



2023 Annual General Meeting

2022 Annual Report
11 May 2023





2022 Annual Report

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Presentation Overview



Corporate Overview



Chairman's Message

Chairman's Message

North Bay Jack Garland Airport (NBJGA) completed its twentieth year as a not-for-profit corporation during a period which again saw ongoing negative pandemic impacts as a result of Covid-19 and the global multi-sector recovery; continuing to significantly impact the aviation industry globally which has been most felt throughout regional markets.

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. The Directors represent diverse areas of expertise which provide support to the airport's governance and operations

On behalf of the Board, I am pleased to report that NBJGA Corporation, despite the ongoing challenges of the pandemic's recovery, was able to maintain the airport fully operational while having no financial impact on the City, and planning for an improved recovery ahead. Against the backdrop of the many challenges facing critical regional infrastructure this airport continued to operate at the same level of service its users expect. The management team and employees of the airport continue to address and overcome the many challenges faced by regional airports such as NBJGA and they can continue to be proud of their accomplishments.

Chairman's Message

The Airport Safety Management Systems (SMS) and the Airport Security Program (ASP) 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 its commitment to invest and rehabilitate the airport infrastructure while continuing to limit capital projects to those which are fully funded by other sources. Development of three separate capital projects encompassing surface, airfield approach lighting, and electrical systems rehabilitation totaled nearly \$4million from the Transport Canada's ACAP Program, in addition to the replacement of the entire Administration Building membrane roof system supported by the City of North Bay.

The Airport continued its surface repairs program to ensure runways were properly maintained; helping to prolong their life in a cost effective manner. In addition, routine repairs to the numerous taxiways, aprons, and buildings throughout the airport were carried out in order to ensure their continued availability for both day-to-day operations and to attract development and new business opportunities.

Chairman's Message





Chairman's Message

Chairman's Message

From a financial perspective the goals set out in our business plan were met and even exceeded considering that again no operational support from the City of North Bay was required through 2022. The Corporation continued to react to the challenging pandemic recovery, working with community partners and stakeholders to support the local aviation industry, tourism sector, and business travel as a whole.

In all \$713,153 will be used to offset losses in 2022 however the Corporation remains capable of supporting future challenging periods ahead. This is a direct result of having received one-time support in the form of the Regional Air Transportation Initiative (RATI) funding administered by the federal government in 2021; eliminating any need for the City of North Bay to fund operational expenditures. Regrettably at this time such programs are no longer available to offset potential losses however the Corporation continues to work with all levels of government and industry associations to highlight the benefit and need of such programs in order to continue to support regional airports in the immediate future.

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 and challenge in the aviation industry. In 2022 the local industry has been able to sustain and in some ways expand upon these benchmarks. As a whole this continues to validate the metrics of jobs created and economic impact from the recent study, all of which support the community as a whole.

Chairman's Message

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

Moving forward, on-going priorities remain: the continued implementation of our strategic plan, a concerted effort to increase our marketing and development presences of the airport facility and the continued re-building of air service, including scheduled and chartered operators, following the recent challenges associated to logistics and labour throughout the entire 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%)

Chairman's Message

The Board is pleased with the progress that has been made to date to sustain the financial position and improve physical plant of the NBJGA. As of the end of 2022, \$29,787,160 has been invested in the physical plant and cash on hand of \$1,509,494 was in place to accommodate operational requirements of the year ahead. This cash will continue to play a significant role in maintaining the airport during 2023 as commercial traffic has been faced by numerous challenges in order to make a full recovery to pre-2020 levels. 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 continue to make this airport an important contributor to the economic and social development of North Bay and its surrounding region.

Chairman's Message



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.

