



North Bay Jack Garland Airport

2021

Annual General Meeting Annual Report

May 13, 2021





2021 Annual Report

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Chairman's Message

North Bay Jack Garland Airport (NBJGA) completed its eighteenth year as a not-for-profit corporation during the outbreak of the COVID-19 pandemic which started significantly impacting the aviation industry in March of 2020.

Created in February 2003, NBJGA Corporation is overseen by a Board of Directors, without remuneration, 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 Corporation, despite the challenges of the pandemic, were able to maintain the airport fully operational while minimizing its financial impact on the City. 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.

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.



Chairman's Message

The NBJGA Corporation continued its commitment to invest and rehabilitate the Airport infrastructure but limited its capital projects to one which was fully funded by other sources. A loader costing \$331,000 was purchased with funding totalling \$277,800 from the Transport Canada ACAP Program and \$53,200 from the City of North Bay.

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 out in our business plan were not achieved due to the pandemic. The Corporation reacted to this event immediately and put a financial strategy in place to minimize impact of the significant loss in revenue expected by the effects of COVID on the aviation industry. In 2020, NBJGA had revenues of \$1,985,706 plus \$600,000 in support from the City of North Bay versus a budget of \$2,838,903; at year end, NBJGA realized an operational income of \$255,654 which will be used to offset losses expected in 2021. The surplus in operational income was a result of the infusion of cash by the City for 2020 and 2021.



Chairman's Message

The recent Airport Economic Impact Study findings demonstrate the significant value of this asset in the community and the need to continue to support it during this period of change in the aviation industry.

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%)

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.



Chairman's Message

Moving forward, on-going priorities will be: the continued implementation of our strategic plan, a concerted effort to increase our marketing and development presences of the airport facility and the rebuilding of air service following the economic shut-down due to the COVID-19 pandemic.

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 2020, \$25,492,633 has been invested in the physical plant and cash on hand of \$1,116,114 is in place to accommodate operational requirements. This cash will continue to play a significant role in maintaining the airport during 2021 as commercial traffic is not expected to make a full recovery to pre-2020 levels in 2021 even with the expected return of Air Canada in June. While challenges remain to ensure the financial and commercial self-sustainability of the Airport we believe that the NBJGA continues to have 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. Wade Wasylciw	Treasurer	Voyageur Aviation Corp
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. Joseph Hansford	Director	Canadore College
Mr. Thomas Krajci	Director	Community

Board Committees

Executive Committee	Chair	Mr. Ewen Cornick
Operations/Policy Committee	Chair	Mr. Karl Neubert
Financial/Human Resources Committee	Chair	Mr. Wade Wasylciw
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

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 10,001 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.



2020 Year In Review

Operations

Safety Management System:

- **Objective #1 – Reduce potential for incursions during Airside Operations.**

We had one incursion in 2012, four in 2013, two in 2014, two in 2015, one in 2016, two in 2017, zero in 2018, two in 2019, and zero in 2020. Incursions however continue to be an ongoing and serious concern to the Airport and therefore this objective will once again be carried forward to our 2021 objectives.

Listed below are some of the actions we have taken 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.



2020 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 awareness & communications emails every six months to staff & tenants for airside vehicle use and discussed with staff previous incursions and any AVOP related issues during our winter refresher training.
- For 2019 we have continued to send awareness & communications emails every six months to staff, tenants and the Fire Department for airside vehicle use, discussed the importance of reporting AVOP related issues at our April Staff Meeting and discussed with staff previous incursions and any AVOP related issues during our winter refresher training.
- For 2020 we continued the initiatives developed and implemented previously.



2020 Year In Review

Safety Management System:

- **Objective #2 – Reduce lighting breakage.**

In past years we have averaged between 20 to 50 damaged lights annually and for 2020 10 lights were damaged. While there has been a year over year improvement, resulting in a reduction in the number of units damaged, the importance of the airfield lighting system and the associated costs should there be damaged we decided to continue this objective for 2021. The steps taken to work towards addressing this issue are as follows;

- For 2018 & 2019 we discussed with staff the ability to control equipment lighting as required when blowing snow during winter refresher training, verified back cutting lights skills and increased monitoring of staff during snow removal operations when time permits.
- For 2020 we prepared and presented to operational employees an overview of the costs associated with the purchase and installation of all airfield lighting components that they work around on a daily basis in order to bring attention to the potential significant expense.

