Grant Thornton

Financial Statements

Windsor Port Authority

December 31, 2021

Contents

Independent Auditor's Report

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To the Board of Directors of
Windsor Port Authority

Opinion

We have audited the financial statements of Windsor Port Authority, which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the authority as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 report. We are independent of the authority 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 International Financial Reporting 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 authority'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 authority or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (continued)

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.

- 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 authority'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 authority'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 authority 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.

Grant Thornton LLP

Windsor, Canada
March 30, 2022

Chartered Professional Accountants
Licensed Public Accountants

Windsor Port Authority
Statements of Operations and Changes in Equity

Year ended December 31	2021	2020
Revenues		
Leases	$ 756,618	$ 747,793
Cargo and harbour dues	400,278	232,291
Wharfage	311,852	482,536
	1,468,748	1,462,620
Expenditures		
Administrative and general (Note 6)	928,001	918,449
Operating costs (Note 7)	253,664	254,372
Depreciation	144,390	218,758
Gross revenue charge	36,595	33,223
	1,362,650	1,424,802
Earnings before other income/(expenses)	106,098	37,818
Other income/(expenses)		
Gain (loss) on disposal of property and equipment	128,309	(26,537)
Investment income	231,809	199,552
Capital project write-off	(41,467)	-
	318,651	173,015
Net income	$ 424,749	$ 210,833

Surplus, beginning of year	$ 4,842,461	$ 4,631,628
Net income	424,749	210,833
Surplus, end of year	$ 5,267,210	$ 4,842,461

See accompanying notes and schedules to the financial statements.

Windsor Port Authority
Statement of Financial Position

December 31		**2021**		2020
Assets				
Current				
Cash	$	**440,026**	$	467,209
Short term investments (Note 8)		**2,020,111**		595,932
Accounts receivable (Note 9)		**233,339**		468,915
Prepaid expenses and deposits		**134,073**		136,917
Total current		**2,827,549**		1,668,973
Long-term				
Investments (Note 8)		**8,107,107**		8,860,675
Property and equipment (Note 10)		**4,051,816**		4,083,053
Total non current		**12,158,923**		12,943,728
Total assets	$	**14,986,472**	$	14,612,701

Liabilities				
Current				
Accounts payable and accrued liabilities (Note 11)	$	**192,518**	$	228,137
Current portion of deferred lease income		**86,319**		84,628
Total current		**278,837**		312,765
Long-term				
Deferred lease income (Note 12)		**822,663**		839,713
		1,101,500		1,152,478
Equity				
Contributed surplus		**8,617,762**		8,617,762
Surplus		**5,267,210**		4,842,461
Total equity		**13,884,972**		13,460,223
	$	**14,986,472**	$	14,612,701

Commitments (Note 13)

Contingency (Note 14)

On behalf of the board

____________________ Director ____________________ Director

Windsor Port Authority
Statement of Cash Flows

Year ended December 31	2021	2020
Increase (decrease) in cash		
Operating		
Net income	**$ 424,749**	$ 210,833
Items not affecting cash		
Depreciation	**144,390**	218,758
(Gain) loss on disposal of property and equipment	**(128,309)**	26,537
Capital project write-off	**41,467**	-
	482,297	456,128
Change in non-cash working capital items		
Accounts receivable	**235,576**	127,059
Prepaid expenses and deposits	**(38,623)**	(25,774)
Accounts payable and accrued liabilities	**(35,619)**	95,280
Deferred lease income	**(17,050)**	(20,589)
	626,581	632,104
Investing		
Net change in investments	**125,112**	(196,776)
Purchase of investments	**(2,601,284)**	(50,000)
Proceeds on sale of investments	**1,807,252**	-
Purchase of property and equipment	**(257,344)**	(87,238)
Proceeds on disposal of property and equipment	**272,500**	-
	(653,764)	(334,014)
(Decrease) increase in cash	**(27,183)**	298,090
Cash		
Beginning of year	**467,209**	169,119
End of year	**$ 440,026**	$ 467,209

1. Nature of operations

The Canada Marine Act was passed by parliament on December 9, 1997, with an amendment on June 1, 2009, and pursuant thereto the Windsor Harbour Commission became the Windsor Port Authority on July 1, 1999. The Port Authority, a body corporate without share capital, is engaged primarily in the marine shipping industry; in particular, the Port Authority administers certain Federal properties within the port, regulates shipping activity, operates a marina and acts as a promotional and development agency for maritime commerce. The Port Authority's head office is located at 3190 Sandwich St., Windsor, Ontario, Canada.