Board of Directors

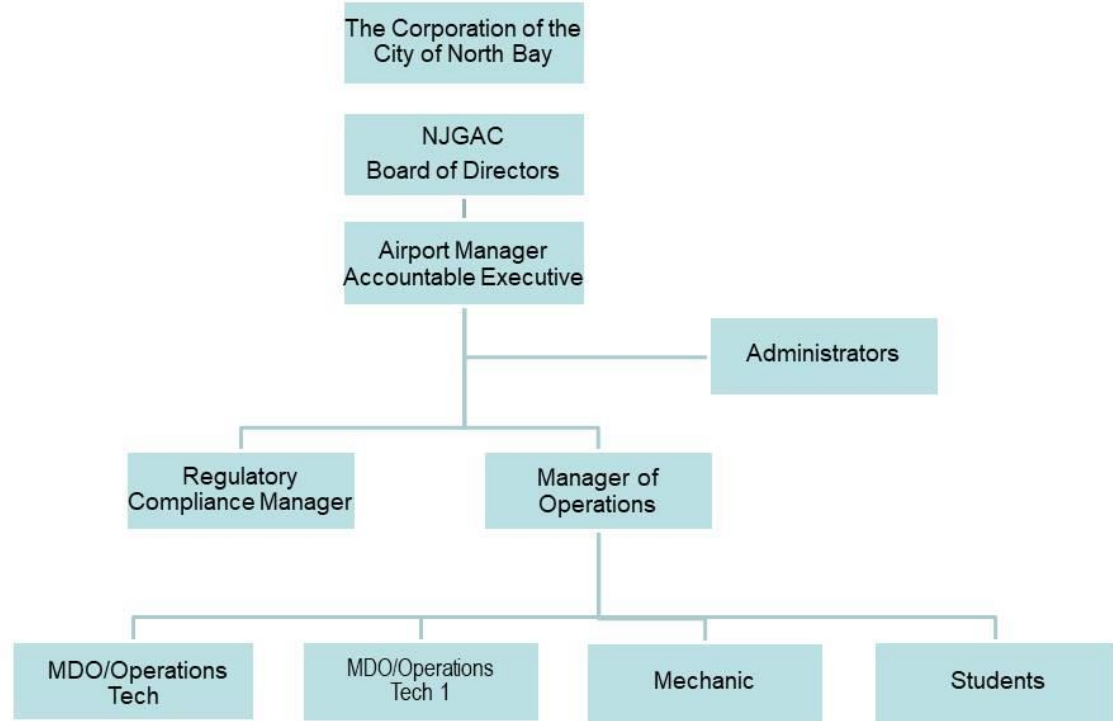
Board of Directors

Mr. Wade Wasylciw	Chairman	Voyageur Aviation Corp
Mrs. Tracy MacPhee	Vice Chair	Community
Mr. Thomas Krajci	Treasurer	Community
Mr. Grant Bailey	Secretary	Community
Mrs. Candice Henderson	Director	Community
Mr. Gary Gardiner	Director	City of North Bay
Mr. Joseph Hansford	Director	Canadore College
Mrs. Nicole Parker	Director	Community
Mr. Ron Miller	Director	Community
Mr. Tom Waque	Director	Community

Board Committees

Executive Committee	Chair - Mr. Wade Wasylciw
Operations/Policy Committee	Chair - Mr. Grant Bailey
Financial/Human Resources Committee	Chair - Mr. Tom Krajci
Marketing/Property Committee	Chair - Mrs. Tracy MacPhee

2022 Corporate Structure





Looking to get in touch?

Mailing Address

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Email: airportmanager@yyb.ca
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Website: www.yyb.ca

Contact Information





02

Airport Facilities



Airport Facilities Overview

- The North Bay Jack Garland Airport is a full service certified 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 and charter opportunities, 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 full length 75ft wide 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 operators.
- A full serve restaurant in the Terminal as well as additional vending machines



Airport Facilities Overview

- The 4,492 foot cross wind paved runway and the 2,000 foot turf runway for glider operations provide alternatives for airport users.
- The pavement loading rating of 11 on the main runway will support all types of aircraft, regardless of size or weight.
 - light trainers of all engine types (helicopter/fixed wing, jet, turbo-prop)
 - wide-bodied planes such as the Boeing 777 and Airbus 340
 - military operations C-130, F-18, C-17
 - freight shipments and deliveries of any size
- 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 access to protected flight test corridors and flight test areas in close proximity.





03

2022 Year In Review

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, zero in 2020, one in 2021, and unfortunately three in 2022. As such incursions continue to be an ongoing and serious concern to the Airport & therefore this objective is once again carried forward as a 2023 objective.

Listed below are some of the actions we have taken to address this issue;

- 2013/2014 - introduced incursion awareness training for new operator training and 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.
- 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; something we continue today
- 2016 - 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.
- 2019 – introduced targeted AVOP familiarization training with select operator groups.
- 2020 and 2021 – continued above initiatives and focused on new trainees/employees as they returned to work with tenants and community agencies as the industry recovers from the impacts of the pandemic.
- 2022 – improved interagency relationships and expanded incursion awareness among operators.

Safety Management System

Objective #2 – Reduce airfield lighting breakage.

In past years we have averaged between 10 to 35 damaged lights annually and for 2022 six lights / signs were damaged. While there continues to be an overall improvement, resulting in a reduction in the number of units damaged, the importance of the airfield lighting system and the associated high costs should they be damaged we've decided to continue this objective for 2023.

The steps taken to work towards addressing this issue are as follows;

- 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.
- 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.
- 2021 - we continued winter ops training and reminders related to safely clearing snow around airfield lights and signs; training new management and operations staff alike on the importance of such clearing practices.
- 2022 – we had the opportunity to work directly with new winter seasonal term employees to explain and demonstrate light clearing (snow removal) practices in order to work towards reducing the amount of damage; which proved overall successful.

Safety Management System

Objective #3 – Improve apron operations & safety.

In 2020 we had one apron related issues, in 2021 we had two incidents, and in 2022 we had no reported apron issues. None-the-less with the conclusion of construction and the introduction of new employees at all stakeholders the SMS Committee agreed to continue this objective for 2023.