- **Objective #3 – Improve apron operations & safety.**

In 2020 we had one (1) apron related issues; a tenant operating a crane on Apron #1 in a location and at a height other than what was approved by Airport Management, following a crane application. The SMS Committee have agreed to continue this objective for 2021.



2020 Year In Review

Safety Management System:

To generally improve apron safety we have:

Posted drawings and signage in the Air Terminal and Administration buildings for Apron #2; review Apron Management Plan at April Staff Meeting; meet with NavCanada FSS Supervisor and discuss any “DA” or other apron issues they may have; and, continue to plan to review the Apron Management Plan at the Tenants Meeting which has been deferred to the 2021 Airport Tenants Meeting due to implications related to the present pandemic.

For 2020 we discussed FOD concerns related to winter operations at the Operation’s Staff Winter Briefing Meeting and Airport Security fall Staff Meeting; discussed with ground handlers key operational safety items such as FOD and how snow removal was to be conducted; and reviewed expectations of apron operations with additional agencies (including courier operators).



2020 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.

➤ **Objective #1 – Reduce the number of security incidents/infractions relating to gates and access points.**

We had two in 2014, six in 2015, 13 in 2016, and nine in 2017, eight in 2018, ten in 2019, and eight observations and incidents in 2020. It should be noted however that of those in 2020 only three incidents occurred on the Primary Security Line (PSL) of the Critical Restricted Area (CRA). As such this objective will once again be carried forward to 2021 Objectives.



2020 Year In Review

Airport Security Program

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

➤ **Objective #2 – Reduce risk of screened passenger contamination.**

This objective was a new addition in 2020 which was primarily generated because of the observation that all Airport Security Officers had changed in a short period of time. In total there were two observations and incidents in (2) in 2018, four (4) in 2019, and one (1) in 2020. It should be noted that the single occurrence in 2020 was an observed security concern. This positive decrease is likely as a result of improved training of Commissionaires that have fortunately not had a high turnover in 2020, as well as a significant decrease in passenger volume since March 2020; a result of the global pandemic. At this time it is unknown which had a greater contribution and therefore this objective will once again be carried forward to 2021 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 as required. 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.



2020 Year In Review

Operations

Maintenance:

- Review and amend Airport Operations Manual
- Tree removal to meet Obstacle Limitation System requirements for Runway 08-26 and the turf strip.
- Airfield maintenance projects included, line painting 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 buildings



2020 Year In Review

Operations

Major projects and capital expenditures in 2020 included:

- Airport airside equipment fleet renewal

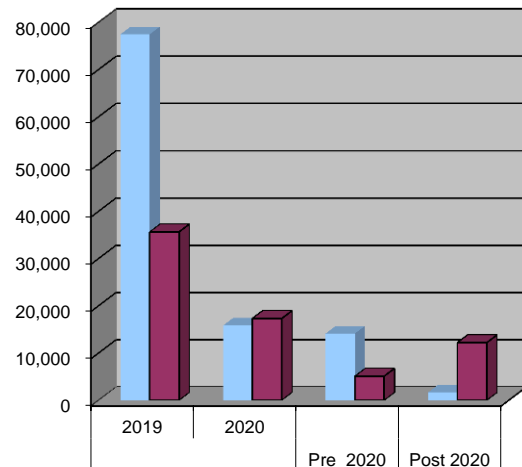
All works were completed to enhance service, safety and the financial viability of the Airport.



2020 Year In Review

Traffic Activity 2020

- 15,807 airline enplaned/deplaned passengers used the North Bay Airport which was down 80% over 2019. this change was driven by the pandemic and Air Canada's closure of the station in June 2020.
- Aircraft activity for the year was 17,295 movements down by 51% over 2019.
- Itinerant aircraft movements were 9,018 down by 44% over the previous year.
- Local aircraft movements were 8,277 which was down 58% .
- Prior to COVID, in March 2020, numbers were trending to be reflective of 2019. The reality of COVID was passenger traffic dropped by 97% and aircraft traffic by 55% for the last nine months of the year.

