

# Annual Report

April 1, 2013 – March 31, 2014



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# Souris Harbour Authority Inc. Annual Report - 2013-14

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## 1. INTRODUCTION

The Souris Harbour Authority Inc., (SHAI) is a not-for-profit community based company incorporated in 2006 under Part II of the P.E.I. Companies Act to own, operate and promote the development of the Port of Souris. This is the eighth annual report of the corporation.

## 2. BOARD GOVERNANCE, MANAGEMENT AND PROFESSIONAL SERVICES

The Board of Directors of the Souris Harbour Authority Inc. are:

<b>Member</b>	<b>Representing</b>
<b>Denis Thibodeau, President</b>	<b>Town of Souris</b>
<b>Brian MacPhee, Vice President</b>	<b>Fishers</b>
<b>Eric Gallant, Secretary</b>	<b>Marina</b>
<b>Dr. Colin Jack, Treasurer</b>	<b>Community Enhancement Corporation</b>
<b>Brian Ching</b>	<b>Port User</b>
<b>Joanne Chisholm</b>	<b>Community at Large</b>
<b>Jason Chapman</b>	<b>Port User</b>
<b>Terry Campbell</b>	<b>Community at Large</b>
<b>Peter MacPhee</b>	<b>Fishers</b>

The Board of Directors of SHAI meets monthly. The board's agenda includes financial, management and committee reports and various company business matters. The Board of Directors oversees policy and operations with three committees; Finance, Audit and Governance; chaired by Dr. Colin Jack, Capital Planning, chaired by Eric Gallant and Marketing and Business Development, chaired by Denis Thibodeau. Board Committees meet on a regular basis or when required for operational and planning matters.

The corporation's management team consists of Denis Thibodeau, CEO, Art MacDonald, Port Manager, Margo Robertson, Accountant/Office Administrator, Eastern Cold Storage Manager André Gallant, Eric Gallant, Marina and Lighthouse Manager, Delbert Francis, Senior Financial Advisor and Gerry Gallant, Business Development Consultant.

Scotia Asset Management, Toronto and Scotia McLeod, Charlottetown are SHAI's investment management advisors and the Bank of Nova Scotia is its lender. Local banking services are provided by the Souris Credit Union. The company's auditor is MacPherson, Roche, Smith and Associates, Charlottetown. Legal counsel is provided by Barbara Smith, Stewart, McKelvey, Charlottetown, Alan MacPhee, Souris and Daniel Watt, McInnes Cooper, Halifax.

## **3. COMPANY ACTIVITIES**

### **3.1 Operations and Maintenance**

The port's commercial activity includes commercial shipping, mostly in-bound aggregate and berthage. Aggregate imports and berthage revenue were higher in 2013 than in 2014.

The port had five buyers operating from its facilities in the lobster, snow crab, herring, tuna, mackerel, scallop, and rock crab fisheries. Snow Crab landings at the port were slightly less than 1,000,000 lbs. Although landings of pelagic species were down from prior years, the Souris Port plays an important role in the offload and load consolidation of fishery products.

### **3.2 Repairs & Upgrades**

The Authority contracted a series of major repairs and upgrades on its various wharfs and facilities.

Marine Terminal cope wall repairs including replacement fenders, new horizontal fendering along the north face to accommodate barge traffic. The Transit Shed is now fully occupied with a new lessee.

Working in conjunction with PEI Aquaculture, Fisheries and Rural Development, SHAI obtained financing to upgrade the lobster holding equipment in the tank house and contracted a long term lease for the facility. This investment enabled the facility to operate and create much needed employment.

The Boat Harbour repairs consisted of 400 ft. of new walers and sheathing to extend the life of the structure and berthing area. A Waste Oil Collection Building was also constructed to mitigate potential environmental contamination and facilitate recycling of oil waste.

At the Knights Landing wharf, approximately 100 ft. of timber fendering was replaced in way of hoists to facilitate crab offload. A new tenant for the Ice House was contracted and this brought the facility back to operations after a few years of inactivity.

The Marina Services Facility experienced 60% growth from the previous year in the topside storage of sailing and pleasure craft. The Authority constructed a new 12 bay storage building for rental space to topside yard users for storage of ships gear.

The small container vessel, the Dutch Runner continues its layover at the port.

## 4. BUSINESS DEVELOPMENT

- **Upgrades to the tank house on the EastPac Wharf were successfully completed in spring, 2014. The tenant has experienced no losses continually storing over 120,000 lbs. of live lobsters in the facility.**
- **A 250 Mw wind turbine for electrical supply to Eastern Cold Storage is being constructed in summer, 2014.**
- **Eastern Cold Storage expansion to support its growing customer base in the blueberry, fishing and aquaculture industry is to be undertaken in summer of 2014.**
- **The marina has 38 permanent vessels berthed which include 13 tuna recreational fishing charter vessels. In 2013, 66 transient vessels visited the marina staying an average of 1.4 days.**
- **SHAI and the Souris Marina are sponsoring the 150 Sailing Challenge as part of the 150 year Fathers of Confederation Meeting celebrations. The race takes place the week of July 28, 2014 and will involve upwards to 12 vessels racing from Charlottetown around Pictou Island, to Iles de la Madeleine and finishing in Souris August 1.**
- **Lighthouse visitations were up in 2013 from 2012. The lighthouse hosted over 1,400 tours in 2013. A successful Seaglass Festival was held in July, 2013 with over 5,000 attendees.**
- **The Sheltered Harbour Café and Pub leasing waterfront facilities successfully operated its second season.**

## 5. FINANCIAL

Highlights of the audited financial statements of the corporation prepared by MacPherson, Roche, Smith and Associates for the year ended March 31, 2014 include:

- ✓ In 2013-14, total revenues were \$3,019,779, a decrease of \$251,939 from 2012-2013. Decreases were mainly due to lower interest earnings from the investment portfolio as dividend and capital gains from the bond markets have been moderate. The amount of transfer contributions applied during the year was also less than the previous year. Operating revenues were \$521,420 an increase of \$184,404 over the previous year, mostly due to charging interest on past due accounts and growth in Eastern Cold Storage revenues.
- ✓ Other income of \$2,059,048 is the sum of interest income, realized gains from sales of investments earned from the corporation's investments totalling \$629,878 plus draws downs from the capital fund \$1,190,106, government grants \$59,241 and amortization of contributions \$179,913.
- ✓ Total expenses of all port and business operations (including \$474,937 in depreciation) were \$2,176,052. Excess revenue over expenditures in 2013-14 was \$843,727.
- ✓ The market value of SHAI's long term investments as of March 31, 2014 was \$19,303,887. Of this amount, \$7,604,527 is non-restricted meaning the Authority can use these funds not constrained by the Transport Canada Contribution Agreement which stipulates restricted funds can only be used for port operations and maintenance. Property and equipment values totalled \$10,100,638 for total assets of \$29,963,120. Total long term debt of the corporation as of March 31, 2014 is \$2,561,347.
- ✓ SHAI is proud to be a committed community supporter and donated over \$8,000 to local sport teams and community organizations in 2013-2014

## 6. CONCLUSION

I wish to recognize the contributions of our board members. Their leadership, valuable decision making based on their broad base of experience and commitment to the board's fiduciary responsibilities and good governance ensures the long term sustainability of the corporation. I also want to thank our management team for their valuable services.

Respectively submitted,



Denis Thibodeau  
Chairman