To generally improve apron safety we have:

- Posted detailed drawings and signage in the Air Terminal and Administration buildings for Apron #2; review Apron Management Plan at April Staff Meetings; met with NavCanada FSS Supervisor and discussed any “DA” or other apron issues they may have; and, continue to plan to review the Apron Management Plan at the Annual Tenants Meeting.
- 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).
- For 2021 we continued to raise awareness with new airport and tenant employees through training, evaluations, and ongoing communication. Airport Security regularly discusses apron operations and safety with all those coming airside, including cargo vehicles, ambulances, contractors, etc.
- For 2022 we shortened T-lines/parking stands # 3-6 in order to encourage all users / pilots to move to the front of the respective parking areas; or at least advance further up them than they had done in the past.

Safety Management System

Objective #4 – Improve airfield lighting reliability (ARCAL & Circuit Transformers).

Although added only in 2021 as a result of incidents in 2020 and concerns moving forward, in 2021 two related incidents occurred; both failures of lighting circuit transformers in the Field Electrical Center. There were zero incidents in 2022.

In 2022 the airport successfully overhauled the Constant Current Regulators (CCRs) at the Field Electric Center. This replaced transformers that were several decades old as well as equipped the airport with two spare regulators as redundancy options should they be required in the future.

Regulated Third Party (External) SMS and Airport Systems Audit

In 2022 Octant Aviation was contracted to complete a thorough audit of the airport's various systems and processes against the prescribed regulations. This included audits of the airport's plans for wildlife, snow removal, maintenance, vehicle operations, and more in addition to auditing the physical components of the airport (light and sign placements, line markings, obstacle limitation surfaces, etc.). Throughout the week long audit only one finding was noted; which was known and was being addressed with concurrent construction of Golf Taxiway.

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 related observations and incidents in 2014, six in 2015, 13 in 2016, nine in 2017, eight in 2018, ten in 2019, eight in 2020, five in 2021, and 22 in 2022.

This increase is contributed in part to new/returning stakeholder and airport operations employees throughout the year; many who were not experienced. Such incidents can have negative ramifications; potentially allowing unauthorized access airside, unintentionally introducing large wildlife, or even effecting aircraft and passenger security standards.

It should be noted however that of those in 2022 only seven 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 2023 Objectives.

Airport Security Program

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.

Overall the continuation of low incident numbers, whether caused by tenants or airport functions, is a result of the continued focus on training of Commissionaires and communication with all stakeholders. It's expected that the time and effort dedicated to training in 2021 and 2022 assisted in maintaining this positive trend as passengers return gradually following the pandemic. In 2022 there were no reported incidents.

This objective once again is carried forward to the 2023 objectives to ensure the positive trend is enforced and maintained by all airport and tenant staff.

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.



As a regulated certified airport such systems and regulatory compliance are integral to our day-to-day operations and our ability to attract strategic future development.

We thank all the passengers and users, community agencies, and the airport community as a whole for their support and cooperation in ensuring we meet these rigorous standards.

Year in Review



Airport Operations

Maintenance:

- Review and amend Airport Operations Manual
- Annual tree/obstacle assessment to meet Obstacle Limitation System requirements for Runway 08-26, 18-36, and 13-31.
- Airfield maintenance projects included, line painting the entire airport and crack sealing of Runway 08-26 and Lima Taxiway
- Periodic repairs and upgrades to all buildings
- Fence repairs and brush clean-up on the entire fence line
- Life safety systems repairs in various buildings
- Heating systems repairs in all buildings
- Vegetation management as a wildlife control and deterrent
- Thorough winter and summer fleet overhauls and repairs

Major Capital Projects:

- Apron II, Taxiway Hotel, and Taxiway Golf Surface Rehabilitation
- Runway 08/26 SSALR (Approach Lighting) LED Replacement
- Administration Building Complete Roof Membrane Replacement



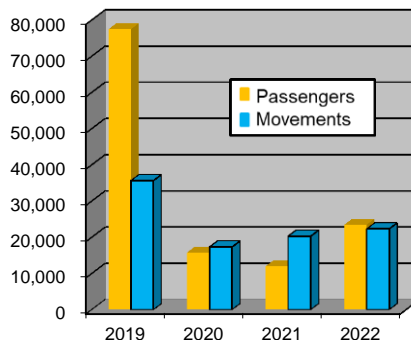
- Passengers metrics in 2022 increased overall
- Aircraft activity / movements increased year over year however were still far below pre-pandemic levels
- Positive indicators towards end of 2022

Year in Review

Traffic Activity in 2022

- **23,466 airline enplaned/deplaned passengers** used the North Bay Airport; an increase of 95% compared to the previous year; however down 70% overall compared to 2019 (pre-pandemic). This was a result of year round Air Canada service and temporary increases in scheduled frequency however flight schedules comprised of a flight per day and ongoing on-time-performance challenges continued to negatively effect passenger activity overall. Sunwing only restarted operations in late December 2022 and therefore did contribute to the statistics.
- **22,311 aircraft movements** for the year; a 10% increase compared to the previous year however still down 37% overall compared to 2019.

