



Great Lakes Pilotage  
Authority

Administration de pilotage  
des Grands Lacs

Canada

# 2025

ANNUAL REPORT



# 2025 ANNUAL REPORT CONTENTS



01 Our Mission,  
Vision, Values

02 Message from  
the Chairperson  
and the CEO

03 About the GLPA

04 2025 Highlights

05 2025 At a Glance

06 Looking Ahead

07 2025 Strategic Progress

08 Review of Operations



09 Financial Results

13 Financial  
Statements

10 Governance

14 Appendix A

11 Management  
Discussion & Analysis

12 Financial Highlights



**OUR MISSION,  
VISION, VALUES**

# Our Mission, Vision, Values

## Mission

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

## Vision

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

## Values

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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 and inclusive and creates opportunities for the professional growth of our people.

### Care for the environment

We are an organization that values the environment and strives to be environmentally responsible.



## A Sustainable Future

The GLPA team recognizes the importance of aligning our efforts with the United Nations Sustainable Development Goals (UNSDGs) to support a more sustainable and responsible future.

Adopted by Canada, along with all United Nations Member States in 2015, the UNSDGs provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. The 17 Sustainable Development Goals serve as an urgent call for global, collaborative action from all.

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.





**MESSAGE  
FROM  
THE CHAIRPERSON  
AND THE PRESIDENT  
AND CEO**

# Message from the Chairperson and the President 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 December 31, 2025.



**Julie Mills**  
Acting Chair



**Jean Aubry-Morin**  
President and  
Chief Executive Officer

The Great Lakes-St. Lawrence Seaway System experienced another year of extraordinary volatility, directly shaped by intense domestic and international trade pressures, broader geo-political and economic shifts, and ongoing environmental challenges. Throughout it all, the GLPA team, led by our experienced staff and proficient marine pilots, skillfully guided vessels through every unpredictable turn, maintaining essential operations and trade flows.

A slow build-up of transit volume during the early part of the shipping season, caused by a longer than usual period to deploy navigation buoys, was immediately followed by a surge in market demand. From the opening of the season on March 22, 2025, through June, demand was 28% higher than the typical five-year average. This dual challenge placed significant pressure on pilotage services across all segments of the Great Lakes-St. Lawrence Seaway System, stretching capacity to its limits.

The GLPA demonstrated remarkable agility and responsiveness throughout the year. In the first half, our team managed an unprecedented increase in pilotage assignments directly caused by increased cargo transportation, as companies accelerated shipments in anticipation of new trade tariffs.

In the latter half of the year, challenging weather conditions culminated in an exceptionally difficult end to the navigation season. It was during these final,

extended weeks of the season that the resilience and dedication of the GLPA's marine contingent truly shone. Severe ice conditions forced an unforeseen eight-day extension in service, placing significant pressure on the GLPA. Through this prolonged period, marine pilots expertly guided ocean-going and domestic fleets in convoys through ice-constrained infrastructure, meticulously navigating locks and canals with the critical support of the Canadian Coast Guard's icebreaking fleet.

This season saw the GLPA meet operational demands without disruption while maintaining a strong safety culture, including a 99.9% incident free assignment rate of pilotage services provided. The creation of safety sensitive environments remains the objective of the GLPA in delivering safe and secure pilotage services. The Lost Time Injury Rate (LTIR) and Total Injury Rate (TIR) for the period were both 0.0, reflecting the organization's strong marine-safety record. This outcome was supported by ongoing oversight, including 29 safety inspections conducted during the year and the identification and mitigation of six hazards. In total, 9,682 pilotage assignments (excluding winter work) were completed, representing a slight increase compared to 2024. Pilotage delays were also reduced to fewer than 4,000 hours, remaining within the Authority's target range.

We wish to thank the pilots and all members of the supporting marine contingent as well as GLPA staff for their commitment and professionalism. Individually and collectively, they assured the continued delivery of essential services and the safe transit of vessels throughout the Great Lakes System.

We also wish to express our sincere gratitude to Captain James Pound, who concluded his service as Chair of the GLPA Board of Directors on December 8, 2025. During his tenure, Captain Pound fulfilled multiple roles, including serving as Interim CEO. Mrs. Julie Mills, who joined the GLPA Board of Directors in June 2018, now serves as Acting Chair pending a permanent appointment.

The 2025 navigation season marked the organization's first full year under the leadership of the GLPA's new President & Chief Executive Officer, Jean Aubry-Morin. During this pivotal period, the organization maintained an exemplary safety record in the delivery of pilotage services and strengthened its operational resiliency. Through the collaborative efforts of Mr. Aubry-Morin and Chief Financial Officer Nick Csirinyi, who joined the team in early January, the GLPA actively navigated a period of transition throughout 2025, maintaining an unwavering focus on its core mandate and long-term priorities.

The organization meticulously strengthened its foundation for continued modernization by implementing disciplined financial management and workforce stability, and by making targeted investments in technology and cybersecurity. Furthermore, to support Canadian trade diversification efforts and to align with Government of Canada initiatives, the GLPA adopted a Buy Canadian policy.

In September 2025, GLPA leadership also successfully negotiated a new three-year Collective Agreement with the Public Service Alliance of Canada (representing office staff and dispatchers). With this, and existing pilot agreements, the GLPA anticipates a period of labour stability and predictability, which is crucial for long-term strategic execution.

Recognizing technology as a key enabler of effectiveness and service delivery, we advanced IT modernization initiatives to improve business

intelligence, data quality and decision-making, while further strengthening our cybersecurity posture to better detect and prevent threats. These efforts are essential as ongoing changes to international trade patterns are expected to continue, requiring the GLPA's continuous adaptability to fluctuating marine traffic demand within our areas of responsibility.

This strategic preparedness also accounts for future developments such as the Port of Churchill, Manitoba, which the Government of Canada intends to develop into a major four-season gateway for diversified trade.

The GLPA closed the year on a strong financial footing, with the accumulated deficit reduced with a continued focus on establishing a financial reserve in the future. This reserve is important for addressing future challenges and ensuring the long-term stability of our services. We extend our sincere thanks to the GLPA team, our customers and stakeholders for their steadfast commitment and invaluable support to successfully operate within a constantly evolving and demanding business environment.



**ABOUT  
THE GREAT LAKES  
PILOTAGE  
AUTHORITY**

03

## Our Mandate and the Marine Industry

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The Great Lakes Pilotage Authority (GLPA) was established in February 1972, pursuant to the *Pilotage Act* and incorporated as a limited company in May 1972. It became a Crown corporation on October 1, 1998.

