

High River Regional Airport Limited
Financial Statements
December 31, 2016
(Unaudited – See Notice to Reader)

Notice to Reader

On the basis of information provided by management, we have compiled the balance sheet of High River Regional Airport Limited as at December 31, 2016 and the statement of income and retained earnings for the year then ended.

We have not performed an audit or review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these financial statements may not be appropriate for their purposes.

Okotoks, Alberta
May 30, 2017

Nattress Kuntz
Chartered Professional Accountants

High River Regional Airport Limited
Balance Sheet
As at December 31, 2016
(Unaudited – See Notice to Reader)

Statement A

	<u>General</u>	<u>Restricted Improvement</u>	<u>Total 2016</u>	<u>Total 2015</u>
<u>Assets</u>				
Current Assets				
Cash	\$ 115,569	\$ 110,000	\$ 225,569	\$ 131,506
Prepaid expenses	3,773	-	3,773	3,636
Accounts receivable	<u>47,631</u>	<u>-</u>	<u>47,631</u>	<u>16,570</u>
Total current assets	166,973	110,000	276,973	151,712
Airport improvements – (Note 2)	-	1,408,981	1,408,981	1,305,026
Less Airport Improvement Fees and grants applied	<u>-</u>	<u>(1,305,026)</u>	<u>(1,305,026)</u>	<u>(1,305,026)</u>
Total assets	<u>\$ 166,973</u>	<u>\$ 213,955</u>	<u>\$ 380,928</u>	<u>\$ 151,712</u>
<u>Liabilities</u>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 83	\$ -	\$ 83	\$ -
Deposits and prepaid lease	<u>29,000</u>	<u>-</u>	<u>29,000</u>	<u>14,000</u>
Total current liabilities	29,083	-	29,083	14,000
Long-term – (Note 3)	<u>-</u>	<u>52,306</u>	<u>52,306</u>	<u>52,306</u>
Total liabilities	<u>29,083</u>	<u>52,306</u>	<u>81,389</u>	<u>66,306</u>
Fund Balances				
Externally restricted	-	-	-	-
Internally restricted	-	161,649	161,649	(42,315)
Unrestricted	<u>137,888</u>	<u>-</u>	<u>137,888</u>	<u>127,719</u>
Total fund balances	<u>137,888</u>	<u>161,649</u>	<u>299,537</u>	<u>85,404</u>
Share Capital – (Note 4)	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total liabilities, fund balances and equity	<u>\$ 166,973</u>	<u>\$ 213,955</u>	<u>\$ 380,928</u>	<u>\$ 151,712</u>

Approved on behalf of the Board

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High River Regional Airport Limited
Statement of Operations and
Changes in Fund Balances
For the year ended December 31, 2016
(Unaudited – See Notice to Reader)

Statement B

	<u>General</u>	<u>Restricted Improvement</u>	<u>Total 2016</u>	<u>Total 2015</u>
Revenues				
Frontage Fee	\$ 94,400	\$ -	\$ 94,400	\$ 69,672
Lease	79,583	-	79,583	-
Airport Improvement Fees	-	36,000	36,000	-
Tie down fees	18,980	-	18,980	10,581
Grants	18,000	-	18,000	20,000
Fire suppression	-	-	-	8,000
Interest and other	<u>27,721</u>	<u>-</u>	<u>27,721</u>	<u>8,163</u>
	<u>238,684</u>	<u>36,000</u>	<u>274,684</u>	<u>116,416</u>
Expenses				
Repairs & Maintenance	15,226	-	15,226	19,667
Accounting	10,008	-	10,008	7,421
Terminal rent	7,200	-	7,200	7,200
Consultants Report	5,826	-	5,826	4,500
Insurance	5,462	-	5,462	3,585
Donations	3,168	-	3,168	3,880
Legal	3,086	-	3,086	166
Supplies	2,422	-	2,422	1,122
Bad debt	1,350	-	1,350	(1,739)
Advertising	1,100	-	1,100	2,266
Office expense	650	-	650	-
Telephone & Internet	373	-	373	671
Interest and bank charges	301	-	301	309
Dues & Licences	48	-	48	231
Water storage rental	-	-	-	8,000
Depreciation	<u>-</u>	<u>4,331</u>	<u>4,331</u>	<u>-</u>
	<u>56,220</u>	<u>4,331</u>	<u>60,551</u>	<u>57,279</u>
Excess (deficiency) of revenues over expenses	182,464	31,669	214,133	59,137
Fund balances, beginning of year	127,719	(42,315)	85,404	26,267
Interfund transfers	<u>(172,295)</u>	<u>172,295</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 137,888</u>	<u>\$ 161,649</u>	<u>\$ 299,537</u>	<u>\$ 85,404</u>

High River Regional Airport Limited
Notes to the Financial Statements
For the Year Ended December 31, 2016
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Schedule 1

1. Contributed services

Volunteers contribute numerous hours each year to assist the Company in carrying out its services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Airport improvements

	2016			2015
	Cost	Accum. Amort.	Net Book Value	Net Book Value
Airport improvements	\$ <u>108,286</u>	\$ <u>4,331</u>	\$ <u>103,995</u>	\$ _____ -
	\$ <u>108,286</u>	\$ <u>4,331</u>	\$ <u>103,955</u>	\$ _____ -

Through the agreement with the M.D. of Foothills and the Town of High River, the company is required to make ongoing improvements to the Airport and related facilities. High River Regional Airport undertakes these projects through grants and the Airport Improvement Fee assessed against each leaseholder. Prior to 2016, the improvements were expensed as incurred. The value of the improvements and the funding applied are shown on the balance sheet so that the total value of such projects may be disclosed. Beginning in 2016, the value of the airport improvements is being capitalized and depreciated over the estimated useful life.

3. Long-term liabilities

	2016			2015
	Total	Current Portion	Long-term Portion	Long-term Portion
MD of Foothills	\$ <u>52,306</u>	\$ _____ -	\$ <u>52,306</u>	\$ <u>52,306</u>

4. Share Capital

Issued:

2 Class A shares

\$ 2