○ Comprised of local and itinerant movements of approximately 11,000 each

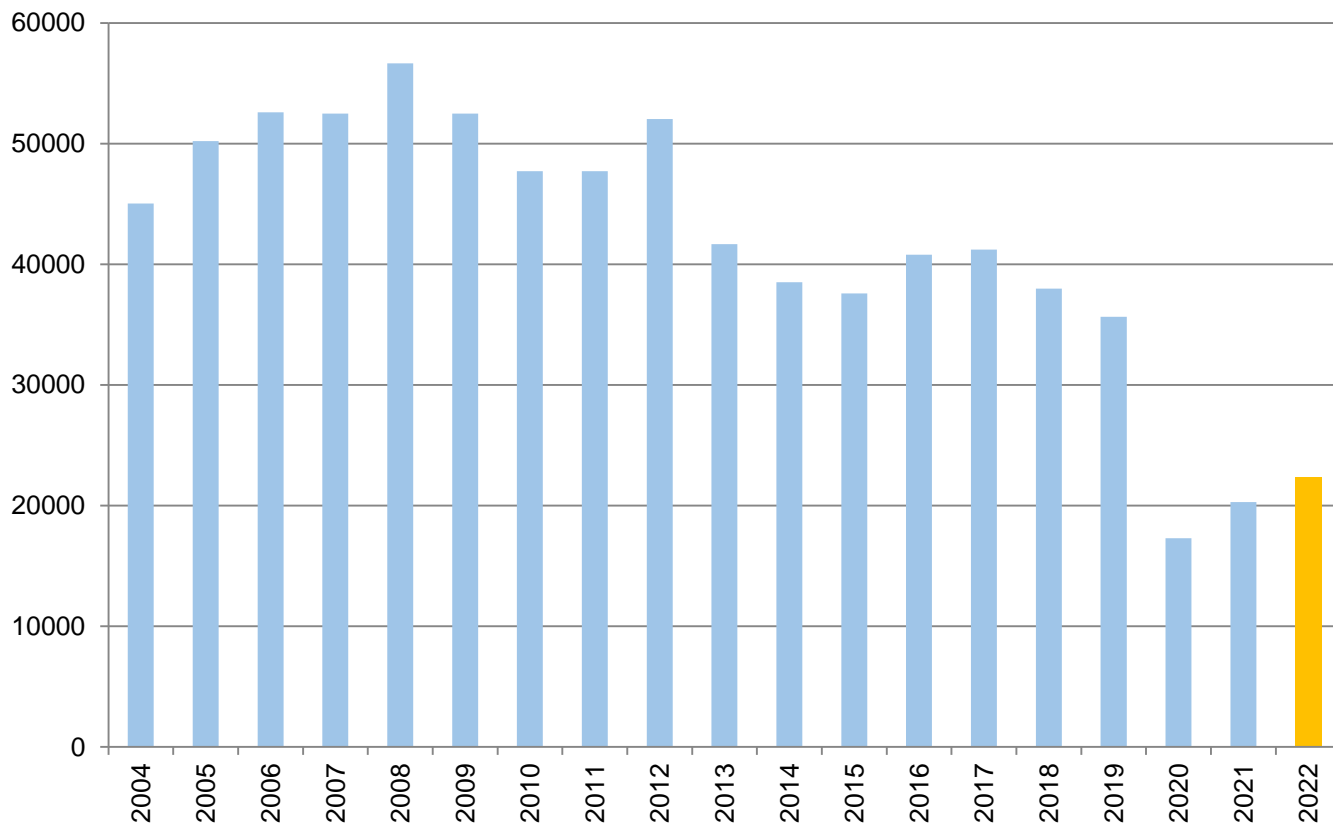


	2019	2020	2021	2022
Airline Passengers	77,453	15,807	12,005	23,466
Aircraft Movement	35,638	17,295	20,272	22,311

- Flight school operations
- Chartered flights continued to move business clients
- Regional forest fire and natural resources work continued
- Medical and military movements increased

