



# **North Bay Jack Garland Airport**

**2019**

# **Annual General Meeting Annual Report**

**September 10, 2020**



## 2020 Annual Report

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- Operating Mandate
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## Chairman's Message

North Bay Jack Garland Airport (NBJGA) completed its seventeenth year as a not for profit corporation prior to the outbreak of the COVID 19 pandemic and any consequences of this pandemic are not dealt with in this report.

Created in February 2003, NBJGA Corporation is overseen by a Board of Directors, without remuneration, representing various aspects of our community with the goal of operating a successful regional airport to serve North Bay and surrounding communities.

On behalf of the Board, I am pleased to report that NBJGA 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) and the Security Operation Program in place are an integral part of our daily operation and are actively supported by the Board, employees, and the airport community.

The NBJGA Corporation's continued commitment to invest and rehabilitate the airport infrastructure saw \$5,456,425 put into the facility in 2019. The Corporation received \$2,418,702 from NOHFC and \$2,483,734 from the City of North Bay. The balance of \$426,712 was internally funded from airport reserves.





## Chairman's Message

Major projects undertaken in 2019 included:

- Rehabilitation of Runway 18-36 which included adding a runway end safety area (RESA) on the 18 approach to improve safety and the rehabilitation of the approach lighting systems to meet standards.
- Airport equipment and fleet renewal.
- Rehabilitation of the administration building heating plant.

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

From a financial perspective the goals set in our business plan were exceeded and the Corporation had its best year since being established in 2003. In 2019, NBJGA had revenues of \$3,022,056 versus a budget of \$2,855,308; NBJGA realized an operational income of \$292,251 versus a budget of \$163,311. The variance in operational income versus budget was a result of higher than anticipated passenger loads and new contracts in our complimentary service unit.



## Chairman's Message

June 12, Canadian Forces Day events were held and a number of preshow events took place at the airport. The events included the Sky Hawks jumps, tours for local groups of the CF-18 and Snowbird Aircraft.

June 18, the airport hosted the Air Race Classic in conjunction with COPA Flight 23. The event was celebrating 50 years of women's air racing with 50 teams participating. North Bay was one of the three Canadian stop overs.

September 27, saw the third edition of the Pull for United Way fund raising event held in conjunction with United Way, 22 Wing, Voyageur Aviation Corporation, and the NBJGAC. This event saw its largest participation to date.

Management continues to work closely with the City of North Bay's Economic Development Department and Invest North Bay to support commercial and industrial development on groundside and airside properties in the recently opened Airport Business Park. As well, management continues to make it a priority to work with current tenants, stakeholders and the community to make the NBJGA a successful regional airport.



## Chairman's Message

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

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

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



## Chairman's Message

- Moving forward, on-going priorities will be: the continued implementation of our strategic plan, a concerted effort to increase our marketing and development presences of the airport facility and the re-building of air service following the economic shut-down due to the COVID-19 pandemic.
- The Board is pleased with the progress that has been made to date to improve the financial position and physical plant of the NBJGA. As of the end of 2019, \$25,161,633 has been invested in the physical plant and cash on hand of \$1,125,637 is in place. This cash on hand played a significant role in maintaining the airport during the first six months of COVID when commercial passenger traffic was reduced by 95%. While challenges remain to ensure the financial and commercial self-sustainability of the Airport we believe that the NBJGA continues to have the potential to be a premiere self-sustaining regional airport facility.
- In closing, and on behalf of the Board, I would like to thank the management team and employees of NBJGA for their dedication and hard work in making the past year a success. I have confidence that with the continued support of all of the stakeholders we will make this airport an important contributor to the economic and social development of North Bay and its surrounding region.



