



North Bay Jack Garland Airport



2017
Annual General Meeting
Annual Report
May 10, 2018





2017 Annual Report

Chairman's Message

Operating Mandate

NBJGAC Board of Directors

Organizational Chart

Airport Contact Information

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2017 Year In Review

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2017 Financial Statements



Chairman's Message

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

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

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

The Security Operation Program established in 2014 is now fully implemented and forms a key component of the North Bay Airport security culture.

The Airport Security Committee met twice during the year and held a full scale emergency exercise in October which tested several community partners' emergency programs and was deemed to be a success by all responders.



Chairman's Message

The NBJGA Corporation's continued commitment to invest and rehabilitate the airport infrastructure saw \$1,272,572. put into the facility in 2017. The Corporation received \$874,220. from the City of North Bay and \$279,656. under Transport Canada's Airport Capital assistance program. The balance of capital \$118,697. was internally funded from airport reserves.

Major projects undertaken in 2017 included:

- Rehabilitation of the emergency and normal power systems.
- Airport equipment and fleet renewal.
- Rehabilitation of the heating plant in the maintenance garage.
- Floor rehabilitation in the Administration building.

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. A new deficiency reporting form was created and added to our web-site and provided to tenants to ensure we capture any reported faults and address them according to our maintenance plans.



Chairman's Message

From a financial perspective the goals set in our business plan were met. In 2017, NBJGA had revenues of \$2,549,112 versus a budget of \$2,565,271; NBJGA realized an operational income of \$68,522 versus a budget of \$2,907. The variance in operational income versus budget was a result of the heavy lift freight program and new construction.

81,272 scheduled service passengers used NBJGA which is a 4.43% decrease from 2016, and 18,677 itinerant aircraft movements in 2017, a decrease of 9.4% from the previous year. The decrease in airline passengers is attributed to Porter Airlines ceasing service the first week of September while the decrease in itinerant movement was greatly due to the weather and a runway closure at Pearson Airport due to construction.

April 2017 a significant freight operations using an IL 76 was staged from the airport moving heavy equipment to Baffin Land Mines. The operations were filmed and later aired on the Discovery Channel (Heavy Lift Program). This program allowed us to gain insight in the potential for more opportunities of this type.

May of 2017 MNR officially opened their new fire base located on apron III.

June 16-17 the airport hosted Canada Armed Forces day events in conjunction with Canadore College and the City of North Bay. The turn out to view the various events was close to 5,000 people.



Chairman's Message

The week of August 7th, 2017 the airport hosted the Commemorative Air Force team with a B-17 which generated positive reviews by all who were out to visit and take a flight in the nostalgic aircraft.

October 6th saw the first aircraft pull fund raising event held in conjunction with United Way, 22 Wing, Voyageur Aviation Corporation and the NBJGAC.

November 2017 Environment Canada commissioned a new automated weather station located next to the receiver site on the airport. This site now provides public weather observations for all users with actual data being collected 24-7.

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.

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

The Board is pleased with the progress that has been made to date to improve the financial position and physical plant of the NBJGA. As of the end of 2017, \$17,808,995. has been invested in the physical plant and a reserve fund of \$569,945 is in place to help leverage future projects. While challenges remain to ensure the financial and commercial self-sustainability of the airport we believe that the NBJGA has the potential to be a premiere self-sustaining regional airport facility.

