



MERGED AGENDA FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, April 16, 2025

9:00 a.m. To Proceed In Camera Reconvene Regular Meeting Immediately Following the In Camera Finance and Audit Committee Meeting

Shaw Auditorium, Vancouver Island Conference Centre
80 Commercial Street, Nanaimo, BC

SCHEDULED RECESS AT 10:30 A.M.

Pages

1. CALL THE MEETING TO ORDER:

[Note: This meeting will be live streamed and video recorded for the public.]

2. PROCEDURAL MOTION:

That the meeting be closed to the public in order to deal with agenda items under the *Community Charter*:

Section 90(1) A part of the meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of Council, could reasonably be expected to harm the interests of the municipality if they were held in public; and

(n) the consideration of whether a Council meeting should be closed under a provision of this subsection or subsection (2).

3. INTRODUCTION OF LATE ITEMS:

4. ADOPTION OF AGENDA:

5. ADOPTION OF MINUTES:

a. Minutes

4 - 10

Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2025-MAR-19 at 9:00 a.m.

6. REPORTS:

a. 2024 Annual Financial Statements

11 - 95

To be introduced by Laura Mercer, General Manager, Corporate Services.

Purpose: To present the 2024 Annual Financial Statements for acceptance by the Finance and Audit Committee.

Presentation

1. Liette Bates-Eamer, Lead Audit Engagement Partner, and Sarah Burden, Senior Manager, KPMG, to provide a presentation regarding the 2024 Summary of Audit Findings.

Recommendation: That the Finance and Audit Committee recommend that Council accept the 2024 Annual Financial Statements for the City of Nanaimo.

7. PRESENTATIONS:

a. 2025 - 2029 Financial Plan Recap and Decision Points

96 - 108

To be introduced by Laura Mercer, General Manager, Corporate Services.

Presentation

1. Wendy Fulla, Director, Finance.

8. DELEGATIONS:

9. REPORTS: (Continued)

a. Approval to Bid to Host the 2026 Pacific Contact Showcase and Festival

109 - 134

To be introduced by Darcie Osborne, Director, Parks, Recreation and Culture.

Purpose: To request a financial commitment from Council regarding the proposed bid to host the 2026 Pacific Contact showcase and festival.

Recommendation: That the Finance and Audit Committee recommend that Council support the proposed bid to host Pacific Contact 2026 in Nanaimo and commit \$20,000 in 2026 of the 2025 – 2029 Financial Plan, funded from the Special Initiatives Reserve.

b. Sport Tourism Grant Funding Application Approval

135 - 151

To be introduced by Darcie Osborne, Director, Parks, Recreation and Culture.

Purpose: To seek Finance and Audit Committee approval to use funds from the Sport and Tourism Grant for sporting events that are impacted by the timeline of the Municipal and Regional District Tax (MRDT) fund transfer.

Recommendation: That the Finance and Audit Committee recommend that

Council approve granting the Vancouver Island Slopestyle 2025 event at the Steve Smith Bike Park \$4,500 from the Sport Tournament Grant Fund.

c. 7 Potatoes Project Update and Funding Request

152 - 156

To be introduced by Darcie Osborne, Director, Parks, Recreation and Culture.

Purpose: To update the Finance and Audit Committee on the Central Vancouver Island Japanese Canadian Society (7 Potatoes) grant applications to the Japanese Canadian Legacies Society (JCLS) and to request additional funding for the Japanese-Canadian Memorial Garden and Beban Park Outdoor Performance and Gathering Space projects.

Delegation:

1. Tami Hirasawa, 7 Potatoes.

Recommendation: That the Finance and Audit Committee recommend that Council:

1. Increase the budget for the Japanese-Canadian Memorial Garden project by \$341,000 funded from the Strategic Infrastructure Reserve Fund; and
2. Increase the budget for the Beban Park Outdoor Performance and Gathering Space project by \$400,000 funded from the Strategic Infrastructure Reserve Fund.

10. **OTHER BUSINESS:**

a. Correspondence from Nanaimo Airport Commission re: Funding Support for Hosting the Snowbirds August 2025

157 - 158

1. *Remove - Agenda Item 10(a) Correspondence from Nanaimo Airport Commission re: Funding Support for Hosting the Snowbirds August 2025*

11. **QUESTION PERIOD:**

12. **ADJOURNMENT:**



MINUTES

FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, March 19, 2025, 9:00 A.M.
Shaw Auditorium, Vancouver Island Conference Centre
80 Commercial Street, Nanaimo, BC

Members: Mayor L. Krog, Chair
Councillor H. Eastmure
Councillor B. Geselbracht
Councillor P. Manly*
Councillor J. Perrino*

Absent: Councillor S. Armstrong
Councillor T. Brown
Councillor E. Hemmens
Councillor I. Thorpe

Staff: D. Lindsay, Chief Administrative Officer
B. Sims, General Manager, Engineering and Public Works
W. Fulla, Director, Finance
D. Osborne, Director, Parks, Recreation and Culture
N. Vracar, Deputy Corporate Officer
M. Bryson, Deputy Director, Civic Facilities
C. Davis, Deputy Director, Parks and Natural Areas
D. Bailey, Manager, Accounting Services
J. Rushton, Manager, Supply Chain Management
M. Pearson, Legislative Communications Clerk
A. Chanakos, Recording Secretary

1. CALL THE MEETING TO ORDER:

The Finance and Audit Committee Meeting was called to order at 9:00 a.m.

* Denotes electronic meeting participation as authorized by "Council Procedure Bylaw 2018 No. 7272"

2. INTRODUCTION OF LATE ITEMS:

- (a) Remove Agenda Item 5(a) 2026 – 2030 Project Plan.
- (b) Reorder Agenda Item 7(d) Loudon Park Improvements to become Agenda Item 7(b) and reorder subsequent Agenda Items.
- (c) Agenda Item 7(b) Loudon Park Improvements – Add the following delegations:
 - Art Prufer
 - Lana Fitzpatrick, Wellington Action Committee
 - Jennifer McKenzie
 - Sharon Preston
 - Jessica Kaman
 - Kerwood Agar

3. ADOPTION OF AGENDA:

It was moved and seconded that the agenda, as amended, be adopted. The motion carried unanimously.

4. ADOPTION OF MINUTES:

It was moved and seconded that the minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2025-FEB-19, at 9:00 a.m., be adopted as circulated. The motion carried unanimously.

5. REPORTS:

- (a) 2024 Surplus Allocation

Wendy Fulla, Director, Finance, provided an overview of the report in the agenda package.

- The remainder of this page is intentionally left blank. -

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the allocation of the 2024 operating surplus as follows:

1. General Fund

a.	RCMP Contract Reserve	1,411,438
b.	General Financial Stability Reserve	1,094,545
c.	Special Initiatives Reserve	<u>5,290,000</u>
		<u>\$7,795,983</u>

2. Sewer Fund

a.	Sewer Reserve	<u>\$342,240</u>
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The motion carried unanimously.

(b) Loudon Park Improvements

Darcie Osborne, Director, Parks, Recreation and Culture, provided an overview of the report in the agenda package.

Delegations:

1. Ashley Rowe, via Zoom, provided an on-screen presentation and advised the following:
 - Nanaimo Canoe and Kayak Club (NCKC) hosts many sporting events, promoting sports tourism in Nanaimo
 - Long Lake is in a central location and is the ideal size for racing
 - There is a lack of indoor training space for athletes
 - Currently, boating equipment is stored outside and is susceptible to vandalism and theft

Committee discussion took place. Highlights included:

- In 2024, over 1,300 participants registered with NCKC through open houses, interactive booths and Parks, Recreation and Culture programming
- Long Lake permits the required safety powerboat for racing, whereas Westwood Lake is not large enough and does not permit powerboats
- Parking is a challenge; however, a partnership is in place to allow NCKC to use the nearby real estate office's parking lot on weekends

2. Kiersten Mort, Nanaimo Rowing Club, provided an on-screen presentation advising the following:
 - The current boathouse does not provide adequate room to work on boats
 - The outdoor boat storage area exposes boats to the elements, is over capacity, and the racks are rusted and unsteady
 - The boat docks are slippery and in disrepair
 - The washrooms are not easily accessible from the parking lot, only two stalls are provided, and no hot water is available for showers
3. Emmy Diggins discussed the current state of Loudon Park and expressed concern that the park looks uninviting and therefore does not feel safe.
4. Nolan Messer noted the lack of indoor training space, heat and equipment storage in the building which are deterrents to potential new rowers.
5. Kate Rutherford, Long Lake Flatwater Training Centre Society, provided an on-screen presentation and discussed the current state of Loudon Park, the need to make it more welcoming and functional, and the previous engagement and public consultation that has taken place in recent years. The speaker noted that in 2023 the Nanaimo Rotary Club withdrew from a memorandum of understanding it had signed with the City and which would have provided partial funding for the project due to the project taking too long to advance.
6. Art Prufer provided an on-screen presentation and discussed the limited capacity of the current fishing dock for radio sailing and noted that a new facility could provide opportunities to host championship radio sailing regattas.
7. Lana Fitzpatrick, Wellington Action Committee, provided an on-screen presentation and discussed the past and present concept drawings for the proposed boathouse, improvement projects and the possibility of the City purchasing more land to expand the park or to provide an alternate site for the proposed boathouse.
8. Jennifer McKenzie noted concerns regarding feeling unsafe at Loudon Park and the need to make the park more welcoming.

9. Sharon Preston, Wellington Action Committee, noted concerns regarding the loss of green space and mature fir trees with Option 1 outlined in the Staff Report and expressed support for Option 2 which offers a more balanced use of the space for different park users.
10. Jessica Kaman spoke in support of a new clubhouse and boat storage; however, they expressed concern regarding the loss of green space and trees with Option 1, the need to protect the general public's access to the park, the lack of sidewalks in the area and the lack of parking upgrades in the proposed plans. They also expressed support for the City acquiring the property adjacent to Loudon Park to increase the available parkland.
11. Kerwood Agar expressed concern regarding the size and placement of the proposed boathouse in Option 1 and the resulting loss of green space and shade trees. They noted the current design does not reflect the interest of all park users.

Committee and Staff discussion took place. Highlights included:

- Staff attempted to reduce the costs in Option 1; however, the proposed alterations resulted in a nominal cost reduction
- Consideration to either include a new float dock and signage in Option 2, or complete the float dock as a capital project separate from the Loudon Park improvements
- Concern with the removal of half the mature trees in the park and the loss of green space in favour of a building
- The float dock should be completed as a capital project, separate from the Loudon Park improvements
- Support for expansion of Loudon Park
- Interest in seeing additional designs for the proposed Concept D identified by the delegations. The Concept D plans originated in 2010 and were created by user groups. Staff determined the design would require extensive watercourse setback variances that would not have been likely to be supported so the design was removed from consideration. The current design options remove the building from the watercourse setback area

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to increase the budget by \$1,876,373 funded from the Special Initiatives Reserve and further explore alternate designs for Loudon Park Improvements. The motion was defeated.

Opposed: *Mayor Krog, Councillors Eastmure, Manly and Perrino*

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to increase the budget by \$1,876,373 funded from the Special Initiatives Reserve to proceed with the alternate design for the Loudon Park improvements, as outlined in the report titled "Loudon Park Improvements", dated 2025-MAR-19. The motion carried.

Opposed: *Mayor Krog*

The Finance and Audit Committee recessed the meeting at 10:57 a.m.

The Finance and Audit Committee reconvened the meeting at 11:08 a.m.

(c) 2024 Budget Carryforwards

W. Fulla, Director, Finance, provided an overview of the report in the agenda package.

(d) Retaliatory Tariffs Between Canada and the United States

W. Fulla, Director, Finance, provided an overview of the report in the agenda package.

Committee and Staff discussion took place. Highlights included:

- Supply Chain Management focusses on ensuring required products are sustainable and leaving the competition open. Sourcing Canadian products would be ideal; however, the goal is to obtain the best value for City taxpayers
- The City operates under the New West Partnership Trade Agreement and has a lower threshold for single-source purchases compared to provinces like Ontario
- When sourcing products, the goal remains to provide best value and the City must adhere to existing trade agreements; however, in many cases that does translate to sourcing local products

6. QUESTION PERIOD:

The Committee received no questions from the public regarding agenda items.

7. ADJOURNMENT:

It was moved and seconded at 11:22 p.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

DEPUTY CORPORATE OFFICER

DATE OF MEETING April 16, 2025

AUTHORED BY DAN BAILEY, MANAGER OF ACCOUNTING SERVICES

SUBJECT 2024 ANNUAL FINANCIAL STATEMENTS

OVERVIEW

Purpose of Report

To present the 2024 Annual Financial Statements for acceptance by the Finance and Audit Committee

Recommendation

That the Finance and Audit Committee recommend that Council accept the 2024 Annual Financial Statements for the City of Nanaimo.

BACKGROUND

The Canadian audit standards require that “those with the recognized authority have asserted that they have taken responsibility for the financial statements” prior to the issuance of the audit report. The City’s auditors, KPMG, have completed the audit work and are prepared to issue an unqualified opinion that the financial statements fairly represent the financial position of the City as at 2024-DEC-31 once Council has approved the statements.

As noted in the Management Report, Council has delegated to management the responsibility for the accuracy, integrity and objectivity of the financial information presented in the financial statements.

The annual financial statements as required by the *Community Charter* have been prepared and meet the reporting standards for local governments. Section 167(4) of the *Community Charter* states, by May 15 in each year, a municipality must submit to the Inspector of Municipalities its audited financial statements for the preceding year.

DISCUSSION

Highlights of the Financial Statements:

- The general fund operating surplus was **\$7,795,983** at 2024-DEC-31. This surplus was allocated to reserves as follows:

Source	Amount
RCMP Contract Reserve	\$ 1,411,438
General Financial Stability Reserve	1,094,545
Special Initiatives Reserve	5,290,000
Total	\$ 7,795,983

- The sewer fund operating surplus was **\$342,240** at 2024-DEC-31. This surplus was allocated to the sewer reserve.
- The water fund recorded a deficit of **\$1,195,340** at 2024-DEC-31. To mitigate the water fund deficit, the annual transfer from water operations to the water reserve was reduced by \$1,195,340.
- Funds held in reserves total \$255.2 million at 2024-DEC-31 (2023 – \$257.6 million), allocated as follows:

Operating Reserves	\$ 86.8 million
Development Cost Charges (developer contributions)	62.2
Statutory Reserves	<u>106.2</u>
	<u>\$255.2</u> million

- A listing of operating reserve accounts is shown on page 36 of the 2024 Financial Statements (Attachment A). This includes financial stability reserves which help ensure the ongoing financial stability and fiscal health of City operations as per the City's Reserve Policy and other operating reserves that will be used to help fund operating or capital projects in the 2025 – 2029 Financial Plan.
- Development Cost Charges (DCC) can only be used to fund projects specified in the DCC bylaws. DCC revenues in 2024 totaled \$3.6 million (2023 – \$6.3 million). The City continues to construct growth-related projects, which are funded from DCC's (\$7.6 million in 2024).
- Statutory Reserves are established by bylaw and can only be used for the purposes specified in the bylaw. A listing of each statutory reserve fund and their balance at 2024-DEC-31 are as follows:

Reserve	Amount
General Fund Asset Management	\$ 23,368,226
Equipment Depreciation	13,298,521
Community Works	11,870,489
Growing Communities	10,169,702
Sewer Fund Asset Management	8,987,607
Water Fund Asset Management	8,119,115
Strategic Infrastructure	5,864,250
Facility Development	5,157,877
Property Sales	3,854,096
Cart Replacement	2,736,497
Information Technology Replacement	2,615,659
Property Acquisition	2,043,834
Housing Legacy	2,030,307

Climate Action	1,783,964
Parking	1,548,780
Online Accommodation Platform	914,067
Knowles Estate	470,802
Copier Replacement	424,767
Parkland Dedication	382,340
NDSS Community Field	256,482
Old City Neighborhood Parking	108,869
Off-Street Parking	81,058
911	70,380
Harewood Centennial Turf Field	50,633
Total	\$ 106,208,322

- Outstanding debt and debt servicing costs:

	<u>2024</u>	<u>2023</u>
Outstanding debt	\$ 33.9 million	\$ 38.2 million
Per capita debt	\$ 306	\$ 352
Net increase (decrease) in debt during the year	\$ (4.3) million	\$ (3.1) million

Pages 23 and 24 of the 2024 Financial Statements provide note disclosure of the outstanding debt and details of the principal reductions for the next five years.

- Tangible capital assets net book value totals \$901.3 million at 2024-DEC-31 (2023 - \$857.5 million). A detailed schedule is found on page 10 of the financial statements. Capital asset acquisitions were \$75.7 million (2023 - \$77.3 million), including developer contributed assets of \$5.6 million (2023 - \$5.4 million).

OPTIONS

- That the Finance and Audit Committee recommend that Council accept the 2024 Annual Financial Statements for the City of Nanaimo.
 - Financial Implications:** If Council does not approve the 2024 Financial Statements, it could significantly impact the City's ability to borrow from the Municipal Finance Authority, as the City would not be compliant with Provincial reporting requirements.
- The Finance and Audit Committee request further information pertaining to the 2024 Financial Statements.

SUMMARY POINTS

- The City's auditors, KPMG, have completed the audit work and are prepared to issue an unqualified opinion that the financial statements fairly represent the financial position of the City as at 2024-DEC-31 once Council has accepted the statements.

- By May 15th in each year, a municipality must submit to the Inspector its audited financial statements for the preceding year.
- Funds held in reserves at 2024-DEC-31 were \$255.2 million.
- Outstanding debt at 2024-DEC-31 was \$33.9 million.
- Net book value of tangible capital assets at 2024-DEC-31 was \$901.3 million.

ATTACHMENTS:

- Attachment A: 2024 Annual Financial Statements
- Attachment B: KPMG Audit Findings Report

Submitted by:

Dan Bailey
Manager, Accounting Services

Concurrence by:

Wendy Fulla
Director, Finance

Laura Mercer
General Manager, Corporate Services

CITY OF NANAIMO, BRITISH COLUMBIA, CANADA
FINANCIAL REPORT

for the year ended December 31, 2024

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CITY OF NANAIMO MANAGEMENT REPORT

For the Year Ended December 31, 2024

The Council of the City of Nanaimo has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the City of Nanaimo. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of financial statements. These systems are monitored and evaluated by management.

The City of Nanaimo's independent auditor, KPMG LLP, is engaged to express an opinion as to whether these financial statements present fairly the City of Nanaimo's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all material respects, the financial position of the City of Nanaimo as at December 31, 2024.

Dale Lindsay
Chief Administrative Officer
May 5, 2025

Laura Mercer, CPA, CGA
General Manager, Corporate Services

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the City of Nanaimo

Opinion

We have audited the financial statements of the City of Nanaimo (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, including the schedules of operations by segment and tangible capital assets

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024 and its results of operations, its changes in net financial 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 auditor's 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 ethical responsibilities in accordance with these requirements.

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Responsibilities for the Audit of the Financial Statements

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

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

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

Victoria, Canada
DATE

CITY OF NANAIMO

STATEMENT OF FINANCIAL POSITION

as at December 31, 2024, with comparative figures for 2023

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 109,871,027	\$ 129,049,911
Accounts receivable (Note 3)	32,007,158	31,988,407
Development cost charges receivable (Note 4)	1,178,040	618,339
Term deposits	200,000,000	185,000,000
	343,056,225	346,656,657
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	56,390,528	59,896,616
Compensated absences and termination benefits (Note 6)	9,558,514	9,252,759
Deferred revenue (Note 7)	30,910,777	29,160,720
Deferred development cost charges (Note 8)	62,165,815	63,008,279
Debt (Note 9)	33,860,958	38,170,336
Asset retirement obligations (Note 10)	1,935,439	1,818,739
	194,822,031	201,307,449
NET FINANCIAL ASSETS	148,234,194	145,349,208
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	901,259,929	857,489,915
Prepaid expenses	2,279,011	2,222,224
Inventories of supplies	3,372,860	3,218,115
	906,911,800	862,930,254
ACCUMULATED SURPLUS (Note 12)	\$ 1,055,145,994	\$ 1,008,279,462

Commitments and contingencies (Note 13)

Contractual rights (Note 24)

Approved on behalf of the Council

Leonard Krog
Mayor

Ian Thorpe
Councillor

CITY OF NANAIMO

STATEMENT OF OPERATIONS

for the year ended December 31, 2024, with comparative figures for 2023

	2024 Budget (Note 15)	2024	2023
REVENUES			
Taxes	\$ 156,278,327	\$ 155,331,300	\$ 143,458,228
Payments in lieu of taxes	2,639,500	2,806,432	2,542,209
Taxation and payments in lieu (Note 16)	158,917,827	158,137,732	146,000,437
User fees and sales of services (Note 17)	57,496,189	59,349,047	57,214,273
Investment income	8,493,428	13,382,072	11,618,399
Other revenue	18,805,981	11,080,196	9,910,654
Development cost charges (Note 8)	13,726,099	7,571,572	11,489,965
Transfers from other governments-operating (Note 18)	8,583,072	6,448,733	6,678,240
Developer contributed assets (Note 11)	-	5,589,662	5,395,488
Transfers from other governments-capital (Note 18)	1,078,679	5,265,376	24,460,056
Building permits	2,350,000	2,186,881	2,243,113
Regional recreation sharing	1,336,345	1,336,345	1,284,723
Property rentals	978,573	921,127	923,899
Donations and contributions-capital	1,052,801	498,232	1,298,161
	272,818,994	271,766,975	278,517,408
EXPENSES			
Police	45,042,370	42,062,365	38,410,312
Parks, recreation & culture	45,178,202	40,956,671	36,674,448
Engineering & public works	52,380,987	39,770,219	35,938,910
Fire	28,579,752	28,000,905	24,672,218
Corporate services	26,233,406	23,383,470	22,333,372
Water	22,294,325	20,553,003	18,991,244
Planning & development	11,303,028	8,491,498	8,035,946
Public safety	11,062,037	8,228,994	8,366,827
City administration	7,810,355	7,092,467	6,474,874
Sewer	7,201,585	6,360,851	6,141,489
	257,086,047	224,900,443	206,039,640
ANNUAL SURPLUS	15,732,947	46,866,532	72,477,768
ACCUMULATED SURPLUS - BEGINNING OF YEAR	1,008,279,462	1,008,279,462	935,801,694
ACCUMULATED SURPLUS - END OF YEAR	\$ 1,024,012,409	\$ 1,055,145,994	\$ 1,008,279,462

CITY OF NANAIMO
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
for the year ended December 31, 2024, with comparative figures for 2023

	2024 Budget (Note 15)	2024	2023
ANNUAL SURPLUS	\$ 15,732,947	\$ 46,866,532	\$ 72,477,768
Acquisition of tangible capital assets	(135,147,742)	(70,018,417)	(70,005,600)
Asset retirement obligations	-	(60,327)	(1,818,739)
In kind donations of capital assets	-	(12,989)	(65,821)
Developer contributed capital assets	-	(5,589,662)	(5,395,488)
	(135,147,742)	(75,681,395)	(77,285,648)
Amortization of tangible capital assets	32,277,097	31,532,838	29,258,862
(Gain) loss on disposal of assets	-	(1,194,887)	73,749
Proceeds on sale of tangible capital assets	-	1,573,430	50,062
	(102,870,645)	(43,770,014)	(47,902,975)
Acquisition of inventories of supplies	-	(7,481,618)	(7,135,655)
Acquisition of prepaid expenses	-	(2,363,373)	(2,030,605)
Consumption of inventories of supplies	-	7,326,873	6,363,783
Use of prepaid expenses	-	2,306,586	1,710,759
	-	(211,532)	(1,091,718)
CHANGE IN NET FINANCIAL ASSETS	(87,137,698)	2,884,986	23,483,075
NET FINANCIAL ASSETS - BEGINNING OF YEAR	145,349,208	145,349,208	121,866,133
NET FINANCIAL ASSETS - END OF YEAR	\$ 58,211,510	\$ 148,234,194	\$ 145,349,208

CITY OF NANAIMO

STATEMENT OF CASH FLOWS

for the year ended December 31, 2024, with comparative figures for 2023

	2024	2023
CASH PROVIDED BY (USED FOR)		
OPERATING TRANSACTIONS		
Annual Surplus	\$ 46,866,532	\$ 72,477,768
Non-cash items		
Amortization of tangible capital assets	31,532,838	29,258,862
Developer assets received	(5,589,662)	(5,395,488)
In kind donations of capital assets	(12,989)	(65,821)
Asset retirement obligations	116,700	-
Loss (gain) on disposal of tangible capital assets	(1,194,887)	73,749
Development cost charges recognized as revenue	(7,571,572)	(11,489,965)
Actuarial adjustment on long term debt	(1,266,998)	(1,161,700)
Change in non-cash operating assets and liabilities		
Accounts receivable	(1,363,574)	(4,777,753)
Accounts payable	(3,506,088)	6,290,886
Compensated absences termination benefits	305,755	118,266
Deferred revenue	2,535,179	2,229,058
Inventories of supplies	(154,745)	(771,872)
Prepaid expenses	(56,787)	(319,846)
Net change in cash from operating transactions	60,639,702	86,466,144
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(70,078,744)	(70,005,600)
Proceeds from the sale of tangible capital assets	1,573,430	50,062
Net change in cash from capital transactions	(68,505,314)	(69,955,538)
INVESTING TRANSACTIONS		
Change in term deposits	(15,000,000)	(13,057,478)
FINANCING TRANSACTIONS		
Debt repayment	(3,042,380)	(3,262,191)
Deferred development cost charges	6,729,108	9,081,867
Proceeds from long-term borrowing	-	1,292,314
Net change in cash from financing transactions	3,686,728	7,111,990
CHANGE IN CASH AND CASH EQUIVALENTS	(19,178,884)	10,565,118
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	129,049,911	118,484,793
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 109,871,027	\$ 129,049,911

CITY OF NANAIMO
SCHEDULE OF OPERATIONS BY SEGMENT
for the year ended December 31, 2024