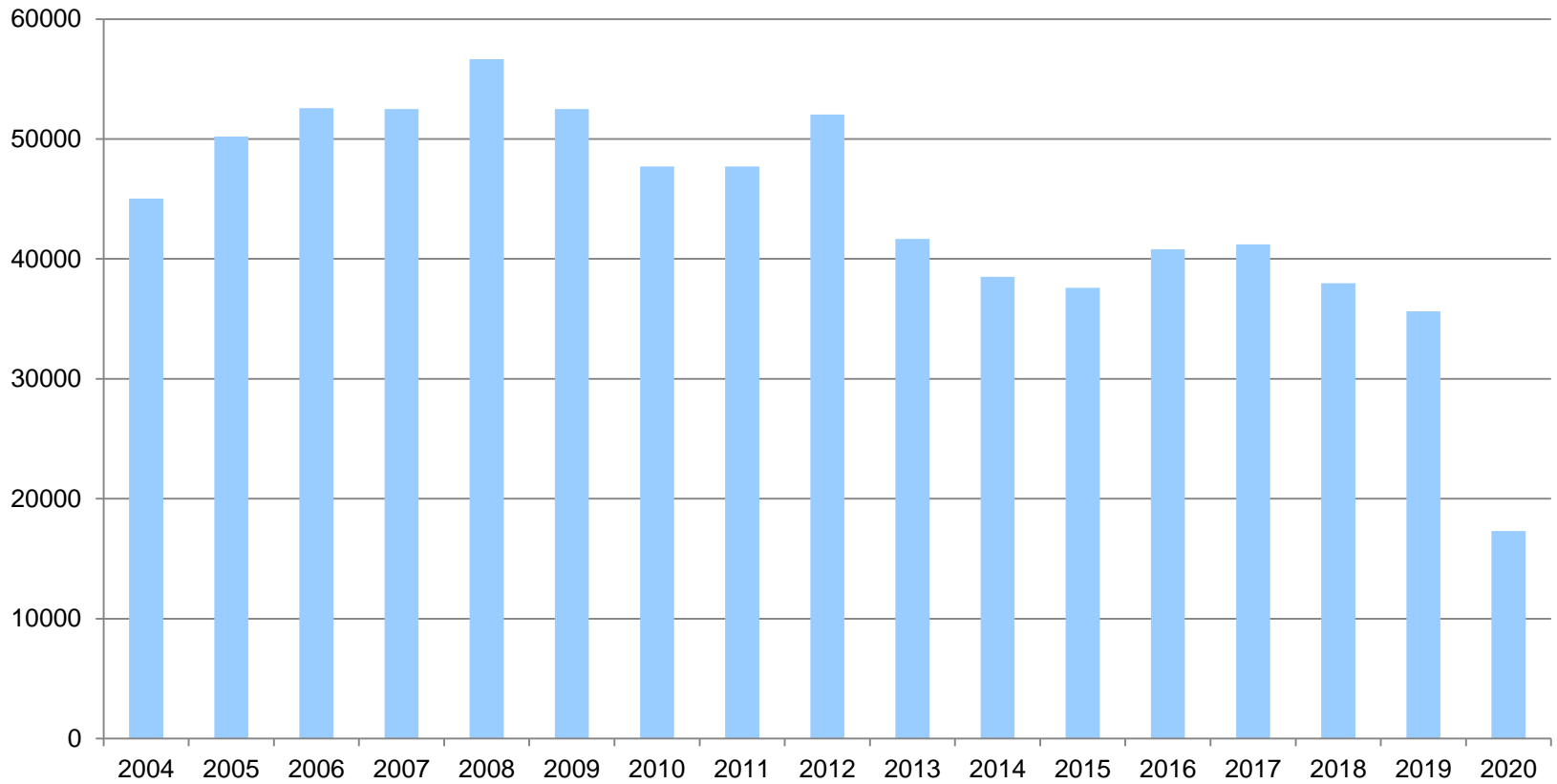


	2019	2020	Jan-March (Pre-COVID) 2020	April -Dec (COVID) 2020
Passengers	77,453	15,807	14,115	1,692
Aircraft Movement	35,638	17,295	5,103	12,192