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



Operating Mandate

The Mission/Mandate

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

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

The North Bay Jack Garland Airport Corporation Vision

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



NBJGAC Board of Directors

Board of Directors

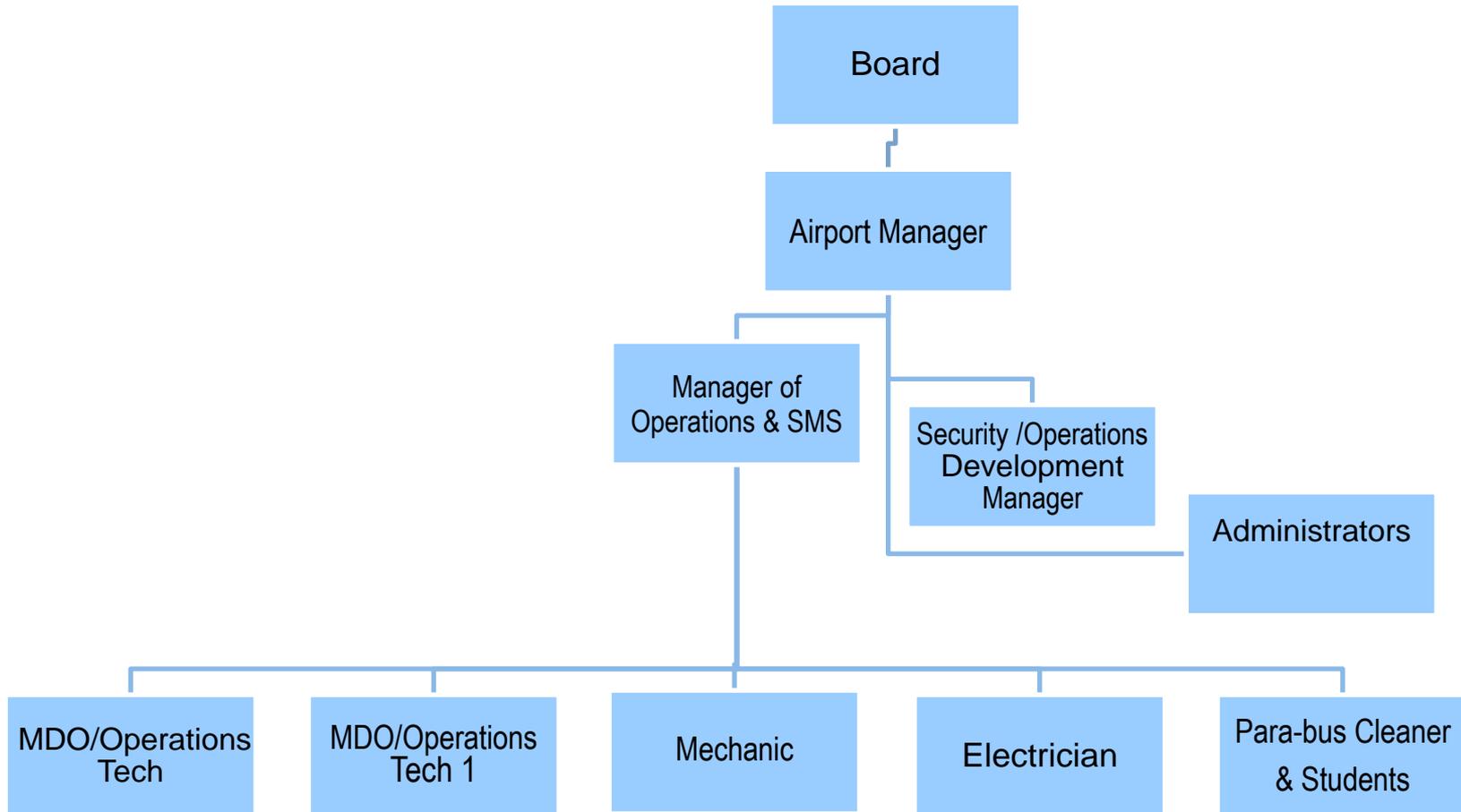
Mr. Ewen Cornick	Chairman	Community
Mr. Karl Neubert	Vice Chair	Community
Mr. George Burton	Treasurer	Canadore College
Mr. Kevin Donnelly	Secretary	Community
Mr. Ron Miller	Director	Community
Mrs. Nicole Parker	Director	Community
Mr. Daryl Vaillancourt	Director	City of North Bay
Mr. Peter Argue	Director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

Board Committees

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



North Bay Jack Garland Airport Corporation





Airport Contact Information

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



Airport Facilities

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



2017 Year In Review

Operations

Safety Management System:

- **Objective #1 – Reduce potential for incursions during Airside Operations.** We had one (1) incursion in 2012, four (4) in 2013, two (2) in 2014, two (2) in 2015, one (1) in 2016 and two (2) in 2017. Incursions are a serious concern to the airport and therefore this objective will once again be carried forward to our 2018 Objectives. Listed below are some of the actions we have taken or plan to take to address this issue;
 - In 2013 we introduced incursion awareness training for new operator AVOP training.
 - In 2014 we added incursion awareness to our existing and returning term staff training, developed an airport cell phone policy, developed an Airside Communications SOP and educated staff on the advantages of twinning of frequencies while operating airside.
 - In 2015 AVOP requirements for Fire Dept., security staff and tenants including the Glider Club was a focus of our efforts. We met with NavCanada to discuss any issues they may have recognized with Airport Staff and Tenants during FSS hours of operation.
 - In 2016 we continued our training from past years in conjunction with implementation of an AVOP six month skill verification for holders of current Airside Vehicle Operators Permits.



2017 Year In Review

Operations

Safety Management System:

- For 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.
- **Objective #2 – Reduce lighting breakage.** Reduce lighting breakage. In past years we have averaged between 20 to 50 damaged lights annually, in 2016 29 lights were damaged and in 2017 25 lights including one guard light were damaged. There has not been a substantial improvement for 2017 and we will continue this objective for 2018.
- **Objective #3 – Improve reliability of standard & emergency power supply systems.** There are still 2017 Goals that have not been achieved due to the electrical project being behind schedule and these will be carried forward to 2018 for completion.



2017 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 in February 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 2017**

Reduce the number of security incidents/infractions relating to gates and access points.

We had two (2) in 2014, six (6) in 2015, thirteen (13) in 2016, and nine (9) in 2017. Although 2017 saw a decrease in the number of incidents, with the number of gates and access points throughout the airport, this objective will once again be carried forward to 2018 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.



2017 Year In Review

Airport Security Program:

- **Training continued**
Full scale emergency exercise.





2017 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 all hard surfaces and crack sealing of runway 08-26
- Repairs and upgrades to all buildings.
- Fence repairs and brush clean-up on the fence line
- Life safety systems repairs in the administration and terminal buildings
- AC unit rehabilitation in the Administration building
- Heating systems repairs in all building



2017 Year In Review

Operations

Major construction projects and capital expenditures in 2017 included:

- Rehabilitation of the emergency and non-essential power systems
- Rehabilitation of the maintenance garage heating system
- Airport ground equipment fleet renewal
- Flooring systems replacement in the administration Building

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

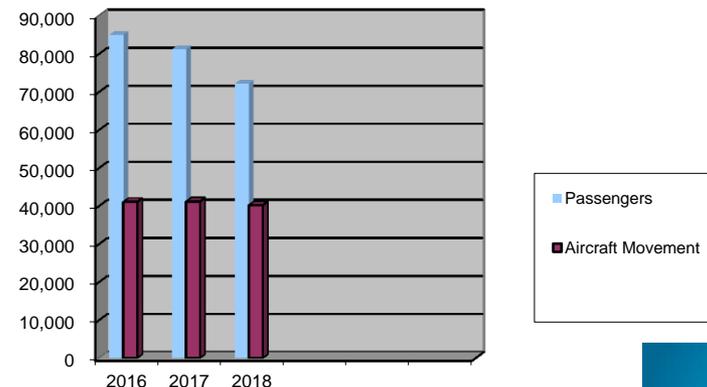


2017 Year In Review

Traffic Activity 2017

- 81,272 airline enplaned/deplaned passengers used the North Bay Airport which was down 4.6% over 2016. In addition 10,707 people used the facilities for itinerant and private flights.
- Aircraft activity for the year was 41,221 movements.
- Itinerant aircraft movements were 18,677 down by 9.4% over the previous year which is attributed to Porter and flight cancelations due to weather and construction in Toronto.
- Local aircraft movements were 22,554 which was up 11% this was due to training flights, local activity and maintenance and repair test flights.
- As noted below we expect a slight decrease in 2018 due to Porter's departure.