2. Basis of presentation

These financial statements are prepared for internal reporting and income tax reporting purposes only. As these financial statements have not been prepared for general purposes, readers may require further information.

The financial statements are presented in Canadian dollars, rounded to the nearest dollar and are presented on the historical cost basis unless otherwise noted as required by IFRS. The financial statements are presented in accordance with International Accounting Standards IAS 1, Presentation of Financial Statements.

The policies applied in these financial statements are based on IFRS issued and outstanding as of March 30, 2022, the date the Board of Directors approved the financial statements. Any future amendments to the financial statements would require approval from the Board of Directors.

3. Summary of significant accounting policies

The authority follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

Cash and cash equivalents

For the purpose of the statement of cash flow, the Authority considers cash on hand, balance with banks and investments maturing within one year as cash or cash equivalents.

Financial instruments

Financial assets and financial liabilities are recognized when the Authority becomes party to the contractual provision of the financial instrument. Financial assets are derecognized when contractual rights have expired, or when the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets are classified as either fair value through profit or loss, fair value through other comprehensive income or amortized cost. The classification is determined by the Authority's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Initial recognition depends on the purpose for which the investment was acquired. The purchase and sale of financial assets is recognized on the settlement date for all financial instruments.

Income and expenses relating to financial assets that are recognized in profit or loss are presented within investment income and interest expense.

Investment income on financial assets is recognized when earned, net of management fee expenses, and reported on the statement of operations.

Financial assets at amortized cost
The Authority classifies its investments at amortized cost. Financial assets are measured at amortized cost if the asset meets the following conditions:

They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

The contractual terms of the financial assets give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

These assets are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Interest and realized gains or losses are included in net income. Cash and equivalents, and receivables fall into this category.

Receivables are recognized when owed pursuant to the terms of the related contract and are short-term; therefore the net carrying value is considered to be a reasonable approximation of fair value.

Transaction costs are capitalized on initial recognition and are recognized in income using the effective interest rate method. Realized gains and losses as well as interest are recognized in net income as investment income.

Impairment of financial assets
IFRS 9's impairment requirements uses more forward-looking information to recognize expected credit losses – the "expected credit loss (ECL) model". This replaces IAS 39's "Incurred loss model". Instruments within the scope of the new requirements includes receivables, contract assets recognized under IFRS 15 and lease rentals under IAS 16.

Recognition of credit losses is no longer dependent on the Authority first identifying a credit loss event. Instead the Authority considers a broader range of information when assessing credit risk and measuring expected credit losses including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"), and;

Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

"12-month expected credit losses" are recognized for the first category (Stage 1) while "lifetime expected credit losses" are recognized for the second category (Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Receivables and contract assets
The Authority makes use of the simplified approach in accounting for receivables as well as contract assets and records the loss allowance as a lifetime expected credit loss as these items do not have a significant financing component. These are expected shortfalls in contractual cash flows, considering the potential default at any point during the life of the financial instrument. The Authority uses historical experience, external indicators and forward-looking information to calculate the expected credit loss.

The expected loss rates are based on historical information and adjusted to reflect current and forward-looking factors affecting the customer's ability to settle the amount outstanding. Receivables are written off (derecognized) when there is no reasonable expectation of recovery such as when payment arrangements cannot be made with the client or third- party collection agency.

In measuring expected credit losses, the receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and according to the line of business to which they relate. Impairment of receivables are presented within operating expenses.

Financial liabilities
Financial liabilities are initially classified as 'subsequently measured at amortized cost' or 'financial liabilities at fair value through profit or loss'. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless designated as 'financial liability at fair value through profit or loss.'

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest related charges and, if applicable, changes in a financial liability's fair value that are reported in profit or loss are included within finance costs or finance income.

The Authority's financial liabilities include accounts payable and accrued liabilities, deferred lease income and are classified and measured at amortized cost. Due to their short-term nature the carrying values of these payables are a reasonable approximation of fair value.

Fair value
Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Fair value measurement for invested assets are categorized into levels within a fair value hierarchy based on the nature of the valuation inputs (Level 1, 2 or 3). All bonds and guaranteed certificates are classified as Level 1.

