



ANNUAL REPORT 2024

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Located on the traditional territory of the Stz'uminus First Nation and the Snuneymuxw First Nation, the Nanaimo Airport Commission respectfully acknowledges and thanks the First Nations' for their caring of these lands and waters since time immemorial.

OUR VISION

As "your most centrally located gateway between Vancouver Island and the World" we provide exemplary and sustainable passenger and aviation-related services that support regional economic development.

OUR MISSION

To manage the Nanaimo Airport's assets and relationships with our exceptional team to provide safe, financially sustainable, friendly, high-quality services to our customers, business partners and the community while contributing to our region's environmental, social and economic needs.



MESSAGE FROM OUR BOARD CHAIR & CEO

At Nanaimo Airport (YCD), our work goes far beyond runways.

Guided by our strategic plan, in 2024 we invested in infrastructure, supported environmental and accessibility initiatives, and strengthened community relationships. All of our decisions were guided by our core priorities of safety, reliability, and service.

One of our most visible achievements was progress on the new Short Simplified Approach Lighting System with Runway Alignment Indicator Lights. The project will improve landing safety and reduce weather-related delays. We also added three new pieces of heavy equipment to support airfield operations: a runway sweeper, front-end loader, and tractor with a brushing arm.

Another important investment was the upgrading of our parking lot lighting for energy efficiency. The project reduced our carbon footprint by one-third — an accomplishment made possible by our commitment to sustainability.

Our environmental leadership was recognized with Level 2 Carbon Accreditation from Airports Council International. We're proud to have been net climate positive for five years through both internal initiatives and support for the Coastal First Nations' Great Bear Initiative.

We were also proud of the diversity of relationships YCD enjoyed in 2024 within the communities in the region.

The Commission, for example, is deeply committed to a new era of investing in reconciliation. Nanaimo Airport is privileged to acknowledge the ancestral lands of the Stz'uminus and Snuneymuxw First Nations.

We honoured the rich cultures and contributions of Indigenous peoples across Canada. We hosted a Give Them Wings event for Indigenous youth and young adults in the region to introduce them to a pathway to careers in aviation.

In partnership with #Not In My City, we raised awareness about human trafficking and provided our team with tools to help identify and respond to potential incidents.

Accessibility is another area where we made real progress. Our new accessibility plan — developed with community and staff input — builds awareness of our services and removes barriers for travellers. Support programs now include curbside assistance, wheelchair service, the Sunflower Lanyard Program, pre-booked tours, and escort passes.

Our regional partnerships were also recognized internationally. We were honoured to receive the Airports Council International - North America Best in Airport Partnerships Award for our strategic collaboration with Kelowna International Airport on our Perfect Pairing campaign. It's a testament to what's possible when we work together.

That spirit of collaboration was evident throughout the year. YCD continued to work with airline partners to support and maintain current service. Though airlines decide which routes they offer, we ensure the airport is ready to support their success.

Nanaimo Airport is a vital transportation hub and a connector of people, communities, and opportunity. With more than \$150 million in infrastructure investment planned over the next decade, we're preparing for a future that's safer, more sustainable, and more inclusive.

We remain deeply committed to the region we serve and thank our staff, partners, and communities for continuing to share that journey with us.

Our runways may be the most visible part of what we do, but our role extends far beyond them.