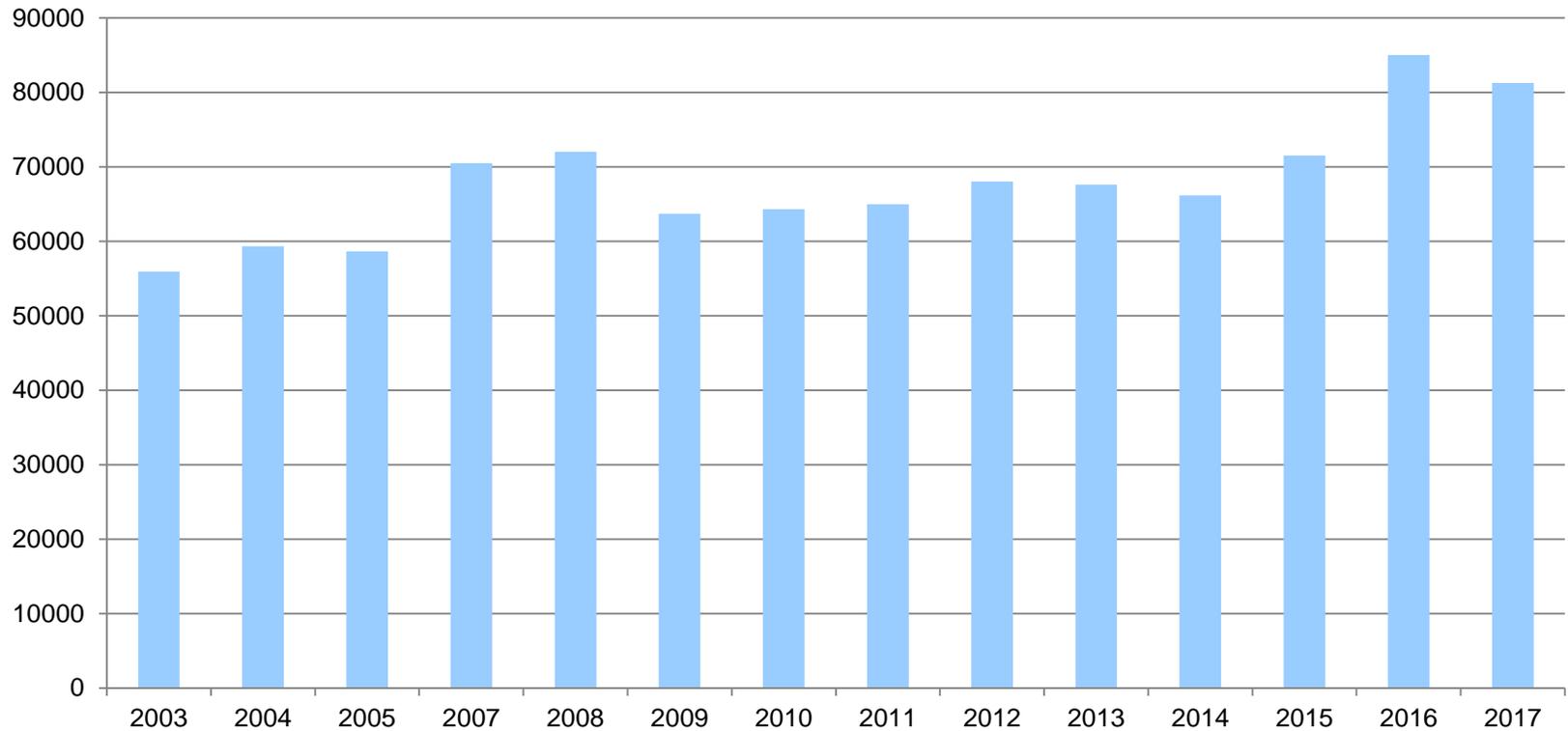
	2016	2017	2018
Passengers	85,035	81,272	72,200
Aircraft Movement	41,118	41,221	40,250