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Revenue recognition

Wharfage, cargo and harbour dues revenues are recognized when services are rendered, when the control of the promised services are transferred to customers in an amount that reflects consideration the Authority expects to be entitled to receive in exchange for those services measured based on the consideration specified in a contract with customers.

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.

Property and equipment are amortized as follows:

Buildings	10-30 years
Computer and office equipment	3-20 years
Wharf and berthing structures	10-40 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.

Government grants

Grants are recognized at their fair value when it is reasonably assured that the grant will be received and the Authority will comply with all attached conditions. Government grants relating to property and equipment are deducted from the cost of the assets and amortization is recorded on a net basis. Government grants related to income are deducted against the related expense incurred.

3. Summary of significant accounting policies (continued)

Impairment of long-lived assets

Property and equipment are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset’s fair value, less costs to sell, and value in use (being the present value of the expected future cash flows of the relevant asset or cash-generating unit). An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The Authority evaluates impairment by examining long-lived assets for impairment indicators and examines any prior period impairment losses for potential reversals when events or circumstances warrant such consideration.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease rentals are recognized on the straight-line basis over the period of the lease.

Assets held under finance leases are initially recognized as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included on the statement of financial position as a finance lease obligation. As at December 31, 2021, the Authority did not have any finance lease agreements.

Marinas revenue includes revenue from slip rentals and boat storage and is recognized as the performance obligation is satisfied over time.

Income taxes

The Authority is exempt from paying income tax under Section 149(1)(d) of the Income Tax Act.

Payments in lieu of property taxes

The Payments-In-Lieu-Of-Taxes Act provides that the Federal government and various Federal entities, including Canadian Port Authorities, may make "Payments-in-Lieu-of-Taxes" to their local municipalities. The Authority makes such payments to the City of Windsor relative to the Federal properties which it administers in accordance with the Canada Marine Act and the Payment-In-Lieu-Of-Taxes Act.

3. Summary of significant accounting policies (continued)

Provisions

Provisions are recognized when the Authority has a present obligation, legal or constructive, as a result of a past event and it is probable that the Authority will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation for a period ending beyond one year, its carrying amount is the present value of those cash flows, where the time value of money is material. Provisions reflect the Authority's best estimate at the reporting date. Provisions are not recognized for future operating losses.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Authority has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

Use of estimates and judgements

The preparation of financial statements in accordance with IFRS principles 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 dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The Authority has applied judgment in determining the classification of financial instruments, the determination of cash generating units, and the identification of the indicators of impairment of property and equipment.

Estimates are used when estimating the useful lives of property and equipment and the determination of an appropriate credit loss provision.

Contributed capital

The Authority was incorporated without share capital. Contributed capital represents the book value of all assets previously administered by the predecessor of the Port Authority, the Windsor Harbour Commission, for which administration was transferred by the Government of Canada to the Port Authority. These assets are treated as increases to (reduction of) contributed capital, respectively.

3. Summary of significant accounting policies (continued)

Accounts payable and accrued charges

Accounts payable and accrued charges are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and accrued charges are classified as currently liabilities if payment is due within one year or less.

4. Change in significant accounting policies and Amendments not yet effective and not adopted by the Authority

(a) **International financial reporting standards**

The Accounting Standards Board (AcSB) has issued Part I of the CPA Canada Handbook: International Financial Reporting Standards (IFRS). The standards are mandatory for all publicly accountable enterprises (PAEs). Other types of entities and organizations have the option of applying IFRS. The only entities and organizations which are not permitted to apply IFRS are pension plans and other entities within the scope of Part IV of the Handbook, as well as government not-for-profit organizations (note: other government organizations may only consider IFRS if the Public Sector Accounting handbook does not meet users' needs).
The AcSB incorporates IFRS as issued by the International Accounting Standards Board (IASB), into Part I of the Handbook without modification.

(b) **Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IFRS 1 and IAS 12)**

The IASB has issued amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 12 Income Taxes which clarify that the initial recognition exemption set out in IAS 12 does not apply to transactions that give rise to equal taxable and deductible temporary differences. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations

This standard is applicable for annual periods beginning on or after January 1, 2023. This change will not have an impact on the authority in future years.

(c) **Definition of Accounting Estimates (Amendments to IAS 8)**

The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates.
Under the amendments, accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty".
The amendments also emphasize that a change in an accounting estimate that results from new information or new developments is not an error correction, and that changes in an input or a measurement technique used to develop an accounting estimate are considered changes in accounting estimates if those changes in an input or measurement technique are not the result of an error correction.

