



North Bay Jack Garland Airport



**2016
Annual General Meeting
Annual Report
May 11, 2017**





2016 Annual Report

Chairman's Message

Operating Mandate

NBJGAC Board of Directors

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Airport Facilities

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Chairman's Message

North Bay Jack Garland Airport (NBJGA) completed its fourteenth 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 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 System (SMS) now in its fifth year and forms an integral part of our daily operation and is actively supported by employees and the Board.

The Security Operation Program established in 2014 was enhanced to meet the third phase of the program and new regulation in 2016. The program was reviewed by Transport Canada and found to be in compliance with the regulations.

The Airport Security Committee met twice during the year and held a table top security exercise simulating a bomb threat in April.



Chairman's Message

The NBJGA Corporation committed to invest \$346,913 into the Airport in 2016. The Corporation received \$257,296 from the City of North Bay. The balance of capital \$89,617 was internally funded from airport reserves.

Major projects undertaken in 2016 included:

- Rehabilitation of the security and communication systems
- Airport ground equipment fleet renewal
- Project development and tender documents for the rehabilitation of the airport main power systems
- Project development for the rehabilitation of runway 18-36 and approach lights

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 runways, taxiways, aprons and buildings a full system maintenance program was carried out on the airfield electrical system.

From a financial perspective the year was a success. In 2016, NBJGA had revenues of \$2,582,322 versus a budget of \$2,450,481; NBJGA realized an operational income of \$114,176 versus a budget of \$92,500. The variance in operational income versus budget was a result of increased itinerant activity and increased passenger traffic.



Chairman's Message

85,035 scheduled service passengers used NBJGA which is up 18.9% from 2015, and 20,601 itinerant aircraft movements in 2016, an increase of 6.9% from the previous year. These increases are attributed to additional passenger using all carriers and more competitive fares.

NBJGA hosted the 31st, Ontario Airport Managers Conference this past October with 165 airports and business partners attending. This event was heralded as one of the best ever and generated an economic spin off for the community of approximately \$250,000 during the 3 day event.

Formal street names and 911 addresses were completed for the whole airport property including new street signs being installed by the City.

Management continues to work closely with the City of North Bay's economic development department to support commercial and industrial development on groundside and airside properties in the recently opened Airport Business Park.

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

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. Its success will depend on the continued dedication of its management and employees.

Moving forward, on-going priorities will be: continued implementation of our strategic plan, continued marketing and development of the airport facility, and rehabilitation of the cross wind runway (18-36).

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 2016, \$16,536,423.00 has been invested in the physical plant and a reserve fund of \$529,979 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 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