2017 Year In Review

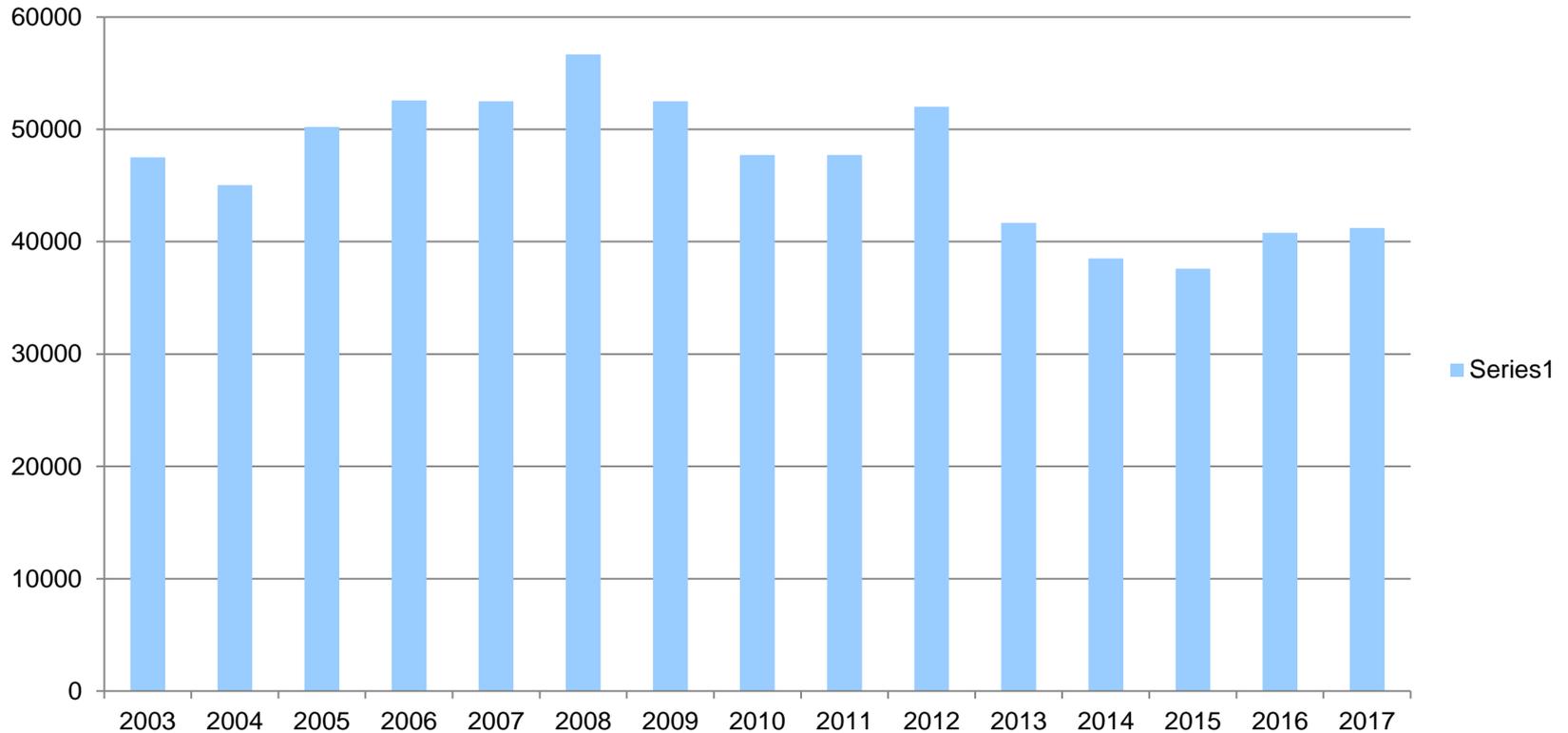
PASSENGER STATISTICS





2017 Year In Review

AIRCRAFT MOVEMENT STATISTICS





2017 Year In Review

Capital Program

In 2017 a capital program of \$3,000,000 was undertaken with funding provided from the following sources:

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

Major capital projects included:

- Rehabilitation of the Airport Power Systems





2017 Year In Review

Capital Program – continued

Other capital projects that were undertaken during 2017 included;

- Airport equipment and fleet renewal





2017 Year In Review

Capital Program – continued

Other capital projects that were undertaken during 2017 included;

- Administration Building flooring systems replacement
- Garage heating system rehabilitation





2017 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.
- MNR
- Environment Canada





2017 Year In Review

Business Development

- IL 76 Freight Operation





2017 Year In Review

Special Events

Airport facilities were utilized by several community groups during 2017:

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





2017 Year In Review

Special Events

Airport facilities were utilized by several community groups during 2017:

- Commemorative Air force B-17
- United Way Aircraft Pull





Financial Summary

		2017	
	Actual	Budget	
Revenues	\$ 2,549,112	\$	2,567,271
Expenses	<u>\$ 2,372,002</u>	<u>\$</u>	<u>2,465,864</u>
Operating Income	\$ 177,110	\$	101,407
Gain on Capital Assets	<u>\$ -</u>	<u>\$</u>	<u>-</u>
Amortization	<u>\$ 108,588</u>	<u>\$</u>	<u>98,500</u>
Net Income	\$ 68,522	\$	2,907

In 2017 the NBJGA Corporation generated an operational profit of \$177,110 and a net profit of \$68,522 once the gain on capital assets and amortization cost were factored in.

Actual net income versus Budget were impacted by:

Revenue

- IL 76 Freight Operation
- Porter Airlines
- Ambulance Service Contract

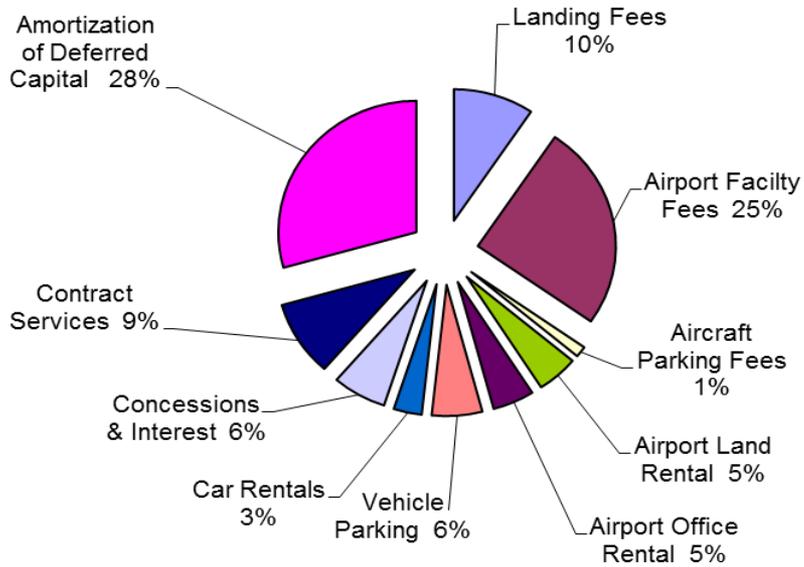
Expenditures

- Ambulance Service Contract
- Equipment and Building Repairs
- Airfield maintenance

