

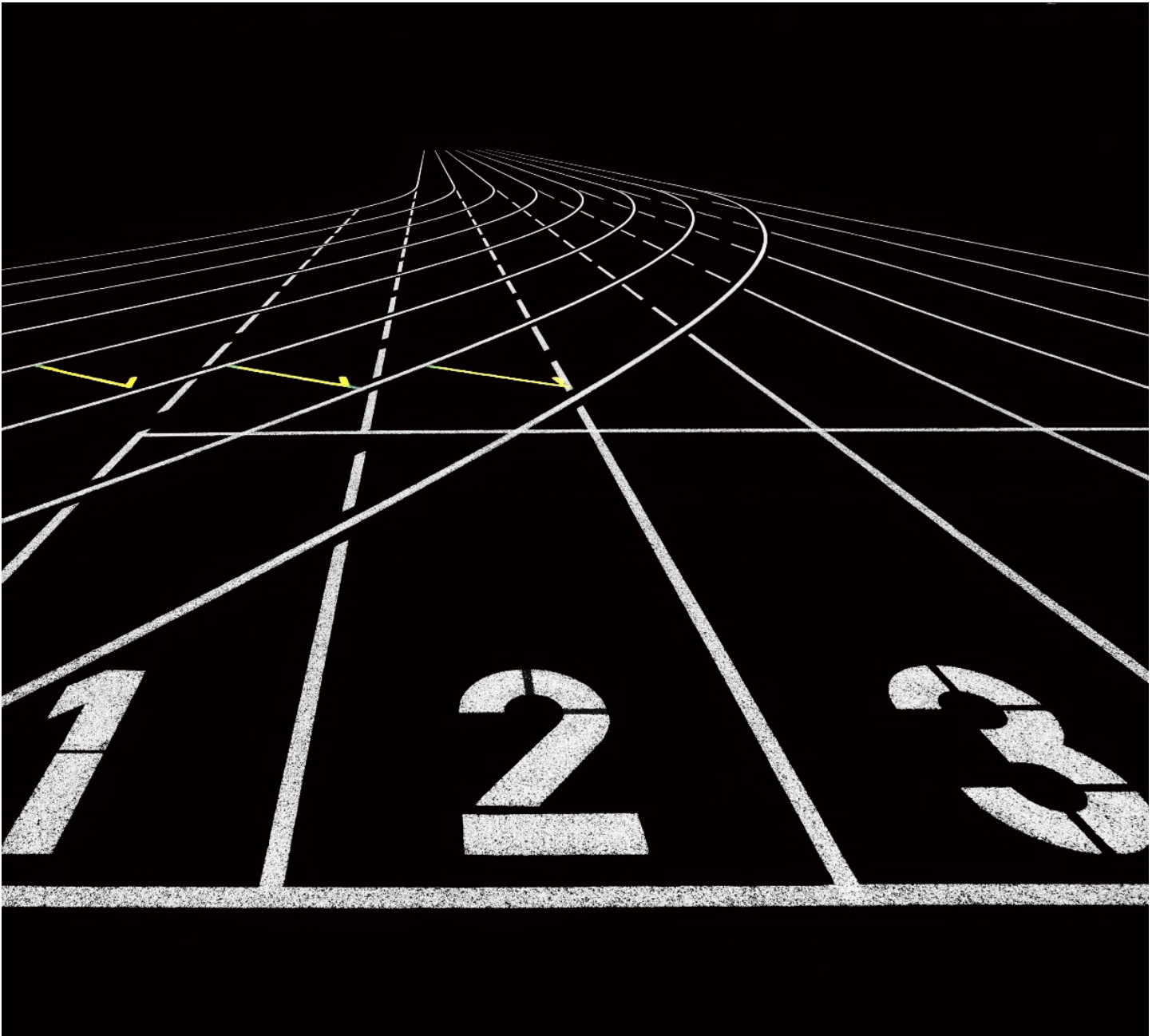


2022 ANNUAL REPORT

YEAR IN REVIEW

WINDSOR PORT AUTHORITY

www.portwindsor.com



PORT WINDSOR A STEWARD OF PROSPERITY

We are the advocate and catalyst for our marine transportation resources as an engine of economic and social prosperity, and environmental protection and security. We will transform the future of the Windsor-Essex region as a hub of integrated international transportation.

MESSAGE FROM THE CHAIR



The year 2022 marked the 23rd year of the Windsor Port Authority operating under the Canada Marine Act.

