



**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 2013	AS AT DECEMBER 31 2012
<u>ASSETS</u>		
Current		
Cash	5 063 301 \$	6 861 784 \$
Receivable	9 336 038	9 348 668
	<u>14 399 339 \$</u>	<u>16 210 452 \$</u>
Non-current		
Property, plant and equipment	16 797 043 \$	16 895 435 \$
Intangible assets	1 036 057	205 708
Total assets	<u>32 232 439 \$</u>	<u>33 311 595 \$</u>
 <u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	10 750 704 \$	12 678 370 \$
	<u>10 750 704 \$</u>	<u>12 678 370 \$</u>
Non-current		
Post-employment benefits	379 895 \$	277 373 \$
Total liabilities	<u>11 130 599 \$</u>	<u>12 955 743 \$</u>
 <u>EQUITY OF CANADA</u>		
Retained earnings	21 101 840 \$	20 355 852 \$
	<u>21 101 840 \$</u>	<u>20 355 852 \$</u>
TOTAL LIABILITIES AND EQUITY OF CANADA	<u>32 232 439 \$</u>	<u>33 311 595 \$</u>



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STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2013	2012	2013	2012
<u>Revenues</u>				
Pilotage charges	19 522 622 \$	20 577 401 \$	55 378 539 \$	56 293 876 \$
Other revenues	24 107	37 477	76 203	121 828
	<u>19 546 729 \$</u>	<u>20 614 878 \$</u>	<u>55 454 742 \$</u>	<u>56 415 704 \$</u>
<u>Expenses</u>				
Pilots' fees, salaries and benefits	16 205 190 \$	16 771 988 \$	44 956 577 \$	44 757 030 \$
Operating costs of pilot boats	1 778 934	1 681 162	6 044 688	6 094 756
Staff salaries and benefits	980 115	728 235	2 559 829	2 328 320
Professional and special services	153 035	222 319	580 362	691 167
Rentals	79 564	70 013	229 835	206 407
Utilities, material and supplies	29 552	21 219	128 777	137 344
Communications	20 535	24 493	51 113	57 088
Transportation, travel and hospitality	26 515	28 854	63 623	86 713
Maintenance	2 424	1 743	9 463	7 396
Financing costs	4 019	8 349	11 303	10 039
Other	10 880	12 203	73 184	250 343
	<u>19 290 763 \$</u>	<u>19 570 578 \$</u>	<u>54 708 754 \$</u>	<u>54 626 603 \$</u>
<u>Comprehensive income for the period</u>	<u>255 966 \$</u>	<u>1 044 300 \$</u>	<u>745 988 \$</u>	<u>1 789 101 \$</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	
	2013	2012	2013	2012
Retained earnings, beginning of the period	20 845 874 \$	18 368 554 \$	20 355 852 \$	17 623 753 \$
Comprehensive income for the period	255 966 \$	1 044 300 \$	745 988 \$	1 789 101 \$
<u>Retained earnings, end of the period</u>	<u>21 101 840 \$</u>	<u>19 412 854 \$</u>	<u>21 101 840 \$</u>	<u>19 412 854 \$</u>



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STATEMENT OF CASH FLOW
(unaudited)

In Canadian Dollars	THREE MONTHS ENDED - SEPTEMBER 30		NINE MONTHS ENDED - SEPTEMBER 30	
	2013	2012	2013	2012
<u>OPERATING ACTIVITIES</u>				
Comprehensive income for the period	255 966 \$	1 044 300 \$	745 988 \$	1 789 101 \$
Items not affecting cash flows				
Depreciation and amortization	231 791	57 752	583 795	172 548
Changes in long-term post-employment benefits	121 895	7 558	102 522	(217 672)
Loss (gain) on disposals of assets	-	-	-	-
Changes in non-cash working capital items				
Changes in receivable	193 832	(402 464)	12 630	(752 450)
Changes in accounts payable and accrued liabilities	545 178	(48 432)	(1 927 666)	1 271 713
Cash flows from operating activities	1 348 662 \$	658 714 \$	(482 731) \$	2 263 240 \$
<u>INVESTING ACTIVITIES</u>				
Acquisition of property and equipment	(4 915) \$	(2 832 273) \$	(358 652) \$	(6 458 115) \$
Disposal of property and equipment	-	-	-	-
Acquisition of intangible asset	(30 900)	(14 375)	(957 100)	(26 750)
Cash flows from investing activities	(35 815) \$	(2 846 648) \$	(1 315 752) \$	(6 484 865) \$
<u>CASH</u>				
Change for the period	1 312 847 \$	(2 187 934) \$	(1 798 483) \$	(4 221 625) \$
Balance, beginning of period	3 750 454	9 311 282	6 861 784	11 344 973
<u>BALANCE, END OF PERIOD</u>	5 063 301 \$	7 123 348 \$	5 063 301 \$	7 123 348 \$

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, 2012.

The Authority's Audit Committee has approved for issue these interim financial statements on November 12, 2013.

The Authority's third operating quarter usually is usually representative in terms of assignment volume of the full year (almost 27% of total 2012 assignments were performed during the third quarter of 2012). The Authority's cost structure includes an important proportion of variable costs which reduces potential unfavorable economic impact in the event of reduced revenues.

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, 2012. Note 3 of these audited annual financial statements can also be reviewed to consult future accounting changes.

LAURENTIAN PILOTAGE AUTHORITY
Unaudited financial statements
QUARTER ENDED SEPTEMBER 30, 2013

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

4. Commitments

The Authority rents office space and equipment. Non-cancellable operating lease rentals as at September 30, 2013 are as follows:

Less than 1 year	\$ 268 113
1 to 5 years	189 360
Over 5 years	<u>113 620</u>
	\$ <u>571 093</u>

Furthermore, the Authority has entered into agreements covering legal services, computer services, ancillary costs to pilotage services and pilot boat construction. As at September 30, 2013, estimated amounts payable are :

Less than 1 year	\$ 885 561
1 to 5 years	300 652
Over 5 years	<u>--</u>
	\$ <u>1 186 213</u>