



INTERIM FINANCIAL
STATEMENTS
At September 30, 2021



**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 SEPTEMBRE 30 2021	AS AT DECEMBER 31 2020
In Canadian Dollars		
<u>ASSETS</u>		
Current		
Cash	12 159 361 \$	11 774 111 \$
Receivables	11 162 445	12 709 306
Short-term investments	–	1 001 052
	<u>23 321 806 \$</u>	<u>25 484 469 \$</u>
Non-current		
Property and equipment	15 024 411	16 163 566
Intangible assets	1 841 710	1 818 511
Total assets	<u>40 187 927 \$</u>	<u>43 466 546 \$</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	12 645 939 \$	13 882 877 \$
Lease Obligations	239 684	231 916
	<u>12 885 623 \$</u>	<u>14 114 793 \$</u>
Non-current		
Employee benefits	415 721 \$	422 879 \$
Lease liabilities	1 871 197	2 051 896
Total liabilities	<u>15 172 541 \$</u>	<u>16 589 568 \$</u>
<u>EQUITY</u>		
Retained earnings	25 015 386 \$	26 876 978 \$
	<u>25 015 386 \$</u>	<u>26 876 978 \$</u>
TOTAL LIABILITIES AND EQUITY	<u>40 187 927 \$</u>	<u>43 466 546 \$</u>



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**STATEMENT OF CHANGES IN EQUITY
(unaudited)**

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2021	2020	2021	2020
Retained earnings, beginning of the period	24 317 960 \$	27 226 941 \$	26 876 978 \$	29 440 913 \$
Comprehensive income for the period	697 426 \$	61 337 \$	(1 861 592) \$	(2 152 635) \$
<u>Retained earnings, end of the period</u>	<u>25 015 386 \$</u>	<u>27 288 278 \$</u>	<u>25 015 386 \$</u>	<u>27 288 278 \$</u>



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**STATEMENT OF COMPREHENSIVE INCOME
(unaudited)**

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2021	2020	2021	2020
<u>Revenues</u>				
Pilotage charges	26 036 114 \$	22 784 866 \$	70 502 580 \$	67 803 689 \$
Other income	53 457	31 016	115 654	126 971
	<u>26 089 571 \$</u>	<u>22 815 882 \$</u>	<u>70 618 234 \$</u>	<u>67 930 660 \$</u>
<u>Expenses</u>				
Pilot fees	20 750 559 \$	18 429 131 \$	57 473 221 \$	55 307 818 \$
Operating costs of pilot boats	2 289 243	2 146 454	7 484 691	7 708 812
Employee salaries and benefits	1 301 322	1 280 746	4 478 129	4 240 518
Depreciation and amortization	530 948	490 642	1 569 761	1 452 310
Professional and special services	245 017	255 327	697 022	638 958
Utilities, material and supplies	83 067	44 388	221 027	182 140
Rents	94 917	78 366	265 171	234 788
Transportation, travel and hospitality	9 359	8 780	21 353	38 077
Communications	15 052	(37 473)	53 557	69 627
Maintenance	31 835	24 769	95 806	90 650
Finance costs	21 643	23 716	65 753	71 321
Other expenses	19 183	9 699	54 335	48 276
	<u>25 392 145 \$</u>	<u>22 754 545 \$</u>	<u>72 479 826 \$</u>	<u>70 083 295 \$</u>
<u>Comprehensive income for the period</u>	<u>697 426 \$</u>	<u>61 337 \$</u>	<u>(1 861 592) \$</u>	<u>(2 152 635) \$</u>



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**STATEMENT OF CASH FLOW
(unaudited)**

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2021	2020	2021	2020
<u>OPERATING ACTIVITIES</u>				
Comprehensive income for the period	697 426 \$	61 337 \$	(1 861 592) \$	(2 152 635) \$
Adjustment to determine net cash flows generated by (used for) operating activities :				
Depreciation and amortization	530 948	490 643	1 569 761	1 452 310
Interest on lease obligations	19 685	21 696	59 887	66 059
Changes in long-term portion of employee benefits	(7 958)	5 727	(7 158)	14 592
Loss (gain) on asset disposals				
Interest Income	(12 308)	(17 655)	(36 768)	(98 312)
Changes in non-cash working capital items :				
Changes in receivables	403 032	396 139	1 547 910	3 480 987
Changes in accounts payable and accrued liabilities	395 640	94 148	(1 236 938)	(2 361 461)
Cash flows from operating activities	2 026 465 \$	1 052 035 \$	35 102 \$	401 540 \$
<u>INVESTING ACTIVITIES</u>				
Net purchase of investments	1 002 819 \$	339 570 \$	1 000 000 \$	854 620 \$
Acquisition of property and equipment	(8 580)	(12 292)	(65 613)	(635 595)
Acquisition of intangible assets	(120 000)	(23 659)	(388 189)	(964 512)
Proceeds on property and equipment disposal	-	-	-	-
Interest received	12 308	18 945	36 768	90 654
Cash flows from investing activities	886 547	322 564	582 966	(654 833)
FINANCING ACTIVITIES				
Repayment of lease obligations	(57 921) \$	(54 051) \$	(172 931) \$	(161 187) \$
Interest paid on lease obligations	(19 685) \$	(21 696) \$	(59 887) \$	(66 059) \$
Cash flow from financing activities	(77 606) \$	(75 747) \$	(232 818) \$	(227 246) \$
<u>CASH</u>				
Change for the period	2 835 406 \$	1 298 852 \$	385 250 \$	(480 539) \$
Balance, beginning of period	9 323 955	10 119 446	11 774 111	11 898 837
<u>BALANCE, END OF PERIOD</u>	12 159 361 \$	11 418 298 \$	12 159 361 \$	11 418 298 \$

LAURENTIAN PILOTAGE AUTHORITY
Unaudited financial statements
QUARTER ENDED SEPTEMBER 30, 2021

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 2021-2025 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, 2020.

The Authority's Audit Committee has recommended for approval the disclosure of these interim financial statements on November 16, 2021.

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, 2021

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

3. Significant accounting policies

The September 30, 2021 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, 2020. Note 3 of these audited annual financial statements can also be reviewed to consult new current and future accounting standards.