Great Lakes Pilotage Authority

2024 Annual Report

Great Lakes Pilotage Authority

Administration de pilotage des Grands Lacs

Canada


FEDERAL
HAMILTON
MAJURO

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2024 Highlights

The Great Lakes Pilotage Authority (GLPA), a federal Crown Corporation, is responsible for providing safe, efficient, and reliable pilotage services in the Great Lakes and St. Lawrence Seaway, bi-national marine corridor. The free flow of trade on this vital maritime route depends on the GLPA.

The GLPA continued to deliver safe, efficient and 99.9% incident-free pilotage services in accordance with its legislative mandate of financial self-sufficiency, while actively planning operational and information technology improvements.

9,409
assignments

7% increase over 2023

288
navigation days

0-day increase over 2023

50.9
million in
total revenues

70
full-time
equivalent pilots

up 0.7% from 2023
(69 FTE in 2023)

99.9%
incident-free
assignments

1 major / 3 minor incidents*
* The originally classified major incident has been reviewed and reclassified as a minor incident.

3,116
pilotage delays
(hours)

16% decrease from 2023

2024 At a Glance

Key financial indicators (in millions of Canadian dollars)	**2024**	**2023**	**2022**	**2021**	**2020**
Total Revenues	50.9	45.3	46.0	45.0	38.2
Total Expenses	51.8	52.4	43.8	37.1	39.2
Net Surplus (deficit)	-0.9	-7.1	2.2	7.9	-1.0
Net Cash Flow	-8.9	-2.0	1.8	3.0	4.0

Key operating statistics	**2024**	**2023**	**2022**	**2021**	**2020**
Assignments – Navigation Season	9,409	8,823	9,315	8,179	9,061
Assignments – Winter work	104	102	73	113	229
Total Assignments	9,513	8,925	9,388	8,292	9,290
% of incident-free total assignments	99.9%	99.9%	99.9%	99.9%	99.8%
Cost per assignment Including winter work	5,440	5,881	4,662	4,477	4,224
Number of vessel delay hours due to a shortage of pilots	3,116	3,702	3,802	3,924	5,673

A strong, dedicated team

Full-time equivalent employees during the year	**2024**	**2023**	**2022**	**2021**	**2020**
Pilots	70	69	67	64	60
Apprentice-pilots	7	6	4	7	7
Dispatchers	10	10	10	10	10
Administrative staff	19	16	15	15	13
Total	**106**	**101**	**96**	**96**	**90**

Mission, Vision, Values

Mission

Proactively deliver quality marine pilotage services by collaborating with our stakeholders, leveraging technology, and recruiting proficient pilots and staff.

Vision

To be a leader in marine pilotage services that ensures the safe, efficient, sustainable, and reliable movement of goods through the Great Lakes region.

Values

The GLPA is guided by the following values:

Service excellence	We are committed to being an agile organization that delivers safe, high-quality services to our stakeholders.
Solutions-focused	We are collaborative and transparent in addressing opportunities and challenges to create value for our stakeholders.
Care for our people	We are an organization that is diverse, inclusive and creates opportunities for the professional growth of our people.
Care for the environment	We are an organization that values and strives to be environmentally responsible.

A Sustainable Future

At the Great Lakes Pilotage Authority, we recognize the importance of aligning our efforts with the United Nations Sustainable Development Goals (UN-SDGs) in supporting a more sustainable and responsible future. Adopted by all United Nations Member States in 2015, the UN-SDGs provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. It lists 17 Sustainable Development Goals, which are an urgent call for action by all countries in a global partnership.

This annual report leverages the UN framework to highlight our initiatives and progress in areas that contribute to these global objectives. Through our operations, we remain committed to environmental stewardship, social responsibility, and good governance.

SUSTAINABLE DEVELOPMENT GOALS

SDG

Message from the Chairperson and CEO

On behalf of the Board of Directors and management of the Great Lakes Pilotage Authority (GLPA), we are pleased to submit, our Annual Report for the year ended December 31, 2024.

The year was one of transition in which the team faced issues related to management succession and financial self-sufficiency, yet each was addressed in turn. By the end of 2024, the organization held steady while overcoming its most important challenges.

Delivering on our mandate

The GLPA's government mandate is to optimize a complex balance of interrelated objectives: facilitating the safe movement of traffic; minimize vessel delays in the Great Lakes – St. Lawrence Seaway marine corridor; protect the environment while achieving financial self-sufficiency.

In 2024, the GLPA refocused its priorities to strengthen organizational effectiveness and capabilities, enhancing our ability to meet the marine industry's requirements.

Refocused

The GLPA operates in the *"Great Lakes – St. Lawrence marine corridor"* which accounts for some 30% of Canadian and U.S. gross domestic product with over $6 trillion[1] of economic output. If it were a country, the corridor would rank as the world's third-largest economy, outranking France, Japan, Germany, and the UK.[2]

In 2024, the GLPA operated in a global environment of high inflation, political unrest, economic volatility and shifting trade flows, all of which contributed to changing market conditions and volatile traffic volume. These, in turn, highlighted the resilience and nimbleness of the organization to enable it to minimize delays through appropriate pilot staffing, as we strive to meet our mandate of financial self-sufficiency through pilotage charges.

The Canadian government, under the Paris Agreement Greenhouse Gas Emissions (GHG) reduction targets, has committed to reduce emissions by 40-45 per cent from 2005 levels by 2030, and the marine corridor is called to play a strategic role in the reduction. In responding to a wide range of environmental challenges associated with climate change, Canada and the United States announced in 2022 a joint effort to establish a "Green Shipping Corridors Network" by hosting consultations with stakeholders in the Great Lakes – St. Lawrence River system. This past navigation season, the GLPA has made major contribution to the GHG reduction target in reducing pilotage delays. Vessels have most of their disruptive GHG emission at idling or at anchors in the journey.

In 2024, we focused our operational efforts on Environmental Stewardship, Social Responsibility and Governance (ESG) to better align users' expectations, using the United Nations Sustainable Development Goals (SDGs) as a framework. This report highlights the GLPA's contribution to both Canadian and global objectives.

[1] Chamber of Marine Commerce of Canada: https://marinedelivers.com/wp-content/uploads/2024/12/EconomicStudy-GreatLakes-StLawrenceRegion_EN_July_19_2023.pdf

[2] Douglas Porter, CFA, Chief Economist and Managing Director, BMO Financial Group

Renewed

Delivering on our mandate depends greatly on two key factors: having the right team in place; and having deeply engaged stakeholders. Throughout 2024, the GLPA team has consistently delivered service excellence and safe and efficient pilotage. This directive has been further reinforced by the successful settlement of the final Collective Bargaining Agreements with our pilots.

As the year ended, we confirmed the appointment of Jean Aubry-Morin as President and Chief Executive Officer. Jean brings a distinguished worldwide career in public service, private industry and the maritime sector, reflecting a deep commitment to advancing sustainability, and stakeholder engagement. With over 30 years of business experience in the maritime and transportation industries, Jean has held key leadership roles that have shaped the business performance and technological advancements in the sector. On behalf of the Board of Directors, I am delighted to welcome him and entrust him with the helm of the GLPA.

GLPA will also benefit greatly from other important additions in the new position of Information Technology Specialist and filling the positions of Financial Manager and, in early January 2025, a new Chief Financial Officer.

Resilient

As a reflection of GLPA's robust Enterprise Risk Management practices, its mandate, and the many forces at play, 2024 demonstrated the organizational strength of our *"Cooperative Pilotage Services"* in being safe, proactive, innovative, adaptive, and highly resilient.

With enhanced management practices, we have implemented more efficient data management tools to create a seamless flow of communications between customers, dispatchers and pilots. Predictive tools, including AI, are part of the next step to improved scheduling and response times, supported by our robust cybersecurity framework, which is improving day by day.

Results

With an operational focus to provide safe pilotage services, we are pleased to report that we provided pilotage services at a rate of 99.9% of assignments incident-free in 2024. The GLPA continues to pursue to balance the demand for safe and efficient pilotage services with the supply of available resources. In 2024, thanks to the work of our 70 pilots and apprentice pilots, we are proud to have achieved 9,409 pilotage assignments (excluding winter work), a 7% increase from 2023.

In 2024, the GLPA recorded revenues of $50.9 million, an increase of $5.6 million compared to 2023. Good cost management and planning enabled us to set rates at an appropriate level that ensures the completion of its projects and the fulfilment of its mandate.

Acknowledgements

We would like to take this opportunity to thank all within the GLPA family for their dedication, engagement and service in 2024 and we look forward to working alongside them on this strong heading to meet the challenges and opportunities of the future.

Captain James Pound
Chairperson of the Board / Interim CEO

Jean Aubry-Morin
President and Chief Executive Officer

About the GLPA

Mandate and marine industry

The GLPA was established in February 1972 pursuant to the *Pilotage Act* and was incorporated as a limited company in May of that year until October 1, 1998. Pursuant to the *Canada Marine Act* – which received Royal Assent on June 11, 1998 – the GLPA was established as an independent Crown Corporation.

On behalf of the Government of Canada, the GLPA is mandated to establish, operate, maintain, and administer a safe, efficient and reliable pilotage service in the Great Lakes region and the Port of Churchill, Manitoba. The GLPA administers and monitors an extensive Pilotage Certification Program for all Canadian domestic ships trading in the Great Lakes. The GLPA fulfills its mandate by promoting the safety of the public, marine personnel, property and the environment.

Maritime shipping in the Great Lakes-Seaway system is vital to Canada's prosperity and is an essential link to international markets. North American farmers, steel producers, construction firms, food manufacturers, power generators and Canadian households depend on the raw materials and finished goods that are delivered by ships every year to and from the Great Lakes region. In addition, the passenger cruise industry in the Great Lakes is increasingly contributing to the local economy, generating jobs and tourism opportunities for the surrounding communities.

The delivery of pilotage services in compulsory pilotage areas supports the economic and environmental goals of the federal government. Safe and reliable pilotage services ensure the movement of goods and people as well as yielding economic benefits to Canada, the bi-national marine corridor stakeholders and the industries dependent on these transports that create jobs, increase economic opportunities, and expand markets for Canadian companies. The services also contribute to fulfilling environmental goals through the safe transportation of commodities and hazardous materials.
The GLPA's pilotage services benefit Canadians by protecting marine ecosystems, supporting a vibrant tourism industry, maritime infrastructure, and local economies.

The GLPA is a non-agent Crown Corporation – listed in Schedule III, Part I of the *Financial Administration Act.* Given that the GLPA is not eligible for future appropriations, the Corporation is mandated to deliver services on a basis of financial self-sufficiency. To do this, the *Pilotage Act* provides that pilotage charges must be fair and reasonable and – together with any revenue from other sources – shall permit the GLPA to operate on a self-sustaining financial basis, including having reasonable reserves for future expenditures and contingencies.

Safe pilotage

Safety is our prime concern, as we exercise a leadership role in safeguarding navigation, marine personnel, infrastructures, the environment, and the public. Along with our partners, we ensure safe passage to all vessels navigating through the Great Lakes – St. Lawrence River system, lakes, locks, and narrow channels. Finally, these services are offered at a fair and reasonable rate for our customers, in keeping with our objective to be financially self-sufficient.

Pilotage training and certification

The GLPA administers and monitors a marine pilotage certification and training program designed to ensure Canadian masters and officers comply with the requirements set out in the General Pilotage Regulations. This program requires that all pilots are thoroughly trained and certified, ensuring the safe navigation of Canadian vessels in compulsory pilotage areas.

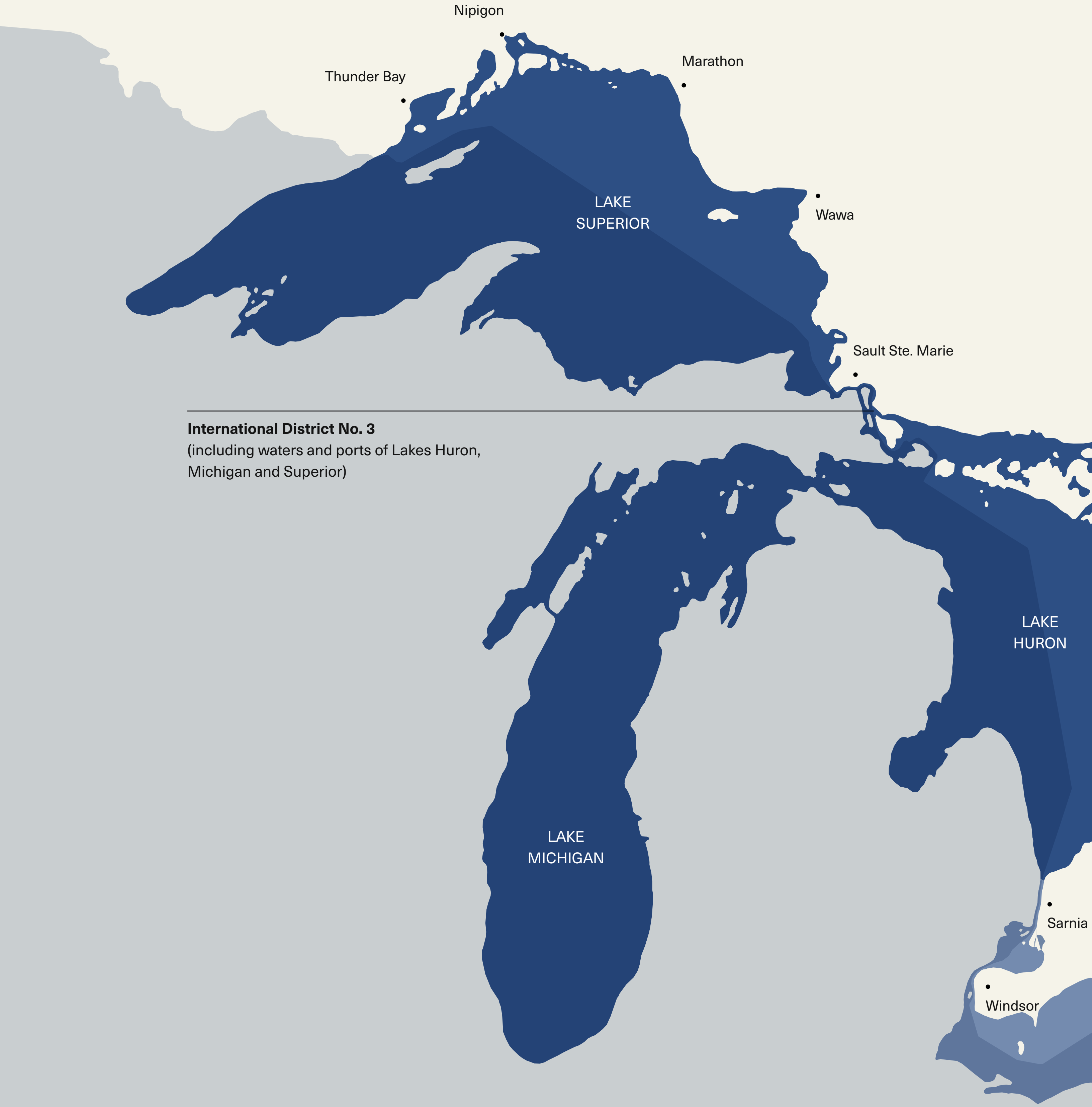
In accordance with the *Pilotage Act,* Transport Canada is responsible, as of June 2021, for the issuance, suspension and cancellation of pilot licences and pilotage certificates. The GLPA works closely with Transport Canada and our stakeholders with the management of the documentation. The expertise and knowledge to administer this responsibility continues to reside within the GLPA.