This standard is applicable to annual periods beginning on or after January 1, 2023. In future years, this standard could have an impact on the Authority relating to accounting estimates of useful lives of property, plant and equipment and an appropriate credit loss provision.

4. Change in significant accounting policies and Amendments not yet effective and not adopted by the Authority (continued)

(d) **Disclosure of Accounting Policies (Amendments to IAS 1)**

The IASB has issued amendments to IAS 1 Presentation of Financial Statements which require entities to disclose their “material” accounting policy information rather than their “significant” accounting policies.
The amendments explain that accounting policy information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The amendments also clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.
The following are examples of when accounting policy information is likely to be material:

- the entity changed its accounting policy and this change resulted in a material change in the financial statements
- the entity chose the accounting policy from one or more options permitted under IFRS
- the accounting policy was developed in accordance with IAS 8 in the absence of an IFRS that specifically applies
- the entity needed to make significant judgments or assumptions in applying an accounting policy
- the accounting required for material transactions, other events or conditions is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions

This standard is applicable to annual periods beginning on or after January 1, 2023 and may have an impact on the Authority in future years.

(e) **Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)**

IAS 37 Provisions, Contingent Liabilities and Contingent Assets has been revised to incorporate amendments issued by the IASB. The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.
Costs that relate directly to a contract consist of both:

- the incremental costs of fulfilling that contract (e.g., direct labour and materials), and
- an allocation of other costs that relate directly to fulfilling contracts (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract).

The amendments are only to be applied to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual period in which it first applies the amendments.

This standard is applicable on annual reporting periods beginning on or after January 1, 2022 and may have an impact on the Authority in future years.

4. Change in significant accounting policies and Amendments not yet effective and not adopted by the Authority (continued)

(f) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period.
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This standard is applicable to annual periods beginning on or after January 1, 2023. In future years, this standard may have an impact on the Authority specifically relating to investments and accounts receivable.

5. Operating Leases: future minimum leases under non-cancellable leases

The undiscounted amounts expected to be received from non-cancellable leases are shown in the table below:

	2021	2020
Within 1 year	**$ 950,489**	$ 737,401
Between 1 and 2 years	**936,364**	742,248
Between 2 and 3 years	**956,784**	710,111
Between 3 and 4 years	**862,087**	645,330
Between 4 and 5 years	**820,395**	606,213
More than 5 years	**24,448,854**	9,732,795
	$ 28,974,973	$ 13,174,098

6. Administrative and general expenses

	2021	**2020**
Salaries, wages and benefits	**$ 516,232**	$ 509,090
Repairs and maintenance	**20,555**	16,850
Professional and consulting services	**47,028**	42,493
Other	**344,185**	350,015
	$ 928,000	$ 918,448

7. Operating costs

	2021	2020
Salaries, wages and benefits	**$ 152,550**	$ 129,377
Maintenance and repairs	**11,753**	11,555
Property taxes	**47,519**	46,790
Other	**41,842**	66,649
	$ 253,664	$ 254,371

8. Investments

	2021	2020
Investment in Bonds and GIC's	**$ 10,127,219**	$ 9,456,606
Maturing within 1 year	**(2,020,111)**	(595,932)
Maturing callable between 1 and 5 years	**$ 8,107,108**	$ 8,860,674

The Bonds and Guaranteed Investment Certificates have effective yields ranging from 1.324% to 3.31%. Of the total investments of $10,127,219 invested by the Authority, 0.5% (2020, 6.7%) has been invested in government securities and 99.5% (2020, 93.3%) has been invested in bonds and guaranteed investment certificates issued by financial institutions in compliance with the Canada Marine Act and in accordance with the investment policy of the Authority.

Interest income earned on these investments during the year amounted to $228,449 (2020, $196,766).

