Great Lakes Pilotage Authority
Administration de pilotage des Grands Lacs

2025 Second Quarter

Financial Report

For the period ended June 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) outlines the Great Lakes Pilotage Authority (GLPA) financial results and operational changes for the quarter ended June 30,2025. This discussion should be read with the unaudited interim financial statements for the period, which have been prepared in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations and Internal Accounting Standard 34 – *Interim Financial Reporting* (IAS 34). We also recommend reading this information in conjunction with the GLPA's annual financial statements and annual report for the year ended December 31, 2024.

GLPA management is responsible for the information presented in the MD&A and unaudited interim financial statements. All references to "our" or "we" are references to the management of the GLPA. The Board of Directors, on the recommendation of its Audit Committee, approved the content of this MD&A and the unaudited interim financial statements. The financial results discussed in the MD&A are rounded to the nearest thousand.

MATERIALITY

In assessing the information to be provided in the MD&A, management applies the materiality principle as guidance for disclosure. That is, management considers the information to be material if it is considered probable that omission or misstatement would influence decisions that users make based on financial information.

FORWARD-LOOKING STATEMENTS

The MD&A and unaudited interim financial statements contain forward-looking statements that reflect management's expectations regarding the GLPA's objectives, plans, strategies, future growth, results of operations, performance, and business prospects and opportunities. Forward-looking statements are typically identified by words or phrases such as "plans," "anticipates," "expects," "believes," "estimates," "intends," and similar. These forward-looking statements are not facts but estimates of future results. These are based on factors or assumptions regarding expected growth, results of operations, performance, business prospects and opportunities. While management considers the assumptions to be reasonable based on available information, these may prove to be incorrect. The estimates of future results are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the GLPA expects.

DESCRIPTION OF THE OPERATIONS AND OBJECTIVES

Under the Pilotage Act, the GLPA is mandated to ensure safety by operating a marine pilotage service in all Canadian waters within the provinces of Ontario, Manitoba, and Quebec, south of the northern entrance to the St. Lambert Lock. Vessels entering this region must engage in compulsory pilotage by GLPA employed pilots. Furthermore, the GLPA oversees a pilotage certification program, that includes about ~237 certificate holders. This program ensures that Canadian vessels required to undergo compulsory pilotage are under the guidance of a valid certificate holder, especially when pilot services are not requested, in accordance with the *General Pilotage Regulations*.

The GLPA must coordinate its efforts and operations with those of many other organizations, such as; The St. Lawrence Seaway Management Corporation (SLSMC), Laurentian Pilotage Authority (LPA), the Great Lakes St. Lawrence Seaway Development Corporation (GLS), and the Canadian Coast Guard traffic controls systems within the region. The GLPA coordinates with the US Coast Guard Pilotage directorate, pilotage regulations matters in international waters of the Great Lakes.

The GLPA is responsible for providing pilotage services with a commercial framework aimed at achieving and maintaining financial self-sufficiency. Additionally, it must align with the government's ESG policies.

SIGNIFICANT CHANGES AND BUSINESS DEVELOPMENTS

The GLPA continues to closely monitor the evolving impact of the US tariffs on its financial performance and maritime transportation in the Great Lakes region. The imposition of elevated tariffs on Canadian goods by the United States has introduced volatility in trade volumes, contributing to uncertainty in pilotage demand and revenue forecasts. The collective agreement with the PSAC group expired in June 2024 and negotiation for a renewed agreement commenced in the second quarter of 2025.

The GLPA incorporates a range of strategic and operational key performance indicators as vital components of its decision-making framework. The subsequent evaluation provides an overview of the GLPA's cumulative performance for the first 6 months of 2025, offering a comparative analysis versus established targets and the corresponding performance in 2024.