Pilotage areas

The GLPA has five compulsory pilotage areas (referred to as districts) within the Great Lakes region, and a sixth within the limits of the Port of Churchill, Manitoba:

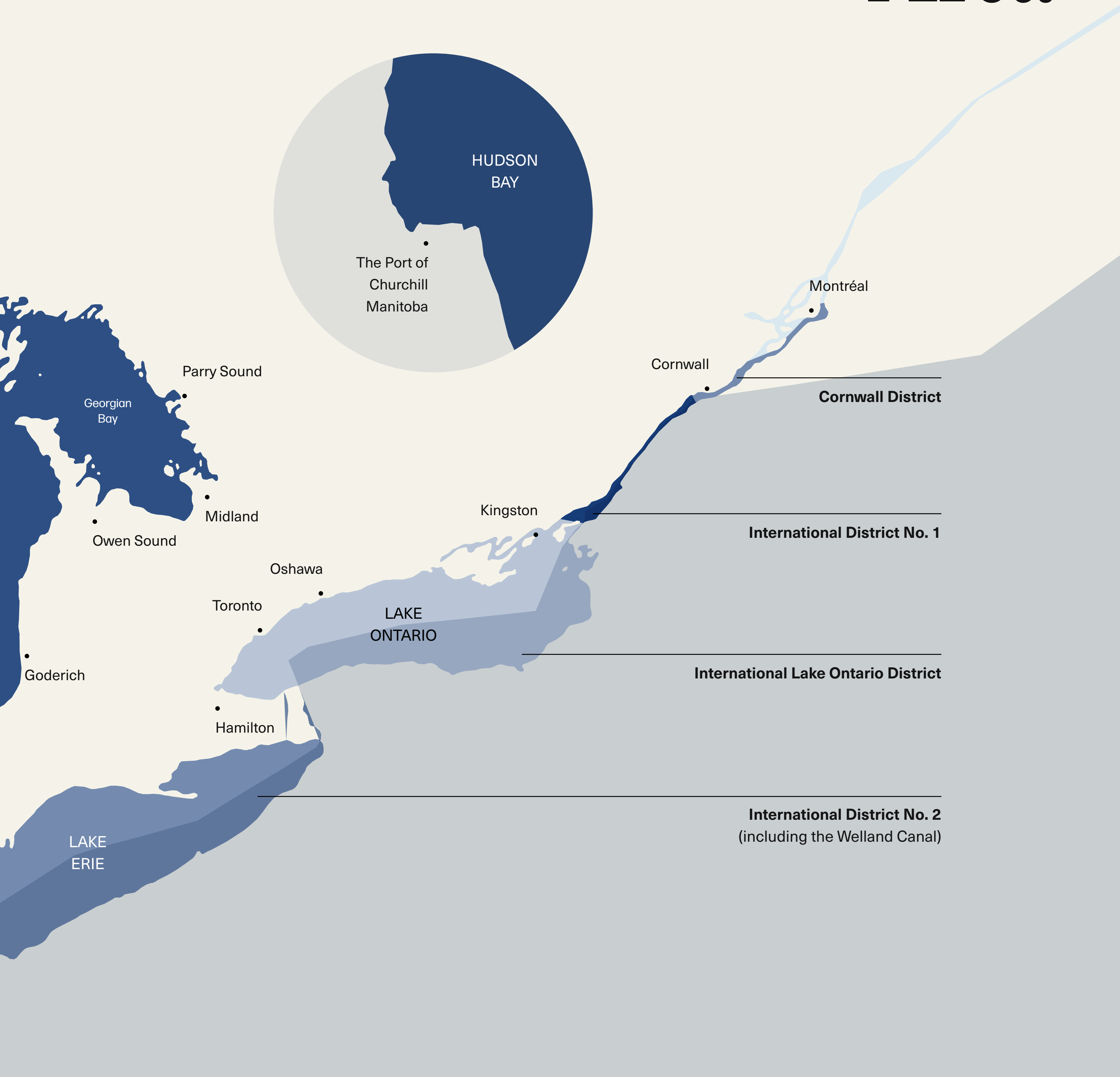
- Cornwall District
- International District No. 1
- International Lake Ontario District
- International District No. 2
- International District No. 3
- Port of Churchill, Manitoba

Pilotage services on the Great Lakes are shared between the United States and Canada therefore the GLPA cooperates and coordinates with other organizations to ensure that safe, reliable, and efficient pilotage services are provided to its customers.



International District No. 3
(including waters and ports of Lakes Huron, Michigan and Superior)

Operational Area



Strategic Direction

Context

The GLPA operates in an environment of constant uncertainty, political unrest, economic unpredictability, and shifting trade flows, all of which contribute to a perfect storm of changing market conditions and fluctuating traffic volume. This environment challenges the organization to minimize delays through appropriate pilot staffing to meet its mandate of financial self-sufficiency through pilotage charges.

Concurrently with this business reality, the GLPA is facing a wide range of environmental challenges driven by climate changes. Canada and the United States announced, in 2022, a joint effort to establish a Green Shipping Corridors Network along its 3,700-kilometre *"Great Lakes – St Lawrence River"* marine corridor, hosting consultations with its stakeholders.

Plan

In 2024, to ensure the continued delivery of safe, efficient, and sustainable pilotage services across the Great Lakes marine corridor, the Board of Directors and senior management advanced the development of the GLPA's 2025-2029 Corporate Plan.

This process incorporated strategic priorities set during the 2024 Priority Setting Session, including strengthening stakeholder relationships, modernizing operations through digital tools, building organizational resilience, improving forecasting and enhancing procurement practices. Reflecting these priorities to support effective decision-making, the Corporate Plan aligns GLPA's objectives, activities, financial assumptions, risks, performance measures, and expected results.

Objectives

The GLPA's corporate strategic objectives for the 2025-2029 planning period are:

- to establish, operate, maintain and administer, in the interests of safe navigation, an efficient pilotage service in its area of responsibility;
- deliver pilotage services within a commercially oriented framework that promotes financial self-sufficiency, cost competitiveness, and operational efficiency;
- advance digital transformation and technological capabilities, including AI-based forecasting, scheduling, and dispatching systems, to enhance service reliability and business continuity;
- strengthen stakeholder relationships and customer satisfaction through engagement, performance tracking, and continuous feedback mechanisms;
- support the federal government's environmental, social, and economic policies as they apply to the marine sector in the Great Lakes region.

Goals

To continue to play a key role in maritime shipping in Canada over the long-term, the GLPA has established five strategic goals (detailed discussion in the *Review of Operations*):

1. **Be an employer and partner of choice:** Create a people and customer centric organization that is an employer and partner of choice within the marine sector.

2. **Deliver safe, reliable, and innovative service:** Be proactive and agile in delivering safe, reliable, and cost-effective marine pilotage services.

3. **Create value for stakeholders:** Create organizational and stakeholder value through effective, efficient, and responsive processes, structured services and programs.

4. **Deepen industry relations and engagement:** Deepen and sustain strong reciprocal relationships with stakeholders to continuously strengthen service excellence and the GLPA's reputation.

5. **Modernize operations and strengthen resilience:** Leverage technology, data, and operational best practices to enhance efficiency, improve forecasting, strengthen business continuity, and ensure the GLPA's long-term resilience.

Review of Operations

Employer and partner of choice

"Create a people and customer centric organization that is an employer and partner of choice within the marine sector."

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

At the GLPA, we know that our people are our greatest asset. We are committed to being an employer of choice by promoting a positive, inclusive culture that encourages collaboration, innovation, and professional growth. Our leadership team understands the importance of listening to employees and valuing their input as we work together to achieve our goals. Looking ahead, we are building capacity across the organization to ensure we have the talent in place to meet both our operational and strategic priorities. Succession planning is a key component of our toolbox as we develop the next generation of pilots, dispatchers, and administrative professionals and leaders.

This year, we strengthened our relationships with educational institutions and industry stakeholders to build a pipeline of future talent. We took part in the *Rendez-vous maritime* career fair at the *Institut maritime du Québec (IMQ),* where we met with students to discuss career opportunities, and the qualifications required to join our GLPA team. We also celebrated student achievements by attending graduation ceremonies at both the IMQ and Georgian College, where we proudly sponsor three awards for graduates of the *Marine Technology – Navigation program.*

Supporting the development of our current employees is equally important. Our pilots maintain their expertise by participating in simulator training every five years. This winter, a new manager completed a leadership development course to strengthen his skills and better support his team. Other team members also pursued job-specific training to expand knowledge.

Employee health and safety

SDG 3: Ensure healthy lives and promoted well-being for all at all ages

Employee health and safety is the top priority for GLPA. The company has implemented a series of workplace policies and initiatives not only at its head office, but also at the various locations where pilots perform their duties. Among the many achievements of the GLPA in this respect, was the hiring of a Quality, Health, Safety and Environment Manager whose primary mandate is to strengthen the knowledge and skills of our health and safety committee and implement a corporate safety program aimed at fostering a zero-harm culture within GLPA. The GLPA has a dedicated health and safety committee, that is proactively involved in risk detection and prevention.

The program aims to identify and define environments and tasks that may present risks for stakeholders and employees. A great deal of work was carried out under this program in 2023 and 2024, enabling our *"Enterprise Risks Framework"* and having risks identified and mitigated through training and the deployment of relevant information.

A workplace investigation program has also been set up. Pilots, for their part, have all been equipped with new software on their portable units, enabling them to quickly and interactively access their different workplaces. As such, the number of workplace inspections completed by employees using this new health and safety software has doubled in 2024.

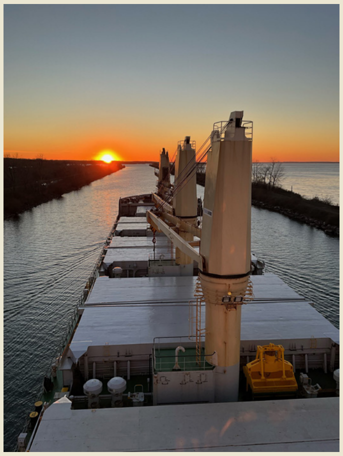
Labour relations

Respectful and trustworthy working relationships were pivotal to the successful negotiations and agreements with our unions. As of September 2024, all 4 collective agreements with the pilot groups had been ratified.

Collective agreements with districts No. 2, No. 3 and Cornwall District were ratified in 2023, Leaving the remaining 2 districts (Lake Ontario and District No. 1) ratified in 2024. The new collective agreements cover the period from April 1, 2022, to March 31, 2027.

The collective agreement for dispatchers and office staff, represented by the *Public Service Alliance of Canada* (PSAC), expired in June 2024. The Authority aims to begin negotiations with this group at the beginning of 2025.

Diversity, equity, and inclusion (DEI)



SDG 5: Achieve gender equality and empower all women and girls

SDG 10: Reduce inequality within and among countries

The GLPA is committed to developing an inclusive and barrier-free work environment in which all persons have equal access to opportunities within the organization. With this in mind, GLPA's practices related to recruitment, selection, conditions of employment, training, career development and performance management all focus on DEI and on creating a sense of value.

One of GLPA's priorities for 2024 was inclusiveness and pay equity. For the former, all staff members at the head office, completed a *Respectful Workplace* training. For pay equity, we conducted a review of our program, and the measured ratings confirmed full compliance with this federal policy. With fewer than 100 employees, the GLPA does not fall under federal diversity guidelines, but still, we endeavour to satisfy the requirements, recognizing the issue in our marine industry.

Some facts in this area: In 2024, women represented 50% of the Board, 11% of the leadership team, 67% of office staff, and 30% of dispatchers, but only 2.6% of the pilot workforce, an area requiring more long-term effort.

To ensure that diversity is considered during recruitment, the GLPA has implemented a self-declaration process where candidates may volunteer information related to employment equity. The collected information helps us to fulfill the employment equity obligations during the selection process.

Deliver safe, reliable, and innovative service

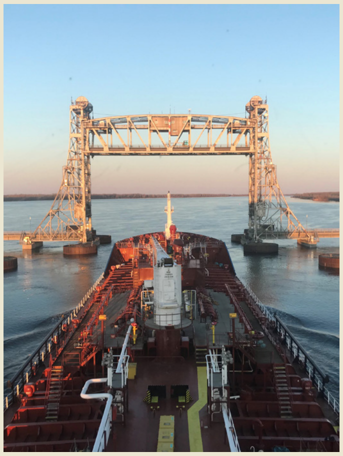
“ Be proactive and agile in delivering safe, reliable, and cost-effective marine pilotage services.”

Pilotage Management

The mandate of safe *“Pilotage Services”* covers all foreign and domestic ships subject to compulsory pilotage in all Canadian waters in the Provinces of Manitoba, Ontario, and Quebec, upstream of the northern entrance to the St. Lambert Lock.

Pilotage services are provided principally to ocean-going ships (mainly foreign vessels), which represented approximately ~85% of assignments, leaving the remaining to domestic’s users (Canadian tankers) and other passages of non-ocean-going ships. The GLPA must align the forecasted demand for pilotage services with the availability of trained, qualified, and licensed pilots, ensuring safe, cost-effectiveness at minimal delays transit within a financial self-sufficiency service.

With vessels entering and leaving the system with no set schedules, the planning of the pilotage requirements imposes on the GLPA the need to have a complement of pilots to respond to uneven traffic demand in all the compulsory waters and territories of the Great Lakes region. A considerable effort by our teams of dispatchers and pilot contingents ensured that we completed close to 10,000 assignments with a 99.9% reliability year on year, while keeping delays to a minimum.



Create value for stakeholders

"Create organizational and stakeholder value through effective, efficient, and responsive processes, structured services and programs."

