



2022 Annual General Meeting

Annual Report
9 June 2022





Presentation Overview

2022 Annual Report

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Corporate Overview



Chairman's Message

Chairman's Message

North Bay Jack Garland Airport (NBJGA) completed its nineteenth year as a not-for-profit corporation during a period which saw ongoing negative pandemic impacts as a result of Covid-19; continuing to significantly impact the aviation industry globally.

Created in February 2003, NBJGA Corporation is overseen by a Board of Directors, without remuneration, representing various aspects of our community with the goal of operating a successful regional airport to serve North Bay and surrounding communities. The Directors represent diverse areas of expertise which provide support to the airport's governance and operations

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



Chairman's Message

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

The NBJGA Corporation continued its commitment to invest and rehabilitate the airport infrastructure while continuing to limit capital projects to those which are fully funded by other sources. Development of three separate capital projects encompassing surface and electrical rehabilitation totaled \$55,822 from the Transport Canada ACAP Program, while Apron III paving, facility HVAC upgrades and replacement of computer systems in addition to a portion of the ACAP projects totaled \$350,959 from the City of North Bay.

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

Chairman's Message



Chairman's Message

Chairman's Message

From a financial perspective the goals set out in our business plan were met and even exceeded considering no operational support from the City of North Bay was required through 2021.

The Corporation continued to react to the pandemic, completing the financial strategy that was put in place at the outset of the pandemic in order to minimize the impact caused by the significant loss in revenue due to the ever present and ongoing effects of COVID on the aviation industry, tourism, and business travel as a while.

In 2021, NBJGA had revenues of \$1,455,810 plus \$1,378,342 in support from federal government grants and programs available to support wages and operating losses versus a budget of \$2,354,818; at year end, NBJGA realized an operational income of \$614,474 which will be used to offset losses expected in 2022 and potentially beyond as the aviation and supporting industries recover.

The positive operational income was a direct result of having received one-time support in the form of the Regional Air Transportation Initiative (RATI) funding administered by the federal government; eliminating any need for the City of North Bay to fund operational expenditures.

Chairman's Message

The recent Airport Economic Impact Study findings demonstrate the significant value of this asset in the community and the need to continue to support it during this period of change and challenge in the aviation industry. Many of the airport users operations didn't decrease through the pandemic; some in fact saw opportunities to increase and expand their business to meet new needs of the industry. As a whole this continues to validate the metrics of jobs created and economic impact from the recent study, all of which support the community as a whole.

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

Chairman's Message



Chairman's Message

Chairman's Message

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

Moving forward, on-going priorities remain: the continued implementation of our strategic plan, a concerted effort to increase our marketing and development presences of the airport facility and the re-building of air service, including scheduled and chartered operators, following the economic shut-down due to the COVID-19 pandemic and it's gradual recovery.

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 2021, \$25,649,353 has been invested in the physical plant and cash on hand of \$1,310,487 is in place to accommodate operational requirements. This cash will continue to play a significant role in maintaining the airport during 2022 as commercial traffic is not expected to make a full recovery to pre-2020 levels in 2022 even with the return of Air Canada in June of 2021.

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.

Chairman's Message

In closing, and on behalf of the Board, I would like to acknowledge the recent retirements of Jack Santerre, Airport Manager/Accountable Executive, and Dan Booth, Operations Manager, and thank them for their dedicated long-term service. I would like to welcome the management team of Bryan Avery, Airport Manager/Accountable Executive, Chad Miller, Operations Manager and Natalie Money, Regulatory Compliance Manager proving NBJGA is a desired destination to grow and work.

The Board thanks the management team and all employees of NBJGA Corporation for their dedication and hard work in making the past year a success.

I have confidence that with the support of all of the stakeholders we will continue to make this airport an important contributor to the economic and social development of North Bay and its surrounding region.

