

2022 | ANNUAL REPORT



A PORT OF PARTNERSHIPS

PRINCE RUPERT PORT AUTHORITY
2022 Key Facts & Figures



VIGOROUS TRADE. THRIVING COMMUNITIES. SUSTAINABLE DEVELOPMENT.

The Port of Prince Rupert was not immune to supply chain headwinds in 2022 resulting in a drop in cargo volumes for the second consecutive year, with 24.6 million tonnes of cargo moved through the Gateway. The slight year-over-year decrease reflects the mounting challenges brought on by multiple disruptions affecting trade through the port, including production challenges, rapidly changing global energy demands, supply chain congestion, and geopolitical and economic uncertainty amid a highly competitive shipping landscape over the past 12 months.

The flow of trade through the Prince Rupert Gateway has a direct impact on the economy not only locally, but throughout northern BC, the province, and Canada as a whole. The decrease experienced by various lines of business only highlights the need to continue to diversify

THE DECREASE EXPERIENCED BY VARIOUS LINES OF BUSINESS ONLY HIGHLIGHTS THE NEED TO CONTINUE TO DIVERSIFY THE PORT COMPLEX TO CREATE A GATEWAY THAT IS SUSTAINABLE, RESILIENT, AND STEADY THROUGH MARKET FLUCTUATIONS.

the port complex to create a gateway that is sustainable, resilient, and steady through market fluctuations. Conversely, the strong 2022 performance that was witnessed in LPG exports, wood pellet exports, and cruise validates the diversification that has occurred over the past decade.

The Prince Rupert Port Authority (PRPA) and its partners continued that work in 2022 – laying the foundation to diversify and expand the Port’s capabilities to enable Canadian trade. Focusing on evolving the services and capacities of the Port of Prince Rupert, including projects

currently in development such as container terminal and logistics service expansions, as well as the growth and diversification of existing terminals and the creation of new export facilities needed to support Canada’s role in global energy security. As these projects reach critical decision points, 2023 will define the future of the Prince Rupert Gateway.

The Port has the opportunity to secure over \$2 billion in new project investment, which represents supply chain capacity and resiliency for Canada, and new employment, economic opportunity and tax base for the local community and surrounding region. PRPA’s commitment to realizing a vision of a competitive, diverse, sustainable gateway will ensure we continue to build a better Canada, and a better Prince Rupert, by growing trade.

We are honoured to operate on the lands and waters of the Sm’algyax speaking Ts’msyen people and work with Indigenous communities to develop meaningful relationships and take steps to ensure our joint values are reflected in a shared vision for the future.

That future includes working towards a greener, more sustainable port and shipping industry through environmental initiatives that minimize impacts, develop technology and innovation, and lead the maritime industry to adapt to global climate priorities.

None of this would be possible without the people working in the gateway industry who support ongoing and future operations. Their skills and dedication continue to solidify Prince Rupert as one of the most productive and innovate gateways in North America.

We would like to thank PRPA’s team of dedicated staff, the people propelling our success and our future.

We encourage you to visit our full Annual Report online at 2022.rupertport.com for a more detailed review of our 2022 activities.

Sincerely,



Shaun Stevenson,
President & CEO



Frans Tjallingii,
Board Chair

2022 TRADE RESULTS

2022

BOARD OF DIRECTORS

Frans Tjallingii

John Farrell

Kenneth Clayton

Beverley Clifton Percival

Peter Lantin

Rita Andreone



DECLINE IN PORT-WIDE VOLUME
TO 24.6 MILLION TONNES



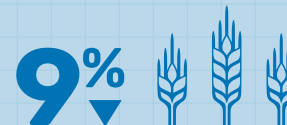
INCREASE IN TOTAL LPG
EXPORT VOLUMES



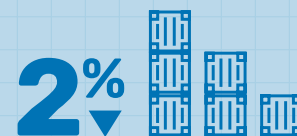
DECREASE IN TOTAL
COAL EXPORT VOLUME



INCREASE IN WOOD PELLET
EXPORT VOLUMES



DECREASE IN BULK
GRAIN EXPORT VOLUMES



DECREASE IN CONTAINER
VOLUME HANDLED AT
FAIRVIEW TERMINAL



INCREASE IN CRUISE PASSENGER
VOLUMES OVER 2019



A GROWING GATEWAY

Numerous advancements were made towards growing and diversifying the Prince Rupert Gateway in 2022. Two major projects were completed that are critical components of the Port's growing intermodal ecosystem, enabling greater efficiency and competitive advantages for the trade gateway. The Fairview-Ridley Connector Corridor officially opened in August, linking DP World's Fairview Container Terminal with future transloading sites on Ridley and South Kaien Islands. The private haul road and two additional rail sidings were constructed by Coast Tsimshian Northern Contractors Alliance, a First Nations joint venture, in PRPA's largest infrastructure project to date.

