







portofbelledune.ca



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### **Board Committees**



Danika Keeley Chairperson



Hermel Vienneau Director



Lucien Sonier
Director



**Paul Shannon** Vice-Chairperson



Iris Auclair-Bernard Director



Luc Roy Director



Lorio Roy Director



**Denis Caron**President & CEO

HUMAN RESOURCES & GOVERNANCE COMMITTEE

Chair: Lorio Roy Vice-Chair: Paul Shannon

Danika Keeley, Luc Roy

**AUDIT COMMITTEE** 

**Chair: Lucien Sonier** 

**Vice-Chair: Hermel Vienneau** 

Iris Auclair-Bernard

SUSTAINABLE DEVELOPMENT COMMITTEE

**Chair: Iris Auclair-Bernard** 

Vice-Chair: Paul Shannon Lucien Sonier, Hermel

COMMUNITY OUTREACH COMMITTEE

**Chair: Paul Shannon** 

**Vice-Chair: Luc Roy** Danika Keeley, Lorio Roy \*Due to the current COVID-19 health pandemic, an in-person photo was not possible. However, as we continue to work remotely, technology has helped us stay connected and productive through these challenging times.



Key to weathering this storm has been the continued commitment of the people who work tirelessly within all areas of the supply chain network.

## Message from the Chair of the Board of Directors

I would like to begin by acknowledging that the land on which the Belledune Port Authority is situated is the traditional and unceded territory of the Mi'gmaq people.

The year 2020 will be remembered as a time when everything changed. Resiliency and nimbleness allowed the Belledune Port Authority to rise to the challenge, adapt to the new reality and continue to contribute to Canada's Trade Objectives. Despite the challenges associated with the global pandemic and the impact of a major terminal operator cessing its operations, the BPA delivered a solid financial performance with a net profit of \$1.6 million and 106 vessels calling on the port.

Key to weathering this storm has been the continued commitment of the people who work tirelessly within all areas of the supply chain network. As Chair of one of Canada's 17 Port Authorities, I want to recognize their efforts and underline the contributions made by our own President and CEO, Mr. Denis Caron, and the talented team of professionals who keep striving towards achieving the BPA's strategic goals.

Collaboration and stakeholder engagement are essential elements which help inform our long term strategic plans, while our partnerships with both the federal and provincial government enable us to realise our growth strategy by investing in our infrastructure. These investments will permit us to safely increase capacity and efficiencies which will encourage new development opportunities. Ultimately, these strategic partnerships will allow us to leverage commerce to drive prosperity for Northern New Brunswick.

Major contributors to this end are the tenants and terminal operators of the Port. I thank them for their continued commitment to the Port and also for their own investments in their operations. Also, I want to recognize the important commitment

to a world class clean up undertaken by Glencore and their establishment of the tripartite relationship with the BPA and First Nations which will facilitate this end.

As we welcome our newest member of the Board of Directors, Mr. Hermel Vienneau, I would also like to acknowledge our past and present members of the Board of Directors and their efforts in establishing and maintaining open and transparent governance practices. In particular, I would like to acknowledge Mrs. Alberta Buttimer who's service was exemplary during her three terms. She was as generous with her time as she was with her talents and I personally thank her for her valuable insights.

With the glimmer of light piercing through the end this Coronavirus tunnel, we can start to envision our post-pandemic reality. The BPA will increasingly have to play a pivotal roll in a complex supply chain, to this end we have adopted new committee structures making us more efficient in the use of our resources all the while maintaining good governance practices. I look forward to the day that we can safely come together around our much missed board room table where we can take our place as an engine for the economic recovery of our region, our province and our country.

Belledune...Unlimited!

Danika Keeley Chair of the Board of Directors

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## Message from the President & CEO

Last year when writing my address, we were a few months into a global pandemic. No one knew how long we would have to weather this storm or even what coping mechanisms would be required to survive as a business. Through Canada's National Strategy for Critical Infrastructure, the Belledune Port Authority was quickly deemed an essential service and we were required to make adjustments to protect the health and safety of our people while continuing to operate.

