

Financial Statements of

**TRANSPORT CANADA**

(Unaudited)

For the year ended March 31, 2013

## TRANSPORT CANADA

### Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2013, and all information contained in these statements rests with the management of Transport Canada. These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Transport Canada's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in Transport Canada's *Departmental Performance Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout Transport Canada and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

A risk-based assessment of the system of ICFR for the year ended March 31, 2013 was completed in accordance with the Treasury Board *Policy on Internal Control* and the results and action plans are summarized in the annex.

The effectiveness and adequacy of Transport Canada's system of internal control is reviewed by the work of internal audit staff, who conduct periodic audits of different areas of Transport Canada's operations, and by the Departmental Audit Committee, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting, and which recommends the financial statements to the Deputy Minister of Transport Canada.

The financial statements of Transport Canada have not been audited.



**Louis Lévesque**,  
Deputy Minister  
Ottawa, Canada  
August 30, 2013



**André Morency**,  
Chief Financial Officer  
Ottawa, Canada  
August 30, 2013

# TRANSPORT CANADA

Statement of Financial Position (*Unaudited*)

As at March 31

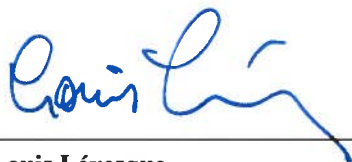
(in thousands of dollars)

	2013	2012
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	\$ 766,282	\$ 1,356,521
Vacation pay and compensatory leave	23,785	27,573
Deferred revenue (note 5)	3,702	4,236
Lease obligations for tangible capital assets (note 6)	569,452	587,862
Employee future benefits (note 7)	69,167	73,933
Environmental remediation and contingent liabilities (note 15)	248,677	219,566
<b>Total liabilities</b>	<b>1,681,065</b>	<b>2,269,691</b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	647,609	1,256,092
Accounts receivable and advances (note 8)	46,352	33,316
Loans receivable (note 9)	1,637	1,679
Rents receivable (note 10)	20,139	27,461
<b>Total gross financial assets</b>	<b>715,737</b>	<b>1,318,548</b>
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances (note 8)	(21,642)	(13,008)
Loans receivable (note 9)	(1,637)	(1,679)
<b>Total financial assets held on behalf of Government</b>	<b>(23,279)</b>	<b>(14,687)</b>
<b>Total net financial assets</b>	<b>692,458</b>	<b>1,303,861</b>
<b>Departmental net debt</b>	<b>988,607</b>	<b>965,830</b>
<b>Non-financial assets</b>		
Prepaid expenses	2,435	13,896
Inventory (note 11)	11,855	13,485
Tangible capital assets (note 12)	2,365,719	2,482,049
<b>Total non-financial assets</b>	<b>2,380,009</b>	<b>2,509,430</b>
<b>Departmental net financial position (note 13)</b>	<b>\$ 1,391,402</b>	<b>\$ 1,543,600</b>

Contractual obligations (note 14)

Environmental remediation and contingent liabilities (note 15)

*The accompanying notes form an integral part of these financial statements.*



Louis Lévesque,  
Deputy Minister  
Ottawa, Canada  
August 30, 2013



André Morency,  
Chief Financial Officer  
Ottawa, Canada  
August 30, 2013

# TRANSPORT CANADA

Statement of Operations and Departmental Net Financial Position (*Unaudited*)

For the Year Ended March 31

(in thousands of dollars)

	2013 Planned Results Restated (note 2)	2013	2012 Reclassified (note 18)
<b>Expenses</b>			
An Efficient Transportation System	\$ 1,470,693	\$ 850,215	\$ 671,210
A Safe Transportation System	445,005	420,587	481,297
Internal Services	195,382	207,498	279,383
A Secure Transportation System	80,304	57,981	79,624
A Clean Transportation System	61,088	72,680	40,170
Ship-Source Oil Pollution Fund and other programs (note 13)	4,687	1,807	3,470
Expenses incurred on behalf of Government	(4,687)	(1,807)	(3,470)
<b>Total expenses</b>	<b>2,252,472</b>	<b>1,608,961</b>	<b>1,551,684</b>
<b>Revenues</b>			
Airport rent	289,958	282,403	272,996
Monitoring and enforcement revenues	43,154	43,941	40,853
Aircraft maintenance and flying services	33,384	31,194	34,319
Rentals and concessions	19,880	29,045	26,837
Transport facilities user fees	14,600	16,551	15,664
Pollution control revenues (note 13)	9,466	5,201	6,706
Miscellaneous	1,519	1,697	4,537
Revenues earned on behalf of Government	(328,128)	(322,363)	(313,513)
<b>Total revenues</b>	<b>83,833</b>	<b>87,669</b>	<b>88,399</b>
<b>Net cost from continuing operations</b>	<b>2,168,639</b>	<b>1,521,292</b>	<b>1,463,285</b>
<b>Transferred operations</b>			
Expenses	-	-	3,997
<b>Net cost of transferred operations</b>	<b>-</b>	<b>-</b>	<b>3,997</b>
<b>Net cost of operations before government funding and transfers</b>	<b>2,168,639</b>	<b>1,521,292</b>	<b>1,467,282</b>
<b>Government funding and transfers</b>			
Net cash provided by Government	1,992,691	1,890,734	1,002,110
Change in due from Consolidated Revenue Fund	96,669	(608,483)	184,746
Services provided without charge by other government departments (note 16)	83,191	86,843	89,715
Transfer of assets and liabilities from (to) other government departments	-	-	(4,062)
<b>Net cost of operations after government funding and transfers</b>	<b>(3,912)</b>	<b>152,198</b>	<b>194,773</b>
<b>Departmental net financial position – Beginning of year</b>	<b>1,678,339</b>	<b>1,543,600</b>	<b>1,738,373</b>
<b>Departmental net financial position – End of year</b>	<b>\$ 1,682,251</b>	<b>\$ 1,391,402</b>	<b>\$ 1,543,600</b>

Segmented information (note 17)

The accompanying notes form an integral part of these financial statements.

