Saint John Port Authority

Consolidated Financial Statements
December 31, 2022
(all amounts in thousands of Canadian dollars)

Independent auditor's report

To the Board of Directors of Saint John Port Authority

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Saint John Port Authority and its subsidiary (together, the Authority) as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Authority's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is

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necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Saint John, New Brunswick
April 14, 2023

Saint John Port Authority

Consolidated Statement of Financial Position

As at December 31, 2022

(all amounts in thousands of Canadian dollars)

	2022 $	2021 $
Assets		
Current assets		
Cash and cash equivalents	3,020	18,436
Inventory	15	-
Investments (note 5)	1,010	3,451
Accounts receivable (note 6)	4,405	4,408
Prepaid expenses	382	388
Grants receivable	12,724	7,053
	21,556	33,736
Non-current assets		
Investments (note 5)	6,034	5,277
Property and equipment (note 7)	134,813	118,715
Post-employment benefit asset (note 9)	2,989	3,181
	143,836	127,173
	165,392	160,909
Liabilities		
Current liabilities		
Accounts payable and accrued charges (note 8)	16,645	14,909
Deferred rental revenues	87	120
Deferred grant (note 7)	4,147	4,802
Demand loan (note 10)	22,343	22,343
Unbilled dredging revenues (note 15)	3,610	4,284
	46,832	46,458
Non-current liabilities		
Post-employment benefit liability (note 9)	520	486
Lease liabilities	59	61
	47,411	47,005
Equity of the Government of Canada		
Contributed capital (notes 1 and 13)	61,659	61,659
Retained earnings	56,322	52,245
	117,981	113,904
	165,392	160,909

The consolidated financial statements were approved by the Board of Directors on April 3, 2023.

________________ Chairman ________________ President and Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements.

Saint John Port Authority

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2022

(all amounts in thousands of Canadian dollars)

	2022 $	2021 $
Revenue from port operations		
Rental income	6,376	5,774
Throughput fees	2,507	2,843
Dredging dues (note 15)	6,797	4,799
Harbour dues	2,404	1,813
Passenger fees (note 16)	1,442	-
Wharfage fees	5,734	5,633
Berthage fees	1,273	795
Storage	15	-
Other	370	666
	26,918	22,323
Expenses from port operations		
Dredging costs (note 15)	7,395	5,057
Depreciation of property and equipment and right-of-use assets (note 7)	2,798	2,949
Grants in lieu of municipal taxes	808	731
Gross revenue charge	1,056	760
Maintenance and repair costs	945	786
Other operating and administrative	3,431	2,434
Professional and consulting fees	732	624
Salaries, fees, allowances and benefits (note 11)	5,470	4,609
	22,635	17,950
Income from port operations	4,283	4,373
Investment income, net of expenses	540	288
Gain on disposal of property and equipment	35	71
Net income for the year	4,858	4,732
Other comprehensive (loss) gain		
Remeasurements of defined benefit plans (note 9)	(288)	999
Remeasurements of investments	(493)	(410)
	(781)	589
Comprehensive income for the year	4,077	5,321

The accompanying notes are an integral part of these consolidated financial statements.

(all amounts in thousands of Canadian dollars)

	Contributed capital $	Retained earnings $	Total equity $
Balance at January 1, 2021	61,659	46,924	108,583
Net income for the year	-	4,732	4,732
Other comprehensive income	-	589	589
Comprehensive income for the year	-	5,321	5,321
Balance at December 31, 2021	61,659	52,245	113,904
Balance at January 1, 2022	61,659	52,245	113,904
Net income for the year	-	4,858	4,858
Other comprehensive loss	-	(781)	(781)
Comprehensive income for the year	-	4,077	4,077
Balance at December 31, 2022	61,659	56,322	117,981

Saint John Port Authority

Consolidated Statement of Cash Flows

For the year ended December 31, 2022

(all amounts in thousands of Canadian dollars)

	2022 $	2021 $
Cash (used in) provided by		
Operating activities		
Net income for the year	4,858	4,732
Charges to income not involving cash		
Depreciation of property and equipment and right-of-use assets	2,798	2,949
Gain on sale of investments	(285)	(398)
Gain on disposal of property and equipment	(35)	(71)
	7,336	7,212
Net change in post-employment benefit assets and liabilities	(62)	(5)
Net change in non-cash working capital balances related to operations		
(Decrease) increase in unbilled dredging revenues	(674)	5,220
Decrease (increase) in accounts receivable	3	(1,355)
Increase in inventory	(15)	-
Decrease (increase) in prepaid expenses	6	(29)
Increase in accounts payable and accrued charged	1,483	5,915
Decrease in deferred rental revenues	(33)	(425)
Decrease in payment in lieu of municipal taxes	-	(131)
Cash provided by operating activities	8,044	16,402
Investing activities		
Purchase of property and equipment	(58,345)	(59,896)
Proceeds on sale of property and equipment	260	71
Government grant received towards property and equipment	33,168	42,314
Proceeds from maturity of investments	6,155	10,004
Purchase of investments	(4,679)	(5,647)
Cash used in investing activities	(23,441)	(13,154)
Financing activities		
Borrowings on demand loan	-	9,845
Payment of lease liabilities	(19)	(2)
Cash (used in) provided by financing activities	(19)	9,843
Net (decrease) increase in cash during the year	(15,416)	13,091
Cash and cash equivalents – Beginning of year	18,436	5,345
Cash and cash equivalents – End of year	3,020	18,436
Cash and cash equivalents consist of		
Cash deposits	3,020	18,436
Cash flows from operating activities include		
Interest received	292	223

The accompanying notes are an integral part of these consolidated financial statements.