The opening of the Connector Corridor coincided with the completion of the 250,000 TEU southern expansion at Fairview Container Terminal, increasing overall capacity to 1.6 million TEUs and making it the second largest intermodal terminal in Canada. A second stage of expansion will focus on extending the terminal to the north and reconfiguring the layout to reach 1.8 million TEUs of capacity.

Looking to potentially double the Port's intermodal capacity over the next decade, PRPA and DP World entered into a two-year agreement to assess the feasibility of an innovative new container terminal, with capacity for up to 2 million TEUs. Various studies have begun on the proposed site at the southern end of the Fairview-Ridley Connector Corridor, with a key focus on understanding potential environmental and community impacts, investigating potential design concepts, and ensuring the project's full integration into the Port's intermodal ecosystem.

Strides were taken toward diversifying the cargoes and products exported through the Prince Rupert Gateway. Trigon Pacific Terminals Ltd. began early works on a second berth that will allow the Terminal to accelerate its diversification strategy and double its capacity. Trigon received federal government support, through a \$75 million commitment from the National Trade Corridors Fund, to enable the \$163 million expansion. The project

will help enable the global energy transition and provide a stronger connection between western Canadian exporters and expanding global markets.

PRPA entered a new partnership that will support the growth of Prince Rupert's cruise tourism sector. Global Ports Holding Plc. (GPH), the world's leading independent cruise port operator, signed a 10-year terminal operating agreement with PRPA to manage Northland Cruise Terminal, as well as the shore excursion programming, cruise scheduling and passenger services at the Port of Prince Rupert as of the 2023 cruise season. GPH represents a global network of award-winning ports and terminals and has an established track-record in destination development and cruise port operations.

SUSTAINABLE DEVELOPMENT

The Prince Rupert Gateway reached milestones in the implementation of PRPA's carbon reduction strategy, which aims to cut emission intensities by 30 percent from 2010 levels by 2030 and become carbon neutral by 2050. To support those goals, PRPA worked with DP World and BC Hydro to expand shore power infrastructure at Fairview Container Terminal to include both berths. In December 2022, the updated system was activated, allowing vessels to shut down their main generators and plug into dockside power connections while their cargo is handled. This electrical infrastructure is forecast to eliminate nearly 30,000 tonnes of carbon emissions annually, as well as other air emissions related to vessel exhaust such as nitrogen oxides and particulates, from the local airshed. That is the equivalent of removing over 6,500 typical passenger vehicles from the road.

As part of PRPA's commitment to mitigating the impacts of port activity on the surrounding environment, a unique habitat compensation project was completed in 2022. The Seal Cove Salt Marsh was revitalized to offset the construction of the Fairview-Ridley Connector Corridor. The \$4 million project overhauled the shoreline and marine riparian areas around Seal Cove to attract fish and other wildlife. This included transplanting 4,794m² of eelgrass gathered from locations around the Port. PRPA also took

advantage of the opportunity to incorporate community benefits into the project, constructing a new lighted, waterfront pathway and bridge, picnic tables, and seating areas for residents and visitors.

PRPA worked with numerous local and regional partners in 2022, to enhance safety and security and strengthen the communities that support the Prince Rupert Gateway. PRPA's Marine Operations team collaborated with multiple marine and public safety partners throughout the year to carry out important hands-on training. In March 2022, eight local organizations took part in a two-day session to run through the scenario of responding to a vessel in distress. Later in the year, PRPA helped host small vessel search training for officers from Canada Border Services Agency and Fisheries and Oceans Canada, as well as a joint fire training exercise with Prince Rupert Fire Rescue at Northland Cruise Terminal.

ENDURING COMMUNITIES

Extending beyond the Port of Prince Rupert, PRPA helped fund a pair of projects that support research and monitoring of salmon populations through its Skeena River Salmon Enhancement Program. The initiative provides \$1 million to projects that increase salmon productivity and the maintenance and rehabilitation of habitat in the Skeena River watershed. PRPA supported Lax Kw'alaams Fishing Enterprises Ltd.'s Multi-Year Juvenile Salmon Habitat and Eulachon Inventory Study. Further upstream, PRPA partnered with the Chicago Creek Community Environmental Enhancement Society to support the monitoring of Pink and Coho populations at Mission Creek, a tributary of the Bulkley River which flows into the Skeena.