As a Crown corporation established under the *Pilotage Act* and operating without parliamentary appropriations, we are mandated to deliver services on the basis of financial self-sufficiency. To achieve this, the *Pilotage Act* stipulates that pilotage charges must be fair and reasonable. These charges, combined with other revenues, enable the GLPA to operate on a self-sustaining financial basis, which includes having reasonable reserves for future contingencies.

In conjunction with Transport 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. This program is instrumental in fulfilling the GLPA's core mandate: promoting the safety of the public, marine personnel, property and the environment.

Maritime shipping in the Great Lakes-St. Lawrence Seaway System is vital to Canada's prosperity as an essential link to domestic and international markets. Farmers, steel producers, construction companies, manufacturers, power generators, food and agricultural businesses, and Canadian households all depend on the raw materials and finished goods that are delivered by ships to and from the Great Lakes and St. Lawrence River region. The importance of these marine transportation corridors will only continue to grow as Canada develops new trading relationships and further diversifies its export markets.

Beyond its primary role in facilitating trade, the Great Lakes Marine Corridor also enables significant contributions to local economies. The burgeoning passenger cruise industry, for instance, generates tourism opportunities and employment for surrounding communities.

Pilotage services in compulsory areas are fundamental to achieving the Government of Canada's economic and environmental goals. Safe and reliable pilotage services ensure the movement of goods and people, as well as yielding economic benefits to Canada and the industries and communities dependent on these transports that create jobs, increase economic opportunities and expand markets for Canadian companies and workers. These 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, maritime infrastructure and local economies, and by supporting a vibrant tourism industry.

# About the Great Lakes Pilotage Authority

## Safe Pilotage: Our Primary Focus

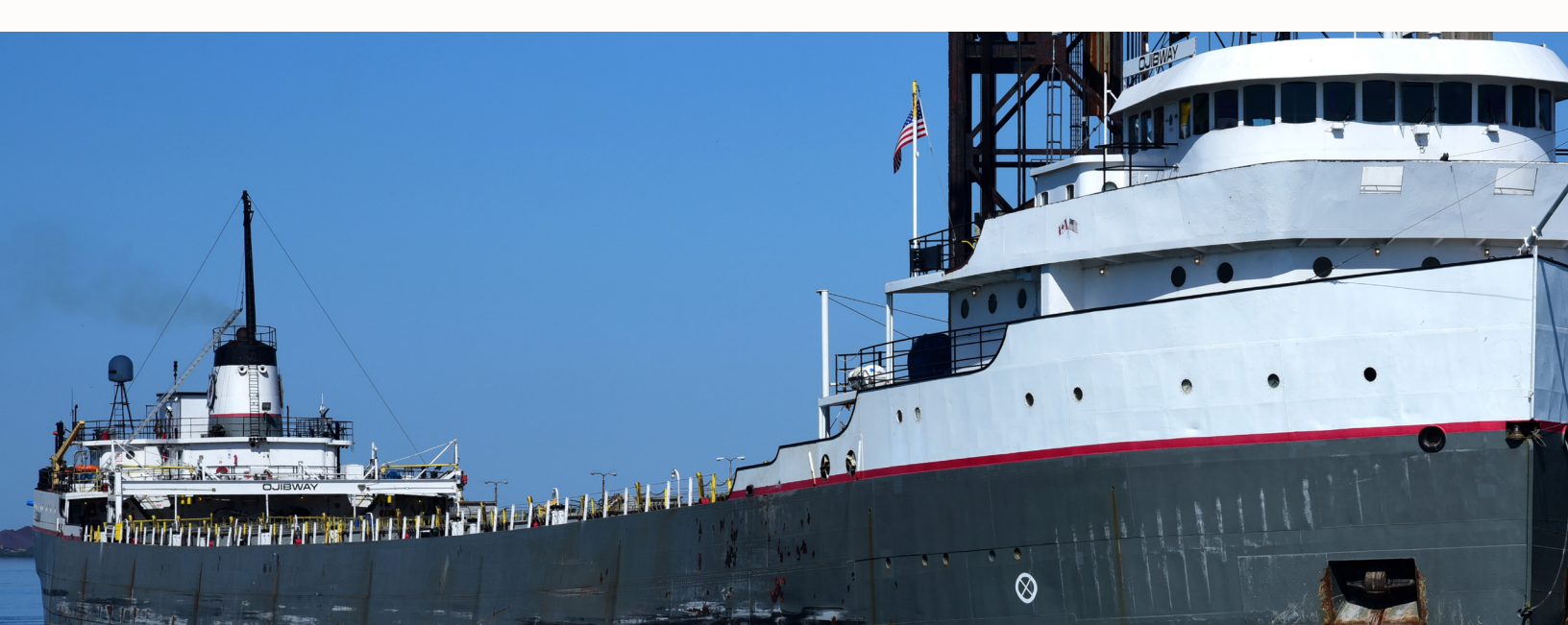
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Safety is our top priority. We aim to lead in safeguarding navigation, marine personnel, infrastructures, the environment and the public. Collaborating with our partners, we ensure safe passage to all vessels navigating through the Great Lakes – St. Lawrence River System, including its lakes, locks and narrow channels.

