



Administration de pilotage des Laurentides  
Laurentian Pilotage Authority

## Management's discussion and analysis

FIRST QUARTER (Q1)

At March 31, 2020

LAURENTIAN PILOTAGE AUTHORITY  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
QUARTER ENDED MARCH 31, 2020

**Notice to reader**

The current report covers the LPA's activities and financial situation for the three-month period ended March 31, 2020. You should read this report in conjunction with the unaudited financial statements for the three-month period ended March 31, 2020 and with the audited financial statements for the financial year ended December 31, 2019. These financial statements were established and are presented following IFRSs and are included in the LPA's 2019 Annual Report.

1. **Analysis of financial results**

**COMPARISON WITH THE 2020 BUDGET**

**REVENUES**

**Pilotage charges**

Pilotage charges amounted to \$ 22.5 million for the quarter ended March 31, 2020 versus \$ 23 million for the corresponding budget period. An unfavourable variation of \$ 0.5 million for the period is showed and originates from a variance in different elements, without one prevailing.

**Other revenues**

The LPA's other revenues totalled \$ 65,503 for the quarter ended March 31, 2020 compared to \$ 81,000 for the corresponding budget period. This unfavourable difference originates from a variation in the current account and interest rates.

LAURENTIAN PILOTAGE AUTHORITY  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
QUARTER ENDED MARCH 31, 2020

**EXPENSES**

**Pilot fees**

Pilot fees have reached \$ 18.3 million for the quarter ended March 31, 2020 compared to \$ 18.7 million for the corresponding budget period. This favourable variance originates from the variation in the type of traffic that affected the pilot fees, combined with a variance with margins.

**Operating costs of pilot boats**

Operating costs of pilot boats amounted to \$ 3 million for the quarter ended March 31, 2020, compared to \$ 2.96 million for the corresponding budget period. The variance in operating costs is mainly due to a number of transhipments.

**Administrative and operational expenses**

Administrative and operational expenses totalled \$ 2.5 million for the quarter ended March 31, 2020, compared to \$ 2.6 million for the corresponding budget period, in line with budgeted period.

**COMPARISON WITH THE 2019 FINANCIAL YEAR**

**REVENUES**

**Pilotage charges**

Pilotage charges amounted to \$ 22.5 million for the quarter ended March 31, 2020 versus \$ 22.9 million for the corresponding period last year. This unfavorable variation comes from an unfavorable variation in the general traffic.

**Other revenues**

The LPA's other revenues totalled \$ 65,503 for the quarter ended March 31, 2020 compared to \$ 69,843 for the corresponding period last year. This unfavourable difference originates from a variation in the current account and interest rates.

LAURENTIAN PILOTAGE AUTHORITY  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
QUARTER ENDED MARCH 31, 2020

**EXPENSES**

**Pilot fees**

Pilot fees have reached \$ 18.3 million for the quarter ended March 31, 2020 compared to \$ 18.5 million for the corresponding previous year period. This favourable variance originates from the variation in the type of traffic that affected the pilot fees..

**Operating costs of pilot boats**

Operating costs of pilot boats amounted to \$ 3 million for the quarter ended March 31, 2020 versus \$ 2.9 million. The variance in operating costs is mainly due to a number of transhipments that are higher than planned.

**Administrative and operational expenses**

Administrative and operational expenses totalled \$ 2.5 million for the quarter ended March 31, 2020, compared to \$ 2.2 million for the corresponding period last year. The variance comes from different positions, mainly the employee salaries and benefits.

**2. Risk analysis**

No major change in the risk analysis of the Authority's operations has occurred since the preparation of its 2019 Annual Report. Last year, the Federal Government adopted amendments to the *Pilotage Act* and the changes are now known. These changes will affect the LPA's financial position since substantial amounts will be transferred to Transport Canada for the execution of its new duties.

Regarding the Authority's operational and personnel activities, they have not significantly changed since the preparation of the LPA's 2020-2024 Corporate Plan. During its last strategic planning in summer 2019, the LPA has carried out a full update of operational and strategic risks, which has been integrated into the 2020-2024 Corporate Plan. An update of this risks analysis will be made within the actual year.