	City Administration	Corporate Services	Planning & Development	Public Safety	Fire	Police	Parks, Recreation & Culture	Engineering & Public Works	Sewer	Water	2024
Revenues											
Taxes	\$ 7,329,036	\$20,369,261	\$ 4,882,694	\$ 4,718,654	\$25,527,225	\$42,674,260	\$30,342,537	\$19,487,633	\$ -	\$ -	\$ 155,331,300
Payments in lieu of taxes	132,417	368,018	88,218	85,254	461,210	771,013	548,211	352,091	-	-	2,806,432
User fees and sales of services	463	3,210,275	52,772	1,815,207	1,250,336	64,866	8,028,626	9,063,489	10,093,149	25,769,864	59,349,047
Investment income	355,002	6,799,834	236,507	228,562	1,236,482	2,067,047	1,469,726	978,885	-	10,027	13,382,072
Other revenue	224,737	1,893,799	1,666,920	932,157	1,085,854	977,833	1,134,788	3,025,946	8,645	129,517	11,080,196
Development cost charges	-	-	-	-	-	-	215,880	4,987,031	672,121	1,696,540	7,571,572
Government operating transfers	168,061	1,258,400	339,012	843,805	592,228	1,802,050	891,450	508,727	45,000	-	6,448,733
Developer contributed assets	-	-	-	-	-	-	910,001	3,590,915	478,897	609,849	5,589,662
Government capital transfers	-	4,610,560	17,925	-	20,384	-	20,362	596,145	-	-	5,265,376
Building permits	-	-	2,186,881	-	-	-	-	-	-	-	2,186,881
Regional recreation sharing	-	-	-	-	-	-	1,336,345	-	-	-	1,336,345
Property rentals	-	401,080	-	30,000	-	229,914	189,746	47,187	-	23,200	921,127
Donations - capital	-	-	-	-	-	-	280,933	150,899	66,400	-	498,232
	8,209,716	38,911,227	9,470,929	8,653,639	30,173,719	48,586,983	45,368,605	42,788,948	11,364,212	28,238,997	271,766,975
Expenses											
Wages and benefits	4,921,545	10,239,055	6,530,771	3,580,395	20,722,671	6,822,115	19,368,223	13,114,350	1,340,796	4,166,301	90,806,222
Contracted services	1,094,192	9,435,473	779,787	2,358,217	2,539,644	32,770,781	9,132,096	13,416,842	1,115,492	1,967,395	74,609,919
Amortization	753	3,769,734	2,348	510,285	1,440,728	304,016	5,034,350	12,294,127	1,431,426	6,745,071	31,532,838
Other	533,018	863,469	1,071,925	1,650,016	1,327,418	2,072,198	4,964,231	(3,326,288)	2,088,343	5,261,436	16,505,766
Materials and supplies	542,959	272,335	111,837	130,081	1,528,407	93,255	2,487,450	4,258,932	272,128	1,739,482	11,436,866
Interest payments on debt	-	(69,839)	-	-	426,680	-	-	65,660	112,666	668,552	1,203,719
(Gain) loss on disposal of assets	-	(1,126,757)	(5,170)	-	15,357	-	(29,679)	(53,404)	-	4,766	(1,194,887)
	7,092,467	23,383,470	8,491,498	8,228,994	28,000,905	42,062,365	40,956,671	39,770,219	6,360,851	20,553,003	224,900,443
ANNUAL SURPLUS	1,117,249	15,527,757	979,431	424,645	2,172,814	6,524,618	4,411,934	3,018,729	5,003,361	7,685,994	46,866,532
Capital projects	\$ 11,311	\$ 8,763,465	\$ -	\$ 618,061	\$ 1,524,398	\$ 844,732	\$11,746,089	\$23,792,492	\$ 5,095,380	\$23,285,467	\$ 75,681,395

CITY OF NANAIMO
SCHEDULE OF OPERATIONS BY SEGMENT
for the year ended December 31, 2023

	City Administration	Corporate Services	Planning & Development	Public Safety	Fire	Police	Parks, Recreation & Culture	Engineering & Public Works	Sewer	Water	2023
Revenues											
Taxes	\$ 7,024,244	\$20,227,411	\$ 4,713,827	\$ 4,071,099	\$22,372,790	\$39,476,165	\$25,529,717	\$20,042,975	\$ -	\$ -	\$ 143,458,228
Payments in lieu of taxes	124,476	358,447	83,533	72,144	396,466	699,553	452,410	355,180	-	-	2,542,209
User fees and sales of services	20	3,076,477	57,717	1,656,080	1,238,589	67,063	6,915,067	9,357,243	9,457,189	25,388,828	57,214,273
Government capital transfers	-	20,302,850	375,000	-	-	-	3,257,555	524,651	-	-	24,460,056
Other revenue	166,099	2,219,824	1,701,353	861,186	797,103	809,386	1,908,862	1,234,558	53,863	158,420	9,910,654
Developer contributed assets	-	-	-	-	-	-	744,000	3,811,505	463,329	376,654	5,395,488
Government operating transfers	125,364	686,087	200,795	2,189,866	437,125	2,010,865	607,060	376,078	45,000	-	6,678,240
Investment income	337,659	5,656,295	226,596	195,699	1,075,470	1,897,637	1,227,225	993,138	-	8,680	11,618,399
Building permits	-	-	2,243,113	-	-	-	-	-	-	-	2,243,113
Development cost charges	-	-	-	-	-	-	1,481,812	1,478,590	2,633,915	5,895,648	11,489,965
Regional recreation sharing	-	-	-	-	-	-	1,284,723	-	-	-	1,284,723
Donations - capital	-	-	-	-	19,808	449,970	225,126	601,671	1,586	-	1,298,161
Property rentals	-	381,503	-	30,037	-	314,778	126,910	47,471	-	23,200	923,899
	7,777,862	52,908,894	9,601,934	9,076,111	26,337,351	45,725,417	43,760,467	38,823,060	12,654,882	31,851,430	278,517,408
Expenses											
Wages and benefits	4,345,215	9,147,932	6,423,937	3,046,369	18,044,414	6,056,905	17,701,011	12,568,705	1,110,862	3,803,555	82,248,905
Contracted services	1,195,661	9,026,483	426,277	2,563,305	2,145,904	30,160,522	7,890,717	10,707,778	1,153,397	1,834,679	67,104,723
Amortization	-	2,894,401	3,549	441,312	1,498,638	299,084	4,618,960	11,708,284	1,344,410	6,450,224	29,258,862
Other	443,418	861,079	1,060,367	2,195,692	1,087,509	1,815,095	4,208,992	(3,245,808)	2,161,892	5,058,173	15,646,409
Materials and supplies	490,580	416,063	121,816	120,149	1,436,231	78,706	2,214,137	4,130,022	251,423	1,310,586	10,569,713
Interest payments on debt	-	(4,336)	-	-	450,920	-	-	35,044	119,505	536,150	1,137,283
(Gain) loss on disposal of assets	-	(8,250)	-	-	8,602	-	40,631	34,885	-	(2,123)	73,745
	6,474,874	22,333,372	8,035,946	8,366,827	24,672,218	38,410,312	36,674,448	35,938,910	6,141,489	18,991,244	206,039,640
ANNUAL SURPLUS	1,302,988	30,575,522	1,565,988	709,284	1,665,133	7,315,105	7,086,019	2,884,150	6,513,393	12,860,186	72,477,768
Capital projects	\$ -	\$ 6,886,325	\$ 392,925	\$ 910,138	\$ 1,550,673	\$ 554,822	\$11,789,897	\$18,206,429	\$ 5,539,270	\$31,455,169	\$ 77,285,648

CITY OF NANAIMO
SCHEDULE OF TANGIBLE CAPITAL ASSETS
for the year ended December 31, 2024

	COST					ACCUMULATED AMORTIZATION				
	Balance December 31, 2023	Additions	Disposals	Transfers	Balance December 31, 2024	Balance December 31, 2023	Additions	Disposals	Balance December 31, 2024	NET BOOK VALUE
Land	\$ 116,470,886	\$ 7,363,835	\$ 31	\$ (24,709)	\$ 123,809,981	\$ -	\$ -	\$ -	\$ -	\$ 123,809,981
Land improvements	54,418,125	8,777,848	63,669	6,714,976	69,847,280	23,789,497	2,218,531	50,081	25,957,947	43,889,333
Leasehold improvements	3,120,301	-	74,440	-	3,045,861	2,126,865	80,702	61,705	2,145,862	899,999
Marine structures	1,824,275	-	-	-	1,824,275	516,009	66,033	-	582,042	1,242,233
Buildings	234,432,031	3,476,089	684,400	924,973	238,148,693	109,055,140	7,620,253	689,226	115,986,167	122,162,526
Vehicles and equipment	65,560,207	4,210,367	1,219,957	993,328	69,543,945	37,678,236	4,558,443	1,200,958	41,035,721	28,508,224
IT infrastructure	10,770,835	587,014	1,067,985	1,240,563	11,530,427	8,934,857	488,245	740,548	8,682,554	2,847,873
Drainage	124,090,762	2,800,057	32,000	3,003,732	129,862,551	39,158,094	1,898,783	26,189	41,030,688	88,831,863
Transportation	357,674,267	13,301,744	327,993	1,219,863	371,867,881	209,283,599	7,953,327	327,992	216,908,934	154,958,947
Sewer	75,849,367	4,050,890	3,601	907,643	80,804,299	17,590,042	1,346,207	3,601	18,932,648	61,871,651
Water	286,738,829	21,339,808	83,420	37,260,548	345,255,765	93,002,795	5,302,314	78,653	98,226,456	247,029,309
Work in progress	67,675,164	9,773,743	-	(52,240,917)	25,207,990	-	-	-	-	25,207,990
	\$ 1,398,625,049	\$ 75,681,395	\$ 3,557,496	\$ -	\$ 1,470,748,948	\$ 541,135,134	\$ 31,532,838	\$ 3,178,953	\$ 569,489,019	\$ 901,259,929

CITY OF NANAIMO
SCHEDULE OF TANGIBLE CAPITAL ASSETS
for the year ended December 31, 2023

	COST				ACCUMULATED AMORTIZATION					
	Balance December 31, 2022	Additions	Disposals	Transfers	Balance December 31, 2023	Balance December 31, 2022	Additions	Disposals	Balance December 31, 2023	NET BOOK VALUE
Land	\$ 111,736,384	\$ 4,636,672	\$ -	\$ 97,830	\$ 116,470,886	\$ -	\$ -	\$ -	\$ -	\$ 116,470,886
Land improvements	50,836,989	3,696,117	160,700	45,719	54,418,125	22,192,040	1,758,157	160,700	23,789,497	30,628,628
Leasehold improvements	3,120,301	-	-	-	3,120,301	2,045,489	81,376	-	2,126,865	993,436
Marine structures	1,625,288	257,280	60,443	2,150	1,824,275	504,810	63,581	52,382	516,009	1,308,266
Buildings	228,258,560	3,849,371	123,365	2,447,465	234,432,031	102,370,311	6,769,535	84,706	109,055,140	125,376,891
Vehicles and equipment	61,837,989	4,153,783	683,465	251,900	65,560,207	34,111,521	4,200,763	634,048	37,678,236	27,881,971
IT Infrastructure	10,021,428	656,118	943,052	1,036,341	10,770,835	9,449,865	428,044	943,052	8,934,857	1,835,978
Drainage	120,942,589	3,215,114	171,700	104,759	124,090,762	37,490,139	1,839,655	171,700	39,158,094	84,932,668
Transportation	350,327,985	7,827,151	710,822	229,953	357,674,267	202,190,113	7,777,435	683,949	209,283,599	148,390,668
Sewer	71,435,134	3,510,420	-	903,813	75,849,367	16,313,997	1,276,045	-	17,590,042	58,259,325
Water	281,928,289	4,455,983	113,243	467,800	286,738,829	88,050,966	5,064,271	112,442	93,002,795	193,736,034
Work in progress	32,235,255	41,027,639	-	(5,587,730)	67,675,164	-	-	-	-	67,675,164
	\$1,324,306,191	\$ 77,285,648	\$ 2,966,790	\$ -	\$1,398,625,049	\$ 514,719,251	\$ 29,258,862	\$ 2,842,979	\$ 541,135,134	\$ 857,489,915

CITY OF NANAIMO

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

The City of Nanaimo (the City) was incorporated December 24, 1874 under a statute of the Province of British Columbia now known as the *Community Charter*. The principal activities of the City are preservation, protection and enhancement of the quality of life in Nanaimo through the facilitation of municipal services in an equitable, efficient and effective manner.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The City prepares its financial statements in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following include significant policies that have been adopted by the City:

(a) Basis of Presentation

The City's resources and operations are segregated into general, water and sewer, capital and reserve funds for accounting and financial reporting purposes. The financial statements reflect the assets, liabilities, revenues and expenses of these funds. All transactions and balances between funds have been eliminated.

Reporting Entity

As at December 31, 2024, the City does not control any significant external entities.

(b) Basis of Accounting

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the delivery of goods or services and/or upon the creation of a legal obligation to pay. Expenses paid in the current period and attributable to a future period are recorded as prepaid.

(c) Cash and Cash Equivalents

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(d) Development Cost Charges

Deferred development cost charges are restricted by legislation to expenditures on capital infrastructure and related debt servicing costs and operating projects. These amounts are deferred upon receipt and recognized as revenue when the expenditures are incurred in accordance with the restrictions.

(e) Temporary Investments

Temporary investments consist of term deposits and debentures which are expected to be held for a term exceeding 90 days. Investments are recorded at cost. When, in the opinion of management, there is a decline in value, other than a temporary decline, investments are written down to their net realizable value.

(f) Compensated Absences and Termination Benefits

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, contributions are expensed as incurred. Compensated absences and termination benefits also accrue to the City's employees. The liabilities related to these termination benefits and earned sick leave are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits. Actuarial gains and losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains and losses are amortized over the average remaining service period of the active employees.

(g) Deferred Revenue

The City defers tax prepayments and a portion of the revenue collected from permits, licenses and other fees and recognizes this revenue in the year in which related inspections are performed or other related expenditures are incurred.

(h) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may have useful lives extending beyond the current year and are not intended to be sold in the ordinary course of operations.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(h) Non-Financial Assets

(i) Tangible Capital Assets

Tangible capital assets are comprised of capital assets and capital works in progress, and are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives of the assets, commencing at the time the assets are available for use.

Estimated useful lives in years are as follows:

Asset	
Land improvements	10-80
Leasehold improvements	15-30
Marine structures	15-35
Buildings	10-40
Vehicles and equipment	2-25
IT infrastructure	5-10
Drainage	40-75
Transportation - linear infrastructure, lighting and signals	10-80
Sewer - linear infrastructure and equipment	8-60
Water - linear infrastructure and equipment	8-80

Tangible capital assets are written down to their residual value when conditions indicate that they no longer contribute to the City’s ability to provide goods and services, or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

(ii) Contribution of Tangible Capital Assets

Subdivision streets, lighting, sidewalks, drainage and other infrastructure assets are required to be provided by subdivision developers. Tangible capital assets received from developers are recorded at their fair values at the date of receipt and also recorded as revenue. The City is not involved in the construction and does not budget for assets received from developers.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(h) Non-Financial Assets

(iii) Natural Resources, Works of Art and Cultural and Historical Assets

Natural resources, works of art, and cultural and historical assets are not recognized as assets in the financial statements.

(iv) Interest Capitalization

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets with a corresponding lease liability. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vi) Inventories of Supplies

Inventories of supplies are recorded at cost, net of an allowance for obsolete stock. Cost is determined on a weighted average basis.

(i) Asset Retirement Obligations

An asset retirement obligation (ARO) is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(i) Asset Retirement Obligations

The liability for the removal of asbestos and other hazardous materials in several buildings owned by the City is recognized based on estimated future expenses on closure of the site and post-closure care. It is the City's practice to, as necessary, remediate these hazardous materials either on disposal of a tangible capital asset or in the course of completing repairs and maintenance. The liability has been recognized based on estimated present value of expenses to remediate the sites.

Assumptions will be reviewed annually and adjusted to present value, if required.

Any ARO additions result in an accompanying increase to the respective tangible capital assets. Any increases are amortized in accordance with the amortization accounting policies outlined in Note 1(h)(i).

(j) Financial Instruments

Financial instruments include cash and cash equivalents, accounts receivables, development cost charges receivables, term deposits, accounts payables and accrued liabilities and debt.

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry any other financial instruments 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. There are no unrealized changes in fair value as at December 31, 2024 or December 31, 2023. As a result, the City does not have a Statement of Remeasurement Gains and Losses.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method or effective interest rate method.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(j) Financial Instruments

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses. When the asset is sold, the unrealized gains and losses previously recognized in the Statement of Remeasurement Gains and Losses are reversed and recognized in the Statement of Operations.

Long-term debt is recorded net of repayments and actuarial adjustments.

(k) Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. The City is directly responsible or accepts responsibility;
- iv. It is expected that future economic benefits will be given up; and
- v. A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(l) Revenue Recognition

(i) Taxation Revenue

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal purposes. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Taxes are recognized as revenue in the year they are levied.

Through the BC Assessment appeal process, taxes may be adjusted by way of supplementary roll adjustments. The impacts of these adjustments on taxes are recognized at the time they are awarded.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(l) Revenue Recognition

(ii) Development Cost Charges

Development cost charges are recognized as revenue during the period in which the related costs are incurred.

(iii) Government Transfers

Government transfers without stipulations restricting their use are recognized in the financial statements as revenue in the period in which the transfers are authorized. Government transfers with stipulations restricting their use are recognized in the financial statements as revenues in the period in which eligible expenses are incurred provided they are authorized and meet eligible criteria.

(iv) Revenue from Unilateral or Exchange Transactions

Revenue from unilateral transactions is recognized when the City has the ability to claim or retain an inflow of economic resources and a past transaction or event giving rise to the asset has occurred.

Revenue from exchange transactions is recognized as the City satisfies its performance obligations.

(m) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Areas requiring the use of management estimates relate to the determination of compensated absences and termination benefits, collectability of accounts receivable, useful lives of tangible assets for calculation of amortization, amounts to settle asset retirement obligations and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 2 - CHANGE IN ACCOUNTING POLICIES

(a) PS 3160 – Public Private Partnership

On January 1, 2024, the City adopted Canadian Public Sector Accounting Standard PS 3160, Public Private Partnerships ("PS 3160"). The new accounting standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. Management has assessed the impact of adopting PS 3160 on the financial statements of the City and has found no impact to the financial statements.

(b) PS 3400 – Revenues

On January 1, 2024, the City adopted Canadian Public Sector Accounting Standard PS 3400, Revenue ("PS 3400"). Under the new accounting standard, there are two categories of revenue – exchange and non-exchange. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is non exchange revenue. Management has assessed the impact of adopting PS 3400 on the financial statements of the City and has found that there is no resulting impact to the financial statements.

(c) PSG-8 Purchased Intangibles Applied on a Prospective Basis

On January 1, 2024, the City adopted Public Sector Guideline PSG-8, Purchased Intangibles, applied on a prospective basis ("PSG-8"). PSG-8 defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. Management has assessed the impact of adopting PSG-8 and found that at present no such items meet the criteria to be recognized as a purchased intangible.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 3 - ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Utilities	\$ 15,591,709	\$ 11,008,557
Property taxes	5,340,040	4,046,184
Interest on investments	3,988,068	3,499,624
Trade and other	2,149,327	3,835,730
Federal government	1,958,343	5,303,465
Provincial government	1,606,808	2,657,373
Municipal Finance Authority debt reserve	1,050,790	1,015,431
Regional government	322,073	622,043
	<u>\$ 32,007,158</u>	<u>\$ 31,988,407</u>

NOTE 4 - DEVELOPMENT COST CHARGES RECEIVABLE

	Water Distribution	Roads	Drainage	Sewer	Parks	Water Supply	<u>2024</u>	<u>2023</u>
Installments								
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512,486
2025	13,376	253,727	1,051	77,876	51,080	244,837	641,947	105,853
2026	11,183	212,129	821	65,109	42,154	204,697	536,093	-
	<u>\$ 24,559</u>	<u>\$ 465,856</u>	<u>\$ 1,872</u>	<u>\$ 142,985</u>	<u>\$ 93,234</u>	<u>\$ 449,534</u>	<u>\$ 1,178,040</u>	<u>\$ 618,339</u>

Development cost charges are collected on the approval of a subdivision or the issuance of a building permit. These funds assist the City in the cost of development, including constructing capital improvements, operating projects and the related debt servicing costs. Installments receivable represent funds due from developers within two years and are secured by irrevocable standby letters of credit and/or cash on deposit. No interest is charged on these outstanding installments.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade and other	\$ 21,052,804	\$ 19,739,263
RCMP contract	14,514,577	17,084,830
Deposits	12,100,806	13,502,966
Accrued wages and benefits	5,376,167	4,684,852
Other	1,874,174	3,412,705
Contaminated sites	1,472,000	1,472,000
	<u>\$ 56,390,528</u>	<u>\$ 59,896,616</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 6 - COMPENSATED ABSENCES AND TERMINATION BENEFITS

The City provides certain post-employment benefits, non-vested sick leave, compensated absences and termination benefits to its employees. An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2022 and the results are extrapolated to December 31, 2025. The current valuation was completed in 2023. Significant assumptions used in the valuation include a discount rate of 5% (2023 - 5%), inflation of 2% (2023 - 2%) and compensation increases, excluding merit and promotion, of 3% (2023 - 3%). There is an unamortized actuarial gain of \$583,663 (2023 – gain of \$638,714).

	<u>2024</u>	<u>2023</u>
Actuarial benefit obligation - beginning of year	\$ 8,614,045	\$ 8,473,977
Unamortized actuarial gain - beginning of year	638,714	660,516
	<u>9,252,759</u>	<u>9,134,493</u>
Current service cost	727,247	679,035
Interest costs	428,997	416,781
Benefits paid	(795,438)	(955,748)
Amortization of actuarial gain	(55,051)	(21,802)
	<u>9,558,514</u>	<u>9,252,759</u>
Actuarial benefit obligation - end of year	8,974,851	8,614,045
Unamortized actuarial gain - end of year	583,663	638,714
	<u>\$ 9,558,514</u>	<u>\$ 9,252,759</u>

Actuarial gains and losses are amortized over 13 (2023 - 13) years for retirement benefits and 12 (2023 - 12) years for sick leave benefits, these being the expected average remaining service period of the related employee groups, commencing the year after the gain or loss arises. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$1,101,193 (2023 - \$1,074,014).

NOTE 7 - DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
Tax prepayments	\$ 20,915,445	\$ 18,520,675
Other prepayments	9,995,332	10,640,045
	<u>\$ 30,910,777</u>	<u>\$ 29,160,720</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 8 - DEFERRED DEVELOPMENT COST CHARGES

	<u>2024</u>	<u>2023</u>
Deferred development cost charges - beginning of year	\$ 63,008,279	\$ 65,416,377
Additions	3,575,521	6,314,324
Interest earned	3,153,587	2,767,543
Revenue recognized	(7,571,572)	(11,489,965)
Deferred development cost charges - end of year	<u>\$ 62,165,815</u>	<u>\$ 63,008,279</u>

NOTE 9 - DEBT, NET OF MUNICIPAL FINANCE AUTHORITY SINKING FUND DEPOSITS

The City obtains debt through the Municipal Finance Authority (MFA) pursuant to security issuing bylaws under the authority of the *Community Charter* to finance certain capital expenditures.

\$33,860,958 (2023 – \$38,170,336) of debt is with the MFA. Payments and actuarial allocations of \$40,763,564 on the gross amount borrowed of \$74,624,522 are held in a sinking fund by the MFA. The rates of interest on the principal amount of the MFA debentures vary between 0.91% and 4.52% per annum.

	<u>2024</u>	<u>2023</u>
Total outstanding debt - beginning of year	\$ 38,170,336	\$ 41,301,913
Reduction of long-term debt	(4,309,378)	(4,423,891)
Proceeds from long-term borrowing	-	1,292,314
Total outstanding debt - end of year	<u>\$ 33,860,958</u>	<u>\$ 38,170,336</u>

The City of Nanaimo is subject to 'Liability Servicing Limits' as outlined in Section 174 of the *Community Charter*. The maximum value of liability servicing cost for a given year is 25% of a municipality's controllable and sustainable revenues for the previous year. The calculated liability servicing limit for the City for 2024 at December 31, 2023 was \$57,783,145. The actual debt servicing cost was \$5,561,174, the estimated cost from off-balance sheet liabilities was \$2,000,000 and the estimated cost on unissued debt is \$29,810. The liability servicing capacity available is \$50,192,161.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 9 - DEBT, NET OF MUNICIPAL FINANCE AUTHORITY SINKING FUND DEPOSITS

Future payments on net outstanding debt over the next five years and thereafter are as follows:

<u>Year</u>	General	Water	Total
2025	\$ 3,305,740	\$ 1,168,329	\$ 4,474,069
2026	3,337,952	1,209,221	4,547,173
2027	2,344,526	1,251,544	3,596,070
2028	964,231	1,295,347	2,259,578
2029	794,432	1,340,685	2,135,117
Thereafter	10,362,378	6,486,573	16,848,951
	<u>\$ 21,109,259</u>	<u>\$ 12,751,699</u>	<u>\$33,860,958</u>

Balance Outstanding

<u>Bylaw #</u>	<u>MFA Issue #</u>		<u>Interest Rate %</u>	<u>Year Matures</u>	<u>2024</u>	<u>2023</u>
<u>General Fund</u>						
5750	99	Port of Nanaimo Centre	1.53	2026	\$ 2,081,732	\$ 3,062,941
5750	101	Port of Nanaimo Centre	3.39	2027	3,034,833	3,988,096
7050	102	Fire Station #4	3.90	2027	762,234	999,325
7257	146	Fire Station #1	3.20	2038	2,456,519	2,596,102
7257	152	Fire Station #1	0.91	2040	1,653,506	1,742,397
7257	156	Fire Station #1	2.58	2041	9,785,578	10,253,949
7257	158	Fire Station #1	4.09	2042	260,100	270,359
		Garbage trucks - equipment	4.25	2025	74,417	152,644
		Garbage trucks - equipment	4.25	2028	1,000,340	1,236,475
					<u>21,109,259</u>	<u>24,302,288</u>
<u>Waterworks Fund</u>						
7127	126	Water treatment plant	4.52	2033	7,261,011	7,937,625
7127	127	Water treatment plant	4.52	2034	5,490,688	5,930,423
					<u>12,751,699</u>	<u>13,868,048</u>
					<u>\$ 33,860,958</u>	<u>\$ 38,170,336</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 10 - ASSET RETIREMENT OBLIGATIONS

	Buildings	Fuel Tanks	2024	2023
Asset retirement obligations - beginning of year	\$ 1,380,739	\$ 438,000	\$1,818,739	\$ -
Additions	60,327	-	60,327	1,818,739
Accretion expense	43,233	13,140	56,373	-
Asset retirement obligations - end of year	\$ 1,484,299	\$ 451,140	\$1,935,439	\$1,818,739

NOTE 11 - TANGIBLE CAPITAL ASSETS

<u>Net book value</u>	<u>2024</u>	<u>2023</u>
Land	\$ 123,809,981	\$ 116,470,886
Land improvements	43,889,333	30,628,628
Leasehold improvements	899,999	993,436
Marine structures	1,242,233	1,308,266
Buildings	122,162,526	125,376,891
Vehicles and equipment	28,508,224	27,881,971
IT infrastructure	2,847,873	1,835,978
Drainage	88,831,863	84,932,668
Transportation	154,958,947	148,390,668
Sewer	61,871,651	58,259,325
Water	247,029,309	193,736,034
	876,051,939	789,814,751
Work in progress	25,207,990	67,675,164
	<u>\$ 901,259,929</u>	<u>\$ 857,489,915</u>

See schedule of tangible capital assets (page 10) for more information. Developer contributed assets recognized in 2024 were \$5,589,662 (2023 - \$5,395,488) recorded at fair value at the time of receipt. These include transportation, drainage, sewer and water infrastructure and the land under these assets.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 12 - ACCUMULATED SURPLUS

	<u>2024</u>	<u>2023</u>
Investment in tangible capital assets (Note 19)	\$ 862,107,518	\$ 813,686,224
Operating reserves (Note 22)	86,830,154	90,050,776
Statutory Reserve Funds		
General Fund Asset Management	23,368,226	20,962,550
Equipment Depreciation	13,298,521	11,339,981
Community Works	11,870,489	12,396,391
Growing Communities	10,169,702	14,933,659
Sewer Fund Asset Management	8,987,607	8,561,081
Water Fund Asset Management	8,119,115	5,526,573
Strategic Infrastructure	5,864,250	6,800,803
Facility Development	5,157,877	4,520,120
Property Sales	3,854,096	2,389,598
Cart Replacement	2,736,497	1,103,260
Information Technology Replacement	2,615,659	2,224,402
Property Acquisition	2,043,834	5,430,761
Housing Legacy	2,030,307	4,178,222
Climate Action	1,783,964	1,059,850
Parking	1,548,780	1,440,512
Online Accommodation Platform	914,067	-
Knowles Estate	470,802	446,473
Copier Replacement	424,767	400,813
Parkland Dedication	382,340	285,702
NDSS Community Field	256,482	208,412
Old City Neighbourhood Parking	108,869	103,244
Off-Street Parking	81,058	76,870
911	70,380	153,185
Harewood Centennial Turf Field	50,633	-
	<u>\$ 1,055,145,994</u>	<u>\$ 1,008,279,462</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 13 - COMMITMENTS AND CONTINGENCIES

(a) Liability Claims

In the ordinary course of business, various claims and lawsuits are brought against the City. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. Liability insurance is carried by the City, subject to a deductible of \$25,000 per claim.