2020 Year In Review

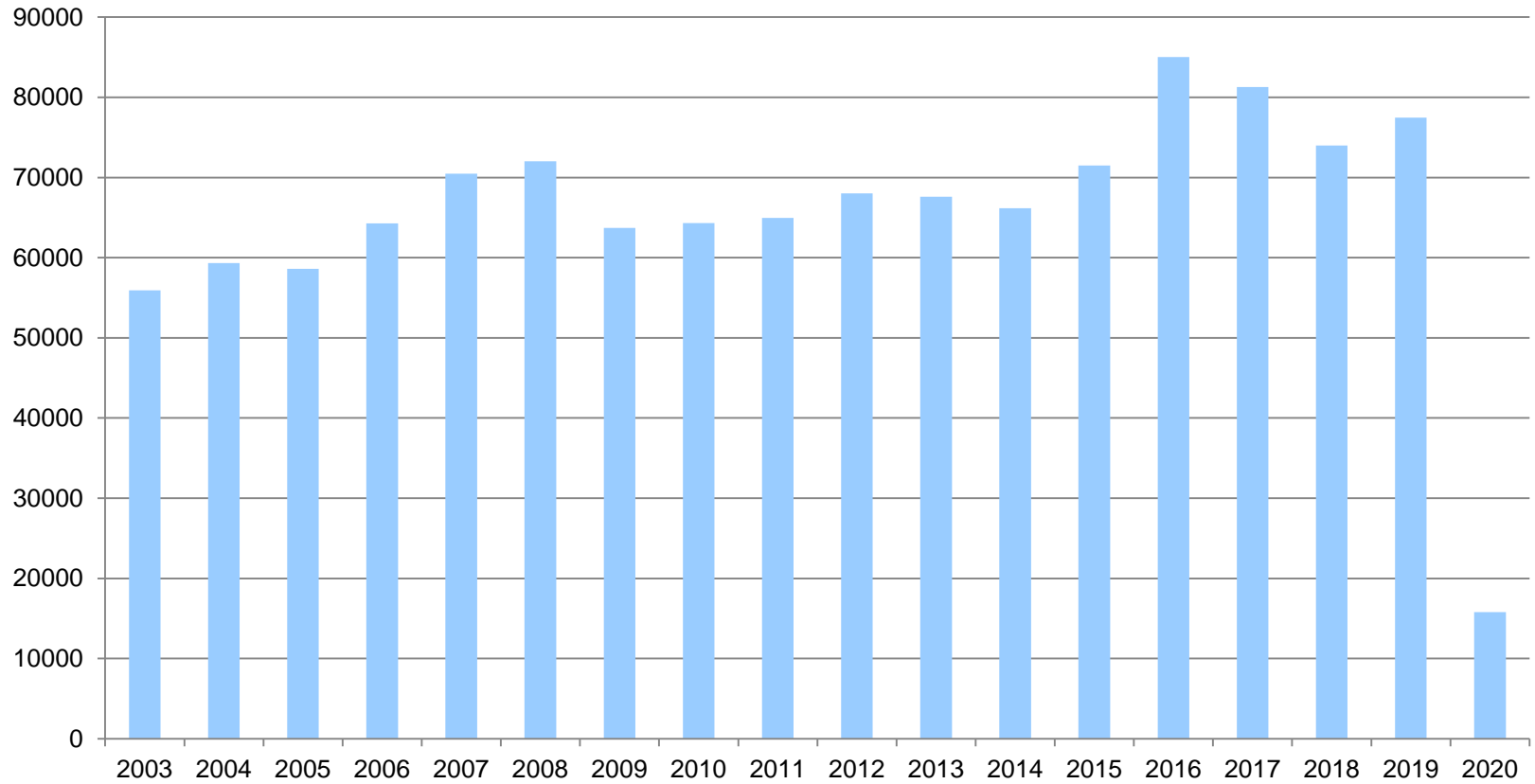
AIRCRAFT STATISTICS





2020 Year In Review

PASSENGER MOVEMENT STATISTICS





2020 Year In Review

Capital Program

In 2020 our capital program was deferred except for one project which was 100% funded by others.