Chairman's Message



Operating Mandate

The Mission/Mandate

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

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

The North Bay Jack Garland Airport Corporation Vision

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

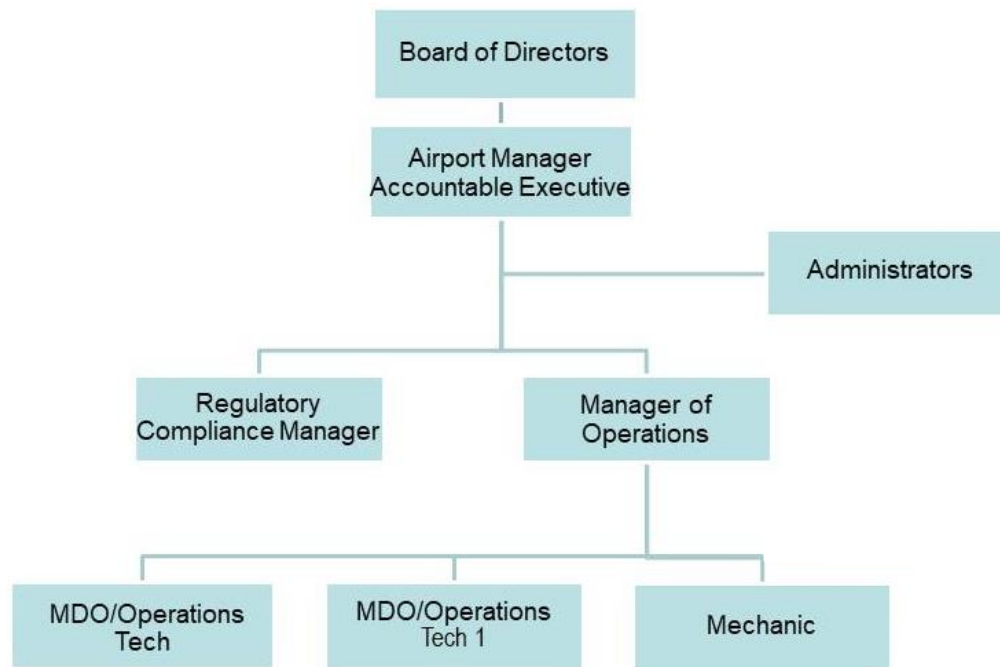
Board of Directors

Board of Directors

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

Board Committees

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



Corporate Structure





New Faces, Same Places.

Mailing Address

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

Telephone: (705) 474-3026

Email: airportmanager@yyb.ca
operations@yyb.ca (All Management)

Website: www.yyb.ca

Contact Information





02

Airport Facilities



Airport Facilities Overview

- The North Bay Jack Garland Airport is a full service certified airport offering all the conveniences of a modern regional airport.
- The municipally owned airport is served by several air carriers and charter operators with daily scheduled flights and charter opportunities, providing national and international connector service for North Bay and other Northern Ontario communities.
- The Airport is certified by Transport Canada for day and night IFR (Instrument Flight Rules) and VFR (Visual Flight Rules) operations.
- The main 10,001 foot runway is serviced by a full length 75ft wide parallel taxiway for efficient airport operations.
- Category 1 Instrument Landing System (ILS), Canada Customs, and Flight Service Station attract and accommodate a diverse range of aircraft operators.



Airport Facilities Overview

- The 4,492 foot cross wind runway and the 2,000 foot turf runway for glider operations provide alternatives for airport users.
- The pavement loading rating of 11 on the main runway will support all types of aircraft, regardless of size or weight.
 - light trainers of all engine types (helicopter/fixed wing, jet, turbo-prop)
 - wide-bodied planes such as the Boeing 777 and Airbus 340
 - military operations C-130, F-18, C-17
 - freight shipments and deliveries of any size
- With attractive noise exposure forecasts (NEF Zones), registered zoning, supportive municipal by-laws and approach procedures the airport offers 24-hour unlimited access with no curfew restrictions.
- The North Bay Airport offers protected flight test corridors and flight test areas in close proximity.





03

2021 Year In Review

Safety Management System

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

We had one incursion in 2012, four in 2013, two in 2014, two in 2015, one in 2016, two in 2017, zero in 2018, two in 2019, zero in 2020, and one in 2021. As such incursions continue to be an ongoing and serious concern to the Airport and therefore this objective will once again be carried forward to our 2022 objectives.

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

- 2013 - introduced incursion awareness training for new operator training.
- 2014 - added incursion awareness to our existing and returning term staff training, developed an airport cell phone policy, developed an Airside Communications SOP and educated staff on the advantages of twinning of frequencies while operating airside.
- 2015 - AVOP requirements for Fire Dept., security staff and tenants including the Glider Club was a focus of our efforts. We met with NavCanada to discuss any issues they may have recognized with Airport Staff and Tenants.
- 2016 - continued our training from past years in conjunction with implementation of an AVOP six month skill verification for holders of current Airside Vehicle Operators Permits.
- 2019 – introduced targeted AVOP familiarization training with select operator groups.
- 2020 and 2021 – continued above initiatives and focused on new trainees/employees as they returned to work with tenants and community agencies as the industry recovers from the impacts of the pandemic.

Safety Management System

Objective #2 – Reduce airfield lighting breakage.

In past years we have averaged between 20 to 50 damaged lights annually and for 2021 four lights and signs were damaged. While there continues to be a year over year improvement, resulting in a reduction in the number of units damaged, the importance of the airfield lighting system and the associated high costs should they be damaged we've decided to continue this objective for 2022.

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

- 2018 & 2019 - we discussed with staff the ability to control equipment lighting as required when blowing snow during winter refresher training, verified back cutting lights skills and increased monitoring of staff during snow removal operations when time permits.
- 2020 - we prepared and presented to operational employees an overview of the costs associated with the purchase and installation of all airfield lighting components that they work around on a daily basis in order to bring attention to the potential significant expense.
- 2021 - we continued winter ops training and reminders related to safely clearing snow around airfield lights and signs; training new management and operations staff alike on the importance of such clearing practices.

