



Administration de pilotage des Laurentides
Laurentian Pilotage Authority

Interim Financial Statements Q3 2018



**LAURENTIAN PILOTAGE
AUTHORITY**

(Established under the Pilotage Act)

**ADMINISTRATION DE PILOTAGE
DES LAURENTIDES**

(Constituée en vertu de la Loi sur le pilotage)

**STATEMENT OF FINANCIAL POSITION
(unaudited)**

	AS AT SEPTEMBER 30	AS AT DECEMBER 31
In Canadian Dollars	2018	2017
ASSETS		
Current		
Cash	7 333 993 \$	9 565 813 \$
Receivables	14 662 087	13 100 652
Short-term investments	5 120 098	5 097 644
	<u>27 116 178 \$</u>	<u>27 764 109 \$</u>
Non-current		
Property and equipment	15 375 327	15 813 508
Intangible assets	843 884	216 658
Total assets	<u>43 335 389 \$</u>	<u>43 794 275 \$</u>
 LIABILITIES		
Current		
Accounts payable and accrued liabilities	14 835 175 \$	13 874 287 \$
	<u>14 835 175 \$</u>	<u>13 874 287 \$</u>
Non-current		
Employee benefits	312 100 \$	309 716 \$
Lease Inducement	151 930	172 648
Total liabilities	<u>15 299 205 \$</u>	<u>14 356 651 \$</u>
 EQUITY		
Retained earnings	28 036 184 \$	29 437 624 \$
	<u>28 036 184 \$</u>	<u>29 437 624 \$</u>
TOTAL LIABILITIES AND EQUITY	<u>43 335 389 \$</u>	<u>43 794 275 \$</u>



**LAURENTIAN PILOTAGE
AUTHORITY**

(Established under the Pilotage Act)

**ADMINISTRATION DE PILOTAGE
DES LAURENTIDES**

(Constituée en vertu de la Loi sur le pilotage)

**STATEMENT OF COMPREHENSIVE INCOME
(unaudited)**

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2018	2017	2018	2017
<u>Revenues</u>				
Pilotage charges	27 752 362 \$	24 135 835 \$	74 713 496 \$	67 380 137 \$
Other income	60 005	43 077	172 278	121 525
	<u>27 812 367 \$</u>	<u>24 178 912 \$</u>	<u>74 885 774 \$</u>	<u>67 501 662 \$</u>
<u>Expenses</u>				
Pilot fees	23 512 109 \$	19 663 932 \$	62 582 900 \$	55 048 739 \$
Operating costs of pilot boats	2 603 470	2 271 865	8 505 860	7 570 444
Employee salaries and benefits	1 126 080	903 191	3 360 924	2 936 758
Professional and special services	245 601	292 392	997 955	1 366 202
Utilities, material and supplies	65 182	90 610	270 843	236 294
Rents	92 859	88 523	281 933	272 245
Transportation, travel and hospitality	29 027	21 632	115 182	93 377
Communications	18 762	17 953	57 412	58 261
Maintenance	45	2 355	9 879	9 177
Finance costs	5 245	3 726	9 728	8 756
Other expenses	25 431	29 454	94 598	104 636
	<u>27 723 811 \$</u>	<u>23 385 633 \$</u>	<u>76 287 214 \$</u>	<u>67 704 889 \$</u>
<u>Comprehensive income for the period</u>	<u>88 556 \$</u>	<u>793 279 \$</u>	<u>(1 401 440) \$</u>	<u>(203 227) \$</u>



LAURENTIAN PILOTAGE
AUTHORITY

(Established under the Pilotage Act)

ADMINISTRATION DE PILOTAGE
DES LAURENTIDES

(Constituée en vertu de la Loi sur le pilotage)

STATEMENT OF CHANGES IN EQUITY
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED		NINE MONTHS ENDED	
	- SEPTEMBER 30		- SEPTEMBER 30	
	2018	2017	2018	2017
Retained earnings, beginning of the period	27 947 628 \$	28 133 420 \$	29 437 624 \$	29 129 926 \$
Comprehensive income for the period	88 556 \$	793 279 \$	(1 401 440) \$	(203 227) \$
<u>Retained earnings, end of the period</u>	<u>28 036 184 \$</u>	<u>28 926 699 \$</u>	<u>28 036 184 \$</u>	<u>28 926 699 \$</u>