This strategic objective is focused on creating organizational and stakeholder value through an effective, efficient and responsive operational framework.

Optimization

The year 2024 was a navigation season of renewal and change. New talent joined our team, with some of them in strategic positions. The strong experience and impressive background of these new collaborators represent important opportunities for GLPA.

It's not just a question of optimizing our organizational structure; it's also an opportunity to review our business processes and identify opportunities to leverage technology to automate and optimize business processes. The Enterprise Resource Planning and Tracking system (ERP) has brought about more automation and fluidity of the workflow that support the dispatching of the pilot in the navigation districts, reducing the risks for errors.

Executive Leadership

While Chairperson, Captain James Pound, served as Interim CEO for most of the year, Jean Aubry-Morin was appointed CEO in 2024. On December 23rd, GLPA confirmed the appointment of Jean Aubry-Morin as President and Chief Executive Officer. As indicated in our Chairperson's message, Jean brings a distinguished worldwide career in public service, private industry and the maritime sector, reflecting a deep commitment to advancing sustainability, and stakeholder engagement. With over 30 years of business experience in the maritime and transportation industries, Jean has held key leadership roles that have shaped the business performance and technological advancements in the sector. With his deep industry experience, leadership skills and well-articulated vision, Jean's arrival marked a significant and promising milestone for the organization.

It is important for the management team to engender and maintain a transparent and collaborative organization. To this end, the GLPA wishes to instill in its leadership, five core competencies as part of the objectives setting in the performance management program:

- Demonstrates integrity and respect
- Thinks things through
- Works effectively with others
- Champions customer needs
- Exhibits autonomy and initiative

Although these concepts are intuitively present among our managers, we believe it's important to emphasize them and make them a priority in their day-to-day work. Not only will this contribute positively to the achievement of our objectives, but it will also have a positive influence on the entire team.

"Deepen and sustain strong reciprocal relationships with stakeholders to continuously strengthen service excellence and the GLPA's reputation."

Deepen industry relations and engagement

17 PARTNERSHIPS FOR THE GOALS

SDG 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Stakeholders and Engagement

The Board and management continually communicate with stakeholder organizations to ensure that important issues are identified and managed effectively. Consulting provides the organization with excellent opportunities for input related to planning and operations and to make sure that all issues with stakeholders are resolved.

GLPA customers, for the most part represented by the Shipping Federation of Canada and the Chamber of Maritime Commerce, are consulted, and their concerns are considered in GLPA decisions. Although industry representatives have recourse in the event of disagreement, consensual solutions, when possible, are always preferable to those imposed by regulations.

The GLPA believes in creating a win-win situation for all parties, which is why we favour discussion and collaboration to meet the expectations from its various stakeholders. GLPA strikes a balance by achieving its objectives in a timely manner, making sure to respect our mandate, the fundamental principles of the *Pilotage Act* for the benefit of its stakeholders. The Authority remained in regular communication with the St. Lawrence Seaway Management Corporation (SLSMC), the St. Lawrence Seaway Development Corporation (GLS), the United States Coast Guard (USCG), and the respective district's US Great Lakes Pilot Associations as part of its commitment. The GLPA also works in collaboration with the Canadian Merchant Service Guild and the Canadian Marine Pilots' Association representatives to address any issues that may arise to ensure continued quality pilotage services to our customers while addressing any concerns from GLPA pilots.

Continued communication and consultations between the GLPA and these organizations is essential as it provides a common understanding and a way forward to challenges faced by the industry.

Deepen industry relations and engagement (cont'd)

Customer survey

The GLPA prioritizes and values its relationships with customers and industry stakeholders; understanding and addressing their needs is reflected in its consistent interactions. In 2024, we received the latest customer satisfaction survey. Overall, satisfaction remains favourable, even if there has been a slight decline compared to when the last survey was conducted. The *"Quality and Reliability of Services offered"* went from up to 87% (+1%) and *"Business Relationship & Trust"* went up to 75% (+1%) satisfactory of favourable and neutral rating, while *"Information and Communications"* declined to 79% (-9%) and *"Estimates and Tariffs"* also declined to 79% (-9%).

In 2024, in response to the identified concerns, the GLPA formulated action plans in consultation with its customers and is working toward implementing corrective actions, engaging in regular outreach and interface with stakeholders. To foster open dialogue and nurture relationships, the GLPA continues to hold annual customer relations meetings. Notably, before finalizing pilotage charges, the organization uses these meetings to seek customer feedback. On the communications font, GLPA will improve its website and customers agent portal to provide better information in a more focused and timely manner.

Recognizing the importance of continual feedback, the GLPA will conduct another customer satisfaction survey in 2025. This will provide an additional opportunity for the organization to gauge its performance and identify further areas for improvement. The GLPA plans to carry out surveys regularly to stay aligned with the evolving needs and expectations of its stakeholders.

Indigenous Relations

In 2024, GLPA's pilotage services continued to operate through territories associated with the Mohawks of Kahnawà:ke (MCK) and the Mohawks of Akwesasne (MCA) along the Montreal – Lake Ontario section of the St. Lawrence River, as well as the Mississauga's of the Credit First Nation (MCFN) near the Welland Canal.

Recognizing the importance of building and strengthening relationships with Indigenous communities and local partners, we have engaged in ongoing outreach efforts. This has included collaboration with the St. Lawrence River Institute in Cornwall and participation in the Great River Network, a binational group focused on the upper St. Lawrence River.

These connections reflect our commitment to building mutual understanding, promoting dialogue, and working together to support the shared stewardship of the waterways we navigate.

Modernize operations and strengthen resilience

> "Leverage technology, data, and operational best practices to enhance efficiency, improve forecasting, strengthen business continuity, and ensure the GLPA's long-term resilience."

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

With concerns about the growing risks of cyber security and the need to maintain high security standards, GLPA is using technology to improve its services to industry stakeholders.

In 2024, the organization rolled out an agent portal within its dispatching system that allows shipping agents access to the GLPA's dispatch team in real time. This permits agents to enter vessel prospects online, which automatically updates the dispatch system. Agents also have real-time access to their vessel positions as seen by the GLPA's dispatch team. Over the planning period, the GLPA will continue to seek out technologies to enhance its capabilities. Beginning in 2024 and continuing forward, the Information Technology (IT) Specialist will be developing an Information Security Management System (ISMS) aligned with the ISO 27001 standard to bring all the Authority's systems into compliance with Government of Canada policy as well as industry data security, privacy, and governance recommendations.

The ISMS will also incorporate alignment with the National Institute of Standards and Technology (NIST) cybersecurity framework to ensure robust risk management practices harmonizing interfaces with US activities. Furthermore, the GLPA is committed to compliance with the *Personal Information Protection and Electronic Documents Act* (PIPEDA), ensuring the safeguarding of personal data and adherence to privacy requirements across its operations.

Environment: climate action

SDG 13: Take urgent action to combat climate change and its impacts

A changing climate brings with it numerous impacts on waterways and those using them, and the GLPA is committed to working with its industry partners and stakeholders and Transport Canada (TC) to identify and implement the appropriate mitigation policies and practices. Combined, these efforts promise to realize the promise of green shipping corridors, and maritime routes where the GLPA collaborates with ships and ports to reduce greenhouse gas emissions by using cleaner fuels and technologies and practices aimed at promoting environmentally-friendly shipping.

The GLPA has long-standing commitments to environmental stewardship, social responsibility and corporate governance (ESG). As challenges grow, so do stakeholder expectations of continuous improvement related to climate action, employee well-being, compliance, and various other factors. To meet this challenge, the GLPA is working to further formalize its ESG strategy, focus available resources on the areas in which it can make the biggest impact, and ensure that actions and disclosures align with credible international standards.

In 2024, as part of its efforts to mitigate the effects of climate change, GLPA commissioned an analysis that included a GHG inventory and the risks and opportunities facing the company. This exercise enabled us to draw up an action plan that will form an integral part of our operations and management strategies and will enable GLPA to develop its first report on climate-related risks and opportunities, as recommended by the Task force on Climate-related Financial Disclosures.

The GLPA engaged a third party to measure baseline greenhouse gas emissions for 2023. A TCFD-based report is provided in the Appendix and the GHG inventory is in compliance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Revised Edition.

The GLPA measured its first greenhouse gas inventory with Climate Smart for the 2023 calendar year (Jan 01, 2023 to Dec 30, 2023) and recorded baseline Scope 1, 2, and 3 emissions of 130 tonnes of carbon dioxide equivalent (tCO2e). Overall GLPA's largest emissions sources were commuting employees, including pilots.

Environment: climate action (cont'd)

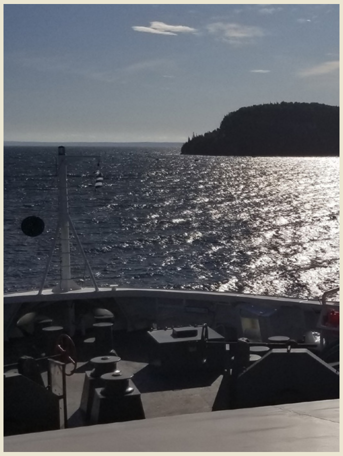
During 2024, the GLPA continued to measure and track its carbon dioxide emission indicators. A total volume of 162 tonnes of carbon dioxide equivalent (tCO2e) was recorded for this year. This represents an increase of 20% compared with 2023. Most of this increase is directly related to pilot transport.

The Authority will continue to measure its emissions going forward and will disclose these in future climate-related financial disclosures and, once more data is gathered regarding Scope 1, 2 and 3 emissions and potential actions, it will develop specific interim targets leading up to 2050.

The GLPA has and will continue to research the impact the Authority can have on Scope 3 emissions related to reduced shipping delays. The results are already encouraging; from 2023 to 2024, the GLPA's operations logistic team achieved an astounding 54% reduction in the delay of piloted ship's transits. This performance is estimated to have contributed 15% reduction in CO2 emission for the Great Lakes – St. Lawrence Fleet in our GLPA jurisdiction footprint.

As part of the Canadian Net-Zero Emissions Accountability Act, the GLPA is currently exploring green procurement requirements for all its contractors, such as its land transportation contractors as part of its upcoming procurement initiatives.

Marine incidents



SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

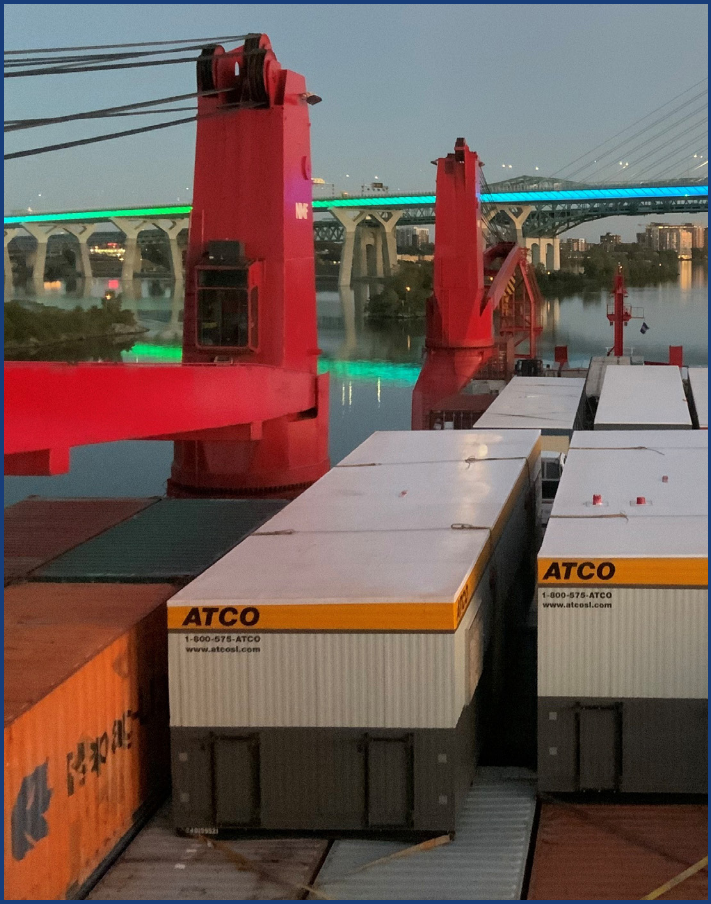
The risk of marine incidents – and associated potential damage to the aquatic and shoreline ecosystems – is inherent in every action taken by the GLPA's employees. To mitigate and eliminate these risks, training policies are in place for all apprentice-pilots. The GLPA continues to promote ongoing communications with all employees on the importance of embracing a safety-minded culture and limiting environmental risks.

This includes a requirement that each pilot complete simulator training at least once in a five-year cycle. This continual practice provides pilots with a means to train on different ships, manage various conditions, and cope with specific issues, such as slow rudders or crew responses. The GLPA reviews incidents and trends to continually reassess the training program.

The GLPA also participates in various joint initiatives and associations to keep up to date on emerging safety concerns and best practices. It also participates in the International Marine Pilots' Association's conference every two years, where it interacts with other pilotage service providers from around the world.

Notably, the GLPA has maintained a strong safety record. The GLPA had only four incidents reported in 2024. None of the incidents resulted in the loss of life, serious injuries, or any environmental spills and the GLPA remained in compliance with section 71 of the *Canadian Environmental Assessment Act* (2012).

2024 Operating Results



Key performance indicators

The GLPA uses the following strategic operational and financial performance indicators as an integral part of its decision-making process. For more details on financial performance, please consult the Management Discussion and Analysis section.