## Operating Mandate

### **The Mission/Mandate**

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

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

### **The North Bay Jack Garland Airport Corporation Vision**

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





## NBJGAC Board of Directors

### Board of Directors

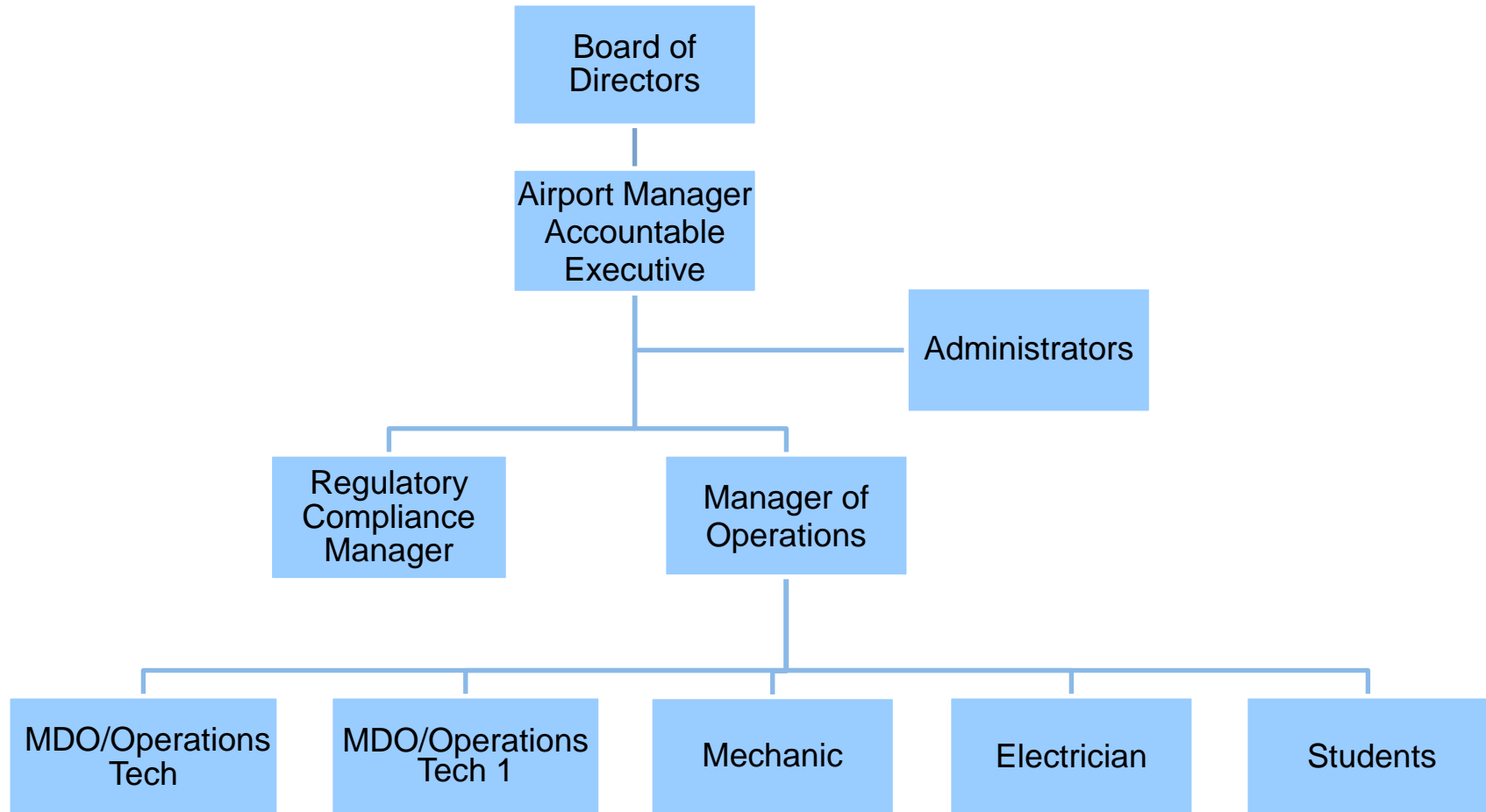
Mr. Ewen Cornick	Chairman	Community
Mr. Karl Neubert	Vice Chair	Community
Mr. Wade Wasylciw	Treasurer	Voyageur Aviation Corp
Mr. Kevin Donnelly	Secretary	Community
Mr. Ron Miller	Director	Community
Mrs. Nicole Parker	Director	Community
Mr. Chris Mayne	Director	City of North Bay
Mr. Peter Argue	Director	Community
Mr. Joseph Hansford	Director	Canadore College

### Board Committees

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



# North Bay Jack Garland Airport Corporation





## Airport Contact Information

### **Mailing Address**

North Bay Jack Garland Airport Corporation  
50 Terminal St., Suite 1  
North Bay, ON  
P1B 8G2

**Telephone:** (705) 474-3026

**Fax:** (705) 472-3020

**Email:** [airportmanager@yyb.ca](mailto:airportmanager@yyb.ca)

**Website:** [www.yyb.ca](http://www.yyb.ca)



## Airport Facilities

- The North Bay Jack Garland Airport is a full service airport offering all the conveniences of a modern regional airport.
- The municipally owned airport is served by several air carriers and charter operators with daily scheduled flights, providing national and international connector service for North Bay and other Northern Ontario communities.
- The airport is certified by Transport Canada for day and night IFR (Instrument Flight Rules) and VFR (Visual Flight Rules) operations.
- The main 10,001 foot runway is serviced by a parallel taxiway for efficient airport operations.
- Category 1 Instrument Landing System (ILS), Canada Customs, and Flight service Station attract and accommodate a diverse range of aircraft.
- The 4,492 foot cross wind runway and the 2,000 foot turf runway for glider operations provide alternates for airport users.
- The pavement loading rating of 11 on the main runway will support all types of aircraft
  - light trainers
  - wide-bodied planes such as the Boeing 777 and Air Bus 340
  - Military operations C-130, F-18, C-17
- With attractive noise exposure forecasts (NEF Zones), registered zoning, supportive municipal by-laws and approach procedures the airport offers 24-hour unlimited access with no curfew restrictions.
- The North Bay Airport offers protected flight test corridors and flight test areas in close proximity.



## 2019 Year In Review

### Operations

#### Safety Management System:

##### ➤ **Objective #1 – Reduce Potential for Incursions during Airside Operations.**

- We had one incursion in 2012, four in 2013, two in 2014, two in 2015, one in 2016, two in 2017, zero in 2018 and two in 2019. The first incursion for 2019 was a contractor's vehicle entering runway 08-26 protected area during runway 18-36 construction and the second was a new airport equipment operator failing to follow FSS directions. Incursions are a serious concern to the Airport and therefore this objective will once again be carried forward to our 2020 objectives. Listed below are some of the actions we have taken to address this issue;
- In 2013 we introduced incursion awareness training for new operator AVOP training.
- In 2014 we added incursion awareness to our existing and returning term staff training, developed an airport cell phone policy, developed an Airside Communications SOP and educated staff on the advantages of twinning of frequencies while operating airside.
- In 2015 AVOP requirements for Fire Dept., security staff and tenants including the Glider Club was a focus of our efforts. We met with NavCanada to discuss any issues they may have recognized with Airport Staff and Tenants during FSS hours of operation.
- In 2016 we continued our training from past years in conjunction with implementation of an AVOP six month skill verification for holders of current Airside Vehicle Operators Permits.