(b) BC Assessment Authority Appeals

As at December 31, 2024, there were various appeals pending with respect to assessed values of properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City makes a provision against property taxes receivable for the impact of appeals where the losses are likely and the amounts are reasonably determinable.

(c) Joint and Several Liabilities

The City has a contingent liability with respect to debentures of the Regional District of Nanaimo and the Regional Hospital District of Nanaimo, to the extent provided for in their respective Acts of Incorporation. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

The City issues its debt instruments primarily through the MFA. Demand notes are executed in connection with each debenture whereby the City may be required to pay certain amounts to the Regional District of Nanaimo. These demand notes of \$1,926,056 (2023 – \$1,926,056) are contingent in nature and given the low likelihood of payment are not reflected in the accounts.

The City is a participant in the Municipal Insurance Association of British Columbia (the Association). Should the Association pay out claims in excess of premiums received, it is possible that the City, along with other participants, would be required to contribute towards the deficit.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 13 - COMMITMENTS AND CONTINGENCIES

(d) Subsidence of Mines

Continued existence of abandoned underground mines has resulted in risk to private land and public roads due to potential collapse or instability. The full impact of the abandoned mines and any potential liabilities are unknown at this time. No determination of the City's liability, if any, has been made and no estimate of potential loss can be made or recorded at this time. A liability will be recorded if remediation costs are determined to be likely and the amounts are reasonably determinable.

(e) Commitments

The City has \$31,800,000 (2023 - \$42,500,000) in open purchase orders at year end which have not been recorded in the financial statements. The funding for the majority of these obligations has been set aside in reserves for future expenditures. These amounts will be recorded in the period that the goods and services, to which they relate, are received.

(f) Guarantees

The City has guaranteed the amount of a \$2,000,000 line of credit for the Port Theatre Society. Management considers the likelihood of payment on the guarantee to be low. The Port Theatre Society terminated the line of credit as of January 9, 2025.

NOTE 14 - CEMETERY CARE FUND

The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the *Cremation, Interment and Funeral Services Act*. The trust fund assets and liabilities are not included in the financial statements. At December 31, 2024, the balance of funds held in trust was \$661,688 (2023 - \$651,508).

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 15 - ANNUAL BUDGET

These financial statements include the Annual Budget as approved by Council on May 6, 2024. No amendments subsequent to this date have been included. The following is a reconciliation of the budget presentation required for the 2024 financial statements and the annual financial plan bylaw:

Annual budgeted surplus - Statement of Operations	\$ 15,732,947
Cemetery Care Fund - not in reporting entity	11,000
Net development cost charges	(6,502,159)
Annual surplus from the 2024 Financial Plan	9,241,788
Amortization, not funded	32,277,097
Capital expenditures	(135,147,742)
Proceeds from borrowing	4,083,150
Principal repayment of debt	(4,364,028)
Transfers from accumulated surplus	93,909,735
Net annual budget - as approved	\$ -

NOTE 16 - TAXATION AND PAYMENTS IN LIEU

	<u>Municipal</u>	<u>Other</u>	<u>2024</u>	<u>2023</u>
Property taxes	\$ 153,867,334	\$ 104,777,095	\$ 258,644,429	\$ 235,906,356
Business improvement area levies	-	207,076	207,076	204,265
Taxes in lieu of licenses	1,463,966	-	1,463,966	1,506,812
Payments in lieu of taxes	2,806,432	866,197	3,672,629	3,274,465
	<u>\$ 158,137,732</u>	<u>\$ 105,850,368</u>	<u>\$ 263,988,100</u>	<u>\$ 240,891,898</u>
Less collections for other governments:				
Province of British Columbia (School Tax)			\$ 51,768,133	\$ 49,315,137
Regional District of Nanaimo			35,108,632	30,589,985
Nanaimo Regional Hospital District			17,315,673	13,377,436
Other agencies			1,657,930	1,608,903
			<u>105,850,368</u>	<u>94,891,461</u>
Taxation and payments in lieu			<u>\$ 158,137,732</u>	<u>\$ 146,000,437</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 17 - USER FEES AND SALES OF SERVICES

	<u>2024</u>	<u>2023</u>
Water	\$ 25,769,864	\$ 25,388,828
Sewer	10,093,149	9,457,189
Sanitation	8,495,834	8,249,952
Recreation programs	8,028,626	6,915,067
Vancouver Island Conference Centre	3,095,813	2,955,042
Parking	1,794,262	1,638,041
Fire	1,250,336	1,238,589
Public works	567,655	1,107,291
Other	188,642	197,211
Police	64,866	67,063
	<u>\$ 59,349,047</u>	<u>\$ 57,214,273</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 18 - TRANSFERS FROM OTHER GOVERNMENTS

	<u>2024</u>	<u>2023</u>
<u>Federal</u>		
Capital	\$ 40,000	\$ 3,258,725
Gas Tax	4,610,560	4,214,850
Other	914,509	715,979
	<u>5,565,069</u>	<u>8,189,554</u>
<u>Provincial</u>		
Capital	614,816	898,481
Casino Gaming	2,332,621	2,560,346
Revenue Sharing	1,137,000	1,272,000
Growing Communities	-	16,088,000
Climate Action Plan	952,513	325,082
Other	904,577	1,735,988
	<u>5,941,527</u>	<u>22,879,897</u>
<u>Other Governments</u>		
Other	207,513	68,845
	<u>207,513</u>	<u>68,845</u>
Total transfers from other governments	<u>\$ 11,714,109</u>	<u>\$ 31,138,296</u>
Transfers from other governments - capital	\$ 5,265,376	\$ 24,460,056
Transfers from other governments - operating	6,448,733	6,678,240
Total transfers from other governments	<u>\$ 11,714,109</u>	<u>\$ 31,138,296</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 19 - INVESTMENT IN TANGIBLE CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Investment in tangible capital assets - beginning of year	\$ 813,686,224	\$ 762,309,770
Add:		
Capital additions	75,681,395	77,285,648
Reductions in long-term debt	4,309,378	4,423,891
Funding repaid to deferred capital fund	341,902	341,902
Less:		
Amortization	(31,532,838)	(29,258,862)
New borrowing - garbage truck	-	(1,292,314)
Net book value of asset disposals	(378,543)	(123,811)
Investment in tangible capital assets - end of year	<u>\$ 862,107,518</u>	<u>\$ 813,686,224</u>

NOTE 20 - MUNICIPAL PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteesd pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The City accounts for the Plan as a defined contribution plan. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2023, the Plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from Local Government.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 20 - MUNICIPAL PENSION PLAN

The most recent valuation for the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. During 2024, City of Nanaimo contributions to the Plan were:

	<u>2024</u>	<u>2023</u>
Employer portion	\$ 6,726,653	\$ 6,062,626
Employee portion	5,852,243	5,303,243
	<u>\$ 12,578,896</u>	<u>\$ 11,365,869</u>

The next valuation will be as at December 31, 2024 with results available later in 2025.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

NOTE 21 - FINANCIAL INSTRUMENTS

(a) Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The City is exposed to credit risk with respect to its accounts receivable, cash and cash equivalents and temporary investments.

The City 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 City at December 31, 2024 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the Statement of Operations.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 21 - FINANCIAL INSTRUMENTS

(a) Credit Risk

As at December 31, 2024, \$205,400 (2023 - \$155,700) of trade accounts receivable were past due, but not impaired.

There have been no significant changes to the credit risk exposure from 2023.

(b) Liquidity Risk

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

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

The contractual maturities of long-term debt are disclosed in Note 9.

There have been no significant changes to the liquidity risk exposure from 2023.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the City's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

(i) Foreign Exchange Risk

The City is exposed to financial risk as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the City makes purchases denominated in U.S. dollars. The City does not currently enter into forward contracts to mitigate this risk. The City does not have any material transactions during the year or financial instruments denominated in foreign currencies at year end.

There have been no significant changes to the foreign exchange risk exposure from 2023.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 21 - FINANCIAL INSTRUMENTS

(c) Market Risk

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

There is no interest rate risk regarding the City's investments as only term deposits with guaranteed interest rates are held. There may be interest rate risk on long term debt issued by the Municipal Finance Authority as rates may be reset after the end of the first 10 year term, followed by subsequent interest rate resets every five years thereafter.

The City's debt is disclosed in Note 9.

There has been no change to the interest rate risk exposure from 2023.

(iii) Tariff Risk

The imposition of U.S. tariffs on cross-border trade will result in increased costs for goods and services procured from U.S. suppliers, impacting operations and infrastructure projects. While the long-term impact remains uncertain, the City is actively working to monitor and mitigate the risks and impacts of the tariffs.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 22 - OPERATING RESERVES

	<u>Work in Progress</u>	<u>Available for Future Commitments</u>	<u>2024</u>	<u>2023</u>
<u>General Revenue Fund Reserve Accounts</u>				
Brechin Boat Ramp	\$ -	\$ 53,992	\$ 53,992	\$ 53,992
Pipers Park	-	147,419	147,419	116,843
Strategic Partnerships	163,471	43	163,514	192,033
General Capital	3,010,460	5,061,463	8,071,923	8,441,084
Prior Year Carry Forwards	11,318,540	-	11,318,540	9,704,836
RCMP Contract Financial Stability	1,416,497	5,699,872	7,116,369	6,233,433
Fitzwilliam Street Parking	-	142,868	142,868	142,868
Vancouver Island Conference Centre	264,407	383,143	647,550	719,480
Snow and Ice Control Financial Stability	-	1,330,000	1,330,000	1,330,000
General Financial Stability	640,000	18,176,607	18,816,607	17,722,062
Special Initiatives	5,211,126	4,664,259	9,875,385	7,163,464
Casino	3,544	-	3,544	44,043
Sanitation Levelling	437,435	102,970	540,405	931,109
	<u>22,465,480</u>	<u>35,762,636</u>	<u>58,228,116</u>	<u>52,795,247</u>
<u>Sewer Revenue Reserve Accounts</u>				
Sewer General	3,173,988	11,799,773	14,973,761	13,894,850
Sewer Financial Stability	-	600,000	600,000	600,000
	<u>3,173,988</u>	<u>12,399,773</u>	<u>15,573,761</u>	<u>14,494,850</u>
<u>Waterworks Revenue Fund Reserve Accounts</u>				
Water General	11,278,277	-	11,278,277	21,010,679
Water Financial Stability	-	1,750,000	1,750,000	1,750,000
	<u>11,278,277</u>	<u>1,750,000</u>	<u>13,028,277</u>	<u>22,760,679</u>
Total Operating Reserve Accounts	<u>\$36,917,745</u>	<u>\$ 49,912,409</u>	<u>\$86,830,154</u>	<u>\$90,050,776</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 23 - SEGMENT REPORTING

The City's operations and activities are organized and reported by Fund. City services are provided by departments and their activities are reported in these funds. See Schedule of Operations by Segment (page 8).

GENERAL REVENUE FUND

Certain departments have been separately disclosed in the segmented information, along with the services they provide as follows:

City Administration

The Chief Administrative Officer's office assists Council to establish its strategic direction for the City and takes the lead role in managing the implementation of policy direction established by Council. The Office also provides managerial leadership and direction to all City departments and operations.

The City Administration department is also responsible for Human Resources, Legislative Services, and Communications.

Corporate Services

This department provides services to both the internal organization and the community. Internally, Corporate Services is responsible for Information Technology, Financial Services and Supply Chain Management, managing the City's real estate assets, delivering economic development services, and providing oversight of the City's external agencies (Nanaimo Prosperity Corporation and Tourism Nanaimo Society). Additionally, the contractor for the Vancouver Island Conference Centre is overseen by this department.

Planning & Development

This department is responsible for processing development applications and developing related policies and regulations, sustainability and environmental matters as well as providing oversight of the Nanaimo Systems Planning Organization Society, an external agency.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 23 - SEGMENT REPORTING

Public Safety

The Public Safety department is responsible for social planning, community safety, bylaw enforcement, animal control, parking enforcement, and the administration of City-owned parking facilities.

Fire

The Fire department has the responsibility of protecting the City's citizens and infrastructure through prevention and quick and high quality response to fire, medical and other emergency incidents in the most effective and responsive manner possible.

Police

The City contracts the Royal Canadian Mounted Police to provide top quality policing services in Nanaimo. With administrative support services provided by City employees, the detachment provides all standard policing services, including response to emergency and non-emergency calls, criminal investigations and traffic safety measures.

Parks, Recreation & Culture

The Parks, Recreation and Culture department manages, facilitates and maintains a system of services, facilities, parks and open spaces and works to enhance the quality of life for the citizens of Nanaimo.

Engineering & Public Works

Engineering and Public Works is responsible for the planning, design, construction, operation and maintenance of the City's infrastructure including the City's water, sanitary sewer, drainage and transportation infrastructure. Department operations also include maintenance of the City's fleet, cemeteries, solid waste collection and recycling.

SEWER FUND

The Sewer Fund is a self-funded department that operates and maintains a sewer collection system that serves the City.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

NOTE 23 - SEGMENT REPORTING

WATER FUND

The Water Fund is a self-funded department that delivers water to residential, commercial and industrial premises in Nanaimo. The department operates and maintains a supply system consisting of dams, transmission mains, reservoirs and treatment facilities as well as a distribution system.

NOTE 24 - CONTRACTUAL RIGHTS

The City of Nanaimo has entered into various contracts for rental revenue within the normal course of operations. The estimated contractual rights under these contracts for the years ending December 31 are as follows:

2025	\$ 963,405
2025	961,125
2026	961,245
2027	961,366
2028	961,365
	<u>\$ 4,808,506</u>

In addition to these contractual rights, the City has agreements with several parties that provide for the recovery of costs and payments of annual fees and commissions based on annual results.

NOTE 25 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

GROWING COMMUNITIES FUND: RESERVE FUNDS (UNAUDITED)

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of the population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The City of Nanaimo received \$16,088,000 of GCF funding in March 2023.

	2024	2023
Reserve fund - beginning of the year	\$ 14,933,659	\$ -
Funds received	-	16,088,000
Eligible costs		
Property acquisition	(12,219)	-
Maffeo Sutton Park enhancements	(47,174)	-
Marie Davidson Bike Park upgrades	(330,000)	-
Harewood Centennial Turf Field	(1,268,204)	(1,731,796)
Westwood Lake improvements	(494,062)	-
Commercial Street improvements	(1,185,754)	-
Midtown water supply upgrades	(2,100,000)	-
Total costs	(5,437,413)	(1,731,796)
Interest earned	673,456	577,455
Reserve fund - end of the year	\$ 10,169,702	\$ 14,933,659

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

LOCAL GOVERNMENT HOUSING INITIATIVES FUNDING PROGRAM (UNAUDITED)

The Province of British Columbia distributed \$51 million from the Local Government Housing Initiatives funding program. The Housing Initiatives funding program is intended to support local government implementation of the legislative changes to support housing initiatives, including small-scale multi-unit housing and proactive planning, development finance, and transit-oriented development to municipalities and regional districts.

The City of Nanaimo received \$619,936 in January 2024.

	2024
Funds received	\$ 619,936
Eligible costs	
Development cost charge bylaw project	(19,000)
Amenity cost charge bylaw project	(30,445)
Housing needs report	(38,125)
Zoning bylaw update	(5,501)
Servicing capacity modeling and analysis	(36,803)
Balance remaining	\$ 490,062



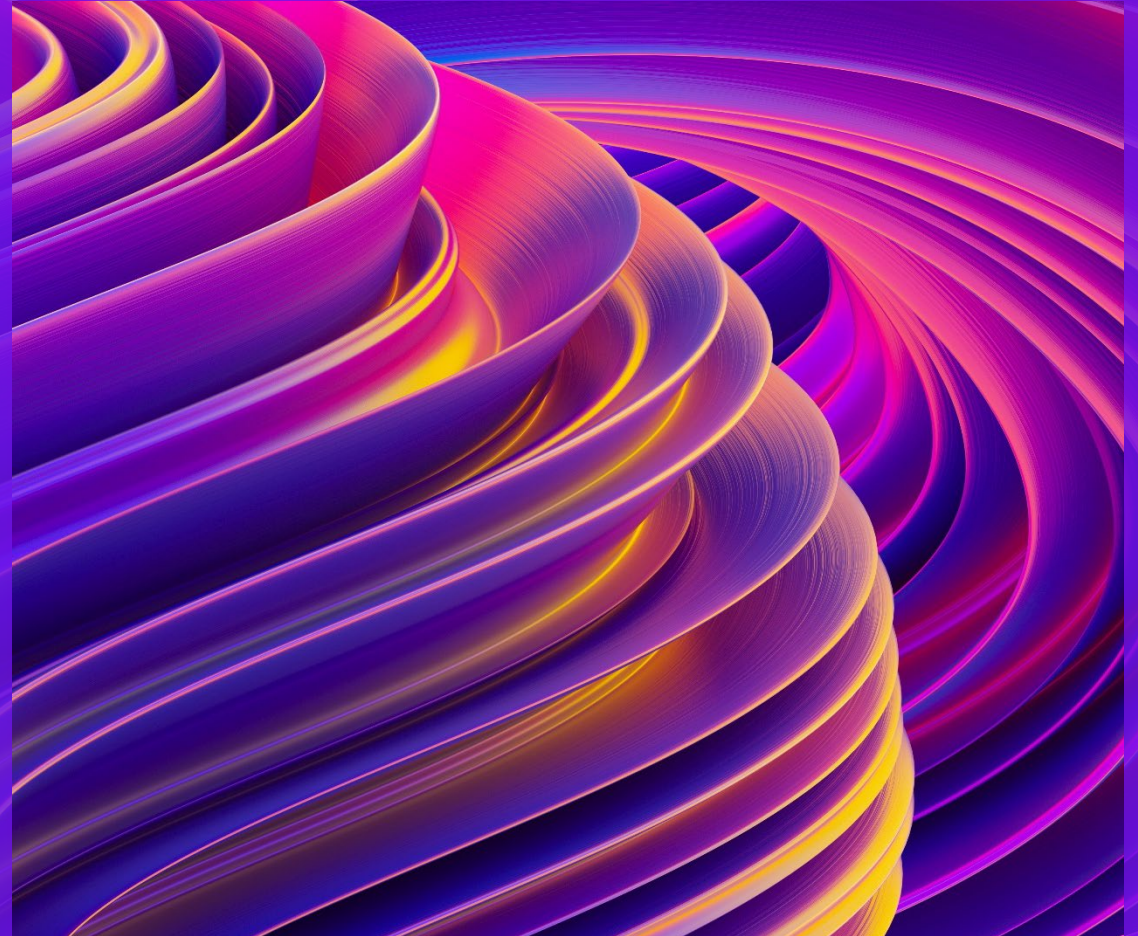
City of Nanaimo

**Audit Findings Report
for the year ended December 31, 2024**

KPMG LLP

Prepared for the meeting on April 16, 2025

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement

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Table of contents

Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

4	Highlights	5	Status	6	Audit risks and results
12	Control improvement observations	13	Appendices		



Audit highlights



No matters to report



Matters to report – see link for details

Status

We have completed the audit of the financial statements, with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.



Significant changes



Significant changes since our audit plan

- No change to risk assessment
- No change to audit strategy assessment

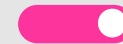
Risks and results & Significant unusual transactions



Significant risks



- Presumed risk of management override of controls



Other risks of material misstatement



- Revenue and receivables
- Expenditures other than salaries and benefits
- Salaries and benefits
- Capital assets
- Cash, investments and debt



Going concern matters



Significant unusual transactions

Misstatements -Corrected



Corrected misstatements

There were no corrected misstatements identified

Uncorrected misstatements



Uncorrected misstatements



An uncorrected misstatement was identified by management in the 2023 comparative figures which decreases both accounts receivable and deferred revenue by \$785,122.

There is another uncorrected difference related to revenue recognition of a grant in 2023 and 2024 which would decrease revenues and increase deferred revenues in both years.

See the management representation letter in Appendix 1.

Control deficiencies



Control deficiencies



We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

Policies and practices & Specific topics



Accounting policies and practices



Other financial reporting matters





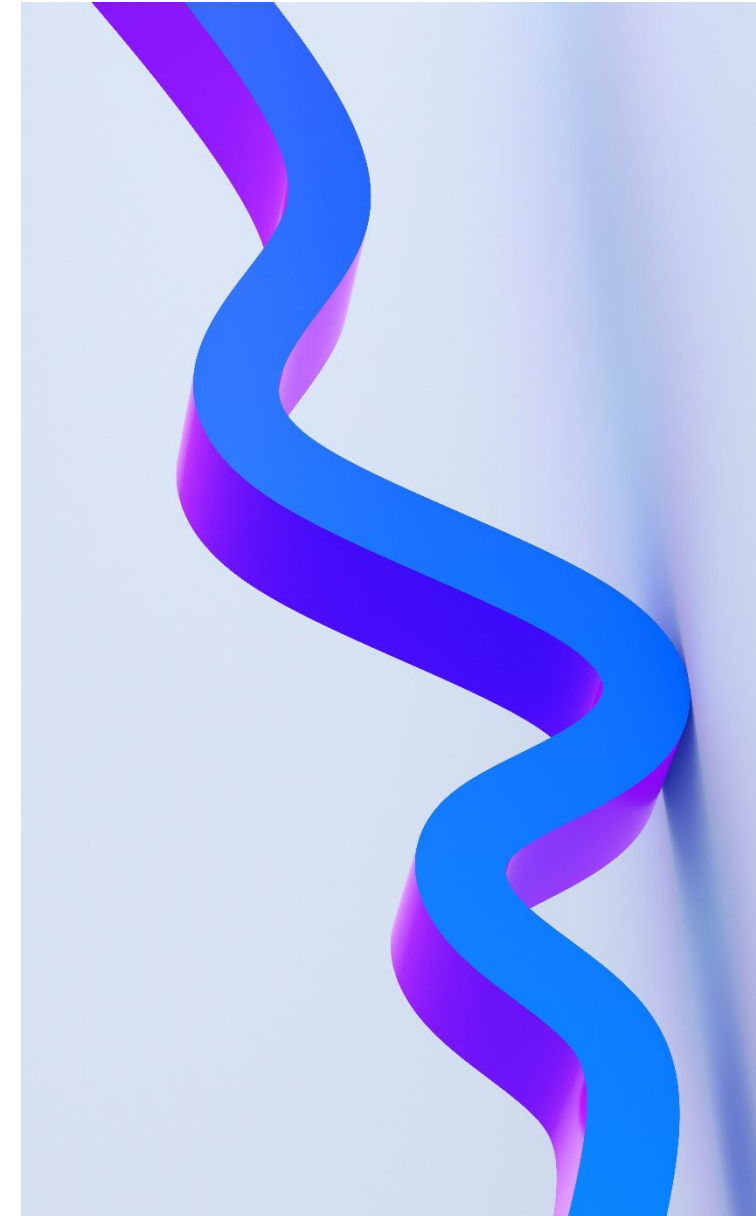
Status

As of April 16, 2025 we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Awaiting return of a legal confirmation
- Completing our discussions with the Finance and Audit Committee
- Obtaining evidence of Council's acceptance of the financial statements
- Obtaining a signed management representation letter
- Completing subsequent event review procedures up to the date of Council's acceptance of the financial statements

We will update Council on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditor's report, a draft of which is included in the draft financial statements, will be dated upon the completion of any remaining procedures.





Significant risks and results

We highlight our findings in respect of **significant risks** as identified in our discussion with you in the Audit Plan, as well as any additional significant risks identified.



Fraud risk from management override of controls

This is a presumed fraud risk. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities. We have not identified any specific additional risks of management override relating to this audit.

Procedures performed

Our procedures included:

- testing of journal entries and other adjustments
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.

Significant findings

- We noted no issues as a result of our testing.





Audit focus areas

We highlight findings in other areas of focus as identified in the Audit Plan as follows



Revenue and receivables

Our response

- We compared revenue balances on a financial statement account level to budget and to prior year.
- We performed analytical procedures over property tax revenue, investment income, and user fees and sales of services.
- We performed substantive testing over government transfers by agreeing revenues to supporting documentation and cash receipt.
- We performed substantive testing over deferred revenue and deferred development cost charges by agreeing to supporting documents and cash receipts for amounts received in the year and by agreeing to related spend to support revenue recognition.
- Management performed an assessment of the impact of adopting PS3400 *Revenue*. This analysis identified that all revenue streams which fall under this new standard were already being accounted for in line with the requirements of the standard. There was no impact on adoption of this standard.