(all amounts in thousands of Canadian dollars)

1 General information

National Ports Policy

In 1983, the federal government dissolved the National Harbours Board replacing it with the Canada Ports Corporation (CPC) under the Canada Ports Corporation Act. This Act gave the CPC powers to establish local port corporations at any of the Canada Ports that met the criteria of national and regional significance, local interest and financial viability. The CPC devolved much of its former functions to these local port corporations while maintaining responsibility for ensuring that overall national transportation objectives are met. In 1998, the Canada Marine Act was enacted to make Canadian ports more competitive, efficient and commercially oriented and to provide for the establishment of local port authorities which met the criteria of being financially self-sufficient, having diversified traffic, being of strategic significance to Canada's trade and being linked to a major railway line or highway.

Port authorities are free to operate their ports on a commercial basis and have the authority to set all fees for the use of their ports and are authorized to develop and improve their facilities. They act as agents of the Crown for the purpose of engaging in port activities related to shipping, navigation, transportation of passengers and goods, handling of goods, storage of goods and other activities as specified in their letters patent.

Corporate profile of the Saint John Port Authority

The Saint John Port Authority (the Authority or the Port) was originally incorporated on December 31, 1986 without share capital as the Saint John Port Corporation (the Corporation) and was continued as the Saint John Port Authority effective May 1, 1999 under the Canada Marine Act.

On incorporation in 1986, in accordance with the Canada Ports Corporation Act, the assets and liabilities were transferred to the Corporation at their carrying values in the accounts of the Canada Ports Corporation – Port of Saint John (offset being to contributed capital).

All federal real property and immovables (defined as land, buildings, structures, improvements and other fixtures on, above or below the surface of the land) that the Authority administers, or the title it holds on behalf of the Crown (whether or not in its own name) are the property and rights of the Crown and cannot be used as security for any loans. The Authority is responsible for performing necessary maintenance, restoration and replacement of the federal assets it manages as agent for the Crown and is required to discharge all obligations and liabilities arising from the management of the federal assets.

The Authority's board of directors is made up of seven members, one appointed by the Government of Canada, one by the City of Saint John, one by the Province of New Brunswick and four by the federal government in consultation with the classes of users mentioned in its Letters Patent.

The Authority's registered office and principal place of business is located at 111 Water Street, Saint John, New Brunswick, Canada.

(all amounts in thousands of Canadian dollars)

2 Basis of preparation

The consolidated financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in note 3.

3 Summary of significant accounting policies

The consolidated financial statements have been prepared in accordance with IFRS and reflect the following significant accounting policies.

Consolidation

These consolidated financial statements include the accounts of the Saint John Port Authority and a subsidiary company. Subsidiaries are those entities (including special purpose entities) which the Authority controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Authority controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Authority and are deconsolidated from the date that control ceases.

Revenue

The Authority recognizes revenue to depict the transfer of promised services to merchants in an amount that reflects the consideration to which the Authority expects to be entitled to in exchange for those services by applying the following steps:

- identify the contract with a merchant;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price; and
- recognize revenue when, or as, the Authority satisfies a performance obligation.

(all amounts in thousands of Canadian dollars)

Lease rental income is recognized in the period in which the leased item is used. Berthage, throughput, wharfage and passenger fees are recognized on departure of the vessel. Harbour dues and dredging revenue (note 15) are recognized when the vessel enters the harbour. Deferred revenue represents cash received in advance of the due date. Unbilled revenue represents revenue earned but not yet invoiced.

Dredging cost

The costs of removing dredgeate, which is required for the maintenance of navigable waterways, are expensed as incurred (note 15).

Gross revenue charge

Under the Canada Marine Act, the Authority is obligated to pay annually to the Minister of Transport a charge to maintain its Letters Patent in good standing. The charge is calculated by reference to gross revenue (defined in the Letters Patent as all revenues (revenue from port operations plus investment income plus gains (losses) on disposal of property and equipment) less permitted exclusions) using 2% on the first $10,000, 4% of the amount between $10,000 and $20,000, and 6% of the amount between $20,000 and $60,000. The federal stipend is included in operating expenses and it must be settled within 90 days of the year-end.

Grants in lieu of municipal taxes

The expense of grants in lieu of municipal taxes is based on estimated municipal assessments adjusted in accordance with the Municipal Grants Act. Any adjustments upon finalization are reflected in the consolidated financial statements in the year of settlement.