## 2019 Year In Review

### **Safety Management System:**

- In 2017 we increased the six month AVOP skill verification to include a minimum of operating airside six times during the six month period and the requirement to notify the Airport of compliance. Failure to do so will initiate a mandatory AVOP ride-along that must be completed within 90 days or the AVOP is revoked. We have continued our awareness initiatives with both staff and tenants and we have also instituted the requirement for an airport escort for any special events that involve operating on or crossing maneuvering areas for a fee. No escorts, no event.
- For 2018 we have continued to send six month awareness & communications emails to staff & tenants for airside vehicle use and discussed with staff previous incursions and any AVOP related issues during our winter refresher training.
- For 2019 we have continued to send six month awareness & communications emails to staff, tenants and the Fire Department for airside vehicle use, discussed the importance of reporting AVOP related issues at our April Staff Meeting and discussed with staff previous incursions and any AVOP related issues during our winter refresher training.



## 2019 Year In Review

### Safety Management System:

#### ➤ **Objective #2 – Reduce Lighting Breakage**

In past years we have averaged between 20 to 50 damaged lights annually. For 2019, 33 lights, as well as two signs, were damaged. Unfortunately there has not been a substantial improvement for 2019 and we will continue this objective for 2020. The steps taken to try and address this issue are as follows;

For 2018 and 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.

#### ➤ **Objective #3 – Improve Apron Operations & Safety**

In 2019 we had two apron related issues; a courier operating on Apron #2 without an Airside Vehicle Operators Permit (AVOP) and a helicopter being unloaded on Apron #4 without a Crane Approval from the airport. The SMS Committee have agreed to continue this objective for 2020.

The 2019 goals for this objective were as follows;

Post drawings and signage in the Air Terminal and Administration buildings for apron #2, review Apron Management Plan at April Staff Meeting, meet with NavCanada FSS Supervisor and discuss any “DA” or other apron issues they may have and review the Apron Management Plan at the Tenants Meeting which has been deferred to the 2020 Airport Tenants Meeting.



## 2019 Year In Review

### Safety Management System:

#### 2019 SMS Audit

- Octant Aviation completed our three year SMS Audit October 3, 2019. The audit of our Safety Management System, Airport Operations Manual & Obligations of the Operator, Airport Emergency Planning & Airport Rescue, TP312 Aerodrome Standards & Recommended Practices, Airport Wildlife Planning & Management and Winter Maintenance identified zero non-conformities.
- The auditor did note the following “Observations” which have been entered as such in our SMS:
  - Winter Maintenance Checklist provided is based on former regulation requirements (Car 302.402 – 302.411). SMS Audit Checklist #32. *CAR 302.402 – 302.411 were rescinded and replaced with an Advisory Circular. A new standard is expected on May 15, 2020 and our SMS Audit Checklist for Winter Maintenance will be amended to meet this standard.*
  - Emergency Plan was not reviewed in 2017. ERP Checklist #7. *Our Live Emergency Exercise was conducted on October 18, 2017 and the After Action Report was finalized on November 30, 2017. This information is considered as part of the Emergency Plan review process which was completed in February 2018.*
  - Airport Operations Manual states there are edge markers on Apron I – there are no edge markers on Apron I. TP 312 Checklist #455. *This observation has been corrected in the AOM review.*
- There are presently no outstanding QA SMS Audit Reports or follow-up items at this time. Corrective actions generated by previous audits have been effective to date.
- Our next SMS Audit is due in October 2022.



## 2019 Year In Review

### Airport Security Program:

#### Security Policy and its Effectiveness

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

#### ➤ **Objective #1 – Reduce Security Incidents/Infractions Relating to Gates and Access Points**

We had two incidents in 2014, six in 2015, thirteen in 2016, and nine in 2017, eight in 2018, and ten observations/incidents in 2019. The increase in 2019 can be contributed to both construction this summer (accounting for four incidents/observations with regards to gate security) and a new team of Airport Security Officers with the Commissionaires (Accounting for two incidents with regards to access control in the Terminal). It should be noted however that of those in 2019 only two 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 2020 Objectives.



## 2019 Year In Review

### Airport Security Program

#### ➤ **Objective #2 – Reduce Risk of Screened Passenger Contamination**

This objective was a new addition in 2019. This objective was primarily generated because of the observation that all of the Airport Security Officers had changed in a short period of time, and that we had several incidents in 2018. In total, there were two incidents in 2018 and four in 2019.

Of those in 2019, one was incident caused by Airport Security staff and the remainder were caused by general aviation (private aircraft crew or chartered passengers). As it is a new objective, with an unfortunately increasing number of incidents, it will once again be carried forward to 2020 in order to monitor and work to reduce future potential.

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

In 2019 the North Bay Jack Garland Airport introduced its “Menu of Additional Safeguards” (known locally as Airport Security SOP#26) and submitted it to Transport Canada for approval, as per Canadian Aviation Security Regulations (CASR), 2012, Part 6, Division 8, Section 473.

The final version of this document was sent to Transport Canada on May 29 and was approved by Transport Canada on August 30 by Transport Canada.