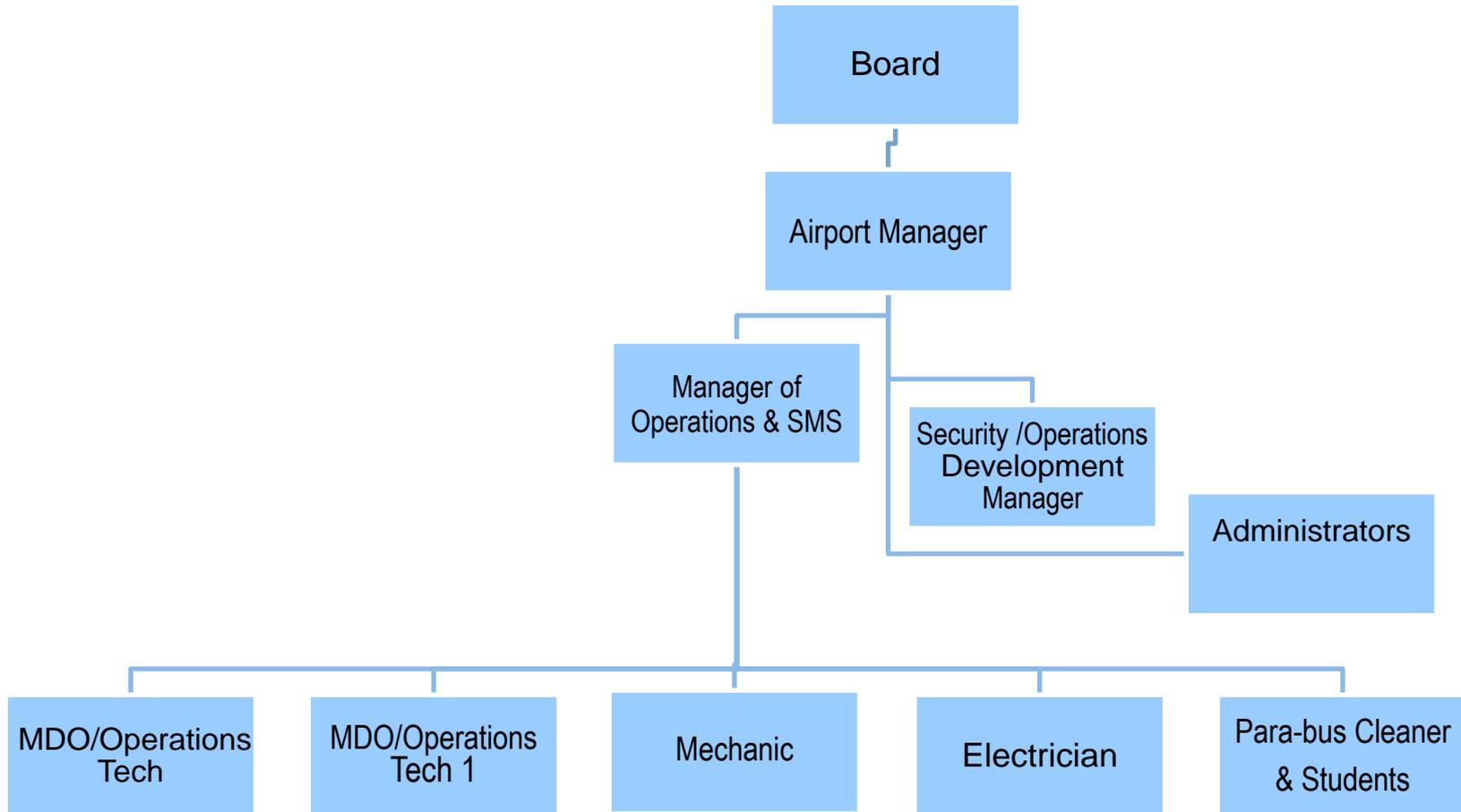
Mr. Ewen Cornick	Chairman	Community
Mr. Max Shapiro	Vice-Chair	Voyageur Airways
Mr. George Burton	Treasurer	Community
Mr. Kevin Donnelly	Secretary	Community
Mr. Ron Miller	Director	Community
Mr. Gord Cardwell	Director	Community
Mr. Daryl Vaillancourt	Director	City of North Bay
Mr. Peter Argue	Director	Community
Mr. Karl Neubert	Director	Community

Board Committees

Executive Committee	Chair	Mr. Ewen Cornick
Operations/Policy Committee	Chair	Mr. Max Shapiro
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@northbayairport.com
- **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.



2016 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 and one (1) in 2016. Incursions are a serious concern to the airport and therefore this objective will once again be carried forward to our 2017 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.
 - For 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.



2016 Year In Review

Operations

Safety Management System:

- **Objective #2 – Reduce lighting breakage.** Reduce lighting breakage. In past years we have averaged between 20 to 50 damaged lights annually and for 2016 29 lights were damaged. There has not been a substantial improvement for 2016 and we will continue this objective for 2017.
- **Objective #3 – Improve electrical airfield reliability.** During the summer of 2016 all airfield lighting fixtures were checked, cleaned, levelled, connections repaired as necessary and pits inspected. Home run cables were meggered and all are acceptable at this time. During the airfield meggering process it was noticed that there are still issues with the airfield lighting that will need to be addressed on a reactive basis at this time. We have achieved our objective to improve electrical airfield reliability.



2016 Year In Review

Operations

Safety Management System:

- **QA Audit Reports, Follow-ups and Corrective Actions Review**
 - TC PVI – TC has completed their administrative follow-up of our 2013 Program Validation Inspection; they have accepted our CAP and follow-up actions and closed the PVI.
 - Quality Assurance Audit – Octant Aviation conducted our 2016 QA Audit. Corrective Action Plans were created for each finding and observation, remedial actions completed and all CAP's closed. Audit Findings & Observations listed below;
 - **Audit finding (Level 3):** Latest proposed amendment was submitted to the Minister for approval. To this date, approval has not been received from the Minister. Proposed amendment to the Airport Operations Manual is in place and running under latest signature in 2014. ***“AOM reviewed and amended.”***
 - **Audit finding (Level 2):** There are no procedures to be followed, after any exercise, for a post-emergency debriefing session as required under CAR 302.203 (1) (y) (i) to (v). ***“Emergency Response Plan amended to include a post exercise debrief.”***