Government grants

Government grants are recognized when there is reasonable assurance that the Authority has complied with, and will continue to comply with, all conditions necessary to obtain the grants.

Government grants relating to non-capital costs are deferred and recognized in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property and equipment are deducted from the carrying cost of the related assets.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and investment brokers, and other short-term highly liquid investments with original maturities of three months or less.

(all amounts in thousands of Canadian dollars)

Property and equipment

- Federal real and immovable property
  Federal real and immovable property includes land, dredging, berthing structures, buildings, utilities, roads, surfaces and construction-in-progress. While title to these assets remains with the Crown, the Authority has the right to substantially all of the risks and rewards of ownership during the life of the assets and holds them to operate the Port. They have been classified as property and equipment in these consolidated financial statements.

- Personal property and moveable assets
  Personal property and moveable assets include machinery and equipment and office furniture and equipment and are the property and right of the Authority.

Property and equipment are recorded at cost less accumulated depreciation and impairment. Government grants toward capital projects are deducted from the cost of the related property and equipment.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost can be measured reliably. Repairs and maintenance costs are charged to the consolidated statement of comprehensive income during the period in which they are incurred.

Land and construction-in-progress are not depreciated. Depreciation on other assets is calculated on a straight-line basis for the full year, commencing with the year the asset becomes operational, based on estimated useful lives of the assets as follows:

Dredging	15 – 40 years
Berthing structures, buildings, roads and surfaces	10 – 40 years
Utilities	10 – 30 years
Machinery and equipment	1 – 20 years
Office furniture and equipment	5 – 20 years

The Authority allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and depreciates separately. The carrying amount of a replaced part is derecognized when replaced.

Residual values, methods of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

(all amounts in thousands of Canadian dollars)

Intangible assets

The water rights granted to the Authority by the Government of Canada to operate the Port are classified as intangible assets. As they were acquired free of charge, they are recognized at a nominal amount of $1.

Impairment of non-financial assets

Property and equipment are assessed for impairment when events or circumstances indicate that the carrying amount may not be recoverable at the end of each reporting period. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent from other assets or groups of assets (cash generating units, or CGUs). The recoverable amount is the higher of an asset's (or asset group'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 CGU). An impairment loss is recognized for the amount by which an asset's (or asset group's) carrying amount exceeds its recoverable amount. Past impairment losses are evaluated for potential reversals when events or circumstances warrant such consideration.

Leases

The Authority assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Employee future benefits

- Defined benefit plans
  Unless otherwise stated, benefit obligations for defined benefit plans are determined by independent actuaries using the projected unit credit method prorated on service and management's best estimate of expected plan investment performance, salary escalation, mortality rates and retirement ages of employees.

  The asset or liability recognized in the consolidated statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the period less the fair value of the plan assets, together with adjustments for unrecognized past service costs.

  Actuarial valuations for defined benefit plans are carried out at least every three years. The discount rate applied in arriving at the present value of the pension liability represents the yield on high quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

(all amounts in thousands of Canadian dollars)

Benefit charge or credit is recorded in salaries, fees, allowances and benefits in the consolidated statement of comprehensive income and consists of:

- the aggregate of the actuarially computed cost of pension benefits provided in respect of the current year's service;
- imputed interest on the net defined benefit liability (asset);
- past service costs, which are recognized immediately in income;
- gains or losses on plan settlements and curtailments; and
- special termination benefit costs.

Plan assets are valued at fair value for the purpose of calculating the expected return on plan assets.

Actuarial gains and losses are recognized in full in the period in which they occur, in other comprehensive income without recycling to the consolidated statement of comprehensive income in subsequent periods. Amounts recognized in other comprehensive income are recognized immediately in retained earnings.

- Defined contribution plans
  For defined contribution plans, the cost of pension benefits is the Authority's required contributions to the plans.

- Termination benefits
  The Authority recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing benefits as a result of an offer made to encourage voluntary termination.

Financial instruments

Financial assets and liabilities are recognized when the Authority becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

The Authority recognizes financial instruments based on their classification. Depending on the financial instruments' classification, changes in subsequent measurements are recognized in net income or comprehensive income.

(all amounts in thousands of Canadian dollars)

- Financial assets
  Financial assets are measured at amortized cost if both of the following criteria are met: the object of the Authority's business model for these financial assets is to collect their contractual cash flows; and the asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. They are initially measured at the amount expected to be received less, when material, a discount to reflect the time value of money. Subsequent to initial measurement, they are carried at amortized cost using the effective interest method less appropriate provisions for impairment.

  The Authority applies the simplified method of the expected credit loss model required under IFRS 9, Financial Instruments (IFRS 9). Under this method, the Authority estimates a lifetime expected loss allowance for all receivables. Receivables are written off when there is no reasonable expectation of recovery. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

  Financial assets are measured at fair value through other comprehensive income (FVTOCI) if both of the following criteria are met: the objective of the Authority's business model is achieved by both holding financial assets in order to collect contractual cash flows and selling financial assets; and the contractual terms of the financial asset gave rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are initially recognized at fair value and transaction costs are expensed. Subsequent to initial measurement, they are carried at fair value and all gains and losses realized and unrealized are recognized in the consolidated statement of comprehensive income.