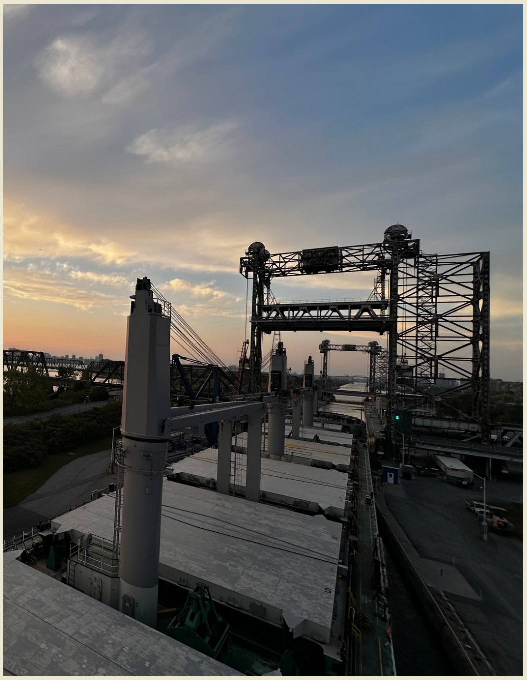
Strategic Performance Indicators	2024	2024 Target	Vs Target	2023	2023 Target	Vs Target
Navigational Safety						
Number of major marine incidents*	1	–		0	–	
Number of minor marine incidents	3	–		6	–	
As a % of incident-free assignments	99.9%	99.9%	🟢	99.9%	99.9%	🟢
Pilotage Reliability						
Number of vessel delays due to shortage of pilots (hours)	3,116	5,000	🟢	3,702	5,000	🟢
Financial Self-sufficiency						
Net income (in millions)	($0.9)	$0.8	⚫	($7.1)	$0.8	⚫

Operational Performance Indicators	2024	2024 Target	Vs Target	2023	2023 Target	Vs Target
Navigational Safety						
Number of audited Canadian vessel transits	1,492	1,334	🟢	1,467	1,334	🟢
Certificate holder monitoring – up-to-date	Yes	Yes		Yes	Yes	
Pilotage Reliability						
Number of apprentice-pilots recruited	4	7	⚫	5	7	⚫
Number of pilots newly licensed and retained	3	5	⚫	4	5	⚫

🟢 Target Met
⚫ Target Not Met

* The originally classified major incident has been reviewed and reclassified as a minor incident.

Operational results



Assignments

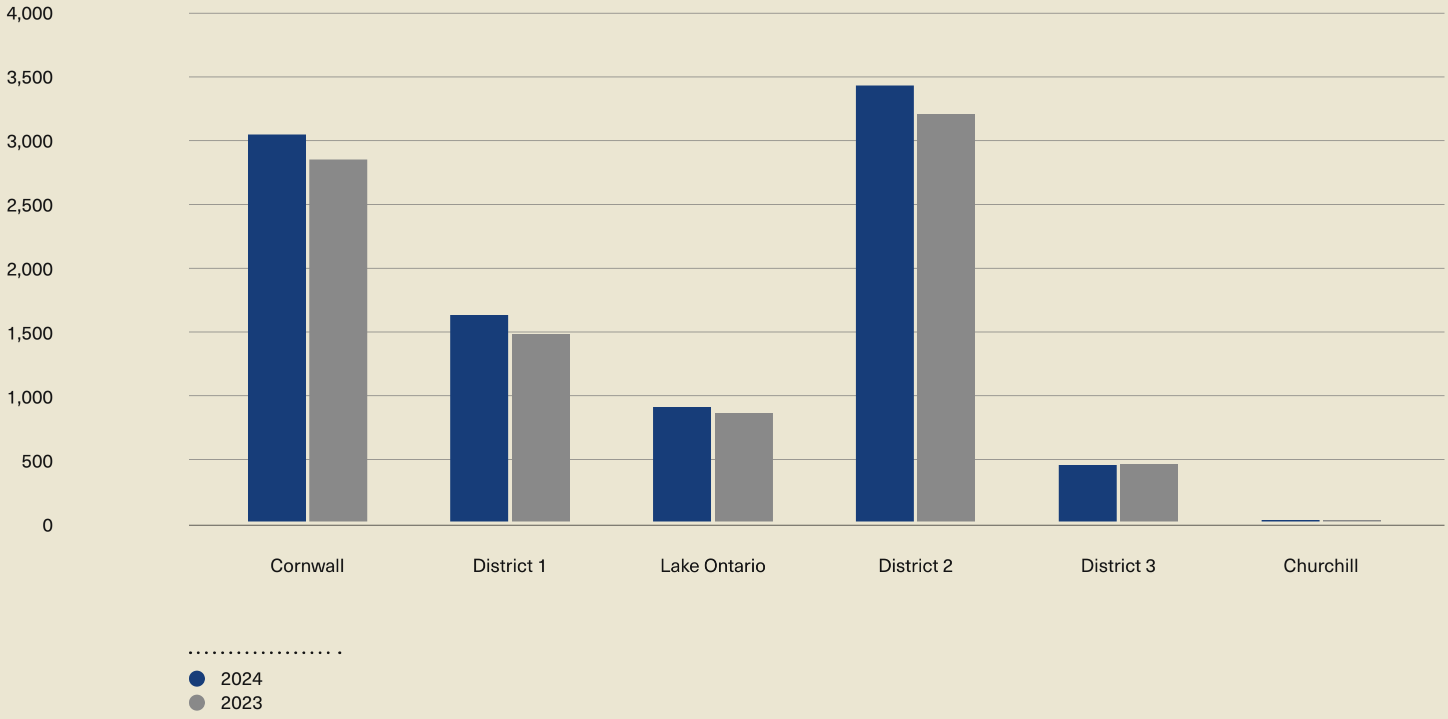
In 2024, there were 9,409 pilotage assignments, excluding winter work assignments (9,409 assignments during the navigation season and 104 winter work assignments). This represents a 7% increase in pilotage assignments in comparison to 2023 assignments.

The 9,409 pilotage assignments during 2024 navigation season were serviced by 70 full-time equivalent pilots, representing an average of 134 assignments per pilot. The GLPA is targeting 115-120 assignments per pilot. The GLPA continues to be focused on hiring and training apprentice-pilots to ensure it meets the demand for pilotage services to minimize costly delays to its customers. In 2024, we hired 4 pilots and 3 were licensed in the different districts.

2024 assignments – Navigation season

	2024	2023	Var %
Cornwall District	3,033	2,836	7%
District 1	1,616	1,488	9%
Lake Ontario District	895	848	6%
District 2	3,416	3,194	7%
District 3	440	447	-2%
Churchill	9	10	-10%
Total	**9,409**	**8,823**	**7%**

Assignments

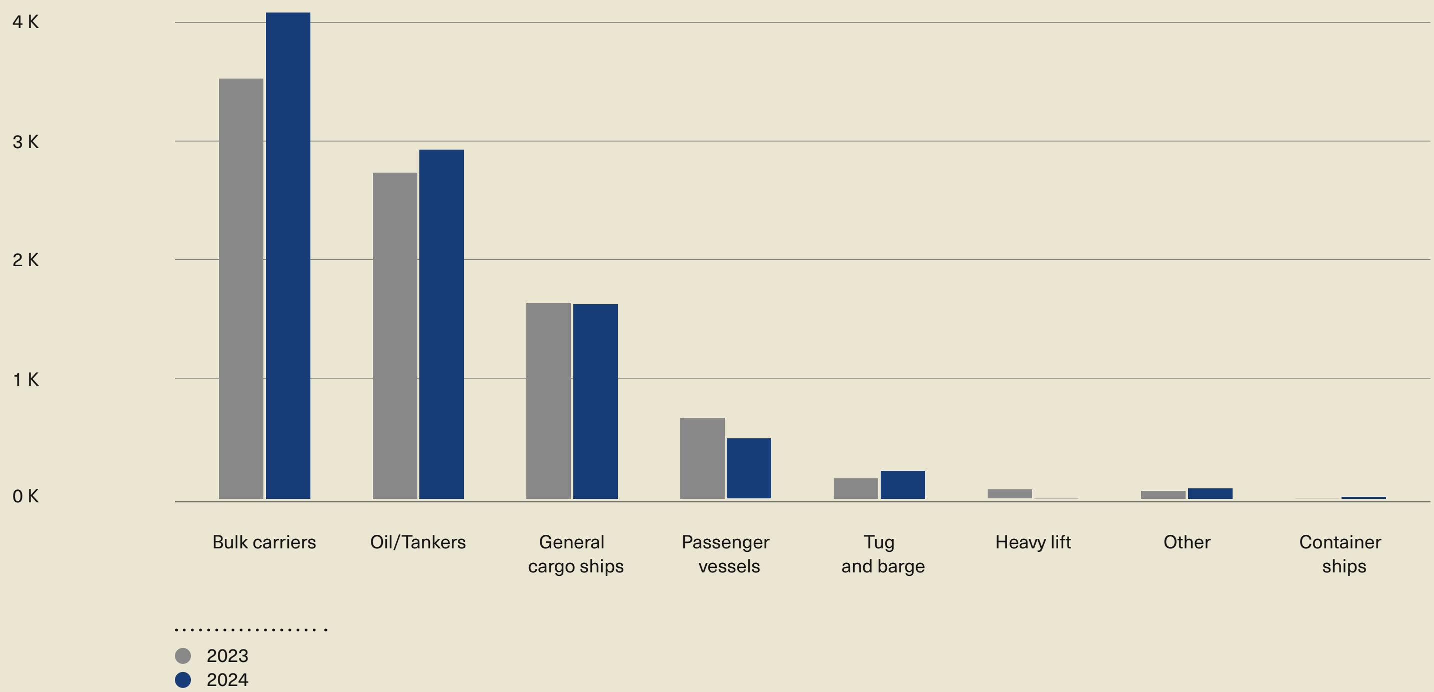


Pilotage assignments in the Great Lakes are mainly provided to bulk carriers, oil tankers and general cargo ships transporting liquid bulk, grain and steel products. In 2024, the GLPA carried out 9,409 assignments, an increase of 7% on 2023.

Assignments by vessel type

	2024	2023	Var %
Bulk carriers	4,039	3,496	15.53%
Oil/Tankers	2,907	2,721	6.84%
General cargo ships	1,623	1,632	0.55%
Passenger vessels	501	669	-25.11%
Tug and barge	231	172	34.30%
Other	92	60	53.33%
Container ships	16	0	100.00%
Heavy lift	0	73	-100.00%
Total	**9,409**	**8,823**	**7%**

2023 and 2024 assignments by category



We're pleased to see that assignments are on the increase. This growth in 2024 is seen by both domestic and foreign vessels.

Allocation of total assignments

	2024	2023	Var %
Foreign vessels	7,540	6,969	8.19%
Domestic vessels	1,869	1,854	0.81%
Total	**9,409**	**8,823**	**7%**

Delays

Balancing the demand for pilotage services with available pilots is crucial to the GLPA's ability to minimize costly shipping delays. The GLPA can face delays beyond its control, including Seaway system breakdowns, environmental events (wind, currents, etc.) and vessel incidents.

In total, delays to ships requiring pilots in 2024 were 9,683 hours, of which 32%, or 3,116 hours, were directly attributable to a shortage of pilots. In 2023, by comparison, total delays accounted for 10,516 hours, of which 35% or 3,702 hours, were attributable to a shortage of pilots.

The 16% decrease in pilotage delay hours due to a shortage of pilots, when compared to the previous year, was mainly attributable to an increase in the number of available pilots. In 2024, 3 apprentice pilots graduated and District 2 contract pilots were recalled during the December traffic surge, both of which improved pilot availability and traffic transits.

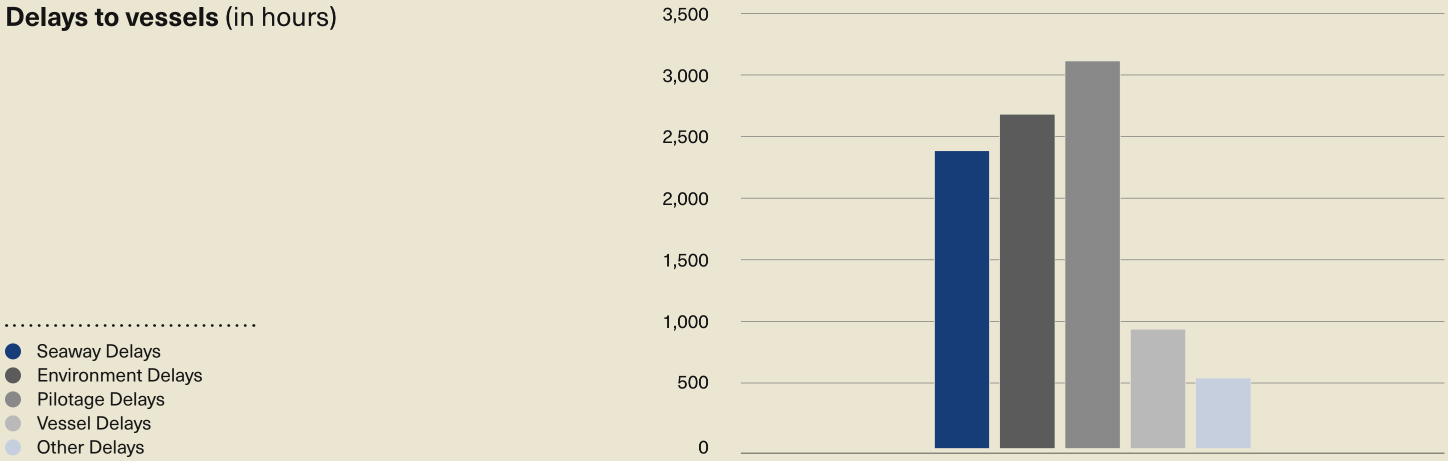
Reducing pilot-related delays not only improves the efficiency of vessel movements but also contributes to lower greenhouse gas (GHG) emissions. Shorter wait times and fewer delays mean vessels spend less time idling or adjusting their speed to accommodate schedule gaps, resulting in reduced fuel consumption and emissions–an important step in supporting the GLPA's environmental performance goals.

Committed to improving the delivery of safe and reliable pilotage services with fewer vessel delays, the GLPA continued to work jointly with Seaway officials, industry partners and the United States pilot associations to ensure traffic management strategies were implemented. The GLPA also continued to advise customers of any major delays due to traffic surges and resulting pilot availability/unavailability.

Number of vessels delays

	2024	2023	Var %
Shortage of pilots	157	186	-16%
Seaway	242	248	-2%
Vessel	161	162	-1%
Environment	108	41	163%
Other	70	67	4%

Delays to vessels (in hours)



Training and certification

SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

In addition to managing and training its employee pilots, the GLPA also administers a marine pilotage certification and training program of approximately 250 certificate holders to ensure Canadian vessels subject to compulsory pilotage are under the conduct of a valid certificate holder when the services of a pilot are not requested per the *General Pilotage Regulations.*

The GLPA ensures that all certificate holders comply with regulatory requirements by confirming that all pilotage certificates are valid.

It is the GLPA's responsibility to assure the shipping industry that only qualified pilots perform pilotage duties. To do this, every pilot must undergo an assessment of their competencies and service quality at least once every five years. This exercise also allows the GLPA to identify areas of professional development and improvements in service delivery.

In 2024, 15 pilots and 4 apprentice-pilots, which represent 27% of the pilot workforce, completed the pilotage simulator training program. All pilots were evaluated by their peers, the Chief Operating Officer and the Director of Operations.