STRATEGIC PERFORMANCE INDICATORS	Q2 YTD-2025	Target	Vs Target	Q2 YTD -2024	Vs 2024
1 - NAVIGATIONAL SAFETY					
Number of major marine incidents	**0**	0	Target Met	0	Target Met
Number of minor marine incidents	**5**	0	Target Not Met	0	Target Not Met
% of incident-free assignments	**99.9%**	99.9%	Target Met	100.0%	Target Not Met
2 - PILOTAGE RELIABILITY					
Number of vessel delays due to shortage of pilots (hours)	**1,849**	4,000	Target Met	139	Target Not Met
3 - FINANCIAL SELF-SUFFICIENCY					
Net income (in millions)	**$0.3**	($0.1)	Target Met	$0.0	Target Met
OPERATIONAL PERFORMANCE INDICATORS	**Q2 YTD-2025**	**Target**	**Vs Target**	**Q2 YTD -2024**	**Vs 2024**
4 - PILOTAGE ASSIGNMENTS					
Navigational season	**3,717**	2,961	Target Met	2,961	Target Met
Winter work	**133**	104	Target Met	104	Target Met
5 - FINANCIAL SELF-SUFFICIENCY					
Cost per assignment	**$5,547**	$5,717	Target Met	$5,480	Target Not Met

Target Met Target Not Met

TRAFFIC

From the beginning of the navigation season through the end of the second quarter, the Great Lakes Pilotage Authority recorded a significant increase in marine traffic, completing a total of 3,717 compulsory pilotage assignments—an increase of 26% compared to the same period in 2024.

This growth was largely driven by a 45% rise in bulk carriers, which increased from 1,200 to 1,738 assignments, and a 34% increase in passenger ships, rising from 128 to 171 assignments. These results reflect positively on the Authority's service demand and operational capacity, contributing to improved financial performance and reinforcing its strategic role in ensuring safe and efficient navigation.

PILOTAGE RELIABILITY

Proactive Recruitment, training and retention of apprentice pilots

As part of its enterprise risk management strategy, the GLPA continues to identify pilot succession planning as a critical priority, with approximately 20 pilots expected to retire over the next five years. To mitigate the operational risks associated with these anticipated retirements, the GLPA is proactively accelerating its recruitment and training efforts.

The Apprentice Pilot Training Program remains a key component of this strategy. In 2025, three (3) Apprentice Pilots have already been hired, and six (6) are expected to be licensed by year-end. These efforts reflect the GLPA's commitment to maintaining pilotage reliability and ensuring a seamless transition of expertise. Additional recruitment initiatives will continue throughout 2025 to further strengthen the pilot workforce pipeline.

FINANCIAL SELF-SUFFICIENCY

For the six-month period ended June 30, 2025, the GLPA reported total revenues of $21.5 million, representing an increase of $4.7 million, or approximately 28%, compared to the same period in 2024. This notable growth was primarily driven by a substantial increase in pilotage activity, with 3,717 assignments completed in the first half of 2025, up 26% from 2,961 assignments recorded during the same period in 2024. In addition, a 4.0% tariff increase, implemented as part of the *Authority*'s annual pilotage charges review, further contributed to the overall revenue growth.

Operating and administrative expenses rose by $4.4 million over the same period. This increase is consistent with the rise in revenue and operational activity and is mainly attributable to pilot overtime expenses and provisions for pilot productivity payouts. These expenditures were necessary to support the increased workload and ensure the continued delivery of high-quality service.

The Authority recorded a year-to-date surplus of $253 thousand, reflecting prudent financial management and the scalability of its operations.

The following table illustrates the GLPA's performance for the second quarter of 2025 compared to the same period in 2024.

(in thousands of Canadian dollars) Six months ended June 30	2025 Actual	2024 Actual	Variance	2025 Budget	Variance
Revenue	$ 21,533	$ 16,834	$ 4,699	17,382	$ 4,151
Operating costs	19,609	15,041	4,568	15,512	4,098
Administrative costs	1,671	1,754	(83)	1,959	(288)
Surplus (loss)	$ 253	$ 39	$ 214	$ (88)	$ 341
Other comprehensive income (loss)	-	-	-	-	-
Comprehensive profit (loss)	**$ 253**	**$ 39**	**$ 214**	**$ (88)**	**$ 341**

Cash flow

The GLPA posted a cash balance of $3.5million and no short-term investments at the end of the second quarter of 2025. This compares to a $5.5 million cash balance and no short-term investments for the same period of 2024. To support its operations, the GLPA made modest use of its $5.0 million line of credit, demonstrating prudent liquidity management and preserving financial flexibility to respond to evolving operational requirements.