The COVID19 global pandemic's grip on global commerce waned over the course of 2022 with many industries' resilience evident throughout the Windsor Essex Region.

I would like to acknowledge the more than 850 workers who continued their work within the Port throughout the pandemic. Ships continued to stop for fuel, salt continued to be mined and shipped out, soya beans continued to be processed, steel/aluminum continued to be delivered, the truck ferry continued to shuttle goods between Windsor and the USA and aggregates continued to pour through the Port. As a result, our winter roads were salted, our cooking oil plentiful, our infrastructure projects progressed, all contributing to the economic well-being of the Windsor-Essex Region.

We continue to apply determined efforts in support of our Vision to “**Connect Windsor-Essex to the World**”, and our Mission to “**Create an International, Integrated Transportation Hub**” and are very excited about the recent economic expansion in our region and will endeavor to promote and initiate continued growth within the region.

Our Strategic Plan focuses on opportunities for sustainable economic growth, environmental and community-based prosperity, effective stakeholder relations and partnerships within the Windsor-Essex region. The Port is a partner and the essential link between government, industry and customer and serves as the catalyst that provides awareness, opportunity and removes barriers to success.

In 2022, we maintained our commitment to community through the following initiatives:

- Mission to Seafarers donation for continued support for the seafarers that enter Port Windsor
- Scholarships for students of the University of Windsor and St. Clair College
- Duffle bags filled with personal hygiene items, toques and wool socks donated to Family Services Windsor – Essex in support of their outreach programmes that endeavor to ensure health and safety of homeless citizens
- Donation to the local Coats for Kids program
- United Way Summer Eats program had Port Staff handing out food boxes to the community in support of local families
- Gift cards were donated via Windsor Transportation Club in support of Children's Aid Society Windsor-Essex
- Can-Am Games sponsorships
- Open Streets donation in support of Sandwich Towne

- City of Windsor Hiram Walker Memorial Statue donations over several years
- React Windsor Walk/Run sponsor
- Mackenzie Hall Friends of the Court and Summer Jazz Festival donations

As a Board, we recognize the importance of on-going strategic development to continue to promote economic and environmental sustainability within our operations. That includes the transfer of over 10 acres of Port Windsor owned land in Ojibway Shores to the Federal government and transfer of an additional 23 acres to Parks Canada, both to be assumed into Canada's second permanent Urban National Park for generations to come. The Port continues to actively seek out properties in support of economic development for Windsor-Essex.

On behalf of the Board, I am deeply appreciative for all your contributions to the success of the Windsor-Essex community, the vibrancy of our marine economy, and we look forward to the exciting future our community is about to embark on.

*Walter Benzinger, Chair
Federal Director*

BOARD OF DIRECTORS



Anthony Mascaro
Vice Chair
Municipal Director
(2015)

Karen Behune Plunkett
Port User Director
(2018)



Remy Sirls
Port User Director
(2021)

Tom O'Brien
Port User Director
(2018)



Tom Porter
Port User Director
(2015)

Sophia Chisholm
Provincial Director
(2021)



MESSAGE FROM THE CEO



In the spirit of our journey to reconciliation, we would like to honour the truth of our shared history and acknowledge that our service region is located on the traditional territory of the Three Fires Confederacy of First Nations, comprised of the Ojibwe, the Odawa, and the Potawatomie. For those of us in Leamington, we acknowledge the traditional territory of the Caldwell First Nation. We are grateful for the opportunity to live and work here and are thankful for the generations of people who have taken care of this land for thousands of years.

The year 2022 continued our well earned recovery from COVID, where we would shed the last vestiges of the pandemic and return to the norms of pre-2020.

In my 2021 report, I committed that the Port will be reviewing the question of long-term financial sustainability as a key component of its Strategic Plan.

I had commented that while Canada-wide 2020 port statistics are not yet available, in 2019 the Port of Windsor was dead last in Revenues per Tonne, last in Operating Income per Tonne, and in the bottom of the pack for both Year-over-Year Revenue Growth, and 5-year Revenue Growth. Reliance on investment income to ensure we exceed break-even operations was not a sustainable business model. Well, the 2021 statistics arrived, and Port Windsor was still dead last in every measure.

In 2021, we undertook extensive consultations with our customers to review our fiscal challenge of sustainability and the capacity to invest in future prosperity. We were transparent with both our financial position, and the gap between Port Windsor and the marketplace. We listened carefully to the feedback and adjusted our approach to an implementation schedule of three-years versus a single year. We further back ended the weighting of the implementation in recognition of immediate contractual obligations of our customers. And finally, we committed to a 5-year proposed schedule (subject to annual CPI adjustments) to be reviewed against market conditions every five years. **And, Port Windsor will still have the lowest Tariff of Fees of any federal port in the Great Lakes-St Lawrence Seaway.**

The Board approved the new schedule for implementation beginning January 1, 2022.