# TRANSPORT CANADA

Statement of Change in Departmental Net Debt (*Unaudited*)

For the Year Ended March 31

(in thousands of dollars)

	2013 Planned Results Restated (note 2)	2013	2012 Reclassified (note 18)
<b>Net cost of operations after government funding and transfers</b>	\$ (3,912)	\$ 152,198	\$ 194,773
<b>Change due to tangible capital assets</b>			
Acquisition of tangible capital assets	114,242	59,154	69,478
Amortization of tangible capital assets	(153,099)	(144,729)	(143,157)
Proceeds from disposal of tangible capital assets	(19,423)	(14,137)	(14,923)
Gain (Loss) on disposal of tangible capital assets	(17,383)	(9,286)	(9,835)
Prior years' work-in-progress expensed	(11,017)	(6,870)	(34,784)
Adjustment to tangible capital assets	-	-	(10,556)
Transfer to other government departments (note 12)	-	(462)	(6,573)
<b>Total change due to tangible capital assets</b>	<b>(86,680)</b>	<b>(116,330)</b>	<b>(150,350)</b>
<b>Change due to inventories</b>	<b>118</b>	<b>(1,630)</b>	<b>663</b>
<b>Change due to prepaid expenses</b>	<b>(117)</b>	<b>(11,461)</b>	<b>10,946</b>
<b>Net increase (decrease) in departmental net debt</b>	<b>(90,591)</b>	<b>22,777</b>	<b>56,032</b>
<b>Departmental net debt - Beginning of year</b>	<b>873,009</b>	<b>965,830</b>	<b>909,798</b>
<b>Departmental net debt - End of year</b>	<b>\$ 782,418</b>	<b>\$ 988,607</b>	<b>\$ 965,830</b>

The accompanying notes form an integral part of these financial statements.

# TRANSPORT CANADA

Statement of Cash Flows (*Unaudited*)

For the Year Ended March 31

(in thousands of dollars)

	2013	2012 Reclassified (note 18)
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	\$ 1,521,292	\$ 1,467,282
Non-cash items:		
Amortization of tangible capital assets (note 12)	(144,729)	(143,157)
Services provided without charge by other government departments (note 16)	(86,843)	(89,715)
Loss on disposal of tangible capital assets	(9,286)	(9,835)
Prior years' work-in-progress expensed	(6,870)	(34,784)
Adjustment to tangible capital assets	-	(10,556)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivables and advances	4,402	(4,550)
Increase (decrease) in rents receivable	(7,322)	(7,323)
Increase (decrease) in prepaid expenses	(11,461)	10,946
Increase (decrease) in inventory	(1,630)	663
Decrease (increase) in accounts payables and accrued liabilities	590,239	(239,788)
Decrease (increase) in vacation pay and compensatory leave	3,788	(1,920)
Decrease (increase) in deferred revenue	534	(616)
Decrease (increase) in employee future benefits	4,766	19,017
Decrease (increase) in environmental remediation and contingent liabilities	(29,111)	(23,207)
Transfer of liabilities to other government departments	-	(1,198)
<b>Cash used in operating activities</b>	<b>1,827,769</b>	<b>931,259</b>
<b>Capital investing activities</b>		
Acquisitions of tangible capital assets	59,154	69,478
Transfer of tangible capital assets to other government departments	(462)	(1,313)
Proceeds from disposal of tangible capital assets	(14,137)	(14,923)
<b>Cash used in capital investing activities</b>	<b>44,555</b>	<b>53,242</b>
<b>Financing activities</b>		
Lease payments for tangible capital assets	18,410	17,609
<b>Cash used in financing activities</b>	<b>18,410</b>	<b>17,609</b>
<b>Net cash provided by Government of Canada</b>	<b>\$ 1,890,734</b>	<b>\$ 1,002,110</b>

*The accompanying notes form an integral part of these financial statements.*

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

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## 1. Authority and objectives

Transport Canada is a department of the Government of Canada named in Schedule 1 of the *Financial Administration Act* and reports to Parliament through the Minister of Transport.

Transport Canada is responsible for the transportation policies, programs and goals set by the Government of Canada, which are supported through the following departmental programs:

- *An Efficient Transportation System* program: establishes marketplace frameworks to govern the economic behavior of transportation sector organizations; provides leadership for Gateways and Trade Corridors strategies; provides stewardship for federal transportation assets and implements transportation infrastructure projects in partnership with provinces, territories, municipal governments and private sector entities; and stimulates innovation.
- *A Clean Transportation System* program: advances the federal government's clean air agenda in the transportation sector and complements other federal programs designed to reduce air emissions for the health of Canadians; helps to protect the marine environment by reducing the pollution of water from transportation sources; fulfills Transport Canada's responsibilities in working towards a cleaner and healthier environment with regard to its own operations.
- *A Safe Transportation System* program: develops transportation safety regulations and oversees their implementation; manages programs to support safety-related investments at small airports, to protect navigable waterways, to certify and license aircrafts, vessels and road vehicles; and provides air transport services to support aviation safety oversight work and federal and municipal clients.
- *A Secure Transportation System* program: develops policies and programs that respond to emerging security risks and keep Canada competitive; develops transportation security regulations and oversees their implementation by industry; and works with international and national partners to advance a shared and effective transportation security agenda.
- *The Internal Services* program: Internal Services are groups of related activities and resources that are administrated to support the needs of programs and other corporate obligations of Transport Canada. Internal Services include only those activities and resources that apply across its organization and not to those provided specifically to a program.

