



Administration de pilotage des Laurentides
Laurentian Pilotage Authority

INTERIM FINANCIAL STATEMENTS

At June 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 JUNE 30 2020	AS AT DECEMBER 31 2019
<u>ASSETS</u>		
Current		
Cash	10 119 447 \$	11 898 837 \$
Receivables	11 470 422	14 546 320
Short-term investments	1 875 956	2 391 006
	<u>23 465 825 \$</u>	<u>28 836 163 \$</u>
Non-current		
Property and equipment	16 879 245	17 404 092
Intangible assets	1 919 989	1 385 491
Total assets	<u>42 265 059 \$</u>	<u>47 625 746 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	12 295 890 \$	15 344 336 \$
Lease Obligations	309 756	309 756
	<u>12 605 646 \$</u>	<u>15 654 092 \$</u>
Non-current		
Employee benefits	342 820 \$	333 955 \$
Lease liabilities	2 089 652	2 196 786
Total liabilities	<u>15 038 118 \$</u>	<u>18 184 833 \$</u>
 <u>EQUITY</u>		
Retained earnings	27 226 941 \$	29 440 913 \$
	<u>27 226 941 \$</u>	<u>29 440 913 \$</u>
 TOTAL LIABILITIES AND EQUITY	 <u>42 265 059 \$</u>	 <u>47 625 746 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - JUNE 30		SIX MONTHS ENDED - JUNE 30	
	2020	2019	2020	2019
<u>Revenues</u>				
Pilotage charges	22 565 974 \$	27 246 563 \$	45 018 823 \$	50 161 331 \$
Other income	30 453	86 190	95 955	156 034
	<u>22 596 427 \$</u>	<u>27 332 754 \$</u>	<u>45 114 778 \$</u>	<u>50 317 365 \$</u>
<u>Expenses</u>				
Pilot fees	18 763 500 \$	22 706 017 \$	37 199 381 \$	41 337 054 \$
Operating costs of pilot boats	2 722 215	2 888 056	5 914 041	5 945 452
Employee salaries and benefits	1 498 904	1 201 482	2 959 772	2 462 836
Professional and special services	176 131	310 116	383 630	468 761
Utilities, material and supplies	38 704	38 161	137 752	175 860
Rents	76 397	83 563	156 422	166 017
Transportation, travel and hospitality	3 261	49 479	29 296	105 263
Communications	79 191	18 567	107 101	40 224
Maintenance	43 176	1 384	65 882	3 799
Finance costs	23 460	26 724	47 606	52 686
Other expenses	134 656	148 391	327 867	257 237
	<u>23 559 594 \$</u>	<u>27 471 940 \$</u>	<u>47 328 750 \$</u>	<u>51 015 190 \$</u>
<u>Comprehensive income for the period</u>	<u>(963 168) \$</u>	<u>(139 187) \$</u>	<u>(2 213 972) \$</u>	<u>(697 824) \$</u>



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STATEMENT OF CHANGES IN EQUITY
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - JUNE 30		SIX MONTHS ENDED - JUNE 30	
	2020	2019	2020	2019
Retained earnings, beginning of the period	28 190 109 \$	28 269 044 \$	29 440 913 \$	28 827 681 \$
Comprehensive income for the period	(963 168) \$	(139 187) \$	(2 213 972) \$	(697 824) \$
<u>Retained earnings, end of the period</u>	<u>27 226 941 \$</u>	<u>28 129 857 \$</u>	<u>27 226 941 \$</u>	<u>28 129 857 \$</u>



STATEMENT OF CASH FLOW
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - JUNE 30		SIX MONTHS ENDED - JUNE 30	
	2020	2019	2020	2019
<u>OPERATING ACTIVITIES</u>				
Comprehensive income for the period	(963 168) \$	(139 187) \$	(2 213 972) \$	(697 824) \$
Adjustment to determine net cash flows generated by (used for) operating activities :				
Depreciation and amortization	492 261	452 319	961 667	853 877
Interest on lease obligations	21 940		44 363	
Changes in long-term portion of employee benefits	11 320	1 142	8 865	(8 209)
Changes in long-term portion of the lease obligations		(35 287)		1 932 814
Loss (gain) on asset disposals	-			
Interest Income	(19 422)	-	(80 657)	
Changes in non-cash working capital items :				
Changes in receivables	(284 254)	(3 809 895)	3 084 848	(543 949)
Changes in accounts payable and accrued liabilities	(46 370)	2 292 413	(2 455 609)	(1 809 785)
Cash flows from operating activities	(787 693) \$	(1 238 495) \$	(650 495) \$	(273 076) \$
<u>INVESTING ACTIVITIES</u>				
Net purchase of investments	515 050 \$	(22 579) \$	515 050 \$	(30 049) \$
Acquisition of property and equipment	(223 348)	(221 003)	(623 303)	(231 507)
Acquisition of intangible assets	(219 488)	(89 937)	(940 853)	(2 396 599)
Proceeds on property and equipment disposal	-	-		-
Interest received	21 308		71 709	
Cash flows from investing activities	93 522 \$	(333 519) \$	(977 397) \$	(2 658 155) \$
FINANCING ACTIVITIES				
Repayment of lease obligations	(53 810) \$		(107 136) \$	
Interest paid on lease obligations	(21 940) \$		(44 363) \$	
Cash flow from financing activities	(75 750) \$		(151 499) \$	
<u>CASH</u>				
Change for the period	(769 921) \$	(1 572 014) \$	(1 779 391) \$	(2 931 231) \$
Balance, beginning of period	10 889 367	7 098 056	11 898 837	8 457 273
<u>BALANCE, END OF PERIOD</u>	10 119 446 \$	5 526 042 \$	10 119 446 \$	5 526 042 \$

LAURENTIAN PILOTAGE AUTHORITY

Unaudited financial statements

QUARTER ENDED JUNE 30, 2020

**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 charges 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 August 18, 2020.

The Authority's second operating quarter usually is usually representative in terms of assignment volume of the full year (more than 25% of total 2020 planned assignments, were performed during the second quarter of 2020). This period coincides with the reopening of the St-Lawrence Seaway which closes 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 JUNE 30, 2020

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

3. Significant accounting policies

The June 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 June 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	\$	1 386 002
1 to 5 years		1 433 824
Over 5 years		<u>342 640</u>
	\$	<u>3 162 466</u>