### Pilotage training and certification

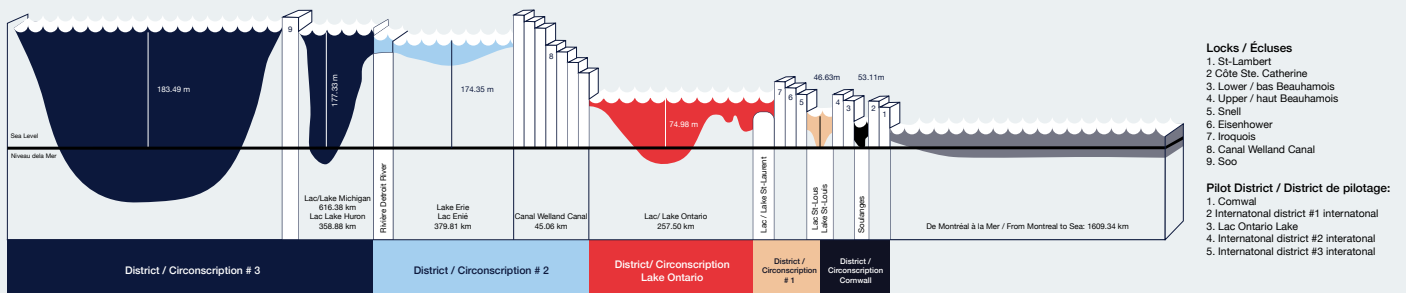
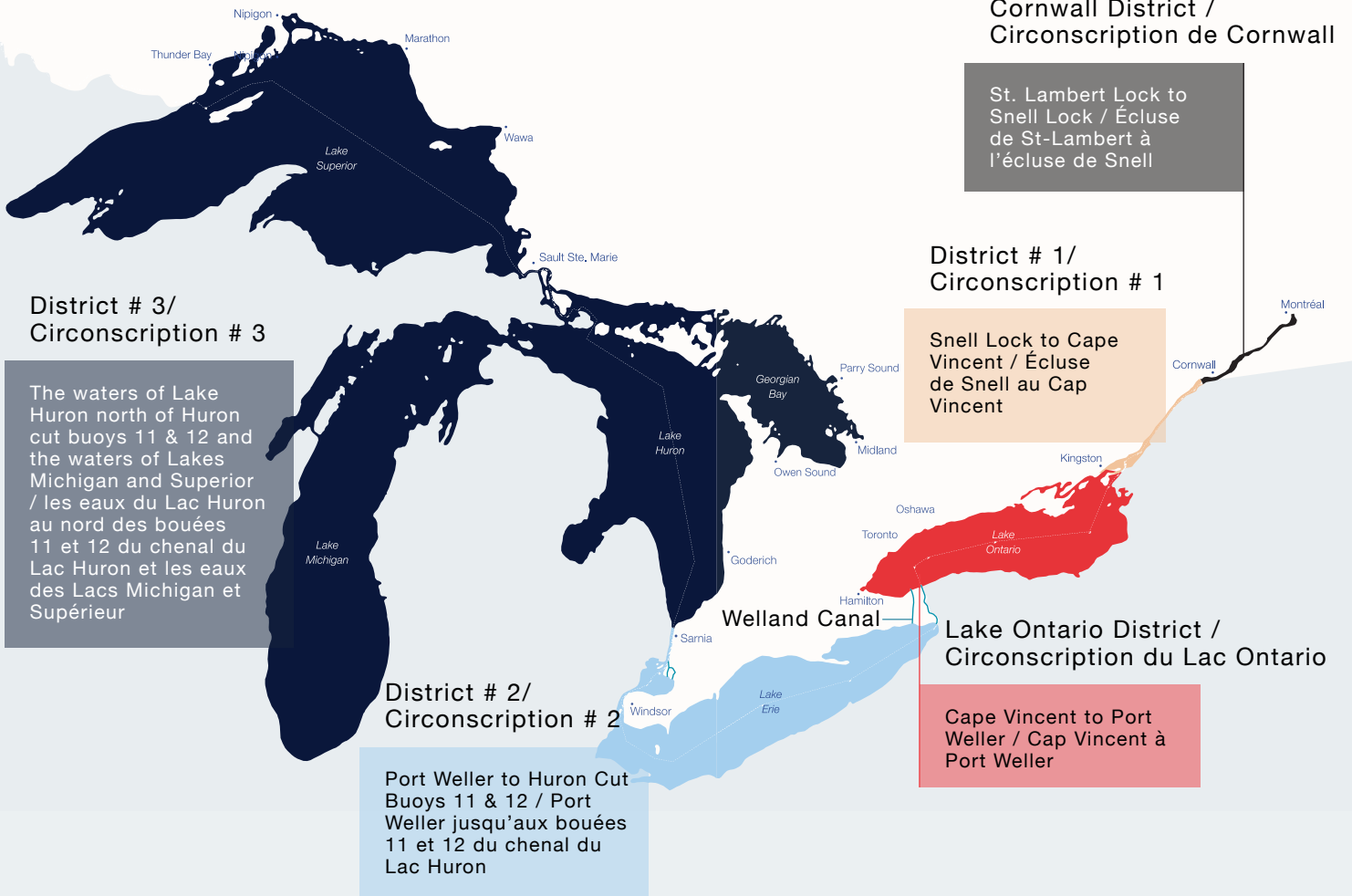
The GLPA administers and monitors a marine pilotage certification and training program designed to ensure Canadian masters and officers comply with the requirements set out in the General Pilotage Regulations. This program requires all pilots to be thoroughly trained and certified to ensure the safe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

In accordance with the *Pilotage Act*, Transport Canada is responsible for the issuance, suspension, and cancellation of pilot licences and pilotage certificates. The GLPA works closely with Transport Canada and our stakeholders to administer all relevant pilot documentation in support of certification management.



## 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:



Pilotage services on the Great Lakes are jointly provided by the United States and Canada. The GLPA cooperates and coordinates with other organizations<sup>1</sup> to ensure safe, reliable, and efficient pilotage services are provided to all customers.

<sup>1</sup>These organizations include the Laurentian Pilotage Authority, the Great Lakes St. Lawrence Seaway Development Corporation, the St. Lawrence Seaway Management Corporation, the Canadian Coast Guard and the United States Coast Guard.



# 2025 HIGHLIGHTS

04



# 2025 Highlights

As a non-agent and non-appropriation Federal Crown corporation, the GLPA is responsible for providing safe, efficient and reliable pilotage services in the Great Lakes and St. Lawrence Seaway's bi-national marine corridor.

In 2025, the GLPA completed more than 9,682 pilotage assignments and achieved a 99.9% incident-free assignment rate.

9,682

**Assignments**  
Up 3% from 2024

297

**Navigation days**

\$55.2

**Million in total revenues**

73

**Full-time equivalent pilots**  
Up 4.3% from 2024  
(70 FTE in 2024)

4

**Apprentice pilots hired**  
Up 4.3% from 2024  
(70 FTE in 2024)

73

**Pilotage certificates processed**  
Up 14% from 2024  
(64 certificates processed in 2024)

99.9%

**Incident-free assignments**  
0 major/11 minor incidents  
0 major/11 minor incidents

3,580

**Pilotage delays (hours)**  
Up 15% from 2024



**2025  
AT A GLANCE**

05

# 2025 At a Glance

## Key financial indicators (in millions of Canadian dollars)

	2025	2024	2023	2022	2021
Total Revenues	<b>55.2</b>	<b>50.9</b>	<b>45.3</b>	<b>46.0</b>	<b>45.0</b>
Total Expenses	<b>54.6</b>	<b>51.8</b>	<b>52.4</b>	<b>43.8</b>	<b>37.1</b>
Net Surplus (deficit)	<b>0.6</b>	<b>(0.9)</b>	<b>(7.1)</b>	<b>2.2</b>	<b>7.9</b>
Net Cash Flow	<b>(0.9)</b>	<b>(8.9)</b>	<b>(2.0)</b>	<b>1.8</b>	<b>3.0</b>

