

Financial Statements

St. John's International Airport Authority

December 31, 2023

Independent Auditor's Report

To the Board of Directors of
the St. John's International Airport Authority

Opinion

We have audited the financial statements of the St. John's International Airport Authority (the "Authority"), which comprise the balance sheet as at December 31, 2023, and the statement of operations and equity in capital assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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 private enterprises ("ASPE").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 ASPE, 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 GAAS 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 GAAS, we exercise professional judgment and maintain skepticism throughout the audit. We also:

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

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

Deloitte LLP

Chartered Professional Accountants
April 30, 2024

St. John's International Airport Authority

Balance Sheet

As at December 31, 2023
(in thousands of dollars)

	2023	2022
Assets		
Current		
Cash and cash equivalents	\$ 29,615	\$ 13,715
Accounts receivable (note 3)	3,901	6,168
Consumable inventory	589	483
Prepaid expenses	738	525
Total current assets	34,843	20,891
Capital assets, net (note 4)	198,803	201,014
Debt service reserve fund (note 6)	2,784	2,777
Intangible assets, net	15	18
	\$ 236,445	\$ 224,700

Liabilities and Equity in Capital Assets

Current		
Accounts payable and accrued liabilities (note 5)	\$ 8,501	\$ 8,423
Current portion of long-term debt (note 6)	61,027	975
Total current liabilities	69,528	9,398
Long-term debt (note 6)	42,977	103,796
Capital contribution advances (note 14)	1,803	-
Deferred contributions for capital projects, net (note 7)	31,357	28,851
Equity in capital assets (note 1)	90,780	82,655
	\$ 236,445	\$ 224,700

Commitments (note 11)
See accompanying notes
On behalf of the Board:



David Howe, Chair



Peggy Coady, Chair, Finance and Audit

St. John's International Airport Authority

Statement of Operations and Equity in Capital Assets

For the year ended December 31, 2023
(in thousands of dollars)

	2023	2022
Revenues		
Landing fees	\$ 5,998	\$ 5,321
Terminal fees	4,466	4,137
Concessions	6,505	5,919
Rentals	5,214	4,915
Car parking	3,732	3,014
Other	2,643	1,323
	28,558	24,629
Airport improvement fees (note 8)	24,956	21,251
	53,514	45,880
Expenses		
Amortization	15,014	14,643
Salaries and benefits (note 13)	10,569	9,791
Operating	8,425	7,090
Interest and financing costs	4,774	4,854
Ground rent (note 11)	3,130	2,579
Professional services	1,134	742
General and administrative	972	780
Municipal tax	963	944
Business development	408	230
	45,389	41,653
Excess of revenues over expenses, before undernoted items	8,125	4,227
Impairment of tangible capital assets (note 4)	-	(539)
Excess of revenues over expenses, end of year	\$ 8,125	\$ 3,688
Total equity in capital assets, beginning of year	82,655	78,967
Total equity in capital assets, end of year	\$ 90,780	\$ 82,655

See accompanying notes

St. John's International Airport Authority

Statement of Cash Flows

For the year ended December 31, 2023
(in thousands of dollars)

	2023	2022
Operating Activities		
Excess of revenues over expenses	\$ 8,125	\$ 3,688
Add (deduct) items not involving cash		
Amortization - capital assets, net	17,525	16,919
Amortization - deferred contributions	(2,519)	(2,312)
Amortization - intangible assets	8	36
Amortization - other	208	184
Impairment of tangible capital assets	-	539
Gain on disposal of capital assets	(142)	-
	23,205	19,054
Changes in non-cash working capital balances related to operations		
Accounts receivable	2,267	(3,309)
Consumable inventory	(106)	(89)
Prepaid expenses	(213)	(233)
Accounts payable and accrued liabilities	78	2,072
Cash provided by operating activities	25,231	17,495
Financing Activities		
Increase in debt service reserve fund	(7)	(14)
Proceeds from revolving credit facility	-	499
Repayment of revolving credit facility	-	(499)
Repayment of revenue bond	(975)	(926)
Cash used in financing activities	(982)	(940)
Investing Activities		
Additions to capital assets	(15,323)	(8,079)
Additions to capital contribution advances	1,803	-
Additions to deferred contributions	5,025	3,386
Additions to intangible assets	(5)	(3)
Proceeds from sale of capital assets	151	-
Cash used in investing activities	(8,349)	(4,696)
Net increase in cash and cash equivalents during the year	15,900	11,859
Cash and cash equivalents, beginning of year	13,715	1,856
Cash and cash equivalents, end of year	\$ 29,615	\$ 13,715

