



# 2024 Annual General Meeting

2023 Annual Report  
13 June 2024





## Presentation Overview

# Annual Report of 2023

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# Corporate Overview



## Chairman's Message

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# Chairman's Message

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North Bay Jack Garland Airport (NBJGA) Corporation completed its twenty-first year as a not-for-profit corporation during a period of optimistic developments and change, though also at a time that continues to see regional markets and connectivity still significantly challenged.

Created in February 2003, NBJGA 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 in the industry and most notably in regional markets, was able to maintain the airport fully operational while actively undertaking development opportunities as they presented themselves and also planning for continued growth in the future. 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 the North Bay Jack Garland Airport and they can continue to be proud of their many accomplishments.



## Chairman's Message

The NBJGAC 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 two separate capital projects encompassing surface rehabilitation and fleet equipment renewal totaled approximately \$330,000; supported by the City of North Bay.

The Airport continued its routine 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. These are constant undertakings that we're proud to be able to continue to demonstrate were completed as both planned and required to meet the needs of current and future users of the airport.



## Chairman's Message



## Chairman's Message

From a financial perspective the goals set out in our business plan were met and even exceeded. At the conclusion of 2023 the NBJGAC had met budget expectations, having successfully focused on raising revenues and controlling all operational costs; significantly reducing the deficiency of revenue over expenses year over year. The Corporation continued to react to the challenging regional aviation market recovery, working with community partners and stakeholders to support the local aviation industry, tourism sector, and business travel as a whole.

In all \$397,603 will be used to offset losses in 2023 however the Corporation remains capable of supporting future challenging periods ahead. This is a direct result of having received one-time support in the form of the Regional Air Transportation Initiative (RATI) funding administered by the federal government in 2021; eliminating any need for the City of North Bay to fund operational expenditures. Regrettably at this time such programs are no longer available to offset potential losses however the Corporation continues to work with all levels of government and industry associations to highlight the benefit and need of such programs in order to continue to support regional airports in the immediate future.

## Chairman's Message





## Chairman's Message

## Chairman's Message

We continue to see sustainability and growth in the local aviation community, able to attract sufficient growth. This fact continues to reinforce the airport's most recent Airport Economic Impact Study finding that demonstrates the significant value of this asset in the community and the need to continue to support it during this period of challenge in the aviation 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.

The unwavering support of various local departments and agencies, 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 that supports the diverse local economy and the needs of all airport users.

Moving forward, on-going priorities remain: the continued implementation of our strategic plan, an ever important and ongoing concerted effort to increase our marketing and development presences of the airport facility and the continued encouragement, support and ultimately re-building of air service, including scheduled and chartered operators. These aren't without their challenges however, as many industry leaders and stakeholders continue to express their own challenges associated with ever expanding federal and provincial regulatory requirements of the air transportation sector as well as resource and labour shortfalls throughout the entire aviation industry.



## Chairman's Message

The Board is pleased with the progress that has been made to date to sustain the financial position and improve physical plant of the NBJGA. As of the end of 2023, \$30,119,135.00 has been invested in the physical plant and cash on hand of \$1,158,647 was in place to accommodate operational requirements of the year ahead. This cash will continue to play a significant role in maintaining the airport during 2024 as forecasts continue to show suppressed commercial traffic which faces numerous challenges in order to make a full recovery to pre-2020 levels. While challenges remain to ensure the financial and commercial self-sustainability of the Airport we believe that the NBJGA continues to have the potential to be a premiere self-sustaining regional airport facility.

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

## Chairman's Message







## Operating Mandate

# Operating Mandate

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### **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

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### Board of Directors

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

### Board Committees

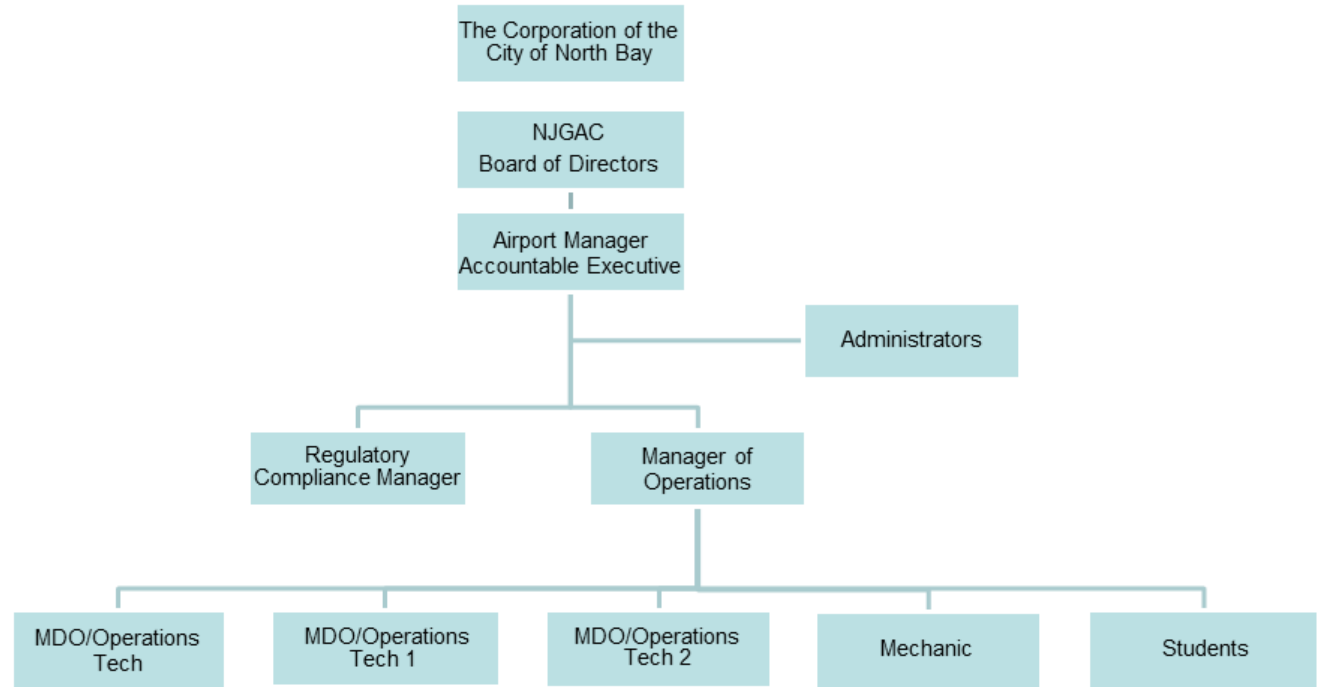
|                                     |                            |
|-------------------------------------|----------------------------|
| Executive Committee                 | Chair - Mr. Wade Wasylciw  |
| Operations/Policy Committee         | Chair - Mr. Grant Bailey   |
| Financial/Human Resources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