Safety Management System

Objective #3 – Improve apron operations & safety.

In 2020 we had one apron related issues, and in 2021 we had two incidents; ; a tenant allowing aircraft to park in areas of Apron II that weren't identified as approved areas in the Airport's Apron Management Plan, and a vehicle that was operating behind a turning jet powered aircraft. The SMS Committee have agreed to continue this objective for 2022.

To generally improve apron safety we have:

- Posted detailed drawings and signage in the Air Terminal and Administration buildings for Apron #2; review Apron Management Plan at April Staff Meetings; met with NavCanada FSS Supervisor and discussed any “DA” or other apron issues they may have; and, continue to plan to review the Apron Management Plan at the Annual Tenants Meeting.
- For 2020 we discussed FOD concerns related to winter operations at the Operation's Staff Winter Briefing Meeting and Airport Security fall Staff Meeting; discussed with ground handlers key operational safety items such as FOD and how snow removal was to be conducted; and reviewed expectations of apron operations with additional agencies (including courier operators).
- For 2021 we continued to raise awareness with new airport and tenant employees through training, evaluations, and ongoing communication. Airport Security regularly discusses apron operations and safety with all those coming airside, including cargo vehicles, ambulances, contractors, etc.

Safety Management System

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

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

Although the airport has successfully applied and been approved for funding for component replacement through the Airports Capital Assistance Program (ACAP) the SMS Committee has agreed to continue this objective for 2022 to ensure that such replacements address the concerns and ensure improved reliability through 2022 and beyond.

Process Inspection – Transport Canada

In 2021 Transport Canada conducted a targeted process inspection of our Quality Assurance Program's follow-up procedures. This inspection by the regulator confirmed that “all areas of enterprise operation evaluated were in compliance with the regulatory requirements”, demonstrating our ongoing efforts to both adhere to regulations and operate the airport in a safe and efficient manner.

Airport Security Program

Security Policy and its Effectiveness

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

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

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

Such incidents can have negative ramifications; potentially allowing unauthorized access airside, unintentionally introducing large wildlife, or even effecting aircraft and passenger security standards.

It should be noted however that of those in 2021 only three incidents occurred on the Primary Security Line (PSL) of the Critical Restricted Area (CRA). As such this objective will once again be carried forward to 2022 Objectives.

Airport Security Program

Objective #2 – Reduce risk of screened passenger contamination.

This objective was a new addition in 2020 which was primarily generated because of the observation that all Airport Security Officers had changed in a short period of time.

Overall the continuation of low incident numbers, whether caused by tenants or airport functions, is a result of the continued focus on training of Commissionaires and communication with all stakeholders. It's expected that the time and effort dedicated to training in 2021 will assist in maintaining this positive trend as passengers return gradually following the pandemic.

At this time this objective will once again be carried forward to 2022 objectives to ensure the positive trend is enforced and maintained by all airport and tenant staff.

Training & Effectiveness

Employee training is always ongoing with staff required to have specific training before commencing work at the Airport and depending on the position job specific training as required. Follow-up refresher training is provided annually to all employees, including Airport Security Awareness. All staff has had the required ASP training and or annual refresher as stated in our Airport Security Program Manual.



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

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

Year in Review



Airport Operations

Maintenance:

- Review and amend Airport Operations Manual
- Tree removal to meet Obstacle Limitation System requirements for Runway 08-26, 18-36, and 13-31 (turf runway).
- Airfield maintenance projects included, line painting and crack sealing of Runway 08-26 and Lima Taxiway
- Periodic repairs and upgrades to all buildings
- Fence repairs and brush clean-up on the entire fence line
- Life safety systems repairs in the administration and terminal buildings
- Heating systems repairs in all buildings
- Vegetation management as a wildlife control and deterrent

Major Capital Projects:

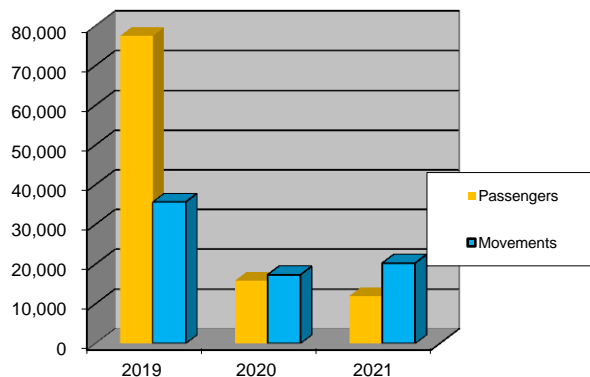
- Apron III General Aviation Area Surface Rehabilitation
- Terminal HVAC Control Upgrades
- Workplace wide computer replacements/upgrades

- Passengers metrics in 2021 continued to decrease overall
- Aircraft activity / movements increased year over year however were still far below pre-pandemic levels
- Positive indicators towards end of 2021