## 2019 Year In Review

### Operations

#### Maintenance:

- Review and amend AOM to meet changes to runway 18-36 which included:
  - Updated all required airport survey coordinates as per TP-312-5
  - Complete a pavement classification analysis for all airside operation hard surfaces
- Tree removal to meet Obstacle Limitation System requirements for runway 08-26 and the turf strip.
- Airfield maintenance projects included, line painting for all hard surfaces and crack sealing of runway 08-26
- Repairs and upgrades to all buildings
- Fence repairs and brush clean-up on the fence line
- Life safety systems repairs in the administration and terminal buildings
- General Building Repairs
- Heating systems repairs in all building



## 2019 Year In Review

### Operations

#### **Major construction projects and capital expenditures in 2019 included:**

- Rehabilitation of Runway 18-36, the addition of a runway end safety area and the rehabilitation of the approach lights.
- Rehabilitation of the heating plant in the administration building
- Airport ground equipment fleet renewal

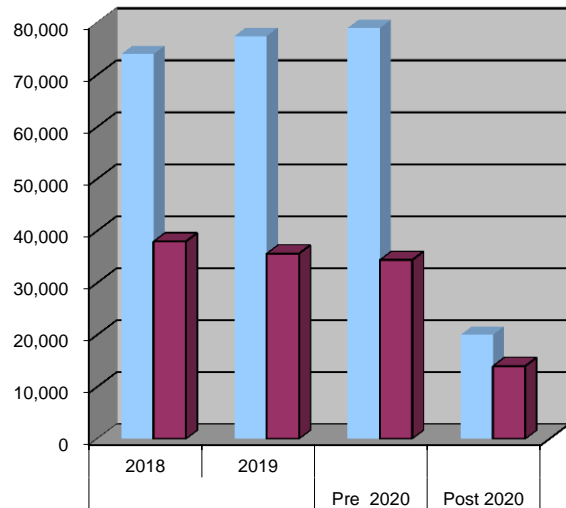
All works were completed to enhance service, safety and the financial viability of the airport.



## 2019 Year In Review

### Traffic Activity 2019

- 77,453 airline enplaned/deplaned passengers used the North Bay Airport which was up by 4.7% over 2018. this change reflects was driven by increased passengers on Air Canada. In addition 8,203 other passengers used the facilities for itinerant and private flights.
- Aircraft activity for the year was 35,638 movements.
- Itinerant aircraft movements were 16,088 down by 6% over the previous year which is attributed to a change in aircraft type used by Air Canada.
- Local aircraft movements were 19,550 which was down 6% this was due primarily to weather which limited the cadet program as well as local training flights.
- As noted below we expected 2020 to be stable until COVID 19.

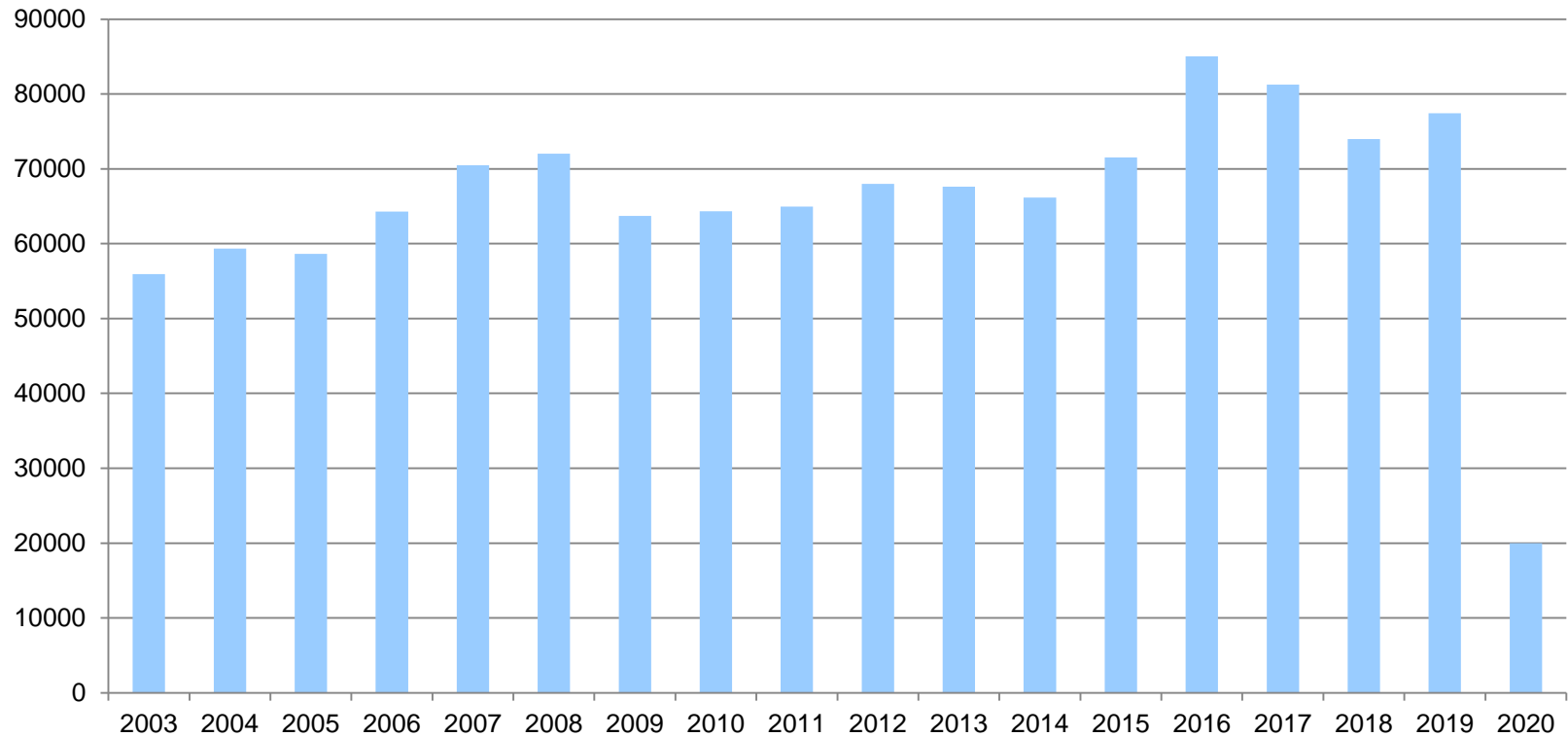


	2018	2019	Pre Covid 2020	Post Covid 2020
Passengers	73,992	77,453	79,000	20,000
Aircraft Movement	37,975	35,638	34,400	14,000