This new plan will enable the Port to end its reliance on investment income and generate the capital needed to maintain its facilities and invest in new productive capacity. It will further our ability to promote Port Windsor and assist our customers in attracting new business. Finally, it will ensure Port Windsor has the capacity to manage unexpected demands and take advantage of key opportunities.

While Operating Revenues in 2022 were stable, some expenses not incurred in 2021 due to COVID restrictions for travel and business development resumed in 2022. Better than expected returns from Investment Income once again still represent a significant percentage of our Net Income at 28.3%. Overall, the port reported a Net Income of \$925,270 (versus \$424,749). Operating results in 2022 were skewed positively by a late-year delivery of one million tonnes of aggregate for the new EV plant.

The new sustainability strategy initiated in 2022 has improved the Port's ability to reinvest in Windsor Essex however there is still more to do which the current strategy will correct this situation over time. It will also position Port Windsor to meet its national obligation and role to be an engine of growth and prosperity for our region, and Canada.

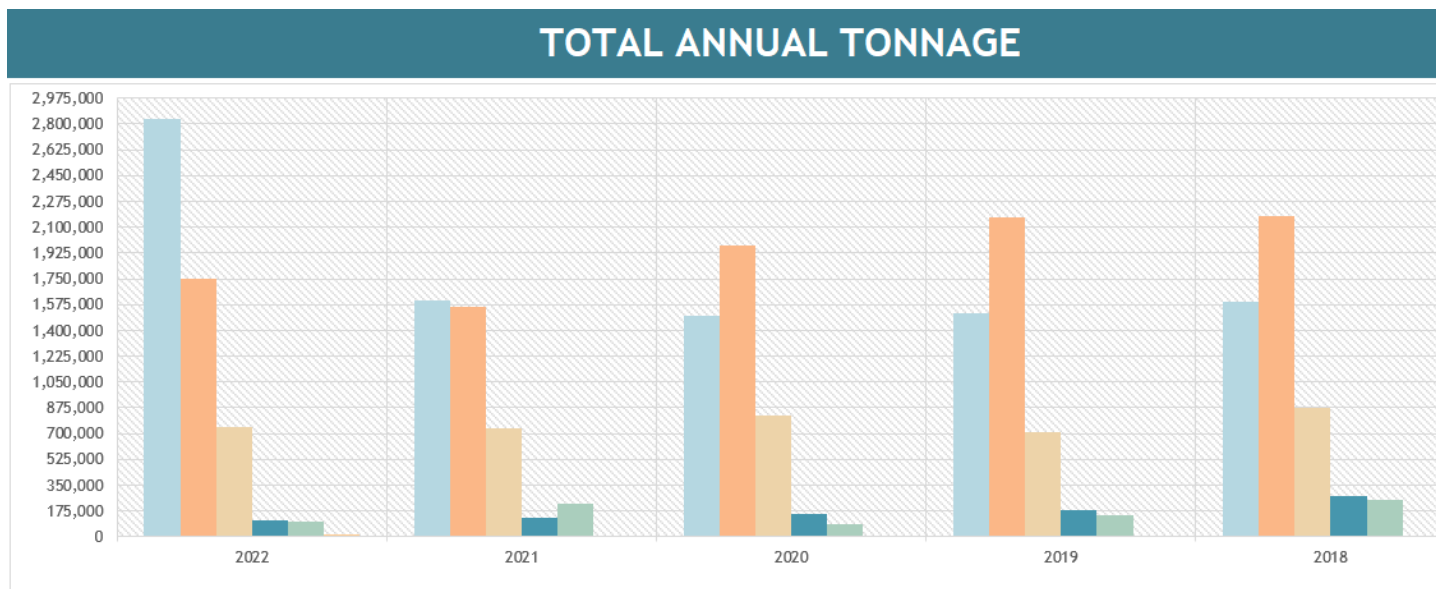
A complete financial report is provided in the 2022 Audited Statements, and is available on the Port's website, or by request at our office at 3190 Sandwich St.

Steve Salmons
President and CEO

2022 STATISTICS

Overall, the Port realized a robust 2022 performance experiencing a significant one-time 1,000,000 MT boost in aggregates volumes in support of the new NextStar EV plant build. Total 2022 tonnage increased 31% compared to 2021 tonnage.