See accompanying notes

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

1. Organization and nature of operations:

The St. John's International Airport Authority (the "SJIAA") was incorporated on May 6, 1996 as a corporation without share capital under Part II of the *Canada Corporations Act*. The *Airport Transfers (Miscellaneous Matters) Act* exempts the corporation from paying income and large corporations tax.

On December 1, 1998, the operations and undertakings of the St. John's International Airport (the "Airport"), previously administered by Transport Canada, were transferred to the SJIAA. The SJIAA operates the Airport pursuant to the provisions of a long-term lease with the Government of Canada (the "Ground Lease"). As the principal document governing the relationship and allocating responsibilities between the SJIAA and the Government of Canada, the Ground Lease provides a formula for the calculation and payment of Ground Rent, after an initial rent-free period which ended December 31, 2005. The term of the Ground Lease is eighty years, ending 2078.

The SJIAA has all the powers and obligations of any Canadian private corporation and operates on a fully commercial basis. The SJIAA has the autonomy to set all fees and charges and does not rely on grants, donations or on contributions with restrictions imposed by the contributor.

The corporate structure ensures that the excess of revenues over expenses, or surplus from operations, is retained and reinvested in capital assets for development of the Airport. Equity in capital assets includes the net assets invested in capital assets to date and cumulative surpluses restricted for future airport infrastructure projects and associated financing costs.

2. Significant accounting policies:

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises (ASPE) as issued by the Canadian Accounting Standards Board.

Management estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenues and expenses during the year. Significant estimates include the valuation of accounts receivable, useful lives of depreciable assets, completeness of accounts payable and accrued liabilities and the valuation of the defined benefit pension plan. Actual results could materially differ from those estimates.

Cash and cash equivalents

The SJIAA considers deposits in banks, certificates of deposits and short-term investments with original maturities of three months or less as cash and cash equivalents.

Ground lease

The Ground Lease is accounted for as an operating lease.

Severance pay

A liability for severance pay is recorded in the accounts for all employees who have a vested right to receive such payment.

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

Significant accounting policies (continued):

Capital assets

Capital assets are recorded at cost and are amortized on a straight-line basis from their in-service date over the estimated useful lives of the assets at the following annual rates:

<u>Asset</u>	<u>Rate</u>
Airport terminal building, other buildings and bridges	15 - 30 years
Leasehold improvements and improvements to leased land	15 - 30 years
Vehicles, machinery, furniture and fixtures	5 - 20 years
Computer hardware and software	3 - 15 years
Central de-icing facility	25 years

Assets under construction or development are recorded at cost and are transferred to capital assets when the projects are complete and the assets are placed into service.

Intangible assets

Intangible assets of the SJIAA include computer software and are recorded at cost and amortized on a straight-line basis over their estimated useful lives. Amortization of \$7,819 (2022 - \$35,914) is included in operating expenses for the year.

Revenue recognition

Landing fees, terminal fees, and car parking revenues are recognized as the facilities are utilized. Airport improvement fees ("AIF"), net of airline administration costs, are recognized when originating departing passengers board the respective aircraft and are subject to reconciliation with air carriers. Concessions revenue is charged on a monthly basis and is recognized based on a percentage-of-sales or specified minimum levels. Rental revenue is recognized on a straight-line basis over the duration of the respective agreements.

Contributions for capital projects, exclusive of AIF, are accounted for under the deferral method. Contributions externally restricted for the purchase of capital assets are deferred and recognized in income as the related assets are amortized.