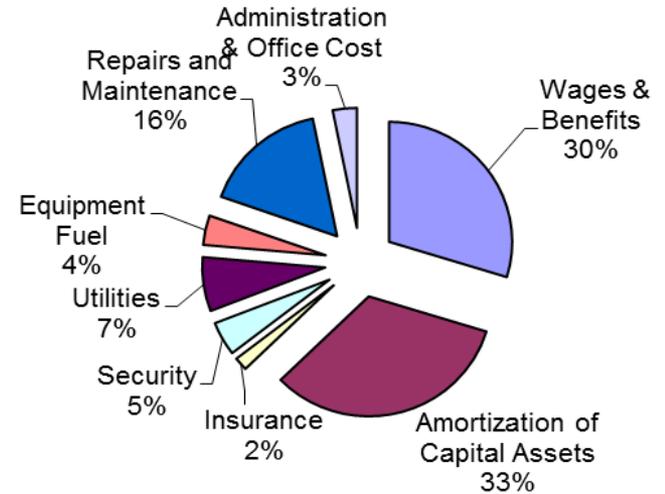


Financial Summary

Revenues by Type



Expenses by Type





Financial Statements of
**NORTH BAY JACK GARLAND
AIRPORT CORPORATION**
Year ended December 31, 2017



North Bay Jack Garland Airport Corporation
Financial Statements
For the year ended December 31, 2017

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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, 2017, 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 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.

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, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

North Bay, Ontario
April 12, 2018



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

December 31	2017	2016
Assets		
Current		
Cash and cash equivalents	\$ 376,610	\$ 198,454
Accounts and grants receivable (Note 1)	526,534	395,535
Inventories	93,458	88,899
Prepaid expenses	5,257	5,258
	1,001,859	688,146
Restricted cash (Note 2)	569,945	529,979
Property, plant and equipment (Note 3)	9,618,343	9,513,770
	\$ 11,190,147	\$ 10,731,895
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 658,092	\$ 364,638
Prepaid fees (Note 4)	29,596	27,784
	687,688	392,422
Deferred capital contributions (Note 5)	8,922,332	8,827,868
	9,610,020	9,220,290
Net Assets		
Unrestricted	314,171	295,724
Equity in capital assets (Note 6)	696,011	685,902
Internally restricted (Note 2)	569,945	529,979
	1,580,127	1,511,605
	\$ 11,190,147	\$ 10,731,895

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				2017	2016
	Unrestricted	Internally Restricted	Equity in Capital Assets	Total	Total
Net assets, beginning of year	\$ 295,724	\$ 529,979	\$ 685,902	\$ 1,511,605	\$ 1,463,476
Excess (deficiency) of revenues over expenses	177,110	-	(108,588)	68,522	48,129
Net changes in equity in capital assets	(118,697)	-	118,697	-	-
Interfund transfers	(39,966)	39,966	-	-	-
Net assets, end of year	\$ 314,171	\$ 569,945	\$ 696,011	\$ 1,580,127	\$ 1,511,605

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	2017	2016
Revenues		
Fees and services	\$ 2,532,249	\$ 2,571,110
Expense recoveries	7,547	4,975
Interest	9,316	6,238
Amortization of deferred capital contributions (Note 5)	1,059,411	1,003,455
	3,608,523	3,585,778
Expenses		
Salaries and benefits	1,052,859	1,071,406
Repairs and maintenance	583,217	604,433
Utilities	258,007	260,465
Security services	161,665	155,612
Equipment fuel	140,833	127,295
Insurance	63,210	64,690
Telephone	35,626	43,357
Professional fees	23,962	34,050
Office and training	11,705	24,107
Advertising	9,749	21,604
Interest and bank charges	8,076	6,117
Travel	7,976	9,890
Materials and supplies	7,323	6,301
Consulting fees	5,693	4,490
Office equipment rentals	2,101	2,101
Gain on sale of property, plant and equipment	-	(15,900)
Amortization	1,167,999	1,117,631
	3,540,001	3,537,649
Excess of revenues over expenses for the year	\$ 68,522	\$ 48,129