Colleen M. Johel
Colleen
NAC Board Chair

Dave Devana
Dave Devana
President & CEO

2024 ACCOMPLISHMENTS AND IMPROVEMENTS

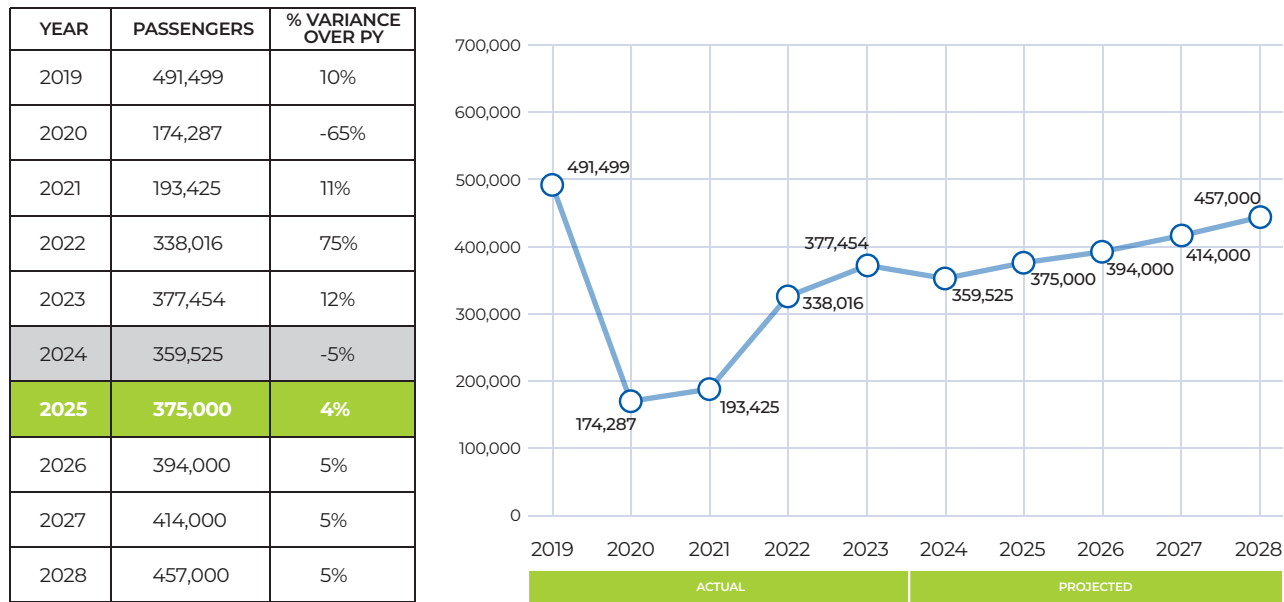


- Winner of the ACI North America Best in Airport Partnership Award
- Commencement of regular 737 service through WestJet
- Continued collaboration with the Nanaimo NightOwls
- Became an advocate for #NotInMyCity, a program raising awareness about the fight against human trafficking
- Hosted Give Them Wings, an aviation-themed job fair for Indigenous youth and young adults
- Purchase of new heavy equipment (Runway Sweeper, Tractor with Brushing Arm, and Front-End Loader)
- Construction on the installation of Simplified Short Approach Lighting System with Runway Alignment Indicator Lights (SSALR)
- Parking lot lighting upgrades completed, reducing our overall carbon footprint by one third
- Continued environmental initiatives including:
 - Drinking Water Treatment and Pressure System
 - ARFF No-Foam Portable System
 - Upgrade of approach lighting to LED's
- Completion of an indoor pet relief area

