



North Bay Jack Garland Airport



**2018
Annual General Meeting
Annual Report
May 9, 2019**





2018 Annual Report

Chairman's Message

Operating Mandate

NBJGAC Board of Directors

Organizational Chart

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Airport Facilities

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Chairman's Message

North Bay Jack Garland Airport (NBJGA) completed its sixteenth year as a not for profit corporation. Created in February 2003, NBJGA Corporation is overseen by a Board of Directors made up of community leaders representing various aspects of our community with the goal of operating a successful regional airport to serve North Bay and surrounding communities.

On behalf of the Board, I am pleased to report that NBJGA had another successful year. The management team and employees of the airport continue to overcome the many challenges faced by regional airports such as NBJGA and they can be proud of their accomplishments.

A new five year collective agreement was ratified in May with our workforce that will provide stability for the operations.

The Airport Safety Management Systems (SMS) and the Security Operation Program in place are an integral part of our daily operation and are actively supported by the Board, employees, and the airport community.

The NBJGA Corporation continued commitment to invest and rehabilitate the airport infrastructure saw \$1,896,215. put into the facility in 2018. The Corporation received \$1,056,883 from the City of North Bay and \$901,062 under Transport Canada's Airport Capital assistance program. The balance of capital \$37,445 was internally funded from airport reserves.



Chairman's Message

Major projects undertaken in 2018 included:

- Rehabilitation of the emergency and normal power systems.
- Airport equipment and fleet renewal.
- Rehabilitation of the dome roof on the terminal.
- Airport Signage.
- Design and Tender document for the rehabilitation of runway18-36

The airport continued its runway repairs program to ensure properly maintained runways and to help prolong their life in a cost effective manner. In addition routine repairs to taxiways, aprons, and buildings were carried out.

From a financial perspective the goals set in our business plan were exceeded and the Corporation had its best year since being established in 2003. In 2018, NBJGA had revenues of \$2,842,990 versus a budget of \$2,536,020; NBJGA realized an operational income of \$277,669 versus a budget of \$9,864. The variance in operational income versus budget was a result of higher than anticipated passenger loads, a busy fire season and new contracts in our complimentary service unit.



Chairman's Message

73,992 scheduled service passengers used NBJGA which is an 8.4% decrease from 2017, and 17,168 itinerant aircraft movements in 2018, a decrease of 14% from the previous year. The decrease in airline passengers is attributed to Porter Airlines ceasing service in 2017 while the decrease in itinerant movements was greatly due to the weather both in North Bay and Toronto.

May and June 2018 MNR saw a significant fire operation from their new fire base with several helicopters and aircraft staging operations from Apron III to fight local forest fires.

June 13th Canada Armed Forces day events were held and a number of preshow events took place at the airport. The events included the Sky Hawks Jumps and tours of the CF-18 for local groups.

The week of August 6th, 2018 the airport hosted the Commemorative Air Force team with a B-29 "FIFI" which generated positive reviews by all who were out to visit and take a flight in the nostalgic aircraft.

Friday September 21st, saw the second edition of the Pull for United Way fund raising event held in conjunction with United Way, 22 Wing, Voyageur Aviation Corporation, and the NBJGAC.



Chairman's Message

Management continues to work closely with the City of North Bay's economic development department and invest North Bay to support commercial and industrial development on groundside and airside properties in the recently opened Airport Business Park. In July the Corporation received funding from Invest North Bay to implement a project for the long-term continued growth of the airport which included adding a fulltime Commercial Development person dedicated to the airport.

The recent Airport Economic Impact Study findings demonstrate the significant value of this asset in the community.

Categories	Direct effect	Indirect effect	Induced effect	Total
Jobs (FTE)	424.45	179.7	129.6	733.74
Labour Income	\$ 19 381 965	\$ 10 109 175	\$ 6 001 501	\$ 35 492 641
Gross profits	\$ 4 094 618	\$ 3 461 471	\$ 2 793 982	\$ 10 350 073
Fiscal Impacts (taxes)	\$ 4 227 029	\$ 3 779 647	\$ 3 325 727	\$ 11 332 405
Contribution to the Gross Domestic Product (GDP)	\$ 27 703 614 (48,5%)	\$ 17 350 294 (30,3%)	\$ 12 121 211 (21,2%)	\$ 57 227 256 (100%)



Chairman's Message

The continued support of the community, its municipal leaders and other levels of government is appreciated and will be necessary as we continue to work to maintain and grow a safe and efficient regional airport.

Management continues to make it a priority to work with its current tenants, stakeholders and the community to make the NBJGA a successful regional airport.

Moving forward, on-going priorities will be: continued implementation of our strategic plan, a concerted effort to increase our marketing and development presences of the airport facility and the rehabilitation of the cross wind runway (18-36) in 2019.

The Board is pleased with the progress that has been made to date to improve the financial position and physical plant of the NBJGA. As of the end of 2018, \$19,705,208. has been invested in the physical plant and a reserve fund of \$666,193 is in place to help leverage future projects. While challenges remain to ensure the financial and commercial self-sustainability of the airport we believe that the NBJGA has the potential to be a premiere self-sustaining regional airport facility.

In closing and on behalf of the board I would like to thank the management team and employees of NBJGA for their dedication and hard work in making the past year a success. I have confidence that with the continued support of all of the stakeholders we will make this airport an important contributor to the economic and social development of North Bay and its surrounding region.



Operating Mandate

The Mission/Mandate

The corporation shall operate a certified airport in a safe, secure and efficient manner while promoting and developing aviation services in order to optimize sustainable revenue generation and operational efficiencies to ensure the commercial viability of the airport while growing, enhancing and maintaining capital assets in support of the overall economic development of the North Bay area.

In consultation with and approval of the City, the corporation will seek to develop and improve City owned lands within the boundary of the airport.

