



**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
	2015	2014
<u>ASSETS</u>		
Current		
Cash	4 545 821 \$	3 767 729 \$
Short-term investments	4 250 001	4 250 001
Receivable	8 459 764	12 177 373
	<u>17 255 586 \$</u>	<u>20 195 103 \$</u>
Non-current		
Property, plant and equipment	15 919 947 \$	16 078 322 \$
Intangible assets	710 271	773 646
Total assets	<u>33 885 804 \$</u>	<u>37 047 071 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	9 191 873 \$	12 393 839 \$
	<u>9 191 873 \$</u>	<u>12 393 839 \$</u>
Non-current		
Post-employment benefits	539 336 \$	525 253 \$
Lease Inducement	225 299	169 544
Total liabilities	<u>9 956 508 \$</u>	<u>13 088 636 \$</u>
 <u>EQUITY OF CANADA</u>		
Retained earnings	23 929 296 \$	23 958 435 \$
	<u>23 929 296 \$</u>	<u>23 958 435 \$</u>
TOTAL LIABILITIES AND EQUITY OF CANADA	<u>33 885 804 \$</u>	<u>37 047 071 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

**THREE MONTHS ENDED
- MARCH 31**

In Canadian Dollars

2015 **2014**

Revenues

Pilotage charges	17 575 806 \$	17 069 885 \$
Other revenues	43 116	23 088
	<u>17 618 922 \$</u>	<u>17 092 973 \$</u>

Expenses

Pilots' fees, salaries and benefits	13 790 700 \$	13 868 600 \$
Operating costs of pilot boats	2 480 478	2 665 875
Staff salaries and benefits	835 537	859 185
Professional and special services	329 470	222 583
Rentals	74 772	70 433
Utilities, material and supplies	52 681	56 238
Communications	15 475	10 820
Transportation, travel and hospitality	23 177	21 139
Maintenance	3 242	1 104
Financing costs	1 902	2 241
Other	40 627	28 960
	<u>17 648 061 \$</u>	<u>17 807 178 \$</u>
<u>Comprehensive income for the period</u>	<u>(29 139) \$</u>	<u>(714 205) \$</u>



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STATEMENT OF CHANGES IN EQUITY OF CANADA
(unaudited)

	THREE MONTHS ENDED - MARCH 31	
In Canadian Dollars	2015	2014
Retained earnings, beginning of the period	23 958 435 \$	21 867 684 \$
Comprehensive income for the period	(29 139) \$	(714 205) \$
<u>Retained earnings, end of the period</u>	<u>23 929 296 \$</u>	<u>21 153 479 \$</u>



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STATEMENT OF CASH FLOW
(unaudited)

**THREE MONTHS ENDED
- MARCH 31**

In Canadian Dollars

2015 2014

OPERATING ACTIVITIES

Comprehensive income for the period	(29 139) \$	(714 205) \$
Items not affecting cash flows		
Depreciation and amortization	231 050	223 988
Changes in long-term employee benefits	14 083	22 259
Changes in long-term lease inducement	55 755	-
Loss (gain) on disposals of assets	-	-
Changes in non-cash working capital items		
Changes in receivable	3 717 609	2 136 730
Changes in accounts payable and accrued liabilities	(3 201 966)	(2 371 448)
Cash flows from operating activities	<u>787 392 \$</u>	<u>(702 676) \$</u>

INVESTING ACTIVITIES

Purchase of long-term investments	- \$	- \$
Acquisition of property and equipment	(4 300)	-
Disposal of property and equipment	-	-
Acquisition of intangible asset	(5 000)	-
Cash flows from investing activities	<u>(9 300) \$</u>	<u>- \$</u>

CASH

Change for the period	778 092 \$	(702 676) \$
Balance, beginning of period	3 767 727	3 747 504
<u>BALANCE, END OF PERIOD</u>	<u>4 545 819 \$</u>	<u>3 044 828 \$</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, 2014.

The Authority's Board of directors have approved for issue these interim financial statements on May 21, 2015.

The Authority's first operating quarter is usually includes the lowest assignment volume of the year (approximately 18% of total 2014 assignments were performed during the first quarter of 2014). 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, 2015

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, 2014. 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, 2015 are as follows:

Less than 1 year	\$	335 779
1 to 5 years		1 333 643
Over 5 years		<u>1 650 983</u>
	\$	<u>3 320 405</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services and ancillary costs related to pilotage services. As at March 31, 2015, estimated amounts payable are:

Less than 1 year	\$	526 419
1 to 5 years		631 644
Over 5 years		<u>-</u>
	\$	<u>1 158 063</u>