Year in Review

Traffic Activity in 2021

- **12,005 airline enplaned/deplaned passengers** used the North Bay Airport; down 24% compared to the previous year; or **down 85% overall compared to 2019** (pre-pandemic). This was a result of no Air Canada flights from Jan-Jun 2021, no seasonal Sunwing flights in either winter season, and globally continued Covid-19 regulations and restrictions which negatively impacted and restricted travel.
- **20,272 aircraft movements** for the year; up 16% compared to the previous year however still **down 44% compared to 2019**.
 - 10,457 itinerant movements; up 15% compared to 2020 but down 51% compared to 2019
 - 9,615 local movements; up 16% compared to 2020 but down 35% compared to 2019

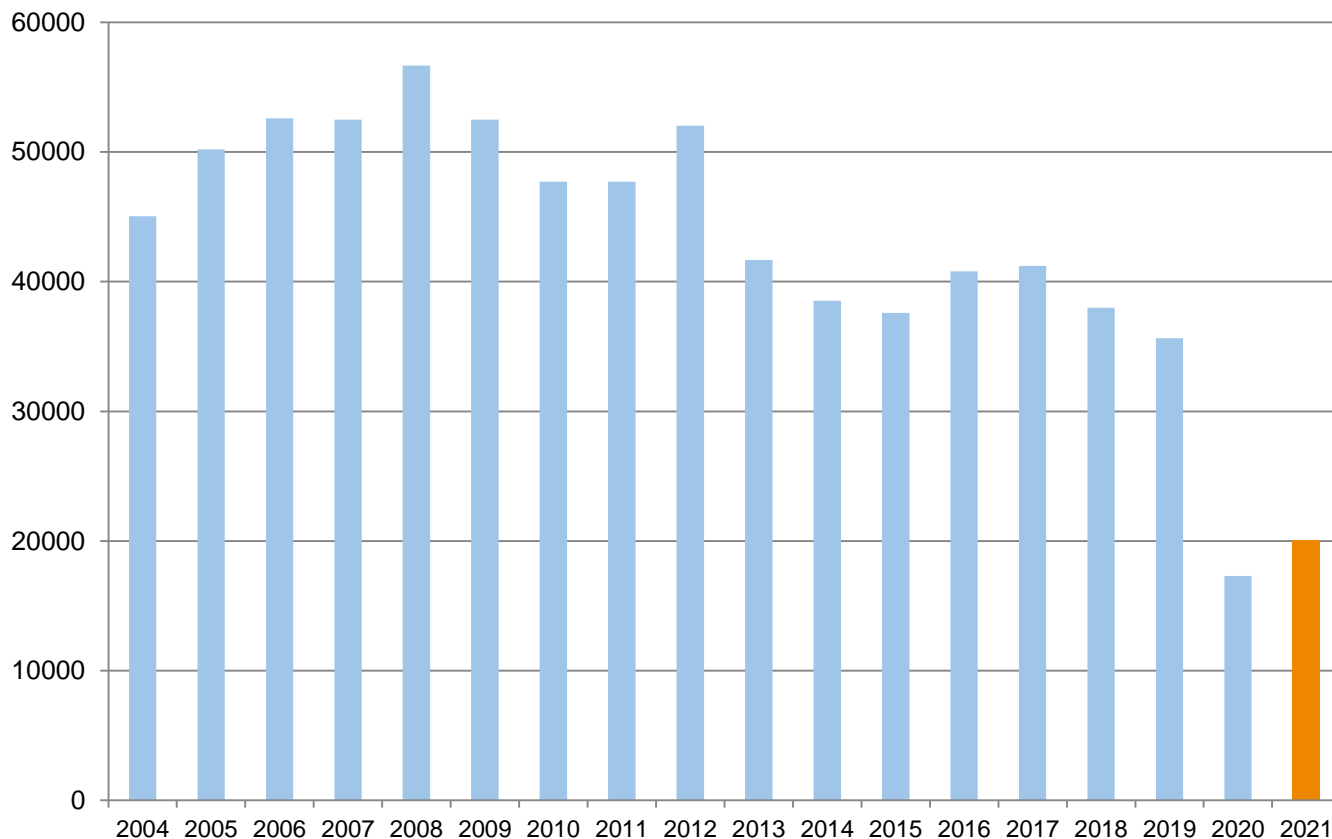


	2019	2020	2021
Airline Passengers	77,453	15,807	12,005
Aircraft Movement	35,638	17,295	20,272

- Flight schools reopened
- Chartered flights continued to move business clients
- Regional forest fire and natural resources work continued
- Medical movements increased