The North Bay Jack Garland Airport Corporation Vision

North Bay Jack Garland Airport Corporation will respond to regional economic development initiatives and pursue a strategy that will, build strategic partnerships, increase utilization of current assets to retain, grow, support and attract aviation/aerospace businesses, passengers and tenants.



NBJGAC Board of Directors

Board of Directors

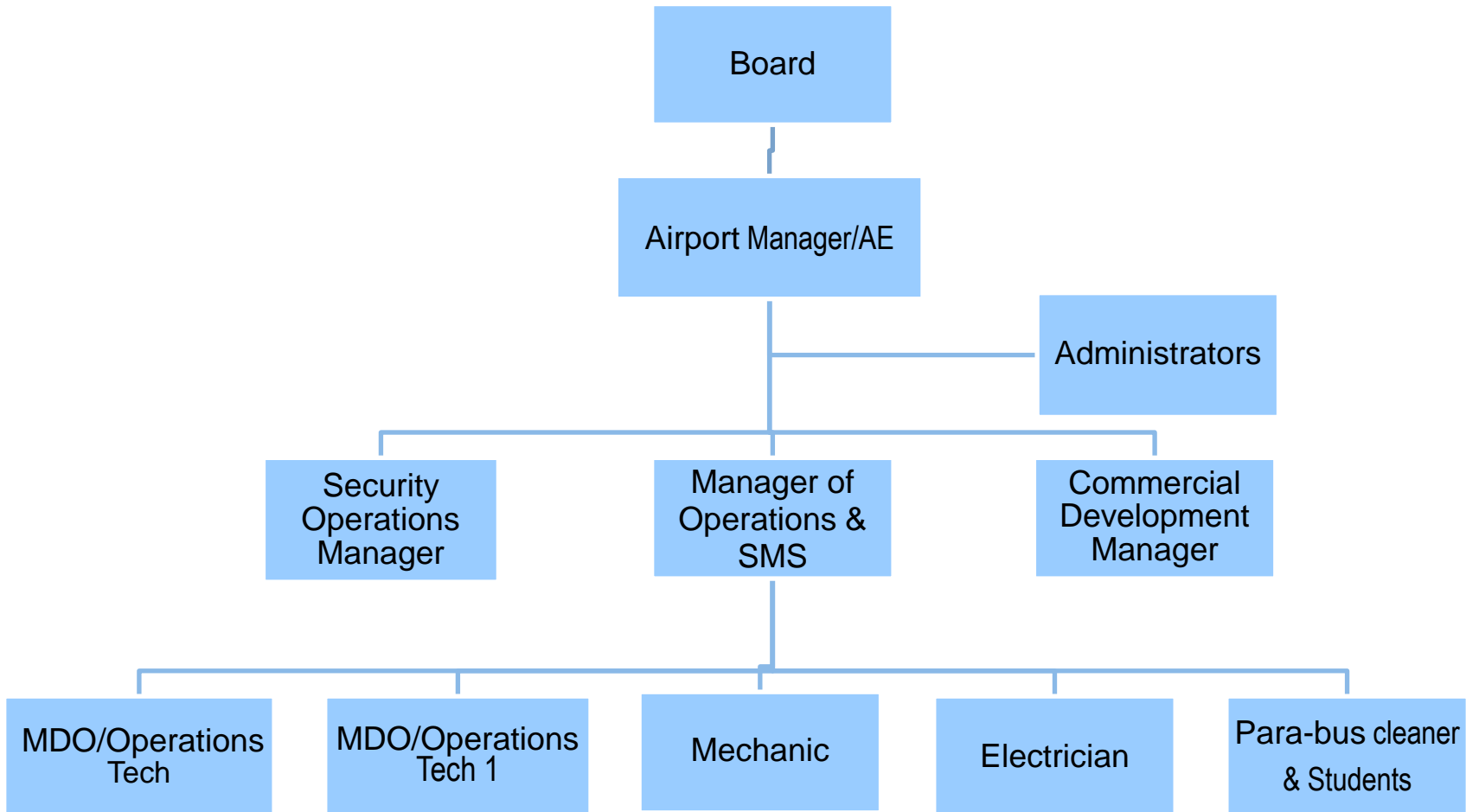
Mr. Ewen Cornick	Chairman	Community
Mr. Karl Neubert	Vice Chair	Community
Mr. George Burton	Treasurer	Canadore College
Mr. Kevin Donnelly	Secretary	Community
Mr. Ron Miller	Director	Community
Mrs. Nicole Parker	Director	Community
Mr. Chris Mayne	Director	City of North Bay
Mr. Peter Argue	Director	Community
Mr. Duncan Sharp	Director	Voyageur Airways

Board Committees

Executive Committee	Chair	Mr. Ewen Cornick
Operations/Policy Committee	Chair	Mr. Karl Neubert
Financial/Human Resources Committee	Chair	Mr. George Burton
Marketing/Property Committee	Chair	Mr. Ewen Cornick



North Bay Jack Garland Airport Corporation





Airport Contact Information

- **Mailing Address**
 - North Bay Jack Garland Airport Corporation
50 Terminal St., Suite 1
North Bay, ON
P1B 8G2
- **Telephone:** (705) 474-3026
- **Fax:** (705) 472-3020
- **Email:** airportmanager@yyb.ca
- **Website:** www.yyb.ca



Airport Facilities

- The North Bay Jack Garland Airport is a full service airport offering all the conveniences of a modern regional airport.
- The municipally owned airport is served by several air carriers and charter operators with daily scheduled flights, providing national and international connector service for North Bay and other Northern Ontario communities.
- The airport is certified by Transport Canada for day and night IFR (Instrument Flight Rules) and VFR (Visual Flight Rules) operations.
- The main 10,004 foot runway is serviced by a parallel taxiway for efficient airport operations.
- Category 1 Instrument Landing System (ILS), Canada Customs, and Flight service Station attract and accommodate a diverse range of aircraft.
- The 4,492 foot cross wind runway and the 2,000 foot turf runway for glider operations provide alternates for airport users.
- The pavement loading rating of 11 on the main runway will support all types of aircraft
 - light trainers
 - wide-bodied planes such as the Boeing 777 and Air Bus 340
 - Military operations C-130, F-18, C-17
- With attractive noise exposure forecasts (NEF Zones), registered zoning, supportive municipal by-laws and approach procedures the airport offers 24-hour unlimited access with no curfew restrictions.
- The North Bay Airport offers protected flight test corridors and flight test areas in close proximity.