A year later, I can honestly say that the challenges and changes brought about by Covid-19 pushed our team to become creative and resourceful in their work. We were quick to implement measures to comply with Public Health directives and moved what staff we could to working from home. Our Board of Directors were migrated over to virtual meetings and adapted exceptionally well.

Despite adaption to a new working norm, our growth plans continued to gain momentum. Phase 1 of our expansion project was completed in 2020 and plans for work in 2021 are ready to go. We embarked upon a Master Development Plan to provide us with direction for the future. This plan looks to position the Port as an economic driver for the region and offers us the ability to understand how to grow, identify opportunities and partner. In fact, 2020 was an extremely positive year for business development and financial performance having exceeded our Net Profit target of \$1.4 million. Achieving a net profit of more

than \$1.6 million was a great way to close 2020.

Despite the financial success of the year, my team is driven by more than just profit. We are focussed on sustainable development. With NB Power, we are working on understanding the federal government's requirements to reduce carbon emissions. We are striving to create a greener port and longevity for power production in northern New Brunswick. Our partnership with Quebec Stevedoring Ltd. continues to bring more business to the Port. The construction of a multi-million dollar storage facility for wood pellets is capitalizing on the wood pellet boom and increase in volume. We are looking forward to continued work on this project throughout 2021.

As the community is aware, the Glencore clean-up has begun and I am encouraged by the level of collaboration and engagement between the parties. In fact, the end of 2020 saw the creation of a Tripartite Committee comprised of Glencore, the Belledune Port Authority and our First Nations neighbours. This committee came together to discuss the decommissioning project and environmental impact assessment creating a place for troubleshooting and engagement. Open, transparent, and honest communication is the foundation for strong relationships, and I thank our First Nations neighbours and Glencore for participating in this forum.

As I look back on 2020, I see how my team has built a resiliency that will serve



us well in the future. We learned how to adapt, how to embrace change and how to improve the health and safety of our people. Thank you to staff and our Board of Directors for tackling the challenges that was the year 2020. Your effort, encouragement and teamwork has been so appreciated. Looking forward to a prosperous 2021, with a focus on relationship strengthening, responsible development and the collective work of staying safe.



Denis Caron, President & CEO



## Belledune Port Authority Condensed Financial Statements

## Management's Report

The financial statements from which the accompanying condensed financial statements were summarized have been prepared in accordance with International Financial Reporting Standards by management, who is responsible for their integrity, objectivity and reliability. Management has exercised its judgement in selecting principles or methods which are most appropriate to Belledune Port Authority (the "Authority") and in making estimates where such judgement is required to determine the amount reported.

The Authority maintains systems of internal accounting and administrative controls that provide management with reasonable assurance that assets are safeguarded and reliable financial records are maintained. These systems include written policies and procedures and an organizational structure that segregates duties.

The Board of Directors is responsible for overseeing management in its financial reporting responsibilities and for approving the financial information included in the financial statements.

To assist the Board of Directors in meeting its responsibility, it has appointed an Audit Committee to oversee the financial reporting process on behalf of the Board of Directors. In order to carry out this responsibility, the Committee reviews the Authority's financial statements and gives its recommendations to the Board of Directors.

The Audit Committee also reviews any reports prepared by the Authority's auditor regarding the Authority's accounting policies and procedures, as well as its internal controls. The Audit Committee meets independently with management and the auditor to review the involvement of each in the financial reporting process and to review the independence of the auditor. These meetings also facilitate any private communication with the Audit Committee that is desired by either party.

This Committee also has the responsibility of recommending the appointment of the Authority's auditor, who is appointed annually by the Board of Directors.

March 25, 2021

Lucien Sonier Chairperson, Audit Committee Denis Caron President & CEO



## Independent Auditor's Report

### To the Board of Directors of Belledune Port Authority

#### **Opinion**

The condensed financial statements, which comprise the condensed statement of financial position as at December 31, 2020, the condensed statement of operations and comprehensive income for the year then ended, and related notes, are derived from the audited financial statements of Belledune Port Authority for the year ended December 31, 2020.

