuarial (gain) loss – economic	(14,686)	(3,610)
Benefits paid	(5,599)	(5,582)
Balance, end of year	\$ 161,566	\$ 163,476
Assets:		
Fair value, beginning of year	\$ –	\$ –
Employer contributions	5,599	5,582
Benefits paid	(5,599)	(5,582)
Fair value, end of year	\$ –	\$ –

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

## 6. Employment benefit obligations (continued):

The amounts recognized in the statement of income and comprehensive income are as follows:

	2022	2021
Current service cost	\$ 13,339	\$ 11,327
Interest cost	5,037	4,991
Employee benefit expense recognized in net income	\$ 18,376	16,318
Actuarial gain recognized in OCI	\$ 14,686	\$ 3,610

The significant actuarial assumptions used in measuring the Corporation's employee benefit obligation for other post-employment and sick leave benefits are as follows:

	2022	2021
Discount rate	3.50%	3.25%
Rate of compensation increase	3.10%	3.10%
Medical cost increase	4.60%	4.40%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience.

## 7. Deferred capital contributions:

Deferred capital contributions represent the unamortized balance of grants received for the purchase of property, plant and equipment:

Details of the change in deferred capital contributions are as follows:

	2022	2021
Balance, beginning of year	\$ 8,501,342	\$ 9,130,844
Add: contributions received in the year	29,719	80,030
Less: amount recognized as revenue in the year	(681,181)	(709,532)
Balance, end of year	\$ 7,849,880	\$ 8,501,342

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

## 8. Commitments:

The Corporation has entered into an Assignment, Assumption and Indemnity Agreement, which relates to the Corporation taking on all the rights related to the leasing of land to the Province of Ontario for air ambulance and for the forest fire facility at the airport.

NAV CANADA operates a flight service station at the airport. There is an agreement with NAV CANADA to perform these functions and a lease has been entered into for the land under its tower and space in the administration building.

The Corporation has entered into an agreement with a company for the provision of security services which ends August 31, 2023. The agreement was not a set amount but rather billed on an hourly basis every month.

## 9. Contingent liability:

Pursuant to funding agreements with Transport Canada, the Corporation may in certain circumstances be considered in default of the agreement. Should the Corporation be considered in default of the agreement, action may be taken, which could result in repayment of funding or cancellation of the agreement.

## 10. Pension agreement:

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2022, the Corporation made employer contributions of \$193,616 to OMERS (2021 - \$196,657) which is included within salaries, wages and benefits on the statement of operations.

The Corporation estimates a contribution of \$224,935 to OMERS during the next fiscal year.

## 11. Related party transactions:

Related parties:

The Corporation enters into transactions with the City in the normal course of operations relating to charges and reimbursements for salaries, management fees and other operating expenses (note 4).

Compensation of key management:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. Key management personnel include the Corporation's Chief Executive Officer.

Compensation paid/payable to key management personnel are as follows:

	2022	2021
Total included in salaries, wages and benefits	\$ 288,148	\$ 163,265

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

## 12. Financial instruments and risk management:

Financial instruments are classified into one of the following categories: cash, trade and other receivables and other financial liabilities (comprises trade and other payables and payable to the City). The carrying values of the Corporation's financial instruments are as follows:

	2022	2021
Cash, trade and other receivables	\$ 873,624	\$ 2,653,653
Other financial liabilities	4,136,150	5,453,064

Cash, trade and other receivables and trade and other payables carrying values approximate their fair values due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

It is not practicable to determine the fair value of the amount payable to the City as there are no fixed repayment terms.

### i) Risk management

The Corporation's operating activities result in financial risks that may arise from changes in market risk, credit risk and liquidity risk.

### ii) Market risk

The Corporation conducts the majority of its business in Canadian dollars. Accordingly, the Corporation's exposure to foreign currency risk is minimal. The Corporation does not have any external variable rate or term debt. Accordingly, the Corporation has no significant interest rate risk.

### iii) Credit risk

The Corporation is subject to credit risk through its financial assets. The Corporation performs ongoing credit valuations of these balances and maintains impairment provisions for potential credit loss. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about the customer.

The Corporation derives a substantial portion of its operating revenues from air carriers through landing fees and terminal charges. There is a concentration of service with three air carriers, which represents approximately 71% (2021 - 59%) of terminal fees and national landing fees and 66% (2021 - 58%) of the trade and other receivable balance as at December 31, 2022.

# SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

## 12. Financial instruments and risk management (continued):

### iv) Liquidity risk

The Corporation manages liquidity risk by maintaining adequate cash balances. The table below analyzes the Corporation's financial liabilities based on the remaining period at the statement of financial position date to the contractual maturity date. The following table has been prepared based on the contractual undiscounted cash flows.