  The Authority assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty and, where observable, data indicate that there is a measurable decrease in the estimated future cash flows.

  Financial assets are derecognized when their rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

(all amounts in thousands of Canadian dollars)

- Financial liabilities
  Financial liabilities measured at amortized cost are initially recognized at fair value less directly attributable transaction costs and subsequent to initial measurement are recognized at amortized cost. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the consolidated statement of comprehensive income over the contractual term using the effective interest rate method.

  A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Provisions

The Authority is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. 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 consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation, and are discounted when the effect is material. The Authority does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial conditions or future results of operations of the Authority.

Contributed capital

The Authority was incorporated without share capital. Assets gifted to or expropriated from the Authority by the Government of Canada are treated as increases to (reductions of) contributed capital, respectively.

Foreign currency

Monetary items denominated in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the consolidated statement of financial position date. Revenues and expenses are translated at the average exchange rates in effect in the month of the respective transactions. Foreign exchange gains and losses are included in income.

(all amounts in thousands of Canadian dollars)

Accounting standards adopted during the year

- Assessment of onerous contracts (amendments to IAS 37)
  Following the withdrawal of IAS 11, Construction Contracts, companies apply the requirements of IAS 37 when determining whether a contract is onerous. The amendment clarifies the unavoidable costs of meeting the contractual obligation, which is used to determine if the contract is onerous. The amendments apply for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. The amendment did not result in a material impact on the Authority's consolidated financial statements.

- Proceeds before intended use (IAS 16)
  Amended to (i) prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use, (ii) clarify that an entity is "testing whether the asset is functioning properly" when it assesses the technical and physical performance of the asset and (iii) require certain related disclosures. The amendment did not result in a material impact on the Authority's consolidated financial statements.

Accounting standards and amendments issued but not yet adopted

- Accounting policy disclosures: Changes in estimates versus accounting policies (amendments to IAS 8)
  In February 2021, the IASB issued amendments to IAS 8 to clarify the distinction between a change in an accounting policy and a change in an accounting estimate. The amendments apply for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. The Authority does not expect that the amendments will have a material impact on its consolidated financial statements.

- Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2)
  In February 2021, the IASB issued amendments to IAS 1 to require the disclosure of material accounting policies rather than significant accounting policies. The amendments apply for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. The Authority does not expect that the amendment will have a material impact on its consolidated financial statements.

- IFRS 17, Insurance Contracts (IFRS 17)
  IFRS 17 was issued in May 2017 and is effective for years beginning on or after January 1, 2023, to be applied retrospectively. IFRS 17 will replace IFRS 4, Insurance Contracts, and will change the measurement and presentation principles used to account for insurance contracts. The Authority does not expect that the new standard will have a material impact on its consolidated financial statements.

(all amounts in thousands of Canadian dollars)

4 Critical accounting estimates, assumptions and judgments in applying accounting policies

The preparation of consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. The actual outcome may differ from these judgments, estimates and assumptions. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Authority has made in the preparation of the consolidated financial statements.

Impairment of property and equipment

The amounts recorded for depreciation and impairment of property and equipment depend on assessments of CGUs, economic lives, and estimates of future cash flows from related assets, future growth rates and fair values, less costs to sell. For the purpose of impairment tests, the Port as a whole is treated as a single CGU as in management's opinion, the cash inflows of each terminal are not considered to be largely independent of each other, since the terminals cannot be operated without the federal real property port infrastructure, and since the Authority is mandated to use these assets to run a diversified port operation as an agent for the Crown. Based on these assumptions, no impairment losses have been recorded. If the determination of CGUs changes, the impact on the consolidated financial statements could be material.

Employee benefit obligations

The cost of defined benefit pension plans, as well as the present value of the pension obligations, is determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, future salary increases, mortality rates and future pension increases. All assumptions are reviewed at each reporting date.

5 Investments

	2022 $	2021 $
Government of Canada and provincial and municipal bonds	4,800	7,886
Corporate bonds	2,244	842
	7,044	8,728
Less: Current portion	1,010	3,451
	6,034	5,277

All bonds have been classified as FVTOCI. Cash in investment brokerage accounts has been classified as amortized cost.

(all amounts in thousands of Canadian dollars)

6 Accounts receivable

	2022 $	2021 $
Accounts receivable	4,405	4,408
Less: Provision for expected credit loss	-	-
	4,405	4,408

As at December 31, 2022, accounts receivable of $nil (2021 – $nil) were determined to be impaired as there is objective evidence that the amounts are collectible in full and, as such, the carrying value of the receivables represents their estimated recoverable amount. The aging of receivables not considered to be impaired is as follows:

	2022 $	2021 $
Not past due	3,618	3,446
Past due 0 to 30 days	633	533
Past due 31 to 60 days	95	63
Past due more than 60 days	59	366
	4,405	4,408

The accounts receivable past due, but not considered to be impaired, relate to a number of independent customers for whom there is no recent history of default.