Significant findings

- We reviewed management's treatment of the Local Government Climate Action Plan grants received in current and prior years and noted stipulations related to these grants in accordance with *PS3410 Government Transfers* which would result in a decrease in revenue of \$466K in 2024 and \$178K in 2023 for the unspent portion of the grant received in the year. See the summary of uncorrected audit differences in the management representation letter in Appendix 1 for details of the proposed adjustments.
- We noted no other issues as a result of our testing.
- Appropriate disclosure has been included in the financial statements regarding the adoption of PS 3400 *Revenue*.
- Management identified an error in the 2023 figures related to an overstatement of parks and recreation accounts receivable and deferred revenues of \$785K due to the City's Xplor system recording future bookings in these accounts. As the amounts are not material, no restatement of 2023 comparative information was recorded. We included this error in the summary of uncorrected audit differences.





Audit focus areas

We highlight findings in other areas of focus as identified in the Audit Plan as follows



Expenditures other than salaries and benefits

Our response

- We performed a search for unrecorded liabilities by testing payments made subsequent to year end and assessing the completeness of liabilities and expenses.
- We compared actual expenses and liabilities to expectations taking into account known significant changes in operations and costs.

Significant findings

- We noted no issues as a result of our testing.





Audit focus areas

We highlight findings in other areas of focus as identified in the Audit Plan as follows



Salaries and benefits

Our response

- We updated our understanding of the payroll processes.
- We calculated expected payroll expense and payroll accruals based on known staff numbers and salary increases from prior year. In each case, our calculated expectation was within an acceptable range compared to actual payroll expense, or payroll accrual recorded in the financial statements.
- We tested the completeness and accuracy of the underlying payroll data used in the development of our expectation including agreeing amounts to employment contracts.
- We tested the reliability of the underlying data used by the actuary in estimating the liability of future employee benefits.
- We performed a review of assumptions and methods used by the actuary in estimating the liability of future employee benefits to determine if the assumptions and methods used are reasonable and consistent with Public Sector Accounting Standards.

Significant findings

- We noted no issues as a result of our testing.





Audit focus areas

We highlight findings in other areas of focus as identified in the Audit Plan as follows



Capital assets

Our response

- We tested a sample of asset additions by agreeing amounts to invoices or other supporting documentation.
- We calculated expected amortization expense based on known amortization rates and compared the expected amortization expense to actual.
- We performed testing over the developer contributed tangible capital assets by obtaining reports of assets contributed during the year and evaluating the amount of revenue and assets recognized.
- We tested transfers from construction in progress to assets in use and confirmed the transfer occurred in the correct period and to the appropriate asset class.
- We verified the accuracy of the commitments disclosure by selecting a sample of contracts and spend to date to evaluate the remaining commitment.
- We discussed with management the impact of adopting PS3160 *Public private partnerships* and PSG-8 *Purchased intangibles*. The City does not have any contracts which fall under the public private partnerships guidelines and does not have any purchased intangibles. There was no impact on adoption of these standards.

Significant findings

- We noted no issues as a result of our testing.





Audit focus areas

We highlight findings in other areas of focus as identified in the Audit Plan as follows



Cash, investments and debt

Our response

- We confirmed cash and investment balances held as at December 31, 2024 with the appropriate financial institutions and reviewed bank reconciliations for all key operating accounts to identify and verify any significant period end reconciling items.
- We confirmed debt balances held as at December 31, 2024 with the Municipal Finance Authority and performed recalculation of related balances and transactions in the financial statements and verified the accuracy of related disclosures.

Significant findings

- We noted no issues as a result of our testing.





Control deficiencies

Consideration of internal control over financial reporting (ICFR)



In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting



A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting



A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

We did not identify any significant deficiencies in internal control over financial reporting.

Appendices

1

Other required
communications

2

Audit quality

3

New auditing
standards

4

New accounting
standards

5

Thought leadership
and insights



Appendix 1: Other required communications



Auditor's report

Refer to the draft report attached to the financial statements.

Engagement letter

A copy of the engagement letter and any subsequent amendments has been provided to management.



Independence

As required by professional standards, we have considered all relationships between KPMG and the City that may have a bearing on independence. We confirm that we are independent with respect to the City within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation from January 1, 2024 up until the date of this report.

Management representation letter

A copy of the management representation letter is included on the following pages.

KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria, BC V8W 3Y7
Canada

May 5, 2025

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of City of Nanaimo (“the Entity”) as at and for the period ended December 31, 2024.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated November 23, 2022, including for:
- the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
- providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of Council and committees of the Council that may affect the financial statements. All significant actions are included in such summaries.
- providing you with unrestricted access to such relevant information.
- providing you with complete responses to all enquiries made by you during the engagement.

- providing you with additional information that you may request from us for the purpose of the engagement whether from group or component management.
- providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the Entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- We have disclosed to you:
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting;
 - or
 - others
- where such fraud or suspected fraud could have a material effect on the financial statements.
- all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
- all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
- all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

Related parties:

- We have disclosed to you the identity of the Entity's related parties.
- We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

Estimates:

- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Other information:

- We confirm that the final version of Annual Report 2024 will be provided to you when available, and prior to issuance by the Entity, to enable you to complete your required procedures in accordance with professional standards.

Non-SEC registrants or non-reporting issuers:

- We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Other:

- We confirm that we have provided you with a complete list of service organizations (SO) and sub-service organizations (SSO) and that the relevant complementary user entity controls (CUECs) related to each SO/SSO have been designed and implemented. For the purpose of this representation, a service organization is one as defined in CAS 402.

Assets & Liabilities - General

- The City has satisfactory title to all owned assets.
- We have no knowledge of any liens or encumbrances on assets and/or assets that have been pledged or signed as security for liabilities, performances of contracts, etc., not disclosed in the financial statements.
- We have no knowledge of any plans or interactions that may materially affect the carrying value or classification of assets and liabilities.
- All developer contributed assets accepted by the City have been included in the financial statements.

Contractual Agreements:

- The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance including violations or default of the covenants in the City's debt agreements.

Environmental Matters:

- The City has appropriately recognized, measured and disclosed environmental matters in the financial statements.

Non-Financial Assets:

- We have reviewed non-financial assets, including tangible capital assets, to be held and used, for impairment, whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable.

Employee future benefits:

- The employee future benefits costs, assets and obligation, if any, have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- We have no knowledge of arrangement (contractual or otherwise) by which programs have been established to provide post-employment benefits, except as disclosed to you.
- The significant accounting policies the City has adopted in applying PS 3255, Post-employment benefits, compensated absences and termination benefits (hereinafter referred to as "PS3255") are disclosed in the notes to the financial statements.
- All arrangements (contractual or otherwise) by which programs have been established to provide post-employment benefits have been disclosed to you and

included in the determination of pension and post-employment costs and obligations. This includes:

- pension and other retirement benefits expected to be provided after retirement to employees and their beneficiaries.
- post-employment benefits expected to be provided after employment but before retirement to employees and their beneficiaries. These benefits include unused sick leave and severance benefits.
- compensated absences for which it is expected employees will be paid. These benefits include accumulated sick days, and termination benefits.
- The post-employment benefit costs, assets and obligation have been determined, accounted for and disclosed in accordance with PS 3255. In particular:
 - each of the best estimate assumptions used reflects management's judgment of the most likely set of conditions affecting future events; and
 - the best estimate assumptions used are, as a whole, consistent within themselves, and with the valuation method adopted for purposes of this evaluation.
- The assumptions included in the actuarial valuation are those that management instructed Nexus Actuarial Consultants Ltd. ("Nexus") to use in computing amounts to be used by us in determining pension costs and obligations and in making required disclosures in the above-names financial statements, in accordance with PS 3255.
- In arriving at these assumptions, management has obtained the advice of Nexus, but has retained the final responsibility for them.
- The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.
- All changes to plan provisions or events occurring subsequent to the date of the actuarial valuation and up to the date of this letter have been considered in the determination of pension and other post-employment benefit costs.

Segment Disclosures:

- The City's operating segments have been appropriately identified and the related segment and enterprise-wide disclosures have been made in the financial statements in accordance with the relevant financial reporting framework. The operating segment information disclosed in the financial statements is consistent with the form and content of the information used by the City's chief operating decision maker for the purposes of assessing performance and making operating decisions about the City's individual operations. All significant differences in measures used to determine segment income have been appropriately identified and described in the disclosures of segment information in accordance with the relevant financial reporting framework.

Experts/Specialists:

- The information provided by us to Nexus, and used in the work and findings of Nexus, is complete and accurate. We agree with Nexus's findings in evaluating the

accuracy and completeness of employee future benefits and have adequately considered their qualifications in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give nor cause any instructions to be given to Nexus with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on Nexus's independence and objectivity.

Other:

- Expenditures will be appropriately authorized and actual expenditures will not exceed budgeted expenditures detailed in the budget bylaw.
- All reserve transactions have been appropriately approved, in accordance with applicable legislation and are appropriately credited to or charged against fund balances. Reserve amounts represent only those amounts that are available for use at the City's discretion and do not include restrictions on use by third parties
- All transfers out of statutory reserves have been conducted in accordance with the approved bylaws.

Yours very truly,

Dale Lindsay, Chief Administrative Officer

Laura Mercer, General Manager, Corporate Services

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Information is obscured if it is communicated in a way that would have a similar effect for users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatements Schedule

Uncorrected audit misstatements 2024

	Statement of operations	Financial position		
Description	Annual Surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
To defer unspent LGCAP grant revenue	(\$465,923)	-	\$968,933	(\$503,010)
Total misstatements	(\$465,923)	-	\$968,933	(\$503,010)

Uncorrected audit misstatements 2023

	Statement of operations	Financial position		
Description	Annual Surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
To defer unspent LGCAP grant revenue	(\$177,928)	-	\$503,010	(\$325,082)
To correct overstatement of accounts receivable and deferred revenue	-	(\$785,122)	(\$785,122)	-
Total misstatements	(\$177,928)	(\$785,122)	(\$282,112)	(\$325,082)



Appendix 2: Audit quality - How do we deliver audit quality?

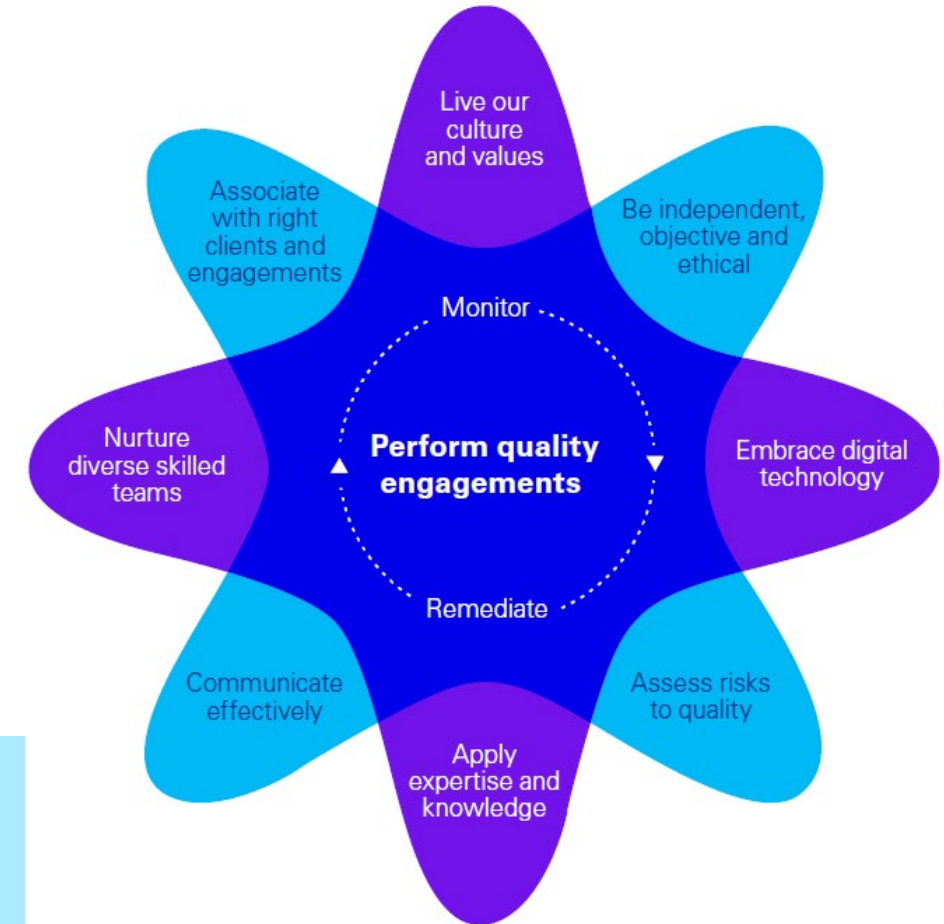
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:

 [KPMG Canada Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.



Appendix 3: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments



Effective for periods beginning on or after December 15, 2023

None noted at this time that are applicable to the audit of the City

Effective for periods beginning on or after December 15, 2024

ISA 260/CAS 260

.....
Communications
with those charged
with governance

ISA 700/CAS 700

.....
Forming an opinion
and reporting on
the financial
statements

Click here for information about CAS 260
and CAS 700 from CPA Canada:

[Amended CAS 260 and CAS 700](#)



Appendix 4: New accounting standards

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026 with early adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption is permitted. The proposed section includes the following: <ul style="list-style-type: none"> Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. Separating liabilities into financial liabilities and non-financial liabilities. Restructuring the statement of financial position to present total assets followed by total liabilities. Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. A new provision whereby an entity can use an amended budget in certain circumstances. Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.



Appendix 4: New accounting standards (continued)

Standard	Summary and implications
Employee Benefits	<ul style="list-style-type: none"> The Public Sector Accounting Board has issued proposed new standard PS 3251 <i>Employee benefits</i> which would replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. After evaluating comments received about the July 2021 exposure draft, a new re-exposure draft was released in October 2024. The re-exposure draft continues to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard. The proposed standard would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. The re-exposure draft also proposes that fully funded post-employment benefit plans use a discount rate based on the expected market-based return of plan assets and unfunded plans use a discount rate based on the market yield of government bonds, high-quality corporate bonds or another appropriate financial instrument. A simplified approach to determining a plan's funding status is provided. For most other topics, the re-exposure draft is consistent with the original exposure draft. A few exceptions are: <ul style="list-style-type: none"> Deferral provisions – Remeasurement gains and losses will be presented as part of accumulated remeasurement gains and losses. Valuation of plan assets – Public sector entities may continue to recognize non-transferable financial instruments that meet the definition of plan assets under existing PS 3250 guidance. Joint defined benefit plans – Defined benefit accounting will be used for measurement of the proportionate share of the plan, instead of previously proposed multi-employer plan accounting which was based on defined contribution plan concepts. Disclosure of other long-term employee benefits and termination benefits – The re-exposure draft does not include prescriptive disclosure requirements for other long-term employee benefits and termination benefits. The proposed section PS 3251 <i>Employee benefits</i> will apply to fiscal years beginning on or after April 1, 2029. Early adoption will be permitted and guidance applied retroactively, with or without prior period restatement. Comments on the re-exposure draft were due on January 20, 2025. The re-exposure draft can be viewed at the following link: Click here

Appendix 4: New accounting standards (continued)

Standard	Summary and implications
Intangible assets	<ul style="list-style-type: none"> • The Public Sector Accounting Standards Board has issued proposed new standard PS 3155 <i>Intangible Assets</i> which would replace Public Sector Guideline 8 <i>Purchased Intangibles</i>. The new standard would be effective for fiscal years beginning on or after April 1, 2030 with early adoption permitted. • The standard will include foundational guidance on acquired and internally generated intangibles. It excludes intangible assets addressed in other public sector accounting standards and other intangible items such as exploration and extraction costs for non-renewable resources or intangible assets related to insurance contracts. • The definition of “intangible assets” requires an intangible resource to be separate and identifiable from goodwill. It also requires that the entity has control over the intangible resource, future economic benefits flow from the intangible resource, and the intangible resource is the result of a past transaction and/or other events. • Internally generated goodwill is not permitted to be recognized as an asset. • An intangible resource is recognized when it meets the definition of an intangible asset and the asset’s cost can be measured in a faithfully representative way. The generation of the asset is classified into a research phase and a development phase. Expenditures from the research phase of an internally generated project are expensed. An intangible asset arising from the development phase can be recognized if it meets certain requirements. • Intangible assets are initially measured at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired through a non-exchange transaction are measured at fair value as of the date it is acquired. • Comments on the exposure draft are due on May 30, 2025. The exposure draft can be viewed at the following link: Click here
Cloud computing arrangements	<ul style="list-style-type: none"> • As part of its intangible assets project, the Public Sector Accounting Standards Board is also developing guidance on cloud computing arrangements. To ensure the development of this accounting guidance reflects current practices and needs, a survey has been launched to gather insights. The survey will inform the Public Sector Accounting Board about the types of cloud computing arrangements being encountered, magnitude of costs, key arrangement terms, current accounting policies and unique challenges in practice. • We encourage all entities to complete the survey by May 30, 2025, which is at the following link: Click here



Appendix 5: Thought leadership and insights

2024 Canadian CEO Outlook

KPMG interviewed more than 800 business owners and C-suite leaders across Canada on a variety of topics ranging from their top-of-mind concerns to their acquisition plans, the risks and rewards of artificial intelligence (AI), productivity, the omnipresent threat of cybercrime, and the impact of aging demographics on the workforce.

[Click here](#) to access KPMG's portal.

Future of Risk

Enterprises are facing an array of reputational, environmental, regulatory and societal forces. To navigate this complex landscape, the C-suite should seek to embrace risk as an enabler of value and fundamentally transform their approach. KPMG's global survey of 400 executives reveals that their top priorities for the next few years are adapting to new risk types and adopting advanced analytics and AI. As organizations align risk management with strategic objectives, closer collaboration across the enterprise will be essential.

[Click here](#) to access KPMG's portal.

Resilience Amid Complexity

In today's rapidly evolving and interconnected business landscape, organizations face unprecedented challenges and an increasingly complex and volatile risk landscape that can threaten their competitiveness and future survival. We share revealing real-world examples of how companies have overcome their challenges and emerged stronger as the rapid pace of change accelerates and look at the key components of KPMG's enterprise resilience framework and how it is helping these businesses build resilience and achieve their strategic objectives in an increasingly uncertain world.

[Click here](#) to access KPMG's portal.

Future of Procurement

Procurement is at an exciting point where leaders have the opportunity to recast their functions as strategic powerhouses. In this global report we examine how these forces may affect procurement teams and discuss how procurement leaders can respond – and the capabilities they will need to thrive. Our insights are augmented by findings from the KPMG 2023 Global Procurement Survey, which captured the perspectives of 400 senior procurement professionals around the globe, representing a range of industries.

[Click here](#) to access KPMG's portal.



Appendix 5: Thought leadership and insights (continued)

Artificial Intelligence in Financial Reporting and Audit

Artificial intelligence (AI) is transforming the financial reporting and auditing landscape, and is set to dramatically grow across organizations and industries. In our new report, KPMG surveyed 1,800 senior executives across 10 countries, including Canada, confirming the importance of AI in financial reporting and auditing. This report highlights how organizations expect their auditors to lead the AI transformation and drive the transformation of financial reporting. They see a key role for auditors in supporting the safe and responsible rollout of AI, including assurance and attestation over the governance and controls in place to mitigate risks.

[Click here](#) to access KPMG's portal.

Control System Cybersecurity Annual Report 2024

Based on a survey of more than 630 industry members (13% from government organizations), this report reveals that while the increase in cyberattacks is concerning, organizations have become more proactive in their cybersecurity budgets, focused on prevention, and acknowledging the threat of supply chain attacks. Furthermore, the report highlights a pressing need for skilled cybersecurity professionals in the face of escalating cyber threats. Explore the full report to help gain a clearer understanding of the growing cyber threat landscape and learn how to overcome the roadblocks to progress.

[Click here](#) to access KPMG's portal.

Cybersecurity Considerations 2024: Government and Public Sector

In every industry, cybersecurity stands as a paramount concern for leaders. Yet, for government and public sector organizations, the game of digital defense takes on a whole new level of intensity. The reason? The sheer volume and sensitivity of data they manage, which can amplify the potential fallout from any breach. These agencies are the custodians of a vast array of personal and critical data, spanning from citizen welfare to public safety and national security. This article delves into the pivotal cybersecurity considerations for the government and public sector. It offers valuable perspectives on critical focus areas and provides actionable strategies for leaders and their security teams to fortify resilience, drive innovation, and uphold trust in an ever-changing environment.

[Click here](#) to access KPMG's portal.



Appendix 5: Thought leadership and insights (continued)

Why the Public Sector Must Take the Lead in Sustainability Reporting

As the world prepares for the implementation of sustainability reporting standards from the International Sustainability Board (ISSB), the need for public sector leadership is pronounced. While governments around the world have collaborated on vital policy and regulatory solutions, they have yet to provide sustainability reporting for their own government reporting entities. This presents a major obstacle to global sustainability ambitions, particularly considering the vast physical infrastructure, non-renewable resources, rare earth elements, water and natural assets controlled by governments around the world. .

[Click here](#) to access KPMG's portal.

Fighting Modern Slavery in Canadian Supply Chain

The deadline for the first year of reporting under Canada's Fighting Forced Labour and Child Labour in Supply Chains Act (the Act) was May 31, 2024. Under the Act, eligible entities are required to publicly report on steps taken to reduce the risk of forced labour and child labour in their business and supply chain. KPMG in Canada reviewed 5,794 report submissions for the act to identify key takeaways.

[Click here](#) to access KPMG's portal.

ESG for Cities Webinar Series

Cities and municipalities play a crucial role to drive climate action and resilience measures, acting as stewards for the communities they serve – including their constituents, and public, private and non-profit organizations. With the physical impacts of climate changes – including floods, wildfires and droughts – accelerating in terms of both increased frequency and severity, city and municipal leaders are increasingly considering how they can tackle the multifaceted challenge of achieving net zero greenhouse gas (GHG) emissions by 2050. KPMG in Canada's Public Sector and ESG practices completed a three-part national webinar series focusing on the journey to net zero – from strategic planning and stakeholder engagement to the implementation at the asset and operational level, and subsequent reporting obligations.

[Click here](#) to access KPMG's portal.

Building a Successful Transformation Program

Today's government and public sector organizations have a rapidly evolving customer service relationship with the populations they serve. Canadians are used to finding and accessing information and services easily and conveniently through digital channels. When digital interactions don't meet expectations or become obstacles to program access, service delivery innovation and other stakeholder objectives are not met.

[Click here](#) to read KPMG's article.



Appendix 5: Thought leadership and insights (continued)

Unlocking Government's Technology Future

This article is based on data from the KPMG global tech report 2024 which includes the results of a survey of 118 senior government technology executives and decision-makers around the world. It shows that public sector organizations are building – and maintaining – change momentum, particularly in key capabilities such as cloud enablement, cyber security and data and analytics.

[Click here](#) to access KPMG's portal.

From Smart to Smarter Cities

Canadian cities are at a pivotal moment, evolving beyond basic “smart” solutions towards integrated, sustainable strategies that address challenges from resource efficiency to community engagement. KPMG's From Smart to Smarter Cities report highlights how Canadian leaders can embrace data-driven approaches and citizen-focused urban planning to reshape their cities.

[Click here](#) to access KPMG's portal.

Getting Nature into Financial Reporting

By integrating nature into financial reporting, local governments in Canada can plan for sustainable growth and get ahead of new accounting standards that are on the horizon. The new guide, Getting Nature into Financial Reporting, authored by the University of Waterloo's Intact Centre on Climate Adaptation, and supported by the Standards Council of Canada, KPMG LLP and Natural Assets Initiative, was developed with over 120 experts across the country. The guide outlines how local governments of all sizes can start integrating nature into their financial reports today.

[Click here](#) to access KPMG's portal.

AI in Finance

Artificial intelligence is rapidly transforming the finance landscape, moving beyond accounting and making significant inroads into financial reporting, management, planning and analytics. A report from KPMG International reveals that nearly three-quarters of finance teams across diverse industries and company sizes are already using AI to some degree to enhance their financial reporting processes, implementing AI across wider areas of finance, including financial planning, treasury management, risk management and tax operations.

[Click here](#) to read KPMG's article.



Appendix 5: Thought leadership and insights (continued)

Our latest thinking on the issues that matter most to the Committees, Board and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Audit Committee Guide – Canadian Edition

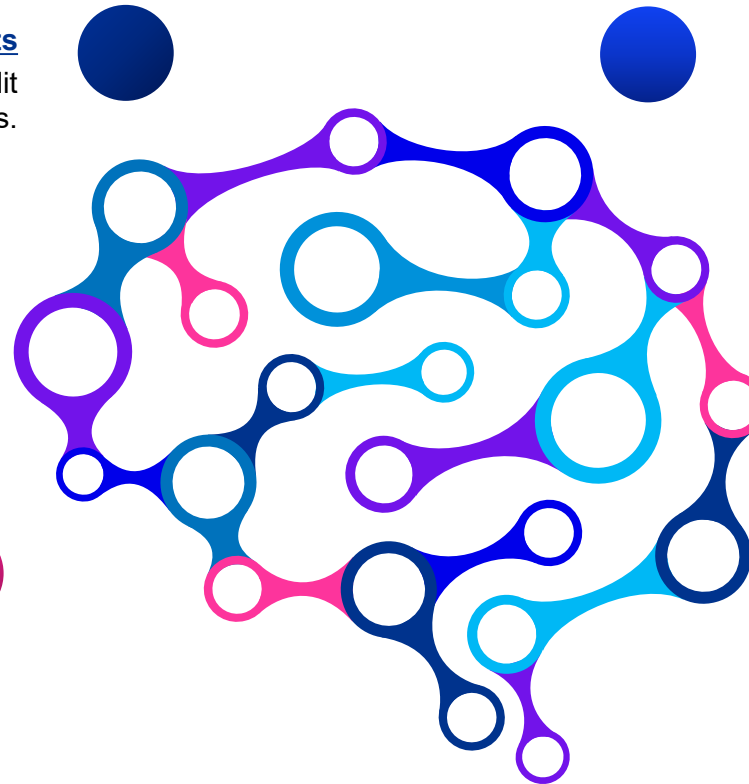
A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Accelerate 2025

The key issues driving the audit committee agenda in 2025.

Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards





Appendix 5: Thought leadership and insights (continued)



KPMG research shows that:

Eighty-seven percent of IT decision makers believe that technologies powered by AI should be subject to regulation.