This represents a very small multi-functional and capable team that manages 'the airport' and supports hundreds of other people in doing their jobs each day.

In reality this team is comprised of 11-15 employees across all rolls, in addition to the Board and CNB.

## Corporate Structure





# Looking to get in touch?

## 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](mailto:airportmanager@yyb.ca)  
[operations@yyb.ca](mailto:operations@yyb.ca) (All Management)

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

## Contact Information





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# 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 regular charter opportunities, providing inter-provincial, 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 10,000 foot long runway is serviced by a full length 75ft wide parallel taxiway with several entrance/exit points 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.
- Throughout 2023 a full serve restaurant operated in the Terminal, though additional vending machines remain available to all users presently.





## Airport Facilities Overview

- The 4,492 foot cross wind paved runway provides an alternative 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 350
  - military operations CC-130, CF-18, CC-17, CC-330
  - freight shipments and deliveries of any size
- With attractive noise exposure forecasts (NEF Zones), registered zoning, supportive municipal by-laws and approach procedures the airport offers 24-hour unlimited access with no curfew restrictions.
- The North Bay Airport offers access to protected flight test corridors and flight test areas in close proximity, making it convenient to use YYB for many reasons.





# 2023 Year In Review





All this is done while working collaboratively to support business growth and attract new opportunities.

It's important to recognize that the success of the airport goes far behind the borders of the airport itself.

## Year In Review

# Our Part In *Where Success Takes Flight*

As the NBJGAC we are not the airlines, the manufacturers, the aircraft operators, the aviation school, the ground handlers, the security screeners, or even the regulator.

The NBJGAC is the operator of the airport that promotes and facilitates the success of all those above, and so many more throughout our community and region. As such the NBJGAC is the enabler. Day-to-day we, to name a few:

- Conduct vegetation control, wildlife management, crack sealing, line painting, fleet maintenance, regulatory compliance checks, and so much more
- Complete snow removal of all runways, taxiways, aprons, roads & parking lots
- Maintain over a dozen facilities, millions of sq. ft. of pavement, almost twenty roads and parking lots; all to have the largest airport infrastructure in Northern Ontario (& beyond)





# Airport Operations

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## **Maintenance:**

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

## **Major Capital Projects:**

- Rehabilitation of the roadway and parking lot of the Administration Building
- Renewal of fleet equipment; replacing an operational pick-up



# Scope of Airport Operations

## Maintenance Activities:

The ongoing maintenance activities supports:

### By The Numbers

- **14** facilities across the airport (airside and groundside)
- **11** airside service roads,
- **3** municipal roads groundside
- **3** parking lots and their hundreds of available stalls
- **20+** vehicles/heavy equipment and their largest attachments
- **12.5** km of perimeter fence line around the entire airport property
- **1450** acres of the entire airport property
- **78.5km<sup>2</sup>** area of airspace above and around the airport; over the community
  
- **5,118,707** sq. ft. of paved surfaces (airside runways, taxiways, and aprons)



Additionally, where possible, we support the maintenance of different tenant and stakeholder properties that aren't owned or operated by the airport to ensure they too remain operational.



# Safety Management System

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The North Bay Jack Garland Airport's Safety Policy remains integral to day-to-day operations, supported directly and indirectly by all stakeholders.

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

In 2023 we experienced no year over year change in the number of incursions that occurred, though we were successful in ensuring that although there has been significant changes in staffing at nearly all stakeholders there also wasn't an increase. In 2023 there were three incursions. As such we continue to expand our training, awareness, and oversight efforts towards ultimately reducing this number.

## **Objective #2 – Reduce Lighting (Airside) Breakage**

In the past four years we have had between 4-14 damaged lights annually, which have been gradually decreasing over time. Throughout 2023 a total of six airfield lights/signs were damaged, mainly through airport operations activities in the course of snow removal work; however, some were damaged during an incident involving an aircraft. As with other areas of operations we continue to work with our staff and stakeholders to limit the total number of occurrences in an effort to both reduce operating costs associated with repairs and to ensure the level of service requirements are met with a complete airfield lighting system.