2016 Year In Review

Operations

Safety Management System:

- **QA Audit Reports, Follow-ups and Corrective Actions Review Continued**
 - **Audit finding (Level 2):** There is mention to Airport policy to ban feeding of wildlife in 6.8 item 6. However, there is no policy in place that prohibits the feeding of wildlife and the exposure of food wastes. **“WLP amended.”**
 - **Observation:** Coordinates of each aircraft stand could not be made available. **“Apron Management Plan amended to include coordinates for stands.”**
 - **Observation:** Published CAP and AOM do not match. There are no declared distances for R13/31 in AOM however declared distances are published in CAP. R13/31 non-instrument runway, declared distances not required. **“AOM amended to match CAP.”**
 - **Observation:** AOM Section 2.5.2 Typo error: instead of 15% it is listed as 1:15 for Rwy 18 and 36 Approach surface divergences. **“Corrected in AOM amendment.”**
 - **Observation:** Section 6.13 Bi-monthly summary, this procedure exists however bi-monthly written summary are not compiled. **“WLP amended.”**



2016 Year In Review

Airport Security Program:

- **Security Policy and its Effectiveness**

- The North Bay Jack Garland Airport's Security Policy includes directives to reinforce security as an integral component of the North Bay Airport culture. The program manual was reviewed by Airport Management and Transport Canada in January and 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 2016**

- **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, and thirteen (13) in 2016. With the number of gates and access points throughout the airport, this objective will once again be carried forward to 2017 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.



2016 Year In 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 08-26 and replace gravel on the strip edges
- Repairs and upgrades to all buildings.
- Fence repairs and brush clean-up on the fence line
- Life safety systems repairs in the Administration building flooring replacement on bottom level.
- AC unit rehabilitation in the Terminal building
- Heating systems repairs in the maintenance garage.
- Rehabilitation of the retaining walls in the Sand Shed.
- Full check and repairs of all electrical pits and airfield lights system main electrical wires



2016 Year In Review

Operations

Major construction projects and capital expenditures in 2016 included:

- Rehabilitation of the Airport Security Camera and communications systems
- Project development for the rehabilitation of the airport main power systems
- Project development for the rehabilitation of runway 18-36 and approach lights
- Airport ground equipment fleet renewal

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

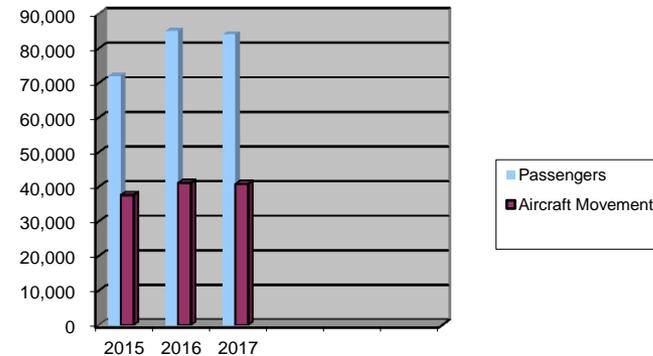


2016 Year In Review

Traffic Activity 2016

- 85,035 airline enplaned/deplaned passengers used the North Bay Airport which was up 18.9% over 2015. In addition 11,882 people used the facilities for itinerant and private flights.
- Aircraft activity for the year was 41,118 movements which was up 9.4% from 2015
- Itinerant aircraft movements were 20,601 up by 6.9% over the previous year
- Local aircraft movements were 20,517 which was up 12% and due training flights, local activity and maintenance and repair test flights.
- As noted below we expect 2017 to be consistent based on current numbers given the strong growth in 2016.