2018 Year In Review

Operations

Safety Management System:

Objective #1 – Reduce potential for incursions during Airside Operations. We had one (1) incursion in 2012, four (4) in 2013, two (2) in 2014, two (2) in 2015, one (1) in 2016, two (2) in 2017 and zero (0) in 2018. Incursions are a serious concern to the airport and therefore this objective will once again be carried forward to our 2019 Objectives. Listed below are some of the actions we have taken or plan to take to address this issue;

- In 2013 we introduced incursion awareness training for new operator AVOP training.
- In 2014 we added incursion awareness to our existing and returning term staff training, developed an airport cell phone policy, developed an Airside Communications SOP and educated staff on the advantages of twinning of frequencies while operating airside.
- In 2015 AVOP requirements for Fire Dept., security staff and tenants including the Glider Club was a focus of our efforts. We met with NavCanada to discuss any issues they may have recognized with Airport Staff and Tenants during FSS hours of operation.
- In 2016 we continued our training from past years in conjunction with implementation of an AVOP six month skill verification for holders of current Airside Vehicle Operators Permits.



2018 Year In Review

Safety Management System:

- In 2017 we increased the six month AVOP skill verification to include a minimum of operating airside six times during the six month period and the requirement to notify the airport of compliance. Failure to do so will initiate a mandatory AVOP Ride-along that must be completed within 90 days or the AVOP is revoked. We have continued our awareness initiatives with both staff and tenants and we have also instituted the requirement for an airport escort for any special events that involve operating on or crossing maneuvering areas for a fee. No escorts, no event.
- For 2018 we have continued to send six month awareness & communications emails to staff & tenants for airside vehicle use and, discussed with staff previous incursions and any AVOP related issues during our winter refresher training

Objective #2 – Reduce lighting breakage. In past years we have averaged between 20 to 50 damaged lights annually, in 2016 29 lights were damaged, in 2017 25 lights including one guard light were damaged and for 2018 17 lights were damaged. There has not been a substantial improvement for 2018 and we will continue this objective for 2019.

Objective #3 – Improve reliability of standard & emergency power supply systems. This Objective has been achieved, the new electrical system is functioning properly with start-up and switchover for both the Terminal IPU and the Field Electrical Centre IPU averaging under 10 seconds from loss of utility supplied power, well under the Transport Canada mandated 15 second maximum.



2018 Year In Review

Airport Security Program:

Security Policy and its Effectiveness

The North Bay Jack Garland Airport's Security Policy continues to include detailed directives to reinforce security as an integral component of the North Bay Airport culture. The program manual was reviewed by Airport Management in March during which time the policy was determined to be accurate and adequate. Therefore, no amendment has been made to the Security Policy.

Objectives, Goals & Supporting Safety Performance Parameter Achievements for 2018

.Objective #1 – Reduce the number of security incidents/infractions relating to gates and access points. We had two (2) in 2014, six (6) in 2015, thirteen (13) in 2016, and nine (9) in 2017, eight (8) in 2018. Although 2018 saw a minor decrease in the number of incidents, with the number of gates and access points throughout the airport, this objective will once again be carried forward to 2019 Objectives.

Training & Effectiveness

Employee training is always ongoing with staff required to have specific training before commencing work at the airport and depending on the position job specific training is mandatory. Follow-up refresher training is provided annually to all employees, including airport security awareness. All staff has had the required ASP training and or annual refresher as stated in our Airport Security Program Manual section 3.3



2018 Year In Review

Airport Security Program:

Transport Canada Review, QA Audit Reports, Follow-ups and Corrective Actions

In 2018 there was one Transport Canada review of the Airport Security Program. No findings and therefore no corrective actions were required following this review.

Operations

Maintenance:

- Tree removal to meet Obstacle Limitation System requirements for runway 08-26 and the turf strip.
- Airfield maintenance projects included, line painting for all hard surfaces and crack sealing of runway 08-26
- Repairs and upgrades to all buildings.
- Fence repairs and brush clean-up on the fence line
- Life safety systems repairs in the administration and terminal buildings
- General Building Repairs
- Heating systems repairs in all building



2018 Year In Review

Operations

Major construction projects and capital expenditures in 2018 included:

- Rehabilitation of the emergency and non-essential power systems
- Rehabilitation of the dome roof on the terminal
- Airport ground equipment fleet renewal
- Airport Signage renewal

All works were completed to enhance service, safety and the financial viability of the airport.