Pension plans

In 2005, the SJIAA established a contributory defined contribution pension plan for new employees hired after March 9, 2003, whereby retirement benefits are based on the investment in the marketplace of both the employer and the employee contributions. The employees determine where their funds are invested. The SJIAA's contributions to this plan for the year ended December 31, 2023 amounted to \$393,962 (2022 - \$361,173).

The SJIAA has a contributory defined benefit pension plan for employees hired prior to March 10, 2003. Retirement benefits are based on length of service and the best six years' average earnings. The defined benefit pension cost is charged to salaries and benefits expense as employees render services.

The Authority's policies for accounting for future employee benefits for the defined benefit pension plan are as follows:

- I. The defined benefit obligation of the pension plan is measured using the most recently completed funding valuation filed with the Office of the Superintendent of Financial Institutions ("OSFI"). The cost of pensions earned by employees is actuarially determined using the projected unit credit actuarial cost method. Under this method, the accrued benefit obligation represents the pensionable service accrued

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

Significant accounting policies (continued):

as at the valuation date and long-term best estimate assumptions consistent with the going concern valuation prepared for funding purposes.

- II. For the purpose of calculating expected return on plan assets, those assets are valued at market value.
- III. Actuarial gains and losses are recognized in full in the period in which they occur, in excess of revenues over expenses.

Financial instruments

The financial instruments, which include cash and cash equivalents, accounts receivable, debt service reserve fund, accounts payable and accrued liabilities and long-term debt, are recorded at amortized cost. Amortization is recorded on a straight-line basis using the effective interest rate method.

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

Effective interest rate method

Transaction costs are included in the debt balances and are recognized as an adjustment to interest expense over the term of the debt. The SJIAA uses the effective interest rate method to recognize bond interest expense and financing costs where the amount to be recognized varies over the life of the debt based on the principal outstanding.

Consumable inventory

Inventories are valued at the lower of cost and replacement cost. For 2023, \$1,161,517 (2022 – \$764,312) of inventories were recognized as an expense.

3. Accounts receivable:

	2023	2022
Trade	\$2,032	\$2,078
Airport improvement fees	940	1,003
Payroll advances	126	146
HST	72	-
Other	852	3,074
Allowance for doubtful accounts	(121)	(133)
	\$3,901	\$6,168

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

4. Capital assets:

			2023	2022
	Cost	Accumulated Amortization	Net book Value	Net book Value
Airport terminal building, other buildings and bridges	\$155,579	\$75,873	\$79,706	\$86,622
Leasehold improvements and improvements to leased land	139,799	61,372	78,427	78,969
Vehicles, machinery, furniture and fixtures	46,814	17,716	29,098	24,880
Computer hardware and software	2,492	1,614	878	591
Central de-icing facility	14,344	9,485	4,859	5,427
Assets under construction or development	5,835	-	5,835	4,525
	\$364,864	\$166,060	\$198,803	\$201,014

Assets under construction or development in 2023 are not being amortized and consisted of the Airport Terminal Building West Expansion, Parking Lot Refresh Project and two Loading Bridge replacements. In 2023, the Authority recorded impairment of tangible assets of \$nil (2022 - \$538,923).

5. Accounts payable and accrued liabilities:

	2023	2022
Trade	\$2,288	\$1,678
Accrued liabilities	4,470	4,686
HST	-	318
Salaries and benefits	1,152	1,207
Deferred revenue and other	591	534
	\$8,501	\$8,423

6. Long-term debt:

	2023	2022
Revenue bonds	\$106,062	\$107,037
Revolving credit facility	-	-
	106,062	107,037
Less transaction costs (net of amortization of \$208,144; 2022 - \$184,892)	(2,058)	(2,266)
	104,004	104,771
Current portion	61,027	975
	\$42,977	\$103,796

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

Long-term debt (continued):

(a) Bond Issue

In May 2007, the SJIAA completed its inaugural \$55,000,000 Revenue Bond issue. The \$55,000,000, 5.252% Series A Revenue Bonds pay interest semi-annually. \$27,500,000 of the initial principal amount is repayable in semi-annual installments. The remaining principal is payable on maturity, which is May 11, 2037.