	2022		
	Less than 1 month	1 month to 12 months	1 year to 5 years
Trade and other payables	\$ 194,080	248,141	–

  

	2021		
	Less than 1 month	1 month to 12 months	1 year to 5 years
Trade and other payables	\$ 369,630	407,431	18,079

The amount payable to the City has not been included in the above table as there are no fixed repayment terms.

### v) Capital risk management

The Corporation defines capital that it manages as its equity. The Corporation's objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial obligations as they come due. As at December 31, 2022, the Corporation's retained earnings and accumulated other comprehensive income amounted to \$12,413,305 (2021 - \$13,931,422).

## 13. Comparative information:

Certain 2021 comparative information has been reclassified to ensure consistency with the presentation adopted in the current year.



## RESOLUTION OF THE MEMBERS

OF

### SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

(Hereinafter referred to as the Corporation)

#### RESOLUTION: #2023-007

**WHEREAS** the Members wish to receive and approve the draft audited Financial Statements of the Sudbury Airport Community Development Corporation (SACDC) for the year ended December 31, 2022.

**THEREFORE BE IT RESOLVED THAT** the draft financial statements of the Corporation for the year ended December 31, 2022, which were prepared by KPMG LLP, Professional Chartered Accountants, are hereby received and approved.

DATED: June 27, 2023

THE UNDERSIGNED, being an Officer of the Corporation, hereby signs the foregoing Resolution # **2023-007** pursuant to the provisions of the Corporations Act (Ontario).

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Dave Paquette, Chair



**RESOLUTION OF THE MEMBERS**

**OF**

**SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION**  
(Hereinafter referred to as the Corporation)

**RESOLUTION: #2023-008**

**WHEREAS** Section 94 of the Corporation's Act requires members to appoint auditors at their annual meeting;

**AND WHEREAS** the Operating Agreement between the City of Greater Sudbury and the Sudbury Airport Community Development Corporation (SACDC) provides for the City of Greater Sudbury (CGS) to supply auditing services to the Sudbury Airport Community Development Corporation as part of its routine corporate audit process;

**THEREFORE BE IT RESOLVED THAT** the Sudbury Airport Community Development Corporation accept the City of Greater Sudbury's auditors KPMG LLP for 2023.

DATED: June 27, 2023

THE UNDERSIGNED, being an Officer of the Corporation, hereby signs the foregoing Resolution # **2023-008**, pursuant to the provisions of the Corporations Act (Ontario).

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Dave Paquette, Chair



## RESOLUTION OF THE MEMBERS

OF

### SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

(Hereinafter referred to as the Corporation)

#### RESOLUTION: #2023-009

**WHEREAS** Section 290 of the Corporation's Act requires that the Chair of the Board be confirmed by a two-thirds vote of the membership of the Corporation;

**THEREFORE BE IT RESOLVED THAT** the Members of the Corporation hereby confirm \_\_\_\_\_ as Chair of the Board of Directors of the Corporation for the term of (1) one year or until his/her successor is appointed, effective June 27, 2023;

**AND THAT** the Chair of the Board is hereby assigned the duties described in Section 2.1 of the Governance Policies of the Corporation and all duties of the Chair of a Board of Directors coincident to that office.

DATED: June 27, 2023

THE UNDERSIGNED, being an officer of the Corporation, hereby signs the foregoing Resolution # **2023-009**, pursuant to the provisions of the Corporations Act (Ontario).

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Dave Paquette, Chair



**RESOLUTION OF THE MEMBERS**

**OF THE**

**SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION**

(Hereinafter referred to as the Corporation)

**RESOLUTION: #2023-010**

**WHEREAS** the following member has executed a Consent to Serve as a Director and Statement of Qualification as a Director;

**AND WHEREAS** the Members of the Corporation deem it desirable to appoint such member as Director, in the role of Past Vice-Chairperson;

**AND WHEREAS** the Members of the Corporation deem it desirable to appoint such member to a term that exceeds a maximum term of nine (9) years with a maximum one (1) year term extension to end no later than June 2024;

**THEREFORE BE IT RESOLVED THAT** the Members of the Corporation appoint the following member as Director in the role of Past Vice-Chairperson for the following term which begins June 2023 and ends June 2024.

For a one **(1)** year term only:

**BRENT BATTISTELLI**

**DATED: June 27, 2023**

THE UNDERSIGNED, being an Officer of the Corporation, hereby signs the foregoing Resolution # **2023-010**, pursuant to the provisions of the Corporations Act (Ontario).

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Dave Paquette, Chair