Transport Canada delivers its programs and services under numerous legislative and constitutional authorities including the *Department of Transport Act*, *Canada Transportation Act*, *Aeronautics Act*, *Canada Marine Act*, *Canada Shipping Act*, *Navigable Waters Protection Act*, *Railway Safety Act*, *Transportation of Dangerous Goods Act*, *Motor Vehicle Safety Act*, *Canadian Air Transport Security Authority Act* and *Marine Transportation Security Act*.

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

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## 2. Summary of significant accounting policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

- (a) Parliamentary authorities – Transport Canada is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to Transport Canada do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the Statement of Operations and Departmental Net Financial Position are the amounts reported in the future-oriented financial statements included in the 2012-2013 Report on Plans and Priorities.

The future-oriented financial statements for 2012-2013 have been restated to segregate non-responsible amounts of expenses incurred and revenues earned on behalf of Government. This restatement resulted in a \$323,441,000 increase in net costs of operations before government funding and transfers. The future-oriented financial statements have also been reclassified to conform to the current year presentation.

- (b) Net cash provided by Government – Transport Canada operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by Transport Canada is deposited to the CRF, and all cash disbursements made by Transport Canada are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.
- (c) Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that Transport Canada is entitled to draw from the CRF without further authorities to discharge its liabilities.
- (d) Revenues:

Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. These revenues are recognized in the period in which the related expenses are incurred.

Funds that have been received are recorded as deferred revenue, provided Transport Canada has an obligation to other parties for the provision of goods, services or the use of assets in the future.

Other revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Revenues that are non-responsible are not available to discharge Transport Canada's liabilities. While the Deputy Head (DH) is expected to maintain accounting control, he or she has no authority regarding the disposition of non-responsible revenues. As a result, non-responsible revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the entity's gross revenues.



# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

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## 2. Summary of significant accounting policies (cont'd)

### (e) Expenses – Expenses are recorded on the accrual basis:

Transfer payments are recorded as expenses when authorization for the payment exists and the recipient has met the eligibility criteria or the entitlements established for the transfer payment program. In situations where payments do not form part of an existing program, transfer payments are recorded as expenses when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements. Transfer payments that become repayable as a result of conditions specified in the contribution agreement that have come into being are recorded as a reduction to transfer payment expense and as a receivable.

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans, legal services and worker's compensation are recorded as operating expenses at their estimated cost.

### (f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. Transport Canada's contributions to the plan are charged to expenses in the year incurred and represent Transport Canada's total obligation to the Plan. Transport Canada's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(ii) Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts and loans receivable are stated at the lower of cost and net recoverable value. However, when the terms of the loans are concessionary, such as those provided with a low or no interest clause, they are recorded at their estimated present value. A portion of the unamortized discount is recorded as revenue each year to reflect the change in the present value of the loans outstanding. Transfer payments that are unconditionally repayable are recognized as loans receivable. A valuation allowance is recorded for accounts and loans receivable where recovery is considered uncertain.

(h) Contingent liabilities – Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) Environmental remediation liabilities – Environmental remediation liabilities reflect the estimated costs related to the management and remediation of environmentally contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when Transport Canada becomes

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 2. Summary of significant accounting policies (cont'd)

aware of the contamination and is obligated, or is likely to be obligated to incur such costs. If the likelihood of Transport Canada's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

- (j) Inventory – Inventory consists of parts, materials and supplies held for future program delivery and not intended for resale. Inventories, other than serialized inventory items, are valued at average cost method. Serialized inventory items parts are valued on a specific cost basis. A *serialized inventory item* is consumable inventory, which has a serial number and is required to be tracked for airworthiness purposes. If there is no longer any service potential, inventory is valued at the lower of cost or net realizable value.
- (k) Foreign currency transactions – Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect at year-end. Gains and losses resulting from foreign currency transactions are included in *Miscellaneous* in the Statement of Operations and Departmental Net Financial Position.
- (l) Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Transport Canada does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian reserves and museum collections. Land has no minimal capitalization threshold.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Confederation Bridge	100 years
Buildings and works:	
Buildings	20 to 40 years
Works and Infrastructure	10 to 40 years
Machinery and equipment:	
Machinery and equipment	5 to 15 years
Computer hardware	3 to 5 years
Computer software	3 years
Vehicles:	
Ships and boats	10 to 35 years
Aircraft	6 to 20 years
Motor vehicles	6 to 35 years
Leasehold improvements	Lesser of the remaining term of lease or useful life of the improvement
Leased tangible capital assets	According to the useful life of the asset if a bargain purchase offer exists or over the term of the lease

Assets under construction are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

- (m) Measurement uncertainty – The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are allowance for doubtful accounts, contingent liabilities, environmental remediation liabilities, the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)

For the Year Ended March 31

## 3. Parliamentary authorities

Transport Canada receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, Transport Canada has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

