



PORT TROIS-RIVIÈRES

MY HOME PORT

ANNUAL REPORT 2016



One of 18 Canadian Port Authorities, the Port of Trois-Rivières has been in operation for 130 years and offers a broad range of facilities and services to the maritime industry. Oper year-round, the Port of Trois-Rivières offers smooth connections between marine, rail and road networks to serve the world's largest market.

It plays an important role in regional, national and international economic development for major industrial sectors such as the aluminum, forestry and agri-food industries.

MISSION

The mission of the Trois-Rivières Port Authority (TRPA) is to meet the objectives of the *Canada Marine Act* through sound management of public infrastructures under its responsibility, by fostering commercial activities and regional and national development.

This involves the following:

- Restoring, maintaining and developing the maritime infrastructures needed to promote and safeguard Canada's competitiveness and trade objectives.
- Setting up an intermodal transportation system that meets users' needs at a reasonable cost, and providing a high level of safety and environmental protection.
- Providing effective support for the achievement of social and economic objectives at the local, regional and national levels by fostering commercial activities.

A WORD FROM THE CHAIRMAN OF THE BOARD AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Trois-Rivières Port Authority (TRPA) has a positive review of the year 2016. The Port Authority welcomed 178 ships, including 18 cruise ship calls, and handled 2.8 million metric tons (MMT) of goods this year. General cargo tonnage increased by 26% to reach 174,000 MMT. Liquid bulk traffic increased by 12% to 320,000 MT. While solid bulk traffic decreased from 2.6 MMT to 2.3 MMT. This decrease is mainly explained by a slowdown in grain traffic.

Several major announcements punctuated the past year. In order to make our port facilities more competitive, \$26 million was invested equally by the TRPA and the federal government, to which \$9 million was added from the private sector.

The Port of Trois-Rivières is proud to offer infrastructures that adequately meet the current needs of shippers, while providing better access to foreign markets and businesses in the region.

In addition to continually improving port facilities, the Port is committed to facilitating access to the waterfront for citizens and visitors, as well as improving the city-port interface. This is why we have contributed financially to the new ferry terminal project. This now provides more services for cruise passengers calling Trois-Rivières.

In summary, all these improvements make us more welcoming and allow us to exceed our clients' expectations.



A handwritten signature in black ink that reads "Cléo Marchand".

Cléo Marchand
Chairman of the Board

A handwritten signature in black ink that reads "Gaétan Boivin".

Gaétan Boivin
President and CEO



BOARD OF DIRECTORS

FRONT ROW:

Nicole D. Gélinas

Member of the Audit Committee

François Dupuis

President of the Audit Committee

Luc Arvisais

President of the Human Resources Committee

SECOND ROW:

Danielle St-Amand

Member of the Governance Committee

Michel Morin

Member of the Human Resources Committee

Cléo Marchand

Chairman of the Board and member of the Audit Committee

Gaétan Boivin

President and CEO of the TRPA

Martine Gravel

Vice-Chair and president of the Governance Committee

Jean Mongeau

Corporate Secretary

TRPA TEAM

FRONT ROW:

André Desjardins

Harbour Master

Jacques Paquin

Vice-President Marketing and Business Development

Luc Forcier

Director - Finances and Administration

Liliane Bussière

Executive Assistant

Gaétan Boivin

President and CEO

SECOND ROW:

Claudie Gagnon

Director of Sustainable Development

Carole Desjardins

Accounting and Trade Data Analyst

Michel Parent

Director of Operations

Christina Tupper

Secretary-receptionist

Virginie Deschambeault

Director of Communications

Steve Jean

Safety Coordinator and Project Supervisor

David Berthelot

Business Development Coordinator





CARGO TRAFFIC

In 2016, 2.8 million metric tonnes (MMT) of cargo transited through the Port. General cargo traffic increased by 26% to 174,000 MMT. Liquid bulk traffic increased by 12% to 320,000 MT, while dry bulk traffic decreased from 2.6 MMT to 2.3 MMT. This decrease is mainly due to a decline in grain traffic.



FIRST VESSEL OF THE YEAR

The vessel Anette, operated and chartered by MST Mineralien Schiffahrt GmbH and flying the Liberian flag, was the first foreign vessel to reach the Port of Trois-Rivières without a stopover on January 6, becoming the first vessel of the year 2016. Arriving from the port of Vila do Conde, located in Brazil, the Anette and its crew of Slovak, Czech, Ukrainian and Croatian nationalities, delivered a cargo of 11,206 metric tonnes of liquid clay. The cargo was unloaded by Servitank, a subsidiary of Groupe Somavrac.