Year in Review

Aircraft Movement Statistics

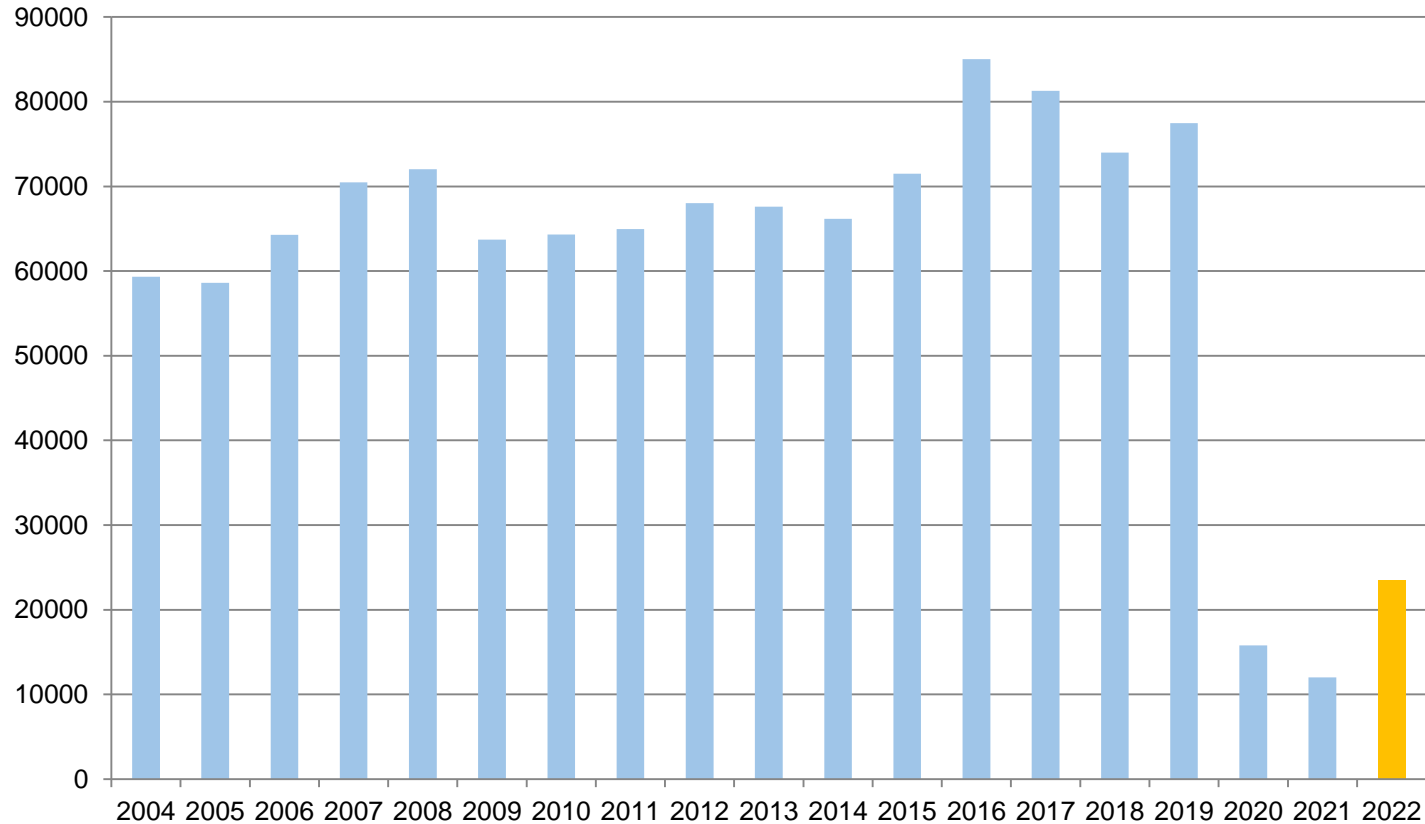




- Air Canada schedule increases (and decreases)
- Sunwing canceled seasonal route due to national customs restrictions in early 2022; returning later in the year
- Increased willingness of public to travel by air again

Year in Review

Airline Passenger Statistics



Capital Program

In 2022 the airport completed capital rehabilitation and replacement to ensure continued efficient and safe operations into the future. This included

- Apron II, Taxiway Hotel, and Taxiway Golf surface rehabilitation;
- Replacement of Runway 08 Approach Lighting System (SSALR);
- Replacement of airfield electrical transformers and upgrade to Constant Current Regulators (CCRs); and,
- Replacement of Administration Building membrane roof

Throughout all construction, whether electrical or structural, all scheduled and ad-hoc flight operations continued. No flights were effected (delayed or cancelled) as all airline, medical, military, and all other general aviation continued as normal even though there was significant airfield area closures, displaced runway thresholds (shortened runways) and airspace approach and departure limitations throughout the summer of 2022.

Capital Program



▲ Runway 08 Approach Light LED Replacement ▼



◀ Field Electrical Constant Current Regulator (CCR) Upgrades

(Modernized controls, replaced all regulator transformers, and commissioned two complete back-up regulators for airfield redundancies.)



▲ Administration Building Roof Membrane Replacement

(Including the removal of old unused infrastructure, antennas, etc.)

Capital Program



◀ Hotel Taxiway Replacement

(Showcasing depth of complete excavation done for both taxiways Hotel and Golf)



▲ Apron II Selective Panel Replacement and Golf Taxiway Complete Replacement



Business Development

The 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, business partners, airport tenants and the North Bay and area community.

In order to meet this objective the Corporation worked to continue to minimize costs while still completing necessary and regulated maintenance and operations, diversify revenue sources and attract new compatible development to the airport.

2022 saw at times an increased flight schedule from Air Canada and the successful reintroduction of Sunwing service in late December, enhancing essential connections for passenger service to Toronto and beyond. Bearskin Airlines continued uninterrupted scheduled and chartered service multiple times per day in order to connect the community to destinations in Northern Ontario and inter-provincially; offering more options than the previous year.

Nationally however regional markets and routes continued to experience an overall slow pace of recovery; faced with labour, logistic, and financial challenges.