As such both objective will once again be carried forward to 2024 Objectives.

Each assessment is uniquely different based on a myriad of factors, however with safety in mind it's important that operational discussions and applications start with lots of lead time, and with the right stakeholders involved.

## Year in Review

# Extended Safety Of Operations

As an integral part of all the operations of the airport, safety goes beyond the property boundary itself.

That's why in 2023 we continued our efforts to educate stakeholders and the community in regards to:

- Drones and Remotely Piloted Air Systems (RPAS)

 ○ 5.6km (3NM) around the airport

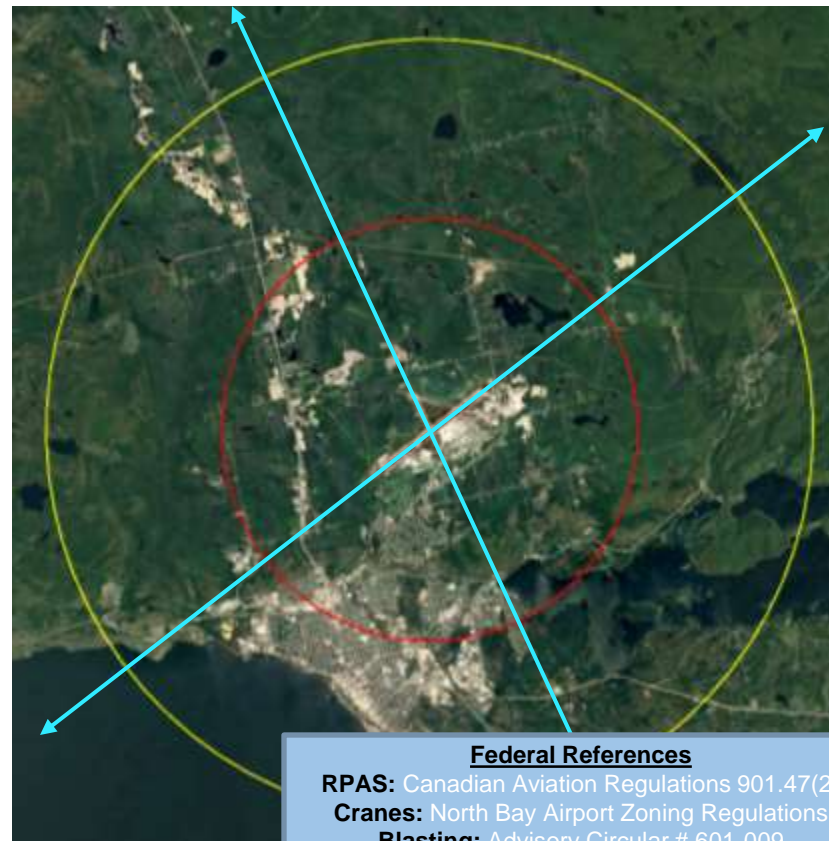
- Cranes and lifted devices that interfere

 ○ 4km (2.1NM) around the airport

 ○ As much as 15km (6.5NM) in the runway approaches

- Blasting operations

 ○ 9.25km (5NM) around the airport



### Federal References

**RPAS:** Canadian Aviation Regulations 901.47(2)

**Cranes:** North Bay Airport Zoning Regulations

**Blasting:** Advisory Circular # 601-009



# Airport Security Program

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## 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 18 related observations and incidents in 2023, representing an overall reduction in the number of occurrences (proactive and reactive) year over year. Stability of stakeholder staff and generally increased focus on training and awareness has made a positive difference. It should be noted however that of those in 2023 twelve were in relation to the Primary Security Line (PSL) of the Critical Restricted Area (CRA); many related to airside gate security. As such this objective will once again be carried forward to 2024 Objectives.

## Objective #2 – Reduce risk of screened passenger contamination.

Proactive measures resulted in zero occurrences, however due to the severity should it occur this objective will be carried forward to 2024 Objectives.



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.

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## Year in Review

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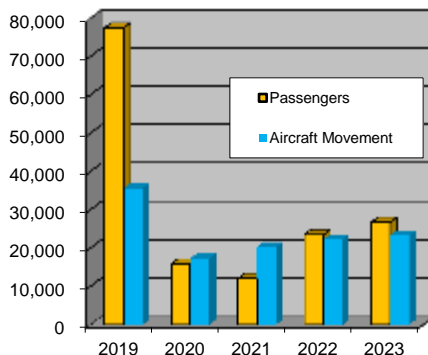


- Passengers metrics in 2023 increased overall
- Aircraft activity / movements increased year over year however were still far below pre-pandemic levels
- Positive indicators towards end of 2023

## Year in Review

# Traffic Activity in 2023

- **26,647 airline enplaned/deplaned passengers** used the North Bay Airport; an increase of 13% compared to the previous year; however down 65% overall compared to 2019 (pre-pandemic). This was a result of year round Air Canada service flight schedules comprised of a flight per day, the temporary reintroduction of Sunwing service in late 2022/early 2023 and overall improvements of on-time-performance supported this growth.
- **23,300 aircraft movements** for the year; a 4.5% increase compared to the previous year however still down 35% overall compared to 2019.
  - Comprised of 10,726 local and 12,574 itinerant movements



|                           | 2019   | 2020   | 2021   | 2022   | 2023   |
|---------------------------|--------|--------|--------|--------|--------|
| <b>Airline Passengers</b> | 77,453 | 15,807 | 12,005 | 23,466 | 26,647 |
| <b>Aircraft Movement</b>  | 35,638 | 17,295 | 20,272 | 22,311 | 23,300 |