### (a) Reconciliation of net cost of operations to current year authorities used:

	2013	2012 Reclassified (note 18)
	<i>(in thousands of dollars)</i>	
<b>Net cost of operations before government funding and transfers</b>	\$ 1,521,292	\$ 1,467,282
<b>Adjustments for items affecting net cost of operations but not affecting authorities:</b>		
Amortization of tangible capital assets	(144,729)	(143,157)
Gain (loss) on disposal of tangible capital assets	(9,286)	(9,835)
Prior years' work-in-progress expensed	(6,402)	(34,784)
Adjustment to tangible capital assets	-	(10,556)
Services provided without charge by other government departments	(86,843)	(89,715)
Decrease (increase) in vacation pay and compensatory leave	1,558	(2,147)
Decrease (increase) in employee future benefits	6,084	18,046
Decrease (increase) in environmental remediation and contingent liabilities	(29,111)	(23,207)
Decrease (increase) in accrued liabilities not charged to authorities	(7,341)	(16,090)
Refund of prior years' expenditures	1,099	1,038
Adjustments of previous years accounts payable	6,064	5,295
Provision for valuation of loans	(182)	(794)
Expenditures not affecting authorities	(402)	(1,216)
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>(269,491)</b>	<b>(307,122)</b>
<b>Adjustments for items not affecting net cost of operations but affecting authorities:</b>		
Acquisitions of tangible capital assets	58,207	69,478
Transfer of tangible capital assets from operations	480	(311)
Increase (decrease) in prepaid expenses	(11,461)	10,946
Increase (decrease) in inventory	(1,630)	663
Decrease (increase) in lease obligations for tangible capital assets	18,947	17,609
Debt forgiveness relating to the Saint John Harbour Bridge Authority	-	22,646
Decrease in previous year accrued liabilities charged to authorities	16,134	-
<b>Total items not affecting net cost of operations but affecting authorities</b>	<b>80,677</b>	<b>121,031</b>
<b>Current year authorities used</b>	<b>\$ 1,332,478</b>	<b>\$ 1,281,191</b>

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 3. Parliamentary authorities (cont'd)

### (b) Authorities provided and used

	2013	2012
	<i>(in thousands of dollars)</i>	
<b>Authorities provided</b>		
Vote 1 – Operating expenditures	\$ 618,805	\$ 626,321
Vote 5 – Capital expenditures	106,273	93,858
Vote 17 – Debt forgiveness	-	22,646
Transfer payments	1,251,941	782,882
Statutory amounts	144,771	167,979
<b>Total authorities provided</b>	<b>2,121,790</b>	<b>1,693,686</b>
<b>Less:</b>		
Authorities available for future years	(3,634)	-
Lapsed: Operating	(93,642)	(31,605)
Lapsed: Capital	(48,066)	(24,691)
Lapsed: Transfer payments	(643,970)	(356,199)
<b>Current year authorities used</b>	<b>\$ 1,332,478</b>	<b>\$ 1,281,191</b>

## 4. Accounts payable and accrued liabilities

The following table presents details of Transport Canada's accounts payable and accrued liabilities:

	2013	2012
	<i>(in thousands of dollars)</i>	
Accounts payable - External parties	\$ 643,434	\$ 1,176,589
Accounts payable - Other government departments and agencies	10,237	92,133
<b>Total accounts payable</b>	<b>653,671</b>	<b>1,268,722</b>
Accrued salaries	18,786	38,790
Other accrued liabilities	93,825	49,009
<b>Total accrued liabilities</b>	<b>112,611</b>	<b>87,799</b>
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 766,282</b>	<b>\$ 1,356,521</b>

In *Canada's Economic Action Plan 2012*, the Government announced savings measures to be implemented by departments over three fiscal years starting in 2012-2013. As a result, Transport Canada has recorded at March 31, 2013, an obligation for termination benefits for an amount of \$6,970,000 (\$27,703,062 in 2011-2012) as part of accrued liabilities to reflect the estimated workforce adjustment costs.

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)

For the Year Ended March 31

## 5. Deferred revenue

Deferred revenue represents the balance at year-end of unearned revenues stemming from amounts received from external parties that are restricted in order to fund the expenditures related to specific research projects and stemming from amounts received for fees prior to services being performed. Revenue is recognized in the period in which these expenditures are incurred or in which the service is performed. Details of the transactions related to this account are as follows:

	2013	2012
	<i>(in thousands of dollars)</i>	
<b>Shared-cost agreements—Transportation research and development *</b>		
Opening balance	\$ 957	\$ 1,606
Amounts received	229	458
Revenue recognized	(402)	(1,107)
Closing balance	<u>784</u>	<u>957</u>
<b>Others</b>		
Opening balance	3,279	2,014
Amounts received	1,381	1,454
Revenue recognized	(1,742)	(189)
Closing balance	<u>2,918</u>	<u>3,279</u>
Net closing balance	<u>\$ 3,702</u>	<u>\$ 4,236</u>

\* A shared-cost agreement is a common undertaking whereby the parties involved agree to participate in carrying out a project. This may involve the sharing of resources and the purchase of goods or services. The Transportation Development Center utilizes joint cost sharing agreements with private and other government organizations on Research and Development projects related to transportation. The major themes include: rail, aviation safety and surface transportation.