PRPA's Community Investment Fund contributed over \$1.2 million to community projects across the northwest region that support recreation, health and wellness, education, arts and culture. From renovating the Friendship House of Prince Rupert and Gitga'at First Nation's community kitchens, to increasing accessibility at Shames Mountain and the Prince Rupert Curling Club, adding critical new equipment to the Prince Rupert gymnastics facility, as well as building a new playground and outdoor classroom in Prince Rupert, each project helped enhance safety and offer new opportunities for residents to develop hobbies and skillsets, connect with others, and improve their overall wellbeing.

PRPA's 'Eat, Play, Learn' youth programming offered significant support to children and teens living in Prince Rupert, by teaming with leading non-profit organizations to help provide nutritious meals and grants for organized sports and promote early childhood literacy.

PRPA and other Port partners marked their ongoing financial commitment to Breakfast Club of Canada, a non-profit program that provides nutritious meals to 282 students in School District 52 schools each day. Together they helped organize and serve special pancake breakfasts for students and staff at every public school in Prince Rupert.

With financial support from PRPA, the KidSport Prince Rupert chapter marked its first full year of operations in 2022 by approving 43 individual grants to local families, enabling their children to take part in a variety of sports. KidSport is a nationwide non-profit organization committed to ensuring all children have the chance to participate in organized sports.

PRPA staff shared their passion for books with some of the youngest residents as they visited Strongstart early childhood education centres to read with children, their families and caregivers. This initiative was launched to help encourage registration in Dolly Parton's Imagination Library, a free book gifting program devoted to inspiring a love of reading in young children. PRPA partners with North Coast Literacy Now to fund this program locally, providing every child aged 5 and under that is registered with the program a new, age-appropriate book each month. In 2022, 2,457 books were mailed to children in Prince Rupert.

CONTRIBUTED OVER \$1.2 MILLION TO COMMUNITY PROJECTS ACROSS THE NORTHWEST REGION



2022 FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year-Ended December 31, 2022 (expressed in \$000's)

YEARS	2022	2021
		restated
ASSETS		
Current assets:		
Cash and cash equivalents	35,381	93,055
Term deposits	85,325	5,127
Accounts receivable	22,174	24,066
Prepaid expenses	725	783
<i>Total current assets</i>	<i>143,605</i>	<i>123,030</i>
Non-current assets:		
Employee benefits	4,161	3,185
Term deposits	2,016	2,007
Property and equipment	318,188	304,115
Intangible assets	161	227
<i>Total non-current-assets</i>	<i>324,526</i>	<i>309,534</i>
TOTAL ASSETS	\$468,131	\$432,564
LIABILITIES AND EQUITY OF CANADA		
Current liabilities:		
Accounts payable and accrued liabilities	\$24,955	\$33,783
Current portion of deferred revenue	1,724	427
<i>Total current liabilities</i>	<i>26,679</i>	<i>34,211</i>
Non-current liabilities:		
Deferred revenue	6,170	3,699
Deferred contributions	89,589	80,750
<i>Total non-current liabilities</i>	<i>95,759</i>	<i>84,450</i>
TOTAL LIABILITIES	\$122,438	\$118,660
EQUITY OF CANADA		
Contributed capital	36,213	36,213
Surplus	309,480	277,691
Total equity of Canada	345,693	313,904
TOTAL LIABILITIES & EQUITY OF CANADA	\$468,131	\$432,564

CONSOLIDATED STATEMENT OF NET INCOME

Year-Ended December 31, 2022 (expressed in \$000's)

YEARS	2022	2021
		restated
REVENUE		
	\$66,016	\$61,617
EXPENSES		
Depreciation and amortization	6,753	4,950
Federal stipend	3,234	3,169
Operating and administrative	4,043	5,907
Payments in lieu of municipal taxes	1,794	4,273
Professional and consulting fees	5,107	4,249
Repairs and maintenance	1,574	1,815
Salaries and benefits	15,481	13,790
<i>Total expenses</i>	<i>37,986</i>	<i>38,153</i>
INCOME FROM OPERATIONS	28,030	23,464
OTHER INCOME AND EXPENSES		
Interest income	2,545	605
Loss on sale of assets	-	(61)
Loss on foreign exchange	11	(4)
OTHER INCOME AND EXPENSES	2,556	540
NET INCOME	\$30,586	\$24,004