## 2019 Year In Review

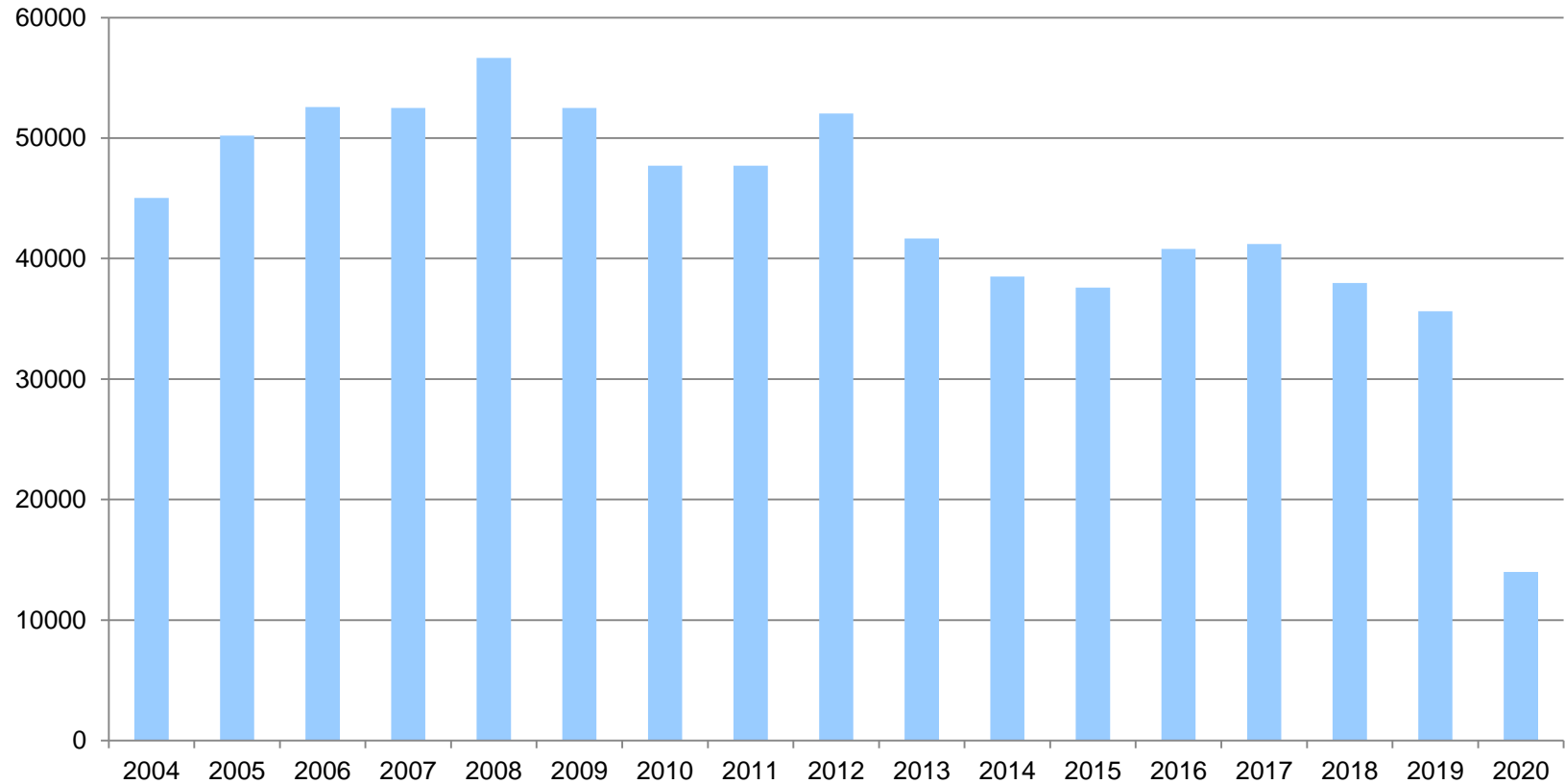
### PASSENGER STATISTICS





## 2019 Year In Review

### AIRCRAFT MOVEMENT STATISTICS







## 2019 Year In Review

### Capital Program

In 2019 a capital program of \$5,456,425 was undertaken with funding provided from the following sources:

- Province of Ontario Northern Ontario Heritage Fund Corporation NOHFC
- City of North Bay
- North Bay Jack Airport Corporation

