



**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 2016	AS AT DECEMBER 31 2015
<u>ASSETS</u>		
Current		
Cash	7 276 582 \$	7 665 051 \$
Short-term investments	2 776 519	1 528 211
Receivable	9 652 549	10 246 297
	<u>19 705 650 \$</u>	<u>19 439 559 \$</u>
Non-current		
Long-term investments	2 228 741 \$	3 477 049 \$
Property, plant and equipment	15 371 824	15 521 500
Intangible assets	657 916	746 120
Total assets	<u>37 964 131 \$</u>	<u>39 184 228 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	9 948 377 \$	10 933 087 \$
	<u>9 948 377 \$</u>	<u>10 933 087 \$</u>
Non-current		
Post-employment benefits	449 028 \$	433 063 \$
Lease Inducement	220 990	227 896
Total liabilities	<u>10 618 395 \$</u>	<u>11 594 046 \$</u>
 <u>EQUITY OF CANADA</u>		
Retained earnings	27 345 736 \$	27 590 182 \$
	<u>27 345 736 \$</u>	<u>27 590 182 \$</u>
TOTAL LIABILITIES AND EQUITY OF CANADA	<u>37 964 131 \$</u>	<u>39 184 228 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

**THREE MONTHS ENDED
- MARCH 31**

In Canadian Dollars

2016

2015

Revenues

Pilotage charges	20 112 171 \$	17 575 806 \$
Other revenues	44 835	43 116
	<u>20 157 006 \$</u>	<u>17 618 922 \$</u>

Expenses

Pilots' fees, salaries and benefits	15 957 818 \$	13 790 700 \$
Operating costs of pilot boats	2 834 928	2 480 478
Staff salaries and benefits	975 802	835 537
Professional and special services	320 489	329 470
Rentals	94 693	74 772
Utilities, material and supplies	97 967	52 681
Communications	14 099	15 475
Transportation, travel and hospitality	17 761	23 177
Maintenance	41 618	3 242
Financing costs	3 098	1 902
Other	43 179	40 627
	<u>20 401 452 \$</u>	<u>17 648 061 \$</u>
<u>Comprehensive income for the period</u>	<u>(244 446) \$</u>	<u>(29 139) \$</u>



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STATEMENT OF CHANGES IN EQUITY OF CANADA
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - MARCH 31	
	2016	2015
Retained earnings, beginning of the period	27 590 182 \$	23 958 435 \$
Comprehensive income for the period	(244 446) \$	(29 139) \$
<u>Retained earnings, end of the period</u>	<u>27 345 736 \$</u>	<u>23 929 296 \$</u>



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STATEMENT OF CASH FLOW
(unaudited)

	THREE MONTHS ENDED	
	- MARCH 31	
In Canadian Dollars	2016	2015
<u>OPERATING ACTIVITIES</u>		
Comprehensive income for the period	(244 446) \$	(29 139) \$
Items not affecting cash flows		
Depreciation and amortization	256 666	231 050
Changes in long-term employee benefits	15 965	14 083
Changes in long-term lease inducement	(6 906)	55 755
Loss (gain) on disposals of assets	(250)	-
Changes in non-cash working capital items		
Changes in receivable	593 748	3 717 609
Changes in accounts payable and accrued liabilities	(984 710)	(3 201 966)
Cash flows from operating activities	(369 933) \$	787 392 \$
<u>INVESTING ACTIVITIES</u>		
Net purchase of investments	- \$	- \$
Acquisition of property and equipment	(18 786)	-
Acquisition of intangible asset	-	(5 000)
Proceeds on property and equipment disposal	250	-
Cash flows from investing activities	(18 536) \$	(5 000) \$
<u>CASH</u>		
Change for the period	(388 469) \$	782 392 \$
Balance, beginning of period	7 665 051	3 767 729
<u>BALANCE, END OF PERIOD</u>	7 276 582 \$	4 550 121 \$

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, 2015.

The Authority's Audit Committee has approved for issue these interim financial statements on May 17, 2016.

The Authority's first operating quarter is usually includes the lowest assignment volume of the year (approximately 18% of total 2015 assignments were performed during the first quarter of 2015). 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, 2016

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, 2015. Note 3 of these audited annual financial statements can also be reviewed to consult current and future accounting standards.

4. Commitments

The Authority rents office space and equipment. Non-cancellable operating lease rentals as at March 31, 2016 are as follows:

Less than 1 year	\$	442 862
1 to 5 years		1 785 316
Over 5 years		<u>2 199 328</u>
	\$	<u>4 427 506</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services and ancillary costs related to pilotage services. As at March 31, 2016, estimated amounts payable are:

Less than 1 year	\$	1 243 729
1 to 5 years		2 385 318
Over 5 years		<u>-</u>
	\$	<u>3 629 047</u>