- Of that group, 32 percent believe that regulation should come from a combination of both government and industry.
- Twenty-five percent believe that regulation should be the responsibility of an independent industry consortium.

Ninety-four percent of IT decision makers feel that firms need to focus more on corporate responsibility and ethics while developing AI solutions.

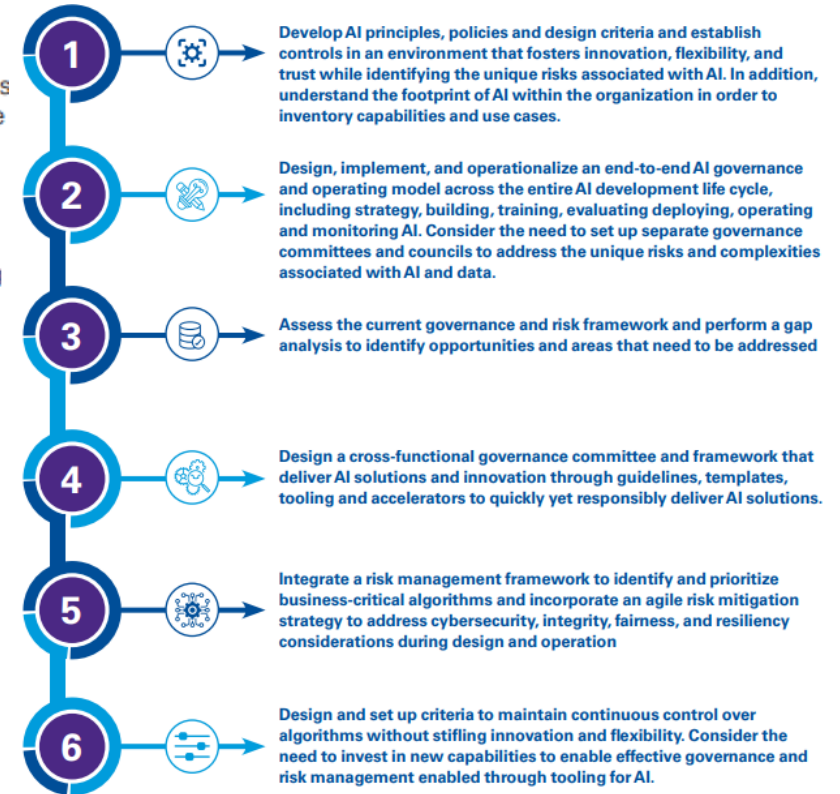
Source:

Per a study of 300 ITDMs from the UK and the US, conducted by Vanson Bourne on behalf of SnapLogic:

<https://www.businesswire.com/news/home/20190326005362/en/AI-Ethics-Deficit-%E2%80%9494-Leaders-Call>

For AI solutions to be transformative, trust is imperative. This trust rests on four main anchors: integrity, explainability, fairness, and resilience. These four principles (enabled through governance) will help organizations drive greater trust, transparency, and accountability.

- 1. Integrity** — algorithm integrity and data validity including lineage and appropriateness of how data is used
- 2. Explainability** — transparency through understanding the algorithmic decision-making process in simple terms
- 3. Fairness** — ensuring AI systems are ethical, free from bias, free from prejudice and that protected attributes are not being used
- 4. Resilience** — technical robustness and compliance of your AI and its agility across platforms and resistance against bad actors



home.kpmg/ShapeofAIGovernance



Appendix 5: Thought leadership and insights (continued)

AI brings Risks as well as Opportunities

Internal Risks & Considerations



Breaking Confidentiality

Many Generative AI models are built to absorb user-inputted data to improve the model over time. This could lead to exposure of key confidential information



Employee Misuse and Inaccuracies

Models generate responses based on input, so there is a risk of providing false or malicious content. Employees need to be cautious and review AI-generated content with a critical



Talent Implications

Professionals need to be made aware of their role in training and evolving the solution as high-quality output can only be achieved through high-quality, expert queries



Policies and Regulations

As the world's understanding of AI evolves, more policies and regulations will be brought upon by regulators which in turn need to be complied with

External Risks & Considerations



Misinformation, Bias and Discrimination

The model could generate a response containing inappropriate information or language. In cases where the model does not have an accurate response, it may 'hallucinate' with a false response.



Financial, Brand & Reputational Risk

Copying AI-produced information or code into any deliverable or product could constitute copyright infringement leading to legal and reputational harm



Intellectual Property and Copyright

Risks in copyright includes the potential creation of unauthorized plagiarized content, leading to infringement and violations of intellectual property rights



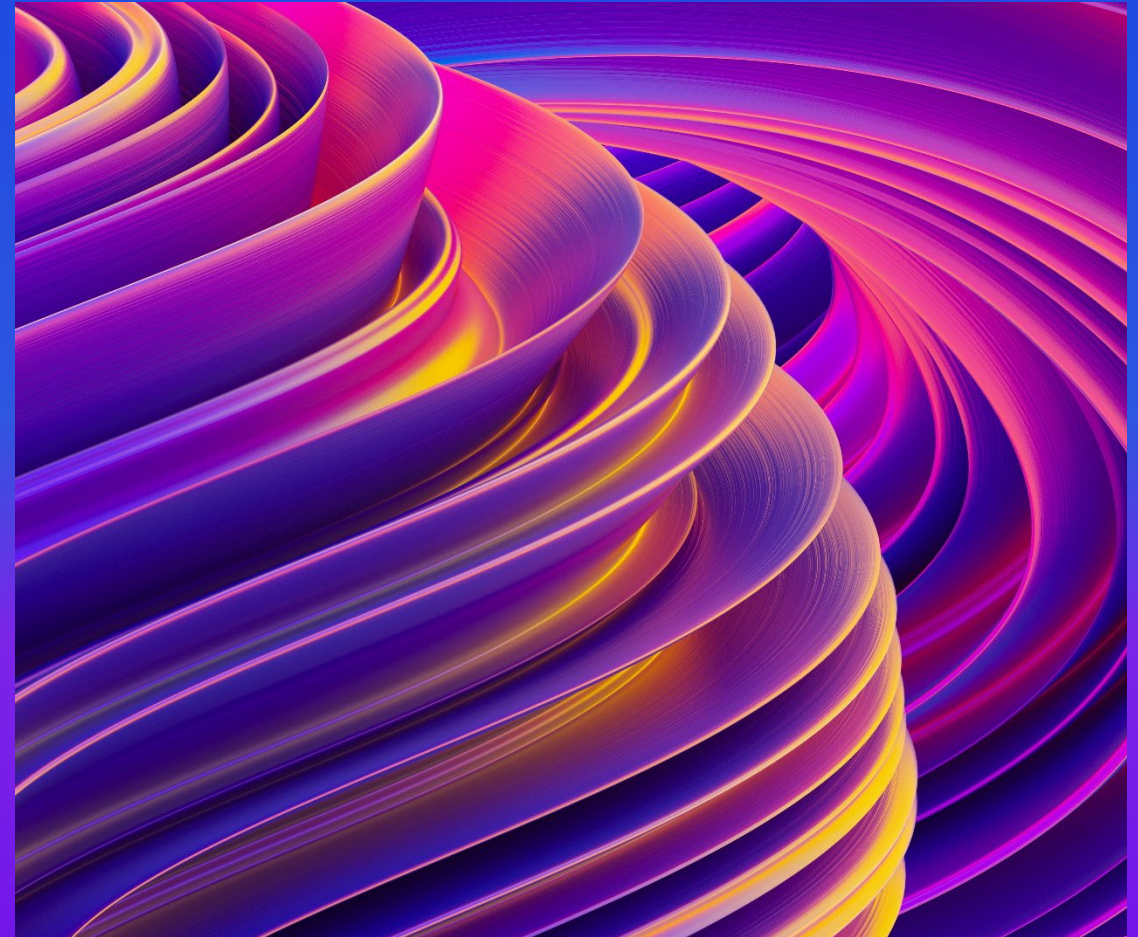
Cybersecurity

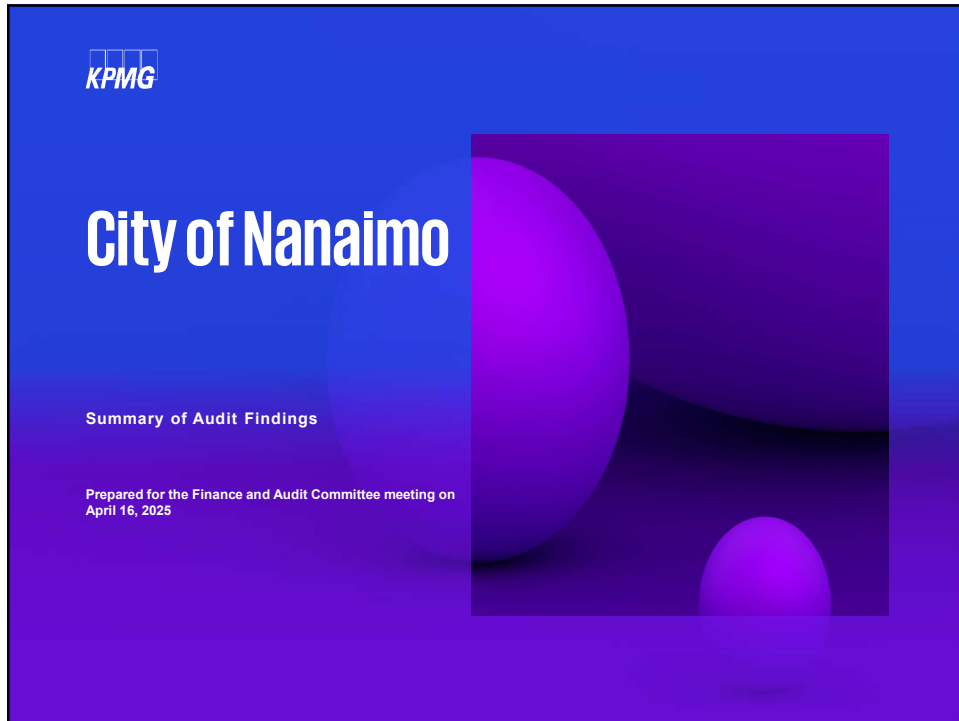
Generative AI models could be trained and employed for many cybersecurity attacks such as phishing scams, malware, data poisoning etc.



<https://kpmg.com/ca/en/home.html>

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Audit Status

We have completed the audit with the exception of:

- *Discussions with the Finance and Audit Committee*
- *Council's acceptance of the financial statements*
- *Obtaining the signed management representation letter*
- *Completing subsequent event review procedures*

We anticipate issuing a "clean" audit opinion.

We received the full cooperation of management throughout the audit.

We confirm our independence in accordance with professional standards.

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2

Risks and areas of focus

Management override risk

- Professional standards
- Required procedures
- Satisfied in our findings

Areas of audit focus:

- Revenue and receivables
- Expenditures other than salaries and benefits
- Salaries and benefits
- Capital assets
- Cash, investments and debt



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Audit differences

There were two uncorrected audit differences noted in the 2023 comparative figures and one uncorrected audit difference noted in 2024. These uncorrected errors are not considered material therefore have no impact on our audit opinion.

2024 uncorrected difference:

- Revenue recognized from climate action grants is overstated by \$466K, deferred revenue understated by \$969K and opening accumulated surplus is overstated by \$503K.

2023 uncorrected differences:

- Revenue recognized from climate action grants is overstated by \$178K, deferred revenue understated by \$503K and opening accumulated surplus is overstated by \$325K.
- Accounts receivable and deferred revenue are both overstated by \$785K related to Xplor system future bookings



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Control observations

Significant deficiencies

No significant deficiencies in internal controls over financial reporting noted.

Other observations

No other control observations noted.



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Upcoming accounting standards changes

Conceptual Framework – applicable in 2027

The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.

PS 1202 Financial statement presentation – applicable in 2027

The proposed section will require changes to the presentation of the statement of financial position, inclusion of a new statement of net financial assets/liabilities and removal of the statement of remeasurement gains (losses). Additional disclosures related to risks and uncertainties that could affect the entity's financial position will also be required.



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Questions

7



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

8



2025 – 2029 Financial Plan Recap and Decision Points

Finance & Audit
Committee Meeting
April 16, 2025

1



Projected Property Tax Increases

	2025	2026	2027	2028	2029
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	0.0%
General Property Tax Increase	6.7%	6.7%	2.5%	2.0%	2.6%
Total Municipal Taxes	7.7%	7.7%	3.5%	3.0%	2.6%

Reserve Funding Allocated to Reduce Property Taxes

	2025
Special Initiatives Reserve	100,000

2025 – 2029 Financial Plan

2



2025 User Fee Increases

Sewer User Fees ¹	4.0% Increase
Water User Fees ²	5.0% Increase
Sanitation User Fees	5.7% Increase

¹2% Sewer Asset Management Reserve Increase, 2% General Sewer User Rate Increase

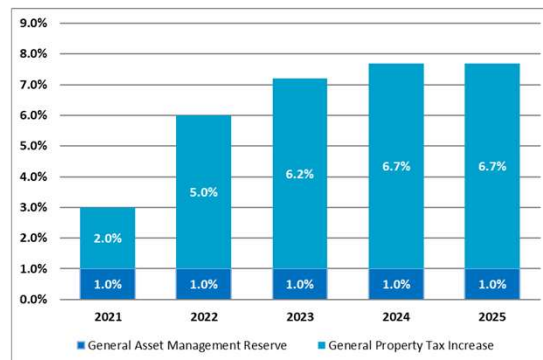
²2% Water Asset Management Reserve Increase, 3% General Water User Rate Increase

2025 – 2029 Financial Plan

3



Property Tax History



10 Year Avg (2015 – 2024) – 3.8%

2025 – 2029 Financial Plan

4



Typical Home

*excludes property taxes collected for the RDN, School District,
Hospital and Vancouver Island Regional Library*

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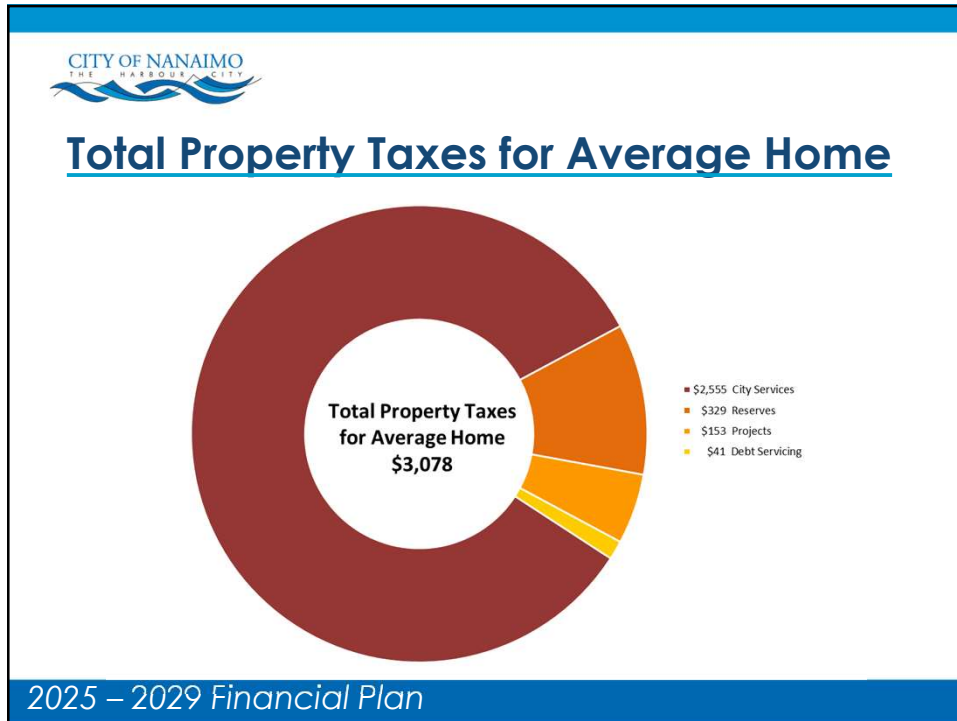
Impact on a Typical Home

	2024	2025	\$ Change	% Change
Assessment - Average Home	\$788,058	\$787,743	(\$315)	0.0%
Property Taxes	\$2,859	\$3,078	\$219	7.7%
Municipal User Fees				
Water Fees*	508	533	25	5.0%
Sewer Fees	165	172	7	4.0%
Sanitation Fees	228	241	13	5.7%
Total Municipal Taxes & User Fees	\$3,760	\$4,024	\$264	

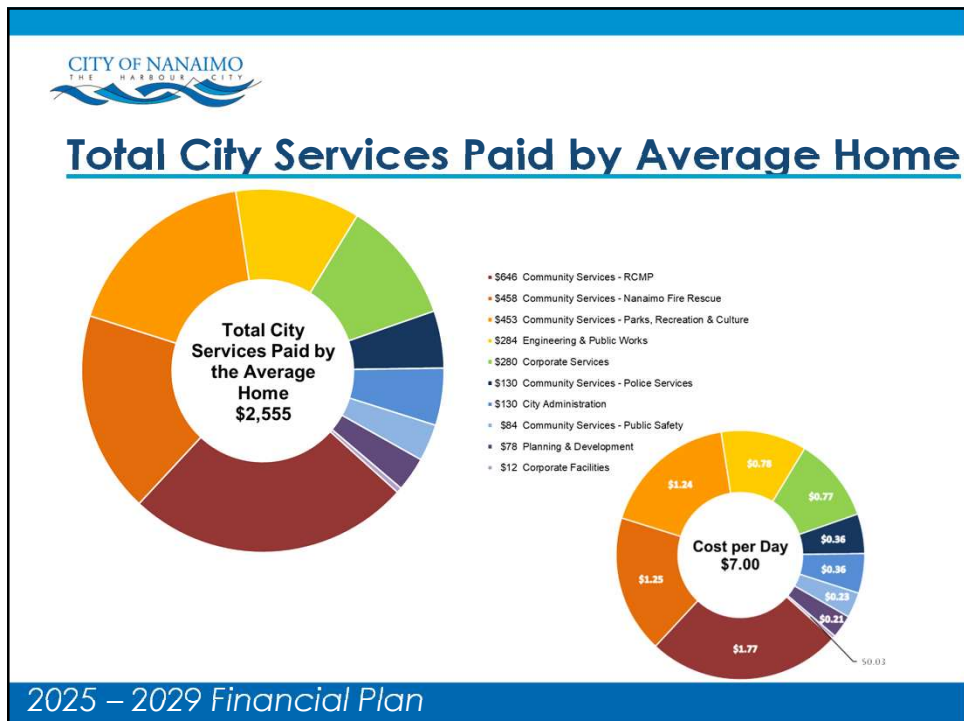
Rounded to nearest dollar
Assumes a typical single-family house with average Class 1 assessment change
*Based on average seasonal usage.

2025 – 2029 Financial Plan

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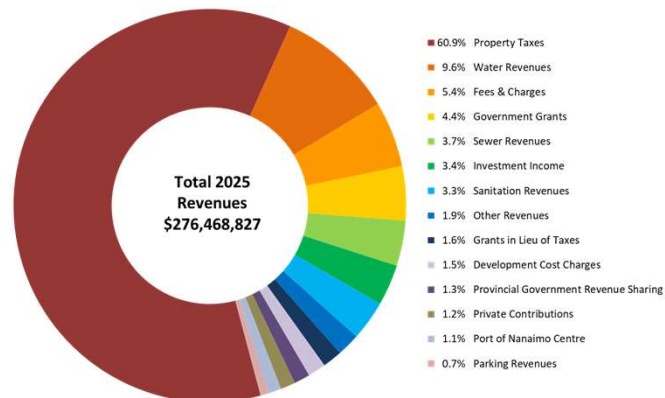
Financial Summary

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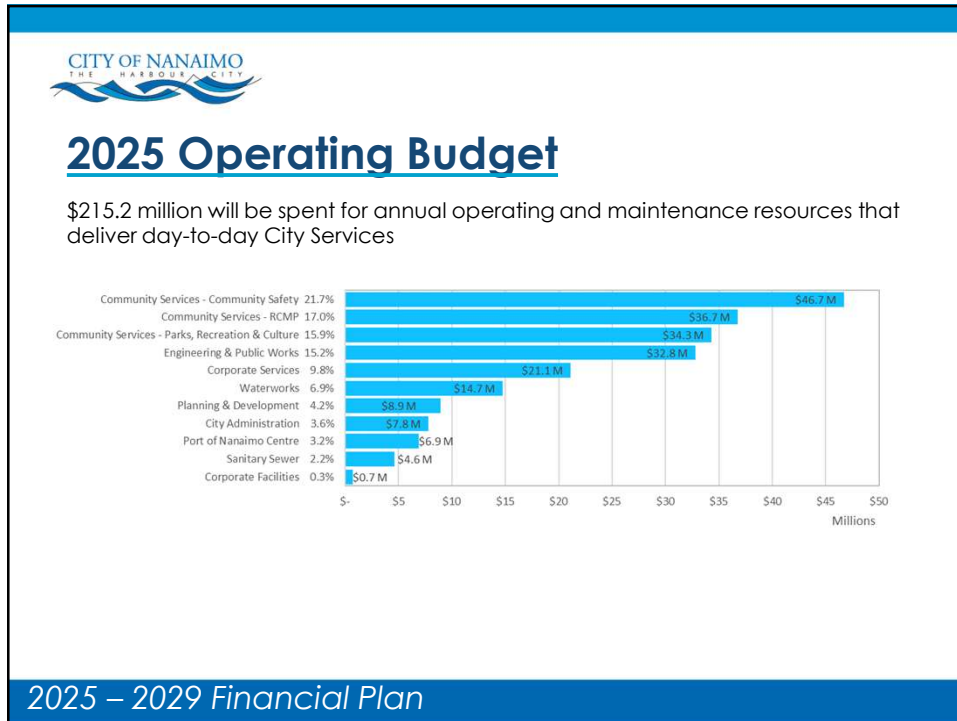
2025 Revenues

\$276.5 million provides funding for annual operating and maintenance, projects and contributions to infrastructure renewal reserves

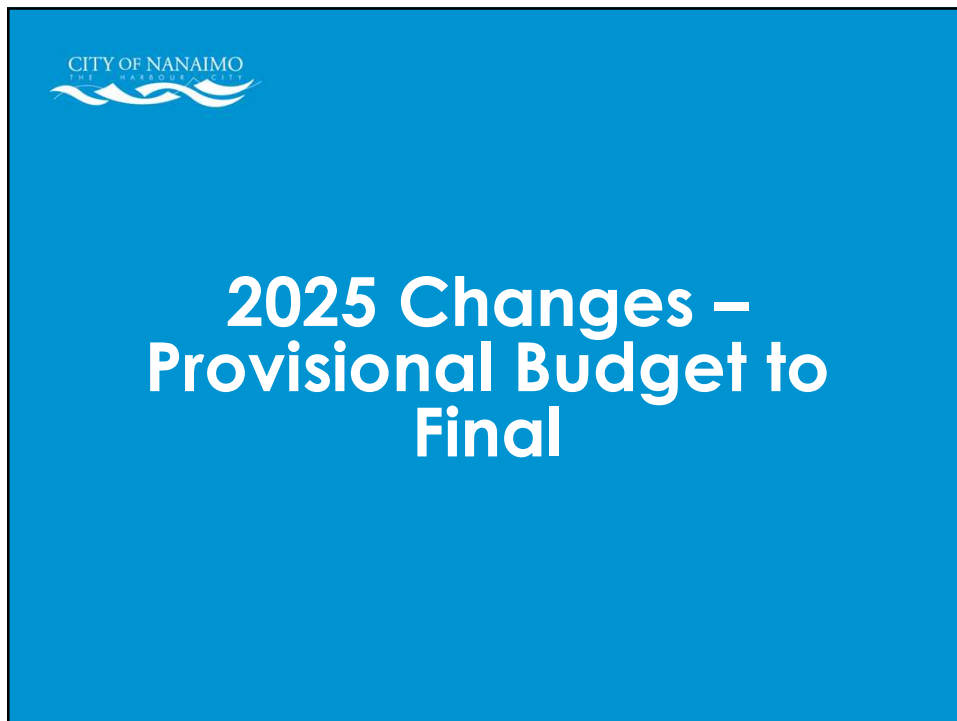


2025 – 2029 Financial Plan

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Summary of Changes to Budget

Expenditure Increases/(Decreases)		
911 Services - Net	14,400	0.01%
Community Safety Officers - Expansion	(7,200)	-0.01%
Insurance - Corporate	(6,400)	0.00%
Interest Expense	(135,000)	-0.09%
IT Software & Subscriptions	(69,800)	-0.05%
Janitorial Supplies	(20,000)	-0.01%
PRC - Contracted Instructors	3,700	0.00%
RCMP Contract	(438,300)	-0.29%
Street Lights - Electric	(115,900)	-0.08%
Wages & Benefits	700,900	0.47%
Subtotal Expenditure Increases/(Decreases)	\$ (73,600)	-0.05%

2025 – 2029 Financial Plan

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Summary of Changes to Budget Continued

Revenue (Increases)/Decreases		
Aquatics - Fees, Programs, Facility Rentals ¹	(25,000)	-0.02%
Arenas - Fees, Programs, Facility Rentals ¹	(115,200)	-0.08%
Building Permit	150,000	0.10%
Investment Income	100,000	0.07%
Recreation Programs - Fees, Programs ¹	(147,100)	-0.10%
Recreation Services - Facility Rentals ¹	(48,600)	-0.03%
Subtotal Revenue (Increases)/Decreases	\$ (85,900)	-0.06%
Other Changes	71,700	0.05%
Growth less Supplements	(303,300)	-0.20%
Total	\$(391,100)	-0.26%
Provisional Property Tax Increase		8.0%
Net Changes		-0.3%
Revised Property Tax Increase		7.7%

¹ Less transfer to Facility Development Reserve Fund

2025 – 2029 Financial Plan

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Other Changes

No Property Tax Impact

Project Plan Changes:

- Project Budgets Added/Adjusted – Updated cost estimates, grants, Council direction
- Project Timings Adjusted
- Funding Sources – Successful grant applications

Casino Revenue – Decreased contribution to Strategic Infrastructure Reserve Fund

Sewer Fund – Postage and benefit changes.

Water Fund – Water user fee revenue, postage, RDN Watershed Management and benefit changes.

DCC Revenue

2025 – 2029 Financial Plan

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Items for Council Discussion

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At the December 6, 2024 Special Finance and Audit Committee meeting the Committee deferred a decision on two decisions points to the Spring 2025 – 2029 Financial Plan Update.