COMMODITY	2022	2021	2020	2019	2018	5 YR AVG	YR/YR % CHANGE
Aggregates	2,830,315	1,603,965	1,498,712	1,511,898	1,597,497	1,808,477	76%
Salt	1,753,429	1,559,735	1,971,750	2,170,558	2,170,791	1,925,253	12%
Grain	745,063	732,800	822,912	707,434	878,533	777,348	2%
Petroleum	115,765	127,485	156,169	180,795	277,629	171,569	-9%
General Cargo	106,201	221,621	82,044	145,810	252,503	161,636	-52%
Other Dry Bulk	18,480	3,484	-	-	2,980	4,989	430%
TOTAL TONNAGE	5,569,253	4,249,090	4,249,090	4,531,587	4,716,495	5,080,936	31.3%



COMMUNITY OUTREACH

The Port of Windsor is proud to be an active member of the Windsor-Essex community. Windsor Port Authority considers community-based prosperity as one of its three strategic priorities, and as such recognizes its role within the community and proudly reinvests 3% of its annual revenues within Windsor-Essex.

Community contributions are a core objective for the Windsor Port Authority. For more than two decades, Windsor Port Authority has partnered with numerous organizations to provide sustainable economic and community-based prosperity. Highlights from the past two decades include:

- Partnerships with Windsor Police to provide marine-based safety and security
- Creation of community spaces including Prosperity Place and Queen's Dock
- Economic expansion of Sterling Fuels and Miller Aggregates terminals through a \$10 million Federal Infrastructure Grant
- Sponsorship of various community events
- Annual financial sponsorship for Mission to Seafarers
- Annual contributions to various organizations within Windsor-Essex focused on addressing community needs
- Partnering with schools and community-based organizations to provide information about the Port of Windsor and opportunities to learn about water safety
- Supporting terminals with Federal grant applications

2022 COMMUNITY CONTRIBUTIONS

Needless to say, many organizations and residents of Windsor-Essex continued to experience challenges during 2022 due to the lingering effects of the COVID-19 pandemic. While adhering to public health measures, the Windsor Port Authority continued efforts to support its community.



Port Windsor participated in the **United Way/Centraide Windsor-Essex County** drive thru, pick up Summer Eats Program in support of providing families with 500 boxes of healthy snacks, fruits and vegetables weekly throughout the summer. The program runs through July and August. Please consider supporting this initiative in 2023 by visiting www.weareunited.com/summereastforkids



University
of Windsor

Port Windsor is pleased and committed to support the community's university and college students by providing annual scholarships to assist students with offsetting the costs of post-secondary education. Studies continuously indicate that higher education is directly correlated to individual economic success.



Port Windsor recognizes the valuable and important work of the numerous community-based organizations that support, in meaningful ways, the various ‘at-risk’ populations they serve. Following are some of the organizations the Windsor Port Authority supported in 2022.



Family Services Windsor-Essex: A city committee recently called homeless “a national crisis arising from a lack of adequate support for housing, mental health and addictions”. The Port continues to recognize this serious matter and contacted Family Services Windsor-Essex to determine how to best assist their



clients. Together Port Windsor and the [Attache Group](#) acquired and packaged, with the assistance of Family Services staff, personal hygiene items into 50 duffle bags to be distributed by Family Services staff.



Can-Am Games Port Windsor sponsored two events for this 6-day international event. It was the Opening Ceremonies sponsor with a \$15,000 donation and supported the Windsor branch of the [Canadian Mental Health Association](#) with a donation to the Chief’s luncheon during the Can-Am Games.



Each year, before the snow begins to fall, our community rallies together to ensure children and youth are warm through the winter. [UHC Hub of Opportunities](#) operates the local Coats for Kids program whereby coats are distributed to those in need in November each year. The Port Authority provided financial assistance towards this program for the purchase of brand-new coats as the UHC Hub was unable to take in gently used coats due to pandemic restrictions.



The Windsor Transportation Club was supported in 2022 with a donation of \$1,000 in gift cards from the Windsor Port Authority for its 4th Annual Supply Chain Christmas fundraiser to support local children and were distributed through the Children’s Aid Society.

React Windsor Port Windsor was the Breakfast sponsor contributing \$2,000 to React Windsor’s Walk Run fundraiser in support of spaces for individuals to explore and heal from addictions and personal trauma at no cost.