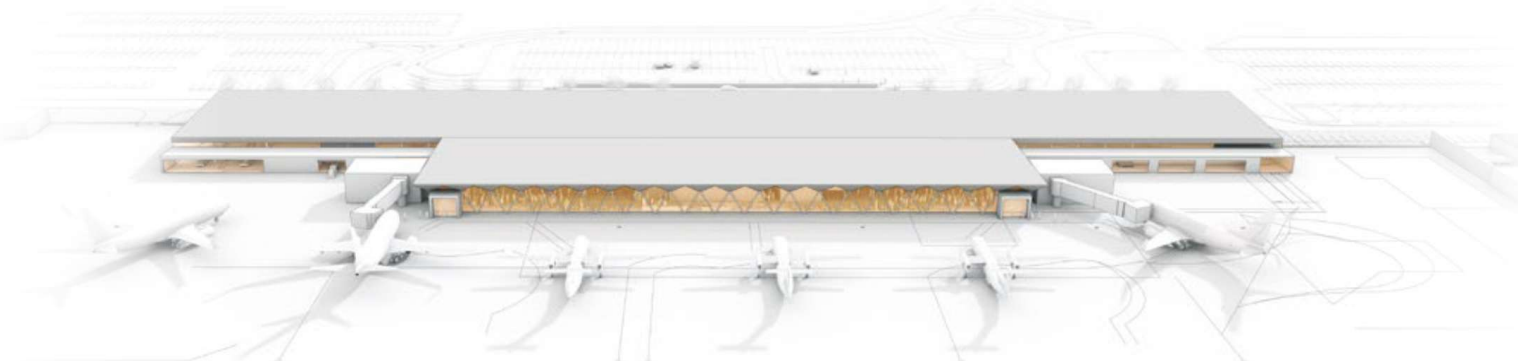


PASSENGER GROWTH

YCD continues to be on a growth trajectory to support one of Canada's top 5 fastest growing regions.



FUTURE PROJECTS & IMPROVEMENTS



Key Infrastructure Investments Required over next 5 to 10 years

NAC Investments

- Transition from a non-precision runway approach to precision runway approach - +/- \$5M
- Airport Terminal Building Expansion and enabling infrastructure +/- \$110M
- NAV Canada conversion from Flight Service Station (FSS) to Air Traffic Control Tower (ATC) - \$TBD
- Construction of 2 new airport entrances plus internal road network +/- \$7.5M

Private Sector Investments

- Air Cargo processing facility +/- \$8M
- Development of gateway commercial north area +/- \$50M

ABOUT YCD

- Located in Cassidy British Columbia, approximately 15 minutes south of Nanaimo and 25 minutes north of Duncan on Vancouver Island.
- Operating within the traditional territory of Stz'uminus First Nation & Snuneymuxw First Nation.
- YCD is owned and operated by the Nanaimo Airport Commission (NAC), a not-for-profit entity under the Canada Corporations Act Part II, and is governed by a 9-member independent board of directors.
- YCD is less than a 2 hour drive for 98% of Vancouver Island's population.
- YCD has daily scheduled passenger service through Air Canada, WestJet and Pacific Coastal Airlines. Additionally, our campus facilitates charter flights, air cargo and freight-courier services, medical transportation and acts as an alternate airport for aircraft unable to land at other west coast airports.
- YCD is the only airport on Vancouver Island that could be serviced by passenger rail connecting Victoria and Nanaimo and is conveniently located 13 km away from the Duke Point deep sea marine cargo port.



BOARD OF DIRECTORS



COLLEEN JOHEL
Board Chair
Cowichan Valley Regional District



GARTH BUCSH
Vice Chair
Member at Large



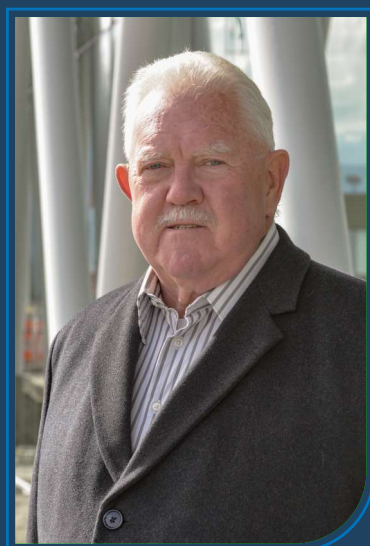
MARK TAYLOR
Board Secretary
Member at Large



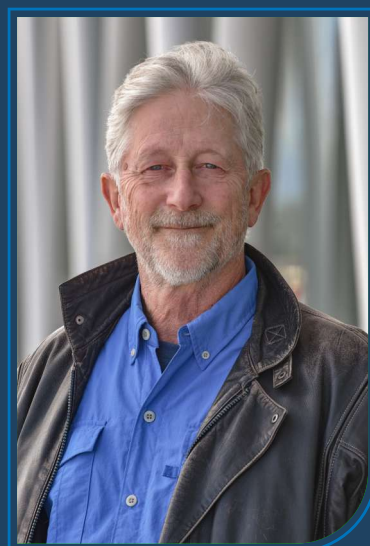
JANNA GILICK
Director
City of Nanaimo



HARPREET MINHAS
Director
Regional District of Nanaimo



MIKE BROWN
Director
Member at Large



GEORGE HANSON
Director
Nanaimo Chamber of Commerce



GORD HORTH
Director
Town of Ladysmith

STRATEGIC GOALS AND ACTIONS

The following strategic goals will help drive our progress in 2024-2028:



Strengthen our core business and diversify our revenue base



Minimize environmental impacts and achieve Net Zero by 2030



Strengthen relationships, partnerships and First Nations reconciliation



Pursue excellence in airport operations, management and customer experience

Each goal has a set of strategic actions with targets or outcomes.

The Nanaimo Airport Commission is comprised of up to nine Directors, all appointed by the NAC. Four Directors are selected to represent the community at large and the following five entities provide to the NAC a short list of nominees whose appointment is then subject to the consideration of the Directors as provided by the NAC's Bylaws.

- The City of Nanaimo
- The Regional District of Nanaimo
- The Cowichan Valley Regional District
- The Town of Ladysmith
- The Nanaimo Chamber of Commerce

LEADERSHIP TEAM

Our leadership team is a group of professionals who oversee our daily operations. They carry out the strategic direction of the NAC and report to the Board of Directors. They have backgrounds in administration, financial management, the aviation sector, and customer service. Our leadership team takes pride in developing good governance that helps ensure our airport continues to be independently operated, well managed, dependable, reliable, and fiscally sustainable.



DAVE DEVANA
President &
Chief Executive Officer



JUSTINE LYVER
Chief Financial Officer



DON GOULARD
VP Operations &
Regulatory Affairs



BRANDON WIEBE
Senior Manager
Of Operations



**LAURIE
HAWTHORNTHWAITE**
Airport Terminal &
Customer Care Manager



OWEN BURT
Airport Operations
Coordinator

ADMINISTRATION & STAFF

Our experienced team is dedicated to creating an attractive, stress-free and positive environment for our customers and guests.

ADMINISTRATION

Dave Devana, President & Chief Executive Officer
Justine Lyver, Chief Financial Officer
Christania Chantyman, Accounting Assistant / Payroll Administrator
Naomi Thomas, Executive Assistant

OPERATIONS


Don Goulard, VP Operations & Regulatory Affairs
Brandon Wiebe, Senior Manager of Operations
Laurie Hawthornthwaite, Airport Terminal & Customer Care Manager
Owen Burt, Airport Operations Coordinator
Nick Creighton, Assistant Superintendent, Safety & Security
Megan Low, Operations Administrator

AIRPORT OPERATIONS SPECIALISTS

Jarroed Edwards, Mechanic	Gord Medves
Jackson Hower, Electrician	Kevin Needham
Jason Benedict	Aaron Page
Kyle Evans	Kyle Rainone
Marc Gregoire	Joshua Taylor
Paul Cygan	

CUSTOMER CARE REPRESENTATIVES

Savanah Broatch	Jenny Degelder
Colton Coppens	



2024 NAC FINANCIAL STATEMENTS

Management Responsibility for Financial Statements

Independent Auditor's Report

To the Board of Directors of Nanaimo Airport Commission:

To the Board of Nanaimo Airport Commission:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

Opinion

We have audited the financial statements of Nanaimo Airport Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Commission. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Finance & Audit Committee is also responsible for recommending the appointment of the Commission's external auditors.

Basis for Opinion

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

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Finance & Audit Committee and management to discuss their audit findings.

Other Information

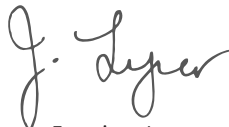
Management is responsible for the other information, comprising the annual report, which is expected to be made available to us after the date of this auditor's report.

May 6, 2025

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Dave Devanas
President & Chief Executive Officer



Justine Lyver
Chief Financial Officer

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report cont.