## Key operating statistics

	2025	2024	2023	2022	2021
Assignments -Navigation Season	<b>9,682</b>	<b>9,409</b>	<b>8,823</b>	<b>9,315</b>	<b>8,179</b>
Assignments -Winter work	<b>133</b>	<b>104</b>	<b>102</b>	<b>73</b>	<b>113</b>
Total Assignments	<b>9,815</b>	<b>9,513</b>	<b>8,925</b>	<b>9,388</b>	<b>8,292</b>
% of incident-free total assignments	<b>99.9%</b>	<b>99.9%</b>	<b>99.9%</b>	<b>99.9%</b>	<b>99.9%</b>
Cost per assignment Including winter work	<b>5,571</b>	<b>5,440</b>	<b>5,881</b>	<b>4,662</b>	<b>4,477</b>
Number of vessel delay hours due to a shortage of pilots	<b>3,580</b>	<b>3,116</b>	<b>3,702</b>	<b>3,802</b>	<b>3,924</b>
Number of audited Canadian vessel transits	<b>1,390</b>	<b>1,492</b>	<b>1,768</b>	<b>1,467</b>	<b>1,544</b>

**Full-time equivalent  
employees during the year**

	2025	2024	2023	2022	2021
Pilots	73	70	69	67	64
Apprentice-pilots	3	7	6	4	7
Dispatchers	10	10	10	10	10
Administrative staff	19	19	16	15	15
Total	105	106	101	96	96

At  
a Glance

2025



LOOKING  
AHEAD

06

# Looking Ahead

In 2025, the GLPA successfully laid a strong foundation for continued modernization and future growth. This achievement was made possible by the dedicated work of our staff and pilots - all while maintaining our strong marine-safety record. Our forward-looking strategy remains anchored in our people, building robust systems, and long-term sustainability.

“

After over

30 years,

the GLPA is relocating corporate operations to a new facility in Cornwall, Ontario. This move offers many benefits, including favourable lease terms, enhanced onsite amenities, and a more functional, well designed and ergonomic work environment to support employee well-being and retention. The new location at 1950 Montreal Road, Cornwall, Ontario, will also provide significant advantages, including modern infrastructure, enhanced operational resilience to support continuity, and 24/7 security to support ongoing operations.

Our continuous improvement strategy for the 2026 navigation season includes ongoing investments in new technologies to support operational resilience and efficiency.

This includes the timely replacement of portable pilotage units that are reaching the end of their service life. In addition, we will implement significant upgrades to our core pilot management, dispatch and billing software, targeting a go-live date of June 2026. This will enhance user experience, reduce IT maintenance requirements, strengthen cybersecurity, improve data sharing and business intelligence reporting, and deliver greater scalability. Through these investments, the GLPA remains committed to working collaboratively with customers and stakeholders to implement solutions that optimize pilotage services and enhance service delivery.





# 2025 STRATEGIC PROGRESS

07



# Strategic Progress

The GLPA has established four (4) principal strategic objectives for the current five-year planning period (2026-2030). The strategic plan outlines these objectives and the corresponding activities that will guide the organization during this period.

## Be an employer and partner of choice

The GLPA is focused on creating a people- and customer-focused organization. It strives for an engaged workforce and a positive organizational culture, in part through more regular and deliberate office staff and pilot communications offering a more customer-centric pilotage service. The GLPA will also build capacity to ensure talent and succession planning is in place, providing continued business resilience and knowledge transfer supported by a robust training program.

In 2025, we held a Pilots' Presidents' Meeting with all districts within our waters of jurisdiction and covered multiple issues that concern our pilots, addressing them in their entirety in a timely manner, consistent with the objectives of the annual forum. Regular gatherings with our headquarters employees were also held to share updates and celebrate significant milestones, specifically the retirement of long-serving employees, as we moved to a new venue after 30 years at the Pitt Street facilities.

## Deliver safe, reliable and innovative service

The GLPA will continue to work with stakeholders to minimize service disruptions while maintaining a strong marine-safety record. It aims to achieve fewer than 4,000 pilotage delay hours per season, recruit and train an appropriate number of apprentice pilots, and continue to improve the pilot training curriculum, preserving skills and competencies. It will develop pilotage charge strategies that will generate sufficient revenues to create sustainable annual surpluses to support, among other things, investments in technologies to advance the GLPA's capability in support of its strategic and corporate plan. The GLPA also aims to strengthen the organization's cybersecurity posture and enhance disaster recovery capabilities.

Among other initiatives in 2025, our strong commitment to marine safety was supported through further extensive simulator training in Québec City for our pilots and apprentice-pilots, totaling in excess of 800 hours. Training included Bridge Resource Management, Radar Technology, Emergency Manoeuvres, Azipod Propulsion, Advanced Ship Handling, and other key competencies.

The GLPA maintained its cohort capacity to achieve minimal delay hours per navigation season and continued to recruit and train an appropriate number of apprentice pilots with the highest level of skills and competencies.

Finally, an important upgrade was made to the cyber environment of the Operations Centre to modernize the technology platform and enhance connectivity with other Authority Enterprise Resource Planning (ERP) systems. This upgrade supports the resilience and capability of the GLPA in addressing challenges introduced by climate change, as witnessed during the winter conditions at the close of the 2025 navigation season.

## Create value for stakeholders

The GLPA is focused on creating organizational and stakeholder value through effective, efficient and responsive operations. It will improve IT integration and data sharing between stakeholders to improve efficiency and transparency and develop a communication and outreach strategy to strengthen public and stakeholder awareness. Our government relations focus on providing relevant ministries and governmental offices with GLPA operational and business expertise to support the development of a robust and enabling *Pilotage Act* framework and a regulatory environment capable of supporting future opportunities.

## Deepen industry relations and engagement

The GLPA is committed to deepening and sustaining relationships with customers to strengthen both our service excellence and organizational reputation. As such, in 2025, our team has accomplished the following in support of value creation and industry relations:

- Further support the *Pilotage Act* transformation framework with continuous interaction with Transport Canada - Marine Safety & Security Executive Secretariat to further the deployment of a management system inspired by the International Standard of Marine Pilots and participate actively in the national marine pilotage regulatory framework specifically around the Canadian Seafarer Certification program;
- Continue to work with our partner agencies: The St. Lawrence Seaway Management Corporation, the Canadian Coast Guard, the United States Coast Guard - U.S. pilotage authorities to support the Vessel Information System (VIS) initiative to better inform timely and more accurate demand of pilotage services;
- Have actively used the newly created GLPA Marine Advisory Committee to review and promote marine matters for: safety, efficiency and productivity in collaboration among stakeholders. Items such as technology upgrade of our Pilot Portable Units (PPU), use of Hydrographic data and advance S-100 series technologies from Canadian hydrographic Services were addressed;
- Held an annual Customer Relations Meeting industry event to better engage with industry leaders.