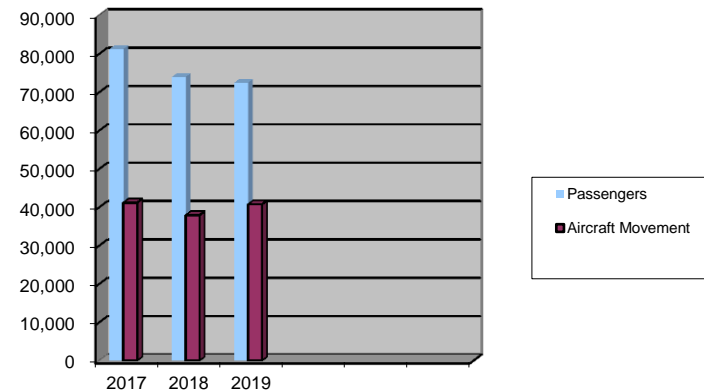


2018 Year In Review

Traffic Activity 2018

- 73,992 airline enplaned/deplaned passengers used the North Bay Airport which was down 9.8% over 2017. this change reflects Porters departure in 2017. In addition 9,102 other passengers used the facilities for itinerant and private flights.
- Aircraft activity for the year was 37,975 movements.
- Itinerant aircraft movements were 17,168 down by 8% over the previous year which is attributed to Porter and flight cancelations due to weather in Toronto and North Bay.
- Local aircraft movements were 20,807 which was down 8% this was due primarily to weather which limited the cadet program as well as local training flights.
- As noted below we expect 2019 to remain stable.

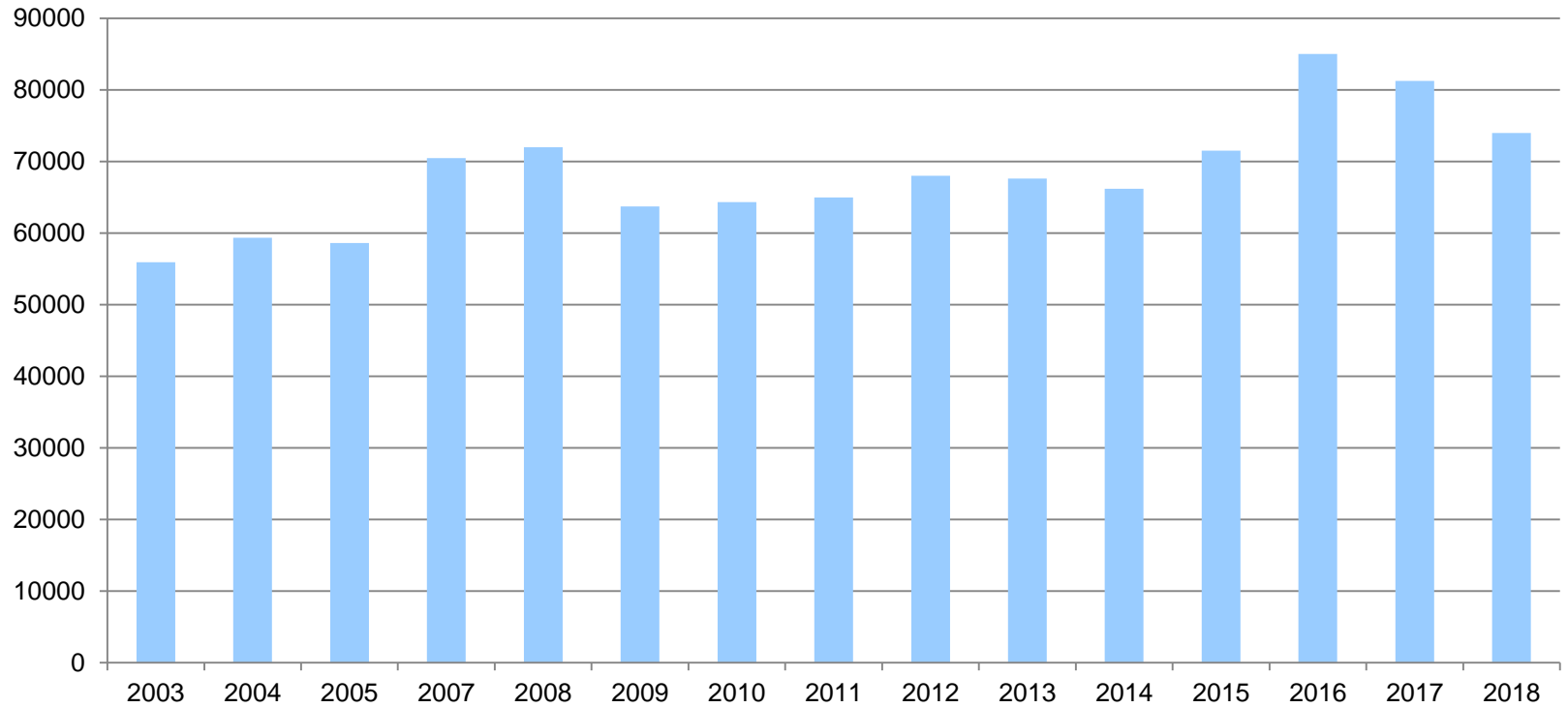
	2017	2018	2019
Passengers	81,272	73,992	72,500
Aircraft Movement	41,221	37,975	40,800