In July 2014, the SJIAA completed a \$60,000,000 Revenue Bond issue. The \$60,000,000, 3.479% Series C Revenue Bonds are due on July 15, 2024.

The net proceeds from these offerings are used to finance the capital plan and for general corporate purposes. These purposes include repaying existing bank indebtedness and funding of the Debt Service Reserve Fund. The bonds are direct obligations of the Authority ranking *pari passu* with all other indebtedness issued under the Master Trust Indenture.

(b) Reserve Funds

Pursuant to the terms of the Master Trust Indenture, the SJIAA is required to establish and maintain with a trustee a Debt Service Reserve Fund with a balance at least equal to 50% of the annual debt service costs. As at December 31, 2023, the Debt Service Reserve Fund included \$2,783,632 (2022 - \$2,777,375) in interest-bearing deposits held in trust. These trust funds are held for the benefit of bondholders for use in accordance with the terms of the Master Trust Indenture.

For 2023, the SJIAA was required to maintain an Operating and Maintenance Reserve Fund of approximately \$4,658,618. The Operating and Maintenance Reserve Fund must be established and funded as required by the Master Trust Indenture, for the benefit of bondholders. The balance in the fund is equal to 25% of the actual or estimated Operating and Maintenance Expenses incurred by the SJIAA over the previous 12-month period. For 2024, approximately \$5,389,446 will be required to fund the Operating and Maintenance Reserve Fund. The Operating and Maintenance Reserve Fund may be satisfied by cash, qualified investments, letters of credit and the allocation by the Authority of un-drawn availability under a Committed Credit Facility.

(c) Credit Facilities

The credit facilities of the SJIAA are secured by a \$75,000,000 pledge bond issued pursuant to the Master Trust Indenture. Indebtedness under the credit facilities ranks *pari passu* with other indebtedness issued under the Master Trust Indenture.

i) Revolving Credit Facility

The SJIAA has a Revolving Credit Facility of \$ \$30,000,000. The facility has a term of twenty-two and a half months and a maturity date of July 15, 2024.

Indebtedness under the Revolving Facility bears interest at rates that vary with the lender's prime rate and Banker's Acceptance rates, as appropriate. During 2023, the interest rate was 0.8%.

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

Long-term debt (continued):

(d) The annual principal payments required over the next five years and thereafter are as follows:

2024	\$61,027
2025	1,081
2026	1,139
2027	1,200
2028	1,263
Thereafter	40,352
	<u>\$106,062</u>

7. Deferred contributions for capital projects:

From time to time the SJIAA receives contributions for capital projects from various sources. These funds are accounted for under the deferral method, as outlined in note 2.

	2023	2022
Balance, beginning of the year	\$28,851	\$27,777
Add capital contributions received during the year	5,025	3,386
Less amortization	(2,519)	(2,312)
Net deferred contributions for capital projects	<u>\$31,357</u>	<u>\$28,851</u>

During the year the SJIAA received capital contributions of \$4,944,223 (2022 - \$2,771,529) from the Government of Canada for the airfield rehabilitation project and for critical fleet replacement (note 14). In 2022 \$613,756 was received from the Canadian Air Transport Security Authority for the Hold Bag Screening System Expansion.

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

8. Airport improvement fees:

The SJIAA entered into an AIF agreement dated May 27, 1999 with the Air Transport Association of Canada and major air carriers serving the Airport. The AIF agreement provides for a consultative process with air carriers regarding the expansion of airport facilities and the collection of AIF by air carriers. The air carriers collect the AIF from passengers on behalf of the SJIAA which entitles them to withhold a handling fee. The AIF rate at December 31, 2023 was \$42 (2022 - \$42) and applies to each departing enplaned passenger. AIF revenues earned and the cash collected can only be used to fund Airport infrastructure projects and associated financing costs that relate primarily to the passenger-handling functions of the Airport.