STATEMENT OF COMPREHENSIVE INCOME

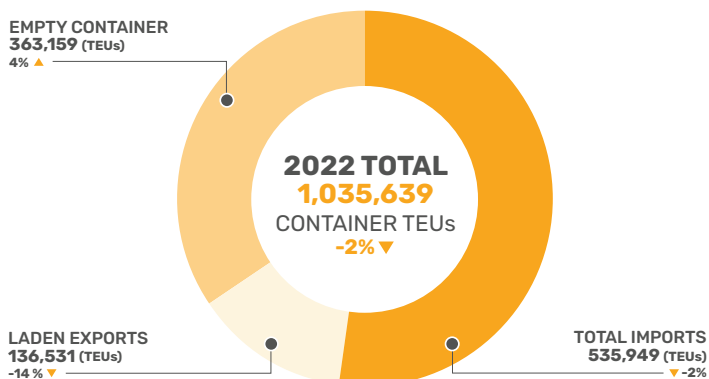
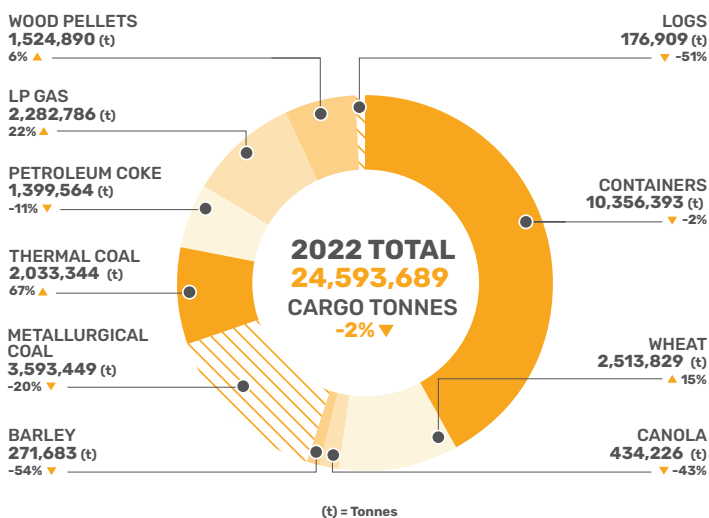
December 31, 2022 (expressed in \$000's)

YEARS	2022	2021
NET INCOME	\$30,586	\$24,004
OTHER COMPREHENSIVE INCOME		
Defined benefit plan actuarial gain (loss)	1,203	1,998
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$31,789	\$26,002

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended December 31, 2022 (expressed in \$000's)

	CONTRIBUTED CAPITAL	SURPLUS	TOTAL
BALANCE – DECEMBER 31, 2020	36,213	252,022	288,235
as previously stated			
Prior period restatement	-	(333)	(333)
BALANCE – DECEMBER 31, 2020	36,213	251,689	287,902
restated			
Net income for the year	-	26,004	26,004
Other comprehensive income			
Defined benefit plan actuarial gain	-	1,998	1,998
		28,002	28,002
BALANCE – DECEMBER 31, 2021	36,213	279,691	315,904
restated			
Prior period restatement	-	(2,000)	(2,000)
BALANCE – DECEMBER 31, 2021	36,213	277,691	313,904
restated			
Net income for the year	-	30,586	30,586
Other comprehensive income			
Defined benefit plan actuarial gain	-	1,203	1,203
		31,789	31,789
BALANCE – DECEMBER 31, 2022	36,213	309,480	345,693



CONSOLIDATED STATEMENT OF CASH FLOWS

Year-Ended December 31, 2022 (expressed in \$000's)

YEARS	2022	2021
		restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	\$30,586	\$24,004
Adjustments for:		
Amortization of deferred contributions	-	(2)
Amortization expense	6,753	4,950
Loss (gain) on disposal of property and equipment	-	61
Net finance income	(2,545)	(605)
	34,795	28,408
Change in working capital items:		
Accounts receivable	1,892	18,187
Prepaid expenses	58	(36)
Employee benefits	227	(1,086)
Accounts payable and accrued liabilities	(8,828)	(8,879)
Deferred revenue	3,768	1,950
Deferred contributions	8,838	28,338
	5,955	38,474
NET CASH FROM OPERATING ACTIVITIES	40,749	66,881
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,562	447
Proceeds from sale of property and equipment	-	10
Acquisition of property and equipment	(22,116)	(42,159)
Government contributions	1,356	4,628
Sale of term deposits	5,100	55,355
Purchase of term deposits	(85,325)	(5,100)
Promissory note repayments	-	254
Net cash used in investing activities	(98,423)	13,435
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(57,674)	80,316
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	93,055	12,740
CASH AND CASH EQUIVALENTS END OF YEAR	\$35,381	\$93,055

* To see our full audited financial statements please visit rupertport.com/port-authority/financial-statements

TAKING CARE OF BUSINESS AND COMMUNITY



THANK YOU

[2022.RUPERTPORT.COM](https://2022.rupertport.com)

Please visit our expanded Annual Report online to learn more.



[f](#) [t](#) [in](#) @rupertport

Prince Rupert Port Authority
200-215 Cow Bay Rd.
Prince Rupert, BC, V8J 1A2

