



Administration de pilotage des Laurentides
Laurentian Pilotage Authority

Interim Financial Statements Q1 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 MARCH 31	AS AT DECEMBER 31
	2019	2018
<u>ASSETS</u>		
Current		
Cash	7 098 055 \$	8 457 273 \$
Receivables	11 433 132	14 699 081
Short-term investments	5 160 684	5 153 213
	<u>23 691 871 \$</u>	<u>28 309 567 \$</u>
Non-current		
Property and equipment	16 085 274	16 365 926
Intangible assets	3 582 810	1 386 547
Total assets	<u>43 359 955 \$</u>	<u>46 062 040 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	12 397 077 \$	16 499 276 \$
	<u>12 397 077 \$</u>	<u>16 499 276 \$</u>
Non-current		
Employee benefits	307 375 \$	316 726 \$
Lease liabilities	2 386 459	418 357
Total liabilities	<u>15 090 911 \$</u>	<u>17 234 359 \$</u>
 <u>EQUITY</u>		
Retained earnings	28 269 044 \$	28 827 681 \$
	<u>28 269 044 \$</u>	<u>28 827 681 \$</u>
TOTAL LIABILITIES AND EQUITY	<u>43 359 955 \$</u>	<u>46 062 040 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

**THREE MONTHS ENDED
- MARCH 31**

In Canadian Dollars

2019

2018

Revenues

Pilotage charges	22 914 768 \$	21 314 128 \$
Other income	69 843	48 615
	<u>22 984 611 \$</u>	<u>21 362 743 \$</u>

Expenses

Pilot fees	18 631 036 \$	17 844 928 \$
Operating costs of pilot boats	3 057 396	3 038 517
Employee salaries and benefits	1 261 354	1 144 892
Professional and special services	158 644	319 943
Utilities, material and supplies	137 699	143 688
Rents	82 453	92 367
Transportation, travel and hospitality	55 784	48 697
Communications	21 658	21 816
Maintenance	2 416	4 618
Finance costs	25 964	2 412
Other expenses	108 847	50 651
	<u>23 543 251 \$</u>	<u>22 712 529 \$</u>
<u>Comprehensive income for the period</u>	<u>(558 640) \$</u>	<u>(1 349 786) \$</u>



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STATEMENT OF CHANGES IN EQUITY
(unaudited)

	THREE MONTHS ENDED	
	- MARCH 31	
In Canadian Dollars	2019	2018
Retained earnings, beginning of the period	28 827 684 \$	29 437 624 \$
Comprehensive income for the period	(558 640) \$	(1 349 786) \$
<u>Retained earnings, end of the period</u>	<u>28 269 044 \$</u>	<u>28 087 838 \$</u>



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STATEMENT OF CASH FLOW
(unaudited)

	THREE MONTHS ENDED	
	- MARCH 31	
In Canadian Dollars	2019	2018
<u>OPERATING ACTIVITIES</u>		
Comprehensive income for the period	(558 640) \$	(1 349 786) \$
Adjustment to determine net cash flows generated by (used for) operating activities :		
Depreciation and amortization	401 560	317 229
Changes in long-term portion of employee benefits	(9 351)	(10 113)
Changes in long-term portion of the lease liabilities	1 968 101	(6 906)
Changes in non-cash working capital items :		
Changes in receivables	3 265 946	3 659 001
Changes in accounts payable and accrued liabilities	(4 102 198)	(2 827 901)
Cash flows from operating activities	965 418 \$	(218 476) \$
<u>INVESTING ACTIVITIES</u>		
Net purchase of investments	(7 470) \$	(2 289) \$
Acquisition of property and equipment	(10 504)	(10 288)
Acquisition of intangible assets	(2 306 662)	(587 800)
Proceeds on property and equipment disposal	-	-
Cash flows from investing activities	(2 324 636) \$	(600 377) \$
<u>CASH</u>		
Change for the period	(1 359 218) \$	(818 853) \$
Balance, beginning of period	8 457 273	9 565 813
<u>BALANCE, END OF PERIOD</u>	7 098 055 \$	8 746 960 \$

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 May 14, 2019.

The Authority's first operating quarter is usually includes the lowest assignment volume of the year (approximately 18.5% of total 2018 assignments were performed during the first quarter of 2019). This slowdown is the result of the annual closing, for navigation purposes, of the St-Lawrence Seaway between the end of December until the end of March of the following year. 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 MARCH 31, 2019

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

3. Significant accounting policies

The March 31, 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 March 31, 2019 are as follows:

Less than 1 year	\$	561 402
1 to 5 years		2 207 844
Over 5 years		4 033 649
		<u>\$ 6 802 895</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services and ancillary costs related to pilotage services. As at March 31, 2019, estimated amounts payable are:

Less than 1 year	\$	1 121 819
1 to 5 years		912 075
Over 5 years		-
		<u>\$ 2 033 894</u>