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 6. Lease obligation for tangible capital assets

Under the *Northumberland Strait Crossing Act*, the Government of Canada entered into a long-term capital lease arrangement in 1992 and is obligated to pay an annual subsidy of \$41,900,000 indexed to the annual inflation rate to the Strait Crossing Finance Inc., a wholly owned corporation of the Province of New Brunswick, for the construction of the Confederation Bridge. The annual payments made by Transport Canada are due on April 1<sup>st</sup> and will be used to retire \$661,542,613 of 4.5 per cent real rate bonds issued in October 1993 by Strait Crossing Finance Inc. to finance the construction of the bridge. Annual payments made by Transport Canada began in 1997 and will continue until 2033. At such time, the ownership of the bridge will be transferred to the Government of Canada.

On April 1<sup>st</sup>, 2012 an annual payment in the amount of \$60,529,578 (\$59,075,229 in 2011-2012) was made. This payment represents payment of principal in the amount of \$18,410,515 (\$17,608,845 in 2011-2012) and interest expense of \$42,119,063 (\$41,466,384 in 2011-2012).

Transport Canada has a capital lease obligation of \$569,451,517 as at March 31, 2013 (\$587,862,032 as at March 31, 2012), based on the present value for the future payments using an interest rate of 6.06% (6.06% in 2012).

The obligations related to the upcoming years include the following:

	2013	2012
	<i>(in thousands of dollars)</i>	
2012-2013	\$ -	\$ 60,529
2013-2014	60,830	57,506
2014-2015	58,375	58,375
2015-2016	59,257	59,257
2016-2017	60,152	60,152
2017-2018 and thereafter	1,031,989	1,031,989
Total future minimum lease payments	1,270,603	1,327,808
Less: imputed interest (6.06%)	(701,151)	(739,946)
<b>Balance of obligations under leased tangible capital assets</b>	<b>\$ 569,452</b>	<b>\$ 587,862</b>

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

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## 7. Employee future benefits

### (a) Pension benefits

Transport Canada's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and Transport Canada contribute to the cost of the Plan. The 2012-2013 expense amounts to \$63,917,722 (\$67,442,315 in 2011-2012), which represents approximately 1.7 times (1.8 times in 2011-2012) the contributions by employees.

Transport Canada's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

### (b) Severance benefits

Transport Canada provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities.

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

Information about the severance benefits, measured as at March 31, is as follows:

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	2013	2012
	<i>(in thousands of dollars)</i>	
<b>Accrued benefit obligation - Beginning of year</b>	<b>\$ 73,933</b>	<b>\$ 92,950</b>
Transferred to other government department	-	(971)
Subtotal	73,933	91,979
Expense for the year	12,956	(10,899)
Benefits paid during the year	(17,722)	(7,147)
<b>Accrued benefit obligation - End of year</b>	<b>\$ 69,167</b>	<b>\$ 73,933</b>

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# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 8. Accounts receivable and advances

The following table presents details of Transport Canada's accounts receivable and advances balances:

	2013	2012
	<i>(in thousands of dollars)</i>	
Receivables - Other government departments	\$ 21,010	\$ 13,610
Receivables - External parties	27,838	22,133
Employee advances	166	135
Subtotal	49,014	35,878
Allowance for doubtful accounts on receivables from external parties	(2,662)	(2,562)
<b>Gross accounts receivable</b>	<b>46,352</b>	<b>33,316</b>
Accounts receivable held on behalf of Government	(21,642)	(13,008)
<b>Net accounts receivable</b>	<b>\$ 24,710</b>	<b>\$ 20,308</b>

## 9. Loans receivable

The following table presents details of Transport Canada's loans and transfer payments recoverable balances:

	2013	2012
	<i>(in thousands of dollars)</i>	
Victoria Harbour	\$ 2,237	\$ 2,280
St. Lawrence Seaway Management Corporation	7	77
	2,244	2,357
Less: Unamortized discount	(600)	(678)
Subtotal	1,644	1,679
Less: Allowance for uncollectibility	(7)	-
<b>Gross loans receivable</b>	<b>1,637</b>	<b>1,679</b>
Loans receivable held on behalf of Government	(1,637)	(1,679)
<b>Total loans receivable</b>	<b>\$ -</b>	<b>\$ -</b>



# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

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## 9. Loans receivable (cont'd)

### (i) Loan receivable from Victoria Harbour:

The Victoria Harbour loan receivable relates to the sale of a parcel of Victoria Harbour land for \$2,578,469. A discount of \$599,958 is recorded to reflect the concessionary nature of the loan (\$677,578 at March 31, 2012). A payment of \$42,720 was received in fiscal year 2012-2013 (\$42,720 in 2011-2012).

### (ii) Loan receivable from St-Lawrence Seaway Management Corporation:

The St-Lawrence Seaway Management Corporation loan portfolio account was established by subsection 80(1) of the *Canada Marine Act*. The loan portfolio is managed in accordance with the Seaway Agreements between Transport Canada and the St-Lawrence Seaway Management Corporation. The remaining loan is secured by title on the property, and has prescribed monthly repayment terms with an annual interest rate of 7%. The mortgagor is in negotiations with Transport Canada and Justice Canada with respect to the loan, which was repayable March 2004.

## 10. Rent receivable

The National Airport System (NAS) consists of Canadian airports considered essential to air transportation in Canada, including 3 airports owned by Territorial Governments. Transport Canada has leased all of these airports under long-term operating agreements with Canadian Airport Authorities and a municipal government.

In fiscal year 2003-2004, Transport Canada entered into lease amendments with eight of the Canadian Airport Authorities, which provided for deferral of a portion of the airport rent payable by the Airport Authorities to Transport Canada for the 2003 to 2005 lease years. The total rent deferred for 2003 to 2005 is payable to Transport Canada over ten years beginning in the 2006 lease year. Repayments of \$7,322,682 were received in fiscal year 2012-2013 (\$7,322,682 in 2011-2012). Rent receivable was \$20,138,532 at March 31, 2013 (\$27,461,214 at March 31, 2012).