1. Public Space Cleanliness
 - Option #1 Costing for 2025 has been updated to reflect a September 1st start date and contracted services have been decreased for 2026.
2. Increase to Road Maintenance Operating Budget
 - Option #1 has been updated for 2025 only
 - Additional option has been added

2025 – 2029 Financial Plan

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#1 Public Space Cleanliness

Option #1 Increase Resources for Public Space Cleanliness

Increase funding available for contracted services to assist with encampment cleanups and other social disorder cleaning services on an as needed, on call basis in 2025 by \$30,000 and 2026 by \$75,000. Add one full-time Superintendent, Sanitation, Recycling and Cemeteries effective September 1, 2025.

Funding Source: General Revenue
Estimated Property Tax Impact

2025	2026	2027
0.06%	0.08%	-0.04%

Motion

That the Finance and Audit Committee recommend that for the 2025 – 2029 Financial Plan Council:

1. Increase funding for contracted services for public space cleanliness by \$30,000 in 2025 and \$75,000 in 2026; and
2. Add a full-time Superintendent, Sanitation, Recycling and Cemeteries and related costs effective September 1, 2025.

2025 – 2029 Financial Plan

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#1 Public Space Cleanliness

Continued

Option #2 Expansion of Community Clean Team Program

Add a third Community Clean Team (2 FTEs) and one full-time Superintendent, Sanitation, Recycling and Cemeteries effective April 1, 2026.

Funding Sources - Option #2A:

General Revenue

General Capital Reserve (Fleet Unit & Roll-Off Bin)

2026 General Capital Reserve - \$219,500

Estimated Property Tax Impact

2025	2026	2027
0.00%	0.22%	0.06%

Motion

That the Finance and Audit Committee recommend that for the 2025 – 2029 Financial Plan Council:

1. Add a Community Clean Team (2 FTEs), a full-time Superintendent, Sanitation, Recycling and Cemeteries and related costs effective April 1, 2026;
2. Fund the Community Clean Team fleet unit and roll-off bin from the General Capital Reserve.

2025 – 2029 Financial Plan

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#1 Public Space Cleanliness

Continued

Funding Source - Option #2B: General Revenue

Estimated Property Tax Impact

2025	2026	2027
0.00%	0.35%	-0.07%

Motion

That the Finance and Audit Committee recommend that for the 2025 – 2029 Financial Plan Council add a Community Clean Team (2 FTEs), a full-time Superintendent, Sanitation, Recycling and Cemeteries and related costs effective April 1, 2026.

Option #3 Status Quo – No Motion Required

2025 – 2029 Financial Plan

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#2 Increase to Road Maintenance Budget

At the January 22, 2024, Governance and Priorities Committee meeting the results of the Asphalt Levels of Service study was presented. A motion was made for Council to consider increasing the annual road maintenance operating budget by \$1.5 million during 2025 budget deliberations.

Option #1 Add \$1.0 million to the Road Maintenance Operating Budget for 2025 and an additional \$0.5 million in 2026.

Funding Source: General Revenue
 Estimated 2025 Property Tax Impact - 0.67%
 Estimated 2026 Property Tax Impact - 0.26%

Motion

That the Finance and Audit Committee recommend that Council increase the road maintenance operating budget by \$1.0 million in 2025 and an additional \$0.5 million in 2026 for the 2025 – 2029 Financial Plan.

2025 – 2029 Financial Plan

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#2 Increase to Road Maintenance Budget *Continued*

Option #2 Add \$775,000 to the Road Maintenance Operating Budget

Funding Source: General Revenue
 Estimated 2025 Property Tax Impact - 0.52%

Motion

That the Finance and Audit Committee recommend that Council increase the road maintenance operating budget by \$775,000 effective 2025 for the 2025 – 2029 Financial Plan.

2025 – 2029 Financial Plan

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#2 Increase to Road Maintenance Budget *Continued*

Option #3 Add \$400,000 to the Road Maintenance Operating Budget

Funding Source: General Revenue
Estimated 2025 Property Tax Impact - 0.27%

Motion

That the Finance and Audit Committee recommend that Council increase the road maintenance operating budget by \$400,000 effective 2025 for the 2025 – 2029 Financial Plan.

Option #4 Status Quo – No Motion Required

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Next Steps

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CITY OF NANAIMO
THE HARBOUR CITY

Next Steps


May 5	<ul style="list-style-type: none"> • Financial Plan Amendment Bylaw to Council for first three readings • Property Tax Bylaw to Council for first three readings
May 12	<ul style="list-style-type: none"> • Financial Plan Amendment Bylaw and Property Tax Bylaw for adoption

2025 – 2029 Financial Plan

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CITY OF NANAIMO
THE HARBOUR CITY

Questions?



2025 – 2029 Financial Plan

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DATE OF MEETING APRIL 16, 2025

AUTHORED BY ADRIENNE MERCER BREEN, MANAGER, CULTURE & SPECIAL
EVENTS

**SUBJECT APPROVAL TO BID TO HOST THE 2026 PACIFIC CONTACT
SHOWCASE AND FESTIVAL**

OVERVIEW

Purpose of Report

To request a financial commitment from Council regarding the proposed bid to host the 2026 Pacific Contact showcase and festival.

Recommendation

That the Finance and Audit Committee recommend that Council support the proposed bid to host Pacific Contact 2026 in Nanaimo and commit \$20,000 in 2026 of the 2025 – 2029 Financial Plan, funded from the Special Initiatives Reserve.

BACKGROUND

Pacific Contact is the BC Live Performance Network (formerly the BC Touring Council) annual showcase and festival for the performing arts. The event attracts approximately 250 performing arts professionals each year and takes place predominantly in cultural venues with a centrally-located conference hotel. Pacific Contact is an opportunity for the performing arts community to gather for networking events, panels, meetings, workshops and juried showcase performances by over 40 different artist groups.

Pacific Contact was held in Burnaby for 20 years until 2023. Host communities in 2023 and 2024 were New Westminster and Kelowna respectively. In 2025 the host city will be Vancouver (Granville Island). BC Live Performance Network is searching for a host community for 2026 and has encouraged the Port Theatre, a regular Pacific Contact attendee, to bid to host the event in Nanaimo.

The Port Theatre's Artistic Executive Director has shared the RFP package with staff, Tourism Nanaimo and the Vancouver Island Conference Centre (VICC). These partners all support a bid to host Pacific Contact in Nanaimo from 2026-OCT-01 to 03. The Nanaimo Art Gallery and the Nanaimo Museum are also in support and the Courtyard by Marriott, the Coast Bastion Hotel and the Best Western Dorchester Hotel have held room blocks and offered conference rates. The Port Theatre Society has initiated discussions with Snuneymuxw First Nation regarding welcoming protocols and programming considerations.

DISCUSSION

The Pacific Contact showcase and festival has never been held on Vancouver Island, so a successful bid would create an unprecedented opportunity for Island-based artists to attend and participate. Hosting Pacific Contact would bring visitors to Nanaimo and generate significant event spending in the downtown core. This bid partnership directly connects to City Plan policy C4.5, in particular:

- C4.5.10 *Recognize and promote the role that culture and the creative sector play in the community with respect to community identity and quality of life,*
- C4.5.3 *Make arts and culture visible and accessible throughout the city, in each of the designated Urban Centres, with a special focus on Downtown, and*
- C4.5.12 *Collaborate with partners to identify cultural planning and development opportunities.*

As noted in the Request for Proposal document (ATTACHMENT A), Pacific Contact attracts key cultural programmers and promoters from across BC and Canada. Hosting Pacific Contact provides the opportunity to showcase the City's arts and culture facilities and robust cultural community. Direct spending in Pacific Contact host communities is estimated at \$345,000, with direct event spending estimated at \$125,000 and visitor spending at \$75,000.

FINANCIAL CONSIDERATIONS

The bid package requires that the Host Committee (HC) provide written assurance that there is a licence fee of up to \$25,000 committed and in place, as well as in-kind support from the host community and its partners of up to \$25,000. The licence fee of up to \$25,000 does not need to be provided until the 2026 calendar year. Partners are able to provide the required in-kind support in the form of VICC meeting space incentives (ATTACHMENT B), theatre equipment, staff time and volunteer time.

Staff recommend a commitment of \$20,000, funded from the Special Initiatives Reserve, to support a bid for Pacific Contact 2026. The additional \$5,000 required for this bid will be covered by hotel incentives (ATTACHMENT B). The Special Initiatives Reserve has sufficient funding available with a revised projected 2026 closing balance of \$144,259. Should Council support the staff recommendation, the HC will complete the bid package and will work to obtain other financial support to cover additional elements of the event. However, for bid deadline purposes, the commitment is required for the bid package.

OPTIONS

1. That the Finance and Audit Committee recommend that Council support the proposed bid to host Pacific Contact 2026 in Nanaimo and commit \$20,000 in 2026 of the 2025 – 2029 Financial Plan, funded from the Special Initiatives Reserve.
 - The advantages of this option: Economic benefit to the community through promoting Nanaimo's performing arts community and cultural facilities. Hosting Pacific Contact provides the opportunity to host cultural programmers and promoters from across BC and Canada.
 - The disadvantages of this option: Commitment of staff time to the Host Committee and bid preparation. Less funding will be available in the Special Initiatives Reserve for other initiatives and projects.

- Financial Implications: The 2025-2029 Financial Plan will be amended for final to add the commitment.
2. That the Finance and Audit Committee recommend that Council not approve the \$20,000 commitment towards the bid to host Pacific Contact 2026 in Nanaimo.
- The advantages of this option: None.
 - The disadvantages of this option: Loss of the opportunity to fulfil the requirements of the Pacific Contact bid package and bring this showcase and festival to Nanaimo.
 - Financial Implications: Will leave funds available in the Special Initiatives Reserve for alternative projects and initiatives.
3. That the Finance and Audit Committee recommend alternate direction to Council. |

SUMMARY POINTS

- Pacific Contact is the BC Live Performance Network (formerly the BC Touring Council) annual showcase and festival for the performing arts. Hosting Pacific contact provides the opportunity to host cultural programmers and promoters from across BC and Canada.
- The City of Nanaimo, The Port Theatre, Tourism Nanaimo and the Vancouver Island Conference Centre are preparing a bid package to host the event and request a funding commitment of \$20,000 from the City of Nanaimo.
- Direct spending in Pacific Contact host communities is estimated at \$345,000, with direct event spending estimated at \$125,000 and visitor spending at \$75,000.

ATTACHMENTS:

ATTACHMENT A: Pacific Contact Request for Proposal
ATTACHMENT B: Tourism Nanaimo Venues and Incentives Document
ATTACHMENT C: VICC Pacific Contact Schedule A, Quotes 1 & 2

Submitted by:

Adrienne Mercer Breen
Manager, Culture & Special Events |

Concurrence by:

Darcie Osborne
Director, Parks, Recreation & Culture

Wendy Fulla
Director, Finance

Laura Mercer
General Manager, Corporate Services

Dale Lindsay
CAO |

ATTACHMENT A

Pacific Contact Request for Proposal



pacificcontact

Presented by the BC Touring Council



BRITISH COLUMBIA
ARTS COUNCIL



BRITISH
COLUMBIA

Supported by the Province of British Columbia

pacificcontact

Pacific Contact is BC Touring Council's annual showcase and festival for the performing arts. This event features juried showcase performances by over 40 different artist groups, networking events, panels, meetings, and workshops. It attracts hundreds of performing arts professionals from across BC, Canada and the US.



New Name New Brand

In 2024, BCTC will launch its new reinvigorated organization with a new brand under a new name, the BC Live Performance Network. This will help solidify Pacific Contact's position as the primary showcasing event for music on the West Coast in line with its sister showcasing conferences in the east of Canada such as Mundial Montreal.

Moveable Location

In 2023, Pacific Contact was held outside of Burnaby for the first time in 20 years in New Westminster. Pacific Contact 2024 will take place in Kelowna, BC, situated on the traditional, ancestral, and unceded $\text{tr}\acute{\text{h}}\text{x}^{\text{w}}\text{ŭla}^{\text{?}}\text{x}^{\text{w}}$ of the Syilx/Okanagan people. From now on, Pacific Contact will be held in a different location each year. Engaging with local artists and First Nations will create truly unique and memorable showcasing, networking and connection opportunities.

Cultural Spaces

This showcase conference takes place predominantly in cultural venues with a centrally located conference hotel.

Delegates

Pacific Contact attracts 250 delegates annually, plus 50 performing artists. Approximately 100 are presenter delegates from BC, across Canada and the US. Some of these presenters book their entire seasons, festivals and line-ups at Pacific Contact. Other delegates include festivals, schools, facility managers, artists, agents, managers, funding partners and industry representatives.

Equity, Diversity and Inclusion

Pacific Contact is committed to being an inclusive and accessible conference with equity and diversity at its heart. This spans everything from the showcase selection committee, which includes diverse voices, the selection criteria, which includes the criteria of equity, diversity, and inclusion, all the way through to choices around venues, food, signage, washrooms and hotels. All venues will be fully accessible, and we will offer additional support wherever needed.



What is Pacific Contact?



Showcase Artists: Left (top to bottom): Sechile Sedare, Hanorah, Rube & Rake, Alysha Brilla
Top Right (top to bottom): OKAN, Abigail L Lapelle, Jillian Christmas, Jessica McMann Trio

Short 5's Top L-R: Tissa Rahim, Beau Wheeler, Robin Layne & the Rhythm Makers,
Bottom L-R: Contact Room Delegates Reid Jamieson, The Wheat in the Barley

Photography: Mary Matheson

This 4-day event attracts hundreds of performing arts professionals who gather to plan performances, network, learn, and develop lasting relationships that extend into communities around the province.

Pacific Contact features juried showcase performances by over 40 different artist groups, a trade-show-style exhibit hall (Contact Room), professional development, networking events, panels, meetings and workshops.

The showcase and conference events are designed to be a collegial and practical means of networking and block-booking. Events are organized to provide ample time and opportunity to meet and foster conversation between presenters, artists, and agents.

Showcases

Juried Showcases: The juried showcases are important for artists who wish to reach a variety of presenters. Showcase performances are approximately 15 minutes and feature multiple genres, including theatre, dance, music, variety, and family-friendly shows.

Mainstage & Family Showcases – There will be approximately 22 Mainstage and Family 15-minute multi-disciplinary performances. Approximately 6 of these will be performances aimed at families and young audiences and shows suitable for school programming.

Spotlight Showcases - These special Showcases will feature site-specific and digital performances, as well as Showcases at the opening and closing events.

Contact Room

The Contact Room is designed as a place where artists and presenters can connect and explore booking opportunities. There are two social events held in the Contact Room during the conference.

Gala Awards Dinner

A celebration of artistic and industry excellence. Each year, members are invited to nominate presenters, festivals, agents/managers, artistic companies and/or artists who deserve recognition. Winners are announced and presented with their Award at the Pacific Contact Award Ceremony.

Next Gen

Represents BCTC's commitment to supporting and providing access to young people in the performing arts sector in BC.

Professional Development

Pacific Contact features speakers, workshops, panels, a Knowledge Café, roundtables discussions, wellness activities, pecha kucha's and Indigenous led sessions. The aim is to share knowledge, invite peer-to-peer learning, stimulate discussion and advance the narrative.

Receptions, Meals & Hospitality

Pacific Contact features a range of social networking events and meals in a variety of unique and atmospheric locations.

One-to-ones

One-to-Ones: a quick-fire round of short 7-minute meetings between meetings, artists, agents, and presenters.

Indigenous Connections

The award-winning musician and elder in training, Kym Gouchie, is BCTC's Indigenous liaison. She will consult closely with local First Nations to ensure a showcase and conference experience that is rooted in place and respects and incorporates local Indigenous practices and artists wherever possible. Culture and tradition will be respectfully woven into the fabric of the conference.



Top to bottom: BCTC 2023 Award Winners & Presenters
 Taking the Pulse of Canada's Cultural Arts Markets, Round Table Knowledge Sessions with session lead: Nina Buddhdev, Knowledge sharers: Adel Gamar, Akhil Jobanputra. Kamal Sharma, Mark Armanini, Vineet Miglani
 Navigating the Arts Through an Indigenous Lens with Elaine Bomberry, Jessica McMann, Leela Gilday & Meeka Morgan
 Showcase Artists: Git Hayetsk Dancers, the Blue and Gold, DJ Denise

Pacific Contact Impact

Hosting Pacific Contact is a way to make a positive social and cultural impact that reaches well beyond your community. This event will help raise your profile as a supporter of the arts and a community that welcomes cultural visitors. Not only will Pacific Contact generate significant visitor and event spending but the impact of this event will continue long after it is over. This conference attracts key cultural programmers, promoters and influencers from across BC and Canada. They will return to their communities after having experienced your community, its venues, and amenities. This will ultimately lead to future visitors and spending in your community.

Forecast Overall Economic Activity

Total \$345,000 direct spending in host community.

Economic Impact Key Facts & Figures

- Main hotel 500 nights (@\$170 per night): \$85,000
- Auxiliary accommodations 300 nights (@\$120 per night): \$60,000
- Direct event spending: \$125,000
- Visitor spending: \$75,000

Visitor Information

- 4 average nights in location
- 3 average days at event
- 1.4 Average party size
- Our data shows 68% stay in hotel/motel
- Our data shows 62% “very likely” to return to host location for a visit

pacificcontact Feedback



Thank you so much for having me out for a showcase this year, I had an amazing time, and it was very valuable for my music career.

I found the Arts through an Indigenous Lens to be a truly eye-opening, inspiring and worthwhile workshop. Truly appreciated the panel members. Very happy to see changes, and the feeling of moving forward with BCTC.



It was my first time attending Pacific Contact, and the value it holds for the community was apparent and excellent.

I love the changes you are making to the programs you offer and the way you seek to be inclusive. All the people who worked the conference were friendly, approachable, and did everything they could to help. Congratulations to you all!



The strength of the conference was the diversity of performances, so in my mind you nailed the most important part!



Very much liked having the Short 5s on a real stage with proper equipment. The performances were much more professional and enticing.

Artist photos: second from top, Raine Hamilton, Bottom photo: Jeremy Ledbetter Trio
Photography: Mary Matheson

pacificcontact

October 2 – 4, 2025
October 1 – 3, 2026
September 23 – 25, 2027

HOST COMMUNITY BID REQUIREMENTS

This document has been designed to help you prepare your bid to host Pacific Contact in 2025, 2026 or 2027. We want to ensure that your bid covers all the bases and that the evaluators have the information they need to evaluate the proposals.

Please use it as a working document to prepare your bid. It is important that your bid document reflects the flavour of your bid and the community it represents and provides the criteria and information requested in the order found in this bid document.

1. TIMELINE & PROCESS

1.1 The initial proposal ("Draft Bid") will be delivered to BCTC by:

September 1st 2024, for Pacific Contact 2025
September 1st 2025, for Pacific Contact 2026
September 1st 2026, for Pacific Contact 2027

1.2 The Complete proposal ("Final Bid") will be delivered to BCTC no less than 12 months before the event.

1.3 Before finalizing the Bid, the Executive Director and BCTC Staff and/or Board will conduct a site survey and a community partner meeting.

2. HOST COMMITTEE

The most essential element in ensuring a successful outcome on the part of any potential Pacific Contact Host community is the establishment of a finely tuned, dedicated and responsible Host Committee.

2.1 The Host Committee will demonstrate it is representative of the local community, relevant industry sectors, and sponsors. Please identify key areas and positions of the members of your Host Committee and, where possible, actual participants. Also include a brief descriptor of the sector they represent, as well as the nature of their connections.

2.2 Once the bid has been accepted, the Host Committee will enter into an agreement with BCTC outlining both party's roles and responsibilities.

2.3 After finalization of the Bid and upon acceptance, the Executive Director or designate of BCTC will attend Host Committee meetings in person or via an online meeting platform.

3. FINANCING & SPONSORSHIP

3.1 Provide written assurance to BCTC that there is a license fee of up to \$25,000 committed and in place.

3.2 Provide written assurance of matching in-kind support to the value of up to \$25,000. This could be in the form of venues, technical support, transportation, volunteer hours, hospitality, etc.

3.3 Host Committee may seek sponsors to cover the costs of any and all Host Committee initiatives; however, it must be clear that the sponsorship contribution and the benefits of sponsorship are solely related to these activities unless they are combined sponsorship agreements with BCTC or otherwise agreed to with the BCTC Executive Director.

3.4 The Host Committee must coordinate any funding or sponsorship solicitations with the BCTC Executive Director to ensure that there are no conflicts between BCTC Event sponsors and sponsors of the Host Committee events. In this way, the BCTC Director and Host Committee Sponsorship lead will work together to achieve the best results for everyone.

4. TRANSPORTATION TO HOST COMMUNITY

In the event that the Host community proponent does not have an international airport, or its geographic location necessitates higher than normal costs for airfare or ground transportation for delegates, the host community may need to obtain additional funding or provide other incentives to offset the increased costs to attendees.

4.1 Provide a schedule of current round-trip airfares to the Host community from Vancouver, Victoria, Terrace, Prince George, Calgary, AB, and Toronto, ON.

4.2 Include a schedule of extraordinary costs, if any, such as additional charter airfares and/or ground transportation coaches if the Host community is more than 40km from the nearest international airport.

5. LOCAL GROUND TRANSPORTATION

A minimum of six rental vans and/or two coaches are required during Pacific Contact to provide transportation for the BCTC staff and industry professionals. Depending on the distances, transportation may be required between the nearest major airport and/or train station to and from hotels and between event venues for attendees.

5.1 Provide availability information and rates on all modes of ground transportation.

6. VENUE REQUIREMENTS (propose appropriate venues)

Pacific Contact Welcome Reception

The host committee will work with the BCTC to organize and co-host a Welcome Event as delegates arrive in the host community. The Event requires a venue accommodating up to 200 persons for a stand-up reception with cocktails, hors d'oeuvres and live entertainment.

BCTC Opening Ceremony

The Pacific Contact Opening Ceremony requires a venue that can accommodate up to 200 persons and has a platform or stage for speakers and performances.

Contact Room (trade show)

Providing space for:

Exhibition space for 50 – 80 booths;

Networking for 100 persons (tables, seating);

Concession (refreshments)

Provide details of appropriate venues and services.

7. PERFORMANCE/SHOWCASE VENUES

Artists from across Canada and the U.S. showcase their talents on Thursday, Friday and Saturday at approximately 3 local venues located within close proximity. Provide details on established performance venues, ensure facilities accommodate dance and music and include available production equipment, including PA systems and a backline. If backline and PA systems need to be brought in from a larger market, the Host Committee should be aware of increased costs and work with the BCTC staff to offset those costs.

Ideally, most venues will be within a 10-minute walk from the Host Hotel. If any proposed venues are more than a 10-minute walk from the hotel, provide additional information on:

Shuttle

Taxi (rates and availability)

Late-night Community Transit (if applicable)

Charter Rates for bussing

8. PANEL/GROUP DISCUSSIONS

3 rooms/spaces suitable for round table, panel discussions, workshops and one-to-one meetings, each accommodating up to 50 persons need to be available from Thursday to Saturday with flexible room layout.

9. DINE AROUNDS

Delegates register for local restaurants on either Thursday or Friday night (TBD).
Host Committee to identify and reserve 10 restaurants offering a variety of food and from low to high price points, in collaboration with the BCTC team.

10. VENUES for MEALS & GALA DINNER & BCTC Awards Presentation & Closing Party

Provide information on a venue/s that should accommodate 200 persons for several meals, a formal dinner, showcase and party, including availability of stage/production space, dressing room and catering.

11. HOST HOTEL REQUIREMENT

The Host Hotel will be close to all activities during the event. As such, the hotel will be featured in marketing materials related to the event, including registration information ported on the Official Event Website. BCTC staff will book guests at the hotel and direct participants to stay at the hotel, creating maximum business for the Host Hotel. The host hotel is ideally a 4-star hotel.

11.1 BCTC Room Requirements

Host hotel confirms up to 500 hotel room nights on hold for the duration of the event with the following schedule

Wednesday	90 rooms
Thursday	130 rooms
Friday	130 rooms
Saturday	130 rooms

11.2 Confirm that these rooms will be held under the room block and reserved by staff and participants, with delegates booking their own accommodations for the event.

11.3 The Host Hotel must be willing to:

- a) Offer a comprehensive, discounted room rate for hotel rooms in the above room block; competitive can be defined as lower than other similar hotels in the area similar to government or other standard discount rates;
- b) Honour this rate during the event and two days before and after;
- c) Provide one free room upgrade for every 20 room nights booked to be used for BCTC VIP Participants;
- d) Provide one complimentary room for every 40 room nights booked.
- e) Provide appropriate staffing at the registration desk, lounge, restaurant and conference floor(s) to accommodate the high volume of service needs and to ensure the security of patrons;
- f) Work with BCTC staff to arrange for extended liquor license and extended lounge hours to facilitate after-hours events;
- g) Provide adequate conference space for the event, including;

One room to be used for staff office and registration (must be lockable), which is no smaller than 200 square feet;

Confirm the standard posted rental rates for these rooms may be reduced according to either the total room pick up in the BCTC hotel block or total catering;

10 complimentary hotel room nights prior to the event to be used by BCTC staff to facilitate preparation for the event.

12. SECONDARY HOTELS

While every effort is made to utilize the host hotel fully, there is the reality that its rates may be beyond the financial means of some delegates.

12.1 Provide a list or table of 2-3 alternate hotels within a short distance of the Host Hotel, with prices and room descriptions.

13. VOLUNTEER REQUIREMENTS

Approximately 30 volunteers are needed to ensure Pacific Contact runs effectively for BCTC and the Host Committee. BCTC consults with the Host Committee to determine who BCTC will hire as its local Volunteer Coordinator. The volunteer responsibilities will include delegate/artist registration, production and technical support, Front of House duties at the Showcase venues, transportation, etc. Provide information on local volunteer resources.

REQUIRED INFORMATION

Introduction and Key Letters of support from the host community/region;
Host City information: size, population, attractions, unique characteristics, distance from international airport;
Letter(s) stating fulfillment of financial obligations from City and sponsorship;
Venue requirements: provide details on all venues, including photos, capacities, dimensions and descriptions;
Maps: provide various maps, including an overview, downtown core, and main streets with hotels and venues;
Any additional letter(s) of support.

QUESTIONS/CONTACT

Please don't hesitate to contact BCTC with any questions you may have in preparing the bid document. We are here to support the process and look forward to working with you toward a successful bid.

Submissions should be sent to the Executive Director by the deadline. All submissions will be acknowledged by email.