Year in Review

Aircraft Movement Statistics

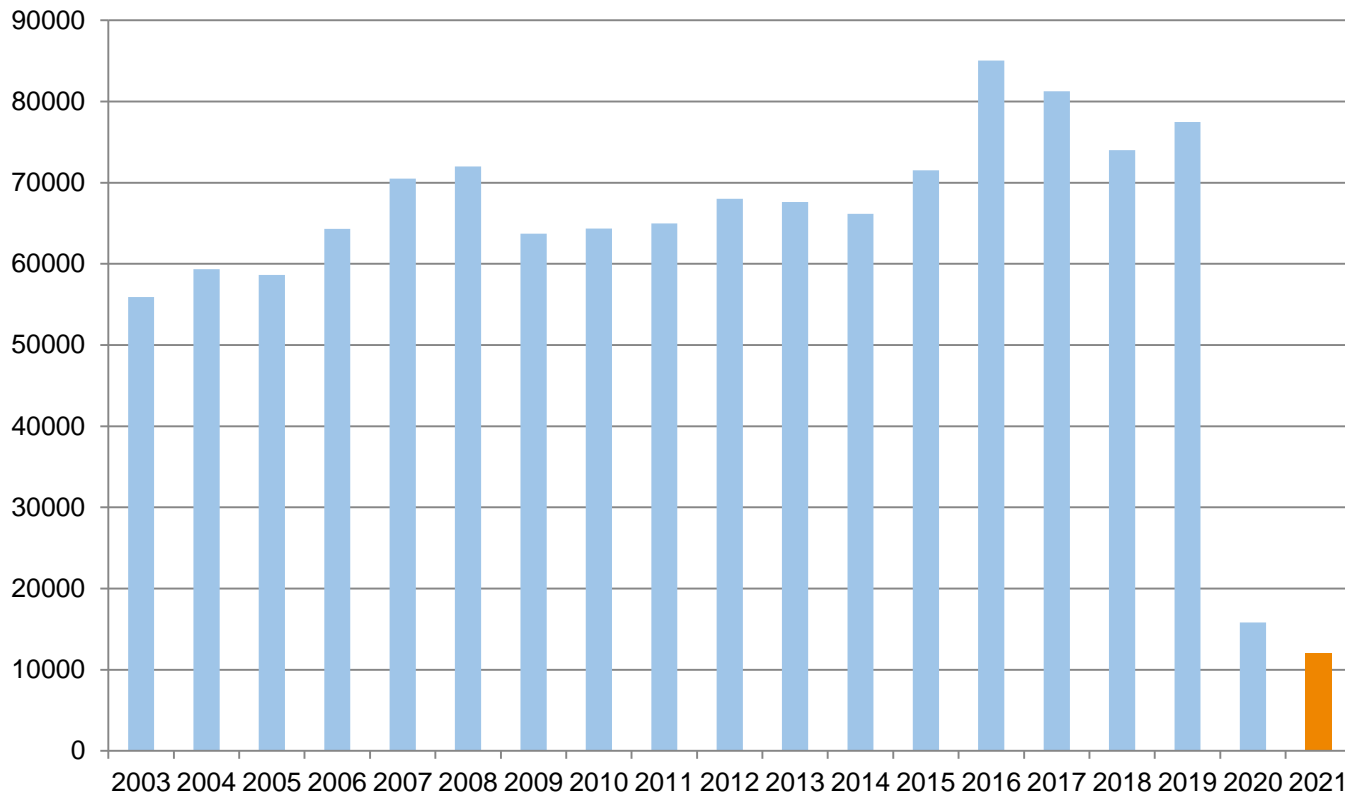




- Air Canada reopened YYB-YYZ in June 2021
- Sunwing canceled seasonal route due to national customs restrictions
- Continued Covid-19 protocols and regulations globally resulted in greatly reduced travel overall

Year in Review

Airline Passenger Statistics



Capital Program

In 2021 the General Aviation area of Apron III was milled and repaved, from the entrance gates out to the larger section of Apron III. This removed frost heaves in a number of areas, allowing for improved usability and increasing the attractiveness of the area for current tenants and possible future development.

Additionally computer systems throughout the airport were replaced to ensure increased reliability compared to older systems and better utilization overall. This included:

- Airport Lighting Control Systems (**ALCS**);
- Aircraft Radio Control of Aerodrome Lighting (**ARCAL**); and,
- HVAC Building Management Systems (**BMS**) for both the terminal and administration buildings

The HVAC system allows for better control of components in an effort to reduce operating costs long term, while the ALCS and ARCAL replacements ensure continued airfield lighting reliability.

Capital Program

Year In Review



◀ Airport Lighting Control Systems, ARCAL, and Computers Replaced



▲ Apron III General Aviation Area Surface Rehabilitation

▲ Facility HVAC Management Systems Replacement

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

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

2021 saw the successful reintroduction of Air Canada service in June, providing an essential connection for passenger service to Toronto which allows our community to be connected to the world. Bearskin Airlines continued uninterrupted service multiple times per day in order to connect the community to destinations in Northern Ontario and inter-provincially.

The aviation industry like many others will continue to take years to completely rebound to post-pandemic levels however the airport continues to position itself to be ready when the rebound occurs.