We look forward to working with our tenants and partners to expand upon the successes of 2022, ensuring the airport remains a catalyst for economic growth in the region.

Business Development

- Worked with tenants to develop opportunities where possible.
 - Introduction of AvJet FBO Services with Weisflock Aero Fuels
 - Expansion of World Fuels FBO Services with Voyageur Aviation
- Expanding on proven records, past successes, and evaluating new concepts.
- Working with the City of North Bay and industry to support film production in the area.
- Utilization of existing assets and infrastructure during off-peak times where feasible.
- Airline services including:
 - Working with Air Canada to encourage and sustain an increased flight schedule
 - Facilitating the reintroduction of Sunwing flights in late December 2022
- Set-up and recommissioning work to restart the terminal restaurant operations after 2 years of closure (opening the Flight Deck Café in January 2023).



**Year In
Review**

We are pleased to see such events resuming; allowing us to work with organizers to showcase the airport and City of North Bay.

Such events demonstrate the diverse operations at the airport and the positive impact to the community.

Year In Review

Community & Special Events

Fortunately some special events and community programs returned in 2022. These included:

- North Bay's Canada Armed Forces Day
- United Way Annual Aircraft Pull Fundraiser
- Tours for local school, youth groups, and others





04

Financial Summary

Financial Report

2022

	Actual	Budget
Revenues	\$ 1,849,439	\$ 2,261,375
Expenses	<u>\$ 2,395,761</u>	<u>\$ 2,422,952</u>
Operating Income	\$ (546,322)	\$ (161,577)
Gain on Capital Assets	<u>\$ 0</u>	<u>\$ -</u>
Amortization	<u>\$ 166,831</u>	<u>\$ 91,000</u>
Net Income	\$ (713,153)	\$ (252,577)

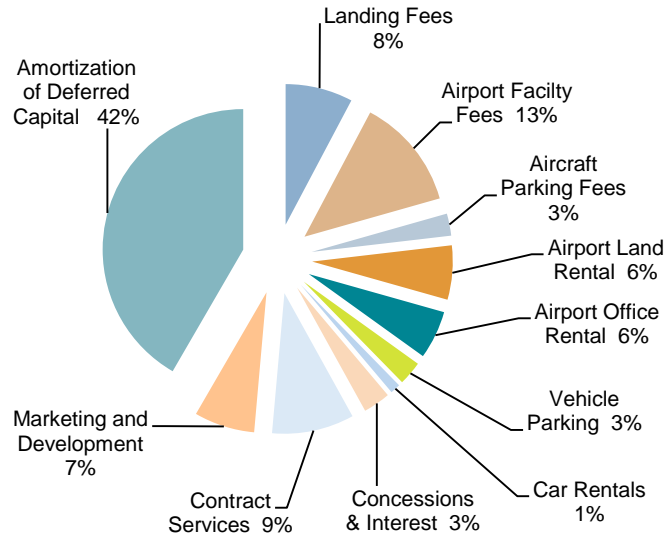
In 2022 the NBJGA Corporation had a net deficit of \$713,153; primarily caused by continued limited airline service and no offsetting government funding to directly address the ongoing negative effects of the pandemic. Overall it was anticipated throughout industry that the recovery of the air travel sector was to be quicker than actuality. As a result the Corporation's budget was optimistically developed based on those conversations with stakeholders and industry assessments however overall the sector recovered at a much slower rate than anticipated.

The deficit in 2022 was managed/offset by utilizing the previous year's positive income as a result of federal pandemic programs available at that time.

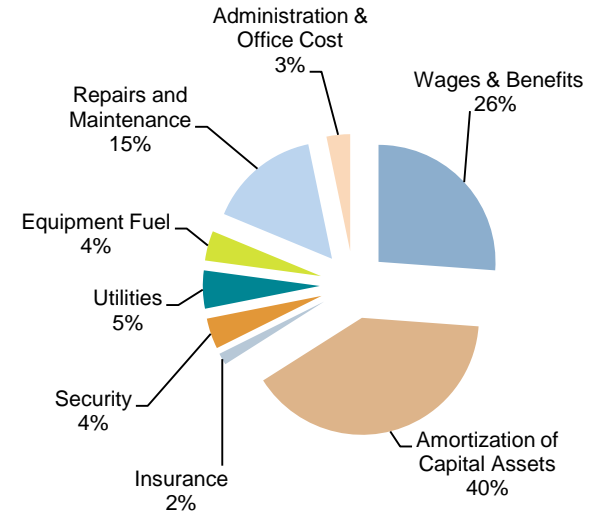
Financial Summary



Revenues by Type



Expenses by Type



Financial Summary





Financial Summary

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Financial Statements of

NORTH BAY JACK GARLAND AIRPORT CORPORATION

And Independent Auditor's Report thereon

Year ended December 31, 2022



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of North Bay Jack Garland Airport Corporation

Opinion

We have audited the accompanying financial statements of North Bay Jack Garland Airport Corporation (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Entity as at December 31, 2022, and its results of operations, its changes in deficiency in net assets and its 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 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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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- 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
May 4, 2023