Capital projects included:

- Airside Loader replacement





2020 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 the Corporation restructured in 2020 to reflect the realities of the pandemic and to ensure it stayed relevant until such time the aviation industry returns to post pandemic levels.

The primary objective following the departure of Air Canada in June was to re-acquire passenger service to Toronto to allow our community to be connected to the world.

I am proud to say that Air Canada will be returning with scheduled service as of June 2021. The aviation industry like many others will take three to five years to rebound post-pandemic.

We look forward to working with our tenants and partners to ensure the airport remains a catalyst for economic growth in the region.

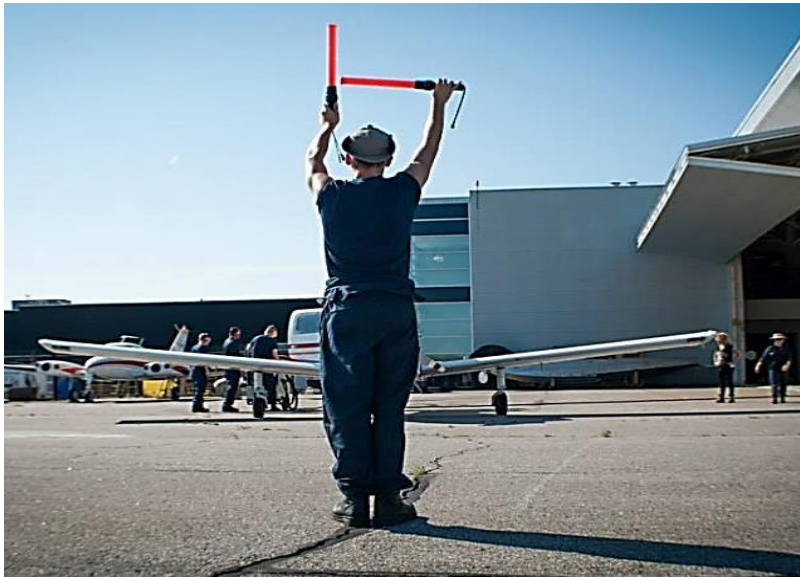


2020 Year In Review

Special Events

All special events community programs were put on hold for 2020:

- Canadore Aviation College Air Cadet Program
- Canada Armed Forces Day





2020 Year In Review

Special Events

Airport facilities utilized by several community groups pre covid:

- United Way Aircraft Pull Classic
- Tours for Local School, and others





Financial Summary

		2020
	Actual	Budget
Revenues	\$ 2,585,706	\$ 2,838,903
Expenses	<u>\$ 2,256,343</u>	<u>\$ 2,695,540</u>
Operating Income	\$ 292,251	\$ 3,363
Gain on Capital Assets	<u>\$ 0</u>	<u>\$ -</u>
Amortization	<u>\$ 73,673</u>	<u>\$ 140,000</u>
Net Income	\$ 255,654	\$ 0,000

In 2020 the NBJGA Corporation had an operational loss of \$344,346. A net income of \$255,654 was achieved once the COVID-19 support funding of \$600,000 was received from the City in December.

The surplus of \$255,654 will be used to support the operations in 2021.