Financial Results

Financial position

Annual results

The GLPA recorded revenues of $50.9 million, an increase of $5.6 million compared to 2023. This increase was attributed primarily to a 7% increase in assignments.

The GLPA recorded expenses of $51.8 million, a slight decrease of $0.1 million compared to 2023. Expenses decreased in 2024 as a result of the one-time provision of $4.2 million recognized in 2023 for revised taxable benefits relating to the years 2019-2022.

Pilot salaries and benefits increased by $3.8 million in 2024 or 12% when adjusted for the one-time provisions in 2023.

At the end of fiscal year 2024, the GLPA reported a comprehensive loss of $0.9 million which resulted in an accumulated deficit to $0.8 million for the year.

Reserve and financial self-sufficiency

The *Pilotage Act* requires the GLPA to operate in a financially self-sufficient manner, thus assuring Canadians of its commitment to financial responsibility and fiscal transparency.

The GLPA's financial objective is to generate sufficient annual surpluses during the planning period to build a reasonable reserve that will enable to navigate future challenges while sustaining its services. This reserve will be used to invest in new assets to replace those nearing the end of their useful lives, ensuring continued operational efficiency. Additionally, the reserve will provide a buffer to manage potential economic fluctuations, both within Canada and globally, that could impact maritime operations. It will also help mitigate risks associated with the volatility of maritime traffic levels, allowing the GLPA to maintain its high standards of service.

Finally, part of the reserve will be allocated to finance initiatives aimed at addressing labour shortages, securing the GLPA's ability to meet its operational commitments.

Governance

The Great Lakes Pilotage Authority is dedicated to full transparency and disclosure in all matters regarding its administration and operations. The Corporation reports to Parliament through the Minister of Transport of Canada.

Indeed, the GLPA takes an approach to corporate governance that is fully consistent with the philosophy and objectives of Part X of the *Financial Administration Act* and the Treasury Board of Canada Guidelines for Crown corporations.

Board of Directors

SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The GLPA Board of Directors is made up of seven members. During the past year, one position remained vacant. In 2024, the Board held four regularly scheduled Quarterly Board meetings, one strategic planning session, one planned session to approve the Corporate Plan, and eight ad hoc meetings to address various matters. In addition, the Committees met eight times in total during the year. The attendance rate of Board members at these meetings was 94%. Cumulative fees and annual retainers paid to Board members during the year totalled $85,500.

Committees of the Board

The Board and Committee structure is composed of the following Committees:

Audit	Governance and Human resources
Julie Mills, Chairperson	Oksana Exell, Chairperson
Vered Kaminker	David Souliere
John St.Marseille	Captain James Pound, ex-officio
Captain James Pound, ex-officio	

Audit

The Audit Committee is a standing committee of the Board. The Committee provides financial oversight, as well as the oversight of corporate books, records, general and management control, information systems and management practices. In 2024, responsibility for monitoring information technology activities and the evolution of cybersecurity risks has been entrusted to this committee.

Governance and Human Resources

The Governance and Human Resources Committee is a standing Committee of the Board responsible for overseeing governance and human resources issues. The committee ensures good corporate governance and implements best practices in discharging its responsibilities.

Board of Directors
(cont'd)

Enterprise Risk Management

An Enterprise Risk Management program has been incorporated as part of the GLPA's strategies to manage risks and to seize opportunities in achieving its objectives. The Board reviews the risk register with a view to updating risk assessments and ensures that appropriate mitigating controls are in place. GLPA's senior management is responsible for implementing the Enterprise Risk Management program, and the Board is responsible for monitoring it.

The GLPA manages risks based on an inventory of risk categories that align with strategic, external, financial, operational, environmental, health and safety, human capital, technological and regulatory risks.

Compliance

The Authority ensures sound governance of the pilotage system by keeping legislation, regulations, and policies up to date with the latest standards. This is crucial for achieving its mission and maintaining public trust. Part of this responsibility includes ensuring compliance with the *Financial Administration Act* and all relevant regulations and acts governing safety, navigation, financial oversight, and corporate operations. The Board monitors this compliance, and the Authority promptly addresses any issues that arise.

In 2024, the GLPA completed an internal audit of its IT systems to assess the security, resilience, and effectiveness of its infrastructure. Building on this work, an action plan will be developed in 2025 to address any identified areas for improvement and further enhance the organization's digital systems and cybersecurity posture.

Transparency

The GLPA is fully committed to openness and transparency with all stakeholder interactions and respects the requirements to openly publish various reports, including its Annual Report, Quarterly Financial Reports, Summary of the Corporate Plan, Proactive Disclosure of Travel and Hospitality Expense Reports, and *Access to Information Act* inquiries on its website.

Travel, Hospitality and Conference Expenses

The following travel, hospitality and conference expenses were submitted during 2024:

Captain James Pound Chairperson and interim CEO	$51,625
Jason Rimmer CEO (February – June)	$12,789
Board of Directors (6 members)	$20,198
Senior Management (3 members)	$42,427
Total	**$127,039**

The GLPA has complied with the Federal Government to post responses to the requests it received under the *Access to Information Act* on the www.open.canada.ca website. In 2024, the GLPA received no requests under the *Access to Information Act* or the *Privacy Act.*

Management Discussion and Analysis

Prepared by senior management of the Great Lakes Pilotage Authority (GLPA), the Discussion and Analysis section presents a more in-depth view of the different factors that impact on operational and financial performance.

The purpose of this analysis is to facilitate the understanding of the audited financial statements presented in the following pages and to explain variations between 2024 results and the results of the previous year.

This Discussion and Analysis should be read in conjunction with the audited financial statements and accompanying notes.

Financial highlights – Statement of comprehensive income

(in millions of Canadian dollars)

The following table shows the highlights of the Statement of comprehensive income of the GLPA for the years ending December 31, 2024, and December 31, 2023, per the International Financial Reporting Standards (IFRS).

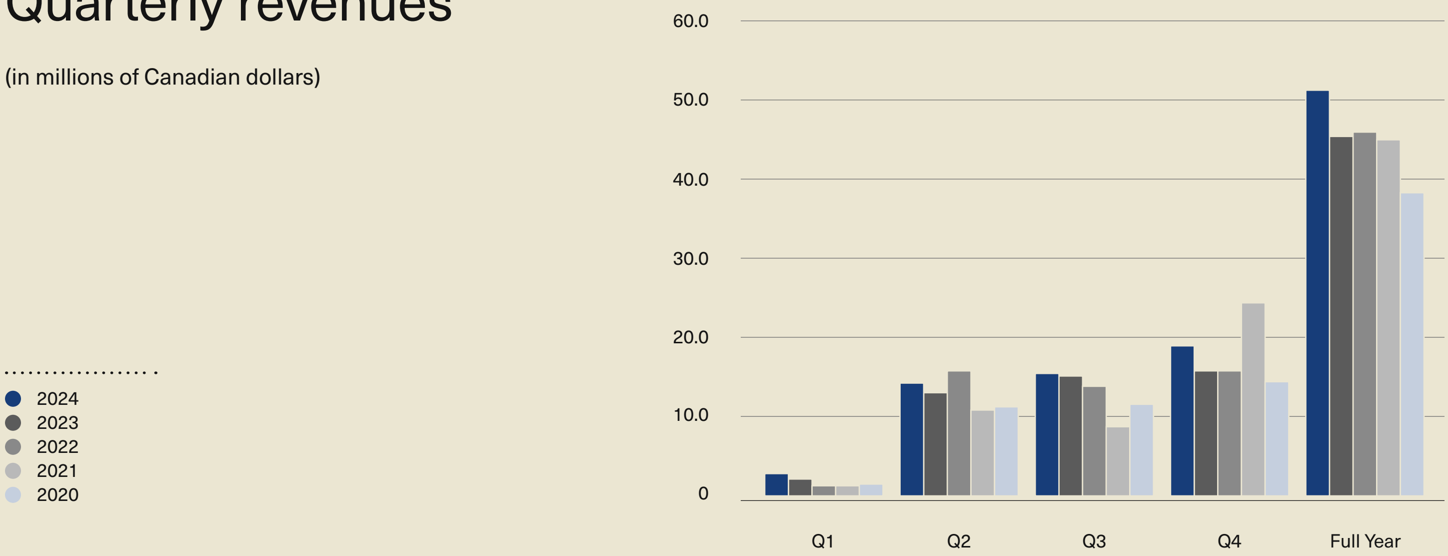
	2024	2023	Var $	Var %
Pilotage Revenues	49.9	44.2	5.7	12.9%
Other Revenues	1.0	1.1	(0.1)	-9.1%
Total Revenues	50.9	45.3	5.6	12.4%
Total Operating Expenses	51.8	52.0	(0.2)	-0.4%
Operating (Loss) Profit	(0.9)	(6.7)	5.8	-86.6%
Other Comprehensive (Loss) Income	(0.0)	(0.5)	0.5	-100.0%
Comprehensive (Loss) Income	**(0.9)**	**(7.1)**	**6.2**	**-87.3%**

For 2024, the GLPA recorded revenues of $50.9 million, $51.8 million of expenses and a comprehensive loss of $0.9 million, resulting in an accumulated loss of $0.9 million by the end of the year.

The following tables show quarterly financial results for the five most recent years.

Quarterly revenues

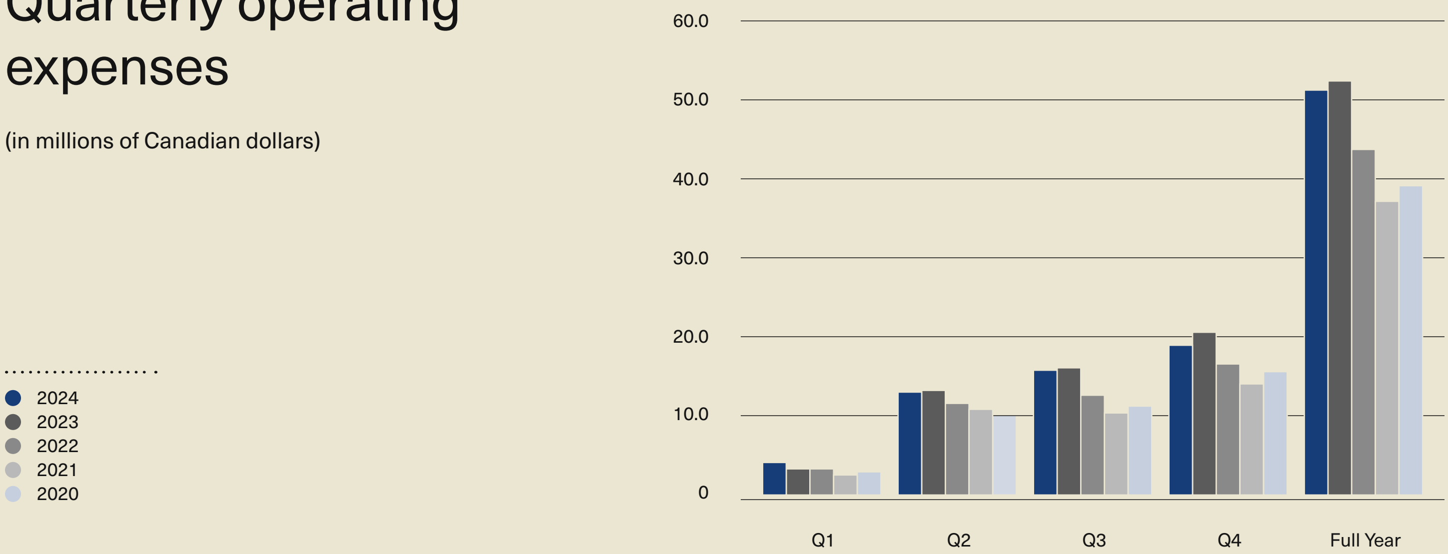
(in millions of Canadian dollars)



Revenues vary throughout the year, reflecting the seasonality of operations. The GLPA operates in the St. Lawrence Seaway, which is usually closes at the end of December due to winter conditions, and re-opens in late March of each year. The highest demand for services tends to occur in the fourth quarter.

Quarterly operating expenses

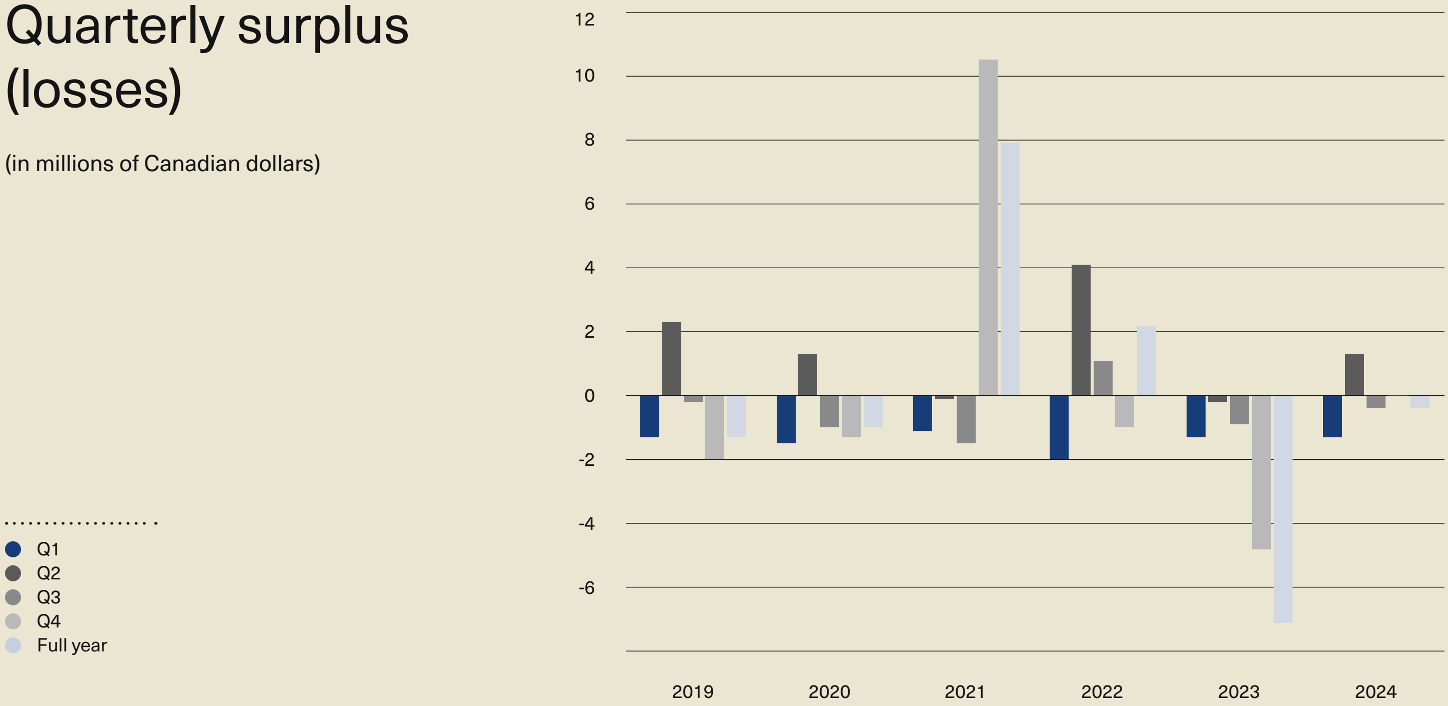
(in millions of Canadian dollars)



Approximately $7.0 million of operating expenses are administrative and indirect operational costs that are fixed throughout the year. Except for the base salary for pilots, all other pilot compensation and direct operating expenses are variable and fluctuate based on pilotage demand.