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 332,038	\$ 417,837
Accounts and grants receivable (note 2)	712,820	749,107
Inventories	137,613	120,242
Prepaid expenses	21,619	23,301
	1,204,090	1,310,487
Restricted cash (note 3)	1,177,456	1,154,285
Capital assets (note 4)	14,505,368	11,954,334
	\$ 16,886,914	\$ 14,419,106
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 648,958	\$ 170,038
Deferred revenue (note 5)	36,454	52,278
	685,412	222,316
Deferred capital contributions (note 6)	13,906,360	11,188,495
	14,591,772	11,410,811
Net assets:		
Unrestricted	518,678	1,088,171
Equity in capital assets (note 7)	599,008	765,839
Internally restricted (note 3)	1,177,456	1,154,285
	2,295,142	3,008,295
Commitments (note 10)		
	\$ 16,886,914	\$ 14,419,106

See accompanying notes to financial statements.



Financial Summary

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Operations

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

	2022	2021
Revenue:		
Fees and services	\$ 1,803,435	\$ 1,445,846
Government grants and other contributions	6,366	1,133,606
Federal COVID-19 funding	-	244,736
Interest	39,638	9,964
Amortization of deferred capital contributions (note 7)	1,419,932	1,381,496
	<u>3,269,371</u>	<u>4,215,648</u>
Expenses:		
Salaries and benefits	1,042,047	1,017,928
Repairs and maintenance	616,935	547,969
Utilities	209,333	202,583
Security services	168,890	133,373
Equipment fuel	163,841	89,512
Insurance	64,964	43,409
Telephone	34,625	38,133
Professional fees	30,039	26,529
Advertising	19,783	21,233
Office and general	19,097	15,992
Consulting fees	9,255	8,011
Interest and bank charges	6,268	6,035
Materials and supplies	2,777	4,565
Travel	7,097	2,579
Office equipment rentals	810	810
Amortization of capital assets	1,586,763	1,442,513
	<u>3,982,524</u>	<u>3,601,174</u>
Excess (deficiency) of revenue over expenses	\$ (713,153)	\$ 614,474

See accompanying notes to financial statements.



Financial Summary

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Changes in Net Assets

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

	Unrestricted	Internally Restricted (note 3)	Equity in Capital Assets (note 7)	2022 Total	2021 Total
Net assets, beginning of year	\$ 1,088,171	\$ 1,154,285	\$ 765,839	\$ 3,008,295	\$ 2,393,821
Excess (deficiency) of revenue over expenses	(546,322)	-	(166,831)	(713,153)	614,474
Internally imposed restrictions - capital (note 3)	(23,171)	23,171	-	-	-
Net assets, end of year	\$ 518,678	\$ 1,177,456	\$ 599,008	\$ 2,295,142	\$ 3,008,295

See accompanying notes to financial statements.

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Cash Flows

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

	2022	2021
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ (713,153)	\$ 614,474
Adjustments for:		
Amortization of capital assets	1,586,763	1,442,512
Amortization of deferred contributions related to capital assets	(1,419,932)	(1,381,496)
	(546,322)	675,490
Change in non-cash working capital:		
Accounts and grants receivable	36,287	(561,573)
Inventories	(17,371)	13,362
Prepaid expenses	1,682	(11,622)
Accounts payable and accrued liabilities	478,920	59,951
Deferred revenue	(15,824)	16,696
	(62,628)	192,304
Cash flows from financing activities:		
Deferred contributions related to capital assets	4,137,797	406,780
Cash flows from capital activities:		
Purchase of capital assets	(4,137,797)	(406,780)
(Decrease) increase in cash	(62,628)	192,304
Cash, beginning of year	1,572,122	1,379,818
Cash, end of year	\$ 1,509,494	\$ 1,572,122
Comprised of:		
Cash	332,038	417,837
Restricted Cash	1,177,456	1,154,285
	\$ 1,509,494	\$ 1,572,122

See accompanying notes to financial statements.

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

North Bay Jack Garland Airport Corporation (the "Corporation") is incorporated without share capital under the laws of Ontario. The Corporation has entered into an operating agreement with the Corporation of the City of North Bay (the "City") to manage Jack Garland Airport until December 31, 2037. This agreement may be terminated by either party without cause, upon one-hundred eighty days' notice. The Corporation is exempt from income tax under the Income Tax Act.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

(a) Revenue recognition:

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 or determinable.

The Corporation accounts for contributions, which include government grants, under the deferral method of accounting as follows:

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of a period are accrued. Grants relating to future periods are deferred and recognized in the subsequent period when the related activity occurs.

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

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 the related capital assets.

(b) Inventories:

Inventories consist of supplies held for use at the Airport. They are stated at the lower of average cost and net realizable value.

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

1. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets are recorded at cost. The original cost does not reflect replacement cost or market value upon liquidation. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Corporation's ability to provide services, its carrying amount is written down to its residual value.

Construction in progress is not amortized until construction is complete and the facilities come into use.