2018 Year In Review

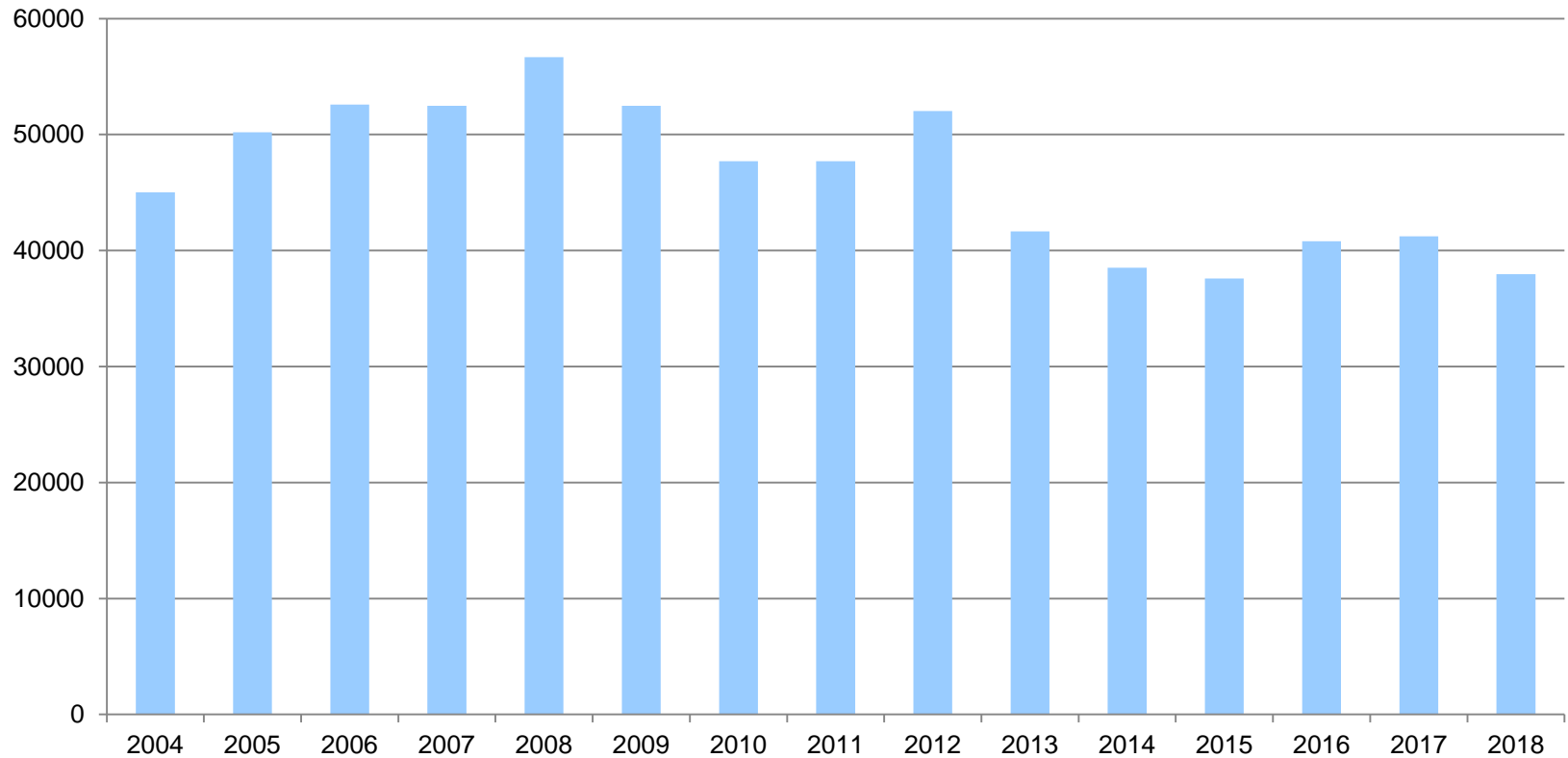
PASSENGER STATISTICS





2018 Year In Review

AIRCRAFT MOVEMENT STATISTICS





2018 Year In Review

Capital Program

In 2018 a capital program of \$1,896,215 was undertaken with funding provided from the following sources:

- Transport Canada under the Airport Capital Assistance Program
- City of North Bay
- North Bay Jack Airport Corporation

Major capital projects included:

- Completion of the Airport Power System Rehabilitation





2018 Year In Review

Capital Program – continued

Other capital projects that were undertaken during 2018 included;

- Airport equipment and fleet renewal
- Terminal Roof Rehabilitation





2018 Year In Review

Capital Program – continued

Other capital projects that were undertaken during 2018 included;

- Signage renewal

 Airport Administration Administration de l'aéroport 		
 	 	 
 	 	 
 	 	 
 		 





2018 Year In Review

Business Development

North Bay Jack Garland Corporation and airport management recognize the need for a competitive and self-sufficient organization designed to serve the needs of the travelling public, airport tenants and the North Bay and area community.

In order to meet this objective in July the Corporation received funding from Invest North Bay to implement a project for the long-term continued growth of the airport which included adding a fulltime Commercial Development person dedicated to the airport.

A multi prong Economic Impact Study was completed to realign our focus and provide our Commercial Development Manager Kelly Hewitt a fresh starting point to move forward. The study addressed the following:

- Complete an Airport Economic Impact Study and tie it to the various existing components noted below into one master marketing document:
- Airport Land Use Plan
- Airport Noise Exposure Report
- Airport and City Strategic plans
- Air Service Development Document
- 'Investment readiness' and the development or updates of investment readiness products and profiles required and include them in a single document.



2018 Year In Review

Business Development

Results from the Economic Impact study conducted in late 2018

Categories	Direct effect	Indirect effect	Induced effect	Total
Jobs (FTE)	424.45	179.7	129.6	733.74
Labour Income	\$ 19 381 965	\$ 10 109 175	\$ 6 001 501	\$ 35 492 641
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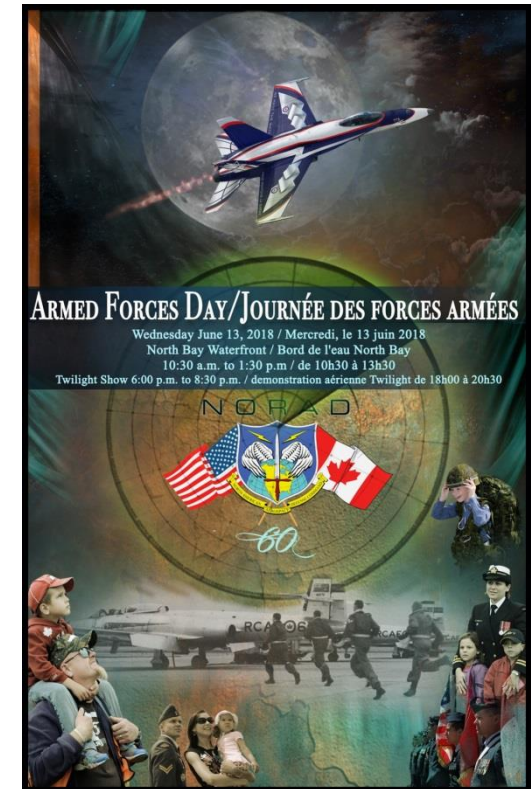