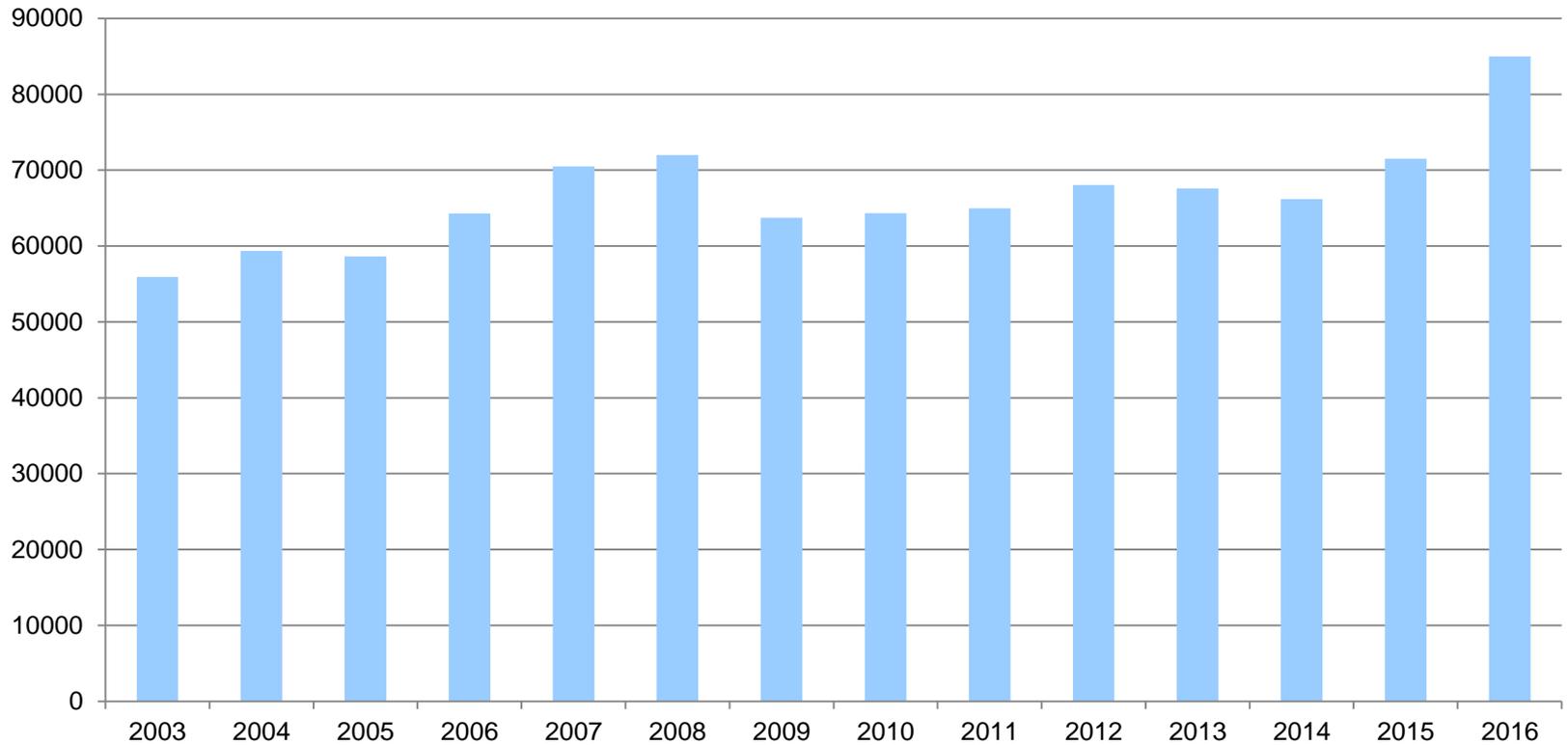
	2015	2016	2017
Passengers	72,035	85,035	84,000
Aircraft Movement	37,584	41,118	40,800