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 accounting standards for not-for-profit organizations, 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report cont.

- 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 Commission'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 Commission'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 Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Nanaimo, British Columbia
May 6, 2025

MNP LLP
Chartered Professional Accountants

Nanaimo Airport Commission
Statement of Financial Position

As of December 31, 2024

	2024	2023
Assets		
Current		
Cash	16,154	943,486
Accounts receivable	822,375	717,834
Funding receivable	-	10,714
Prepaid expenses	414,026	430,077
Current portion of note receivable (Note 3)	24,932	21,682
	1,277,487	2,123,793
Notes receivable (Note 3)	64,453	89,543
Capital assets (Note 4)	51,726,491	51,305,137
Internally restricted cash and investments (Note 5)	2,231,533	3,740,154
	55,299,964	57,258,627
Liabilities		
Current		
Bank indebtedness (Note 6)	2,288,975	3,505,770
Bankers acceptances (Note 6)	2,096,113	2,749,626
Accounts payable & accrued liabilities	587,295	587,239
Unearned revenue	98,645	138,399
Current portion of long-term debt (Note 7)	19,222	18,677
	5,090,250	6,999,711
Long-term debt (Note 7)	5,762	24,985
Deferred capital contributions (Note 8)	23,177,304	23,880,597
Security deposits	13,296	13,296
	28,286,612	30,918,589
Net Assets	24,148,416	21,097,437
Invested in capital assets	2,231,533	3,740,154
Internally restricted (Note 5)	633,403	1,502,447
Unrestricted	27,013,352	26,340,038
	55,299,964	57,258,627


DIRECTOR

Approved on behalf of the Board of Directors


DIRECTOR

Nanaimo Airport Commission
Statement of Operations

For the year ended December 31, 2024

	2024	2023
Revenue		
Passenger fees	2,745,918	2,872,429
Vehicle parking	2,169,881	2,414,736
Terminal building	785,728	709,125
Property leases	518,692	408,572
Aviation & fueling fees	162,008	179,173
Other	8,274	73,648
Operating grants & subsidies	-	35,264
	6,390,501	6,692,947
Expenses		
Operating, maintenance & administrative (Note 9)	3,157,862	3,488,767
Wages & benefits	2,995,005	3,034,721
	6,152,867	6,523,488
Excess of revenue over expenses from operations	237,634	169,459
Other revenue (expenses)		
Passenger facility fees	2,485,845	2,258,034
Amortization of deferred contributions (Note 8)	1,502,636	1,381,539
Amortization of capital assets	(3,370,168)	(3,165,798)
Loss on disposal of capital assets	(72,977)	(59,038)
Unrealized (loss) gain on bankers acceptance (Note 6)	(37,347)	28,045
Interest income	50,143	25,517
Interest on debt	(122,452)	(142,410)
	435,680	325,889
Excess of revenue over expenses	673,314	495,348

Nanaimo Airport Commission

Statement of Changes In Net Assets

For the year ended December 31, 2024

	Invested in Capital Assets	Internally Restricted <i>(Note 6)</i>	Unrestricted	2024	2023
Net assets, beginning of year	21,097,437	3,740,154	1,502,447	26,340,038	25,844,690
Excess of revenue over expenses	(1,867,532)	-	2,540,846	673,314	495,348
	19,229,905	3,740,154	4,043,293	27,013,352	26,340,038
Transfer of passenger facility fees to internally restricted fund	-	2,605,353	(2,605,353)	-	-
Transfer to fund interest and fees on debt	-	(122,452)	122,452	-	-
Transfer to fund purchase of capital assets	3,791,522	(3,791,522)	-	-	-
Transfer of funds to repay debt related to capital assets	1,926,332	(200,000)	(1,726,332)	-	-
Transfer of funds received as deferred capital contributions	(799,343)	-	799,343	-	-
Net assets, end of year	24,148,416	2,231,533	633,403	27,013,352	26,340,038