# REVIEW OF OPERATIONS

08

# Review of Operations

Throughout the year, the GLPA remained firmly aligned with its mandate and long-term priorities. Despite volatility and uncertainty driven by both domestic and global pressures, our pilots and office staff consistently demonstrated resilience, adaptability and unwavering professionalism.

Strategic Performance Indicators	2025	2025 Target	Vs Target	2024	2024 Target	Vs Target
1. Navigational Safety						
Number of major marine incidents	0	-		1	-	
Number of minor marine incidents	11	-		3	-	
As a % of incident-free assignments	99.9%	99.9%	●	99.9%	99.9%	●
2. Pilotage Reliability						
Number of vessel delays due to shortage of pilots (hours)	3,580	5,000	●	3,116	5,000	●
3. Financial Self-sufficiency						
Net income (in millions)	\$0.6	\$0.8	●	(\$0.9)	\$0.8	●

Operational Performance Indicators	2025	2025 Target	Vs Target	2024	2024 Target	Vs Target
1. Navigational Safety						
Number of audited Canadian vessel transits	1,390	1,334	●	1,492	1,334	●
Certificate holder monitoring - up-to-date	Yes	Yes		Yes	Yes	
2. Pilotage Reliability						
Number of apprentice-pilots recruited	4	5	●	4	7	●
Number of pilots newly licensed and retained	5	5	●	3	5	●
3. Financial Self-sufficiency						
Cost per assignment	\$5,571	\$5,296	●	\$5,440	\$4,865	●



## Pilotage

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Pilot recruitment and succession planning remain among the GLPA's highest priorities, as several pilots are expected to retire within the next three years. Unlike many other areas of the public sector, where employees may build careers spanning 30-35 years within a single organization, GLPA pilots commonly join the Authority following extensive seagoing careers. As a result, for some, their tenure with the GLPA is shorter, creating a more dynamic succession cycle. In the coming five-year period, an important wave of potential retirements is impending. Despite this reality, pilot retention remains exceptionally strong, reflecting the professionalism of the pilot group and the Authority's supportive working environment.

A shortage of pilots could potentially disrupt and negatively impact domestic and international commerce. Accordingly, proactive and sustained workforce planning - including targeted recruitment, strengthened training pipelines, and competitive retention strategies - remain a priority to ensure service reliability and the flow of goods throughout the Great Lakes–St. Lawrence marine corridor.

The GLPA employed 73 FTE licensed pilots in 2025, an increase of 3.5 FTEs compared to 2024. Four apprentice pilots were hired this year to support succession planning and future demand for pilotage services.

Pilotage activity remained stable across the GLPA's six districts in 2025. A total of 9,815 pilotage assignments were completed including winter work, a 3.2% increase from the previous year.

In 2025, the GLPA continued to administer the Great Lakes Marine Pilotage Certificate Training Program, resulting in 82 pilotage certificates issued to trainees who successfully completed the program requirements. Increased industry activity meant more certificates were processed by the GLPA this year than in 2024.

8 DECENT WORK AND ECONOMIC GROWTH



## Employee and Customer Relations

The last Federal budget, known as Budget 2025 aims to transform Canada's economy, focusing on investments in housing, infrastructure, defence and productivity, along with modernizing government spending to improve efficiency and service delivery for Canadians. The GLPA finds itself at the core of economic diversification as an enabler supporting import/export in the Great Lakes and St-Lawrence River marine corridor.

The GLPA is committed to being an Employer of Choice for Canadians working in the marine industry. By attracting and retaining highly qualified staff, the GLPA is able to fulfil its mandate to provide safe, reliable and efficient pilotage services at a reasonable cost.

While pilotage delays increased in 2025 amid higher traffic volumes and broader operational pressures across the marine corridor, the GLPA maintained a 99.9% incident-free assignment rate, reflecting the continued professionalism and dedication of its workforce. By prioritizing the physical and psychological well-being of employees and cultivating a strong sense of belonging and purpose, the GLPA maintains consistently low staff turnover. This sustained workforce stability enhances

operational continuity and reinforces the Authority's strong reputation as an employer of choice.

The GLPA values its relationships with its customers and industry stakeholders. Our commitment to understanding and addressing the needs of our customers is reflected in our consistent interactions with carriers, agents and other marine stakeholders.

Over the past year, the GLPA expanded its outreach within the marine industry and increased proactive engagement with customers, holding nearly three times as many structured customer meetings as in the previous year. We have enhanced our annual customer meetings to better understand their priorities and discuss how pilotage services and pilotage charges structures align with their operational needs. In 2026, the GLPA will conduct a new customer engagement survey to assess service performance and identify opportunities for continuous improvement.

This year, a new three-year Collective Agreement, representing office staff and dispatchers, was concluded. Together with the successful renegotiation of new Collective Agreements with all pilots in 2024, the GLPA will have labour stability and predictability through 2027.

## Diversity

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. In that spirit, the GLPA in 2025 continued its established practices related to recruitment, selection, conditions of employment, training, career development and performance management, all with a focus on DEI and on creating a sense of value.

With just over 100 employees, the GLPA is now subject to federal employment equity reporting requirements and continues to endeavour to satisfy these requirements, recognizing the importance of diversity within the marine industry.

At the close of 2025, women represented 60% of the Board, 0% of the leadership team, 30% of office

staff, and 40% of dispatchers, but only 3% of the pilot workforce, an area requiring sustained, long-term effort.

Diversity is considered during recruitment through an implemented voluntary self-declaration process, where candidates may provide information related to employment equity. The collected information supports equitable practices during the selection process.

Finally, the relocation to a new business space for the headquarters and the operations centre provides a more inclusive work environment that prioritizes employee well-being by incorporating natural lighting, enhanced accessibility, unisex washrooms, and improved kitchen facilities designed to better accommodate all employees.



## Economy and Traffic

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On November 4, 2025, the federal government tabled Budget 2025, which included proposed funding to Transport Canada for the development of Trade Diversification Corridors. The Budget noted that investments in transportation infrastructure, including projects in the Great Lakes - St. Lawrence region, may be considered to support the trade flows and supply chain resilience.

As a provider of essential marine pilotage services in the Great Lakes – St. Lawrence corridor, the GLPA continues to monitor trade and infrastructure developments that may influence vessel traffic patterns and service demand within its service area.