### Major capital projects included:

- Rehabilitation of Runway 18-36 and approach lighting systems



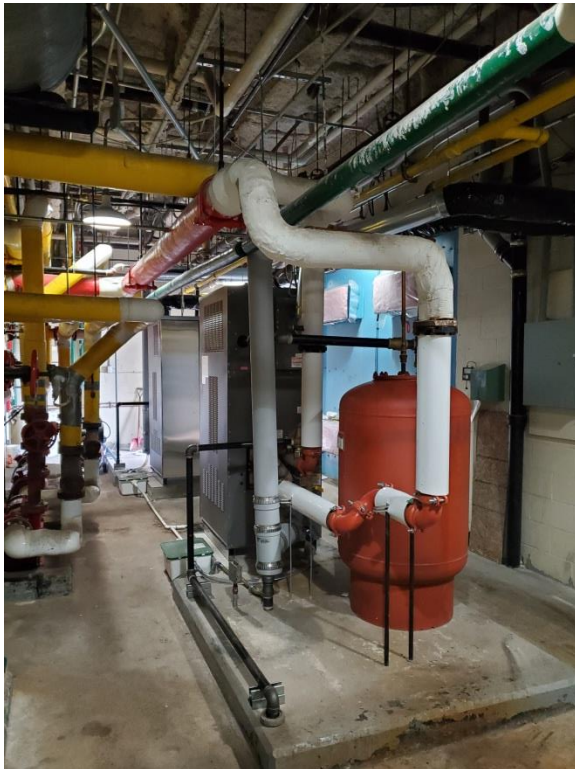


## 2019 Year In Review

### Capital Program – continued

**Other capital projects that were undertaken during 2019 included;**

- Administration Building Boiler Up-grade
- Fleet Renewal





## 2019 Year In Review

### Business Development

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

In order to meet this objective the Corporation received funding from Invest North Bay to implement a project for the long-term continued growth of the airport.

Progress against the targets to attract new revenue streams continued throughout 2019

- Three film/TV productions were carried out at the airport
- Several meetings with potential RPAS / UAV companies
- Meetings were held to reestablish direct air service to Ottawa with Perimeter Airlines. Now on hold due to the COVID pandemic.
- Meeting with potential military flight training organization





## 2019 Year In Review

### Business Development

- Restaurant; Northern Himalayan Café completed its first year in operation
- Targeted Marketing; we participated in a number of trade shows to help promote the airport and its offerings.
- One of the success stories from this effort is Loonify / SpaceRide balloon /rocket launch. They are still on site working on phase two of the project.





## 2019 Year In Review

### Business Development

On-going economic impact of the airport within the community.

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





## 2019 Year In Review

### Special Events

Airport facilities were utilized by several community groups during 2019:

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





## 2019 Year In Review

### Special Events

Airport facilities were utilized by several community groups during 2019:

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





## Financial Summary

	2019	
	Actual	Budget
Revenues	\$ 3,022,056	\$ 2,855,308
Expenses	<u>\$ 2,729,805</u>	<u>\$ 2,691,997</u>
Operating Income	\$ 292,251	\$ 163,311
Gain on Capital Assets	<u>\$ 35,502</u>	<u>\$ -</u>
Amortization	<u>\$ 47,381</u>	<u>\$ 140,000</u>
Net Income	\$ 280,371	\$ 23,311

In 2019 the NBJGA Corporation generated an operational profit of \$292,251 and a net profit of \$280,371 once the gain on capital assets and amortization cost were factored in.

Actual net income versus Budget were impacted by:

### Revenue

- New Lease
- Passenger numbers
- NavCanada contract and snow removal

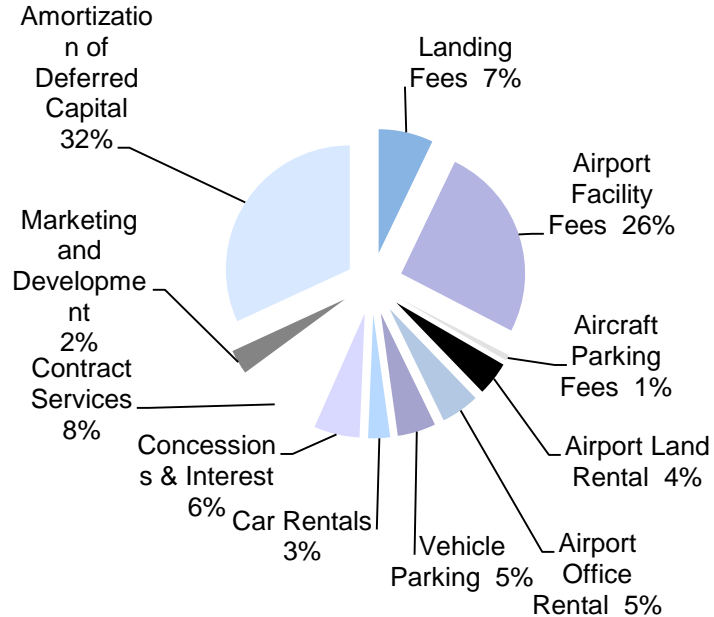
### Expenditures

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

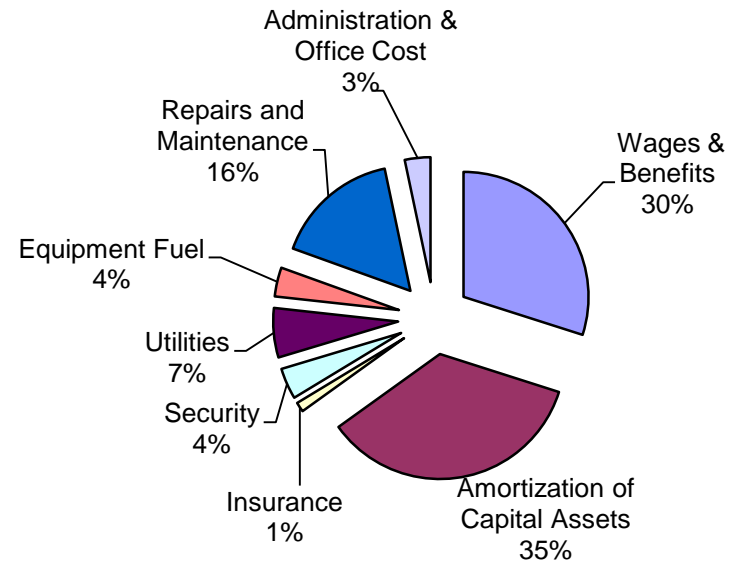


# Financial Summary

**Revenues by Type**



**Expenses by Type**







Financial Statements of  
**NORTH BAY JACK GARLAND  
AIRPORT CORPORATION**  
Year ended December 31, 2019