(all amounts in thousands of Canadian dollars)

7 Property and equipment

	Federal real property and federal immovable assets							Other property			
	Land $	**Dredging** $	**Berthing structures** $	**Buildings** $	**Utilities** $	**Roads and surfaces** $	**Construc-tion-in-progress** $	**Machinery and equipment** $	**Furniture and equipment** $	**Right-of-use assets** $	**Total** $
Cost											
At January 1, 2022	31,849	1,891	72,600	40,257	11,368	13,730	50,934	8,811	1,522	85	233,047
Additions	-	-	138	138	-	-	57,769	559	(6)	31	58,629
Government grants	-	-	-	-	-	-	(39,494)	-	-	-	(39,494)
Disposals	-	-	-	-	-	-	-	(576)	-	(25)	(601)
Transfers from construction-in-progress	-	-	363	120	-	-	(576)	-	93	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
At December 31, 2022	31,849	1,891	73,101	40,515	11,368	13,730	68,633	8,794	1,609	91	251,581
Accumulated depreciation and impairment											
At January 1, 2022	-	1,721	63,721	19,341	9,492	12,029	-	6,741	1,261	26	114,332
Depreciation	-	8	1,118	911	171	95	-	410	65	20	2,798
Disposals	-	-	-	-	-	-	-	(350)	-	(12)	(362)
Adjustments	-	-	-	-	-	-	-	-	-	-	-
At December 31, 2022	-	1,729	64,839	20,252	9,663	12,124	-	6,801	1,326	34	116,768
Net book value at December 31, 2022	31,849	162	8,262	20,263	1,705	1,606	68,633	1,993	283	57	134,813
Cost											
At January 1, 2021	31,849	1,900	72,595	40,308	10,217	13,659	33,263	9,617	1,866	92	215,366
Additions	-	-	25	-	-	297	56,530	63	12	26	56,953
Government grants	-	-	-	-	-	-	(37,678)	-	-	-	(37,678)
Disposals	-	(9)	(20)	(3)	(30)	(226)	-	(869)	(403)	(20)	(1,580)
Transfers from construction-in-progress	-	-	-	-	1,181	-	(1,181)	-	-	-	-
Adjustments	-	-	-	(48)	-	-	-	-	47	(13)	(14)
At December 31, 2021	31,849	1,891	72,600	40,257	11,368	13,730	50,934	8,811	1,522	85	233,047
Accumulated depreciation and impairment											
At January 1, 2021	-	1,714	62,533	18,445	9,348	12,135	-	7,193	1,575	29	112,972
Depreciation	-	8	1,209	898	174	120	-	416	101	23	2,949
Disposals	-	(9)	(21)	(2)	(30)	(226)	-	(869)	(407)	(16)	(1,580)
Adjustments	-	8	-	-	-	-	-	1	(8)	(10)	(9)
At December 31, 2021	-	1,721	63,721	19,341	9,492	12,029	-	6,741	1,261	26	114,332
Net book value at December 31, 2021	31,849	170	8,879	20,916	1,876	1,701	50,934	2,070	261	59	118,715

* Additions of $7,077 (2021 – $7,424) are included in accounts payable and accrued charges as at December 31, 2022.

(all amounts in thousands of Canadian dollars)

Included in property and equipment are assets with a gross cost as at December 31, 2022 of $90,905 (2021 – $73,942) that are now fully depreciated but still in use.

Capital commitments as at December 31, 2022 are $20,527 (2021 – $11,656).

The Authority has received $4,147 (2021 – $4,802) in grants relating to property and equipment which have not yet been earned, and therefore have not been applied against the property and equipment balance.

The following property and equipment is leased to third parties under various operating lease agreements:

	2022 $	2021 $
Net book value at January 1	35,134	35,371
Additions	396	1,088
Depreciation	(1,443)	(1,325)
Net book value at December 31	34,087	35,134

The future minimum lease income receivable under these non-cancellable operating leases is as follows:

	2022 $	2021 $
Not later than one year	8,120	8,423
Later than one year and not later than five years	25,089	32,561
Later than five years	103,450	157,357
	136,659	198,341

The leases expiring in more than five years relate to long-term lease agreements with terminal operations for the DP World multipurpose terminal, No. 12 terminals and Potash Terminal that expire in 2051, 2031 and 2025, respectively.

The Terminal 12 lease has options for the lessee to renew for five further terms of 10 years each.

The Potash Terminal lease has options for the lessee to renew for 3 consecutive terms of 5 years each.

None of these assets leased to users of the Port are classified as investment properties as they are held to provide access to the Port for terminal operators or other users of the Port rather than being held to earn rental income.

(all amounts in thousands of Canadian dollars)

8 Accounts payable and accrued charges

	2022 $	2021 $
Trade payables	13,708	12,159
Accrued expenses	2,937	2,750
	16,645	14,909

9 Employee future benefits

The Authority has the following plans providing pension and the other post-employment benefits to its employees.