In our opinion, the accompanying condensed financial statements are a fair summary of the audited financial statements on the basis described in Note 2.

#### **Condensed Financial Statements**

The condensed financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the condensed financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The condensed financial statements and the audited financial statements do not reflect the effects of

Bathurst, New Brunswick March 25, 2021 events that occurred subsequent to the date of our report on the audited financial statements.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 25, 2021

### Management's Responsibility for the Condensed Financial Statements

Management is responsible for the preparation of the condensed financial statements on the basis described in Note 2.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on whether the condensed financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

Chartered Professional Accountants

Grant Thornton LLP

## Condensed Statement of Operations & Comprehensive Income

For the year ended December 31	2020	2019
Revenues Harbour services	\$ 1,651,253	\$ 2,173,912
Rentals	6,450,829 8,102,082	6,492,347 8,666,259
Operating expenses		
Salaries and employee benefits Maintenance and repairs Professional fees and fees for consulting services Depreciation Gross revenue charge (Note 8) Other operating expenses	1,614,642 723,583 645,665 2,106,384 168,363 830,121 6,088,758	1,401,528 819,172 1,023,353 2,029,681 179,330 962,947 6,415,711
Earnings before other income and expenses	2,013,324	2,250,548
Other income and expenses Interest expense Investment income Loss on capital projects	(336,133) 316,073 (304,212)	(361,012) 301,558 
	(324,272)	(59,454)
Net income for the year before comprehensive income	1,689,052	2,191,094
Other comprehensive income Actuarial (loss) gain on defined benefit plan	(55,000)	58,000
Total net income and comprehensive income for the year	\$ 1,634,052	\$ 2,249,094

See accompanying notes to the condensed financial statements



## **Condensed Statement of Financial Position**

As at December 31		2020		2019
Current assets Cash and term deposits Accounts receivable Prepaid expenses	\$ 	13,502,094 1,175,528 179,235 14,856,857	\$	9,998,650 554,989 130,336 10,683,975
Non-current assets  Accrued pension benefit asset Deposit (Note 4) Guaranteed income certificate investments Property and equipment (Note 5) Other assets	_	98,000 3,860,000 5,000,000 58,297,106 34,827 67,289,933	_	163,000 3,860,000 5,000,000 58,662,427 34,265 67,719,692
Current liabilities  Accounts payable and accrued liabilities  Long-term debt due within one year (Note 7)	\$	3,406,388 12,385,086	\$	78,403,667 1,888,042 1,147,528
Deferred revenue  Non-current liabilities	_	20,000 15,811,474	_	20,000 3,055,570
Accrued employee benefits Long-term debt (Note 7) Deferred revenue (Note 4)	_	150,613 3,567,084 3,860,000 23,389,171	_	152,550 14,211,980 3,860,000 21,280,100
Equity Contributed surplus Other comprehensive income Surplus	=	22,278,564 89,000 36,390,055 58,757,619		22,278,564 144,000 34,701,003 57,123,567
Total liabilities & equity	\$	82,146,790	\$	78,403,667

Economic dependence (Note 6)

Commitments (Note 8)

Impact of COVID-19 (Note 9)<sup>n behalf of the Board of Directors</sup>

On behalf of the Board of Directors

Danika Keeley Chair of the Board of Directors Lucien Sonier Chairperson, Audit Committee Denis Caron President & CEO

#### 1. Nature of operations

The Belledune Port Authority (the "Authority") was established under the Canada Marine Act to administer, manage and control Belledune harbour, as well as the Federal property and equipment transferred by the Governor in Council. The Authority is named in Part 2 of the Schedule within the Canada Marine Act. The Authority operates on a commercial basis and is mandated to be financially self-sufficient.

The Authorities registered and principal office is located at 112 Shannon Drive, Belledune, New Brunswick, Canada.

#### 2. Basis of presentation

The financial statements from which the condensed financial statements were summarized have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that are in effect at the end of the reporting period. The Authority's significant accounting policies conform, in all material respects, to the recommendations of the IASB.

#### 3. Summary of significant accounting policies

#### **Property and equipment**

Property and equipment are recorded at historical cost less accumulated amortization and any impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition or construction of the assets, including borrowing costs relating to the acquisition or construction.