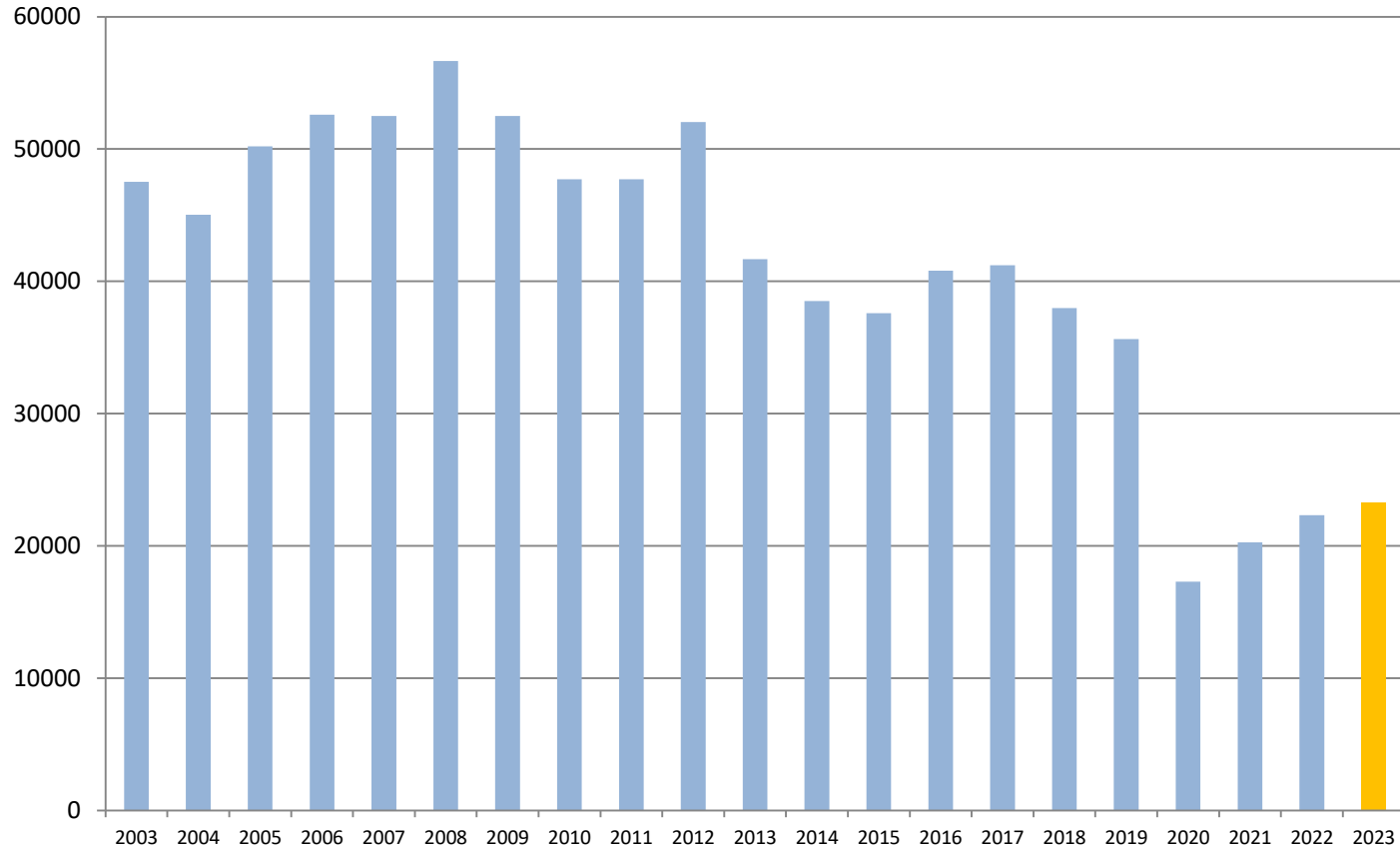




- Flight school operations growth
- Chartered flights continued to move business clients
- Regional forest fire and natural resources work continued
- Medical and military movements increased