## 11. Inventory

The following table presents detail of the inventory.

	2013	2012
	<i>(in thousands of dollars)</i>	
Consumable parts	\$ 11,855	\$ 13,485
<b>Total inventory</b>	<b>\$ 11,855</b>	<b>\$ 13,485</b>

The cost of consumed inventory recognized as an expense in the Statement of Operations and Departmental Net Financial Position is \$2,180,323 in 2012-2013 (\$1,101,939 in 2011-2012).

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 12. Tangible capital assets (in thousands of dollars)

Capital Asset Class	Cost						Accumulated Amortization				Net Book Value	
	Opening Balance	Acquisitions	Adjustments (a)	Disposals and Write-Offs	Closing Balance	Opening Balance	Amortization	Adjustments (a)	Disposals and Write-Offs	Closing Balance	2013	2012
Land <sup>(1)</sup>	\$ 264,284	\$ 1,150	(28)	\$ (2,826)	\$ 262,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,580	\$ 264,284
Buildings and works <sup>(2)</sup>	3,747,755	2,629	41,971	(79,532)	3,712,823	2,545,088	99,065	287	(62,481)	2,581,959	1,130,864	1,202,667
Machinery and equipment <sup>(3)</sup>	189,599	3,171	14,480	(1,280)	205,970	125,075	21,901	(144)	(981)	145,851	60,119	64,524
Vehicles	737,512	3,732	(777)	(18,311)	722,156	565,845	15,391	215	(15,064)	566,387	155,769	171,667
Leasehold improvements <sup>(4)</sup>	28,528	-	764	-	29,292	15,312	184	(15)	-	15,481	13,811	13,216
Work-in-progress	68,329	48,472	(63,399)	-	53,402	-	-	-	-	-	53,402	68,329
Confederation Bridge	818,820	-	-	-	818,820	121,458	8,188	-	-	129,646	689,174	697,362
<b>TOTAL</b>	<b>\$ 5,854,827</b>	<b>\$ 59,154</b>	<b>(6,989)</b>	<b>\$ (101,949)</b>	<b>\$ 5,805,043</b>	<b>\$ 3,372,778</b>	<b>\$ 144,729</b>	<b>\$ 343</b>	<b>\$ (78,526)</b>	<b>\$ 3,439,324</b>	<b>\$ 2,365,719</b>	<b>\$ 2,482,049</b>

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

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## 12. Tangible capital assets (cont'd)

### (a) Adjustments

This column includes assets under construction of \$63,335,705 that were transferred to the other categories upon completion of the assets.

Adjustments also include \$6,869,515 of work-in-progress expensed and assets transferred to or received from other departments with a total historical cost of \$119,082 (net value of \$462,295), the transferred assets being higher than assets received.

The net values transferred are as follow:

- Effective April 2012, Transport Canada received a building with a net book value of \$204,510 from Canada Border Services Agency.
- Effective April 2012, Transport Canada transferred 9 equipment assets with a net book value of \$168,673 and transferred 17 informatics equipment with a net book value of \$498,043 to Shared Services Canada.
- Effective November 2012, Transport Canada received a vehicle with a net book value of \$20,724 from Foreign Affairs and International Trade Canada.
- Effective November 2012, Transport Canada transferred a vehicle with a net book value of \$20,813 to Treasury Board Secretariat.

### National Airport System assets

The National Airport System (NAS) assets recorded above consist of the land, buildings, works and infrastructures of 23 Canadian airports.

Transport Canada has leased all of these airports under long-term operating agreements with Canadian Airport Authorities and a municipal government. These agreements are in accordance with the federal *National Airports Policy, the Public Accountability Principles for Canadian Airport Authorities and the Fundamental Principles for the Creation and Operations of Canadian Airport Authorities*, which, in part, entails the transfer of the management, operations and maintenance of certain airports in Canada to Canadian Airport Authorities.

Transport Canada has the right to terminate the operating agreements and assume the responsibility for the management, operation and maintenance of the airport if the leased airports are not operated in accordance with the terms of the respective operating agreements and the Policies and Principles referred to above.

### Value recorded for the National Airport System (NAS) assets:

- <sup>(1)</sup> Includes land for 23 National Airports with a net book value of \$164,859,068 (2012 - \$167,546,503).
- <sup>(2)</sup> Includes building and works for 23 National Airports with a net book value of \$477,773,790 (2012 - \$552,013,147).
- <sup>(3)</sup> Includes machinery and equipment for 23 National Airports with a net book value of \$451,810 (2012 - \$497,439).
- <sup>(4)</sup> Includes leasehold improvements for 23 National Airports with a net book value of \$334,880 (2012 - \$376,740).

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 13. Departmental net financial position

A portion of Transport Canada's net financial position is used for a specific purpose. Related revenues and expenses are included in the Statement of Operations and Departmental Net Financial Position.

### (a) The Ship-Source Oil Pollution Fund

The Ship-Source Oil Pollution Fund was established pursuant to section 702 of the *Canada Shipping Act*, to record levy tonnage payments for oil carried by ships in Canadian waters. Maritime pollution claims, the fee of the fund administrator and related oil pollution control expenses are financed out of the Fund.