Nanaimo Airport Commission

Statement of Cash Flows

For the year ended December 31, 2024

	2024	2023
Cash provided by (used for) the following activities:		
Operating		
Excess of revenue over expenses	673,314	495,348
Amortization of capital assets	3,370,168	3,165,798
Unrealized loss (gain) on bankers acceptance	37,347	(28,045)
Amortization of deferred capital contributions	(1,502,636)	(1,381,539)
	2,578,193	2,251,562
Changes in working capital accounts		
Accounts receivable	(104,541)	(102,971)
Grants receivable	10,714	2,709,339
Prepaid expenses and deposits	16,051	(18,536)
Accounts payable & accrued liabilities	56	(699,188)
Unearned revenue	(39,754)	38,860
	2,460,719	4,179,066
Financing		
Repayments of capital lease obligations	-	(20,969)
Repayment of long-term debt	(18,678)	(18,145)
Decrease in security deposits	-	(5,575)
Repayment of bank indebtedness	(1,216,795)	(151,392)
Repayment of bankers acceptances	(690,860)	(690,860)
	(1,926,333)	(886,941)
Investing		
Purchase of capital assets	(3,791,522)	(3,562,527)
Repayment of notes receivable	21,840	20,821
Transfers to internally restricted cash	1,508,621	(1,320,261)
Deferred capital contributions received	799,343	1,701,903
	(1,461,718)	(3,160,064)
(Decrease) increase in cash	(927,332)	132,061
Cash, beginning of year	943,486	811,425
Cash, end of year	16,154	943,486

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

1. Incorporation and nature of the organization

The Nanaimo Airport Commission (the "Commission") is incorporated under the laws of the Canada Not-for-Profit Corporations Act and is a not-for-profit organization under the Income Tax Act (the "Act") and as such is exempt from income taxes.

The Commission operates the Nanaimo Airport (YCD) which serves individuals travelling to and from south-central Vancouver Island.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board In Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Land	5 to 50 years
Buildings	25 years
Vehicles	5 to 20 years
Equipment & apparatus	5 years
Furniture and fixtures	5 years
Infrastructure	10 to 50 years
Airspace	5 years

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies - cont.

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Commission's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Derivative financial instruments

Derivative financial instruments are financial contracts whose value changes in response to a change in an underlying variable, such as specified interest rate, financial instrument or commodity price, or foreign exchange rate. The Commission enters into derivative contracts to manage its exposure to interest rate risks associated with its bank indebtedness. As at December 31, 2024, the Commission has one derivative financial instrument as disclosed in Note 6.

Financial instruments

The Commission recognizes financial instruments when the Commission becomes party to the contractual provisions of the financial instrument.

Fund accounting

The Commission follows the deferral method of accounting for contributions and reports using fund accounting, and maintains three funds: Unrestricted Fund, Capital Asset Fund and Internally Restricted Fund.

The Unrestricted Fund reports the Commission's assets, liabilities, revenue and expenses related to regular airport operations, safety and regulatory, and administrative activities.

The Capital Asset Fund reports the Commission's assets, liabilities, revenue and expenses related to Nanaimo Airport Commission's capital assets.

The Internally Restricted Fund reports the Commission's assets, liabilities, revenue and expenses related to Nanaimo Airport Commission's internally restricted funds. The Commission maintains internally restricted funds for contingency reserve, tangible capital asset reserve and regulatory recovery fee reserve.

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies - cont.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Contributed capital assets are recorded at their fair value. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Revenue recognition

The Commission uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the Unrestricted Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized in the appropriate deferred contribution balance or in net assets depending on the nature of the restrictions. Unrestricted investment income is recognized as revenue in the Unrestricted Fund when earned.

- Passenger revenue, landing fees and general terminal fees are recognized as revenue when airport facilities are utilized.
- Parking revenue is recognized as the lot is used.
- Regulatory recovery fees and passenger facility fees are recognized as revenue at passenger departure.
- Land lease and other concession revenue is recognized as revenue monthly in accordance with the rental agreements.
- Capital grants are deferred when received and amortized over the useful life of the corresponding assets.