INAUGURATION OF THE FERRY TERMINAL

The ferry terminal was inaugurated on May 20th. Built at a cost of \$630,000, the City of Trois-Rivières, the Ministère du Tourisme du Québec and the Port of Trois-Rivières contributed to the project.

For five years now, Trois-Rivières has been welcoming international cruise ships and more than 9,505 passengers and 4,626 crew members have been able to discover the charms of Trois-Rivières with a visitor satisfaction rate of 87%. This new terminal will facilitate logistics and offer comfort to passengers and crew members.





TERMINAL 13'S DOCK IS TAKING SHAPE

Construction work on Terminal 13 began in early March, with the reconstruction of Dock 13, the consolidation of Dock 14 and the development of the storage area located along these docks, as well as the road and rail lines providing access to this infrastructure complex. The total area is approximately 23,500 m² (5.81 acres). The work was completed at the end of November, one month ahead of schedule.



ESTABLISHMENT OF AN INDUSTRIAL-PORT ZONE IN TROIS-RIVIÈRES

The Government of Québec has signed a cooperation agreement with the City of Trois-Rivières and its local partners to establish an industrial-port zone in Trois-Rivières. Under this agreement, the government will finance up to 70% of the expenses associated with the implementation of the related development plan, up to a maximum of \$125,000.

A local committee has been created to delineate the Trois-Rivières industrial-port zone and prepare an industrial development plan including, among other things, the identification of potential markets and investment attraction opportunities, all in accordance with the principles of sustainable development.



QUÉBEC SUPPORTS THE TRPA TO OPTIMIZE ROAD TRAFFIC AT THE PORT

Financial assistance from the Ministère des Transports, de la Mobilité durable et de l'Électrification des transports of nearly \$32,000 was awarded to the TRPA to conduct a study to model heavy vehicle traffic on port property.



KICK-OFF OF THE TROIS-RIVIÈRES INDUSTRIAL-PORT ZONE

A delimitation of the Trois-Rivières industrial-port zone has been carried out and the land owned by the Port, located on Bellefeuille Street, has been integrated into the sector. The development of this land benefits from \$2.5 million in financial assistance from the Québec government. The project, which requires a total investment of \$10 million, includes the construction of a hangar and the development of 26,000 m² of outdoor storage space on a site of nearly 40,000 m².



ASSOCIATION WITH PORTS OF INDIANA IN THE REALIZATION OF A MARKET STUDY

The Ports of Indiana and the Port of Trois-Rivières entered into a partnership agreement in October to jointly conduct a study to explore opportunities for joint projects in short sea shipping.

MOBILIZATION TO PROMOTE SHORT SEA SHIPPING

Representatives of some 30 organizations and manufacturing companies gathered last September at the Trois-Rivières ferry terminal for a day-long event to promote and develop short sea shipping services.

In addition to two industrial visits, one to the Port of Trois-Rivières and the other to Groupe Bellemare's facilities, the PORTe-À-PORTe event offered practical programming focused on the needs of businesses.



SAFE LINK FOR PEDESTRIANS BETWEEN HECTOR-LOUIS-LANGEVIN PARK AND THE SAINT-GEORGES STREET

The extension of a pedestrian crossing between the TRPA's offices and Saint-Georges Street now allows pedestrians to walk more safely. These works are part of the Port's desire to facilitate access to the river for citizens and to improve the link between port activities and the city-port interface.

ROUE LIBRE-PORT DE TROIS-RIVIÈRES TEAM

A donation of \$25,650 was given to Saint-Dominique and Sainte-Catherine-de-Sienne schools by the Roue Libre-Port de Trois-Rivières cycling team as part of its participation in the Grand défi Pierre Lavoie. Among other things, the money received will be used to enhance the sports outings offered to students, purchase equipment to work on young people's psychomotricity, purchase new physical education equipment and provide games for an active schoolyard.



DÉFI KAYAK DESGAGNÉS

More than 250 kayakers paddled on the St. Lawrence River last August during the Défi kayak Desgagnés for the benefit of Young Musicians of the World. Mr. Boivin and Mr. Parent were present at the starting line to participate in the adventure and support the organization.



GALA RADISSON

Boréal, Centre d'histoire de l'industrie papetière, was awarded the Radisson Port of Trois-Rivières - Tourism Industry prize at the 31st edition of the Gala Radisson of the Trois-Rivières Chamber of Commerce and Industry. Constantly seeking new experiences for visitors, the museum continues to evolve and surpass expectations.

FESTIVOIX

For the 23rd edition of the Festivoix, the Port of Trois-Rivières has partnered on the creation of a new stage. Located in Hangar 1, it welcomed the *Voix chorales*. It is in a unique and unusual atmosphere that the Festivoix has brought vocal art back into its programming.