### (b) Fines for transport of dangerous goods

The fines for transport of dangerous goods account was established pursuant to the *Transportation of Dangerous Goods Act 1992* and related regulations to record fines levied by courts under the Act. The balance of the account is to be used for program funding.

Activities in these accounts are as follows:

	2013	2012
	<i>(in thousands of dollars)</i>	
<b>(a) Ship-source Oil Pollution - Restricted:</b>		
<b>Balance - Beginning of year - Restricted</b>	<b>\$ 395,794</b>	<b>\$ 392,525</b>
Revenues	5,171	6,706
Expenses	(1,767)	(3,437)
Balance - End of year - Restricted	399,198	395,794
<b>(b) Fines for transport of dangerous goods - Restricted:</b>		
<b>Balance - Beginning of year - Restricted</b>	<b>626</b>	<b>659</b>
Revenues	30	-
Expenses	(40)	(33)
Balance - End of year - Restricted	616	626
Balance - End of year - Restricted	399,814	396,420
Unrestricted	991 588	1,147,180
<b>Departmental net financial position - End of year</b>	<b>\$ 1,391,402</b>	<b>\$ 1,543,600</b>

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 14. Contractual obligations

The nature of Transport Canada's activities can result in some large multi-year contracts and obligations whereby Transport Canada will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

<i>(in thousands of dollars)</i>	2014	2015	2016	2017	2018 and thereafter	Total
Transfer payments	\$ 456,690	\$ 563,519	\$ 396,911	\$ 65,314	\$ 71,733	\$ 1,554,167
Tangible capital assets	2,971	-	-	-	-	2,971
Other goods and services	41,619	10,966	8,515	5,691	59,667	126,458
Software maintenance agreements	176	-	-	-	-	176
Operating leases	1,829	951	923	50	-	3,753
<b>Total</b>	<b>\$ 503,285</b>	<b>\$ 575,436</b>	<b>\$ 406,349</b>	<b>\$ 71,055</b>	<b>\$ 131,400</b>	<b>\$ 1,687,525</b>

## 15. Environmental remediation and contingent liabilities

Environmental remediation and contingent liabilities arise in the normal course of operations and their ultimate disposition is unknown. They are grouped into two categories as follows:

### (a) Contaminated sites

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where Transport Canada is obligated or likely to be obligated to incur such costs. Transport Canada has identified approximately 383 sites (320 sites in 2011-2012) where such action is possible and for which a liability of \$180,760,825 for 101 sites (\$156,065,875 for 102 sites in 2011-2012) has been recorded in accrued liabilities. Transport Canada has estimated additional clean-up costs of \$7,368,094 for 9 sites (\$16,554,703 for 12 sites in 2011-2012) that are not accrued, as these are not considered likely to be incurred at this time. Transport Canada's ongoing efforts to assess contaminated sites may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued by Transport Canada in the year in which they become likely and are reasonably estimable.

### (b) Claims and litigation

Claims have been made against Transport Canada in the normal course of operations. These claims include items with pleading amounts and others for which no amount is specified. While the total amount claimed in these actions is significant, their outcomes are not determinable. Transport Canada has recorded an allowance for claims and litigations where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. An amount of \$67,916,666 has been recorded in the financial statements as of March 31, 2013 (\$63,500,000 in 2011-2012). Claims and litigations for which the outcome is not determinable and a reasonable estimate can be made by management amount to approximately \$6,505,208 at March 31, 2013 (\$5,925,208 in 2011-2012).

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 16. Related party transactions

Transport Canada is related as a result of common ownership to all government departments, agencies, and Crown corporations. Transport Canada enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, Transport Canada received common services which were obtained without charge from other government departments as disclosed below.

### (a) Common services provided without charge by other government departments

During the year, Transport Canada received services without charge from certain common service organizations, related to accommodation, legal services, the employer's contribution to the health and dental insurance plans and worker's compensation coverage. These services provided without charge have been recorded in Transport Canada's Statement of Operations and Departmental Net Financial Position as follows:

	2013	2012
	<i>(in thousands of dollars)</i>	
Accommodation	\$ 40,563	\$ 39,716
Employer's contribution to the health and dental insurance plans	38,647	39,593
Worker's compensation	3,222	3,109
Legal services	4,411	7,297
<b>Total</b>	<b>\$ 86,843</b>	<b>\$ 89,715</b>

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General are not included in Transport Canada's Statement of Operations and Departmental Net Financial Position.

### (b) Administration of programs on behalf of other government departments

#### (i) Canada Strategic Infrastructure Fund (CSIF) and Border Infrastructure Fund (BIF)

Under a memorandum of understanding signed with Infrastructure Canada on January 31, 2003, Transport Canada administers the Canada Strategic Infrastructure Fund (CSIF) and the Border Infrastructure Fund (BIF). During the year, Transport Canada incurred expenses of \$210,878,246 (\$120,100,719 in 2011-2012) related to CSIF and \$7,449,801 (\$35,026,220 in 2011-2012) related to BIF on behalf of Infrastructure Canada. These expenses are reflected in the financial statements of Infrastructure Canada and are not recorded in these financial statements.

#### (ii) Building Canada Fund (BCF)

Under a memorandum of understanding signed with Infrastructure Canada on April 25, 2008, Transport Canada administers the Building Canada Fund (BCF). During the year, Transport Canada incurred expenses of \$848,261,579 (\$635,288,639 in 2011-2012) related to BCF on behalf of Infrastructure Canada. These expenses are reflected in the financial statements of Infrastructure Canada and are not recorded in these financial statements.

