



**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 2014	AS AT DECEMBER 31 2013
<u>ASSETS</u>		
Current		
Cash	3 044 828 \$	3 747 504 \$
Receivable	7 448 745	9 585 475
	<u>10 493 573 \$</u>	<u>13 332 979 \$</u>
Non-current		
Long-term investments	1 500 000 \$	1 500 000 \$
Property, plant and equipment	16 467 197 \$	16 623 430 \$
Intangible assets	980 853	1 048 608
Total assets	<u>29 441 623 \$</u>	<u>32 505 017 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	7 808 773 \$	10 180 221 \$
	<u>7 808 773 \$</u>	<u>10 180 221 \$</u>
Non-current		
Post-employment benefits	479 371 \$	457 112 \$
Total liabilities	<u>8 288 144 \$</u>	<u>10 637 333 \$</u>
 <u>EQUITY OF CANADA</u>		
Retained earnings	21 153 479 \$	21 867 684 \$
	<u>21 153 479 \$</u>	<u>21 867 684 \$</u>
TOTAL LIABILITIES AND EQUITY OF CANADA	<u>29 441 623 \$</u>	<u>32 505 017 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

THREE MONTHS ENDED
- MARCH 31

In Canadian Dollars

2014 2013

Revenues

Pilotage charges	17 069 885 \$	16 130 617 \$
Other revenues	23 088	31 746
	<u>17 092 973 \$</u>	<u>16 162 363 \$</u>

Expenses

Pilots' fees, salaries and benefits	13 868 600 \$	12 836 225 \$
Operating costs of pilot boats	2 665 875	2 457 738
Staff salaries and benefits	859 185	801 434
Professional and special services	222 583	244 658
Rentals	70 433	78 491
Utilities, material and supplies	56 238	49 892
Communications	10 820	16 002
Transportation, travel and hospitality	21 139	15 618
Maintenance	1 104	3 527
Financing costs	2 241	2 326
Other	28 960	23 168
	<u>17 807 178 \$</u>	<u>16 529 079 \$</u>
<u>Comprehensive income for the period</u>	<u>(714 205) \$</u>	<u>(366 716) \$</u>



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STATEMENT OF CHANGES IN EQUITY OF CANADA
(unaudited)

	THREE MONTHS ENDED - MARCH 31	
In Canadian Dollars	2014	2013
Retained earnings, beginning of the period	21 867 684 \$	20 355 852 \$
Comprehensive income for the period	(714 205) \$	(366 716) \$
<u>Retained earnings, end of the period</u>	<u>21 153 479 \$</u>	<u>19 989 136 \$</u>



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STATEMENT OF CASH FLOW
(unaudited)

THREE MONTHS ENDED
- MARCH 31

In Canadian Dollars

2014 2013

OPERATING ACTIVITIES

Comprehensive income for the period	(714 205) \$	(366 716) \$
Items not affecting cash flows		
Depreciation and amortization	223 988	122 339
Changes in long-term employee benefits	22 259	12 276
Loss (gain) on disposals of assets	-	-
Changes in non-cash working capital items		
Changes in receivable	2 136 730	1 882 835
Changes in accounts payable and accrued liabilities	(2 371 448)	(3 875 518)
Cash flows from operating activities	<u>(702 676) \$</u>	<u>(2 224 784) \$</u>

INVESTING ACTIVITIES

Purchase of long-term investments	- \$	- \$
Acquisition of property and equipment	-	(347 495)
Disposal of property and equipment	-	-
Acquisition of intangible asset	-	(607 300)
Cash flows from investing activities	<u>- \$</u>	<u>(954 795) \$</u>

CASH

Change for the period	(702 676) \$	(3 179 579) \$
Balance, beginning of period	3 747 504	6 861 784
<u>BALANCE, END OF PERIOD</u>	<u>3 044 828 \$</u>	<u>3 682 205 \$</u>

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, 2013.

The Authority's Board of directors have approved for issue these interim financial statements on May 15, 2014.

The Authority's first operating quarter is usually includes the lowest assignment volume of the year (almost 18% of total 2013 assignments were performed during the first quarter of 2013). 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 the unfavorable economic impact of reduced revenues during this seasonal slowdown.

LAURENTIAN PILOTAGE AUTHORITY
Unaudited financial statements
QUARTER ENDED MARCH 31, 2014

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

3. Significant accounting policies

The 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, 2013. Note 3 of these audited annual financial statements can also be reviewed to consult current and future accounting changes.

4. Commitments

The Authority rents office space and equipment. Non-cancellable operating lease rentals as at March 31, 2014 are as follows:

Less than 1 year	\$	141 222
1 to 5 years		1 355 833
Over 5 years		<u>2 106 408</u>
	\$	<u>3 603 463</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services and ancillary costs related to pilotage services. As at March 31, 2014, estimated amounts payable are:

Less than 1 year	\$	1 009 722
1 to 5 years		284 766
Over 5 years		<u>-</u>
	\$	<u>1 294 488</u>