Description of plans

a) The Authority entered into a multiple-employer pension plan, the Canadian Port Authorities Pension Plan (the Plan), on May 1, 2001 to provide retirement benefits to employees. The Plan has two components: a defined benefit plan and a defined contribution plan. Both plans are contributory and vest after two years of service.

Employees who participated under the Public Service Superannuation Act (PSSA) became members of the defined benefit plan. These employees may elect to switch to the defined contribution plan in lieu of the defined benefit plan at any time. All other employees of the Authority became members of the defined contribution plan.

The defined benefit pension plan provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. Employees under the defined benefit plan retiring at the normal retirement date will receive 2% of final average earnings multiplied by pensionable service with a reduction at age 65 of 0.7% of average Canada Pension Plan earnings multiplied by pensionable service. Pensions paid are indexed to inflation (CPI) to a maximum of 8% per year. The benefit payments are from trustee-administered funds. Plan assets held in trusts are governed by local regulations and practice. Responsibility for governance of the plans overseeing all aspects of the plans including investment decisions and contribution schedules lies with the Port. The Port participates in the committee that oversees management of the Plan, which includes two other ports.

b) The Authority has an unfunded retirement allowance program for employees with one or more years of continuous employment. This is available on retirement or death where each employee is entitled to receive one week of pay for each year of service up to a maximum of 28 weeks. Employees who joined the Authority before July 1, 1982 are also eligible to receive a lump sum payment equal to one-half week of pay for each year of service to a maximum of 14 weeks if they voluntarily resign before retirement.

(all amounts in thousands of Canadian dollars)

Defined benefit plans

The Authority measures its accrued benefit obligations and the fair value of its pension plan assets for accounting purposes as at December 31 each year. The pension plans are generally valued for funding purposes no less frequently than every three years. The last required actuarial valuation for funding purposes was January 1, 2022 and the next required actuarial valuation for funding purposes is January 1, 2023.

The retirement allowance is not currently accounted for using an actuarial method. The obligation is calculated for those employees with one or more years of service, based on their current rate of pay and number of years of service. Future salary increases, forfeitures, estimated retirement dates and the impact of discounting have not been factored into this calculation. In the opinion of management, the liability approximates that which would be derived using an actuarial valuation method.

The Authority's net benefit cost for its defined benefit plans is as follows:

	Pension plan		Retirement allowance plan	
	2022 $	**2021 $**	**2022 $**	**2021 $**
Current service cost	-	47	80	58
Interest income	(96)	(57)	-	-
Impact on net income (note 11)	(96)	(10)	80	58
Impact of remeasurement on other comprehensive income	(288)	999	-	-

Defined benefit plan assets consist of:

	2022 %	**2021 %**
Canada equity funds	32	31
United States equity funds	8	8
International equity funds	23	23
Canadian bond funds	37	38
	100	100

The Plan holds various mutual funds which are managed by third parties. The Plan invests in diversified funds with a goal of long-term appreciation while minimizing risk.

(all amounts in thousands of Canadian dollars)

The following table sets forth the status of the Authority's principal defined benefit plans as of December 31, 2022 and 2021:

	Pension plans		Retirement allowance plan	
	2022 $	**2021 $**	**2022 $**	**2021 $**
Change in benefit obligation				
Accrued benefit obligation – Beginning of year	4,493	4,937	486	481
Benefits paid	(224)	(222)	(46)	(53)
Current service cost (note 11)	-	47	80	58
Interest cost	131	125	-	-
Remeasurements	(782)	(394)	-	-
Accrued benefit obligation – End of year	3,618	4,493	520	486
Change in plan assets				
Fair value of plan assets – Beginning of year	7,674	7,109	-	-
Actual return on plan assets	(843)	787	-	-
Benefits paid	(224)	(222)	-	-
Fair value of plan assets – End of year	6,607	7,674	-	-
Funded status – plan surplus (deficit)	2,989	3,181	(520)	(486)
Recognized on the consolidated statement of financial position				
Accrued benefit asset (liability)	2,989	3,181	(520)	(486)

There are no pension plans with an accrued benefit obligation in excess of plan assets.

(all amounts in thousands of Canadian dollars)

The significant actuarial assumptions used are as follows:

	Pension benefit plans	
	2022 %	**2021** %
Accrued benefit obligation as at December 31		
Discount rate	5.2	3.0
Rate of compensation increase	2.5	2.5
Benefit costs for year ending December 31		
Discount rate	3.0	2.6
Rate of compensation increase	2.5	2.5

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory.

The sensitivity of the defined benefit obligation to changes in assumptions is set out below:

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption** $	**Decrease in assumption** $
Discount rate	1.00%	decrease of 347	increase of 410
Salary growth rate	1.00%	-	-
Life expectancy	1 year	decrease of 97	increase of 94

Each sensitivity analysis disclosed in this note is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to variations in significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied for calculating the liability recognized in the consolidated statement of financial position.