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

3. Notes receivable

Note receivable consists of a promissory note with a face value of \$89,385 (2023 - \$111,225) due from an unrelated company. The note bears interest at prime plus 1%, the prime rate was 5.45% at December 31, 2024 (2023 - 7.20%) . The note is repayable in monthly installments of \$750 per month from October 1, 2019 to September 1, 2021 and at \$2,500 per month thereafter until the principal and interest is paid in full. The note is due on demand but the Commission has no intention of calling the note in the coming year.

4. Capital assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Land	3,944,359	-	3,944,359	3,877,200
Buildings	31,815,525	12,015,656	19,799,869	20,877,309
Vehicles	429,197	319,190	110,007	167,707
Equipment & apparatus	6,295,688	3,226,944	3,068,744	2,286,079
Furniture and fixtures	2,036,845	1,275,349	761,496	969,438
Infrastructure	35,011,552	13,429,289	21,582,263	22,435,025
Airspace	2,165,782	1,770,740	395,042	505,079
	81,698,948	32,037,168	49,661,780	51,117,837
Assets under development	2,064,711	-	2,064,711	187,300
	83,763,659	32,037,168	51,726,491	51,305,137

No amortization of the assets under development has been recorded during the year.

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

5. Internally restricted cash and investments

	2024	2023
Cash held in operating accounts		
Cash held in bank accounts	1,402,819	2,954,094
Cash held in investment accounts		
RBC Dominion Securities	828,714	786,060
	<u>2,231,533</u>	<u>3,740,154</u>
Tangible Capital Asset Reserve		
Opening balance	2,888,639	1,669,058
Contributions	2,485,845	2,258,034
Acquisitions and development	(4,010,594)	(3,688,453)
Transfer from unrestricted funds	-	2,650,000
	<u>1,363,890</u>	<u>2,888,639</u>
Minimum Operating Reserve		
Opening balance	750,835	750,835
	<u>750,835</u>	<u>750,835</u>
Regulatory Capital Reserve		
Opening balance	100,681	-
Contributions	119,508	117,165
Expenditures	(103,381)	(16,484)
	<u>116,808</u>	<u>100,681</u>
Ending balance	<u>2,231,533</u>	<u>3,740,154</u>

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

6. Demand credit

The Commission has credit facilities arranged with the Canadian Imperial Bank of Commerce (CIBC) that were approved on August 28, 2020. The facilities provide for a facility of \$200,000 that supports the corporate credit cards, demand operating credit of \$4,500,000 and revolving capex term installment loan of \$7,500,000.		
The facilities have been secured by:		
- General security agreement;		
- Satisfactory ISDA agreement;		
- Collateral mortgage creating a first-priority charge of \$20,000,000 on real property owned by the Commission.		
As at December 31, 2024 there were draws on the credit facilities as follows:		
Bank indebtedness	2024	2023
Demand operating credit facility bearing interest at prime minus 0.40% or 5.55% (2023 - 6.80%)	<u>2,288,975</u>	<u>3,505,770</u>
Bankers Acceptances		
Revolving capex term installment loan in the form of a fixed rate bankers acceptance bearing interest at 3.47% (2023 - 3.47%) plus a stamping fee of 0.85%, with monthly installments of \$54,166 plus interest, maturing April 2027. See below on derivatives.	1,841,667	2,491,667
Revolving capex term installment loan in the form of a variable rate bankers acceptance bearing interest at prime minus 0.40% or 5.55% (2023 - 6.80%) plus a stamping fee of 0.85%, with monthly installments of \$3,405 plus interest, maturing December 2030.	<u>245,144</u>	<u>286,004</u>
	<u>2,086,811</u>	<u>2,777,671</u>
Fair value adjustment on the fixed rate interest rate swap banker's acceptance	<u>9,302</u>	<u>(28,045)</u>
	<u>2,096,113</u>	<u>2,749,626</u>

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

6. Bank indebtedness - cont.

Bankers Acceptances cont.