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

Business Development

- Continuously assessing and welcoming aeronautical and compatible non-aeronautical business opportunities.
- Expanding on proven records, past successes, and evaluating new concepts.
- Working with the City of North Bay and industry to support film production in the area.
- Utilization of existing assets and infrastructure during off-peak times where feasible.
- Airline services and promotional campaign, including:
 - Return of YYB to Toronto direct, with global connections for the entire community with Air Canada
 - Multi platform digital 'Back to Business' marketing campaign promoting all airlines, routes, updated schedules, and services available to/from the airport
 - Community business after hours event with the Chamber of Commerce, promoting direct airline to business community connections and growth



YYB JACK GARLAND AIRPORT **BACK TO BUSINESS** SAFE, COMFORTABLE, CONVENIENT, CONTACTLESS

BACK TO BUSINESS
From North Bay direct to Toronto, select northern Ontario destinations, and beyond:
• AIR CANADA
• BEARSKIN AIRLINES
• SUNWING
Local Ground Transport available:
• Car Rentals
• Municipal Transit
• Taxis and car services

YYB TO TORONTO DIRECT
45 minute flying time with connections to multiple domestic and international destinations.

FLIGHT TIMES!
• Sudbury Direct = 30 mins
• Toronto Direct = 45 mins
• Montreal via Toronto = 2 hrs
• Halifax or Winnipeg via Toronto = 3.25 hrs
Ground transportation from Pearson to downtown Toronto.

SAFE, CONVENIENT, CONTACTLESS
CONTACTLESS FROM CAR PARK TO BOARDING
Enter YYB - Exit Toronto = 1.5 hrs

TRAVEL IN ALL DIRECTIONS
Some select scheduled and charter flight routes from North Bay.

BACK IN 2021 - FAMILIAR DESTINATIONS AND SAFE, CONVENIENT, COMFORTABLE SERVICE yyb.ca

Year In
Review

We look forward to the events resuming in the future; remaining ready to work with organizers when they're ready.

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

Year In Review

Community & Special Events

All special events and community programs continued to be put on hold throughout 2021. This included:

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





Financial Summary

Financial Summary

Financial Report

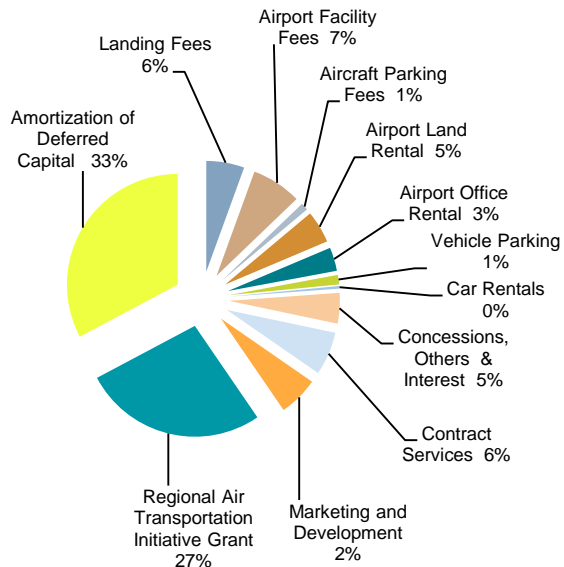
	2021	
	Actual	Budget
Revenues	\$ 2,834,152	\$ 962,873
Expenses	<u>\$ 2,158,662</u>	<u>\$ 2,307,448</u>
Operating Income	\$ 675,490	\$ (1,395,309)
Gain on Capital Assets	<u>\$ 0</u>	<u>\$ -</u>
Amortization	<u>\$ 61,016</u>	<u>\$ 47,371</u>
Net Income	\$ 614,474	\$ (1,347,938)

In 2021 the NBJGA Corporation had an net income of \$614,474; achieved due to the COVID-19 support funding of \$1,129,130 through Regional Air Transportation Initiative (RATI) and \$244,736 through the federal wage subsidy program. Without these two programs the year end financials would have been inline with a net loss as originally budgeted.

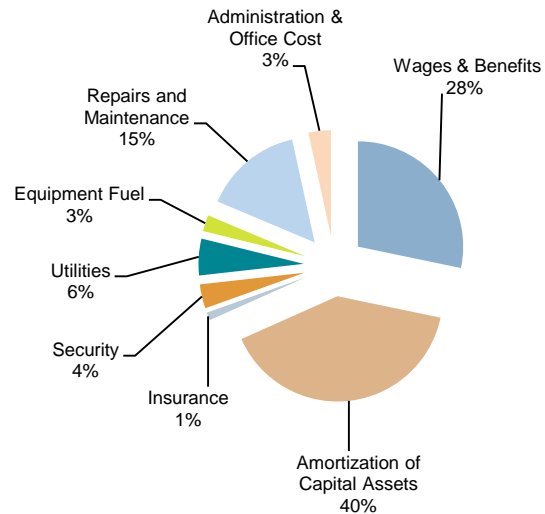
The surplus of \$ 614,474 will be used to directly support the operations in 2022, especially as the local and global effects of the pandemic are ongoing.