Quarterly surplus (losses)

(in millions of Canadian dollars)



Revenues

(in millions of Canadian dollars)

The following table shows the various sources of revenue for the years ended December 31, 2024, and December 31, 2023.

	2024	2023	Var $	Var %
Basic pilotage fees	42.3	37.3	5.0	13.4%
Docking/undocking	2.8	2.8	(0.0)	0.0%
Surcharges	2.3	2.1	0.2	9.5%
Pilot Boat charges	0.9	0.8	0.1	12.5%
Delays/detentions	0.7	0.3	0.4	133.3%
Pilot transfers	0.3	0.3	0.0	0.0%
Cancellations	0.3	0.4	(0.1)	-25.0%
Pilotage Act administration fee recovery	0.3	0.3	0.0	0.0%
Total pilotage charges	**49.9**	**44.2**	**5.7**	**12.9%**
Pilot boat income	0.4	0.3	0.1	33.3%
Interest and other income	0.6	0.8	(0.2)	-25.0%
Total revenues	**50.9**	**45.3**	**5.6**	**12.4%**

For 2024, the GLPA recorded revenues of $50.9 million, an increase of $5.6 million over 2023. The revenue increase is mainly due to an increase in volume by 7% and total pilotage charges increased by 4.5% compared to 2023.

Operating expenses

(in millions of Canadian dollars)

The following table shows the various sources of operating expenses for the years ended December 31, 2024, and December 31, 2023.

	2024	2023	Var $	Var %
Pilots' salaries and benefits	35.6	37.7	(2.1)	-5.6%
Transportation and travel	4.6	4.0	0.6	15.0%
Pilot boat services	4.1	3.3	0.8	24.2%
Operations and Administration staff salaries and benefits	4.5	3.7	0.8	21.6%
Professional fees	0.9	1.3	(0.4)	-30.8%
Pilot training and recruiting costs	0.2	0.3	(0.1)	-33.3%
Pilot transfer services	0.3	0.3	0.0	0.0%
Amortization and depreciation	0.4	0.4	(0.0)	0.0%
Other	1.2	1.0	0.2	20.0%
Total operating expenses	**51.8**	**52.0**	**(0.2)**	**-0.4%**

For 2024, the GLPA recorded expenses of $51.8 million, a decrease of $0.2 million compared to 2023. Most of these expenses comprise pilot wages and benefits, along with pilot travel and pilot boat services, directly linked to vessel servicing and subject to fluctuations based on assignment demand. Pilot salaries and benefits increased by $3.8 million in 2024 after adjusting 2023 salaries for the one-time provision of $4.2 million for revised taxable benefits relating to the years 2019-2022 and $1.7 million retroactive pay increases from the new collective agreement.

Comprehensive income (loss)

(in millions of Canadian dollars)

The following table shows the comprehensive income (loss) for the years ended December 31, 2024, and December 31, 2023.

	2024	2023	Var $	Var %
Profit (loss) for the year	(0.9)	(6.7)	5.8	-86.6%
Other comprehensive income (loss)				
Actuarial gain (loss) on employee benefits	(0.0)	(0.5)	0.5	-100.0%
Other comprehensive income (loss) for the year	**(0.9)**	**(7.1)**	**6.2**	**-87.3%**

Further information on employee benefits is provided in Note 12 of the audited financial statements.

Cash flow and Financial position

(in millions of Canadian dollars)

The following table shows the cash flow and financial position for the years ended December 31, 2024, and December 31, 2023.

	2024	2023	Var $	Var %
Balance, beginning of the year	17.1	19.1	(2.0)	-10.5%
Net cash (used in) provided by operating activities	(8.7)	(1.7)	(7.0)	411.8%
Net cash (used in) provided by investing activities	(0.1)	(0.2)	0.1	-50.0%
Net cash (used in) provided by financing activities	(0.1)	(0.1)	0.0	0.0%
Balance, ending of the year	**8.2**	**17.1**	**(8.9)**	**-52.0%**

The GLPA has a $5.0 million line of credit. Due to the seasonal nature of the navigation season, at times the GLPA leverages its line of credit until revenues are collected after the start of the navigation season. In 2024 the GLPA did not need to source funds from its line of credit. As of December 31, 2024, the GLPA had a cash balance of $8.2 million ($17.1 million in 2023) and no short-term investments.

Capital assets and Investments

(in Canadian dollars)

In 2024, there were $96,420 in asset additions and $25,118 in disposals. Total depreciation and amortization for the year was $353,911.

The following table shows a decrease of $174,748 in property & equipment and intangible assets which includes capital investments of $96,420 and depreciation & amortization of $271,168 for 2023.

	2024	2023	Var $	Var %
Buildings	286,239	306,797	(20,558)	-6.7%
Furniture	62,450	76,936	(14,486)	-18.8%
Leasehold improvements	0	10,150	(10,150)	-100.0%
Communications and computer equipment	249,052	409,804	(160,752)	-39.2%
Software	23,668	22,565	1,103	4.9%
Projects in Progress	30,095	0	30,095	n/a
Total	**651,504**	**826,252**	**(174,748)**	**-21.1%**

Accrued salaries and benefits

(in millions of Canadian dollars)

For 2024, the accrued salaries and benefits decreased by $7.8 million. The decrease is predominantly attributed to the $4.2 million taxable benefits related to the years 2019-2022 and $3.5 million provision for pilot retro-pay recognized in 2023.

	2024	2023	Var $	Var %
Accrued salaries and benefits	13.2	21.0	(7.8)	-37.0%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Financial Statements

Great Lakes Pilotage Authority | Administration de pilotage des Grands Lacs

MANAGEMENT REPORT

The management of the Authority is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for all other information presented in the annual report. This responsibility includes the selection of appropriate accounting principles and the exercise of careful judgment in establishing reasonable estimates. Financial information shown elsewhere in this annual report is consistent with that contained in the financial statements.

Management maintains books of account, financial and management control, and information systems, together with management practices designed to provide reasonable assurance that reliable and relevant information is available on a timely basis. These systems and practices provide reasonable assurance that assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, and that operations are carried out effectively. These systems and practices are also designed to provide reasonable assurance that the transactions are in accordance with section 89 and Part X of the *Financial Administration Act* and regulations, the *Pilotage Act* and regulations and the by-law of the Authority.

The Board of Directors is comprised of Directors who are not employees of the Authority. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee oversees the entity's systems of internal accounting and administration control. The Committee meets with management and the auditors to satisfy itself that responsibilities are properly discharged and to review the financial statements. The financial statements and annual report are reviewed and approved by the Board of Directors on the recommendation of the Audit Committee.

The external auditor, the Auditor General of Canada, is appointed under the *Financial Administration Act* and *Pilotage Act* and has audited the financial statements in accordance with Canadian generally accepted auditing standards. Her report outlines the nature of the audit and expresses her opinion on the financial statements of the Authority.

Jean Aubry-Morin

President and Chief Executive Officer

Nick Csirinyi CPA CGA

Chief Financial Officer

Cornwall, Ontario
March 19, 2025

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Transport

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Great Lakes Pilotage Authority (the Authority), which comprise the statement of financial position as at 31 December 2024, and the statement of operations and comprehensive income (loss), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Great Lakes Pilotage Authority coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Pilotage Act* and regulations, the by-law of the Great Lakes Pilotage Authority, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

In our opinion, the transactions of the Great Lakes Pilotage Authority that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in IFRS Accounting Standards as issued by the IASB have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Great Lakes Pilotage Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Great Lakes Pilotage Authority to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

N. Chartrand

Nathalie Chartrand, CPA, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
19 March 2025

Statement of Financial Position
(In Canadian dollars)

	December 31 2024	December 31 2023
Assets		
Current		
Cash	$ 8,250,436	$ 17,115,594
Trade and other receivables	7,628,698	7,138,323
Prepaids	290,745	46,632
	16,169,879	24,300,549
Non-current		
Property and equipment (Note 7)	627,836	803,687
Intangible assets (Note 8)	23,668	22,565
Right-of-use asset (Note 9)	172,446	6,866
	$ 16,993,829	$ 25,133,667
Liabilities		
Current		
Accrued salaries and benefits	$ 13,211,660	$ 21,046,637
Other accounts payable and accrued charges	2,250,390	1,870,242
Employee benefits (Note 12)	263,700	16,500
Lease liability (Note 13)	82,394	7,095
	15,808,144	22,940,474
Non-current		
Employee benefits (Note 12)	1,928,900	2,098,900
Lease liability (Note 13)	93,708	-
	17,830,752	25,039,374
Equity		
Accumulated (deficit) surplus	(836,923)	94,293
	$ 16,993,829	$ 25,133,667

Commitments (Note 17)

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors and authorized for issuance on March 19, 2025.

J. Pound
Chairperson

J. Mills
Director

Statement of Operations and Comprehensive Income (Loss)
for the year ended December 31
(in Canadian dollars)

		2024		2023
Pilotage charges (Note 15)	$	49,928,355	$	44,219,003
Interest and other income		601,211		758,933
Pilot boat income		367,399		301,093
		50,896,965		**45,279,029**
Expenses				
Pilots' salaries and benefits		35,603,531		37,696,003
Transportation and travel		4,625,320		3,962,145
Operations and Administration staff salaries and benefits (Note 18)		4,465,669		3,715,122
Pilot boat services		4,087,991		3,270,934
Professional and special services		928,538		1,323,316
Amortization and depreciation (Note 18)		353,911		379,531
Utilities, materials and supplies		342,875		288,932
Pilot transfer services		320,764		301,060
Pilotage Act administration fees		271,036		124,801
Purchased dispatching services		235,278		269,449
Pilot training and recruiting costs		201,115		294,605
Communications		126,941		102,409
Portable pilotage units and navigation software		115,492		112,900
Repairs and maintenance		68,734		57,791
Interest and bank charges		28,088		40,481
Rentals		27,145		13,988
Interest on lease liability		9,252		2,969
		51,811,680		51,956,436
Loss for the year		**(914,715)**		**(6,677,407)**
Other comprehensive loss				
Items that will not be reclassified to net results				
Actuarial loss on employee benefits (Note 12)		(16,501)		(457,400)
Comprehensive loss for the year	$	**(931,216)**		**(7,134,807)**

Statement of Changes in Equity
for the year ended December 31
(In Canadian dollars)

		2024		2023
Accumulated surplus, beginning of year	$	94,293	$	7,229,100
Loss for the year		(914,715)		(6,677,407)
Other comprehensive loss for the year		(16,501)		(457,400)
Total comprehensive loss for the year		(931,216)		(7,134,807)
Accumulated (deficit) surplus, end of year	$	(836,923)	$	94,293

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows
for the year ended December 31
(In Canadian dollars)

	2024	2023
Operating activities		
Loss for the year	$ (914,715)	$ (6,677,407)
Adjustments to determine net cash (used in) provided by operating activities:		
Employee benefits paid	(38,800)	(215,000)
Interest cost on employee benefits	96,500	85,600
Retirees' contributions for death benefits	3,000	3,200
Amortization and depreciation	353,911	379,531
Changes in non-cash working capital items:		
Increase in trade and other receivables	(490,375)	(593,383)
(Increase) decrease in prepaids	(244,113)	24,260
(Decrease) Increase in accrued salaries and benefits	(7,834,977)	5,065,121
Increase in other accounts payable and accrued charges	347,288	195,060
Net cash used in operating activities	(8,722,281)	(1,733,018)
Investing activities		
Acquisitions of property and equipment	(47,716)	(199,692)
Acquisitions of intangible assets	(15,844)	-
Cash used in investing activities	(63,560)	(199,692)
Financing activities		
Repayment of lease liability	(70,065)	(79,195)
Interest paid on lease liability	(9,252)	(2,969)
Cash used in financing activities	(79,317)	(82,164)
Cash		
Net decrease in cash during the year	(8,865,158)	(2,014,874)
Balance, beginning of year	17,115,594	19,130,468
Balance, end of year	$ 8,250,436	$ 17,115,594

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements
December 31, 2024
(In Canadian dollars)

1. Authority and objectives

The Great Lakes Pilotage Authority, Ltd. (the Authority) was established in February 1972 pursuant to the *Pilotage Act*, incorporated as a limited company in May 1972, and was continued under the *Canada Business Corporations Act*. Until October 1st, 1998, it operated under the name of Great Lakes Pilotage Authority, Ltd. and was a subsidiary of the St. Lawrence Seaway Authority. Pursuant to the *Canada Marine Act*, which received Royal Assent on June 11, 1998, the name of the Authority was changed to Great Lakes Pilotage Authority and the Authority was established under subsection 3(1) of the *Pilotage Act*. The Authority is a Crown corporation listed in Schedule III, Part I of the *Financial Administration Act* (FAA).

The objectives of the Authority are to establish, operate, maintain and administer, in the interests of safety of navigation, an efficient pilotage service within designated Canadian waters.

In July 2015, the Authority was issued a directive (P.C. 2015-1114) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations. The Authority continues to meet the requirement of this directive.

The Authority is exempt from income taxes.

The process for establishing or revising pilotage charges is set out in the *Pilotage Act*. The Authority may, by resolution, determine the charges to be paid to the Authority for the provision of services in relation to compulsory pilotage.

As per the *Pilotage Act*, the Authority shall pay the Minister of Transport an amount specified by the Minister for defraying the costs of the administration of the Act, including the development of regulations and the enforcement of the Act.

2. Basis of presentation

(a) Statement of compliance

These financial statements, including comparatives, have been prepared in compliance with International Financial Reporting Standards (IFRS).

(b) Basis of measurement

The financial statements are prepared on a historical cost basis, as set out in the material accounting policy information below, except as permitted by IFRS and otherwise indicated within these notes.