Expected contributions to pension benefit plans for the year ending December 31, 2023 are $nil.

(all amounts in thousands of Canadian dollars)

Through its defined benefit pension plan, the Authority is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility
  The Plans' liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while contributing volatility and risk in the short-term.

  The pension asset management strategy consists of ensuring that assets are sufficient to meet the defined benefit pension plan obligations while maximizing the long-term real rate of return subject to acceptable levels of risk and volatility. This is achieved through a diversified portfolio with a specified target asset mix of Canadian, U.S., International, Global Equities and Fixed Income funds. To ensure that the Plan operates within minimum and maximum acceptable ranges, the asset mix is calculated quarterly. If necessary, the portfolio is rebalanced by redirecting net cash flows or transferring cash and securities between portfolios.

- Changes in bond yields
  A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the Plans' bond holdings.

- Inflation risk
  The majority of the Plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the Plans against extreme inflation). The majority of the Plans' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

- Life expectancy
  The majority of the Plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the Plans' liabilities.

- Defined contribution plan
  The Authority's net benefits plan expense for its defined contribution pension plan was $205 (2021 – $189).

(all amounts in thousands of Canadian dollars)

10 Demand loan

The Authority has a demand loan, bearing interest at the Bank of Montreal prime rate minus 0.50% with interest only payments required until November 4, 2023 and maturing on November 4, 2035 secured by a first ranking charge on all of the Authority's present and after-acquired personal and movable property.

11 Salaries, fees, allowances and benefits

	2022 $	2021 $
Salaries, wages and fees	4,453	3,749
Social security, other benefits and other payroll taxes	828	623
Retirement allowances (note 9)	80	58
Defined benefit pension plans (note 9)	(96)	(10)
Defined contribution pension plans (note 9)	205	189
	5,470	4,609

12 Key management compensation

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the Authority, directly or indirectly, including any director (executive or otherwise) of the Authority. The compensation paid or payable to key management for employee services is shown below:

	2022 $	2021 $
Salaries and other short-term employee benefits	695	1,025
Post-employment benefits	41	71
	736	1,096

Port Authority Management Regulations disclosures

In accordance with the Port Authority's Management Regulations, the Authority is required to disclose the total remuneration paid, including any fee, allowance or other benefit, to each Director, the Chief Executive Officer and employees whose remuneration exceeds a prescribed threshold.

(all amounts in thousands of Canadian dollars)

Salaries, fees and other benefits paid during the year which are required to be disclosed are as follows:

		2022		
Name	**Title**	**Salaries, fees and other short-term employee benefits $**	**Post-employment benefits $**	**Total $**
Craig Estabrooks	President & CEO	233	17	250
Andrew Dixon	Chief Operating Officer	241	24	265
Lisa Keenan	Chair	55	-	55
Donna Redmond Gates	Vice Chair	41	-	41
Thomas O'Neil	Director	22	-	22
David Emerson	Director	27	-	27
Shelley Rinehart	Director	21	-	21
John Keir	Director	24	-	24
Peter McGuire	Director	31	-	31
		695	41	736

		2021		
Name	**Title**	**Salaries, fees and other short-term employee benefits $**	**Post-employment benefits $**	**Total $**
Craig Estabrooks	President & CEO	134	29	163
Jim Quinn	Former President & CEO	230	12	242
Andrew Dixon	Senior VP, Trade and Business Development	218	15	233
Christopher Hall	VP Operations and Harbour Master	218	15	233
Lisa Keenan	Chair	55	-	55
Donna Redmond Gates	Vice Chair	50	-	50
Thomas O'Neil	Director	21	-	21
David Emerson	Director	26	-	26
Shelley Rinehart	Director	23	-	23
John Keir	Director	23	-	23
Peter McGuire	Director	27	-	27
		1,025	71	1,096

(all amounts in thousands of Canadian dollars)

13 Financial risk management

The Authority's activities expose it to a variety of financial risks. These include market risk (foreign exchange risk, interest rate risk and equity price risks), credit risk and liquidity risk.

Market risk

- Foreign exchange risk
  The Authority was not exposed to any significant foreign exchange risk since its operations are in Canada. From time to time, it pays some suppliers in foreign currencies.

- Interest rate risk
  Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is exposed to interest rate cash flow risk through its demand loans and cash, which are at floating interest rates. At the end of the reporting period, if interest rates on cash deposits had been 1% higher/lower with all other variables held constant, net income for the year would have been $107 higher/lower (2021 – $184 higher/lower). If interest rates on the demand loan had been 1% higher/lower with all other variables held constant, net income for the year would have been $223 lower/higher (2021 – $223 lower/higher).

  Investments in fixed rate bonds are subject to interest rate fair value risk as future changes in interest rates affect the fair value of these investments. As these investments are recorded at fair value, changes due to fluctuating interest rates are recorded in the consolidated statement of comprehensive income.

- Equity price risk
  The Authority is also exposed to price risk on their investments classified as fair value through other comprehensive income. A 1% change in the price of the investments would cause a $70 increase/decrease in the value of the investments (2021 – $87 increase/decrease).