## Year in Review

# Aircraft Movement Statistics

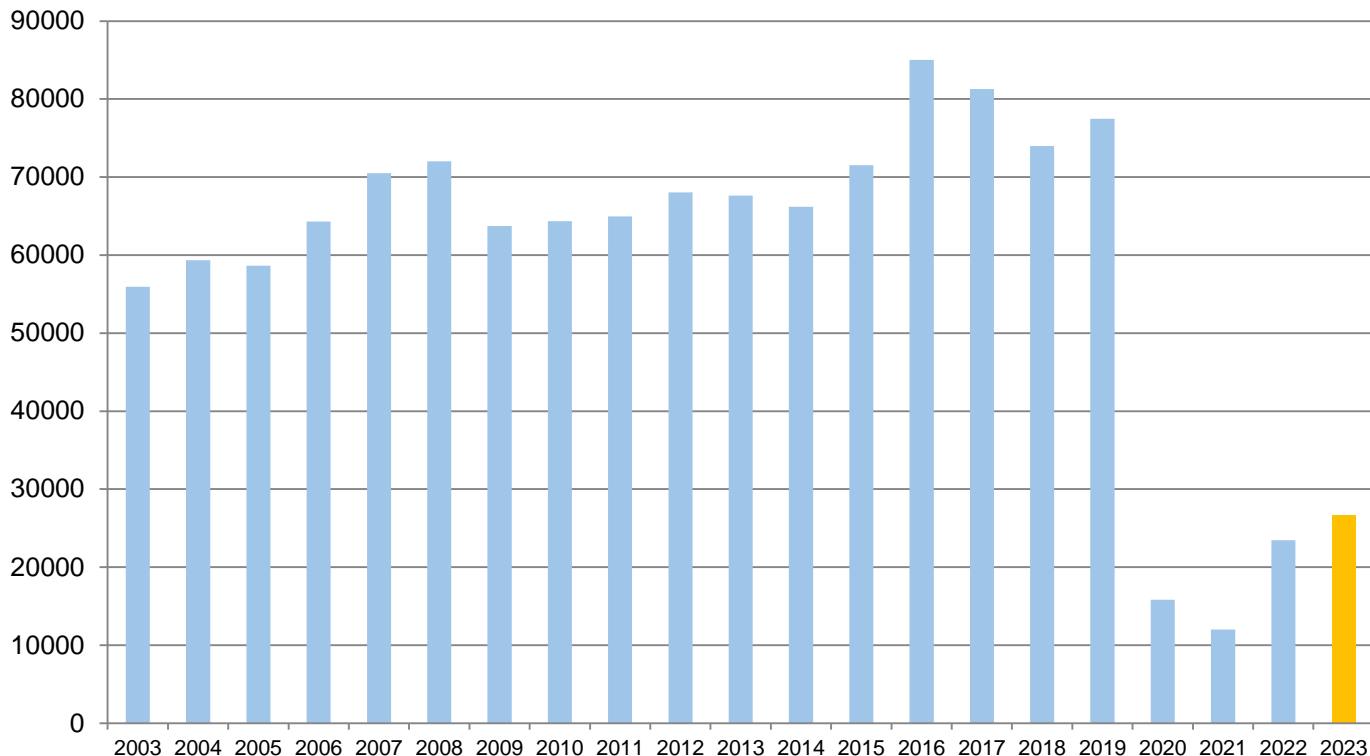




- Air Canada schedule increased reliability
- Sunwing schedule for a brief period in early 2023
- Continued need for travel; demonstrated by large growth in markets beyond regional throughout Canada

## Year in Review

# Airline Passenger Statistics





# Business Development

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The North Bay Jack Garland Corporation recognizes 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 control costs while still completing necessary and regulated maintenance and operations, diversify revenue sources and attract new compatible development to the airport.

2023 saw significant improvements by all air carriers to address the reliability, and on-time-performance of existing route schedules, enhancing essential connections for passenger service to Toronto and beyond. Air Canada continued to operate a single flight per day, expanding the service aircraft's size to allow for more travelers to use the available service. Bearskin Airlines continued scheduled and chartered service multiple times per day in order to connect the community to destinations in Northern Ontario and inter-provincially; offering both unique and alternative options connecting North Bay to these destinations.

Nationally however regional markets and routes continued to experience an overall slow pace of recovery; faced with labour, logistic, and regulatory challenges. We look forward to working with our tenants and partners to expand upon the successes of 2023, ensuring the airport remains a catalyst for economic growth in the region.



# Business Development

- Worked with tenants to develop opportunities where possible.
  - Introduction of new AvGas Fuel Provider, expanding onsite maintenance repair organization (MRO) to also now provide fuel to local and itinerant aircraft operators in order to ensure continued supply of fuel and services.
- Expanding on proven records, past successes, and evaluating new concepts.
- Working with the City of North Bay and industry to support film production in the area.
- Utilization of existing assets and infrastructure during off-peak times where feasible.
- Airline services including:
  - Working with Air Canada to encourage and sustain a reliable increased flight schedule
  - Working with charter services to ensure North Bay remains the destination of choice
- Worked with aircraft manufacturers, flight dispatchers, logistics organizations, and more to showcase the capabilities of the airport and onsite partners.



We supported the City of North Bay's Economic Development campaign for airport awareness & growth.

Year In Review



# Business Development

- Continued to develop diversion management options and opportunities to support many different airlines flying on route to other international airports; expanding communications with many air carriers to bring awareness of the airport's extensive infrastructure.
- Supported airport community events to ensure they were successful.
  - Generating revenue opportunities for onsite FBOs for their own growth and success;
  - Supporting student attraction initiatives and career growth that benefits all partners



An Air Canada Airbus A330 that arrived from Madrid on route to Toronto Pearson. Weather delays at Pearson meant that the aircraft needed to remain holding in airspace, however to reduce fuel consumption the crew decided to divert to North Bay where weather patterns are often satisfactorily different than southern Ontario.



# The Airport Community

These represent some of the permanent operations located right here at the North Bay Airport; approx. 500 people collectively.

Additionally there are many more that use the airport to support their own businesses & agencies throughout the community.

## Year In Review



AIR CANADA



Canada Border Services Agency



*Bearskin Airlines*

Let the Bear take you there!





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

Such events showcase the diverse operations at the airport and the positive impact it has with the community.