Amortization is calculated on the straight-line basis for the full year, commencing with the year the asset becomes available for use, using rates based on the estimated useful lives of the assets.

Wharf, dredging, berthing

Structures	32, 38 and 40 years
Buildings	10, 37 and 40 years
Utilities, roads and surfaces	10, 19, 20, 29 and 30 years
Machinery and equipment	3, 5 and 10 years
Furniture and fixtures	3 and 5 years

Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate. Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in earnings within other income or other expenses.

Projects under construction are transferred to property and equipment when the asset is available for use and amortization commences at that time.

#### Payment in lieu of real property taxes

Payments are estimated by the Province of New Brunswick in accordance with the Payment in Lieu of Taxes Act, and are paid for by the Authority each year by the due date specified. Charges are expensed in the current year's financial statements based on the amounts billed to the Authority.

#### **Revenue recognition**

Revenue is recognized at the fair value of the consideration received or receivable. Revenue is recognized when it is probable that the economic benefits will flow to the Authority, delivery has occurred, the amount is fixed or determinable and when collectability is reasonably assured. The Authority recognizes rental income using a straight-line method over the term of the lease.

#### **Pension benefits**

The Authority provides post-employment benefits through a defined contribution plan for all employees, except one employee who is included in the Public Service Superannuation Plan which is a federally registered defined benefit final average salary pension plan.

The cost of pension benefits for defined contribution pension plans are expensed at the time active employees are compensated.



The defined benefit plan sponsored by the Authority determines the amount of pension benefits the employee will receive on retirement by reference to length of service and salary levels. Obligations associated with the defined benefit plan reside with the Authority, even if plan assets for funding the plan are set aside.

The liability recognized in the statement of financial position for the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of plan assets. The assets do not include the Authority's own financial instruments or any property occupied or used by the entity.

Management estimates the defined benefit obligation annually with assistance from an independent actuary using the projected benefit method prorated on service. The defined benefit obligation uses estimates for inflation, mortality and anticipates salary levels. The discount factor used to present value estimated future cash flows is determined with reference to high quality Canadian corporate fixed income investments. The expected rate of return on assets is based on the expected rate of return on

each asset class category using a stochastic projection tool that generates multiple expected return scenarios over long periods of time for different asset classes. Expected fees payable by the plan are not deducted from this expected rate of return.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to other comprehensive income in the period in which they arise. Past service costs are recognized immediately into earnings.

#### 4. Deposit

The Authority received deposits related to a potential future transaction which the Authority anticipates completing beyond fiscal 2021. As a result of the deposit, deferred revenue of the same amount has been recognized.

#### 5. Property and Equipment (in thousands)

			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Lands	\$ 16,881	-	\$ <b>16,881</b>	\$ 16,881
Wharf, Berthing Structures and Dredging	46,164	(25,035)	21,129	21,534
Buildings	15,779	(5,307)	10,472	10,933
Utilities, Roads and Surfaces	11,854	(9,306)	2,548	2,965
Machinery & Equipment	1,347	(1,130)	217	255
Projects under Construction	7,050	-	7,050	6,094
	\$ 99,075	\$ (40,778)	\$ 58,662	\$ 58,662

#### 6. Economic dependence

Approximately 50.4% (2019 – 48.5%) of the Authority's revenue is derived from N.B. Power Corporation. The contract with NB Power Corporation for rental revenue ends on March 31, 2023, with an additional renewal term of 10 years ending on March 31, 2033.