2016 Year In Review

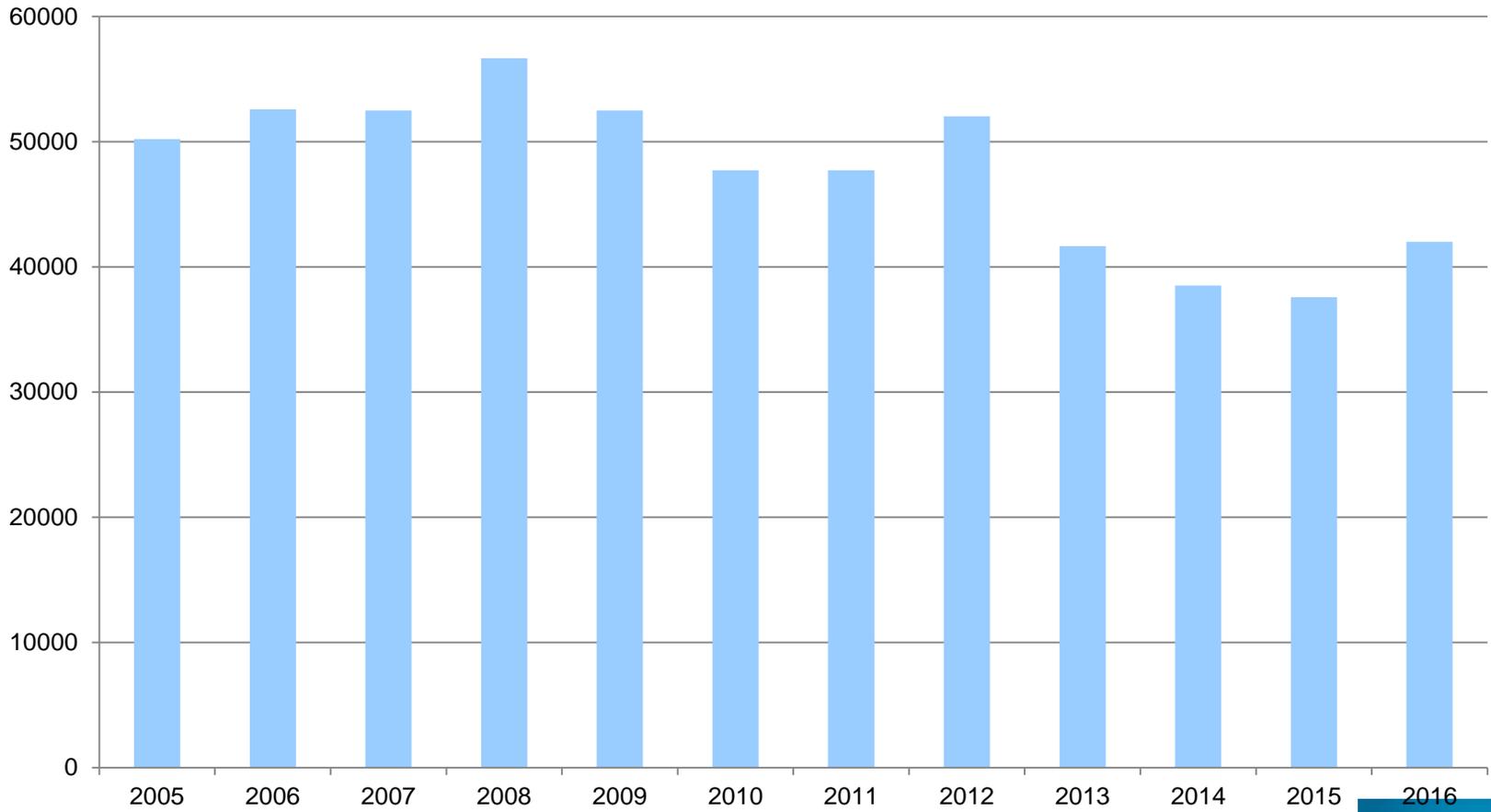
PASSENER STATISTICS





2016 Year In Review

AIRCRAFT MOVEMENT STATISTICS





2016 Year In Review

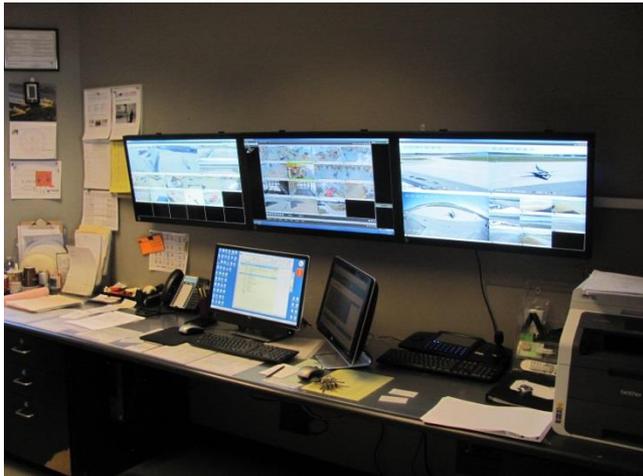
Capital Program

In 2016 a capital program of \$346,913 was undertaken with funding provided from the following sources:

- City of North Bay \$257,296
- North Bay Jack Airport Corporation \$89,617

Major capital projects in 2016 included:

- Rehabilitation of the airport Security and Communications systems





2016 Year In Review

Capital Program – continued

Other capital projects that were undertaken during 2016 included;

- Airport ground equipment fleet renewal
- Project development for the rehabilitation of the airport main power systems
- Project development for the rehabilitation of runway 18-36 and approach lights

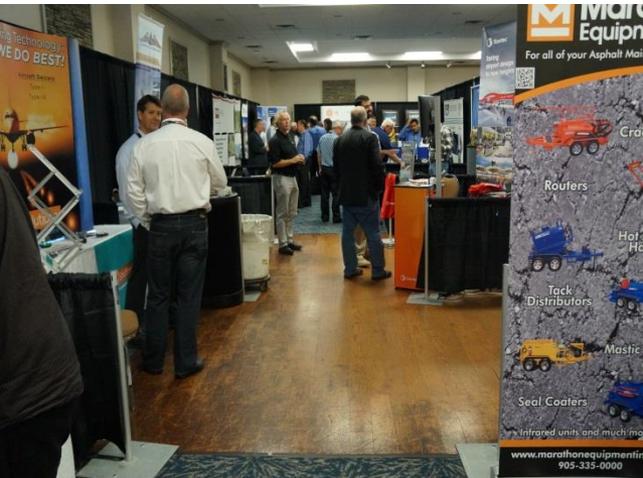




2016 Year In Review

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.
- NBJGAC hosted the 31st, Airport Managers Conference in October with 165 airport and business partners attending.
- Create an aviation ambiance for terminal passengers.





2016 Year In Review

Business Development

- New MNR Fire Base constructed on Apron
- Official 911 addresses and names





2016 Year In Review

Special Events

Airport facilities were utilized by several community groups during 2016:

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





Financial Summary

	2016	
	Actual	Budget
Revenues	\$ 2,582,322	\$ 2,450,481
Expenses	<u>\$ 2,435,917</u>	<u>\$ 2,357,596</u>
Operating Income	\$ 146,405	\$ 92,885
Gain on Capital Assets	<u>\$ 15,900</u>	<u>\$ -</u>
Amortization	<u>\$ 114,176</u>	<u>\$ 92,500</u>
Net Income	\$ 48,129	\$ 385

In 2016 the NBJGA Corporation generated an operational profit of \$146,405 and a net profit of \$48,129 once the gain on capital assets and amortization cost were factored in.

Actual net income versus Budget were impacted by:

Revenue

- Increased passengers and itinerant traffic.
- Office rental
- Other services

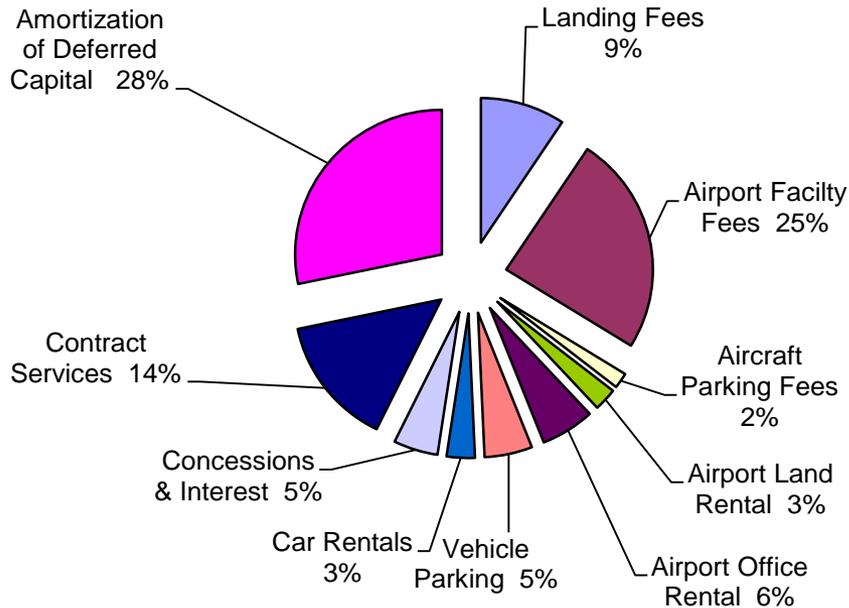
Expenditures

- Utilities
- Emergency repairs
- Winter operations

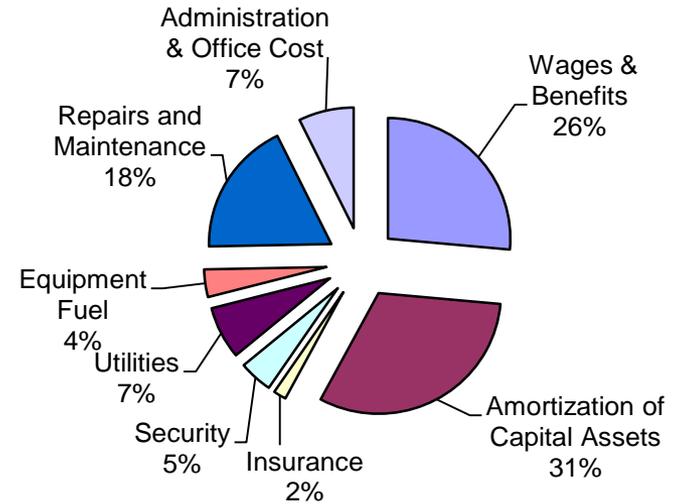


Financial Summary

Revenues by Type



Expenses by Type





Financial Statements of
**NORTH BAY JACK GARLAND
AIRPORT CORPORATION**
Year ended December 31, 2016



**North Bay Jack Garland
Airport Corporation
Financial Statements**
For the year ended December 31, 2016



North Bay Jack Garland Airport Corporation
Financial Statements
For the year ended December 31, 2016

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Tel: 705 495 2000
Fax: 705 495 2001
Toll-Free: 800 461 6324
www.bdo.ca

BDO Canada LLP
101 McIntyre Street W, Suite 301
North Bay ON P1B 2Y5 Canada

Independent Auditor's Report

To the Shareholder of North Bay Jack Garland Airport Corporation

We have audited the accompanying financial statements of North Bay Jack Garland Airport Corporation, which comprise the statement of financial position as at December 31, 2016, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of North Bay Jack Garland Airport Corporation as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

North Bay, Ontario

April 13, 2017



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

For the year ended December 31				2016	2015
	Unrestricted	Internally Restricted	Equity in Capital Assets	Total	Total
Net assets, beginning of year	\$ 243,608	\$ 509,407	\$ 710,461	\$ 1,463,476	\$ 1,404,362
Excess (deficiency) of revenues over expenses	162,305	-	(114,176)	48,129	59,114
Net changes in investment in capital assets	(89,617)	-	89,617	-	-
Internally imposed restrictions - capital	(20,572)	20,572	-	-	-
Net assets, end of year	\$ 295,724	\$ 529,979	\$ 685,902	\$ 1,511,605	\$ 1,463,476



North Bay Jack Garland Airport Corporation Statement of Operations

For the year ended December 31	2016	2015
Revenues		
Fees and services	\$ 2,571,110	\$ 2,499,625
Expense recoveries	4,975	11,293
Interest	6,238	7,349
Gain on sale of capital asset	15,900	-
Amortization of deferred capital contributions (Note 5)	1,003,455	992,565
	3,601,678	3,510,832
Expenses		
Salaries and benefits	1,071,406	912,639
Repairs and maintenance	604,433	622,351
Utilities	260,465	242,222
Security services	155,612	153,308
Equipment fuel	127,295	127,800
Insurance	64,690	58,271
Telephone	43,357	34,970
Professional fees	34,050	24,577
Office supplies	24,107	12,630
Advertising	21,604	148,938
Travel	9,890	9,602
Materials and supplies	6,301	7,044
Interest and bank charges	6,117	5,682
Consulting fees	4,490	5,696
Office equipment rentals	2,101	2,169
Amortization	1,117,631	1,083,819
	3,553,549	3,451,718
Excess of revenues over expenses for the year	\$ 48,129	\$ 59,114