Actual net income versus budget were impacted by:

Revenue

- Leases
- Passenger numbers
- Other revenues

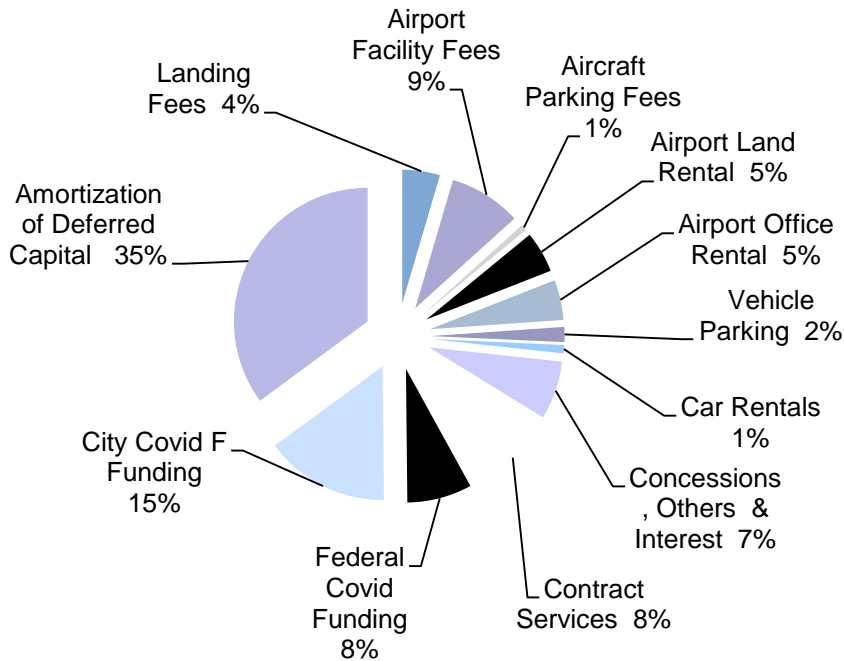
Expenditures

- Wages (staff reduction of 25%)
- Operational cuts
- Contract services reductions

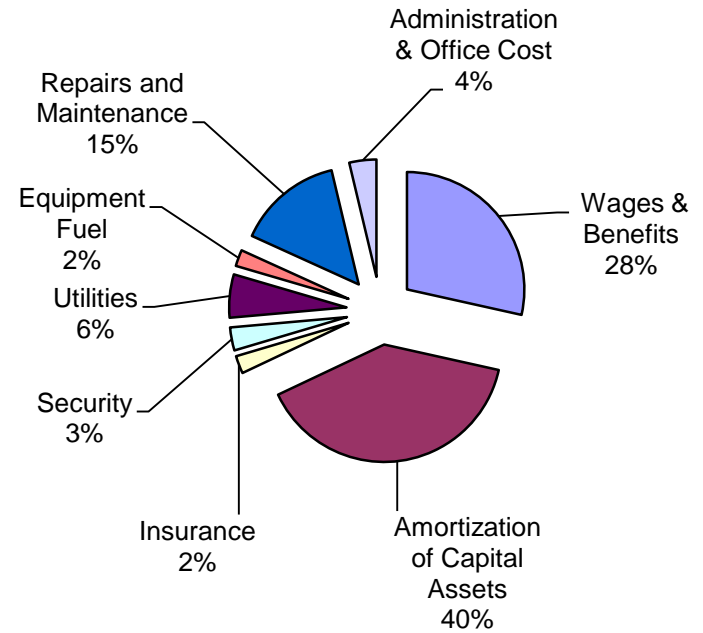


Financial Summary

Revenues by Type



Expenses by Type





Financial Statements of
**NORTH BAY JACK GARLAND
AIRPORT CORPORATION**
Year ended December 31, 2020



North Bay Jack Garland Airport Corporation
Financial Statements
For the year ended December 31, 2020

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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 "Organization"), which comprise the statement of financial position as at December 31, 2020, 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 Organization as at December 31, 2020, 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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





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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 Organization'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 Organization'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 Organization 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
April 8, 2021



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

December 31 2020 2019

Assets

Current

Cash and cash equivalents	\$ 928,966	\$	514,807
Restricted cash and cash equivalents (Note 2)	450,852		401,452
Accounts and grants receivable (Note 1)	187,534		565,419
Inventories	133,605		101,869
Prepaid expenses	11,678		10,848
	1,712,635		1,594,395

Capital assets (Note 3) 12,990,067 14,131,572

\$ 14,702,702 \$ 15,725,967

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 110,087	\$	209,713
Deferred revenue (Note 4)	35,582		147,041
	145,669		356,754