3. New and Revised accounting standards

No new or revised standard had a significant impact on the Authority's financial statements.

4. Material accounting policy information

The material accounting policies are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. The Authority had no cash equivalents as at December 31, 2024 (2023 – nil).

(b) Property and equipment

Property and equipment are recorded at cost. Depreciation is calculated on a straight-line basis and is based on the estimated useful lives of the assets. The estimated useful lives, residual values and depreciation methods are reviewed annually at the end of the year, with the effect of any changes in estimate being accounted for on a prospective basis. The following useful lives are used in calculation of depreciation:

Asset category	Estimated useful life
Buildings	20 years
Furniture	10 years
Leasehold improvements	shorter of the term of the lease and the useful life of the leasehold improvement
Communication and computer equipment	Up to 5 years

Property and equipment are reviewed annually for indications of impairment or changes in estimated future economic benefits. If any such indications exist, the asset's carrying value is adjusted accordingly. Depreciation is not charged on projects in progress.

(c) Intangible assets

Intangible assets are recorded at cost. Amortization is calculated on a straight-line basis and is based on the estimated useful life of the assets as follows:

Asset category	Estimated useful life
Software	Up to 5 years

Intangible assets are reviewed annually for indications of impairment or changes in estimated future economic benefits. If any such indications exist, the asset's carrying value is adjusted accordingly. Amortization methods, useful lives and residual values are reviewed at each year end and adjusted on a prospective basis. Projects that are in progress are not subject to amortization.

(d) Right-of-use asset and lease liability

The Authority assesses whether a contract is or contains a lease, at inception of a contract. The Authority recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases which, at the commencement date, have a term of 12 months or less) and leases of low-value assets. Right-of-use assets and lease liabilities are recognized at the commencement date of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the liabilities. The cost includes the amount of lease liability recognized, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. Right-of-use assets are depreciated on a straight-line basis as follows:

Asset Category	Estimated useful life
Building	Shorter of the term of the lease and the useful life of the building

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the lease's implicit rate. If this rate cannot be readily determined, the Authority uses the incremental borrowing rate. It is subsequently measured when there is a change in future leases payments arising from change in an index or rate, or if the Authority changes its assessment of whether it will exercise an extension or termination option.

The right-of-use asset and the lease liability are presented as separate line items in the Statement of Financial Position.

(e) Provisions

The Authority recognize provisions when:

- It has a present obligation (legal or constructive) as a result of a past event.
- It is probable that it will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows. In situations where the amount of the obligation cannot be measured with sufficient reliability and unless the possibility of any outflow settlement is remote, a contingent liability is disclosed.

(f) Pension benefits

Substantially, the employees of the Authority are covered by the Public Service Pension Plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Authority to cover current service cost. Pursuant to legislation currently in place, the Authority has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Authority.

(g) Severance benefits

Employees are entitled to severance benefits, as provided under labour contracts and conditions of employment. The cost of the severance benefits earned by employees is determined annually on an actuarial basis using the projected unit credit method prorated with years of credited service and management's best estimate assumptions, such as the discount rate, rate of salary increase, inflation, retirement ages of employees and other factors. The actuarial gain (loss) is recognized in other comprehensive income and cannot be reclassified to profit in the future.
The benefit costs are determined using the cost of employee benefits for the current years' service, the interest cost on the accrued benefit obligation, the benefits paid and net actuarial gain or loss for the year.

(h) Retirees' death benefits

Former employees who retired prior to 1999 have been granted a death benefit. The liability amount for this benefit is determined annually on an actuarial basis using the projected unit credit method. The actuarial gain (loss) is recognized in other comprehensive income and cannot be reclassified to profit in the future.

The annual cost of this benefit comprises the amount of benefits paid in the year, the interest cost on the accrued benefit obligation plus the change in the actuarial liability during the year, reduced by a retiree contribution.

(i) Short-term employee benefits

The Authority's short-term employee benefits consisting of compensated absences, are evaluated on an undiscounted basis and are expensed as the related services are rendered.

(j) Revenue recognition

Revenue is recognized as control is transferred, at a specific point in time, namely when the pilot assigned to a vessel has completed the pilotage assignment. Revenues earned from pilot boat operation are recognized as services are rendered. Interest and other income are recognized using the effective interest method as they are earned.

(k) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value. After initial recognition, cash and cash equivalents are measured at fair value through profit or loss and trade and other receivables are measured at amortized cost. Other accounts payable and accrued charges, accrued salaries and benefits, and lease liability are subsequently measured at amortized cost. Due to the short term nature of these accounts, their carrying values are deemed to approximate their fair values.

(l) Impairment

For trade and other receivables, any impairment provision must be measured by applying the simplified approach as their payment terms do not include significant financing components. Under the simplified approach, the loss allowance is measured at an amount equal to the lifetime expected credit losses. The carrying amount of trade and other receivables is reduced through the use of an allowance account. When trade and other receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized in profit or loss. Changes in the carrying amount of the allowance account are recognized in profit or loss.

5. Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

(a) Significant accounting estimates

Significant accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities in the future.

Employee benefits

The Authority engaged an external actuary to evaluate its termination benefits as well as the death benefits for retirees. These obligations are evaluated annually on December 31.

Amortization and Depreciation rates

Refer to Note 4 (b), 4 (c) and 4(d) for estimated useful lives of property and equipment, intangible assets, and right-of-use asset.

(b) Significant accounting judgments

In the preparation of these financial statements, management has not made any significant accounting judgments.

6. Financial instruments

Risk management

The Authority, through its financial assets and financial liabilities, is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, and market risk. The Authority manages these risk exposures on an ongoing basis.

Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a financial instrument fails to meet its obligation. To mitigate this risk, the Minister of Finance authorizes the Authority to invest only on certain categories of investments.

The carrying amount of cash and cash equivalents, and trade and other receivables represents the maximum credit exposure.

The Authority's trade and other receivables had a carrying value of $7,628,698 as at December 31, 2024 (December 31, 2023 - $7,138,323). There is no concentration of accounts receivable with any one customer. As at December 31, 2024, 0.01% (December 31, 2023 – 0.6%) of accounts receivable were over 90 days past due, whereas 99.99% (December 31, 2023 – 99.4%) were current, or less than 30 days past due. Historically, the Authority has not incurred any significant losses with respect to bad debts. The Authority's allowance for doubtful accounts was nil at December 31, 2024 and at December 31, 2023.

The credit risk related to cash is minimized as these assets are held with a Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority must operate on a self-sufficiency basis and does not have access to Parliamentary appropriations and, as a result, depends on its funding sources, borrowing and cash flows from operating activities to meet its financial requirements. The Authority manages liquidity risk by continuously monitoring actual and projected cash flows. The Authority has a revolving demand credit facility with a Canadian chartered bank of up to $5.0 million to provide working capital financing. The interest rate is equivalent to the bank's prime rate. The Minister of Finance authorizes this amount. The credit facility is available to the Authority as required and is renewed annually. At December 31, 2024, the Authority was not using the line of credit (December 31, 2023 – nil). During the year, the interest expense was nil (2023 – nil). As at December 31, 2024 and December 31, 2023, the Authority's financial liabilities were limited to accrued salaries and benefits and other accounts payable and accrued charges.

The Authority's financial liabilities had a carrying value of $15,462,050 (December 31, 2023 - $22,916,879), and accrued salaries and benefits and other accounts payable and accrued charges were due within 120 days.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Authority's income or the value of its holdings of financial instruments.

The Authority is not exposed to significant market risks.

Fair values

Financial instruments that are initially recognized at fair value are subsequently measured at amortized cost and are grouped into a hierarchy based on the degree to which the fair value is observable. Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

Cash and cash equivalents are measured at fair value at Level 1, while trade and other receivables, accrued salaries and benefits and other accounts payable and accrued charges are measured at Level 2. There are no Level 3 financial instruments held by the Authority.

7. Property and equipment

	Buildings	Furniture	Leasehold Improvements	Communication and computer equipment	Projects in Progress	**Total**
Cost						
At January 1, 2023	357,832	267,749	252,837	1,255,516	-	**2,133,934**
Acquisitions	91,823	28,917	20,299	58,653	-	**199,692**
Disposals	-	(24,340)	(2,367)	(405,677)	-	**(432,384)**
At December 31, 2023	449,655	272,326	270,769	908,492	-	**1,901,242**
Acquisitions	-	2,317	-	48,164	30,095	**80,576**
Disposals	-	-	-	(25,118)	-	**(25,118)**
At December 31, 2024	449,655	274,643	270,769	931,538	30,095	**1,956,700**
Accumulated depreciation						
At January 1, 2023	122,300	197,803	224,306	704,589	-	**1,248,998**
Depreciation for the year	20,558	21,927	38,680	199,776	-	**280,941**
Disposals	-	(24,340)	(2,367)	(405,677)	-	**(432,384)**
Transfers	-	-	-	-	-	**-**
At December 31, 2023	142,858	195,390	260,619	498,688	-	**1,097,555**
Depreciation for the year	20,558	16,803	10,150	208,916	-	**256,427**
Disposals	-	-	-	(25,118)	-	**(25,118)**
Transfers	-	-	-	-	-	**-**
At December 31, 2024	163,416	212,193	270,769	682,486	-	**1,328,864**
Carrying amounts						
At December 31, 2023	306,797	76,936	10,150	409,804	-	**803,687**
At December 31, 2024	286,239	62,450	-	249,052	30,095	**627,836**

8. Intangible assets

	Software
Cost	
At January 1, 2023	662,450
Acquisitions	-
Disposals	-
Transfers	-
At December 31, 2023	662,450
Acquisitions	15,844
Disposals	-
Transfers	-
At December 31, 2024	678,294
Accumulated amortization	
At January 1, 2023	608,571
Amortization for the year	31,314
Disposals	-
Transfers	-
At December 31, 2023	639,885
Amortization for the year	14,741
Disposals	-
Transfers	-
At December 31, 2024	654,626
Carrying amounts	
At December 31, 2023	22,565
At December 31, 2024	23,668

9. Right-of-use asset

The Authority recognized a right-of-use asset and lease liability for the head office lease as of January 1, 2019 (see note 13). In 2024, the Authority exercised the 3-year optional lease extension as provided for in the contract, which resulted in the re-measurement of the right-of-use asset.

This re-measurement involved updating the lease liability and adjusting the right-of-use asset to reflect the extension of the lease term and any changes in lease payments.

	Building
Cost	
At January 1, 2023	320,269
Re-measurement	4,344
Additions	-
At December 31, 2023	324,613
Re-measurement	248,323
At December 31, 2024	572,936
Accumulated depreciation	
At January 1, 2023	250,472
Depreciation for the year	67,275
Additions	-
At December 31, 2023	317,747
Depreciation for the year	82,743
At December 31, 2024	400,490
Carrying amounts	
At December 31, 2023	6,866
At December 31, 2024	172,446

10. Bank indebtedness and bank overdraft

Bank indebtedness and bank overdraft at December 31 were nil for 2024 and 2023.

11. Pension plan

The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employee's required contribution. The general contribution rate effective at year end was $1.02 for employees hired prior to January 1, 2013, and $1.00 for employees hired after December 31, 2012 (2023 - $1.02 and $1.00 respectively) for every dollar contributed by the employee. If an employee's annual salary is greater than $202,000 (2023 - $196,200), the portion of the employee's salary above this amount is subject to an employer contribution of $4.63 (2023 - $5.29) for every dollar contributed by the employee. Contributions during the year were as follows:

	December 31, 2024	**December 31, 2023**
Authority	$2,971,429	$1,811,513
Employee	$2,664,742	$1,842,229
Total contributions	$5,636,171	$3,653,742

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits, and they are indexed to inflation.

The Authority expects that cash outflows of $2,080,000 will be made to the plan in 2025.

12. Employee benefits

a) Termination benefits

Termination benefits are provided to all current employees under various collective agreements and employment contracts. The cost of the benefit is fully paid by the Authority. This plan is unfunded and requires no contributions from employees. The Authority measures its accrued benefit obligation of its termination benefits for accounting purposes as at December 31st of each year. The weighted average of the maturity of the plan at December 31 was 2.6 years (2023 – 2.9 years).

Termination benefits mainly include severance benefits. As part of the collective negotiations and changes to conditions of employment of all employees, the accumulation of severance benefits under the severance pay program ceased for some employee groups in 2012 and ceased for the remaining group in 2013. Only one group of employees has an additional termination benefit for which these employees continue to accumulate until the end of their employment. As part of the 2018 collective agreement negotiations, the accumulation of the additional termination benefit under this program ceased as of March 31, 2018. With the exception of the pilot groups, all other employees had the benefits paid in full. For the pilot groups, the value of the severance benefits will be paid upon termination of employment.

The method to determine the discount rate did not change in 2024 and is based on projected cash flows and a yield curve.

The defined benefit obligation, measured as at the statement of financial position date, is as follows:

	December 31 2024	December 31 2023
Reconciliation of defined benefit obligation		
Defined benefit obligation, beginning of year	2,012,300	1,677,800
Current service cost	-	-
Interest cost	92,600	80,400
Benefits paid	-	(205,000)
Curtailment	-	-
Actuarial loss (gain)	14,800	459,100
Defined benefit obligation, end of year	**2,119,700**	**2,012,300**
Components of expense recognized in profit and loss		
Current service cost	-	-
Interest cost	92,600	80,400
Curtailment	-	-
Total expense recognized in profit and loss	**92,600**	**80,400**
Analysis of actuarial gain or loss		
Experience	-	443,900
Change in financial assumptions	14,800	15,200
Change in demographic assumptions	-	-
Actuarial loss (gain)	**14,800**	**459,100**
Classification of defined benefit obligation		
Current Portion	248,300	-
Non - current Portion	1,871,400	2,012,300
Defined benefit obligation, end of year	**2,119,700**	**2,012,300**

Key assumptions used in the actuarial valuation		
Discount rate	4.10%	4.60%
Estimated salary rate increase	1.50%	2.50%
Age at retirement	65 or current age if older	65 or current age if older

The plan is sensitive to a significant actuarial assumption which is the discount rate.

A decrease in the discount rate of 1% would increase the defined benefit obligation at December 31 by $32,400. An increase in the discount rate of 1% would decrease the defined benefit obligation at December 31 by $28,800.

b) Retirees' death benefits

A death benefit is provided to a closed group of pre-1999 retirees and their spouses. This is unfunded but requires a monthly contribution from the retiree of $1.90 per $1,000 of benefit.

The Authority measures the accrued benefit obligation of the retirees' death benefit for accounting purposes as at December 31 of each year.