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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Board of
Trois-Rivières Port Authority

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2016 and the summary statement of earnings and other comprehensive income for the year then ended, are derived from the audited financial statements of **Trois-Rivières Port Authority** for the year ended December 31, 2016. We expressed an unmodified audit opinion on those financial statements in our report dated April 21, 2017. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading of the audited financial statements of **Trois-Rivières Port Authority**.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of a summary of the audited statements in accordance with criteria describe in Note 1.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, "Engagement to report on summary financial statements".

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of **Trois-Rivières Port Authority** for the year ended December 31, 2016 are a fair summary of those financial statements, statements in accordance with criteria describe in Note 1.

Deloitte LLP,

April 21, 2017

¹ CPA Auditor, CA public accountancy permit No. A117124

TROIS-RIVIÈRES PORT AUTHORITY
SUMMARY STATEMENT OF FINANCIAL POSITION
as at December 31

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash	2,982,403	5,992,726
Accounts receivables	2,391,198	1,637,909
Prepaid expenses	83,806	71,430
Current portion of investments	8,365,442	9,394,833
	<u>13,822,849</u>	<u>17,096,898</u>
NON CURRENT ASSETS		
Long-term investments	9,889,452	14,690,783
Property, plant and equipment	65,561,457	44,380,365
Defined pension benefit assets	427,000	333,900
	<u>75,877,909</u>	<u>59,405,048</u>
	<u>89,700,758</u>	<u>76,501,946</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	3,437,414	1,547,896
Other financial liabilities	2,280	2,280
Current portion of long-term debt	4,786,672	619,992
	<u>8,226,366</u>	<u>2,170,168</u>
NON CURRENT LIABILITIES		
Long-term debt	800,000	5,420,008
Deferred grants	16,639,016	6,659,260
	<u>17,439,016</u>	<u>12,079,268</u>
AUTHORITY'S EQUITY		
Contributed capital	27,048,441	27,048,441
Retained earnings	37,812,535	36,046,869
Accumulated other comprehensive income	(825,600)	(842,800)
	<u>64,035,376</u>	<u>62,252,510</u>
	<u>89,700,758</u>	<u>76,501,946</u>

On behalf of the Board,

_____, Chairman of the Board

_____, President and Chief Executive Officer

TROIS-RIVIÈRES PORT AUTHORITY
SUMMARY STATEMENT OF EARNINGS AND OTHER COMPREHENSIVE INCOME
for the year ended December 31

	<u>2016</u>	<u>2015</u>
OPERATING REVENUE		
Harbour services	4,599,578	4,803,128
Rental revenue	2,211,374	2,072,878
	<u>6,810,952</u>	<u>6,876,006</u>
OPERATING EXPENSES		
Salaries and employee benefits	1,663,685	1,487,360
Payments in lieu of taxes and municipal taxes	379,896	409,002
Repairs and maintenance	379,566	838,094
Professional fees	283,838	288,521
Depreciation – property, plant and equipment	2,025,339	1,867,816
Depreciation – deferred contributions	(414,638)	(346,561)
Other operating and administrative expenses	769,120	946,273
	<u>5,086,806</u>	<u>5,490,505</u>
OPERATING INCOME	1,724,146	1,385,501
Investment income	316,607	558,468
Interest expenses	(132,536)	(40,102)
Loss on property, plant and equipment disposal	0	(249,520)
Gross revenue charge	(142,551)	(148,689)
NET EARNINGS	1,765,666	1,505,658
OTHER COMPREHENSIVE INCOME (OCI)		
Items that will not be reclassified subsequently to net earnings		
Change in limit of Defined pension benefits assets	(85,300)	(112,400)
Actuarial losses on defined benefit plans	102,500	(15,000)
	<u>17,200</u>	<u>(127,400)</u>
COMPREHENSIVE INCOME	1,782,866	1,378,258

TROIS-RIVIÈRES PORT AUTHORITY
Notes to the summary financial statements
As at December 31, 2016

1.SUMMARY FINANCIAL STATEMENTS

The summary financial statements present historical financial information derived from the complete financial statements and are less detailed than them.

They include only the statements of financial position and the statement of earnings and other comprehensive income. They do not include changes in equity and cash flows and the notes to the financial statements included in the complete financial statements.

To obtain a copy of the complete financial statements, a request must be made to the Trois-Rivières Port authority managements.



PORT
TROIS-RIVIÈRES

MY HOME PORT

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*The watermarked images are from paintings created
by the Trois-Rivières artist-painter Caroline St-Pierre