As at December 31, 2023, cumulative expenditures of \$374,161,243 (2022 - \$358,749,303) exceeded cumulative net AIF revenue collected of \$290,670,782 (2022 - \$265,714,838) by \$83,490,461 (2022 - \$93,034,465). A summary of the AIF collected and the related collection costs are as follows:

AIF revenue (net):	2023	2022
AIF revenue	\$26,845	\$22,852
AIF collection costs	(1,889)	(1,601)
	\$24,956	\$21,251

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

9. Defined benefit pension plan:

	2023	2022
Plan assets		
Market value, beginning of year	\$30,117	\$33,154
Interest earned	952	934
Employer contributions	185	432
Employee contributions	63	53
Benefits paid	(869)	(780)
Actuarial gain (loss)	2,957	(3,676)
Market value, end of year	33,405	30,117
Plan obligations		
Accrued benefit obligations, beginning of year	21,460	20,903
Employee contributions	63	53
Current service cost	273	291
Interest cost	954	931
Benefits paid	(869)	(780)
Actuarial (gains) losses	(1,004)	62
Accrued benefit obligations, end of year	20,877	21,460
Determination of total cost for the year		
Current service cost	273	291
Remeasurement and other items	(88)	141
Income for the year	185	432
Defined benefit asset		
Defined benefit asset, beginning of year	-	-
Income for the year	(185)	(432)
Employer contributions during the year	185	432
Defined benefit asset, end of year	-	-
Valuation allowance		
Valuation allowance, beginning of year	8,657	12,251
Effect of valuation allowance on finance cost	(2)	3
Remeasurement of valuation allowance	3,873	(3,597)
Valuation allowance, end of year	12,528	8,657
Weighted average actuarial assumptions		
	2023	2022
Discount rate	5.00%	4.50%
Rate of salary increases	3.25%	3.25%

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

Defined benefit pension plan (continued):

The assets of the pension plan are invested and maintain the following asset mix:

	Percentage of plan assets	
	2023	2022
Bonds/fixed-income securities	42.26%	44.81%
Equity securities	57.74%	51.19%
Total	100%	100%

The date of the last actuarial valuation of the defined benefit pension plan is December 31, 2022. According to this valuation, the SJIAA's employer service contribution as a percentage of payroll was 23% for 2023 (2022 – 25%). A \$4,312,500 wind-up surplus in the defined benefits pension plan existed as of December 31, 2023.

10. Financial risk factors:

(a) Interest rate risk:

The SJIAA's exposure to interest rate risk relates to its floating rate Credit Facilities described in Note 6 (c), long-term debt. It should be noted that the majority of SJIAA's debt is fixed-rate debt and therefore changes in interest rates do not significantly impact interest payments but may impact the fair value of this debt.

(b) Credit risk:

The SJIAA is subject to credit risk through its financial assets. The SJIAA performs ongoing credit valuations of these balances and maintains valuation allowances for potential credit loss. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about the customer.

The SJIAA's revenues are largely dependent on the domestic air transportation industry. One major carrier providing passenger traffic to the Airport accounted for approximately 61.2% (2022 – 57.6%) of the total enplaned and deplaned passengers for the Airport during the year.

11. Commitments:

Ground Lease:

In January 2006, the SJIAA began paying Ground Rent to Transport Canada as outlined in its terms of the Ground Lease.

The annual payments are forecasted to be as follows over the next five years:

2024	\$3,398
2025	3,534
2026	3,675
2027	3,822
2028	3,975

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2023

(tabular amounts expressed in thousands of dollars except where otherwise noted)

12. Other information:

The Authority may, from time to time, be involved in legal proceedings, claims and litigation that arise in the ordinary course of business which the Authority believes would not reasonably be expected to have a material adverse effect on the financial condition of the Authority.

13. Directors' and officers' remuneration:

The salary range for the Authority's Chief Executive Officer and for senior managers reporting to the Chief Executive Officer was \$146,352 to \$233,300 during 2023 (2022 - \$137,800 to \$235,000).

14. Government Assistance

In 2022, the SJIAA was successful in its Airport Critical Infrastructure Program ("ACIP") application to the Government of Canada for critical fleet replacement and airfield rehabilitation. This multi-year program provides 50% funding for approved projects from 2022 to 2026. During the year funding of \$4,944,223 (2022 - \$2,771,529) was received (note 7). During the year advances of \$1,802,944 (2022 - \$nil) were received and are included in capital contribution advances.