**North Bay Jack Garland Airport Corporation**  
**Financial Statements**  
For the year ended December 31, 2019

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## Independent Auditor's Report

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To the Shareholder of North Bay Jack Garland Airport Corporation

### Opinion

We have audited the financial statements of North Bay Jack Garland Airport Corporation (the "Organization"), which comprise the statement of financial position as at December 31, 2019, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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





### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario  
April 9, 2020



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

December 31	2019	2018
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### Assets

#### Current

Cash and cash equivalents	\$ 514,807	\$ 601,283
Restricted cash and cash equivalents (Note 2)	401,452	666,193
Accounts and grants receivable (Note 1)	565,419	572,354
Inventories	101,870	82,763
Prepaid expenses	10,847	5,231

	1,594,395	1,927,824
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Capital assets (Note 3)	14,131,572	10,263,652
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	\$ 15,725,967	\$ 12,191,476
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### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities	\$ 209,713	\$ 461,263
Deferred revenue (Note 4)	147,041	129,960

	356,754	591,223
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Deferred capital contributions (Note 5)	13,231,046	9,742,457
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	13,587,800	10,333,680
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#### Net Assets

Unrestricted	836,189	670,408
Invested in capital assets (Note 6)	900,526	521,195
Internally restricted (Note 2)	401,452	666,193

	2,138,167	1,857,796
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	\$ 15,725,967	\$ 12,191,476
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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				2019	2018
	Unrestricted	Internally Restricted	Invested in Capital Assets	Total	Total
Net assets, beginning of year	\$ 670,408	\$ 666,193	\$ 521,195	\$ 1,857,796	\$ 1,580,127
Excess (deficiency) of revenues over expenses	327,753	-	(47,382)	280,371	277,669
Net changes in equity in capital assets (Note 6)	(426,713)	-	426,713	-	-
Interfund transfers	264,741	(264,741)	-	-	-
Net assets, end of year	\$ 836,189	\$ 401,452	\$ 900,526	\$ 2,138,167	\$ 1,857,796



## North Bay Jack Garland Airport Corporation Statement of Operations

For the year ended December 31	2019	2018
<b>Revenues</b>		
Fees and services	\$ 2,837,950	\$ 2,725,216
Government grants and other contributions	150,080	96,390
Interest	34,025	21,383
Amortization of deferred capital contributions (Note 5)	1,413,846	1,137,820
	<u>4,435,901</u>	<u>3,980,809</u>
<b>Expenses</b>		
Salaries and benefits	1,243,238	1,088,442
Repairs and maintenance	672,475	588,649
Utilities	265,438	243,955
Security services	167,242	171,159
Equipment fuel	156,356	150,191
Telephone	53,574	44,843
Professional fees	52,422	52,054
Insurance	51,877	55,947
Advertising	18,143	20,533
Office and training	14,782	15,200
Travel	13,030	10,086
Consulting fees	10,530	6,600
Interest and bank charges	5,188	9,284
Materials and supplies	4,031	5,881
Office equipment rentals	1,479	2,293
Gain on sale of capital assets	(35,502)	(12,881)
Amortization	1,461,227	1,250,904
	<u>4,155,530</u>	<u>3,703,140</u>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 280,371</b>	<b>\$ 277,669</b>



## North Bay Jack Garland Airport Corporation Statement of Cash Flows

For the year ended December 31	2019	2018
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	\$ 280,371	\$ 277,669
Items not involving cash		
Amortization	1,461,227	1,250,904
Amortization of deferred contributions related to capital assets	(1,413,846)	(1,137,820)
Gain on disposal of property, plant and equipment	(35,502)	(12,881)
	<u>292,250</u>	<u>377,872</u>
Changes in non-cash working capital balances		
Accounts and grants receivable	6,935	(45,820)
Inventories	(19,107)	10,695
Prepaid expenses	(5,616)	26
Accounts payable and accrued liabilities	(251,550)	(196,829)
Deferred revenue	17,081	100,364
	<u>39,993</u>	<u>246,308</u>
<b>Capital activities</b>		
Purchase of capital assets	(5,329,147)	(1,896,213)
Proceeds on sale of capital assets	35,502	12,881
	<u>(5,293,645)</u>	<u>(1,883,332)</u>
<b>Financing activities</b>		
Deferred capital contributions received	4,902,435	1,957,945
(Decrease) increase in cash and cash equivalents during the year	(351,217)	320,921
Cash and cash equivalents, beginning of year	1,267,476	946,555
<b>Cash and cash equivalents, end of year (i)</b>	<u>\$ 916,259</u>	<u>\$ 1,267,476</u>
<b>(i) Comprised of:</b>		
Cash and cash equivalents	\$ 514,807	\$ 601,283
Restricted cash and cash equivalents	401,452	666,193
	<u>\$ 916,259</u>	<u>\$ 1,267,476</u>