**Miriam Manley
Executive Director
BC Touring Council
miriam@bctouring.org**





PACIFIC CONTACT CONFERENCE - BC TOURING COUNCIL 2026

ATTACHMENT B

Tourism Nanaimo
Venues and Incentives Document

October 1-3, 2026



WELCOME TO NANAIMO

Nanaimo, British Columbia is centrally located on the east coast of Vancouver Island, 113 km north of Victoria, and 55 km across the Strait of Georgia from Vancouver. The Coast Salish people call Nanaimo “the gathering place,” and the community of 101,000 is warm and welcoming to visitors from near or far. A classic west coast community, Nanaimo offers natural beauty at every turn. With one of the longest shorelines in Canada, and a forested mountain backdrop just outside downtown, visitors can go from shopping to wilderness hiking or biking trails in just a few minutes.

Do you prefer counting sea stars at the shoreline, or the adrenaline rush of ziplining over the Nanaimo River? Walk or roll from a downtown hotel along the harbourfront, try kayaking or stand-up paddle boarding or maybe you'd like to meet the locals on a whale watching tour. Spend a leisurely afternoon sampling local craft breweries and distilleries or take a short water taxi and explore Saysutshun Island with a local Snuneymuxw knowledge keeper. From hiking Mount Benson to petting baby goats, and diving historic wrecks to artisan tours, Nanaimo offers layers of adventure. (And of course, those famous Nanaimo Bars!)



WHY GATHER IN NANAIMO?

- State of the art conference centre for 1,350 people
- Indoor & Outdoor off-site event facilities
- When you host in Nanaimo, our community fully supports!
- Only one big event in our city at one time
- Direct Flights from Vancouver, Calgary, Toronto
- Easily accessible from Vancouver via BC Ferries, seaplane, Helijet Service & Hullo Fast Ferry
- Rich in Snuneymuxw First Nation History
- Vancouver Island University campus
- Quality hotels within walking distance to the Vancouver Island Conference Centre
- Iconic West coast activities – Wildlife viewing, kayaking, hiking, & mountain biking
- A wide variety of breweries, distilleries, wineries and cafes at your finger tips!
- A cost effective, unique choice for your next event



HOW TO GET HERE

Air Canada/Westjet

- Vancouver (YVR) - 20 minutes
- Calgary (YYC) - 1 Hour 25 Minutes

Pacific Coastal Air

- Kelowna & Vancouver

BC Ferries

- 8+ Sailings a day, 2 Nanaimo terminals
- 1.5 to 2 hour travel time

Harbour Air, Sea Air & Helijet

- Daily flights direct from Downtown & YVR
- Group and charter rates available
- 18 Minute Flight

HULLO Fast Ferry

- Downtown Vancouver to Downtown Nanaimo
- 70 Minute sailing time





VENUE SPACE

VANCOUVER ISLAND CONFERENCE CENTRE

Just steps away from the scenic Nanaimo Harbour in the heart of a walkable downtown, The Vancouver Island Conference Centre is Vancouver Island's finest full-service conference centre.

Room Rental	Meeting/Event	Size/Cost
Thursday October 1 & Friday October 2, 2026		
Newcastle Island Lobby	Registration/Tradeshow	\$430.00/day
Mt Benson AB	Tradeshow	\$2,042.00/Day
Mt Benson C	Reception Area	\$2,042.00/Day
Lantzville Room	Breakout Room #1	\$430.00/Day
Millstone River Room	Breakout Room #2	\$332.00/Day
Departure Bay Room A	Breakout Room #3	\$332.00/Day

Room Rental	Meeting/Event	Size/Cost
Saturday October 3, 2026		
Newcastle Island Lobby	Registration/Tradeshow	\$430.00/Day
Mt Benson Ballroom AB	Tradeshow	\$2,042.00/Day
Mt Benson Ballroom C	Gala & Reception	\$2,042.00/Day
Lantzville Room	Breakout Room #1	\$430.00/Day
Millstone River Room	Breakout Room #2	\$332.00/Day
Departutre Bay Room A	Breakout Room #3	\$332.00/Day
Duke Point Room	Dressing Room	\$430.00/Day
Meeting Room Subtotal: \$17,254.00 50% Discount on Meeting Spaces based on \$10,000 minimum F&B Spend Total Meeting Room Rental with Discount=\$8,627.00 GST 5% - \$431.35 Admin Fee 2% - \$172.54 Total Room Rate = \$9,230.89		

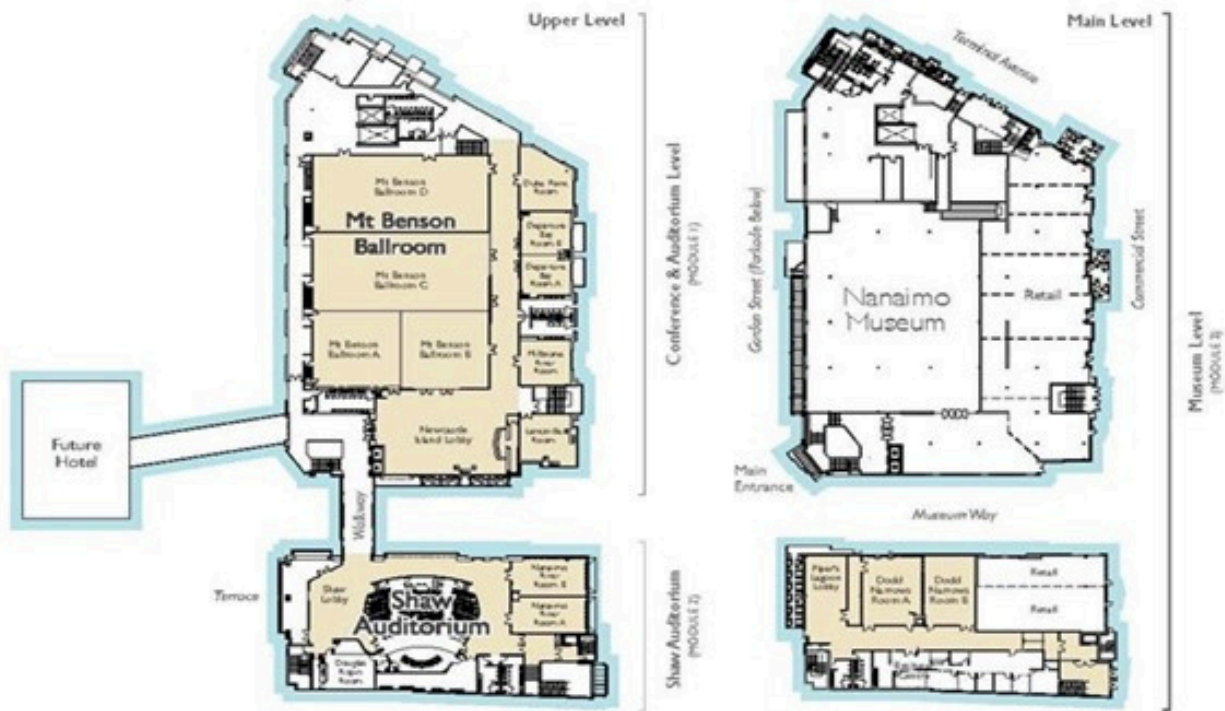


Floor plans



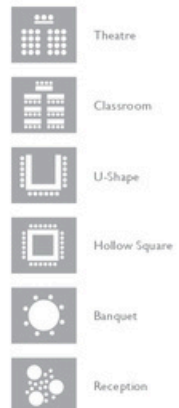
Tel: 250 244 4065
Fax: 250 244 4066
Toll Free: 866 438 5000
www.vicccentre.ca

101 Gordon Street
Nanaimo, British Columbia
Canada V9R 5Z5



Capacities

Conference & Auditorium Level	MODULE 1	Area Sq. Feet	Area Sq. Metres	Dimensions Feet length x width	Theatre	Classroom	Hollow Square	U-Shape	Banquet	Reception	Exhibits 8'x10'
	Mt Benson Ballroom	13,697	1,272	142.5 x 95.5	1,200	640			960	1,340	84
	Ballroom A	2,275	211	47.5 x 47.5	180	88	68	72	140	220	14
	Ballroom B	2,269	210	39.5 x 47	180	88	68	72	140	220	14
	Ballroom A/B	4,544	422	87 x 94.5	380	192			320	440	28
	Ballroom C	4,623	429	48 x 95.5	400	200			320	450	28
	Ballroom D	4,530	420	47 x 95.5	400	192			320	450	28
	Lantzville Room	921	85	38 x 37.5	76	32	30	22	50	80	5
	Milestone River Room	770	71	26.5 x 27.5	65	36	26	20	50	50	4
	Departure Bay Room	1,337	124	53 x 66.5	112	60	48	42	80	100	6
	Departure Bay A	668	62	26 x 28	56	30	24	18	40	50	3
	Departure Bay B	668	62	26 x 28	56	30	24	18	40	50	3
	Duke Point Room	1,004	93	39.5 x 29	76	32	30	22	60	80	3
	Newcastle Island Lobby	7,368	684	53 x 66.5						400	20
Shaw Auditorium	MODULE 2	Area Sq. Feet	Area Sq. Metres	Dimensions Feet length x width	Theatre	Classroom	Hollow Square	U-Shape	Banquet	Reception	Exhibits 8'x10'
	Shaw Auditorium*	2,598	241								
	Nanaimo River Room	1,868	173	44.5 x 40.5	120	84	66	60	120	180	11
	Nanaimo River A	955	88	23 x 40.5	64	42	34	28	60	90	6
	Nanaimo River B	913	84	21.5 x 40.5	60	39	32	25	50	88	5
	Shaw Lobby	3,715	345							200	7
	Douglas Rispen Room										
Museum Level	MODULE 2	Area Sq. Feet	Area Sq. Metres	Dimensions Feet length x width	Theatre	Classroom	Hollow Square	U-Shape	Banquet	Reception	Exhibits 8'x10'
	Dodd Narrows Room	2,658	246	42.5 x 61	143	132	80	64	143	143	16
	Dodd Narrows A	1,421	132	42.5 x 33	130	63	44	36	80	135	8
	Dodd Narrows B	1,237	114	42.5 x 28	120	54	40	32	70	125	7
	Piper's Lagoon Lobby	1,686	156							143	4
					Contains tiered seating for 800						



* Tiered / Fixed Seating
Maximum room capacities are listed.
Room set-up requirements may reduce capacities.
Classroom capacities based on 8' x 18" tables - seating 4 persons per table.
Maximum Banquet capacities are based on 60" round tables seating 10 persons per table - no allowance for head table, buffet tables or dance floor.



OFF-SITE RECEPTION

NANAIMO MUSEUM

Large or small, for a reception, meeting, or for a workshop? Consider the Nanaimo Museum for a unique experience. The museum is the perfect venue for many different types of events, is centrally located with plenty of parking, and is wheelchair accessible. As a non-profit, proceeds from venue rentals go towards our exhibit and educational programming.

Room Rental	Meeting/Event	Size/Cost
Total Venue Rental: approx \$650 (evening rental)		

Website →



- In-house audio visual or
- Located directly in the Vancouver Island Conference Centre
- Outside catering allowed in venue OR the Vancouver Island Conference Centre will cater and provide bar service
- Unique, educational & beautiful option for an off-site event such as reception, break-out session or seminar

HOTEL ROOMS

Nanaimo has over 750 quality hotel room available within 12 kilometers of the Vancouver Island Conference Centre with a large amount of those rooms are located within 1 kilometer of our front door. We are proud to say that we work very closely with all of the hotels in Nanaimo to find the most appropriate accommodations for all our guests.

The Coast Bastion Hotel & Conference Centre - 100 Room Block

Mix of 2 Queens & Kinds - \$259.00/Night + parking

- 1:40 complimentary rooms
- 1 room complimentary upgrade every 20 rooms booked
- 2 comp room nights for pre-planning
- Complimentary internet in all spaces
- Rates offered 3 days pre/post
- Minnoz Resturant on site
- Fitness Centre
- All rooms have Juliette balcony and ocean view
- Coast Hotel rewards or Aeroplan

Courtyard by Marriott - 130 Room Block

Run of House - Mix of Kings & 2 Queens \$209.00/Night + parking

- Bonvoy Marriott Points to convener
- Discounted rates for event team
- Complimentary internet in all spaces
- Rates offered 3 days pre/post
- Indoor Pool & Fitness Centre
- Bistro on site
- Bonvoy membership points

Best Western Dorchester Hotel - 40 Room Block

Run of House - Mix of Kings & 2 Queens \$174.00/Night

- Complimentary internet in all spaces
- Rates offered 3 days pre/post
- Free Parking
- 2 Restaurants on site
- Best Western Rewards



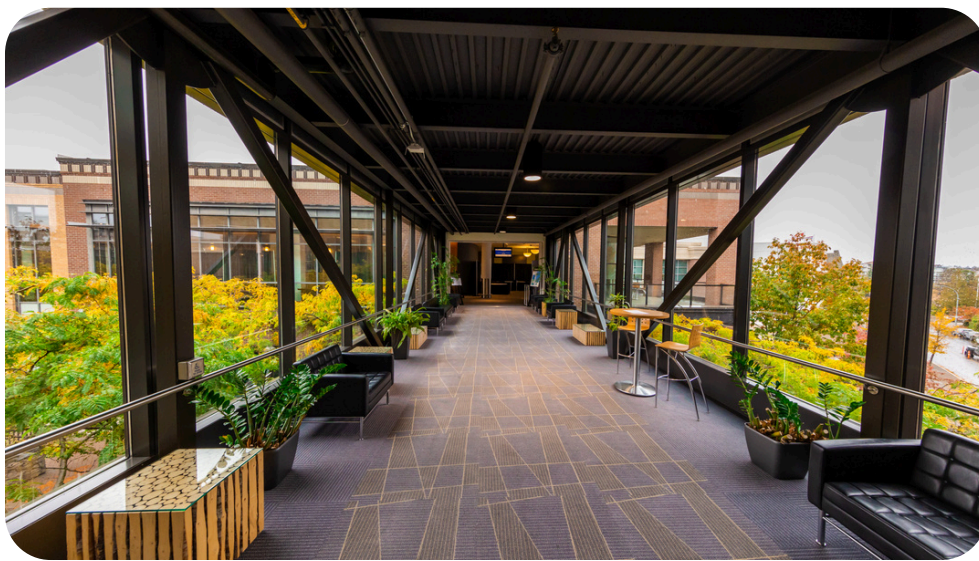
NANAIMO EXPERIENCES & ACTIVITIES

Experience Saysutshun Newcastle Island

Saysutshun is rich with stories and teachings that help us remember the past and prepare for the future. They offer exciting and immersive ways to experience the unique culture and history of the Snuneymuxw people. Saysutshun Interpretative walking tours with a local elder takes visitors on a cultural tour of the island

- Vancouver Island Whale Watching Tours
- Sea kayaking, stand up paddle or canoe tours
- Nanaimo Craft Beer & Distillery Tour
- Nanaimo Bar Trail - Self-guided scavenger hunt
- Wildplay Treetop Course & Bungee Jumping
- Axe & Grind Team Building
- Escape Rooms
- Island Hopping tours (Gabriola Island, Protection Island)
- Milner Gardens Tour in Qualicum
- Deep Bay Marine Field Station
- Nanaimo Museum
- Nanaimo Art Gallery Workshops
- Vancouver Island University Tours (Graphic Design Department)
- Port Theatre Show or local live bands
- Golfing (all year round)





Incentives/Concessions:

- Book and host your meeting 400+ total room nights and a receive a \$10,000 incentive
- If group books in Nanaimo, Kamloops + Penticton within 7 years - receive \$10 back on every hotel room booked (paid out after each annual conference)
- 50% off meeting space based on minimum F&B spend
- Site Visit/FAM tour for organized hosted by Tourism Nanaimo
- Guest room rate offered 3 days pre and 3 days post
- Tourism Nanaimo information booth at your conference or meeting
- Group rates on Harbour Air Seaplanes, Helijet & Hullo Ferries
- Brand new fast ferry downtown Vancouver to downtown Nanaimo

Gina Bethell

Business Development Manager, Tourism Nanaimo

Mobile: 250.816.2856

E-Mail: gina@tourismnanaimo.com

Website: tourismnanaimo.com/meetings/

MEETINGS & CONFERENCES
NANAIMO

ATTACHMENT C

VICC Pacific Contact Schedule A - Quotes 1 & 2



VANCOUVER ISLAND
CONFERENCE CENTRE

Vancouver Island Conference Centre
101 Gordon St. Nanaimo BC V9R 5J8
Tel: 250-244-4050 Fax: 250-244-4055
www.viconference.com

SCHEDULE A

QUOTE 1

Contact Name: Gina Bethell

Organization Name: Tourism Nanaimo on behalf of Pacific Contact

Address:

Phone:

Email: gina@tourismnanaimo.com

Event Name: Pacific Contact Event

Start/End: October 1st – 3rd, 2026

Booked Rooms	Date	Amount
---------------------	-------------	---------------

Thursday October 1st, 2026

Module 1

Mt Benson Ballrooms A-D
Lantzville Room
Millstone River Room
Departure Bay Rooms A/B
Duke Point Room
Newcastle Island Lobby

\$6654.00

Friday October 2nd, 2026

Module 1

Mt Benson Ballrooms A-D
Lantzville Room
Millstone River Room
Departure Bay Rooms A/B
Duke Point Room
Newcastle Island Lobby

\$6654.00

Saturday October 3rd, 2026

Module 1

Mt Benson Ballrooms A-D
Lantzville Room
Millstone River Room
Departure Bay Rooms A/B
Duke Point Room
Newcastle Island Lobby

\$6654.00

Room Subtotal **\$19962.00**

GST (5%) **\$998.10**

Admin Fee (2%) **\$399.24**

Room Total **\$21359.34**

50% discount on room total before taxes and fees if \$10000.00/ day (avg) minimum F & B spend made



Vancouver Island Conference Centre
 101 Gordon St. Nanaimo BC V9R 5J8
 Tel: 250-244-4050 Fax: 250-244-4055
www.viconference.com

SCHEDULE A QUOTE 2

Contact Name: Gina Bethell
Organization Name: Tourism Nanaimo on behalf of Pacific Contact
Address:
Phone:
Email: gina@tourismnanaimo.com

Event Name: Pacific Contact Event
Start/End: October 1st – 3rd, 2026

Booked Rooms	Date	Amount
---------------------	-------------	---------------

Thursday October 1st, 2026

Newcastle Island Lobby	Reception	\$286.00
------------------------	-----------	----------

Friday October 2nd, 2026

Module 1

Mt Benson Ballrooms A-D		
Lantzville Room		
Millstone River Room		
Departure Bay Rooms A/B		
Duke Point Room		
Newcastle Island Lobby		\$6654.00

Saturday October 3rd, 2026

Module 1

Mt Benson Ballrooms A-D
 Lantzville Room

Millstone River Room	
Departure Bay Rooms A/B	
Duke Point Room	
Newcastle Island Lobby	\$6654.00

Sunday October 4nd, 2026

Module 1

Mt Benson Ballrooms A-D	
Lantzville Room	
Millstone River Room	
Departure Bay Rooms A/B	
Duke Point Room	
Newcastle Island Lobby	\$6654.00

Room Subtotal	\$20248.00
----------------------	-------------------

GST (5%)	\$1012.40
-----------------	------------------

Admin Fee (2%)	\$404.96
-----------------------	-----------------

Room Total	\$21665.36
-------------------	-------------------

50% discount on room total before taxes and fees if \$10000.00/day (avg) minimum F & B spend made

DATE OF MEETING APRIL 16, 2025

AUTHORED BY DARCIE OSBORNE, DIRECTOR, PARKS, RECREATION & CULTURE
LAURA MERCER, GENERAL MANAGER, CORPORATE SERVICES

SUBJECT SPORT TOURISM GRANT FUNDING APPLICATION APPROVAL

OVERVIEW

Purpose of Report

To seek Finance and Audit Committee approval to use funds from the Sport and Tourism Grant for sporting events that are impacted by the timeline of the Municipal & Regional District Tax (MRDT) fund transfer.

Recommendation

That the Finance and Audit Committee recommend that Council approve granting the Vancouver Island Slopestyle 2025 event at the Steve Smith Bike Park \$4,500 from the Sport Tournament Grant Fund.

BACKGROUND

The Freeride Mountain Bike (FMB) was founded in 2010 and is the world governing body of the sport of freeride mountain biking. It is registered as a not-for-profit organization in Germany. The purpose of the FMB is to promote free ride mountain biking sports, including the development, governance, and structure of free ride disciplines: dirt jump, park, slopestyle, and big mountain. The FMB World Tour is the official international circuit of both amateur and professional FMB competitions. Freeride athletes compete in sanctioned competitions around the world to earn points to qualify for the annual World Championship.

In 2023, the first FMB event was held in Nanaimo. In 2023 and 2024, the Vancouver Island Slopestyle events were supported through funding from the Nanaimo Hospitality Association (NHA) through the Municipal Regional District Tax (MRDT) Sport Tourism Grant stream. In both years the organization was granted \$4,500.

DISCUSSION

With the transition of the MRDT administration from the NHA to Tourism Nanaimo, there has been some impact to the timeline of the Sport Tourism Grant awards. This application timeline change has subsequently impacted this event as it will happen before the grants awards will be determined.

To help bridge the funding to the Vancouver Island Slopestyle event, Staff suggested that they apply under the Sport Tournament Grant stream (See ATTACHMENT "A") through the City of Nanaimo. This grant stream assists sports groups with cost of hosting tournaments.

The event currently does not fully meet the criteria for the Sport Tournament Grant as this will be the third year running and the Sport Tournament grant is designed to support first time start up events (See ATTACHMENT “B”).

The Vancouver Island Slopestyle 2025 event will be hosted 2025-JUN-27 and 28 at Steve Smith Bike Park. The event will be a bronze level competition attracting both amateur and professional riders to compete in dirt jump, park and slopestyle. It is estimated that there will be 50 participants of all ages with 400 spectators in attendance. Participants and spectators coming from Vancouver Island, BC Mainland, other provinces and international locations.

The request to access the Sport Tournament Grant funding is a one-time request due to the transition of the grant administration and allocation.

The event supports sport tourism and the Nanaimo Sport Tourism Strategy. Funding this event through the Sport Tournament Grant will assist the event to continue for the third year in a row.

FINANCIAL IMPLICATIONS

The Sport Tournament Grant stream has an annual budget of \$20,000 and nothing has been spent to date in 2025. Funding this event will leave \$15,500 available for other sport tournament opportunities in 2025. |

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve granting the Vancouver Island Slopestyle 2025 event at the Steve Smith Bike Park \$4,500 from the Sport Tournament Grant Fund.
 - The advantages of this option: The Vancouver Island Slopestyle 2025 event will receive the equivalent funding they were expecting from MRDT thus enabling the event to occur.
 - The disadvantages of this option: The Vancouver Island Slopestyle 2025 event does not fully meet the criteria of the Sport Tournament Grant.
 - Financial Implications: The Sport Tournament Grant will have \$15,500 in remaining budget for the year.
2. That the Finance and Audit Committee recommend that Council deny granting the Vancouver Island Slopestyle 2025 event at the Steve Smith Bike Park \$4,500 from the Sport Tournament Grant.
 - The advantages of this option: The Sport Tournament Grant will be available for other sport tournament opportunities in 2025.
 - The disadvantages of this option: Event organisers will need to find another funding source to cover event costs.
 - Financial Implications: None
3. That the Finance and Audit Committee provide alternate direction.

SUMMARY POINTS

- The Vancouver Island Slopestyle 2025 event is seeking funding from Sport Tournament Grant as alternate to the MRDT Fund.
- The timeline for this event and MRDT funding does not align with transition from Nanaimo Hospitality Association to Tourism Nanaimo for administration and allocation of funds.
- Funds would be used to assist in costs to host the event for third year in a row.

ATTACHMENTS:

ATTACHMENT A: Sport Tournament Grant Guidelines and Application
ATTACHMENT B: Sport Tournament Grant Criterial Checklist
ATTACHMENT C: Sport Tournament Grant Application Vancouver Island Slope Style

Submitted by:

Darcie Osborne
Director, Parks, Recreation & Culture

Laura Mercer
General Manager, Corporate Services

Concurrence by:

Wendy Full
Director, Finance

Dale Lindsay
CAO



Sport Tournament Grant

**Guidelines and
Application for Funding**



SPORT TOURNAMENT GRANT APPLICATION GUIDELINES

General Information.

The City of Nanaimo wants to work with community groups to attract visitors to our City. Sport tourism is a major economic generator for Nanaimo. The City's most effective role in the sport and recreation tourism initiative is one of facilitation. By working together with existing community groups, we can encourage visitors to stay longer in Nanaimo.

Nanaimo Parks, Recreation and Environment have a budget to assist groups hosting tournaments (defined below). When making your application, please remember that our objective is to assist as many groups as possible.

Tournament: a series of games or athletic contests

Any amateur non-profit organization is eligible for funding. Charitable status is not necessary. Private or commercial organizations are not eligible.

All applications for funding should be clearly marked "Sport Tournament Grant Application" and submitted to the Recreation Committee, c/o Nanaimo Parks, Recreation and Environment, 500 Bowen Road, Nanaimo, BC V9R 1Z7.

For further information, contact: Manager Recreation & Environment Services, 250-756-5200

Application Timelines

Applications should be submitted by: November 1 – for events from January 1 to June 30.
or
May 2 – for events from July 01 to December 31.

Applicants will receive written notification of Council's decision within 90 days of the application deadline date. Applications received following the submission deadline will be considered in the next evaluation review.

What Events Qualify?

- Only events being sponsored by local organizations, or having direct local economic impact, will be considered.
- This fund is designed specifically to assist tournaments that utilize services and facilities within the City of Nanaimo.
- Tournament applications for one day will be considered, however, events taking place over two or more consecutive days will be given higher priority.
- All tournaments will be considered.
- Organizations will not be eligible for funding if they have received other funding assistance through the City of Nanaimo for this event.
- If the applicant/organization has received funding from Sport Tournament grants in previous years, they must have submitted a completed application in order to qualify for further funding.

Application Criteria.

- Applicants must be able to demonstrate a broad community participation or significant potential audience.
- Applications will be considered on the following criteria:
 - ◆ Evidence of benefit to the community.
 - ◆ Demonstration of community support for the tournament as measured by volunteer participation, membership, and/or audience participation. Secured commitment from other funding sources.
 - ◆ Involvement from other community partners.
 - ◆ Evidence of management and fiscal responsibility (e.g. business and marketing plan, sound financial controls and performance).
 - ◆ Level of event profile and media exposure.
 - ◆ Potential financial impact (e.g. number of visitor days created and how this information might be tracked).

How Funds are Distributed.