Revenues by Type



Expenses by Type



Financial Summary





Financial Summary

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Financial Statements of

NORTH BAY JACK GARLAND AIRPORT CORPORATION

And Independent Auditors' Report thereon

Year ended December 31, 2021



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Fax 705-675-7586

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Entity as at December 31, 2021, and its results of operations, its changes in deficiency in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Other Matter - Comparative Information

The financial statements of the Entity for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 8, 2021.

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

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

We also:

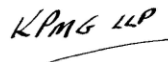
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

Financial Summary



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 2, 2022

Financial Summary

NORTH BAY JACK GARLAND AIRPORT CORPORATION

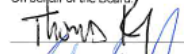
Statement of Financial Position


December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 417,837	\$ 928,966
Accounts and grants receivable (note 2)	749,107	187,534
Inventories	120,242	133,604
Prepaid expenses	23,301	11,679
	1,310,487	1,261,783
Restricted cash (note 3)	1,154,285	450,852
Capital assets (note 4)	11,954,334	12,990,066
	\$ 14,419,106	\$ 14,702,701
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 170,038	\$ 110,087
Deferred revenue (note 5)	52,278	35,582
	222,316	145,669
Deferred capital contributions (note 6)	11,186,495	12,163,211
	11,410,811	12,308,880
Net assets:		
Unrestricted	1,088,171	1,116,114
Equity in capital assets (note 7)	765,839	826,855
Internally restricted (note 3)	1,154,285	450,852
	3,008,295	2,393,821
Commitments (note 10)		
	\$ 14,419,106	\$ 14,702,701

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

Financial Summary

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Fees and services	\$ 1,445,846	\$ 1,536,994
Government grants and other contributions	1,133,606	122,410
Municipal COVID-19 funding	-	600,000
Federal COVID-19 funding	244,736	312,554
Interest	9,964	13,748
<u>Amortization of deferred capital contributions (note 6)</u>	<u>1,381,496</u>	<u>1,398,834</u>
	4,215,648	3,984,540
Expenses:		
Salaries and benefits	1,017,928	1,062,139
Repairs and maintenance	547,969	540,320
Utilities	202,583	221,704
Security services	133,373	118,550
Equipment fuel	89,513	83,844
Insurance	43,409	90,901
Telephone	38,133	57,459
Professional fees	26,529	26,710
Advertising	21,233	17,028
Office and general	15,992	10,161
Consulting fees	8,011	9,331
Interest and bank charges	6,035	9,004
Materials and supplies	4,565	3,533
Travel	2,579	4,539
Office equipment rentals	810	1,156
<u>Amortization of capital assets</u>	<u>1,442,512</u>	<u>1,472,507</u>
	3,601,174	3,728,886
Excess of revenue over expenses	\$ 614,474	\$ 255,654

See accompanying notes to financial statements.

Financial Summary

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Unrestricted	Internally Restricted (note 3)	Equity in Capital Assets (note 7)	2021 Total	2020 Total
Net assets, beginning of year	\$ 1,116,114	\$ 450,852	\$ 826,855	\$ 2,393,821	\$ 2,138,167
Excess (deficiency) of revenue over expenses	675,490	-	(61,016)	614,474	255,654
Internally imposed restrictions - capital (note 3)	(703,433)	703,433	-	-	-
Net assets, end of year	\$ 1,088,171	\$ 1,154,285	\$ 765,839	\$ 3,008,295	\$ 2,393,821

See accompanying notes to financial statements.

Financial Summary

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 614,474	\$ 255,654
Adjustments for:		
Amortization of capital assets	1,442,512	1,472,507
Amortization of deferred contributions related to capital assets	(1,381,496)	(1,398,834)
	675,490	329,327
Change in non-cash working capital:		
Accounts and grants receivable	(561,573)	377,885
Inventories	13,362	(31,736)
Prepaid expenses	(11,622)	(830)
Accounts payable and accrued liabilities	59,951	(99,628)
Deferred revenue	16,696	(111,459)
	192,304	463,559
Cash flows from financing activities:		
Deferred contributions related to capital assets	406,780	331,000
Cash flows from capital activities:		
Purchase of capital assets	(406,780)	(331,000)
Increase in cash	192,304	463,559
Cash, beginning of year	1,379,818	916,259
Cash, end of year	\$ 1,572,122	\$ 1,379,818
Comprised of:		
Cash	417,837	928,966
Restricted Cash	1,154,285	450,852
	\$ 1,572,122	\$ 1,379,818

See accompanying notes to financial statements.

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2021

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

1. Significant accounting policies:

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

(a) Revenue recognition:

Fees, services and expense recoveries are recognized when fees are earned and services provided respectively, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

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

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

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

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of the related capital assets.