Deferred capital contributions (Note 5) 12,163,212 13,231,046

12,308,881 13,587,800

Net Assets

Unrestricted	1,116,114	836,189
Invested in capital assets (Note 6)	826,855	900,526
Internally restricted (Note 2)	450,852	401,452
	2,393,821	2,138,167

\$ 14,702,702 \$ 15,725,967

Uncertainty Due to COVID-19 (Note 8)

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				2020	2019
	Unrestricted	Internally Restricted	Invested in Capital Assets	Total	Total
Net assets, beginning of year	\$ 836,189	\$ 401,452	\$ 900,526	\$ 2,138,167	\$ 1,857,796
Excess (deficiency) of revenues over expenses	329,325	-	(73,671)	255,654	280,371
Interfund transfers	(49,400)	49,400	-	-	-
Net assets, end of year	\$ 1,116,114	\$ 450,852	\$ 826,855	\$ 2,393,821	\$ 2,138,167

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**

For the year ended December 31	2020	2019
Revenues		
Fees and services	\$ 1,536,994	\$ 2,837,950
Government grants and other contributions	122,410	150,080
Municipal COVID-19 funding	600,000	-
Federal COVID-19 funding	312,554	-
Interest	13,748	34,025
Amortization of deferred capital contributions (Note 5)	<u>1,398,834</u>	<u>1,413,846</u>
	3,984,540	4,435,901
Expenses		
Salaries and benefits	1,062,139	1,243,238
Repairs and maintenance	540,320	672,475
Utilities	221,704	265,438
Security services	118,550	167,242
Insurance	90,901	51,877
Equipment fuel	83,844	156,356
Telephone	57,459	53,574
Professional fees	26,710	52,422
Advertising	17,028	18,143
Office and training	10,161	14,782
Consulting fees	9,331	10,530
Interest and bank charges	9,004	5,188
Travel	4,539	13,030
Materials and supplies	3,533	4,031
Office equipment rentals	1,156	1,479
Gain on sale of capital assets	-	(35,502)
Amortization	<u>1,472,507</u>	<u>1,461,227</u>
	3,728,886	4,155,530
Excess of revenues over expenses for the year	\$ 255,654	\$ 280,371

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	2020	2019
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 255,654	\$ 280,371
Items not involving cash		
Amortization	1,472,507	1,461,227
Amortization of deferred contributions related to capital assets	(1,398,834)	(1,413,846)
Gain on disposal of property, plant and equipment	-	(35,502)
	<u>329,327</u>	<u>292,250</u>
Changes in non-cash working capital balances		
Accounts and grants receivable	377,885	6,935
Inventories	(31,736)	(19,107)
Prepaid expenses	(830)	(5,616)
Accounts payable and accrued liabilities	(99,628)	(251,550)
Deferred revenue	(111,459)	17,081
	<u>463,559</u>	<u>39,993</u>
Capital activities		
Purchase of capital assets	(331,000)	(5,329,147)
Proceeds on sale of capital assets	-	35,502
	<u>(331,000)</u>	<u>(5,293,645)</u>
Financing activities		
Deferred capital contributions received	<u>331,000</u>	<u>4,902,435</u>
Increase (decrease) in cash and cash equivalents during the year	463,559	(351,217)
Cash and cash equivalents, beginning of year	916,259	1,267,476
Cash and cash equivalents, end of year (i)	\$ 1,379,818	\$ 916,259
(i) Comprised of:		
Cash and cash equivalents	\$ 928,966	\$ 514,807
Restricted cash and cash equivalents	450,852	401,452
	<u>\$ 1,379,818</u>	<u>\$ 916,259</u>

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, 2020

Nature of Organization	North Bay Jack Garland Airport Corporation (the "organization") is incorporated without share capital under the laws of Ontario. The organization 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 organization is exempt from income tax under the Income Tax Act.																
Basis of Accounting	The financial statements of the organization 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 organization 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><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, 2020

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 organization 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 Organization 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, 2020

1. Accounts and Grants Receivable

	2020	2019
Trade receivables	\$ 159,860	\$ 520,868
HST and other	27,674	32,976
Grants receivable:		
Corporation of the City of North Bay	-	11,575
	\$ 187,534	\$ 565,419

2. Internally Restricted Net Assets and Restricted Cash

The Organization maintains restricted net assets and restricted cash in the amount of \$450,852 (2019 - \$401,452) in order to meet future obligations of the Organization.