In this evolving trade environment, the GLPA is exploring opportunities to deepen and broaden its revenue scope. Passenger cruise vessels are also provided pilotage services and support greater accessibility to the St. Lawrence River and the Great Lakes, offering such possibilities. Accurately forecasting traffic levels directly impacts pilot staffing requirements and pilot charges, both of which are critical elements for the GLPA to provide timely pilotage services and remain financially self-sufficient.

To better address vessel delays and costs containment, the GLPA is actively engaging customers and stakeholders to increase predictability with an adequate level of pilotage capacity, minimizing delays while balancing costs of providing service. This demand management effort is complemented by leveraging technology, AI capabilities and conducting environmental scans of various sources of vessel traffic data, including traffic modeling and simulation, to manage and interpret vessel traffic forecast data more effectively.

The GLPA traffic fluctuated in 2025. In the first half of the year, pilotage assignments rose by 28% compared to the same period in 2024, largely due to increased movements in anticipation of trade tariffs. While assignments stabilized in the second half of the year, totaling 9,682 (an increase of 3% compared to 2024), it became evident that global tariff policies profoundly impacted shipping and logistics in the Great Lakes region. These policies created structural shifts in inbound cargo routes, disrupting the backhaul of grain and other exports. The emergence of new markets and ongoing supply chain disruptions further contributed to an overall reduction in commodity shipments.



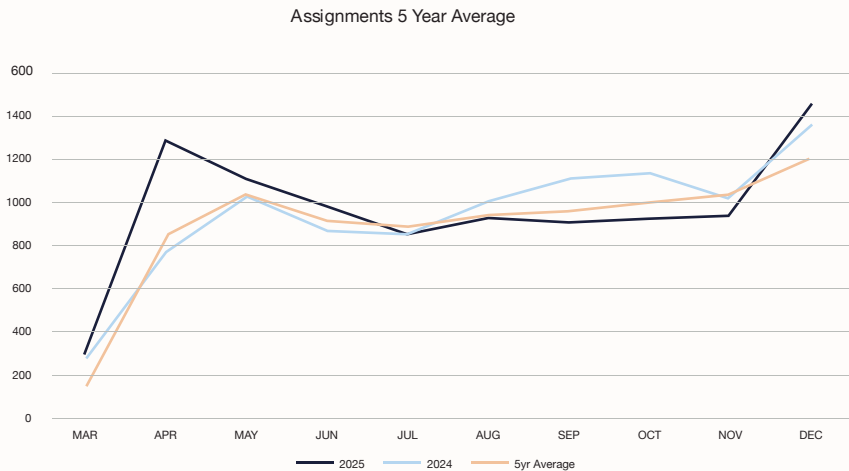
## | Service Levels

Approximately 49% of pilotage service delays in 2025 occurred during the first two months of the navigation season, due primarily to excess demand at the start of the season related to market conditions, combined with adverse weather and other operational factors. Excluding the first 69 days of the navigation season, cumulative delays represented the best performance of the past decade despite these challenging conditions.

During the remainder of the season, delays regained the traditional pattern observed in the past five-year averages until the end-of-season period from mid-December to

closing. Challenging winter conditions at the close of the 2025/26 season introduced unpredicted navigation, resulting in an eight-day extension to 297 days of navigation due to extreme ice formation (a 1-in-30-years conditions). This resulted in additional delays associated with special traffic single-direction convoy mitigation measures, transit times up to four times the normal standard, and coordination requirements with partner agencies (i.e. the Coast Guard, Traffic Managers and Pilotage Authorities) on both sides of the international boundary.

Overall, pilotage delays represented a minor component, accounting for 28% (i.e., 3,580 hours in 2025 versus 3,116 hours in 2024) of the total of the marine corridor operational delays, which reached 12,978 hours (9,683 hours in 2024) for the season. Weather variability and traffic management constraints continued to have a more significant impact on overall system fluidity, representing a combined 57% of delays (i.e., 7,422 hours in 2025 versus 5,075 hours in 2024). The GLPA is dedicated to continuously improving operational efficiency and minimizing pilotage delays, including through the deployment of advanced demand management decision-making tools and artificial intelligence.



## | Marine Incidents

The GLPA team is dedicated to providing safe, reliable pilotage through training policies and a safety-focused culture. To meet evolving business and safety needs, the GLPA continually reviews all incidents and trends, reassessing training policies and programs. Furthermore, the organization actively monitors emerging safety concerns and best practices, such as participating in the International Marine Pilots' Association biennial conference to exchange information with other pilotage service providers.

The GLPA classifies incidents and accidents in two distinct categories: major and minor. Major incidents encompass marine situations leading to loss of life, serious injuries, environmental spills, significant damage to vessels or property, or interruptions to operations extending beyond one month. Minor incidents encompass all other occurrences monitored by the GLPA.

In 2025, the GLPA maintained a strong safety record, with no major marine incidents and only 11 minor incidents for the season. This performance reflects the professionalism of our pilots, the effectiveness of our safety management practices, and the Authority's ongoing commitment to protecting life, property and the marine environment.

The GLPA also remained in compliance with section 71 of the *Canadian Environmental Assessment Act* (2012), ensuring that its activities were assessed and managed in a manner that prevents significant adverse environmental effects. This continued compliance reinforces the Authority's commitment to environmental stewardship and regulatory accountability.

13 CLIMATE ACTION



## Environment: Climate Action

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The GLPA operates and administers safe and efficient pilotage services to keep Canadian waterways free of environmental spills and damage.

The changing climate is resulting in increasingly frequent and severe environmental conditions, such as changing ice patterns, high winds and fluctuating water levels. These conditions present significant operational challenges for the GLPA, particularly a new challenge managing water levels. To maintain navigable water levels, Canada and the United States rely on water regulation boards operating under the governance of the International Joint Commission to monitor levels and adjust water outflow in the St. Lawrence River, including at the Moses-Saunders Dam in Cornwall. Such adjustments can necessitate a slowdown of all vessels, leading to longer trip times, reduced pilot availability and higher pilotage costs to our customers.

In accordance with the government's initiatives in the *Canadian Net-Zero Emissions Accountability Act*, the GLPA will continue to explore green procurement requirements for all contractors, including those working in land transportation, as part of procurement initiatives. The GLPA also supports Transport Canada in developing a Canadian framework for the Green Shipping Corridor.

The GLPA is committed to investing in solutions that lower the organization's carbon footprint and integrating ESG considerations into all strategy and governance processes. The GLPA has demonstrated an ongoing commitment to climate accountability and financial transparency by including the required Climate-related Financial Disclosures in Annual Reports since 2024. The GLPA's 2025 Disclosures can be found in Appendix A.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## Business Continuity

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The GLPA operates within an environment of growing complexity, characterized by new regulatory and reporting requirements, uncertain economic landscapes and unpredictable traffic volumes. In this challenging context, it is the expertise and unwavering commitment of our dedicated employees that enables the GLPA to consistently maintain its position as a reliable and trusted partner to stakeholders and customers.