(b) Inventories:

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

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) Capital assets:

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

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

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

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

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

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

(d) Employee future benefits:

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

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2021

1. Significant accounting policies (continued):

(e) Use of estimates:

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

(f) Financial instruments:

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

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

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

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

2. Accounts and grants receivable:

	2021	2020
Grant receivable	\$ 565,902	\$ –
Trade accounts receivable	155,480	159,860
HST and other	27,725	27,674
	<u>\$ 749,107</u>	<u>\$ 187,534</u>

3. Internally restricted net assets and restricted cash:

The Corporation maintains restricted net assets and restricted cash in the amount of \$1,154,285 (2020 - \$450,852) in order to meet future obligations of the Corporation.

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2021

4. Capital assets:

			2021	2020
	Cost	Accumulated Amortization	Net book Value	Net book Value
Equipment	\$ 4,455,976	\$ 3,028,533	\$ 1,427,443	\$ 1,700,057
Computer hardware and software	352,564	321,173	31,391	15,677
Vehicles	193,408	158,920	34,488	62,807
Building improvements	5,418,481	4,148,976	1,269,505	1,512,755
Airfield infrastructure	15,086,589	5,993,517	9,093,072	9,648,992
Groundside infrastructure	86,570	41,120	45,450	49,778
Construction in progress	55,765	2,780	52,985	—
	\$ 25,649,353	\$ 13,695,019	\$ 11,954,334	\$ 12,990,066

5. Deferred revenue:

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

		2021	2020
Prepaid deposits	\$	5,000	5,000
Prepaid rent and fees		4,514	23,082
Other contributions		42,764	7,500
	\$	52,278	\$ 35,582

6. Deferred capital contributions:

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

	2021	2020
Balance, beginning of year	\$ 12,163,211	\$ 13,231,045
Contributions received	406,780	331,000
Amortization of deferred capital contributions	(1,381,496)	(1,398,834)
	\$ 11,188,495	\$ 12,163,211

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2021

7. Investment in capital assets:

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

	2021	2020
Capital assets	\$ 11,954,334	\$ 12,990,067
Amounts financed by:		
Deferred contributions	(11,188,495)	(12,163,212)
	\$ 765,839	\$ 826,855

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

	2021	2020
Excess of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 1,381,496	\$ 1,398,834
Amortization of capital assets	(1,442,513)	(1,472,507)
	\$ (61,017)	\$ (73,673)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 406,780	\$ 331,000
Amounts funded by:		
Deferred capital contributions	(406,780)	(331,000)
	\$ —	\$ —

8. Related party transactions:

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

The Corporation provided the City with maintenance services amounting to \$182,122 (2020 - \$205,872). The City provided the Corporation with corporate services, including information technology support and server access amounting to \$38,913 (2020 - \$20,249).

During the year the City provided the Corporation with operational funding of \$Nil (2020 - \$600,000) in order to offset the impacts that COVID-19 had on the Corporation during the year.

The City provided the Corporation with capital contributions of \$406,780 (2020 - \$53,200) for the acquisition of capital assets.

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

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2021

9. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2021 financial statement.

10. Commitments:

The Corporation has entered into an agreement with Commissionaires Ottawa for the provision of security services. The contract is effective until January 2023. During the year, \$133,373 (2020 - \$118,550) was expended on security services.

The Corporation has entered into an agreement with DTZ Canada Inc. for the provision of janitorial duties. The contract is effective until April 2023. During the year, \$152,697 (2020 - \$135,092) was expended on janitorial services.

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

Subsequent to year end, the Corporation entered into a contract for the installation of a high intensity approach lights system for runway 08 to be completed during 2022 at a cost of \$547,568.

Subsequent to year end, the Corporation entered into a contract for the rehabilitation of taxiway H, G and Apron II to be completed during 2022 at a cost of \$3,197,442.

11. Financial risks and concentration of credit risks:

(a) Credit risk:

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

The Corporation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Corporation at December 31, 2021 is the carrying value of these assets.

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

There have been no significant changes to the credit risk exposure from 2020.

(b) Liquidity risk:

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

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

There have been no significant changes to the liquidity risk exposure from 2020.

NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2021

11. Financial risks and concentration of credit risks (continued):

(c) Other risks:

The Corporation's main sources of revenue are fees and services and government grants and other contributions. In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus.

As part of the federal response to the COVID-19 pandemic, announcements were made for certain subsidy programs to support businesses by providing financing. Included in the December 31, 2021 financial statements is \$244,736 of revenues relating to Canada Emergency Wage Subsidy ("CEWS"). The amounts are subject to audit by the Canada Revenue Agency and if any amounts are deemed to be repayable they will be recorded in the period the audit is complete.

The impact of COVID-19 is not expected to have a significant impact on the future operations of the Corporation. The further overall operational and financial impact is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected by other factors that are currently not known at this time. Management is actively monitoring the effect of the pandemic on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the pandemic and the global responses to curb its spread, the Corporation is not able to fully estimate the effects of the pandemic on its results of operations, financial condition, or liquidity at this time.



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