Amortization is provided for over the estimated useful lives of the assets using the following basis:

Asset	Basis	Years
Equipment	Straight-line	12
Computer hardware and software	Straight-line	5
Building improvements	Straight-line	10
Vehicles	Straight-line	5
Land improvements	Straight-line	5
Airfield infrastructure	Straight-line	20
Groundside infrastructure	Straight-line	20

Long-lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Society uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

Assets to be disposed of would be separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer amortized. The asset and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position.

(d) Employee future benefits:

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.

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

1. Significant accounting policies (continued):

(e) Use of estimates:

The preparation of financial statements in accordance with Canadian public sector accounting standards 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 revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; valuation allowances for receivables and inventories; and accounts payable and accrued liabilities. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(f) Financial instruments:

All financial instruments are initially recorded on the consolidated statement of financial position at fair value.

All investments, if any, held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline in fair value is determined to be other than temporary, the amount of the loss is recognized in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. On sale, the statement of remeasurement gains and losses associated with that instrument are reversed and recognized in the consolidated statement of operations.

2. Accounts and grants receivable:

	2022	2021
Grant receivable	\$ 322,993	\$ 565,902
Trade accounts receivable	147,281	155,480
HST and other	242,546	27,725
	<u>\$ 712,820</u>	<u>\$ 749,107</u>

3. Internally restricted net assets and restricted cash:

The Corporation maintains restricted net assets and restricted cash in the amount of \$1,177,456 (2021 - \$1,154,285) in order to meet future obligations of the Corporation.

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

4. Capital assets:

	2022		2021	
	Cost	Accumulated Amortization	Net book Value	Net book Value
Equipment	\$ 4,455,974	\$ 3,268,873	\$ 1,187,101	\$ 1,427,443
Computer hardware and software	352,511	329,010	23,501	31,391
Vehicles	193,408	176,164	17,244	34,488
Building improvements	5,612,206	4,511,576	1,100,630	1,269,505
Airfield infrastructure	19,086,491	6,950,720	12,135,771	9,093,072
Groundside infrastructure	86,570	45,449	41,121	45,450
Construction in progress	–	–	–	52,985
	\$ 29,787,160	\$ 15,281,792	\$ 14,505,368	\$ 11,954,334

5. 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.

	2022		2021	
Prepaid deposits		\$ 5,000	\$ 5,000	
Prepaid rent and fees		–	4,514	
Other contributions		31,454	42,764	
		\$ 36,454	\$ 52,278	

6. Deferred capital contributions:

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

	2022		2021	
Balance, beginning of year		\$ 11,188,495	\$ 12,163,211	
Contributions received		4,137,797	406,780	
Amortization of deferred capital contributions		(1,419,932)	(1,381,496)	
		\$ 13,906,360	\$ 11,188,495	

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

7. Investment in capital assets:

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

	2022	2021
Capital assets	\$ 14,505,368	\$ 11,954,334
Amounts financed by:		
Deferred contributions	(13,906,360)	(11,188,495)
	<u>\$ 599,008</u>	<u>\$ 765,839</u>

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

	2022	2021
Excess of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 1,419,932	\$ 1,381,496
Amortization of capital assets	(1,586,763)	(1,442,513)
	<u>\$ (166,831)</u>	<u>\$ (61,017)</u>
Net change in investment in capital assets:		
Purchase of capital assets	\$ 4,137,797	\$ 406,780
Amounts funded by:		
Deferred capital contributions	(4,137,797)	(406,780)
	<u>\$ -</u>	<u>\$ -</u>

8. 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 2018, with an effective date of January 1, 2019.

The Corporation provided the City with maintenance services amounting to \$186,400 (2021 - \$182,122). The City provided the Corporation with corporate services, including information technology support and server access amounting to \$68,680 (2021 - \$38,913).

The City provided the Corporation with capital contributions of \$571,061 (2021 - \$406,780) for the acquisition of capital assets.

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

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2022

9. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2022 financial statement.

10. Commitments:

The Corporation has entered into an agreement with Commissionaires Ottawa for the provision of security services. The contract is effective until January 2026. During the year, \$168,890 (2021 - \$133,373) was expended on security services.

The Corporation has entered into an agreement with DTZ Canada Inc. for the provision of janitorial duties. The contract is effective until April 2024. During the year, \$152,728 (2021 - \$152,697) was expended on janitorial services.

The Corporation has entered into various financial assistance agreements with Transport Canada under the Airports Capital Assistance Program (ACAP) for projects to be completed between December 30, 2021 and March 31, 2024. The value of the agreements is \$4,428,422. The total funding received during 2022 is \$3,569,922.

11. Financial risks and concentration of credit risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Corporation is exposed to credit risk with respect to accounts receivable.

The Corporation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Corporation at December 31, 2022 is the carrying value of these assets.

Management considers credit risk to be minimal as most of the accounts receivable balance is collected in a timely fashion.

There have been no significant changes to the credit risk exposure from 2021.

(b) Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

There have been no significant changes to the liquidity risk exposure from 2021.

Thank You



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