2018 Year In Review

Special Events

Airport facilities were utilized by several community groups during 2018:

- Canadore Aviation College Air Cadet Program
- Canada Armed Forces Day
- Tours for Local School , and others





2018 Year In Review

Special Events

Airport facilities were utilized by several community groups during 2018:

- Commemorative Air force B-29
- United Way Aircraft Pull





Financial Summary

	2018	
	Actual	Budget
Revenues	\$ 2,842,990	\$ 2,536,020
Expenses	<u>\$ 2,465,118</u>	<u>\$ 2,411,156</u>
Operating Income	\$ 377,872	\$ 124,864
Gain on Capital Assets	<u>\$ 12,881</u>	<u>\$ -</u>
Amortization	<u>\$ 113,084</u>	<u>\$ 115,000</u>
Net Income	\$ 277,669	\$ 9,864

In 2018 the NBJGA Corporation generated an operational profit of \$377,872 and a net profit of \$277,669 once the gain on capital assets and amortization cost were factored in.

Actual net income versus Budget were impacted by:

Revenue

- MNR Fire season
- Passenger numbers
- Contracted snow removal and mechanical service

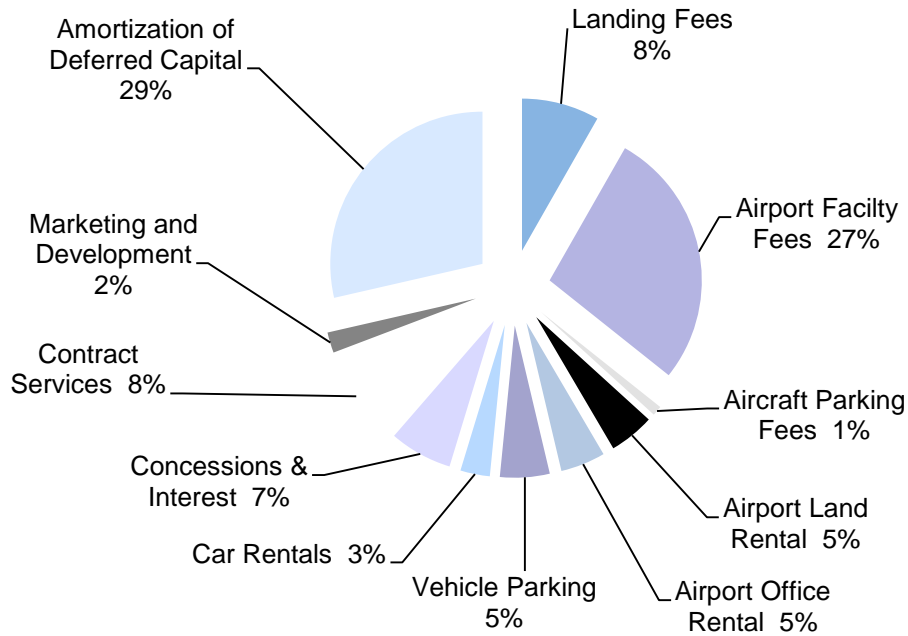
Expenditures

- Wages
- Equipment and Building Repairs
- Airfield Electrical maintenance
- Contract Services

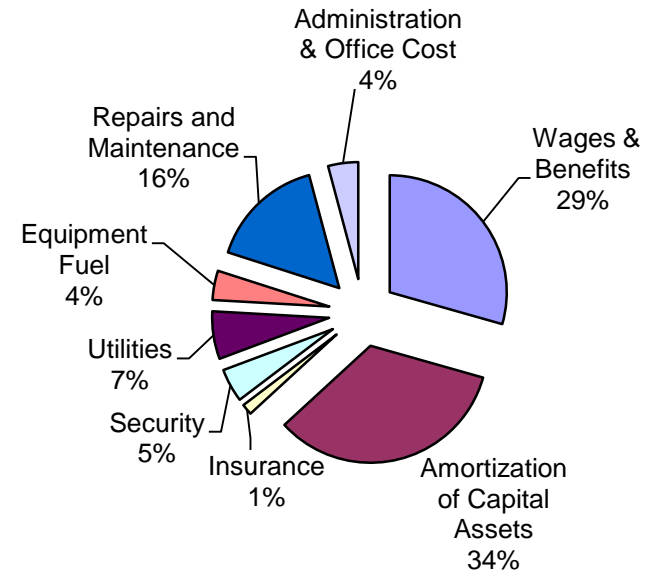


Financial Summary

Revenues by Type



Expenses by Type





Financial Statements of
**NORTH BAY JACK GARLAND
AIRPORT CORPORATION**
Year ended December 31, 2018



North Bay Jack Garland Airport Corporation
Financial Statements
For the year ended December 31, 2018

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Independent Auditor's Report

To the Shareholder of North Bay Jack Garland Airport Corporation

Opinion

We have audited the financial statements of North Bay Jack Garland Airport Corporation (the "Entity"), which comprise the statement of financial position as at December 31, 2018, and the statement of operations, statement of changes in net assets and statement of 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 Entity as at December 31, 2018, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Entity 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 public sector accounting standards, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.



Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario

April 11, 2019



**North Bay Jack Garland Airport Corporation
Statement of Financial Position**

December 31	2018	2017
Assets		
Current		
Cash and cash equivalents	\$ 601,283	\$ 376,610
Restricted cash and cash equivalents (Note 2)	666,193	569,945
Accounts and grants receivable (Note 1)	572,354	526,534
Inventories	82,763	93,458
Prepaid expenses	5,231	5,257
	1,927,824	1,571,804
Capital assets (Note 3)	10,263,652	9,618,343
	\$ 12,191,476	\$ 11,190,147
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 461,263	\$ 658,092
Deferred revenue (Note 4)	129,960	29,596
	591,223	687,688
Deferred capital contributions (Note 5)	9,742,457	8,922,332
	10,333,680	9,610,020
Net Assets		
Unrestricted	670,408	314,171
Equity in capital assets (Note 6)	521,195	696,011
Internally restricted (Note 2)	666,193	569,945
	1,857,796	1,580,127
	\$ 12,191,476	\$ 11,190,147

On behalf of the Board:

_____ Director

_____ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



**North Bay Jack Garland Airport Corporation
Statement of Changes in Net Assets**

For the year ended December 31				2018	2017
	Unrestricted	Internally Restricted	Equity in Capital Assets	Total	Total
Net assets, beginning of year	\$ 314,171	\$ 569,945	\$ 696,011	\$ 1,580,127	\$ 1,511,605
Excess (deficiency) of revenues over expenses	390,753	-	(113,084)	277,669	68,522
Net changes in equity in capital assets (Note 6)	61,732	-	(61,732)	-	-
Interfund transfers	(96,248)	96,248	-	-	-
Net assets, end of year	\$ 670,408	\$ 666,193	\$ 521,195	\$ 1,857,796	\$ 1,580,127

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



**North Bay Jack Garland Airport Corporation
Statement of Operations**

<u>For the year ended December 31</u>	<u>2018</u>	<u>2017</u>
Revenues		
Fees and services	\$ 2,725,216	\$ 2,532,249
Expense recoveries and other contributions	96,390	7,547
Interest	21,383	9,316
Amortization of deferred capital contributions (Note 5)	<u>1,137,820</u>	<u>1,059,411</u>
	3,980,809	3,608,523
Expenses		
Salaries and benefits	1,088,442	1,052,859
Repairs and maintenance	588,649	583,217
Utilities	243,955	258,007
Security services	171,159	161,665
Equipment fuel	150,191	140,833
Insurance	55,947	63,210
Professional fees	52,054	23,962
Telephone	44,843	35,626
Advertising	20,533	9,749
Office and training	15,200	11,705
Travel	10,086	7,976
Interest and bank charges	9,284	8,076
Consulting fees	6,600	5,693
Materials and supplies	5,881	7,323
Office equipment rentals	2,293	2,101
Gain on sale of capital assets	(12,881)	-
Amortization	<u>1,250,904</u>	<u>1,167,999</u>
	3,703,140	3,540,001
Excess of revenues over expenses for the year	\$ 277,669	\$ 68,522

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



North Bay Jack Garland Airport Corporation Statement of Cash Flows

For the year ended December 31	2018	2017
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 277,669	\$ 68,522
Items not involving cash		
Amortization	1,250,904	1,167,999
Amortization of deferred contributions related to capital assets	(1,137,820)	(1,059,411)
Gain on disposal of property, plant and equipment	(12,881)	-
	377,872	177,110
Changes in non-cash working capital balances		
Accounts and grants receivable	(45,820)	(130,999)
Inventories	10,695	(4,559)
Prepaid expenses	26	1
Accounts payable and accrued liabilities	(196,829)	293,454
Deferred revenue	100,364	1,812
	246,308	336,819
Capital activities		
Purchase of capital assets	(1,896,213)	(1,272,572)
Proceeds on sale of capital assets	12,881	-
	(1,883,332)	(1,272,572)
Financing activities		
Deferred capital contributions related to capital assets	1,957,945	1,153,875
Increase in cash and cash equivalents during the year	320,921	218,122
Cash and cash equivalents, beginning of year	946,555	728,433
Cash and cash equivalents, end of year	\$ 1,267,476	\$ 946,555
Comprised of		
Cash and cash equivalents	\$ 601,283	\$ 376,610
Restricted cash and cash equivalents	666,193	569,945
	\$ 1,267,476	\$ 946,555

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



North Bay Jack Garland Airport Corporation Summary of Significant Accounting Policies

December 31, 2018

Nature of Organization	North Bay Jack Garland Airport Corporation (the "corporation") is incorporated without share capital under the laws of Ontario. The corporation operates the Jack Garland Airport under the terms of an operating agreement with the City of North Bay until December 31, 2037. This agreement may be terminated by either party without cause, upon one hundred and eighty days notice. The corporation is exempt from income tax under the Income Tax Act.																
Basis of Accounting	The financial statements of the corporation are prepared in accordance with Canadian public sector accounting standards for the government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").																
Inventories	Inventories consist of supplies held for use at the Airport. They are recorded at the lower of weighted average cost and net realizable value.																
Government Assistance	The corporation periodically applies for financial assistance under available government incentive programs. Government assistance related to capital expenditures is reflected as a reduction of the cost of such assets. Government assistance for operations is recorded in the fiscal year to which it relates.																
Property, Plant and Equipment	<p>Property, plant and equipment are stated at cost less accumulated amortization. Cost is net of related investment tax credits and government grants. Amortization is provided for over the estimated useful lives of the assets using the following bases and annual rates.</p> <p>Property, plant and equipment under capital leases is initially recorded at the present value of minimum lease payments at the inception of the lease.</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Equipment</td> <td>-12-15 years straight line basis</td> </tr> <tr> <td>Computer hardware and software</td> <td>- 5 years straight line basis</td> </tr> <tr> <td>Building improvements</td> <td>- 10 years straight line basis</td> </tr> <tr> <td>Vehicles</td> <td>- 5 years straight line basis</td> </tr> <tr> <td>Land improvements</td> <td>- 5 years straight line basis</td> </tr> <tr> <td>Airfield infrastructure</td> <td>- 20 years straight line basis</td> </tr> <tr> <td>Groundside infrastructure</td> <td>- 20 years straight line basis</td> </tr> <tr> <td>Construction in progress</td> <td>- no amortization</td> </tr> </table>	Equipment	-12-15 years straight line basis	Computer hardware and software	- 5 years straight line basis	Building improvements	- 10 years straight line basis	Vehicles	- 5 years straight line basis	Land improvements	- 5 years straight line basis	Airfield infrastructure	- 20 years straight line basis	Groundside infrastructure	- 20 years straight line basis	Construction in progress	- no amortization
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North Bay Jack Garland Airport Corporation Summary of Significant Accounting Policies