Credit risk

The Authority's financial assets that are exposed to credit risk consist of cash and cash equivalents, investments and accounts receivable. This risk is minimal since the majority of the Authority's revenue is received when due, its bank account is held with a Canadian financial institution which has a credit rating of AA and its investments are held with entities with a credit rating of AA or higher.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Authority does not hold any collateral as security.

(all amounts in thousands of Canadian dollars)

No financial assets are past due except for some accounts receivable. Accounts receivable are subject to credit evaluation, approval limits, and monitoring processes intended to mitigate potential credit risks, and the Authority maintains provisions for expected credit losses that are assessed on an ongoing basis. The Authority's accounts receivable are exposed to concentrations of credit risk as its two largest receivable balances represent 51% of accounts receivable as at December 31, 2022 (2021 – 74%). Information about the credit quality of accounts receivable is disclosed in note 6.

Liquidity risk

Financial liabilities consist of trade and other payables (note 8) and demand loans (note 10). The trade and other payables have contractual maturities of three months or less and are classified as current and presented as such on the consolidated statement of financial position. The demand loan is due on demand and secured by a first charge on the Authority's personal and movable property. The Authority generates enough cash from operating activities to fund its current obligations.

Capital management

The Authority is incorporated without share capital. As a Canadian Port Authority, the Authority is required to be financially self-sufficient. It is bound by specific terms of the Canadian Marine Act, its Letters Patent and the Port Authority Management Regulations, which limits commercial activity, restricts borrowing to $36,000 and investing activities are subject to risk criteria and restrictions. It does not have access to federal funding, by way of an appropriation of Parliament, except for funding related to infrastructure, environmental sustainability and the implementation of security measures up to $36,000. The Authority is unable to pledge federal real and immovable property as security against any liabilities. The Authority has the authority though to set its own rates, tariffs and fees to ensure it is financially self-sufficient.

14 Financial instruments

The fair value of a financial instrument is the amount of which the financial instrument could be exchanged in an arm's length transaction between knowledgeable and willing parties under no compulsion to act. Fair values are determined by reference to quoted bid or ask prices, as appropriate, in the most advantageous market for that instrument to which the Authority has immediate access. If market prices are not available, fair value is based on prevailing market rates for instruments with similar characteristics and risk profiles or internal or external valuation models that require inputs.

The Authority's financial instruments comprise cash and cash equivalents, investments, accounts receivable, accounts payable and accrued charges and demand loan. The investments in bonds are recorded at fair value based on quoted market prices as at December 31, 2022 and 2021.

As at December 31, 2022 and December 31, 2021, all of the Authority's financial assets were included in the amortized cost category, except for investments classified as FVTOCI. As at December 31, 2022 and December 31, 2021, all of the Authority's financial liabilities were carried at amortized cost.

(all amounts in thousands of Canadian dollars)

Fair value hierarchy

Financial assets and liabilities that are recognized on the consolidated statement of financial position at fair value are to be classified into a hierarchy of three levels based on the significance of the impacts used in making the measurement:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset of liability that are not based on observable market data (unobservable inputs).

As at December 31, 2022, the investments in bonds are valued using techniques categorized as Level 1.

15 Dredging fees and costs

Dredging account

The Authority charges a dredging fee to recoup the costs of dredging common channel areas within the harbour. As acknowledged by the Canadian Transportation Agency under decision No. 293-W-2010, the Authority is within its rights to recover direct dredging and dredging related costs from ships that enter the harbour limits. The Authority has no exposure to gains or losses from dredging activities as all related costs are ultimately passed on to the users of the Port. However, due to the structure of the current dredging tariff, timing differences arise between when dredging costs are incurred and when they are passed on to users of the Port. In the opinion of management, it is misleading to reflect gains and losses in the Authority's own consolidated net income, relating to the mismatch in the timing of these transactions and, as a result, management recognizes dredging revenues equivalent to recoverable dredging expenses incurred in the year, on the basis that any difference will be recovered from/paid to customers through the dredging tariff mechanism. The movements in the dredging account were as follows:

	2022 $	2021 $
Unbilled revenues – January 1	(4,284)	936
Dredging costs incurred	6,797	4,799
Dredging revenues billed	(6,123)	(10,019)
Unbilled revenues – December 31	(3,610)	(4,284)

The dredging costs reflected in the consolidated statement of comprehensive income of $7,395 (2021 – $5,057) include the recoverable direct dredging and related costs in the table above as well as $598 (2021 – $277) of unrecoverable berth dredging.

(all amounts in thousands of Canadian dollars)

16 Global pandemic

Since March 2020, the COVID-19 pandemic has affected communities in many countries. In response to the pandemic, travel between Canada and the United States was limited to essential travel only and Transport Canada restricted cruise vessels from visiting Canadian ports. The effect on the Authority due to this restriction was the temporary cessation of cruise sector revenue for the 2021 fiscal year, which returned for the 2022 fiscal year.