The method to determine the discount rate did not change in 2024 and is based on projected cash flows and a yield curve.

The defined benefit obligation, measured as at the statement of financial position date, is as follows:

	December 31 2024	December 31 2023
Reconciliation of defined benefit obligation		
Defined benefit obligation, beginning of year	103,100	106,400
Current service cost	-	-
Interest cost	3,900	5,200
Benefits paid	(38,800)	(10,000)
Retirees' contributions	3,000	3,200
Actuarial loss (gain)	1,700	(1,700)
Defined benefit obligation, end of year	**72,900**	**103,100**
Components of expense recognized in profit and loss		
Current service cost	-	-
Interest cost	3,900	5,200
Total expense recognized in profit and loss	**3,900**	**5,200**
Analysis of actuarial gain or loss		
Experience	-	-
Change in financial assumptions	1,700	(1,700)
Change in demographic assumptions	-	-
Actuarial loss (gain)	**1,700**	**(1,700)**
Classification of defined benefit obligation		
Current Portion	15,400	16,500
Non - current Portion	57,500	86,600
Defined benefit obligation, end of year	**72,900**	**103,100**

Key assumptions used in the actuarial valuation

Discount rate	4.20%	4.60%

The weighted average of the maturity of the plan at December 31 was 4.1 years (2023 – 4.3 years). The plan is sensitive to a significant actuarial assumption which is the discount rate. A decrease in the discount rate of 1% would increase the defined benefit obligation at December 31 by $4,200. An increase in the discount rate of 1% would decrease the defined benefit obligation at December 31 by $3,900.

13. Lease liability

The Authority's outstanding lease liability is:

	December 31 2024	December 31 2023
Cornwall Head Office Lease: Lease payable in monthly installments including interest at 4.68%, amortized over 3 years, term ending January 31, 2027	176,102	7,095
Current portion	82,394	7,095
Non-current portion	93,708	-
Carrying amount, end of the period	**$176,102**	**$7,095**

Interest expense on the lease for the year 2024 amounted to $9,252 (2023 – $2,969).

14. Capital management

The Authority's capital is its equity, which consists of accumulated loss of $836,923 (2023 – accumulated surplus of $94,293).

The Authority is subject to financial management and accountability provisions of the *FAA* which imposes restrictions in relation to borrowings and investments. On an annual basis the Authority must receive approval of all borrowings and investments from the Minister of Finance.

The Authority manages its equity as a by-product of managing its revenues, expenses, assets, liabilities, and general financial dealings to ensure that its objectives are achieved effectively. The pilotage charges must be fair and reasonable and must enable the Authority to operate on a self-sustaining financial basis, as required by the *Pilotage Act*.

There were no changes in the Authority's approach to capital management during the year.

15. Pilotage Charges

The following table presents pilotage charges disaggregated by revenue type:

		December 31 2024	December 31 2023
Basic Pilotage	$	42,297,061	37,261,289
Docking/undocking		2,764,639	2,826,730
Surcharges		2,337,437	2,068,161
Pilot Boat charges		853,558	760,437
Delays/detentions		662,615	336,665
Pilot transfers		349,088	315,285
Cancellations		340,117	366,589
Pilotage Act administration fees recovery		323,840	283,847
Total Pilotage charges	**$**	**49,928,355**	**44,219,003**

16. Related party transactions

The Authority is related in terms of common ownership to all Government of Canada's departments, agencies and Crown corporations. The Authority enters into transactions with these entities in the normal course of business on trade terms and conditions that apply to unrelated parties. These transactions are recorded at fair value. Other than disclosed elsewhere in these financial statements, related party transactions are not significant.

Compensation of key management personnel

The following table presents the remuneration of directors and other members of key management personnel:

	December 31 2024	December 31 2023
Compensation and short-term employee benefits	968,622	881,759
Termination benefits	229,131	-
Post-employment benefits	81,579	72,722
	1,279,332	**954,481**

17. Commitments

The Authority has commitments in respect of pilot boat services, simulator services for pilot training, support for the Authority's dispatch system and an iPad lease agreement. Future minimum rental and contractual payments are as follows:

	December 31 2024	December 31 2023
Less than 1 year	$ 716,662	$ 652,007
Between 1 and 5 years	1,636,251	1 470,234
More than 5 years	73,851	71,692
	$2,426,764	**$ 2,193,933**

18. Reclassification

Certain comparative figures from the Statement of Operations and Comprehensive Income (Loss) and the Statement of Cash Flows have been reclassified to conform with the current period's adopted presentation; these reclassifications primarily consist of combining Operations staff salaries and benefits with Administration staff salaries and benefits previously presented separately, combining Depreciation of right-of-use with Amortization and depreciation previously presented separately.

Appendix A

2024 Climate-Related Financial Disclosures

This is the GLPA's first report on climate risks and opportunities, related financial impacts and management strategies, as well as associated metrics. The report is based on recommendations by the Task Force on Climate-related Financial Disclosures (TCFD).

The TCFD's core disclosure elements are:

Governance	Managing and monitoring climate change risks and opportunities.
Strategy	Identifying and managing the actual and potential impacts of climate-related risks and opportunities on the organization's activities, strategy, and financial management.
Risk management	A process for assessing, prioritizing, monitoring and tracking sustainability opportunities and risks.
Metrics and targets	Identify targets and indicators to manage relevant climate change risks and opportunities.

While this initial report summarizes the GLPA's initial strategy, it will evolve over time as more data is gathered and lessons are learned, all while remaining aligned with the federal government's green strategy.

Governance

GLPA has a well-established governance framework with the Board of Directors responsible for monitoring and managing risks and opportunities within the organization's Enterprise Risk Management (ERM) system, including those related to climate change.

Climate change risks and opportunities are periodically presented to the Board of Directors, along with objectives, key indicators, and the progress being made. Given the evolving nature of these factors, this work is subject to continuous development and improvement. The Audit Committee has been assigned the responsibility of overseeing the financial disclosure requirements for climate-related risks.

Directors require an understanding of a broad range of issues impacting the marine industry, the administration of pilotage within the Authority's geographic area, and corporate governance to effectively carry out their mandate.

Continuing Directors' education is essential to ensuring the Board's prudent oversight of the Authority, its ability to fulfill its obligations to federal legislation and regulations, as well as its active contribution to improving service. To that end, the Board approved an Education Plan this year and assigned a dedicated budget to support ongoing Member development.

Strategy

The GLPA aspires to be a leader in a complex and environmentally sensitive maritime industry, in which safe and efficient movement of goods is conducted in a manner that protects the marine environment in the Great Lakes and St. Lawrence Seaway region.

The Authority will seek opportunities that support the Government of Canada's goal of its operations producing net-zero greenhouse gas ("GHG") emissions by 2050 and enhancing climate resilience by minimizing the risk to disruption of the Authority's critical assets and services from climate-related impacts.

Net-zero emissions mean reducing GHG emissions from operations to as close to zero as possible and then balancing out any remaining emissions with an equivalent amount of carbon dioxide removal, which could include purchasing carbon offsets.

Climate-related impacts and opportunities for the GLPA are identified through its ERM program and considered as part of its strategic and corporate planning processes. These impacts are assessed in the short, medium and long term and, where it is in a position to do so, the Authority will adjust its plans to mitigate impacts and capitalize on opportunities.

The GLPA's climate risk assessment identified strategies that could be implemented to improve resilience. In particular, the GLPA is reviewing its organization to ensure its financial stability in the context of increasingly severe climatic phenomena leading to longer transit times.

In addition, the Authority plans to step up communications with all stakeholders on how navigation may be affected in the coming years and how the GLPA will adapt accordingly.

Risk management

The GLPA's ERM provides for the maintenance of a corporate risk register, including those related to climate change, and it is reviewed in its entirety twice a year.

The GLPA uses various risk assessment tools to evaluate the likelihood and impact of its risks and it has identified its 10 main risks and 5 main opportunities linked to climate change.

For each, existing controls are identified and monitored to maximize mitigation and, where required and possible, additional controls can be put in place to enhance results.

GLPA Climate Risk

The main risks facing the GLPA have been classified into five broad categories. Some of these risks cannot be mitigated directly, but GLPA is deploying various strategies to deal with them and meet the expectations of its stakeholders.

1. Risks related to the political and legal environment

- Stricter regulations related to climate change, reduction of greenhouse gas emissions and protection of marine ecosystems, impacting maritime navigation; and
- Geopolitical instability that may affect foreign ship inflow.

2. Technological risks

- Governments could mandate taxi companies to adopt hybrid or eco-friendly vehicles which, because the Authority relies on them to transport Pilots to and from assignments, would impact on GLPA costs and the number of options available to transport pilots; and
- Impact on costs related to updating and optimizing the computer tools required by drivers (i.e., portable unit).

3. Market transition risks

- The instability of global trade patterns due to the effects of climate on supply chains which could mean significant cost increases and difficulties in predicting our customers' needs; and
- Impact of changes in consumption patterns affecting the shipping industry.

Risk management
(cont'd)

4. Reputational transition risks

- Growing pressure from stakeholders, including governments, environmental groups and the public, for organizations to demonstrate their commitment to sustainability;
- Reduced customer satisfaction and confidence due to potential service delivery difficulties; and
- Inability to meet government targets such as Net Zero 2050.

5. Environmental risks

- Increased severity of storms;
- Increased severity of hot days;
- Increased frequency of wild fires; and
- Unpredictable water levels.

The impacts of these risks include:

- Increased difficulty or inability for pilots to transfer safely due to extreme weather conditions;
- Increased transit times and vessel delays; and
- Pilot stations might not be resilient to extreme weather conditions resulting in a lack of pilot station availability.

Climate Risk Mitigations

The GLPA strives to minimize or mitigate the impact of climate change risks and various measures to mitigate identified climate risks are currently being developed. These include:

- Taking the potential impact of climate change on the number of assignments is (as far as possible) into account in GLPA's strategic planning;
- Improving pilot training in line with changing weather conditions, and continuing to adapt pilot training (e.g., simulator and competency-based);
- Implementing flexible schedules and passage planning to mitigate weather-related disruptions;
- Working with our stakeholders to ensure that their infrastructure (e.g., pilot stations provided by SLSC) is sufficiently robust to guarantee safety in the event of extreme weather events;
- Strengthening communication with vessels to explain navigation conditions and proposing options in the event of inability to navigate; and
- Looking for opportunities to reduce GLPA's administrative energy consumption (e.g., working from home, renovations, online work meetings, etc.).

Metrics and targets

The GLPA engaged a third party to measure baseline greenhouse gas emissions for 2023. A table is provided on page 87.

The Authority will continue to measure its emissions going forward and will disclose these in future climate-related financial disclosures and, once more data is gathered regarding Scope 1, 2 and 3 emissions and potential actions, it will develop specific interim targets leading up to 2050.

This report and inventory were compiled in compliance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Revised Edition.

a) Baseline: The GLPA measured its first greenhouse gas inventory with Climate Smart for the 2023 calendar year (Jan 01, 2023 to Dec 30, 2023) and recorded Scope 1, 2, and 3 emissions of 130 tonnes of carbon dioxide equivalent (tCO2e). Overall GLPA's largest emissions sources were commuting employee, including pilots.

b) During 2024, the GLPA continued to measure and track its carbon dioxide emission indicators. A total volume of 162 tonnes of carbon dioxide equivalent (tCO2e) was recorded for this year. This represents an increase of 20% compared with 2023. Most of this increase is directly related to pilot transport.

c) During 2024, the GLPA worked to refine its calculations and improve the scope of the data to be analyzed. As a result, certain data included in the 2024 calculations were not necessarily considered in the 2023 base year. The data used for business travel was affected by this, and the discrepancy observed in 2024 concerning this parameter is a good example.

The improvements made to our parameter tracking process will enable the GLPA to increase the quality of its tracking of these parameters and thus be more agile in making the appropriate changes to achieve our long-term objectives.

The GLPA has and will continue to research the impact the Authority can have on Scope 3 emissions related to reduced shipping delays. The results are already encouraging; from 2023 to 2024, the GLPA's operations logistic team achieved an astounding 54% reduction in the delay of piloted ship's transits. This performance is estimated to have contributed 15% reduction in CO2 emission for the Great Lakes – St. Lawrence Fleet in our GLPA jurisdiction footprint.

The following sections present the breakdown of GLPA's emissions for their 2024 calendar year by scope. Each finding has been compared with the 2023 Baseline result.

Scope 1: Direct emissions generated from activities owned or controlled by the GLPA

Activity Type	Baseline (2023)		Current Year (2024)		Current vs Prior	
	(tCO2e)	% of emissions	(tCO2e)	% of emissions	(tCO2e)	% of emissions
Heat estimated GJ consumption at GLPA Head Office, St. Catherine Modular office, Lock Modular Office, St. Lambert, Dispatcher Office	15.94	12.3%	15.64	9.6%	-0.3	-2.7%
Energy consumption for GLPA Trailer	Heat 1.69 AC 3.32	3.9%	Heat 1.69 AC 3.32	3%	No change	-0.9%
Total	**20.95**	**16.2%**	**20.65**	**12.6%**	**-0.3**	**-3.6%**

Scope 2: Indirect emissions generated from consumption of purchased electricity, heat, or steam

Activity Type	Baseline (2023)		Current Year (2024)		Current vs Prior	
	(tCO2e)	% of emissions	(tCO2e)	% of emissions	(tCO2e)	% of emissions
Electricity: Actual electricity consumption of GLPA Head Office, St. Catherine Modular office, Lock Modular Office, St. Lambert, Dispatcher Office	GLPA office 2.59 Modular offices 0.56	2.4%	GLPA office 2.62 Modular offices 0.56	1.9%	0.03	-0.5
Total	**3.15**	**2.4%**	**3.18**	**1.9%**	**0.03**	**-0.5%**

Scope 3: Other indirect emissions from upstream and downstream activities that the GLPA contributes to but does not control

Activity Type	Baseline (2023)		Current Year (2024)		Current vs Prior	
	(tCO2e)	% of emissions	(tCO2e)	% of emissions	(tCO2e)	% of emissions
Accommodations	3.96	3.1%	7.69	4.7%	3.73	1.6%
Employee commuting to work	58.61	45.1%	56.28	34.7%	-2.33	-10.4%
Business travel (including pilots)	13.93	10.7%	50.59	31.2%	36.66	20.5%
Pilot Boats	11.38	8.8%	12.83	7.9%	1.45	-0.9%
Other	18.00	13.7%	11.12	7.0%	-6.88	-6.7%
Total	**105.88**	**81.4%**	**138.51**	**85.5%**	**32.63**	**4.1%**


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