



Administration de pilotage des Laurentides
Laurentian Pilotage Authority

INTERIM FINANCIAL STATEMENTS

At September 30, 2020



**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 2020	AS AT DECEMBER 31 2019
<u>ASSETS</u>		
Current		
Cash	11 418 298 \$	11 898 837 \$
Receivables	11 072 991	14 546 320
Short-term investments	1 536 387	2 391 006
	<u>24 027 676 \$</u>	<u>28 836 163 \$</u>
Non-current		
Property and equipment	16 486 042	17 404 092
Intangible assets	1 858 501	1 385 491
Total assets	<u>42 372 219 \$</u>	<u>47 625 746 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	12 390 038 \$	15 344 336 \$
Lease Obligations	309 756	309 756
	<u>12 699 794 \$</u>	<u>15 654 092 \$</u>
Non-current		
Employee benefits	348 547 \$	333 955 \$
Lease liabilities	2 035 600	2 196 786
Total liabilities	<u>15 083 941 \$</u>	<u>18 184 833 \$</u>
 <u>EQUITY</u>		
Retained earnings	27 288 278 \$	29 440 913 \$
	<u>27 288 278 \$</u>	<u>29 440 913 \$</u>
 TOTAL LIABILITIES AND EQUITY	 <u>42 372 219 \$</u>	 <u>47 625 746 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2020	2019	2020	2019
<u>Revenues</u>				
Pilotage charges	22 784 866 \$	28 611 584 \$	67 803 689 \$	78 772 915 \$
Other income	31 016	73 055	126 971	229 089
	<u>22 815 882 \$</u>	<u>28 684 639 \$</u>	<u>67 930 660 \$</u>	<u>79 002 004 \$</u>
<u>Expenses</u>				
Pilot fees	18 429 131 \$	22 935 719 \$	55 307 818 \$	63 985 513 \$
Operating costs of pilot boats	2 146 453	2 484 337	7 708 812	8 076 757
Employee salaries and benefits	1 280 746	1 247 400	4 240 518	3 710 236
Depreciation and amortisation	490 641	486 975	1 452 310	1 340 850
Professional and special services	255 326	189 471	638 958	658 233
Utilities, material and supplies	44 389	43 487	182 140	219 347
Rents	78 366	81 024	234 788	247 039
Transportation, travel and hospitality	8 781	36 662	38 077	141 926
Communications	(37 474)	16 916	69 627	57 140
Maintenance	24 768	5 201	90 650	9 000
Finance costs	23 715	27 656	71 321	80 342
Other expenses	9 700	11 042	48 276	54 697
	<u>22 754 542 \$</u>	<u>27 565 890 \$</u>	<u>70 083 295 \$</u>	<u>78 581 080 \$</u>
<u>Comprehensive income for the period</u>	<u>61 340 \$</u>	<u>1 118 749 \$</u>	<u>(2 152 635) \$</u>	<u>420 924 \$</u>



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STATEMENT OF CHANGES IN EQUITY
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2020	2019	2020	2019
Retained earnings, beginning of the period	27 226 938 \$	28 129 856 \$	29 440 913 \$	28 827 681 \$
Comprehensive income for the period	61 340 \$	1 118 749 \$	(2 152 635) \$	420 924 \$
<u>Retained earnings, end of the period</u>	<u>27 288 278 \$</u>	<u>29 248 605 \$</u>	<u>27 288 278 \$</u>	<u>29 248 605 \$</u>



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STATEMENT OF CASH FLOW
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2020	2019	2020	2019
<u>OPERATING ACTIVITIES</u>				
Comprehensive income for the period	61 337 \$	1 118 749 \$	(2 152 635) \$	420 924 \$
Adjustment to determine net cash flows generated by (used for) operating activities :				
Depreciation and amortization	490 641	486 975	1 452 310	1 340 850
Interest on lease obligations	21 696		66 059	
Changes in long-term portion of employee benefits	5 727	9 685	14 592	1 476
Changes in long-term portion of the lease obligations		(35 492)		1 897 323
Loss (gain) on asset disposals				
Interest Income	(17 655)	-	(98 312)	-
Changes in non-cash working capital items :				
Changes in receivables	396 141	(287 772)	3 480 987	(831 720)
Changes in accounts payable and accrued liabilities	94 148	854 937	(2 361 461)	(954 847)
Cash flows from operating activities	1 052 035 \$	2 147 082 \$	401 540 \$	1 874 006 \$
<u>INVESTING ACTIVITIES</u>				
Net purchase of investments	339 570 \$	707 649 \$	854 620 \$	677 600 \$
Acquisition of property and equipment	(12 292)	(61 646)	(635 595)	(2 536 182)
Acquisition of intangible assets	(23 659)	(45 018)	(964 512)	(198 588)
Proceeds on property and equipment disposal	-	-		-
Interest received	18 945		90 654	
Cash flows from investing activities	322 564 \$	600 985 \$	(654 833) \$	(2 057 170) \$
FINANCING ACTIVITIES				
Repayment of lease obligations	(54 051) \$		(161 187) \$	
Interest paid on lease obligations	(21 696) \$		(66 059) \$	
Cash flow from financing activities	(75 747) \$		(227 246) \$	
<u>CASH</u>				
Change for the period	1 298 852 \$	2 748 067 \$	(480 539) \$	(183 164) \$
Balance, beginning of period	10 119 446	5 526 042	11 898 837	8 457 273
<u>BALANCE, END OF PERIOD</u>	11 418 298 \$	8 274 109 \$	11 418 298 \$	8 274 109 \$

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 listed under Part I of Schedule III to the Financial Administration Act. In July 2015, the Authority received a directive (C.P. 2015-1114) pursuant to section 89 of the Financial Administration Act to harmonize its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations and to report on the implementation of this directive in its Corporate plan. The Authority has reported on the implementation of this directive in its 2020-2024 Corporate plan and complied therewith since 2016. The Authority is not an agent of Her Majesty and is exempt from income tax.

2. Basis of preparation

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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, 2019.

The Authority's Audit Committee has recommended for approval the disclosure of these interim financial statements on November 17, 2020.

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

LAURENTIAN PILOTAGE AUTHORITY
Unaudited financial statements
QUARTER ENDED SEPTEMBER 30, 2020

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

3. Significant accounting policies

The September 30, 2020 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, 2019. Note 3 of these audited annual financial statements can also be reviewed to consult new current and future accounting standards.

4. Commitments

As at September 30th, 2020, the Authority had entered into agreements for expenditures related to pilotage services and for fixed assets. The estimated amounts payable are the following:

Less than 1 year	\$	1 198 847
1 to 5 years		1 367 673
Over 5 years		<u>309 578</u>
	\$	<u>2 876 098</u>