Windsor Port Authority Statements of Operations and Changes in Equity

Year ended December 31

2022

2021

Revenues		
Leases	\$ 949,035	\$ 756,618
Cargo and harbour dues	638,550	400,278
Wharfage	567,478	311,852
	<u>2,155,063</u>	<u>1,468,748</u>
Expenditures		
Administrative and general (Note 8)	1,059,740	928,001
Operating costs (Note 9)	255,446	253,664
Depreciation	130,587	144,390
Gross revenue charge	45,742	36,595
	<u>1,491,515</u>	<u>1,362,650</u>
Earnings before other income/(expenses)	<u>663,548</u>	<u>106,098</u>
Other income/(expenses)		
Gain on disposal of property and equipment	-	128,309
Investment income	261,722	231,809
Capital project write-off	-	(41,467)
	<u>261,722</u>	<u>318,651</u>
Net income	<u>\$ 925,270</u>	<u>\$ 424,749</u>
Surplus, beginning of year	\$ 5,267,210	\$ 4,842,461
Net income	<u>925,270</u>	<u>424,749</u>
Surplus, end of year	<u>\$ 6,192,480</u>	<u>\$ 5,267,210</u>

Windsor Port Authority Statement of Financial Position

December 31

2022

2021

Assets

Current

Cash	\$ 538,299	\$ 440,026
Short term investments (Note 10)	2,085,306	2,020,111
Accounts receivable (Note 7)	486,460	233,339
Prepaid expenses and deposits	75,040	134,073

Total current

3,185,105 2,827,549

Long-term

Investments (Note 10)	8,322,091	8,107,107
Property and equipment (Note 11)	4,649,725	4,051,816

Total non current

12,971,816 12,158,923

\$ 16,156,921 **\$ 14,986,472**

Liabilities

Current

Accounts payable and accrued liabilities (Note 12)	\$ 453,654	\$ 192,518
Current portion of deferred lease income (Note 13)	87,412	86,319

Total current

541,066 278,837

Long-term

Deferred lease income (Note 13)	805,613	822,663
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1,346,679 1,101,500

Equity

Contributed surplus	8,617,762	8,617,762
Surplus	6,192,480	5,267,210

Total equity

14,810,242 13,884,972

\$ 16,156,921 **\$ 14,986,472**

Commitments (Note 14)

Contingency (Note 15)

Subsequent events (Note 16)

On behalf of the board



Director



Director

Windsor Port Authority

Statement of Cash Flows

Year ended December 31

2022

2021

Increase (decrease) in cash

Operating

Net income	\$ 925,270	\$ 424,749
Items not affecting cash		
Depreciation	130,587	144,390
Gain on disposal of property and equipment	-	(128,309)
Capital project write-off	-	41,467
	<u>1,055,857</u>	<u>482,297</u>
Change in non-cash working capital items		
Accounts receivable	(253,121)	235,576
Prepaid expenses and deposits	133,517	(38,623)
Accounts payable and accrued liabilities	261,136	(35,619)
Deferred lease income	(15,957)	(17,050)
	<u>1,181,432</u>	<u>626,581</u>

Investing

Amortization of bonds	14,870	125,112
Purchase of investments	(2,309,682)	(2,601,284)
Proceeds on sale or maturity of investments	2,015,000	1,807,252
Purchase of property and equipment	(803,347)	(257,344)
Proceeds on disposal of property and equipment	-	272,500
	<u>(1,083,159)</u>	<u>(653,764)</u>

Increase (decrease) in cash

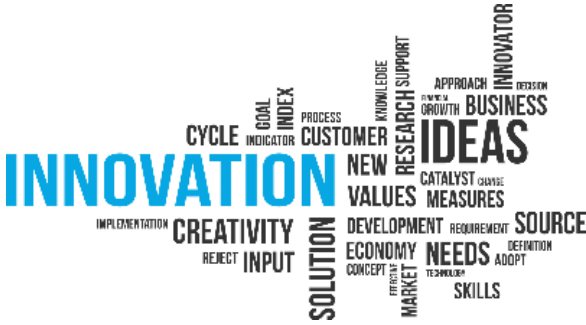
98,273 (27,183)

Cash

Beginning of year	<u>440,026</u>	<u>467,209</u>
End of year	<u>\$ 538,299</u>	<u>\$ 440,026</u>

Windsor Port Authority Strategic Pillars

**ECONOMIC
STEWARDSHIP**



**SOCIAL
STEWARDSHIP**



**ENVIRONMENTAL
STEWARDSHIP**

