



**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	AS AT DECEMBER 31
	2017	2016
<u>ASSETS</u>		
Current		
Cash	8 985 824 \$	10 970 651 \$
Receivables	8 297 504	11 534 302
Short-term investments	5 036 417	5 024 126
	<u>22 319 745 \$</u>	<u>27 529 079 \$</u>
Non-current		
Property and equipment	16 214 778	14 952 170
Intangible assets	327 381	377 253
Total assets	<u>38 861 904 \$</u>	<u>42 858 502 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	9 945 305 \$	13 188 272 \$
	<u>9 945 305 \$</u>	<u>13 188 272 \$</u>
Non-current		
Employee benefits	335 972 \$	340 032 \$
Lease Inducement	193 366	200 272
Total liabilities	<u>10 474 643 \$</u>	<u>13 728 576 \$</u>
 <u>EQUITY</u>		
Retained earnings	28 387 261 \$	29 129 926 \$
	<u>28 387 261 \$</u>	<u>29 129 926 \$</u>
TOTAL LIABILITIES AND EQUITY	<u>38 861 904 \$</u>	<u>42 858 502 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

**THREE MONTHS ENDED
- MARCH 31**

In Canadian Dollars

2017 **2016**

Revenues

Pilotage charges	19 915 380 \$	20 112 171 \$
Other income	40 463	44 835
	<u>19 955 844 \$</u>	<u>20 157 006 \$</u>

Expenses

Pilot fees	16 281 982 \$	15 957 818 \$
Operating costs of pilot boats	2 711 800	2 834 928
Employee salaries and benefits	969 332	975 802
Professional and special services	466 514	320 489
Rents	94 110	94 693
Utilities, material and supplies	81 715	97 967
Transportation, travel and hospitality	30 607	17 761
Communications	20 280	14 099
Maintenance	9 448	41 618
Finance costs	2 037	3 098
Other expenses	30 683	43 179
	<u>20 698 509 \$</u>	<u>20 401 452 \$</u>
<u>Comprehensive income for the period</u>	<u>(742 665) \$</u>	<u>(244 446) \$</u>



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STATEMENT OF CHANGES IN EQUITY
(unaudited)

	THREE MONTHS ENDED - MARCH 31	
In Canadian Dollars	2017	2016
Retained earnings, beginning of the period	29 129 926 \$	27 590 182 \$
Comprehensive income for the period	(742 665) \$	(244 446) \$
<u>Retained earnings, end of the period</u>	<u>28 387 261 \$</u>	<u>27 345 736 \$</u>



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STATEMENT OF CASH FLOW
(unaudited)

	THREE MONTHS ENDED	
	- MARCH 31	
In Canadian Dollars	2017	2016
<u>OPERATING ACTIVITIES</u>		
Comprehensive income for the period	(742 665) \$	(244 446) \$
Adjustment to determine net cash flows generated by (used for) operating activities :		
Depreciation and amortization	210 864	256 666
Changes in long-term portion of employee benefits	(4 060)	15 965
Changes in long-term portion of the lease inducement	(6 906)	(6 906)
Loss (gain) on asset disposals	-	(250)
Changes in non-cash working capital items :		
Changes in receivables	3 236 798	593 748
Changes in accounts payable and accrued liabilities	(3 242 967)	(984 710)
Cash flows from operating activities	(548 936) \$	(369 933) \$
<u>INVESTING ACTIVITIES</u>		
Net purchase of investments	(12 291) \$	- \$
Acquisition of property and equipment	(1 423 600)	(18 786)
Acquisition of intangible assets	-	-
Proceeds on property and equipment disposal	-	250
Cash flows from investing activities	(1 435 891) \$	(18 536) \$
<u>CASH</u>		
Change for the period	(1 984 827) \$	(388 469) \$
Balance, beginning of period	10 970 651	7 665 051
<u>BALANCE, END OF PERIOD</u>	8 985 824 \$	7 276 582 \$

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, 2016.

The Authority's Audit Committee has approved for issue these interim financial statements on May 23, 2017.

The Authority's first operating quarter is usually includes the lowest assignment volume of the year (approximately 19% of total 2016 assignments were performed during the first quarter of 2016). 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, 2017

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, 2016. 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, 2017 are as follows:

Less than 1 year	\$	447 412
1 to 5 years		1 806 554
Over 5 years		<u>1 695 959</u>
	\$	<u>3 949 925</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services and ancillary costs related to pilotage services. As at March 31, 2017, estimated amounts payable are:

Less than 1 year	\$	1 182 476
1 to 5 years		2 690 721
Over 5 years		<u>-</u>
	\$	<u>3 873 197</u>