9. Accounts receivable

	2021	2020
Trade receivables	**$ 160,577**	$ 352,651
Provision for credit loss	**(5,103)**	-
Government grants receivable	**-**	43,759
Accrued interest	**77,865**	72,505
	$ 233,339	$ 468,915

10. Property and equipment

	Cost	Additions	Disposals	Accumulated Amortization	**2021 Net book value**
Land	2,922,402	-	-	-	**2,922,402**
Buildings	666,523	79,500	-	299,102	**446,921**
Computer and office equipment	468,895	94,870	31,561	325,058	**207,146**
Wharf and berthing structures	2,275,900	8,489	-	1,883,527	**400,862**
Construction in progress	-	74,485	-	-	**74,485**
Asset held for sale	144,191	-	144,191	-	**-**
	6,477,911	257,344	175,752	2,507,687	**4,051,816**

	Cost	Additions	Disposals	Accumulated Amortization	2020 Net book value
Land	2,922,402	-	-	-	2,922,402
Buildings	834,148	18,850	186,475	275,150	391,373
Computer and office equipment	419,079	49,817	-	323,440	145,455
Wharf and berthing structures	2,345,087	18,571	87,758	1,796,268	479,632
Asset held for sale	144,191	-	-	-	144,191
	6,664,907	87,238	274,233	2,394,858	4,083,053

Included in property and equipment is Federal land with a net realizable value of $2,464,043 (2020 - $2,464,043). This property cannot be pledged as collateral.

Property and equipment includes $45,000 of equipment which was funded by a government grant which was deducted against the capital cost of the asset acquired in 2019.

Assets of the Authority included in above includes property leased to third parties under operating leases with carrying amounts of $1,589,494.

During the year the Authority sold their interest in the police boats for total proceeds of $265,000.

11. Accounts payable and accrued liabilities

		2021		2020
Trade payables	$	**49,894**	$	84,778
Accrued charges		**118,582**		92,990
HST payable		**24,042**		50,369
	$	**192,518**	$	228,137

12. Deferred lease income

Deferred lease income includes deposits received by the Authority in advance of the income being recognized on the straight-line basis over the term of the lease. A significant component of this deferred lease relates to the agreement entered into in 2012 with the Department of National Defence (DND) for the land upon which sits the HMCS Hunter Naval Reserve Facility constructed by the DND which will be amortized into income on a straight-line basis over sixty years.

		2021		2020
Deferred lease income	$	**908,981**	$	924,340
Current portion		**(86,319)**		(84,628)
	$	**822,662**	$	839,712

13. Commitments

Gross revenue charge
In order to maintain its Letters Patent in good standing, the Port Authority is required to pay annually to the Minister of Transport a 2% charge on gross revenues up to ten million dollars. This amount is included in expenses

Sponsorships
The Authority has committed to the following amounts for sponsorships for the next 4 years.

2022	$	24,000
2023		15,000
2024		10,000
2025		5,000
	$	54,000

14. Contingency

Although an environmental matter occurred in 2015 on one of the Authority's leased premises, it is management's assertion due to the underlying facts that the risk of regulatory or civil action is very low. Further, management is confident that any potential remediation costs would be recoverable by the Authority as a result of the specific and relevant section of its lease agreement with the tenant. To further support this, the tenant has agreed to a contribution of cash placed in escrow and governed by the terms of the escrow agreement.

15. Remuneration of directors and officers

Remuneration paid to Directors and Chief Executive Officers during the year ended December 31, 2021 consisted of the following:

	Remuneration	
	2021	2020
Steven Salmons, Chief Executive Officer	**$ 249,169**	$ 240,854
Walter Benzinger, Chair	**24,755**	26,125
Anthony Mascaro, Vice Chair	**19,380**	20,425
Tom O'Brien, Director	**18,912**	19,104
Karen Behune Plunkett, Director	**18,059**	14,725
Tom Porter, Director	**16,565**	15,150
Sophia Chisholm, Director	**12,983**	-
Barry Fowler, Director	**8,021**	12,725
Bianca DeLuca, Director	**4,776**	15,478
Remy Sirls, Director	**4,615**	-
	$ 377,235	$ 364,586

The remuneration of the Chief Executive Officer is inclusive of taxable benefits in the amount of $27,312 (2020: $21,449).

16. Financial risk management

	2021	2020
Receivables 61 to 90 days	**$ 9,633**	$ -
Receivables over 90 days	**8,206**	23,602
	$ 17,839	$ 23,602

Liquidity risk
Liquidity risk is the potential difficulty that the Authority may experience in meeting its financial obligations.

The Authority's investment portfolio is structured to minimize the Authority's liquidity exposure. The financial liabilities on the statement of financial position consist of accounts payable and accrued charges. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

17. Capital management

The Authority's objectives with respect to capital management is to maintain sufficient capital levels to meet future requirements and reduce risk exposures while allowing the Authority to continue to operate.

18. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.