The demand operating credit facility is a revolving line of credit with no specific repayment terms.

Principal repayments on the revolving capex term credit facilities in each of the next five years, assuming all term debt is repaid subject to contractual terms of repayment are estimated as follows:

2025	690,860
2026	690,860
2027	582,527
2028	122,564
	2,086,811

Derivative financial instruments

The Commission holds a fixed rate interest swap banker's acceptance that is not designated for hedge accounting. Accordingly, this derivative financial instrument is measured at fair value at each reporting date, with the related gain recognized in the excess of revenue over expenses. Fair value of the bankers acceptance is determined by a mark to market provided by the financial institution. The mark to market as of December 31, 2024 resulted in an unrealized loss of \$37,347 (2023 - gain of \$28,045).

The notional value of the derivative financial instruments and their related carrying values has been summarized and included in the table below.

	2024 Notional Amount	2024 Carrying Amount	2023 Notional Amount	2023 Carrying Amount
Bankers Acceptance	1,841,667	1,850,969	2,491,667	2,463,622

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

7. Long-term debt

Ford Credit Canada Company: loan, repayable with monthly blended payments of \$645 bearing interest of 1.99%, matures October 2027, secured by a vehicle with a net book value of \$4,745 (2023 - \$14,235).

2024	2023
13,306	20,705
11,678	22,957
24,984	43,662
19,222	18,677
5,762	24,985

Ford Credit Canada Company: loan, repayable with monthly blended payments of \$992 bearing interest of 3.49%, matures January 2026, secured by a vehicle with a net book value of \$6,559 (2023 - \$19,698).

Less: current portion

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2025	19,222
2026	5,762
Total	24,984

8. Deferred capital contributions

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2024	2023
Balance, beginning of year	23,880,597	23,560,233
Capital grant funds received during the year	799,343	1,701,903
Less: Amounts recognized as revenue during the year	(1,502,636)	(1,381,539)
Balance, end of year	23,177,304	23,880,597

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

9. Operating, maintenance & administrative expenses

	2024	2023
Advertising & promotion	134,255	212,691
Bank charges & fees	91,772	98,224
Computer and information systems	243,086	235,250
Discretionary funds	10,434	841
Environmental	261,685	239,750
Honoraria & allowances (Note 10)	112,432	110,749
Human resources & recruiting	13,405	20,700
Insurance	287,178	278,300
Legal & accounting	60,566	55,117
Licenses & permits	1,850	2,610
Meetings, hospitality & events	104,653	63,754
Memberships, dues, & subscriptions	23,113	17,001
Office & administrative	35,354	36,941
Property taxes	113	1,661
Repairs & maintenance	608,389	672,368
Scholarships, sponsorships & donations	94,396	93,272
Subcontract, consultant & casual labour	416,553	608,673
Supplies, materials & small equipment	58,634	87,289
Training & development	95,775	104,210
Travel & mileage	78,093	102,484
Utilities & communications	318,837	328,219
Volunteer	7,818	10,249
Winter maintenance	99,471	108,414
	3,157,862	3,488,767

Nanaimo Airport Commission

Notes to the Financial Statements

For the year ended December 31, 2024

10. Director stipends

The total remuneration paid to directors at December 31, 2024 is \$107,079 (2023 - \$105,475).

11. Remuneration of employees & contractors

The total remuneration incurred for the top ten employees and contractors over \$75,000 at December 31, 2024 is \$3,412,892 (2023 - \$4,327,044).

12. Financial instruments

The Commission, as part of its operations, carries a number of financial instruments. It is management's opinion that the Commission is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Commission to concentrations of credit risk consist primarily of trade accounts receivable. Commission sales are concentrated in the transport sector; however, credit exposure is limited due to the Commission's large customer base of carriers, tenants and licensees. However at year end two major customers comprised the largest portion of receivables in total \$332,819 (2023 - \$356,897).



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