



Administration de pilotage des Laurentides
Laurentian Pilotage Authority

FINANCIAL STATEMENTS

At September 30, 2019



**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)

In Canadian Dollars	AS AT SEPTEMBER 30 2019	AS AT DECEMBER 31 2018
<u>ASSETS</u>		
Current		
Cash	8 274 109 \$	8 457 273 \$
Receivables	15 530 798	14 699 081
Short-term investments	4 475 613	5 153 213
	<u>28 280 520 \$</u>	<u>28 309 567 \$</u>
Non-current		
Property and equipment	17 744 885	16 365 926
Intangible assets	1 401 509	1 386 547
Total assets	<u>47 426 914 \$</u>	<u>46 062 040 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	15 544 424 \$	16 499 276 \$
	<u>15 544 424 \$</u>	<u>16 499 276 \$</u>
Non-current		
Employee benefits	318 202 \$	316 726 \$
Lease liabilities	2 315 680	418 357
Total liabilities	<u>18 178 306 \$</u>	<u>17 234 359 \$</u>
 <u>EQUITY</u>		
Retained earnings	29 248 608 \$	28 827 681 \$
	<u>29 248 608 \$</u>	<u>28 827 681 \$</u>
TOTAL LIABILITIES AND EQUITY	<u>47 426 914 \$</u>	<u>46 062 040 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2019	2018	2019	2018
<u>Revenues</u>				
Pilotage charges	28 611 584 \$	27 752 362 \$	78 772 915 \$	74 713 496 \$
Other income	73 055	60 005	229 089	172 278
	<u>28 684 639 \$</u>	<u>27 812 367 \$</u>	<u>79 002 004 \$</u>	<u>74 885 774 \$</u>
<u>Expenses</u>				
Pilot fees	23 056 645 \$	23 512 109 \$	64 393 698 \$	62 582 900 \$
Operating costs of pilot boats	2 664 774	2 603 470	8 610 227	8 505 860
Employee salaries and benefits	1 247 400	1 126 080	3 710 236	3 360 924
Professional and special services	189 470	245 600	658 233	997 955
Utilities, material and supplies	43 488	65 182	219 347	270 843
Rents	81 023	92 860	247 039	281 933
Transportation, travel and hospitality	36 662	29 027	141 926	115 182
Communications	16 916	18 762	57 140	57 412
Maintenance	5 201	45	9 000	9 879
Finance costs	27 656	5 245	80 342	9 728
Other expenses	196 655	25 431	453 892	94 598
	<u>27 565 890 \$</u>	<u>27 723 811 \$</u>	<u>78 581 080 \$</u>	<u>76 287 214 \$</u>
<u>Comprehensive income for the period</u>	<u>1 118 749 \$</u>	<u>88 556 \$</u>	<u>420 924 \$</u>	<u>(1 401 440) \$</u>



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STATEMENT OF CHANGES IN EQUITY
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2019	2018	2019	2018
Retained earnings, beginning of the period	28 129 860 \$	27 947 628 \$	28 827 685 \$	29 437 624 \$
Comprehensive income for the period	1 118 749 \$	88 556 \$	420 924 \$	(1 401 440) \$
<u>Retained earnings, end of the period</u>	<u>29 248 609 \$</u>	<u>28 036 184 \$</u>	<u>29 248 609 \$</u>	<u>28 036 184 \$</u>



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STATEMENT OF CASH FLOW
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBRE 30		SIX MONTHS ENDED - SEPTEMBRE 30	
	2019	2018	2019	2018
<u>OPERATING ACTIVITIES</u>				
Comprehensive income for the period	1 118 749 \$	88 556 \$	420 924 \$	(1 401 440) \$
Adjustment to determine net cash flows generated by (used for) operating activities :				
Depreciation and amortization	486 975	340 042	1 340 851	974 991
Changes in long-term portion of employee benefits	9 685	10 169	1 476	2 384
Changes in long-term portion of the lease inducement	(35 492)	(6 906)	1 897 323	(20 718)
Loss (gain) on asset disposals	-	-	-	40
Changes in non-cash working capital items :				
Changes in receivables	(287 772)	(937 840)	(831 721)	(1 561 435)
Changes in accounts payable and accrued liabilities	854 937	1 487 565	(954 847)	960 888
Cash flows from operating activities	2 147 082 \$	981 586 \$	1 874 006 \$	(1 045 290) \$
<u>INVESTING ACTIVITIES</u>				
Net purchase of investments	707 649 \$	(7 857) \$	677 600 \$	(22 454) \$
Acquisition of property and equipment	(61 646)	(319 989)	(2 536 182)	(353 572)
Acquisition of intangible assets	(45 018)	(223 704)	(198 588)	(811 504)
Proceeds on property and equipment disposal	-	-	-	1 000
Cash flows from investing activities	600 985 \$	(551 550) \$	(2 057 170) \$	(1 186 530) \$
<u>CASH</u>				
Change for the period	2 748 067 \$	430 036 \$	(183 164) \$	(2 231 820) \$
Balance, beginning of period	5 526 042	6 903 957	8 457 273	9 565 813
<u>BALANCE, END OF PERIOD</u>	8 274 109 \$	7 333 993 \$	8 274 109 \$	7 333 993 \$

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, 2018.

The Authority's Audit Committee has recommended for approval the disclosure of these interim financial statements on November 19, 2019.

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, 2019 interim financial statements of the Laurentian Pilotage Authority have been prepared in accordance with accounting policies outlined in Notes 2,3 and 4 of its audited annual financial statements as at December 31, 2018.

4. Commitments

The Authority rents office space and equipment. Non-cancellable operating lease rentals as at September 30, 2019 are as follows:

LAURENTIAN PILOTAGE AUTHORITY
Unaudited financial statements
QUARTER ENDED SEPTEMBER 30, 2019

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

Less than 1 year	\$ 584 593
1 to 5 years	2 763 705
Over 5 years	<u>3 236 417</u>
	<u>\$ 6 584 715</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services and ancillary costs related to pilotage services. As at September 30, 2019, estimated amounts payable are:

Less than 1 year	\$ 1 057 758
1 to 5 years	1 048 371
Over 5 years	<u>145 875</u>
	<u>\$ 2 252 004</u>