3. Property, Plant and Equipment

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Airfield infrastructure	\$ 14,888,214	\$ 5,239,222	\$ 14,888,214	\$ 4,494,846
Building improvements	5,305,081	3,792,326	5,305,081	3,435,863
Equipment	4,455,976	2,755,918	4,124,976	2,452,869
Computer equipment	313,325	297,648	313,325	265,324
Vehicles	193,408	130,601	193,408	98,636
Groundside infrastructure	86,570	36,792	86,570	32,464
	\$ 25,242,574	\$ 12,252,507	\$ 24,911,574	\$ 10,780,002
Net book value		\$ 12,990,067		\$ 14,131,572

North Bay Jack Garland Airport Corporation
Notes to Financial Statements

December 31, 2020

4. Deferred Revenue

Under the terms of airport use agreements with various customers, the organization 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.

	2020	2019
Prepaid deposits	\$ 5,000	\$ 24,213
Prepaid rent and fees	23,082	4,734
Other contributions	7,500	118,094
Balance, end of year	\$ 35,582	\$ 147,041

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.

	2020	2019
Balance, beginning of year	\$ 13,231,046	\$ 9,742,457
Contributions received	331,000	4,902,435
Amortization of Deferred Capital Contributions	(1,398,834)	(1,413,846)
Balance, end of year	\$ 12,163,212	\$ 13,231,046

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

December 31, 2020

6. Invested in Capital Assets

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

	2020	2019
Capital assets	\$ 12,990,067	\$ 14,131,572
Amounts financed by deferred contributions	12,163,212	13,231,046
	\$ 826,855	\$ 900,526

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

	2020	2019
Excess of revenues over expenses		
Amortization of deferred capital contributions related to capital assets	\$ 1,398,834	\$ 1,413,846
Amortization of capital assets	(1,472,507)	(1,461,227)
	\$ (73,673)	\$ (47,381)
 Net change in investment in capital assets:		
Purchase of capital assets	\$ 331,000	\$ 5,329,148
Amounts funded by Deferred capital contributions	(331,000)	(4,902,435)
	\$ -	\$ 426,713

North Bay Jack Garland Airport Corporation Notes to Financial Statements

December 31, 2020

7. Related Party Transactions

The Organization is controlled by the Corporation of the City of North Bay (the "City") in accordance with the terms of an operating agreement dated December 2018, with an effective date of January 1, 2019.

The Organization provided the City with maintenance services amounting to \$205,872 (2019 - \$204,484). The City provided the Organization with corporate services, including information technology support and server access amounting to \$20,249 (2019 - \$17,093).

During the year the City provided the Organization with operational funding of \$600,000 in order to offset the impacts that COVID-19 had on the Organization during the year.

The City provided the Organization with capital contributions of \$53,200 (2019 - \$2,483,553) for the acquisition of capital assets.

8. Uncertainty due to COVID-19

On March 11, 2020, the World Health Organization announced that the COVID-19 virus was a pandemic. The impact of this virus has been seen throughout the world including Canada. Due to the impact of COVID-19 during the fiscal year, operating revenues have been significantly impacted by severe reductions to air travel. Management plans to continue to apply for federal, provincial, and municipal COVID-19 relief funding in order to maintain operations until air travel returns to normalized levels in future periods. As of the date of approving these financial statements the impact on the Organization in fiscal 2021 will not be known with certainty for months to come. Due to the inherent nature of the Organization, the following financial statement areas are exposed to some degree of risk: revenue as it will continue to be impacted by flight cancellations as well as possible collection issues in accounts receivable.

North Bay Jack Garland Airport Corporation



JACK GARLAND AIRPORT



AEROSPACE/AVIATION PARK



DEVELOPMENT OPPORTUNITIES