



**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)**

<b>In Canadian Dollars</b>	<b>AS AT MARCH 31 2018</b>	<b>AS AT DECEMBER 31 2017</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	8 746 960 \$	9 565 813 \$
Receivables	9 441 655	13 100 652
Short-term investments	5 099 933	5 097 644
	<u>23 288 548 \$</u>	<u>27 764 109 \$</u>
<b>Non-current</b>		
Property and equipment	15 567 817	15 813 508
Intangible assets	743 205	216 658
<b>Total assets</b>	<u>39 599 570 \$</u>	<u>43 794 275 \$</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	11 046 387 \$	13 874 287 \$
	<u>11 046 387 \$</u>	<u>13 874 287 \$</u>
<b>Non-current</b>		
Employee benefits	299 603 \$	309 716 \$
Lease Inducement	165 742	172 648
<b>Total liabilities</b>	<u>11 511 732 \$</u>	<u>14 356 651 \$</u>
<b>EQUITY</b>		
Retained earnings	28 087 838 \$	29 437 624 \$
	<u>28 087 838 \$</u>	<u>29 437 624 \$</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>39 599 570 \$</u>	<u>43 794 275 \$</u>



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**STATEMENT OF COMPREHENSIVE INCOME  
(unaudited)**

**THREE MONTHS ENDED  
- MARCH 31**

**In Canadian Dollars**

**2018                      2017**

**Revenues**

Pilotage charges	21 314 128 \$	19 915 380 \$
Other income	48 615	40 463
	<u>21 362 743 \$</u>	<u>19 955 843 \$</u>

**Expenses**

Pilot fees	17 844 928 \$	16 281 982 \$
Operating costs of pilot boats	3 035 997	2 711 800
Employee salaries and benefits	1 144 892	969 332
Professional and special services	319 943	466 514
Utilities, material and supplies	143 688	81 715
Rents	94 326	94 110
Transportation, travel and hospitality	48 697	30 607
Communications	21 816	20 280
Maintenance	4 618	9 448
Finance costs	2 412	2 037
Other expenses	51 212	30 683
	<u>22 712 529 \$</u>	<u>20 698 508 \$</u>
<b><u>Comprehensive income for the period</u></b>	<u>(1 349 786) \$</u>	<u>(742 665) \$</u>



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**STATEMENT OF CHANGES IN EQUITY**  
**(unaudited)**

<b>In Canadian Dollars</b>	<b>THREE MONTHS ENDED</b>	
	<b>2018</b>	<b>2017</b>
Retained earnings, beginning of the period	29 437 624 \$	29 129 926 \$
Comprehensive income for the period	(1 349 786) \$	(742 665) \$
<b><u>Retained earnings, end of the period</u></b>	<b><u>28 087 838 \$</u></b>	<b><u>28 387 261 \$</u></b>



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**STATEMENT OF CASH FLOW  
(unaudited)**

	THREE MONTHS ENDED - MARCH 31	
<b>In Canadian Dollars</b>	<b>2018</b>	<b>2017</b>
<b><u>OPERATING ACTIVITIES</u></b>		
Comprehensive income for the period	(1 349 786) \$	(742 665) \$
<b>Adjustment to determine net cash flows generated by (used for) operating activities :</b>		
Depreciation and amortization	317 232	210 864
Changes in long-term portion of employee benefits	(10 113)	(4 060)
Changes in long-term portion of the lease inducement	(6 906)	(6 906)
<b>Changes in non-cash working capital items :</b>		
Changes in receivables	3 658 997	3 236 798
Changes in accounts payable and accrued liabilities	(2 827 900)	(3 242 967)
<b>Cash flows from operating activities</b>	<b>(218 476) \$</b>	<b>(548 936) \$</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Net purchase of investments	(2 289) \$	(12 291) \$
Acquisition of property and equipment	(10 288)	(1 423 600)
Acquisition of intangible assets	(587 800)	-
Proceeds on property and equipment disposal	-	-
<b>Cash flows from investing activities</b>	<b>(600 377) \$</b>	<b>(1 435 891) \$</b>
<b><u>CASH</u></b>		
Change for the period	(818 853) \$	(1 984 827) \$
Balance, beginning of period	9 565 813	10 970 651
<b><u>BALANCE, END OF PERIOD</u></b>	<b>8 746 960 \$</b>	<b>8 985 824 \$</b>

**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, 2017.

The Authority's Audit Committee has recommended for approval the disclosure of these interim financial statements on May 15, 2018.

The Authority's first operating quarter is usually includes the lowest assignment volume of the year (approximately 18% of total 2017 assignments were performed during the first quarter of 2017). 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, 2018

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

**3. Significant accounting policies**

The March 31, 2018 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, 2017. Note 3 of these audited annual financial statements can also be reviewed to consult new current and future accounting standards.

**4. Commitments**

The Authority rents office space and equipment. Non-cancellable operating lease rentals as at March 31, 2018 are as follows:

Less than 1 year	\$	493 182
1 to 5 years		2 334 040
Over 5 years		4 723 615
	\$	<u>7 550 837</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services and ancillary costs related to pilotage services. As at March 31, 2018, estimated amounts payable are:

Less than 1 year	\$	2 190 996
1 to 5 years		2 033 896
Over 5 years		-
	\$	<u>4 224 892</u>