



**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 SEPTEMBER 30 2015	AS AT DECEMBER 31 2014
<b><u>ASSETS</u></b>		
<b>Current</b>		
Cash	8 503 562 \$	3 767 729 \$
Short-term investments	2 750 001	4 250 001
Receivable	10 940 750	12 177 373
	<u>22 194 313 \$</u>	<u>20 195 103 \$</u>
<b>Non-current</b>		
Long-term investments	1 528 211 \$	– \$
Property, plant and equipment	15 613 276	16 078 322
Intangible assets	836 548	773 646
<b>Total assets</b>	<u>40 172 348 \$</u>	<u>37 047 071 \$</u>
 <b><u>LIABILITIES</u></b>		
<b>Current</b>		
Accounts payable and accrued liabilities	12 961 173 \$	12 393 839 \$
	<u>12 961 173 \$</u>	<u>12 393 839 \$</u>
<b>Non-current</b>		
Post-employment benefits	471 256 \$	525 253 \$
Lease Inducement	234 802	169 544
<b>Total liabilities</b>	<u>13 667 231 \$</u>	<u>13 088 636 \$</u>
 <b><u>EQUITY OF CANADA</u></b>		
Retained earnings	26 505 117 \$	23 958 435 \$
	<u>26 505 117 \$</u>	<u>23 958 435 \$</u>
<b>TOTAL LIABILITIES AND EQUITY OF CANADA</b>	<u>40 172 348 \$</u>	<u>37 047 071 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME  
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2015	2014	2015	2014
<b><u>Revenues</u></b>				
Pilotage charges	22 548 957 \$	22 157 872 \$	60 947 142 \$	59 752 178 \$
Other revenues	406 317	23 114	503 349	73 111
	<u>22 955 274 \$</u>	<u>22 180 986 \$</u>	<u>61 450 491 \$</u>	<u>59 825 289 \$</u>
<b><u>Expenses</u></b>				
Pilots' fees	17 776 379 \$	17 779 868 \$	47 854 477 \$	47 623 895 \$
Operating costs of pilot boats	2 122 960	2 128 919	7 064 168	7 384 591
Staff salaries and benefits	809 056	749 869	2 457 872	2 457 554
Professional and special services	298 053	199 173	947 847	743 932
Rentals	75 458	80 138	228 647	222 304
Utilities, material and supplies	57 145	67 215	142 070	165 317
Communications	13 724	17 424	44 683	50 667
Transportation, travel and hospitality	27 799	18 267	63 905	65 174
Maintenance	659	6 481	7 065	14 906
Financing costs	4 187	20 502	5 849	24 532
Other	24 664	26 253	87 226	87 317
	<u>21 210 084 \$</u>	<u>21 094 109 \$</u>	<u>58 903 809 \$</u>	<u>58 840 189 \$</u>
<b><u>Comprehensive income for the period</u></b>	<u>1 745 190 \$</u>	<u>1 086 877 \$</u>	<u>2 546 682 \$</u>	<u>985 100 \$</u>



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STATEMENT OF CHANGES IN EQUITY OF CANADA  
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2015	2014	2015	2014
Retained earnings, beginning of the period	24 759 927 \$	21 765 907 \$	23 958 435 \$	21 867 684 \$
Comprehensive income for the period	1 745 190	1 086 877	2 546 682	985 100
<b><u>Retained earnings, end of the period</u></b>	<b><u>26 505 117 \$</u></b>	<b><u>22 852 784 \$</u></b>	<b><u>26 505 117 \$</u></b>	<b><u>22 852 784 \$</u></b>



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STATEMENT OF CASH FLOW  
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2015	2014	2015	2014
<b><u>OPERATING ACTIVITIES</u></b>				
Comprehensive income for the period	1 745 190 \$	1 086 877 \$	2 546 682 \$	985 100 \$
<b>Items not affecting cash flows</b>				
Depreciation and amortization	260 228	244 764	757 210	704 963
Changes in long-term employee benefits	(70 614)	(48 961)	(53 997)	(22 194)
Changes in long-term lease inducement	(6 906)	-	65 258	-
Loss (gain) on disposals of assets	(383 610)	-	(383 610)	5 670
<b>Changes in non-cash working capital items</b>				
Changes in receivable	(384 642)	(559 057)	1 236 623	(1 162 702)
Changes in accounts payable and accrued liabilities	1 139 266	(183 068)	567 334	1 286 173
<b>Cash flows from operating activities</b>	<b>2 298 912 \$</b>	<b>540 555 \$</b>	<b>4 735 500 \$</b>	<b>1 797 010 \$</b>
<b><u>INVESTING ACTIVITIES</u></b>				
Short-term investments	- \$	- \$	1 500 000 \$	(1 500 000) \$
Long-term investments	-	-	(1 528 211)	1 500 000
Acquisition of property, plant and equipment	(6 950)	(41 276)	(38 867)	(127 084)
Proceeds from disposal of property, plant and equipment	385 000	-	385 000	230
Acquisition of intangible asset	-	-	(317 589)	-
<b>Cash flows from investing activities</b>	<b>378 050 \$</b>	<b>(41 276) \$</b>	<b>333 \$</b>	<b>(126 854) \$</b>
<b><u>CASH</u></b>				
Change for the period	2 676 962 \$	499 279 \$	4 735 833 \$	1 670 156 \$
Balance, beginning of period	5 826 600	4 918 381	3 767 729	3 747 504
<b><u>BALANCE, END OF PERIOD</u></b>	<b>8 503 562 \$</b>	<b>5 417 660 \$</b>	<b>8 503 562 \$</b>	<b>5 417 660 \$</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, 2014.

The Authority's Audit Committee has approved for issue these interim financial statements on November 18, 2015.

The Authority's third operating quarter usually is usually representative in terms of assignment volume of the full year (almost 26% of total 2014 assignments were performed during the third quarter of 2014). 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 SEPTEMBER 30, 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 September 30, 2015 are as follows:

Less than 1 year	\$	404 699
1 to 5 years		1 746 122
Over 5 years		<u>2 323 007</u>
	\$	<u>4 473 828</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services and ancillary costs related to pilotage services. As at September 30, 2015, estimated amounts payable are:

Less than 1 year	\$	1 092 666
1 to 5 years		2 953 120
Over 5 years		<u>-</u>
	\$	<u>4 045 786</u>