North Bay Jack Garland Airport Corporation Statement of Cash Flows

For the year ended December 31	2016	2015
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 48,129	\$ 59,114
Items not involving cash		
Amortization	1,117,631	1,083,819
Amortization of deferred contributions related to capital assets	<u>(1,003,455)</u>	<u>(992,565)</u>
	162,305	150,368
Changes in non-cash working capital balances		
Accounts and grants receivable	(23,510)	187,648
Inventories	683	(11,713)
Prepaid expenses	(40)	271
Accounts payable and accrued liabilities	(21,571)	(137,349)
Prepaid fees	<u>2,516</u>	<u>914</u>
	<u>120,383</u>	<u>190,139</u>
Investing activities		
Purchase of property, plant and equipment	(347,294)	(590,678)
Increase in restricted cash	<u>(36,843)</u>	<u>(264,073)</u>
	<u>(384,137)</u>	<u>(854,751)</u>
Financing activities		
Deferred capital contributions related to capital assets	<u>257,677</u>	371,005
Decrease in cash and cash equivalents during the year	(6,077)	(293,607)
Cash and cash equivalents, beginning of year	<u>204,531</u>	<u>498,138</u>
Cash and cash equivalents, end of year	\$ 198,454	\$ 204,531



North Bay Jack Garland Airport Corporation Summary of Significant Accounting Policies

December 31, 2016

Nature of Business	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 to manage Jack Garland Airport until December 31, 2018. 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 Presentation	The financial statements of the corporation have been 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: 20px;"> <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> </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
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														



North Bay Jack Garland Airport Corporation Summary of Significant Accounting Policies

December 31, 2016

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 and 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 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.

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. Contribution 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.

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.

Use of Estimates

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.



North Bay Jack Garland Airport Corporation Notes to Financial Statements

December 31, 2016

1. Accounts and Grants Receivable

	2016	2015
Trade receivables	\$ 229,058	\$ 192,129
Grants receivable:		
Corporation of the City of North Bay	166,477	179,896
	\$ 395,535	\$ 372,025

2. Internally Restricted Net Assets and Restricted Cash

	2016	2015
Future capital expenditures (i)	\$ 467,543	\$ 446,971
Future operations	62,436	62,436
Balance, end of year	\$ 529,979	\$ 509,407

(i) Changes in future capital expenditures consists of proceeds of disposition of capital asset of \$15,900 and interest of \$4,672 earned of the balance in restricted cash.



North Bay Jack Garland Airport Corporation Notes to Financial Statements

December 31, 2016

3. Property, Plant and Equipment

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Airfield infrastructure	\$ 7,801,292	\$ 2,858,662	\$ 7,711,674	\$ 2,476,952
Building improvements	4,666,989	2,200,339	4,666,989	1,753,561
Equipment	3,475,418	1,643,745	3,410,972	1,397,759
Computer equipment	313,325	157,209	156,558	131,707
Vehicles	192,829	143,220	156,366	129,893
Groundside infrastructure	86,570	19,478	86,570	15,150
	\$ 16,536,423	\$ 7,022,653	\$ 16,189,129	\$ 5,905,022
Net book value		\$ 9,513,770		\$ 10,284,107

4. Prepaid Fees

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

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.

	2016	2015
Balance, beginning of year	\$ 9,573,646	\$ 10,195,206
Contributions received	257,677	371,005
Amortization of Deferred Capital Contributions	(1,003,455)	(992,565)
Balance, end of year	\$ 8,827,868	\$ 9,573,646



North Bay Jack Garland Airport Corporation Notes to Financial Statements

December 31, 2016

6. Investment in Capital Assets

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

	2016	2015
Capital assets	\$ 9,513,770	\$ 10,284,107
Amounts financed by deferred contributions	8,827,868	9,573,646
	\$ 685,902	\$ 710,461

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

	2016	2015
Excess of revenues over expenses		
Amortization of deferred capital contributions related to capital assets	\$ 1,003,455	\$ 992,565
Amortization of capital assets	(1,117,631)	(1,083,819)
	\$ (114,176)	\$ (91,254)
 Net change in investment in capital assets:		
Purchase of capital assets	\$ 347,294	\$ 590,678
Amounts funded by Deferred capital contributions	(257,677)	(371,005)
	\$ 89,617	\$ 219,673



North Bay Jack Garland Airport Corporation Notes to Financial Statements

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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 \$174,165 (2015 - \$209,723). The City provided the Corporation with the corporate services, including information technology support and server access amounting to \$15,982 (2015 - \$15,517).

The City provided the Corporation with capital contributions of \$257,677 (2015 - \$371,005) 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