**LAURENTIAN PILOTAGE
AUTHORITY**

(Established under the Pilotage Act)

**ADMINISTRATION DE PILOTAGE
DES LAURENTIDES**

(Constituée en vertu de la Loi sur le pilotage)

**STATEMENT OF CASH FLOW
(unaudited)**

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2018	2017	2018	2017
<u>OPERATING ACTIVITIES</u>				
Comprehensive income for the period	88 556 \$	793 279 \$	(1 401 440) \$	(203 227) \$
Adjustment to determine net cash flows generated by (used for) operating activities :				
Depreciation and amortization	340 042	235 698	974 991	638 615
Changes in long-term portion of employee benefits	10 169	(659)	2 384	(12 253)
Changes in long-term portion of the lease inducement	(6 906)	(6 906)	(20 718)	(20 718)
Loss (gain) on asset disposals	-	-	40	-
Changes in non-cash working capital items :				
Changes in receivables	(937 840)	(519 354)	(1 561 435)	(229 275)
Changes in accounts payable and accrued liabilities	1 487 565	571 387	960 888	(496 267)
Cash flows from operating activities	981 586 \$	1 073 445 \$	(1 045 290) \$	(323 125) \$
<u>INVESTING ACTIVITIES</u>				
Net purchase of investments	(7 857) \$	(3 986) \$	(22 454) \$	(18 368) \$
Acquisition of property and equipment	(319 989)	(28 577)	(353 572)	(1 487 229)
Acquisition of intangible assets	(223 704)	-	(811 504)	-
Proceeds on property and equipment disposal	-	-	1 000	-
Cash flows from investing activities	(551 550) \$	(32 563) \$	(1 186 530) \$	(1 505 597) \$
<u>CASH</u>				
Change for the period	430 036 \$	1 040 882 \$	(2 231 820) \$	(1 828 722) \$
Balance, beginning of period	6 903 957	8 101 047	9 565 813	10 970 651
<u>BALANCE, END OF PERIOD</u>	7 333 993 \$	9 141 929 \$	7 333 993 \$	9 141 929 \$

Notes to the interim financial statements (unaudited)
(in Canadian dollars)

1. Status and activities

The Laurentian Pilotage Authority was established in 1972 under the *Pilotage Act*. Its objectives are to establish, operate, maintain and administer, in the interest of safety, an efficient pilotage service within certain designated Canadian waters in and around the Province of Québec. The Act provides that pilotage tariffs shall permit the Authority to operate on a self-sustaining financial basis and shall be fair and reasonable. The Authority does not have access to Parliamentary appropriations.

The Authority is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Authority is not an agent of Her Majesty and is exempt from income taxes.

2. Basis of preparation

The Laurentian Pilotage Authority (or the « Authority » or the « LPA ») prepares its financial statements in accordance with generally accepted accounting principles (GAAP), which incorporates International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 « Interim Financial Reporting ». The current financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Authority for the year ended December 31, 2017.

The Authority's Audit Committee has recommended for approval the disclosure of these interim financial statements on November 19, 2018

The Authority's cost structure includes an important proportion of variable costs which reduces potential unfavorable economic impact in the event of reduced revenues.

3. Significant accounting policies

The September 30, 2018 interim financial statements of the Laurentian Pilotage Authority have been prepared in accordance with accounting policies outlined in Note 4 of its audited annual financial statements as at December 31, 2017. Note 3 of these audited annual financial statements can also be reviewed to consult new current and future accounting standards.

LAURENTIAN PILOTAGE AUTHORITY
Unaudited financial statements
QUARTER ENDED SEPTEMBER 30, 2018

Notes to the interim financial statements (unaudited)
(in Canadian dollars)

4. Commitments

The Authority rents office space and equipment. Non-cancellable operating lease rentals as at September 30, 2018 are as follows:

Less than 1 year	\$	561 194
1 to 5 years		2 309 782
Over 5 years		<u>4 457 397</u>
	\$	<u>7 328 373</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services and ancillary costs related to pilotage services. As at September 30, 2018, estimated amounts payable are:

Less than 1 year	\$	1 401 284
1 to 5 years		1 479 202
Over 5 years		<u>-</u>
	\$	<u>2 880 486</u>