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	2017	2016
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 68,522	\$ 48,129
Items not involving cash		
Amortization	1,167,999	1,117,631
Amortization of deferred contributions related to capital assets	<u>(1,059,411)</u>	<u>(1,003,455)</u>
	177,110	162,305
Changes in non-cash working capital balances		
Accounts and grants receivable	(130,999)	(23,510)
Inventories	(4,559)	683
Prepaid expenses	1	(40)
Accounts payable and accrued liabilities	293,454	(21,571)
Prepaid fees	<u>1,812</u>	<u>2,516</u>
	<u>336,819</u>	<u>120,383</u>
Investing activities		
Purchase of property, plant and equipment	(1,272,572)	(347,294)
Increase in restricted cash	<u>(39,966)</u>	<u>(36,843)</u>
	<u>(1,312,538)</u>	<u>(384,137)</u>
Financing activities		
Deferred capital contributions related to capital assets	<u>1,153,875</u>	<u>257,677</u>
Increase (decrease) in cash and cash equivalents during the year	178,156	(6,077)
Cash and cash equivalents, beginning of year	<u>198,454</u>	<u>204,531</u>
Cash and cash equivalents, end of year	<u>\$ 376,610</u>	<u>\$ 198,454</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, 2017

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><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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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																

North Bay Jack Garland Airport Corporation Summary of Significant Accounting Policies

December 31, 2017

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

North Bay Jack Garland Airport Corporation
Notes to Financial Statements

December 31, 2017

1. Accounts and Grants Receivable

	<u>2017</u>	<u>2016</u>
Trade receivables	\$ 225,332	\$ 229,058
HST and other	38,764	-
Grants receivable:		
Transport Canada	93,315	-
Corporation of the City of North Bay	<u>169,123</u>	<u>166,477</u>
	<u>\$ 526,534</u>	<u>\$ 395,535</u>

2. Internally Restricted Net Assets and Restricted Cash

	<u>2017</u>	<u>2016</u>
Future capital expenditures	\$ 473,780	\$ 467,543
Future operations	<u>96,165</u>	<u>62,436</u>
Balance, end of year	<u>\$ 569,945</u>	<u>\$ 529,979</u>

North Bay Jack Garland Airport Corporation
Notes to Financial Statements

December 31, 2017

3. Property, Plant and Equipment

	<u>2017</u>		<u>2016</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Airfield infrastructure	\$ 7,801,292	\$ 3,248,728	\$ 7,801,292	\$ 2,858,662
Building improvements	4,886,755	2,669,094	4,666,989	2,200,339
Equipment	3,475,418	1,888,380	3,475,418	1,643,745
Computer equipment	313,325	195,987	313,325	157,209
Vehicles	229,970	164,656	192,829	143,220
Groundside infrastructure	86,570	23,807	86,570	19,478
Construction in progress	1,015,665	-	-	-
	<u>\$ 17,808,995</u>	<u>\$ 8,190,652</u>	<u>\$ 16,536,423</u>	<u>\$ 7,022,653</u>
Net book value		<u>\$ 9,618,343</u>		<u>\$ 9,513,770</u>

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.

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 8,827,868	\$ 9,573,646
Contributions received	1,153,875	257,677
Amortization of Deferred Capital Contributions	<u>(1,059,411)</u>	<u>(1,003,455)</u>
Balance, end of year	<u>\$ 8,922,332</u>	<u>\$ 8,827,868</u>

North Bay Jack Garland Airport Corporation
Notes to Financial Statements

December 31, 2017

6. Investment in Capital Assets

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

	2017	2016
Capital assets	\$ 9,618,343	\$ 9,513,770
Amounts financed by deferred contributions	8,922,332	8,827,868
	\$ 696,011	\$ 685,902

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

	2017	2016
Excess of revenues over expenses		
Amortization of deferred capital contributions related to capital assets	\$ 1,059,411	\$ 1,003,455
Amortization of capital assets	(1,167,999)	(1,117,631)
	\$ (108,588)	\$ (114,176)
 Net change in investment in capital assets:		
Purchase of capital assets	\$ 1,272,572	\$ 347,294
Amounts funded by Deferred capital contributions	(1,153,875)	(257,677)
	\$ 118,697	\$ 89,617

North Bay Jack Garland Airport Corporation Notes to Financial Statements

December 31, 2017

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 \$170,495 (2016 - \$174,165). The City provided the Corporation with the corporate services, including information technology support and server access amounting to \$16,462 (2016 - \$15,982).

The City provided the Corporation with capital contributions of \$1,153,875 (2016 - \$257,677) 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