## Year In Review

# Community & Special Events

We are excited to have continued to support special events and community programs throughout 2023. These included:

- North Bay's Canadian Armed Forces Day (AFD)
- United Way's Annual Aircraft Pull Fundraiser
- Canadore College – RCAF Awareness Days / Fly-ins
- Tours for local school, youth groups, and others





# 04

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# Financial Summary





## Financial Summary

## Financial Report

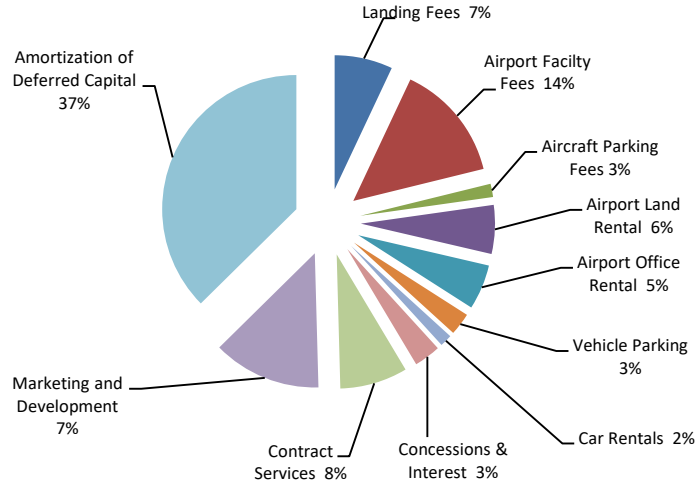
|                                | <u>Annual Operations</u> |                     |
|--------------------------------|--------------------------|---------------------|
|                                | Actual                   | Budget              |
| Revenues received in 2023      | \$ 2,058,349             | \$ 2,144,827        |
| Expenses of operations in 2023 | <u>\$ 2,392,544</u>      | <u>\$ 2,508,400</u> |
| Operating Income for 2023      | \$ (334,195)             | \$ (363,573)        |
| Gain on Capital Assets         | <u>\$ 0</u>              | <u>\$ -</u>         |
| Amortization                   | <u>\$ 63,408</u>         | <u>\$ 91,000</u>    |
| Net Income for 2023            | \$ (397,603)             | \$ (454,573)        |

In 2023 the NBJGA Corporation had a net operating deficit of \$397,603; primarily caused by continued limited airline service and no offsetting government funding to directly address the ongoing negative effects of the continued challenged regional air transportation sector across Canada. This continued challenge was anticipated. As a result the Corporation's budget was cautiously developed based on discussions and insights with stakeholders and industry assessments to which overall the sector recovered as anticipated year over year, while controlling costs.

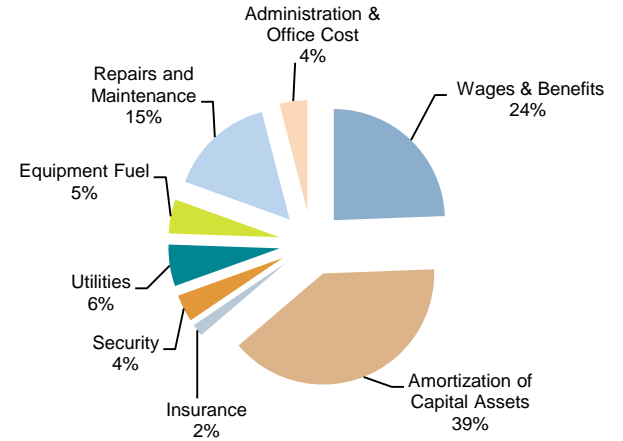
The deficit in 2023 was managed by utilizing income from previous years that was a result of federal pandemic programs available at that time; though no longer.



## Revenues by Type



## Expenses by Type



## Financial Summary





# Financial Summary

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Financial Statements of

## **NORTH BAY JACK GARLAND AIRPORT CORPORATION**

And Independent Auditor's Report thereon

Year ended December 31, 2023



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Times Square  
1760 Regent Street, Unit 4  
Sudbury, ON P3E 3Z8  
Canada  
Telephone: 705 675 8500  
Fax: 705 675 7586

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

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

- the statement of financial position as at December 31, 2023
  - 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, 2023, and its results of operations, its changes in deficiency in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

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

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

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



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

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

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

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada  
June 13, 2024



# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Financial Position

December 31, 2023, with comparative information for 2022

|  | 2023                 | 2022                 |
|--|----------------------|----------------------|
| <b>Assets</b>                            |                      |                      |
| Current assets:                          |                      |                      |
| Cash                                     | \$ 223,737           | \$ 332,038           |
| Accounts and grants receivable (note 3)  | 274,891              | 712,820              |
| Inventories                              | 155,549              | 137,613              |
| Prepaid expenses                         | 20,293               | 21,619               |
|  | <u>674,470</u>       | <u>1,204,090</u>     |
| Restricted cash (note 4)                 | 934,910              | 1,177,456            |
| Capital assets (note 5)                  | 13,270,006           | 14,505,368           |
|  | <u>\$ 14,879,386</u> | <u>\$ 16,886,914</u> |
| <b>Liabilities and Net Assets</b>        |                      |                      |
| Current liabilities:                     |                      |                      |
| Accounts payable and accrued liabilities | \$ 860,657           | \$ 648,958           |
| Deferred revenue (note 6)                | 34,496               | 36,454               |
|  | <u>895,153</u>       | <u>685,412</u>       |
| Deferred capital contributions (note 7)  | 12,736,694           | 13,906,360           |
|  | <u>13,631,847</u>    | <u>14,591,772</u>    |
| Net assets:                              |                      |                      |
| Unrestricted                             | (220,683)            | 518,678              |
| Equity in capital assets (note 8)        | 533,312              | 599,008              |
| Internally restricted (note 4)           | 934,910              | 1,177,456            |
|  | <u>1,247,539</u>     | <u>2,295,142</u>     |
| Commitments (note 11)                    |                      |                      |
|  | <u>\$ 14,879,386</u> | <u>\$ 16,886,914</u> |

See accompanying notes to financial statements.



# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

### Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

|  | 2023                  | 2022                |
|--|-----------------------|---------------------|
| <b>Revenue:</b>  |                       |                     |
| Fees and services  | \$ 1,985,291          | \$ 1,807,293        |
| Government grants and other contributions                              | -                     | 2,507               |
| Interest   | 73,058                | 39,638              |
| Amortization of deferred capital contributions (note 8)                | 1,503,929             | 1,419,932           |
|  | 3,562,278             | 3,269,370           |
| <b>Expenses:</b>   |                       |                     |
| Salaries and benefits  | 972,073               | 1,042,047           |
| Repairs and maintenance  | 614,831               | 616,935             |
| Utilities  | 240,934               | 209,333             |
| Security services  | 158,209               | 168,890             |
| Equipment fuel   | 197,781               | 163,841             |
| Insurance  | 70,372                | 64,964              |
| Telephone  | 37,146                | 34,625              |
| Professional fees  | 31,919                | 30,039              |
| Advertising  | 22,161                | 19,783              |
| Office and general   | 17,737                | 19,097              |
| Consulting fees  | 7,713                 | 9,255               |
| Interest and bank charges  | 7,153                 | 6,268               |
| Materials and supplies   | 3,263                 | 2,777               |
| Travel   | 10,302                | 7,097               |
| Office equipment rentals   | 950                   | 810                 |
| Amortization of capital assets   | 1,567,337             | 1,586,763           |
|  | 3,959,881             | 3,982,524           |
| Excess (deficiency) of revenue over expenses before<br>undernoted item | (397,603)             | (713,154)           |
| Prior year recovery - Federal COVID-19 funding                         | (650,000)             | -                   |
| <b>Deficiency of revenue over expenses</b>                             | <b>\$ (1,047,603)</b> | <b>\$ (713,154)</b> |

See accompanying notes to financial statements.





# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

|   | Unrestricted        | Internally<br>Restricted<br>(note 3) | Equity in<br>Capital Assets<br>(note 7) | 2023<br>Total       | 2022<br>Total       |
|---|---------------------|--------------------------------------|---|---------------------|---------------------|
| Net assets, beginning of year                         | \$ 518,678          | \$ 1,177,456                         | \$ 599,008                              | \$ 2,295,142        | \$ 3,008,296        |
| Deficiency of revenue over expenses                   | (981,907)           | -                                    | (65,696)                                | (1,047,603)         | (713,154)           |
| Internally imposed<br>restrictions - capital (note 3) | 242,546             | (242,546)                            | -                                       | -                   | -                   |
| <b>Net assets (debt), end of year</b>                 | <b>\$ (220,683)</b> | <b>\$ 934,910</b>                    | <b>\$ 533,312</b>                       | <b>\$ 1,247,539</b> | <b>\$ 2,295,142</b> |

See accompanying notes to financial statements.



# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

### Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

|  | 2023           | 2022         |
|--|----------------|--------------|
| Cash flows from operating activities:                            |                |              |
| Deficiency of revenue over expenses                              | \$ (1,047,603) | \$ (713,154) |
| Adjustments for:   |                |              |
| Amortization of capital assets                                   | 1,567,337      | 1,586,763    |
| Amortization of deferred contributions related to capital assets | (1,503,929)    | (1,419,932)  |
|  | (984,195)      | (546,323)    |
| Change in non-cash working capital:                              |                |              |
| Accounts and grants receivable                                   | 437,929        | 36,287       |
| Inventories  | (17,936)       | (17,371)     |
| Prepaid expenses   | 1,326          | 1,682        |
| Accounts payable and accrued liabilities                         | 211,699        | 478,920      |
| Deferred revenue   | (1,958)        | (15,824)     |
|  | (353,135)      | (62,629)     |
| Cash flows from financing activities:                            |                |              |
| Deferred contributions related to capital assets                 | 334,263        | 4,137,797    |
| Cash flows from capital activities:                              |                |              |
| Purchase of capital assets                                       | (331,975)      | (4,137,797)  |
| <hr/>  |                |              |
| Decrease in cash   | (350,847)      | (62,629)     |
| Cash, beginning of year  | 1,509,494      | 1,572,123    |
| <hr/>  |                |              |
| Cash, end of year  | \$ 1,158,647   | \$ 1,509,494 |
| <hr/>  |                |              |
| Comprised of:  |                |              |
| Cash   | 223,737        | 332,038      |
| Restricted Cash  | 934,910        | 1,177,456    |
|  | \$ 1,158,647   | \$ 1,509,494 |

See accompanying notes to financial statements.



# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements

Year ended December 31, 2023

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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 (Continued)

Year ended December 31, 2023

### 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.



# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements (Continued)

Year ended December 31, 2023

### 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 statement of financial position at fair value.

All investments 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.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from accumulated remeasurement gains and recognized in the statement of operations. Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded at fair value, as described below:

Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Fair value measurements are those derived from market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

### 2. Change in accounting policies:

The Corporation adopted the following standards concurrently beginning January 1, 2022 prospectively: *PS 1201 Financial Statement Presentation*, *PS 2601 Foreign Currency Translation*, *PS 3041 Portfolio Investments* and *PS 3450 Financial Instruments*.