Building on the commitment and expertise of dedicated employees and pilots, the GLPA is increasingly exploring how leveraging technology can further enhance productivity. Recognizing that

technology is an important enabler for staff and pilot effectiveness, our modernization efforts in 2025 were focused on aligning with the GLPA's long-term safety, sustainability, governance and service reliability goals.

As a part of our technology modernization efforts, the GLPA made significant progress in 2025 to bolster cybersecurity measures, focusing on both the detection and prevention of threats. The organization remains committed to continuously exploring and adopting technologies that further enhance operational effectiveness and resilience.



**FINANCIAL  
RESULTS**

09

# Financial Results

## Financial position (2025) (in millions of Canadian dollars)

The GLPA recorded revenues of \$55.2 million in 2025, an increase of \$4.3 million compared to the previous year. This increase was primarily due to the overall increase in assignments completed in the year as well as the increase in pilotage charges.

The GLPA recorded expenses of \$54.6 million, an increase of \$2.8 million compared to 2024 as a result of increased pilot compensation and the addition of essential office support as part of the organizational review in 2025. This increase also supported updates to navigation technology (i.e., PPU, ECDIS maps sets) and software upgrades and enhanced operational frameworks for greater safety, security and productivity going forward.

At the end of the fiscal year, the GLPA reported a comprehensive profit of \$0.6 million, which brings the accumulated deficit down to \$0.2 million for the year.

Metric	2025	Change	Drivers and Details
Total Revenue	\$55.2	+\$4.3	This revenue growth was primarily driven by: <ul style="list-style-type: none"> <li>An overall increase in assignments completed during the year.</li> <li>An increase in pilotage charges.</li> </ul>
Total Expenses	\$54.6	+\$2.8	Higher costs were attributed to increased pilot compensation.
Comprehensive Profit/Loss	\$0.6 (Profit)	+ \$1.5	The Authority achieved a positive net result for the year, reversing the majority of the deficit from the prior year.
Accumulated Deficit	\$0.2	- \$0.6 (Reduced)	The \$0.6 million comprehensive profit achieved in 2025 was applied to the prior accumulated deficit, reducing it from \$0.8 million to \$0.2 million.

## **Reserve and financial self-sufficiency**

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The *Pilotage Act* requires that the GLPA be financially self-sufficient. Consequently, the GLPA's financial strategy focuses on consistently generating sufficient annual surpluses to establish and maintain a reasonable surplus. This reserve strengthens our ability to navigate future challenges while ensuring the continuity of essential services.

Within this mandate, a specific target has been set to accumulate a \$10 million reserve by the end of fiscal year 2030 to bolster the resilience of the GLPA.

This reserve will be used to invest in new assets to replace those nearing the end of their operational lives, thereby preserving operational efficiency. Moreover, the reserve will provide a buffer to manage economic uncertainties. This fiscal prudence is essential for the GLPA to consistently uphold its high standard of service.



# GOVERNANCE

10

# Governance

The GLPA is dedicated to full transparency. The corporation publishes relevant information on [www.glpa-apgl.com](http://www.glpa-apgl.com) and reports to Parliament through the Minister of Transport.

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

The GLPA Board of Directors' corporate structure identifies seven members as a full complement. In 2025, the Board held regularly scheduled quarterly meetings as well as other meetings throughout the year as needed. Cumulative fees and retainers totaled \$71,125.

## Board Composition and Structure (2025)

Category	Details
Authorized Board Seats	7
Members Serving	5
Board Chair Status	Retired December 8, 2025

## Board and Committee Activity and Compensation (2025)

Category	Details
Scheduled Quarterly Meetings	4
Strategic Priority Session	1
Scheduled Corporate Plan Review and Approval Sessions	1
Ad Hoc Board Meetings	5
Committee and Subcommittee Meetings	12
Attendance Rate	89%
Fees and Retainers Paid	\$71,125

# Committees of the Board

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

## **Governance and Human Resources**

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The Governance and Human Resources Committee is a standing committee of the Board responsible for overseeing governance and human resources issues.

## **Audit**

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The Audit Committee is a standing committee of the Board that provides financial oversight, as well as the oversight of all records. It also oversees financial reporting, internal controls, risk management and external audit activities.

## **| IT subcommittee**

This subcommittee of the Audit Committee was formed in 2024 and is responsible for overseeing the identification and mitigation of risks associated with the use of information technology.

## Enterprise Risk Management

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An Enterprise Risk Management (ERM) program has been incorporated as part of the GLPA's strategies to manage risks, identify mitigative measures and implement strategies to achieve objectives.

The GLPA manages risks based on an inventory of risk categories that align with strategic, external, financial, operational, environmental, safety, human capital and technology domains. This framework supports informed decision making and the protection of service reliability and financial sustainability.

## Transparency

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The GLPA is committed to openness and transparency in all stakeholder transactions and adheres to the requirements to openly publish (to [www.glpa-apgl.com](http://www.glpa-apgl.com)) various reports, including Annual Reports, Quarterly Financial Reports, Summary of the Corporate Plan, Proactive Disclosure of Travel and Hospitality Expense Reports, and *Access to Information Act* inquiries.

The GLPA also complies with the Federal Government's requirement to post responses to the requests it receives under the *Access to Information Act* on the [www.open.canada.ca](http://www.open.canada.ca) website. In 2025, the GLPA received no requests under the *Access to Information Act* or the *Privacy Act*.

## Compliance

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The GLPA ensures sound governance of the pilotage system by keeping legislation, regulations and policies up to date. Staff and Board training is a key element of the sound governance initiative. This is crucial for achieving the organization's mission while maintaining public trust. This includes compliance with the *Pilotage Act* and *Financial Administration Act* and all other relevant regulations and acts governing safety, navigation, financial oversight and corporate operations. The Board is responsible for monitoring compliance by management.

## Travel, Hospitality and Conference Expenses

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The following travel, hospitality and conference expenses were submitted during 2025:

<b>Chairperson</b>	\$12,427
<b>President and CEO</b>	\$44,165
Board of Directors (5 members)	\$21,558
Senior Management (3 members)	\$41,678
<b>Total</b>	<b>\$119,828</b>



# MANAGEMENT DISCUSSION & ANALYSIS



# Management Discussion & Analysis

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Prepared by senior management of the GLPA, this Discussion and Analysis section presents a more in-depth view of the different factors that impact 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 2025 results and the results of the previous year.

