

# Annual Report

## April 1, 2023 - March 31, 2024

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P.O. Box 339  
Souris, PEI, C0A 2B0  
Tel: 687-7209  
Fax: 687-7210  
[www.shai.ca](http://www.shai.ca)



## 1. INTRODUCTION

The Souris Harbour Authority Inc., (SHAI) is a not-for-profit community- based company incorporated in 2005 under Part II of the P.E.I. Companies Act to own, operate and promote the development of the Port of Souris. This is the fourteenth annual report of the corporation.



The Board of Directors of the Souris Harbour Authority Inc. for the 2023 - 2024 year are:

<u>Member</u>	<u>Representing</u>
Brian Ching, President	Community at Large
Joanne Chisholm, VP	Community at Large
Shawn MacPhee, Secretary	Fishers
Gary Sheehan, Treasurer	Community at Large
Ryan Keenan	Community at Large
Jeff Chapman	Port User
Randy MacPhee	Fishers
Stephanie Mitsuk	Town Representative

The Board of Directors of SHAI meets monthly. The board’s agenda includes financial, management and committee reports plus various company business matters. The Board of Directors oversees policy and operations with four committees; Finance and Audit; chaired by Gary Sheehan, Capital Planning, chaired by Randy MacPhee, with the Board dealing with Governance/Nominations and Marketing/ Business Development.

The corporation’s management team consists of Andrew Daggett, General Manager, Art MacDonald, Port Manager, André Gallant, Eastern Cold Storage Manager, Eric Gallant, Marina and Lighthouse Manager, Reggie Sheehan, Plant Engineer, Shanna Carter, Accounts Payable, and Tracy McInnis, Accounts Receivable.

Scotia Asset Management, Toronto, and Scotia McLeod, Charlottetown are SHAI’s investment management advisors. The Bank of Nova Scotia and ACOA are its lenders. Local banking services are provided by the Souris Credit Union. The company’s auditor is MRSB, Charlottetown. Legal counsel is provided by Barbara Smith, Stewart McKelvey, Charlottetown.

## **2. OPERATIONS AND CAPITAL MAINTENANCE**

**The Souris Port is the premier PEI fishing port that can accommodate inshore, midshore, and offshore fishing fleets.**

### **Port Activity**

**The port offload of Snow Crab was approximately 3.9 million pounds, with large catches early in the season, which started early in April. The quality of crab dropped off in early June and many fishermen landed their gear and stopped fishing. The crab fleet comprised of 20 vessels and quota from (3) First Nations fleets. In combination with the port's traditional lobster fleet (30 boats), SHAI experienced good offload activities for April to June with approximately 200 persons employed or generating income during the period.**

**The moratorium on the mackerel fishery by DFO meant that there would be no mackerel fishery for 2023. This greatly impacted the amount of fish we froze and packaged, with the amount of herring, red fish and other bait fish that were stored being down a little as well. Silverside landings were not nearly as good as the previous years. Tuna landings during the summer and fall months were down with only 52 fish landed in Souris. Most of the fish were landed elsewhere, and the size of the fish were smaller on average, a trend that has been running for several years in a row. Transient revenues were about average.**

**The CTMA service that operated from our facility officially reverted to the CTMA facility on February 15, 2023. The ramping and bridge system were removed in June of 2023, although the damaged fenders weren't replaced or repaired as of year's end, March 31, 2024.**

**We saw 2 aggregate barges offload on the Marine Terminal for approximately 13,500 metric tons.**

**Post Tropical Storm Fiona hit on September 24, 2022 and did significant damage to PEI. The port saw only minor damage with the exception of the Marina docks and the "sand blasting" on the sides of the Lighthouse and Gift Shop. We put together a funding package and were supported by the Province to fix the siding and roofs of the Lighthouse and Gift Shop, as well as get started on dock replacement.**

### **Repairs/Upgrades**

**A top-up of the Breakwater armour stone was completed to help protect the Breakwater and Marina area. Top ups have to be done occasionally due to settling and movement of the armour stone, so it was good to get this done**

before another storm.

### Ice House

The chains and rollers were replaced before the beginning of the 2023 season, which were about the only items left to replace. The Ice House operated with no major issues for the season.