- The amount requested cannot be more than 25% of the total budget for the festival or tournament.
- Any unallocated funds in a given year will be carried over to the next budget year.
- Regardless of funding approval, if City of Nanaimo facilities are used these facilities are provided to non-profit and community organizations at subsidized rates.

What Does Your Organization Need to do to Apply For Funds?

- Your organization needs to complete the attached application form.
- For an application to be considered, it should not be longer than six pages in length, including the application form and budget.



SPORT TOURNAMENT GRANT APPLICATION FORM

Legal Name of Organization: _____

Mailing Address: _____

Postal Code: _____ **Phone:** _____ **Fax:** _____

Email: _____

Contact Person: _____ **Position:** _____

Society Registration Number: _____ (If not registered, please leave blank)

Total Budget:

Grant Total Requested:

Date Submitted: _____

Has your organization applied for other City of Nanaimo funding related to this event?

Yes ____ No ____? If so, please list the type and amount of funds requested.

Name of Grant	Amount	Approved

What events in the past have your organization produced/sponsored?

	Year	Event and Location	# Attending
1.			
2.			
3.			

Please provide information requested:

1. Name of Event: _____
2. Type of Tournament (please circle): Local Regional Provincial National
3. Times & Dates of Event: _____
4. Location (s): _____
5. Age range of participants (please circle): 0-18 / 19-44 / 45+ / All Ages
6. From where will participants/spectators come? (Please provide a projected estimate of numbers attending your event. If your event was held previously, please include actual numbers for the previous year).

PARTICIPANT INFORMATION	Estimated # Attending	Previous Year's Attendance
From Mid Vancouver Island (from Duncan to Courtenay)		
From other areas of Van. Is. (north of Courtenay, south of Duncan)		
From BC Mainland		
From other provinces		
From US or other international destinations		
TOTAL PARTICIPANTS FROM ALL AREAS:		
SPECTATOR INFORMATION	Estimated # Attending	Previous Year's Attendance
From Mid Vancouver Island (from Duncan to Courtney)		
From other areas of Van. Is. (north of Courtney, south of Duncan)		
From BC Mainland		
From rest of Canada		
From US or other International destination		
TOTAL SPECTATORS FROM ALL AREAS:		

6. Is this a new event? Yes / No
7. How long has your organization existed in Nanaimo? _____ Years
8. Please provide a summary of your event in one or two typed pages (minimum size 10 font), including:
 - Purpose of the event
 - Scheduled activity
 - How your event will be marketed.
 - How you will provide public recognition of municipal contribution
 - How you will evaluate the success of the event
 - Has your event created any new components from previous year?
9. The information in this application is a true and accurate representation of our event.

Signature: _____ Print Name: _____

Phone #: _____ Date: _____

Note: Your submission should only include two-page application form, two-page budget form, and one or two-page summary of your event.

Event Revenue Budget

Name of Event: _____

Hosted by: _____

- Please provide your best estimate of the revenues and costs of the event for which a grant is requested. Additional headings to better describe your revenues and expenses for your particular activity are permitted. You may use either your own budget form or this one.
- Definitions: Earned revenues are usually generated directly by an event and often include income from booth, table, rentals, sales of advertising in a program, admission tickets or on-site cash donations from the public, and the net proceeds of concessions or sales.
- Fundraising revenues are usually generated from sponsorships, in-kind supplies and services, individual donations before or after the event.

YEAR Actual 20____ (Previous Year if applicable)	Revenue Item	YEAR Projected 20____ To be completed for application
	<i>Earned Revenue</i>	
	Admissions/Ticket Sales	
	Concession/Merchandise Sales (net)	
	On-site cash donations	
	Advertising income	
	Rentals	
	Other	
	Total Earned Revenue	
	<i>Fundraising Revenue</i>	
	Individual Donations	
	Cash Sponsorships	
	Fundraising Events	
	Other	
	Total Fundraising Revenue	
	<i>Government Revenue</i>	
	Municipal Grants (list requested amount)	
	Provincial Grants	
	Federal Grants	
	Other	
	Total Government Revenue	
	Total Revenues	Line A

If you are receiving in-kind support not included above, please identify the source donor and include an estimate of the dollar value:

Source

\$ Value

Event Expenses

YEAR		YEAR
Actual 20____ (Previous Year if applicable)	Expense Item	Projected 20____ To be completed for application
	Administration and Communication Costs	
	Salaries, Fees and Commissions	
	Marketing- posters, ads, radio	
	Professional Services i.e. judges, referees, officials, instructors, technicians, drivers	
	On site communication - flyers, programs,	
	Financial Services- i.e. fundraising costs, ticketing, accounting	
	Event Insurance	
	Facility Rentals	
	Other Services- equipment rentals, set up costs, provide details:	
	Food & Beverages- Organizing Committee/Volunteers	
	Food & Beverages- Participants	
	Food & Beverages- Media/VIP	
	Accommodation Costs	
	Merchandise: Souvenirs, Awards, Prize Money	
	Travel	
	Transportation & Storage	
	Materials & Supplies	
	Other costs:	
	Total Production and Events Costs	
	Total Expenses Line B	
	Net (Line A minus Line B)	

PLEASE NOTE: successful applicants must submit a final report (max. 1 pg.) and financial statement **must be submitted within 60 days of the conclusion of the event.** This information is used to calculate the economic impact of awarded event within the community and will help in the determination of future applications. The failure to do so may result in rejection of any new application.

Updated: 2025-MAR-3

File: B3-5-9

G:\GRANTS\SportTournamentGrant\2025\SportTournamentGrantGuidelinesAndApplication.docx

ATTACHMENT “B”
Sport Tourism Grant Funding Application Approval

Sport Tournament Grant Criteria Checklist

Name of Organization: Vancouver Island Slope Style

Name of Event: FMB event (FreeRide Mountain Biking)

Date of Event: Saturday, 2025-JUN-28

Date of Evaluation: 2025-APR-07

Criteria	YES/NO	Notes:
New event	No	This is the third year for this event, however it's the first year since the facility upgrades
Event is sponsored by local organizations, or will have a direct local economic impact	Yes	Local organization is running the event
Event utilizes services and facilities within the City of Nanaimo	Yes	Steve Smith Bike Park at Beban Park, Nanaimo
Event is taking place over two or more consecutive days (will be given higher priority over one day events)	No	It's a one day event, however registration and practice rides take place Friday, 2025-JUN-27 which means competitors will be in town for 2+ days
Organizations will not be eligible for funding if they have received other funding assistance through the City of Nanaimo for this event	?	The applicant states no other City of Nanaimo funding has been received. Need to double check with Finance.

Applicants must be able to demonstrate a broad community participation or significant potential audience	Yes	Both
Evidence of benefit to the community	Yes	For both competitors and spectators plus exposure on social media
Demonstration of community support for the tournament as measured by volunteer participation, membership, and/or audience participation	Yes	Many volunteers, participants and spectators will be attending
Secured commitment from other funding sources	Yes	Steve Smith Legacy Foundation Local bike shops Local bike organizations
Involvement from other community partners	Yes	See above
Evidence of management and fiscal responsibility (e.g. business and marketing plan, sound financial controls and performance)	?	There is no business or marketing plan for this event that was received but they included a detailed budget
Level of event profile and media exposure	Yes	Including social media
Potential financial impact (e.g. number of visitor days created and how this information might be tracked)	Yes	Many competitors coming from mainland and further. Hotels, restaurants and shops will be impacted that weekend.

Evaluation Completed By: Laara Clarkson, Manager of recreation Services



SPORT TOURNAMENT GRANT APPLICATION FORM

Legal Name of Organization: VANCOUVER ISLAND SLOPE STYLE

Mailing Address: [REDACTED]

Postal Code: [REDACTED] Phone: [REDACTED] Fax: N/A

Email: [REDACTED]

Contact Person: JEN COOKMAN Position: COORDINATOR

Society Registration Number: _____ (If not registered, please leave blank)

Total Budget: \$ 28,000.00 Grant Total Requested: \$ 7,000.00

Date Submitted: _____

Has your organization applied for other City of Nanaimo funding related to this event?

Yes _____ No X ? If so, please list the type and amount of funds requested.

Name of Grant	Amount	Approved

What events in the past have your organization produced/sponsored?

	Year	Event and Location	# Attending
1.	2024	VANCOUVER ISLAND SLOPE STYLE FMB STEVE SMITH BIKE PARK	350
2.	2023	VANCOUVER ISLAND SLOPE STYLE FMB STEVE SMITH BIKE PARK.	300
3.			

Please provide information requested:

1. Name of Event: VANCOUVER ISLAND SLOPESTYLE - FMB BRONZE EVENT
2. Type of Tournament (please circle): Local Regional Provincial National
3. Times & Dates of Event: JUNE 27-28, 2025
4. Location (s): STEVE SMITH BIKE PARK.
5. Age range of participants (please circle): 0-18 / 19-44 / 45+ / All Ages
6. From where will participants/spectators come? (Please provide a projected estimate of numbers attending your event. If your event was held previously, please include actual numbers for the previous year).

PARTICIPANT INFORMATION	Estimated # Attending	Previous Year's Attendance
From Mid Vancouver Island (from Duncan to Courtenay)	18	15
From other areas of Van. Is. (north of Courtenay, south of Duncan)	8	6
From BC Mainland	10	10
From other provinces	6	5
From US or other international destinations	8	7
TOTAL PARTICIPANTS FROM ALL AREAS:	50	43
SPECTATOR INFORMATION	Estimated # Attending	Previous Year's Attendance
From Mid Vancouver Island (from Duncan to Courtney)	300	275
From other areas of Van. Is. (north of Courtney, south of Duncan)	50	40
From BC Mainland	25	25
From rest of Canada	10	10
From US or other International destination	5	5
TOTAL SPECTATORS FROM ALL AREAS:	400	350

6. Is this a new event? Yes / No
7. How long has your organization existed in Nanaimo? 2 Years
8. Please provide a summary of your event in one or two typed pages (minimum size 10 font), including:
 - Purpose of the event
 - Scheduled activity
 - How your event will be marketed.
 - How you will provide public recognition of municipal contribution
 - How you will evaluate the success of the event
 - Has your event created any new components from previous year?

9. The information in this application is a true and accurate representation of our event.

Signature: _____ Print Name: _____

Phone #: _____ Date: _____

Note: Your submission should only include two-page application form, two-page budget form, and one or two-page summary of your event.

Purpose of Event

The FMB was founded in 2010 and is the world governing body for the sport of freeride mountain biking. It is registered as a not-for-profit organization in Germany. The purpose of the FMB is to promote free ride mountain biking sports, including the development, governance, and structure of free ride disciplines: dirt jump, park, slopestyle, and big mountain. The FMB World Tour is the official international circuit of both amateur and professional FMB competitions. Freeride athletes compete in sanctioned competitions around the world to earn points to qualify for the annual World Championship.

The proposed third annual Nanaimo freeride event will be a bronze-level competition, attracting both amateur and professional riders to the world-renowned Steve Smith Bike Park. This event not only contributes to Nanaimo's reputation as a premier destination for biking, but also engages the local community, inspires youth participation, and fosters economic opportunities for the city. By hosting this event, Nanaimo strengthens its ties to the global freeride, pump track, and mountain biking communities while honouring the late Steve Smith, a Nanaimo boy and one of Canada's most celebrated downhill mountain bike riders.

Scheduled Activity

Athletes will be expected to arrive at the park Friday, June 27 for registration and practice runs with the competition occurring on Saturday, June 28.

How your Event will be Marketed

As the third annual event, we have already established a dedicated following on social media. We have budgeted to "boost" promotional posts leading up to the event, ensuring maximum reach and engagement.

As a sanctioned FMB event, the organization will promote the event as part of the circuit to their domestic and international followers.

Additionally, we have widespread connections to the biking community, including the Steve Smith Legacy Foundation (with over 2.2k social media following), and local and regional bike shops and organizations.

By combining digital marketing, community partnerships, and traditional media outreach, we aim to maximize event exposure.

Recognition of Municipal Contribution

If this application is successful, we would be pleased to recognize the City of Nanaimo's support through various promotional activities. We welcome the City to display signage at the event and invite representatives to attend and set up an information booth at the bike park allowing for direct engagement with spectators and participants.

Additionally, all financial and in-kind contributors to the event will be acknowledged in event promotions, including social media posts, event materials, and public announcements where appropriate.

Evaluation

This event can be measured primarily by the opportunities it provides for local riders to earn points towards World Championship qualification. Another key indicator of success is the events ability to attract riders from outside of the region, encouraging them to experience Nanaimo's world-class biking facilities. We are confident that new visitors to the Steve Smith Bike Park will be motivated to return, further solidifying Nanaimo as a premiere destination for freeride mountain biking.

The Stevie Smith Bike Park was developed to inspire and develop the next generation of bikers. By hosting some of the best free riders in our community, local riders will witness world class talent. By observing and participating in world class events, local talent will improve. Further, it is the intention that some of the guest competitors recognize the current amenities of and the potential for bike related events in central Vancouver Island and return multiple times in the future. The increase in local talent and the influx of skilled riders visiting the area will encourage and support biking development within our region.

As a free event for the public, we are not able to capture accurate optics related to attendance. However, we will be recording estimates of attendance. We recognize that selling tickets would be beneficial to the event's revenue, we believe that events, such as this, are great opportunities to promote low barrier community activities. The Steve Smith Bike Park is a public city park available to all community members at no cost. As such, this event can be considered a free promotion for one of the city's best community assets. The Steve Smith Bike Park is a public facility designed to be accessible to all, and this event serves as a celebration and promotion of one of Nanaimo's premier recreation assets.

Amendments from Previous Years

The upcoming event will mark the third annual freeride competition, building on the success and positive impact of the previous two years within both the freeride and broader biking community. This year introduces a notable enhancement, Nanaimo's upgraded BMX facility will be available to both competitors and spectators, potentially attracting a larger and more diverse group of participants.

Additionally, we have strategically scheduled the event to avoid conflicts with other Canadian competitions on the freeride circuit, maximizing the opportunity for more athletes to attend. By refining the timing and taking advantage of improved local facilities, we aim to expand participation, enhance the event experience, and further establish Nanaimo as a key biking destination.

EXPENSES 2025

Salaries, Fees, and Commissions		
FMB Fee	350 EU	750
Coordinator	in kind	3000
Assistant Coordinator	in kind	1500
Marketing		
Online promotions		200
Printing (banners, posters)		300
Professional Services		
First Aid	250 per day	500
Judge 1	in kind	500
Judge 2	in kind	500
Judge 3	in kind	500
Announcer	250 per day	500
Photographer		2500
Track Marshall	in kind	250
Graphic Designer	in kind	1250
Online Registration platform		500
Event Insurance		1000
Facility Rental		350
Other Services		
Bleachers		200
Outhouses		500
Sound System Rental		1250
Food & Beverage		
Volunteers		500
Participants		100
Media/ VIP		150
Accommodation Costs		
Judge Accommodation		1500
Merchandise (Souvenirs, Awards, Prizes)		
Cash Awards		5500
Prizes	in kind	2000
Merchandise		1500
Transportation & Storage		
Bike Storage	in kind	250
Materials & Supplies (Tape, pens, clipboards, sunscreen)		200
Sundry		250
TOTAL		\$ 28,000.00

REVENUE 2025

Earned Revenue		
Admission		0
Compeitor Registration		2000
Merchandise Sales		1500
Sponsorship		
Steve Smith Legacy Foundation		5000
Cookman Family		3250
City of Nanaimo		7000
In Kind		
Coordinator	in kind	3000
Assistant Coordinator	in kind	1500
Judge 1	in kind	500
Judge 2	in kind	500
Judge 3	in kind	500
Track Marshall	in kind	250
Graphic Designer	in kind	1250
Bike Storage	in kind	250
Prize Donations		
Arrowsmith		1500
TOTAL		\$ 28,000.00

DATE OF MEETING APRIL 16, 2025

AUTHORED BY CHARLOTTE DAVIS, DEPUTY DIRECTOR, PARKS & NATURAL
AREAS

SUBJECT 7 POTATOES PROJECT UPDATE AND FUNDING REQUEST

OVERVIEW

Purpose of Report

To update the Finance and Audit Committee on the Central Vancouver Island Japanese Canadian Society (7 Potatoes) grant applications to the Japanese Canadian Legacies Society (JCLS) and to request additional funding for the Japanese-Canadian Memorial Garden and Beban Park Outdoor Performance and Gathering Space projects.

Recommendation

That the Finance and Audit Committee recommend that Council:

1. Increase the budget for the Japanese-Canadian Memorial Garden project by \$341,000 funded from the Strategic Infrastructure Reserve Fund; and
2. Increase the budget for the Beban Park Outdoor Performance and Gathering Space project by \$400,000 funded from the Strategic Infrastructure Reserve Fund.

BACKGROUND

The Central Vancouver Island Japanese Canadian Society (7 Potatoes) is a non profit organization dedicated to celebrating and promoting a better understanding and appreciation of Japanese heritage and culture on Central Vancouver Island. The City of Nanaimo (the City) works with 7 Potatoes on a number of projects including the Cherry Blossom Project which saw 7 Potatoes raise over \$40,000, which was donated to the City for a collaborative program to plant Japanese cherry blossom trees in Nanaimo parks and open spaces.

7 Potatoes and the City have worked collaboratively to apply for a number of grants from the JCLS. The JCLS provides support to key projects that preserve and honour the legacy of Japanese Canadians from BC who were impacted by the historic events before, during and after WWII.

To date 7 Potatoes and the City have been successful in securing funding for three projects:

1. The Renovation of Room Six at Beban Social Centre for the purposes of Japanese programming and cultural activities including Taiko drumming. \$250,000 was awarded to 7 Potatoes from the JCLS (7 Potatoes allocated the funding to the City who executed the project on their behalf). The renovation of room six is proceeding well with work expected to be complete in May 2025.

2. The creation of a Japanese-Canadian Memorial Garden and BC Heritage Site along Nanaimo's waterfront. \$400,000 was awarded to the City from the JCLS in June 2024. Since this time, some work has been undertaken to scope-out this project more fully and determine a functional project budget. The project must be completed by March 2027.
3. The creation of a Beban Park Outdoor Performing Space to be constructed on City owned land at Beban Park. In February 2025, 7 Potatoes was advised that their application for \$1 million had been approved for \$700,000. 7 Potatoes intends to allocate the funding to the City to execute the project on their behalf. Some project scoping and budgeting work has been undertaken since the grant was awarded. The project must be completed by March 2027.

An additional application through the Legacy Community Projects stream for funding of up to \$500,000 to create interpretive landscape and signage features in Nanaimo's public space was unsuccessful.

The total value of JCLS grants secured for the three projects is \$1.35M. The resulting projects will be of benefit to the whole community and help the City fulfill some of our strategic goals including the Integrated Action Plan (IAP #140), which identifies working with the Japanese Canadian Community to create interpretive landscape features in Nanaimo's public space.

DISCUSSION

Staff have undertaken further project-scoping work and have identified that the below projects require additional funding beyond that provided by the JCLS grants. There are presently no City funds in the 2025 - 2029 Financial Plan for either of these projects.

Japanese-Canadian Memorial Garden and BC Heritage Site

On 2024-FEB-21 City staff stated that they would return with a report to Council regarding the Japanese-Canadian Memorial Garden requesting approval to proceed and identifying next steps and the project process.

At the time of applying for the grant, the City was unable to identify any match funding for the project (as requested by the JCLS) other than the value of staff time and investigation work as no City funds were allocated to the project in the Financial Plan. It was expressed by the JCLS that it would be preferred that the City provide some kind of match funding for the project at a later date though this was not a formal requisite of the grant application. Since the grant was awarded, work has been undertaken to identify potential locations and some additional project scoping work has been undertaken in order to develop a comprehensive project budget. A very high-level concept was developed that saw the garden telling the story of Nanaimo as the Herring Capital of the World pre WWII.

Staff have identified that an additional \$341,000 in funding is required to construct an impactful Japanese-Canadian Memorial Garden and BC Heritage Site along Nanaimo's waterfront. This would bring the total project budget to \$741,000 including 15% project contingency. Once the project has a final agreed budget, staff will work to select a contractor to move forward with on the design and construction phases of the project.

The Beban Park Outdoor Performance and Gathering Space

The Beban Park Outdoor Performance and Gathering Space project was scoped out and the initial concept was valued at \$1,000,000; 7 Potatoes applied for the full amount from the JCLS. The JCLS awarded \$700,000 to 7 Potatoes who will provide the funds to the City to execute the project on their behalf. At the time of the award, the JCLS notified the 7 Potatoes that the grant funds could cover the construction of the performance space, seating and signage but not the landscaping portion of the project. An early concept for the project depicts a Japanese Style pagoda and tiered seating area with complimentary landscaping, lighting and signage commemorating Japanese-Canadians who lived in Nanaimo prior to 1942.

Staff have undertaken some budgeting work, and it is estimated that \$400,000 is required in order to be able to deliver the project as originally scoped and in order to be able to cover the costs of appropriate landscaping work that is required as part of the project (this includes 15% project contingency). This would bring the total project budget to \$1,100,000.

The City is undertaking the work on both of these projects with cultural advice and community project management services provided by 7 Potatoes.

FINANCIAL CONSIDERATIONS

The projects are currently funded exclusively by grant funding with the City responsible for any cost overruns. The 2025 – 2029 Financial Plan would be amended to include \$148,200 in 2025 and \$592,800 in 2026 allocated as follows:

Japanese-Canadian Memorial Garden - \$68,200 in 2025, \$272,800 in 2026
Beban Park Outdoor Performance and Gathering Space - \$80,000 in 2025, \$320,000 in 2026

Funding would be from the Strategic Infrastructure Reserve and the revised projected closing balances of the reserve if funding is approved are \$3,558,427 in 2025 and \$2,090,181 in 2026 with a minimum balance requirement in 2025 of \$351,780. |

OPTIONS

1. That the Finance and Audit Committee recommend that Council:
 1. Increase the budget for the Japanese-Canadian Memorial Garden project by \$341,000 funded from the Strategic Infrastructure Reserve Fund; and
 2. Increase the budget for the Beban Park Outdoor Performance and Gathering Space project by \$400,000 funded from the Strategic Infrastructure Reserve Fund.
 - The advantages of this option: The projects are able to proceed and will have appropriate budgets in order to make sure that they can be successfully implemented.
 - The disadvantages of this option: \$741,000 is required to be allocated from the Strategic Infrastructure Reserve which could be used to fund other Council projects or initiatives.
 - Financial Implications: The 2025 – 2029 Financial Plan will be amended for final to include the additional funding.

2. That the Finance and Audit Committee recommend that Council not support increasing for the Japanese-Canadian Memorial Garden project by and the Beban Park Outdoor Performance and Gathering Space project.
 - The advantages of this option: The Strategic Infrastructure Reserve would not be impacted and funding would remain for other projects.
 - The disadvantages of this option: The scope of both projects would need to be reduced, this would reduce their value and impact to the community. The deliverability of the Beban Park Outdoor Performance and Gathering Space project may be jeopardized as there would be no funds available to carry out the landscaping portion of the work. This could result in a need to hand the funds back to the JCLS.
3. That Finance and Audit Committee provide alternative direction to staff. |

SUMMARY POINTS

- The total value of JCLS grants secured by 7 Potatoes in partnership with the City is \$1.35M.
- There are presently no City funds in the 2025-2029 Capital Plan allocated to any of the Japanese-Canadian partnership projects.
- Allocating \$741,000 from the Strategic Infrastructure Reserve would allow for successful delivery of the Japanese-Canadian Memorial Garden and Beban Park Outdoor Performance and Gathering Space projects with no reduction in scope.
- These projects are required to be completed by March 2027.

Submitted by:

Charlotte Davis
Deputy Director, Parks & Natural Spaces

Concurrence by:

Darcie Osborne
Director, Parks, Recreation & Culture

Wendy Fulla
Director, Finance

Laura Mercer
General Manager, Corporate Services

Dale Lindsay
CAO

Delegation Request

Delegation's Information:

Tami Hirasawa, 7 Potatoes, has requested an appearance before the Finance and Audit Committee.

City: Nanaimo

Province: BC

Delegation Details:

The requested date is 2025-APR-16

Bringing a presentation: Yes

Details of the Presentation: 7 Potatoes Project Updates and Funding Request to complete two projects. The 7 Potatoes have secured \$1.34 M to complete 3 projects in collaboration with the City of Nanaimo. This money will be given to the City to execute the projects on behalf of the 7 Potatoes. We are requesting \$341,000 toward the Nanaimo Japanese Canadian Memorial Garden and BC Heritage Site project as well as \$400,000 toward the Beban Park Outdoor Performing, Gathering and Commemorating Project. Total ask= \$741,000 to be completed in Summer/Fall 2026.

From: Naomi Thomas <Naomi.Thomas@ycd.ca>
Sent: Thursday, April 10, 2025 9:57 AM
To: Naomi Thomas <Naomi.Thomas@ycd.ca>
Cc: Dave Devana <Dave.Devana@ycd.ca>
Subject: Funding Support for Hosting the Snowbirds August 2025

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good morning.

I hope this email finds you well. As requested by the Nanaimo Airport Commission, President & CEO, Dave Devana, I am reaching out today to discuss funding support for the upcoming Snowbirds event.

As part of a collaboration in promoting and enhancing the vibrancy of our community, Nanaimo Airport (YCD) is excited about the opportunity to bring the Snowbirds to the City of Nanaimo for performances scheduled on **August 15 and 16, 2025**.

To make this high-profile event a reality, we are seeking financial support and hoping to co-host this event with the **City of Nanaimo, Nanaimo Prosperity Corporation, Nanaimo Port Authority, and Tourism Nanaimo**. We are reaching out today to request a contribution of \$8,000 from each organization to help cover the associated costs.

YCD is committed to contributing a minimum of \$10,000 toward the event. However, to proceed, we need to raise at least \$30,000 collectively. The estimated cost to host the Snowbirds is \$40,000 to \$50,000, which includes:

- 13 rental vehicles for the Snowbirds team, estimated at \$6,000
- 30 hotel rooms from August 13–17, estimated at \$27,000
- Plus, additional operational and event-related expenses

A timely decision is essential. If we are unable to secure the necessary funding, we may need to cancel the event. Our goal is to confirm our hosting commitment with the Snowbirds during the **Organizing Committee meeting on April 22.**

We believe this event presents a great opportunity to generate excitement and tourism in the Nanaimo area, and we hope to partner with you to make it a success. Please let us know at your earliest convenience if your organization is able to contribute.

Regards,

Naomi Thomas, *She, Her, Hers*
Executive Assistant
Nanaimo Airport Commission

Direct: 250.924.6169 | **Cell:** 250.668.2878



www.ycd.ca



YCD Sits on the Traditional Territory of the Stz'uminus and Snuneymuxw Nations

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