## North Bay Jack Garland Airport Corporation Summary of Significant Accounting Policies

December 31, 2019

<b>Nature of Organization</b>	North Bay Jack Garland Airport Corporation (the "organization") is incorporated without share capital under the laws of Ontario. The organization operates the Jack Garland Airport under the terms of an operating agreement with the City of North Bay until December 31, 2037. This agreement may be terminated by either party without cause, upon one hundred and eighty days notice. The organization is exempt from income tax under the Income Tax Act.																
<b>Basis of Accounting</b>	The financial statements of the organization are prepared in accordance with Canadian public sector accounting standards for the government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").																
<b>Inventories</b>	Inventories consist of supplies held for use at the Airport. They are recorded at the lower of weighted average cost and net realizable value.																
<b>Government Assistance</b>	The organization periodically applies for financial assistance under available government incentive programs. Government assistance related to capital expenditures is reflected as a reduction of the cost of such assets. Government assistance for operations is recorded in the fiscal year to which it relates.																
<b>Property, Plant and Equipment</b>	<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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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, 2019

### 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 organization 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. 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.

### Employee Future Benefits

Defined contributions plan accounting is applied to a multi-employer defined benefit pension plan for which the Organization has insufficient information to apply defined benefit plan accounting.

### 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, 2019**

### 1. Accounts and Grants Receivable

	<u>2019</u>	<u>2018</u>
Trade receivables	\$ 520,868	\$ 339,101
HST and other	32,976	18,940
Grants receivable:		
Corporation of the City of North Bay	<u>11,575</u>	<u>214,313</u>
	<u><b>\$ 565,419</b></u>	<u><b>\$ 572,354</b></u>

### 2. Internally Restricted Net Assets and Restricted Cash

	<u>2019</u>	<u>2018</u>
Future capital expenditures	\$ 305,287	\$ 570,028
Future operations	<u>96,165</u>	<u>96,165</u>
<b>Balance, end of year</b>	<u><b>\$ 401,452</b></u>	<u><b>\$ 666,193</b></u>



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

**December 31, 2019**

### 3. Property, Plant and Equipment

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Airfield infrastructure	\$ 14,888,214	\$ 4,494,846	\$ 10,035,516	\$ 3,750,469
Building improvements	5,305,081	3,435,863	5,055,352	3,078,524
Equipment	4,124,976	2,452,869	3,974,382	2,166,308
Computer equipment	313,325	265,324	313,325	232,025
Vehicles	193,408	98,636	229,972	186,095
Groundside infrastructure	86,570	32,464	86,570	28,135
Construction in progress	-	-	10,091	-
	<b>\$ 24,911,574</b>	<b>\$ 10,780,002</b>	<b>\$ 19,705,208</b>	<b>\$ 9,441,556</b>
Net book value		<b>\$ 14,131,572</b>		<b>\$ 10,263,652</b>

### 4. Deferred Revenue

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

	2019	2018
Prepaid deposits	\$ 24,213	\$ 27,587
Prepaid rent and fees	4,734	6,966
Other contributions	118,094	95,407
<b>Balance, end of year</b>	<b>\$ 147,041</b>	<b>\$ 129,960</b>



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

**December 31, 2019**

### 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.

	2019	2018
Balance, beginning of year	\$ 9,742,457	\$ 8,922,332
Contributions received	4,902,435	1,957,945
Amortization of Deferred Capital Contributions	<u>(1,413,846)</u>	<u>(1,137,820)</u>
Balance, end of year	<u>\$ 13,231,046</u>	<u>\$ 9,742,457</u>

### 6. Invested in Capital Assets

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

	2019	2018
Capital assets	\$ 14,131,572	\$ 10,263,652
Amounts financed by deferred contributions	<u>13,231,046</u>	<u>9,742,457</u>
	<u>\$ 900,526</u>	<u>\$ 521,195</u>

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

	2019	2018
Excess of revenues over expenses		
Amortization of deferred capital contributions related to capital assets	\$ 1,413,846	\$ 1,137,820
Amortization of capital assets	<u>(1,461,227)</u>	<u>(1,250,904)</u>
	<u>\$ (47,381)</u>	<u>\$ (113,084)</u>
Net change in investment in capital assets:		
Purchase of capital assets	\$ 5,329,148	\$ 1,896,213
Amounts funded by Deferred capital contributions	<u>(4,902,435)</u>	<u>(1,957,945)</u>
	<u>\$ 426,713</u>	<u>\$ (61,732)</u>



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

December 31, 2019

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### 7. Related Party Transactions:

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

The Organization provided the City with maintenance services amounting to \$204,484 (2018 - \$204,005). The City provided the Organization with corporate services, including information technology support and server access amounting to \$17,093 (2018 - \$16,775).

The City provided the Organization with capital contributions of \$2,483,553 (2018 - \$1,056,506) 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.

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### 8. Subsequent Event

On March 11, 2020, the World Health Organization announced that the COVID-19 virus was a pandemic. The impact of this virus has been seen throughout the world including Canada. As of the date of approving these financial statements the impact on the Organization in fiscal 2020 will not be known with certainty for months to come. Although no impact on the amounts reported on the statement of financial position and statement of operations and cash flows for the year ended December 31, 2019, the impact subsequent to year end on the Organization's assets, liabilities, revenues and expenses remains to be determined. Due to the inherent nature of the Organization, the following financial statement areas are exposed to some degree of risk: revenue as it will be impacted by flight cancellations as well as possible collection issues in accounts receivable.



# North Bay Jack Garland Airport Corporation



JACK GARLAND AIRPORT



AEROSPACE/AVIATION PARK



DEVELOPMENT OPPORTUNITIES