December 31, 2018

Revenue Recognition	<p>Fees, services and expense recoveries are recognized when fees are earned and services provided respectively, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed and determinable.</p> <p>The corporation accounts for contributions, which include government grants, under the deferral method of accounting as follows:</p> <p>Operating grants are recorded as revenue in the period which they relate. Grants approved but not received at the end of the period are accrued. Grants relating to future periods are deferred and recognized in the subsequent period when the related activity occurs.</p> <p>Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.</p> <p>Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of related capital assets.</p>
Employee Future Benefits	<p>Defined contributions plan accounting is applied to a multi-employer defined benefit pension plan for which the Corporation has insufficient information to apply defined benefit plan accounting.</p>
Use of Estimates	<p>The preparation of the financial instruments in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the useful lives of plant and equipment and valuation allowances for receivables and inventories. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.</p>



**North Bay Jack Garland Airport Corporation
Notes to Financial Statements**

December 31, 2018

1. Accounts and Grants Receivable

	2018	2017
Trade receivables	\$ 339,101	\$ 225,332
HST and other	18,940	38,764
Grants receivable:		
Transport Canada	-	93,315
Corporation of the City of North Bay	214,313	169,123
	\$ 572,354	\$ 526,534

2. Internally Restricted Net Assets and Restricted Cash

	2018	2017
Future capital expenditures	\$ 570,028	\$ 473,780
Future operations	96,165	96,165
Balance, end of year	\$ 666,193	\$ 569,945



**North Bay Jack Garland Airport Corporation
Notes to Financial Statements**

December 31, 2018

3. Property, Plant and Equipment

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Airfield infrastructure	\$ 10,035,516	\$ 3,750,469	\$ 7,801,292	\$ 3,248,728
Building improvements	5,055,352	3,078,524	4,886,755	2,669,094
Equipment	3,974,382	2,166,308	3,475,418	1,888,380
Computer equipment	313,325	232,025	313,325	195,987
Vehicles	229,972	186,095	229,970	164,656
Groundside infrastructure	86,570	28,135	86,570	23,807
Construction in progress	10,091	-	1,015,665	-
	\$ 19,705,208	\$ 9,441,556	\$ 17,808,995	\$ 8,190,652
Net book value		\$ 10,263,652		\$ 9,618,343

4. Deferred revenue

Under the terms of airport use agreements with various customers, the corporation receives prepayments and deposits for the use of airport assets in the future. These prepayments will be recognized as revenue when the services are provided.

	2018	2017
Prepaid Deposits	\$ 27,587	\$ 29,596
Prepaid rent and fees	6,966	-
Other contributions	95,407	-
Balance, end of year	\$ 129,960	\$ 29,596

North Bay Jack Garland Airport Corporation
Notes to Financial Statements

December 31, 2018

5. Deferred Capital Contributions

Deferred capital contributions represents the unamortized balance of grants received for the capital asset acquisitions. The amortization of capital contributions is recorded as revenue in the Statement of Operations.

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 8,922,332	\$ 8,827,868
Contributions received	1,957,945	1,153,875
Amortization of Deferred Capital Contributions	<u>(1,137,820)</u>	<u>(1,059,411)</u>
Balance, end of year	<u>\$ 9,742,457</u>	<u>\$ 8,922,332</u>

6. Investment in Capital Assets

(a) Investment in capital assets if calculated as follows:

	<u>2018</u>	<u>2017</u>
Capital assets	\$ 10,263,652	\$ 9,618,343
Amounts financed by deferred contributions	<u>9,742,457</u>	<u>8,922,332</u>
	<u>\$ 521,195</u>	<u>\$ 696,011</u>

(b) Changes in net assets invested in capital assets is calculated as follows:

	<u>2018</u>	<u>2017</u>
Excess of revenues over expenses		
Amortization of deferred capital contributions related to capital assets	\$ 1,137,820	\$ 1,059,411
Amortization of capital assets	<u>(1,250,904)</u>	<u>(1,167,999)</u>
	<u>\$ (113,084)</u>	<u>\$ (108,588)</u>
Net change in investment in capital assets:		
Purchase of capital assets	\$ 1,896,213	\$ 1,272,572
Amounts funded by Deferred capital contributions	<u>(1,957,945)</u>	<u>(1,153,875)</u>
	<u>\$ (61,732)</u>	<u>\$ 118,697</u>



North Bay Jack Garland Airport Corporation Notes to Financial Statements

December 31, 2018

7. Related Party Transactions:

The Corporation is controlled by the Corporation of the City of North Bay (the "City") in accordance with the terms of an operating agreement dated December 19, 2007.

The Corporation provided the City with maintenance services amounting to \$204,005 (2017 - \$170,495). The City provided the Corporation with the corporate services, including information technology support and server access amounting to \$16,775 (2017 - \$16,462).

The City provided the Corporation with capital contributions of \$1,056,506 (2017 - \$874,220) for the acquisition of capital assets.

These transactions are in the normal course of operations and are recorded at the exchange amount which is the amount agreed to by the related parties.

North Bay Jack Garland Airport Corporation



JACK GARLAND AIRPORT



AEROSPACE/AVIATION PARK



DEVELOPMENT OPPORTUNITIES