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

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## 16. Related party transactions (cont'd)

### (c) Other transactions with related parties

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	2013	2012
	<i>(in thousands of dollars)</i>	
		<b>Restated</b>
Accounts receivable - Other government departments	\$ 21,010	\$ 13,610
Accounts payable - Other government departments and agencies	10,237	92,133
Expenses – Other government departments and agencies	60,155	73,623
Revenues – Other government departments and agencies	37,795	42,129

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Expenses and revenues disclosed in (c) exclude common services provided without charge, which are already disclosed in (a).

## 17. Segmented information

Presentation by segment is based on Transport Canada's program alignment architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main programs, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 17. Segmented information (cont'd)

Expenses (in thousands of dollars)	An Efficient Transportation System	A Safe Transportation System	Internal Services	A Secure Transportation System	A Clean Transportation System	Ship-Source Oil Pollution Fund and other programs	2013 Total	2012 Total Reclassified (note 18)
<b>Transfer payments</b>								
Other levels of governments within Canada	\$ 348,352	\$ 24,604	\$ -	\$ -	\$ -	\$ -	\$ 372,956	\$ 225,675
Industry	134,543	10,536	-	1,248	112	-	146,439	91,163
Non-profit organizations	27,283	11,592	(2)	-	-	-	38,873	33,569
Individuals	379	(106)	-	-	-	-	273	574
Other countries and international organizations	55	179	-	-	-	-	234	261
<b>Total transfer payments</b>	<b>510,612</b>	<b>46,805</b>	<b>(2)</b>	<b>1,248</b>	<b>112</b>	<b>-</b>	<b>558,775</b>	<b>351,242</b>
<b>Operating expenses</b>								
Salaries and employee benefits	42,781	268,784	141,091	44,774	21,115	-	518,545	594,585
Amortization of tangible capital assets	116,564	14,364	12,718	117	966	-	144,729	142,325
Professional and special services	25,233	22,384	36,581	4,658	42,636	-	131,492	153,740
Management fees for operation and maintenance of the St. Lawrence Seaway								
Management Corporation	74,341	-	-	-	-	-	74,341	69,387
Interest on capital lease	41,582	-	-	-	-	-	41,582	42,119
Accommodation (note 16)	3,368	21,059	10,750	3,626	1,760	-	40,563	39,717
Other	6,075	438	7,320	1,242	6,114	-	21,189	2,421
Travel and relocation	1,473	12,720	1,505	1,939	916	-	18,553	27,159
Utilities, materials and supplies	2,915	11,593	1,097	248	74	-	15,927	19,135
Equipment repair and maintenance	3,090	14,761	(4,575)	(303)	(1,414)	-	11,559	72,343
Net loss on disposal of tangible capital assets	13,960	(1,366)	(3,343)	-	35	-	9,286	9,835
Payments in lieu of taxes	5,205	1,247	631	19	-	-	7,102	6,825
Rentals	394	3,766	2,334	219	106	-	6,819	8,278
Damage and other claims against the Crown	1,807	1,314	10	-	-	-	3,131	5,598
Information services – communications	681	1,170	639	38	216	-	2,744	2,466
Postage	125	1,287	678	145	43	-	2,278	2,490
Pollution control (note 13)	-	-	-	-	-	1,807	1,807	3,470
Telecommunications	9	261	64	11	1	-	346	2,019
Expenses incurred on behalf of Government	-	-	-	-	-	(1,807)	(1,807)	(3,470)
<b>Total operating expenses</b>	<b>339,603</b>	<b>373,782</b>	<b>207,500</b>	<b>56,733</b>	<b>72,568</b>	<b>-</b>	<b>1,050,186</b>	<b>1,200,442</b>
<b>Total expenses</b>	<b>\$ 850,215</b>	<b>\$ 420,587</b>	<b>\$ 207,498</b>	<b>\$ 57,981</b>	<b>\$ 72,680</b>	<b>\$ -</b>	<b>\$ 1,608,961</b>	<b>\$ 1,551,684</b>



# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31

## 17. Segmented information (cont'd)

Revenues (in thousands of dollars)	An Efficient Transportation System	A Safe Transportation System	Internal Services	A Secure Transportation System	A Clean Transportation System	Ship-Source Oil pollution fund and other programs	2013 Total	2012 Total Reclassified (note 18)
<b>Revenues</b>								
Airport rent	\$ 282,403	\$ -	\$ -	\$ -	\$ -	\$ -	282,403	\$ 272,996
Monitoring and enforcement revenues	18,428	24,529	961	23	-	-	43,941	40,853
Aircraft maintenance and flying services	-	31,194	-	-	-	-	31,194	34,319
Rentals and concessions	15,233	280	13,532	-	-	-	29,045	26,837
Transport facilities user fees	16,134	417	-	-	-	-	16,551	15,664
Pollution control revenues (note 13)	-	-	-	-	-	5,201	5,201	6,706
Miscellaneous	733	702	262	-	-	-	1,697	4,537
Revenues earned on behalf of Government	(302,137)	(1,127)	(13,895)	(3)	-	(5,201)	(322,363)	(313,513)
<b>Total revenues</b>	30,794	55,995	860	20	-	-	87,669	88,399
<b>Net cost from continuing operations</b>	\$ 819,421	\$ 364,592	\$ 206,638	\$ 57,961	\$ 72,680	\$ -	\$ 1,521,292	\$ 1,463,285

# TRANSPORT CANADA

Notes to the Financial Statements (Unaudited)

For the Year Ended March 31

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## 18. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.