GOVERNANCE AND ACCOUNTABILITY

Board of Directors

As of June 30, 2025, the Board of Directors consisted of the chair of the Board of Directors and 5 directors appointed by the Governor in Council. The Board is responsible for overseeing the strategic direction and management of the GLPA and reports on the organization's operations to Parliament through the Minister of Transport. The board is evenly balanced in terms of gender. 1 director's seat remains vacant, pending nomination by Transport Canada.

Board meetings

During the second quarter of 2025, 2 Board meetings and 1 committee meeting was held. The attendance rate of Board members at these meetings was 92%. Cumulative fees paid to Board members during the second quarter of 2025 totalled $15,250 (YTD-$28,500) compared to $22,500 (YTD-$36,250) for the same period in 2024).

INTERNAL CONTROLS AND PROCEDURES

During the second quarter of 2025, there were no changes in the internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, GLPA's internal controls.

RISKS AND RISK MANAGEMENT

GLPA's management considers risks and opportunities at all levels of decision-making and has implemented an enterprise risk management approach. The 2024 annual report provides a description of these risks.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Contractual obligations and commitments were explained in Note 17 – *Commitments* of the 2024 Audited Financial Statements. There were no material changes to the contractual obligations and commitments during the second quarter of 2025.

RELATED PARTY TRANSACTIONS

The GLPA conducts a variety of transactions with related parties in the normal course of business. These transactions are not materially different from what was reported in Note 16 – *Related Party Transactions* of the 2024 Audited Financial Statements.

SUBSEQUENT EVENTS

In management's opinion, there are no material subsequent events following the end of the second quarter that have not been reflected in the financial statements for the quarter.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Critical accounting estimates and judgments are described in Note 5 – *Critical accounting estimates and judgments* of the unaudited interim second-quarter financial statements ended June 30, 2025. Management's opinion is that there are no changes to the underlying estimates used to prepare the second-quarter financial statements that would have a significant impact on the first-quarter results.

APPROPRIATIONS

Since 1998, the GLPA has been prohibited from receiving parliamentary appropriations, per section 36.01 of the *Pilotage Act*. The GLPA adheres to the principle of financial self-sufficiency and regularly endorses a strategy that ensures this strategic goal remains among its highest priorities.

UNAUDITED FINANCIAL STATEMENTS

Quarterly Results

Three months to June 30, 2025

GREAT LAKES PILOTAGE AUTHORITY

202 Pitt Street, 2nd floor
Cornwall, Ontario K6H 5R9

Statement of Management Responsibility:

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown corporations and for such internal controls as management determines are necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on my knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of the operations, and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.

Jean Aubry-Morin
President and Chief Executive Officer

Nick Csirinyi CPA CGA
Chief Financial Officer

Cornwall, Ontario
August 21, 2025

GREAT LAKES PILOTAGE AUTHORITY

Statement of Financial Position
(in thousands)

Unaudited

	June 30, 2025	December 31, 2024
ASSETS		
Current		
Cash and cash equivalents	$ 3,507	$ 8,250
Trade and other receivables	4,518	7,629
Prepaids	87	291
	8,113	16,170
Non-current		
Property and equipment	$ 569	$ 628
Intangible assets	29	24
Right-of-use assets	135	172
	$ 8,845	$ 16,994
LIABILITIES		
Current		
Accrued salaries and benefits	$ 5,305	$ 13,212
Other accounts payable and accrued charges	1,992	2,250
Employee benefits	(0)	264
Lease liability	86	82
	7,383	15,808
Non-current		
Employee benefits	1,994	1,929
Lease liability	52	94
	9,429	17,831
EQUITY		
Accumulated Surplus (Deficit)	(584)	(837)
	$ 8,845	$ 16,994

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

GREAT LAKES PILOTAGE AUTHORITY

Statement of Operations and Comprehensive Income
(in thousands)

Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	**2024**	**2025**	**2024**
REVENUES				
Pilotage charges	18,438	14,058	21,444	16,486
Interest and other income	6	82	89	348
	18,443	14,139	21,533	16,834
EXPENSES				
Pilots' salaries and benefits	11,986	8,503	14,278	10,468
Operations and Administration staff salaries and benefits	1,276	1,186	2,066	1,949
Transportation and travel	1,510	1,361	1,846	1,651
Pilot boat services	1,344	996	1,498	1,073
Utilities, materials and supplies	149	80	336	174
Pilot training and recruiting costs	4	5	266	193
Pilotage Act administration fees	111	74	258	119
Professional and special services	94	271	212	540
Amortization and depreciation	86	70	171	148
Pilot transfer services	108	112	116	115
Portable pilotage units and navigation software	60	58	91	72
Communications	45	41	84	82
Interest and bank charges	11	32	17	66
Repairs and maintenance	18	42	17	68
Purchased dispatching services	-	19	11	27
Rentals	5	31	10	51
Interest on lease liability	2	-	4	-
	16,808	12,881	21,280	16,796
Surplus (Loss) for period	$ 1,635	$ 1,258	$ 253	$ 39
Other Comprehensive Income				
Items that will not be reclassified to net results				
Actuarial gain (loss) on employee benefits	-	-	-	-
Comprehensive Surplus (Loss) for the period	$ 1,635	$ 1,258	$ 253	$ 39

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

GREAT LAKES PILOTAGE AUTHORITY

Statement of Changes in Equity
(in thousands)

Unaudited

	Three months ended June 30,				Six months ended June 30			
	2025		2024		2025		2024	
Accumulated surplus, beginning of period	$	(2,219)	$	(1,126)	$	(837)	$	94
Surplus (Loss) for the period		1,635		1,259		253		39
Accumulated surplus (loss), end of period	$	(584)	$	133	$	(584)	$	133

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

GREAT LAKES PILOTAGE AUTHORITY

Statement of Cash Flows

(in thousands)

Unaudited

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
OPERATING ACTIVITIES				
Surplus (Loss) for period	$ 1,635	$ 1,259	$ 253	$ 39
Adjustments to determine net cash (used in) provided by operating activities:				
Employee benefits	25	16	(199)	31
Amortization and depreciation	86	70	171	148
Changes in non-cash working capital items:				
Decrease (increase) in receivables	(2,779)	(3,391)	3,110	2,274
Decrease (increase) in prepaids	(49)	(78)	204	(65)
Increase (decrease) in accrued salaries and benefits	3,347	2,145	(7,907)	(13,526)
Increase (decrease) in other accounts payable and accrued charges	785	250	(259)	(467)
Net cash used in operating activities	3,050	271	(4,626)	(11,566)
INVESTING ACTIVITIES				
Acquisition of property and equipment and intangible assets	(60)	(25)	(80)	(33)
Net cash used in investing activities	(60)	(25)	(80)	(33)
FINANCING ACTIVITIES				
Payment of the lease liability	(21)	- $	(37)	(7)
Net cash used in financing activities	(21)	- $	(37)	(7)
CASH AND CASH EQUIVALENTS				
Net Increase (Decrease) in cash during the period	2,969	246	(4,743)	(11,606)
Balance, beginning of period	539	5,264	8,250	17,116
Balance, end of period	$ 3,507	$ 5,509	$ 3,507	$ 5,509
Represented by:				
Cash	$ 3,507	$ 5,509	$ 3,507	$ 5,509

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

GREAT LAKES PILOTAGE AUTHORITY

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. The Great Lakes Pilotage Authority and its 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 a safe and 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.

Regulation of tariff of pilotage charges

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 accounting policies 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 significant accounting policies are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents comprise of 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 of June 30, 2025 (2024– 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 asset

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 liabilities

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	The 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) Pension benefits

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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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 within the next year.

Employee benefits

The Authority engaged an external actuary to evaluate its post-employment 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

Management has made a significant accounting judgment in the preparation of these financial statements, see note 6.

6. 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.