7. Long-term debt	2020	2019
Bank loans, bearing interest at 2.18%, repayable in equal monthly instalments of \$81,957 and \$28,750 principal and interest, maturing in April 2021.	\$ 12,290,829	\$ 13,339,101
ACOA Provisionally Repayable Contribution, imputed interest at 3%, repayable based on average occupancy level. The amounts due to the Agency will be calculated as follows: Occupancy level less than 30% – the annual payment is \$Nil. Occupancy level 30% to 50% – the annual payment is \$100,000. Occupancy level greater than 50% - the annual payment is \$320,000. Undiscounted loan balance at December 31 was \$2,360,000 (2019 – \$2,460,000)	1,978,028	2,020,407
RDC, imputed interest at 4.2% loan repayable in equal annual instalments of \$285,714 commencing on April 1, 2022. Undiscounted loan balance at December 31 was \$2,000,000 (2019 - \$nil)	1,683,313 15,952,170	
Less: amount due within one year	 12,385,086	1,147,528
	\$ 3,567,084	\$ 14,211,980

Principal repayments of long-term debt in the next five years will be as follows:

2021	12,385,086
2022	244,393
2023	222,650
2024	232,100
2025	241,950



#### 8. Commitments

#### **Gross revenue charge**

In order to maintain the Letters Patent in good standing, the Authority shall pay annually to the Minister of Transport a charge calculated on gross revenue.

#### 9. Impact of COVID-19

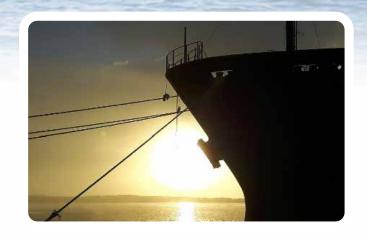
The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closure of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with fiscal interventions to stabilize economic conditions.

As of the report date, the Authority has not experienced any interruption to their operations due to COVID-19.

# FAITS SAILLANTS

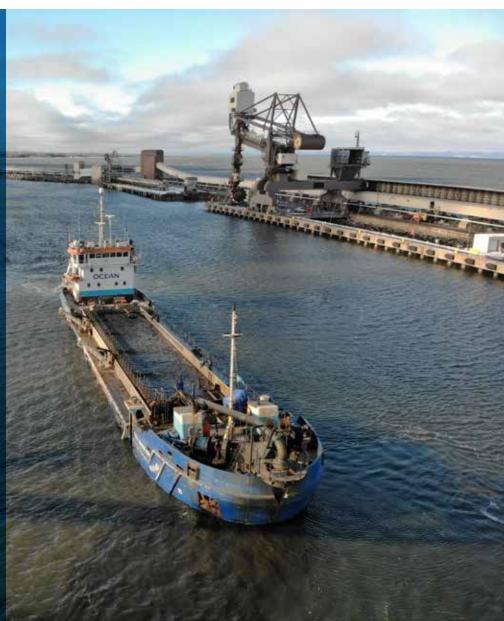
## WORKS BEGINS ON BPA MASTER DEVELOPMENT PLAN

The Belledune Port Authority is launching a Master Development Plan (MDP) to map its future vision for the Port and the region. This plan will assess a range of factors including the interconnectivity and capacity of the region, the future use of Port facilities, and opportunities to grow employment and local business for the people who live here for decades to come.





Dredging in the harbour took place from November to December 2020 to prepare for the Terminal 3/Terminal 4 expansion project. The harbour basin was also dredged while the work was underway to ensure safe navigation and improved depths for vessels calling on the Port. Approximately 15,600 m³ of material was dredged.





## WOOD PELLET WAREHOUSE CONSTRUCTION

In 2020, an additional wood pellet storage facility was constructed in collaboration with the Port's stevedoring partner and terminal operator QSL Canada Inc. This facility accommodates the growing supply of wood pellets coming from the JD Irving Sawmill in Saint Leonard, NB. Resulting from the by-product of their operations, the wood pellets are shipped overseas to use as a cleaner fuel option for industrial energy production.

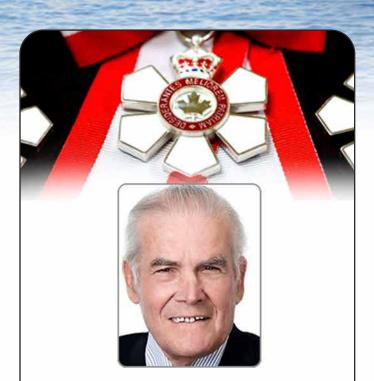
## EXPANSION & UPGRADE PROJECT TERMINALS 3 & 4

The Expansion and Upgrade Project for Terminals 3 and 4, funded in-part by the National Trade Corridor Fund (NTCF), officially commenced in August 2020 with the construction of a dredge containment cell to prepare for the upcoming dredging. The infrastructure

expansion will create additional space dockside while improving overall operations, resulting in a direct positive impact to customers and terminal operators shipping through the Port's marine terminals.