### 3. BUSINESS OPERATIONS



Eastern Cold Storage, (ECS) the port's anchor enterprise continues to serve the fisheries, aquaculture and agriculture industries with bait freezing for almost 700 customers and public cold storage.

In 2023-24, Eastern Cold Storage (ECS) continued its bait freezing line in Souris Harbour Industries at the location in the SHI building, although the closing of the mackerel fishery reduced the amount of product being frozen and packaged.

ECS employees 4 full time employees and up to 28 people on a seasonal basis in 2023-24, although the lack of a mackerel fishery and the sporadic nature of the herring fishery has made it challenging. The Silverside fishery was also bad in 23/24 with only 235,000lbs frozen for the year.

The windmill was not working in 23/24 but a new gearbox was approved and ordered.



### Souris Harbour Industries

The Centre for Aquaculture Technologies Canada (CATC) is leasing about 40,000 sq. ft. of the SHI building, or about 50% of the leasable space.

**MacAulay Produce, operating as Red Isle, occupies about 13% of the Souris Harbour Industries building and ceased production in the summer of 2022. Negotiations began with Delcato Foods from Ontario who looked to take over the equipment and space.**

**Between CATC, MacAulay's Produce and our own bait production, the leasable space in SHI is now 100% utilized.**



**The Souris Marina had about 30 seasonal boaters, saw 35 transient visits and sold about 3,500 litres of gasoline in 2023. The storage shed at the topside boat yard is at capacity. Vessel storage in the recreational boat yard at full capacity at 55 vessels from all PE, NS, NB, ONT, PQ, and BC.**



**The Souris Historic Lighthouse was open for the summer in 2023 but we did not have student tour guides as we were not approved for any.**

**The Mermaid Sea Glass Festival was back for 2023 and was a success according to the organizers.**

**4. FINANCIAL**

Highlights of the audited financial statements of the corporation prepared by MRSB for the year ended March 31, 2024 with year ending March 31, 2023 for comparison follow:

**SOURIS HARBOUR AUTHORITY INC.  
Statement of Operations  
Year Ended March 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>Revenues</b>	<b>\$ 1,633,646</b>	<b>\$ 1,589,133</b>
Harbour Authority (Schedule 1)		
Eastern Cold Storage (Schedule 2)	<b>1,465,492</b>	1,648,329
	<b>3,099,138</b>	3,237,462
<b>Expenditures</b>		
Harbour Authority (Schedule 1)	<b>2,155,171</b>	1,954,613
Eastern Cold Storage (Schedule 2)	<b>1,443,777</b>	1,712,197
	<b>3,598,948</b>	3,666,810
<b>Deficiency Of Revenues Over Expenditures from operations</b>	<b>(499,810)</b>	(429,348)
<b>Other revenues</b>		
Gains on disposal of investments	<b>1,141,761</b>	226,291
Investment	<b>671,203</b>	355,246
Unrealized gain (loss) on investments	<b>439,777</b>	(761,447)
Government funding	<b>29,309</b>	44,527
	<b>2,282,050</b>	(135,383)
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 1,782,240</b>	<b>\$ (564,731)</b>

The market value of SHAI’s long-term investments as of March 31, 2024 was \$16,769,691. All investments are now non-restricted, meaning the Authority can use these funds and are no longer constrained by the Transport Canada Contribution Agreement. As of the year ending March 31, 2022, SHAI used the restricted portion of the investment funds and no longer is required to complete a report on allowable expenditures for Transport Canada. Property and equipment net book value totaled \$16,732,116 and total current assets (cash and receivables) totaled \$874,437 for total assets including investments of \$16,769,691 for a total of \$34,376,244. Long-term debt of the corporation is \$4,854,185 with \$537,576 being paid off in 2023/24.

SHAI is proud to be a committed community supporter through donations, and donated \$4,700 to area school scholarships, youth and family organizations,

special events, sport teams and community service groups.

## 5. CONCLUSION

A sincere thank you and acknowledgement to our board members for their dedication and commitment to the company's sustainability and success.

Thank you to management and staff for their support and guidance throughout the year. We, as a team, with leadership, diligence, and skillful direction, ensure the long-term viability of the corporation.

Respectively submitted,

Brian Ching, President