*PS 1201 Financial Statement Presentation* replaces *PS 1200 Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in *PS 2601 Foreign Currency Translation*, *PS 3450 Financial Instruments*, and *PS*



# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements (Continued)

Year ended December 31, 2023

### 2. Change in accounting policies (continued):

*3041 Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

*PS 2601 Foreign Currency Translation* replaces *PS 2600 Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses. *PS 3041 Portfolio Investments* replaces *PS 3040 Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to *PS 3450 Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, *PS 3030 Temporary Investments* no longer applies.

*PS 3450 Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date.

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. There was no impact from the adoption of this standard.

On January 1, 2022, the Corporation adopted Public Accounting Standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. An asset retirement obligation has not been recorded by the Corporation, as it does not possess tangible capital assets that meet the recognition criteria.



# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements (Continued)

Year ended December 31, 2023

### 3. Accounts and grants receivable:

|                           | 2023              | 2022              |
|---------------------------|-------------------|-------------------|
| Trade accounts receivable | \$ 154,699        | \$ 147,281        |
| Grant receivable          | -                 | 322,993           |
| HST and other             | 120,192           | 242,546           |
|                           | <u>\$ 274,891</u> | <u>\$ 712,820</u> |

### 4. Internally restricted net assets and restricted cash:

The Corporation maintains restricted net assets and restricted cash in the amount of \$934,910 (2022 - \$1,177,456) in order to meet future obligations of the Corporation.

### 5. Capital assets:

|                                | 2023                 |                             | 2022                 |                      |
|--------------------------------|----------------------|-----------------------------|----------------------|----------------------|
|                                | Cost                 | Accumulated<br>Amortization | Net book<br>Value    | Net book<br>Value    |
| Equipment                      | \$ 4,455,976         | \$ 3,488,447                | \$ 967,529           | \$ 1,187,101         |
| Computer hardware and software | 352,511              | 336,847                     | 15,664               | 23,501               |
| Vehicles                       | 262,132              | 199,922                     | 62,210               | 17,244               |
| Building improvements          | 5,612,206            | 4,861,962                   | 750,244              | 1,100,630            |
| Airfield infrastructure        | 19,349,740           | 7,912,174                   | 11,437,566           | 12,135,771           |
| Groundside infrastructure      | 86,570               | 49,777                      | 36,793               | 41,121               |
|                                | <u>\$ 30,119,135</u> | <u>\$ 16,849,129</u>        | <u>\$ 13,270,006</u> | <u>\$ 14,505,368</u> |

### 6. 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.

|                     | 2023             | 2022             |
|---------------------|------------------|------------------|
| Prepaid deposits    | \$ 5,000         | \$ 5,000         |
| Other contributions | 29,496           | 31,454           |
|                     | <u>\$ 34,496</u> | <u>\$ 36,454</u> |



# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements (Continued)

Year ended December 31, 2023

### 7. 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.

|  | 2023                 | 2022                 |
|--|----------------------|----------------------|
| Balance, beginning of year                     | \$ 13,906,360        | \$ 11,188,495        |
| Contributions received                         | 334,263              | 4,137,797            |
| Amortization of deferred capital contributions | (1,503,929)          | (1,419,932)          |
|  | <u>\$ 12,736,694</u> | <u>\$ 13,906,360</u> |

### 8. Investment in capital assets:

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

|  | 2023              | 2022              |
|--|-------------------|-------------------|
| Capital assets                                 | \$ 13,270,006     | \$ 14,505,368     |
| Amounts financed by:<br>Deferred contributions | (12,736,694)      | (13,906,360)      |
|  | <u>\$ 533,312</u> | <u>\$ 599,008</u> |

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

|  | 2023               | 2022                |
|--|--------------------|---------------------|
| Excess of revenues over expenses:<br>Amortization of deferred contributions<br>related to capital assets | \$ 1,503,929       | \$ 1,419,932        |
| Amortization of capital assets   | (1,567,337)        | (1,586,763)         |
|  | <u>\$ (63,408)</u> | <u>\$ (166,831)</u> |
| Net change in investment in capital assets:<br>Purchase of capital assets                                | \$ 331,975         | \$ 4,137,797        |
| Amounts funded by:<br>Deferred capital contributions   | (334,263)          | (4,137,797)         |
|  | <u>\$ (2,288)</u>  | <u>\$ -</u>         |





# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements (Continued)

Year ended December 31, 2023

### 9. 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 \$216,342 (2022 - \$186,400). The City provided the Corporation with corporate services, including information technology support and server access amounting to \$72,181 (2022 - \$68,680).

The City provided the Corporation with capital contributions of \$329,746 (2022 - \$571,061) 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.

### 10. Comparative Information:

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

### 11. Commitments:

The Corporation has entered into an agreement with Commissionaires Ottawa for the provision of security services. The contract is effective until January 2026. During the year, \$158,209 (2022 - \$168,890) was expended on security services.

The Corporation has entered into an agreement with DTZ Canada Inc. for the provision of janitorial duties. The contract is effective until April 2024. During the year, \$158,653 (2022 - \$152,728) was expended on janitorial services.

### 12. Financial risks and concentration of credit risks:

#### (a) Credit risk:

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

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

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

There have been no significant changes to the credit risk exposure from 2022.



# Financial Summary

## NORTH BAY JACK GARLAND AIRPORT CORPORATION

Notes to Financial Statements (Continued)

Year ended December 31, 2023

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### 12. Financial risks and concentration of credit risks (continued):

#### (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 2022.

# Thank You

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