## FAITS SAILLANTS



# BPA DIRECTOR LORIO ROY APPOINTED TO ORDER OF CANADA

Lorio Roy, a member of the Belledune Port Authority Board of Directors, was appointed to the Order of Canada, one of our country's highest civilian honours.

Congratulations to Mr. Roy and thank you for everything you do for the Port of Belledune!

From gg.ca:

"Created in 1967, the Order of Canada recognizes outstanding achievement, dedication to the community and service to the nation. More than 7,000 people from all sectors of society have been invested into the Order. Those who bear the Order's iconic snowflake insignia have changed our nation's measure of success and, through the sum of their accomplishments, have helped us build a better Canada."



## Over \$40,000 donated to New Brunswick Food Banks

With the Covid-19 pandemic bringing financial hardship to people across New Brunswick this year, the Belledune Port Authority doubled down on its mission to give back to their communities.

This year, the BPA has donated more than \$40,000 to food banks in the Acadian Peninsula, and the Chaleur and Restigouche regions.

Giving back to community organizations is something the BPA has done for well over a decade. Fourteen years ago, the Board of Directors mandated that up to five percent of the BPA's net profits every year be reinvested back into the community through donations and sponsorships.

## The BPA Welcomes 3 New Team Members in 2020

2020 brought new talent to the BPA team with the addition of Jennifer Cleversey-Moffitt as Legal Counsel and Corporate Secretary, Peter Dierickx as Project Manager, and Rachelle Couture as Administrative Assistant.



Jennifer Cleversey-Moffitt Legal Counsel & Corporate Secretary



Peter Dierickx Project Manager



Rachelle Couture Administrative Assistant



### THE BPA WELCOMES NEW TUG OPERATORS MCKEIL MARINE

In April 2020, the Port of Belledune transitioned its berthing and towing services to McKeil Marine.

Established in 1956, McKeil Marine is one of Canada's leading marine service providers and an important partner in cargo development at the Port of Belledune.





### PORTOFBELLEDUNE.CA A FRESH NEW LOOK

The BPA officially launched a new website that came with an updated fresh design, colours, added video content, an interactive menu, motion graphics, and updated photos of the Port of Belledune facilities.

Built with a focus on opportunities and business development with both current and new clients, it is now easier than ever to see what the Port has to offer for a wide array of industries.



## AAPA COMMUNICATION AWARDS

The BPA's Marketing team (with the help of local marketing agency Hutchinson Creative) picked up two awards at the American Association of Port Authorities (AAPA)'s 2020 communications competition.

The BPA's submissions earned the team an Award of Excellence in Social/Web-Based Media and an Award of Distinction for the BPA's 2019 Annual Report.

# FAITS SAILLANTS

## DECEMBER 2020 HIGHEST TRAFFIC MONTH ON RECORD

The Port of Belledune finished 2020 strong with 21 vessels in December alone – a record at the Port for most ship calls in a month!



### COVID-19

From the beginning of the COVID-19 global pandemic in March 2020, the BPA took the necessary steps to be vigilant and extra cautious while carrying out operations and keeping business running. The BPA immediately implemented not only provincial and federal government protocols and public health guidelines but went above and beyond to ensure the safety and security of employees, their families, and those who conduct business at the Port. Significant investments were made in technology software and equipment to successfully transition staff to working remotely full-

time. Furthermore, facilitating communication with employees and ensuring their mental wellbeing by providing appropriate support systems became priority number one throughout the crisis and continues to be so today. There is consistent dedication at the BPA to ensure safety at work for everyone. As we transition to a post-COVID world, effectively managing a workforce will have changed forever. The BPA team is well-equipped and well-positioned to continue leading the way into this new working landscape.



### **Belledune Port Authority**

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