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



# FINANCIAL HIGHLIGHTS

12

# Financial Highlights

The following table shows the highlights of the Statement of comprehensive income of the GLPA for the years ending December 31, 2025, and December 31, 2024, per the International Financial Reporting Standards (IFRS).

## Statement of comprehensive income

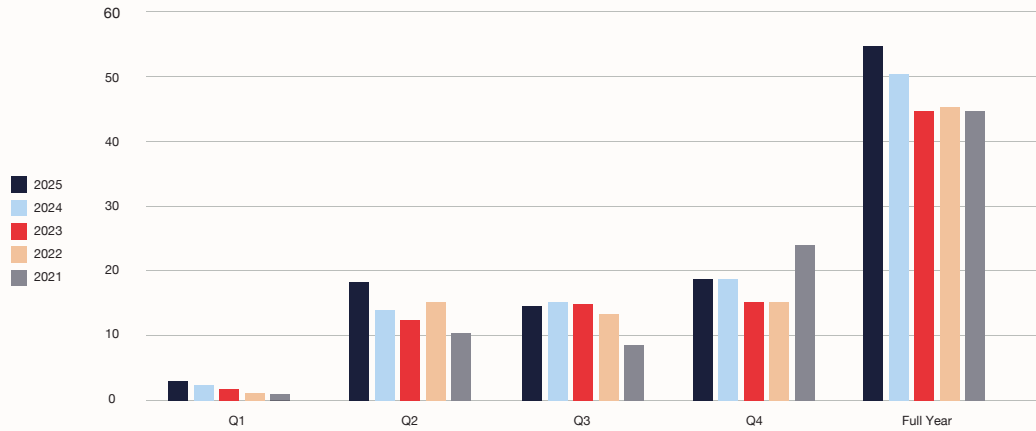
(in millions of Canadian dollars)

	2025	2024	Var \$	Var %
Pilotage Revenues	54.6	49.9	4.7	9%
Other Revenues	0.6	1.0	(0.4)	-40.0%
<b>Total Revenues</b>	<b>55.2</b>	<b>50.9</b>	<b>4.3</b>	<b>8%</b>
Total Operating Expenses	54.6	51.8	2.8	5%
<b>Operating (Loss) Profit</b>	<b>0.6</b>	<b>(0.9)</b>	<b>1.5</b>	<b>166%</b>
Other Comprehensive (Loss) Income	(0.0)	(0.0)	0.0	n/a
<b>Comprehensive (Loss) Income</b>	<b>0.6</b>	<b>(0.9)</b>	<b>1.5</b>	<b>166%</b>

For 2025, the GLPA recorded revenues of \$55.2 million, \$54.6 million in expenses and a Comprehensive surplus (loss) of \$0.6 million, resulting in an accumulated loss of \$0.2 million by the end of the year.

## Quarterly Revenues

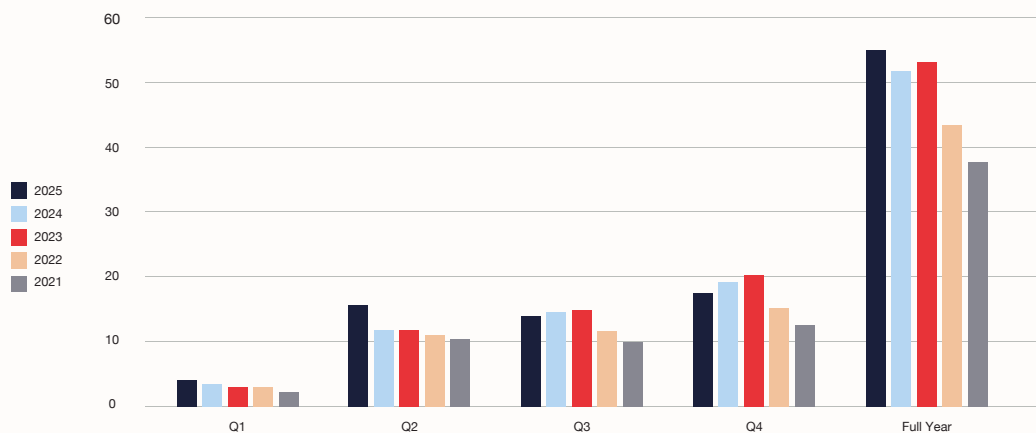
(in million of Canadian dollars)



Revenues vary throughout the year, reflecting the seasonality of operations. The GLPA operates in the St. Lawrence Seaway, which is usually closed 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; however, there was an increase in Q2 2025 compared to previous years.

## Quarterly Operating Expenses

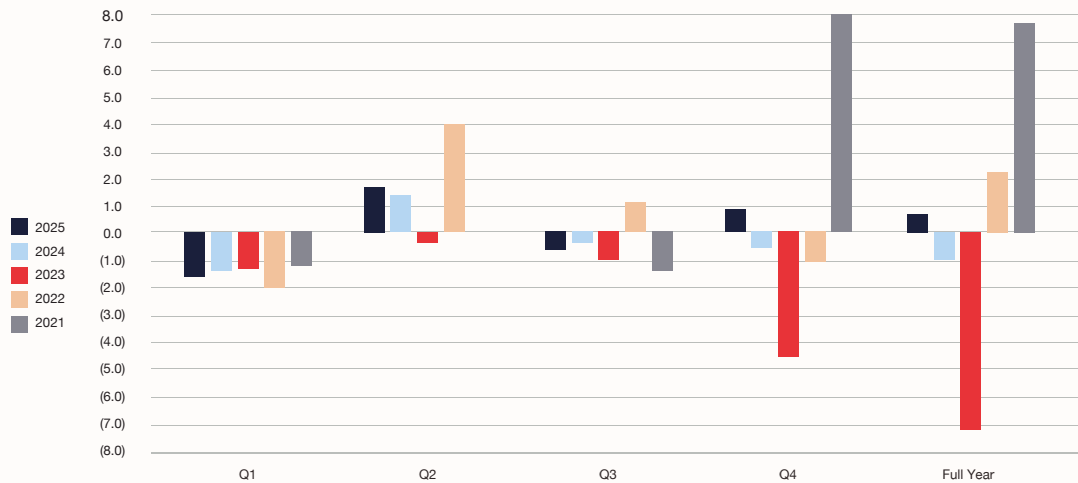
(in million of Canadian dollars)



Approximately \$6.6 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

(in million of Canadian dollars)



## Revenues

(in million of Canadian dollars)

The following table shows the various sources of revenue for the years ended December 31, 2025, and December 31, 2024.

	2025	2024	Var \$	Var %
Basic pilotage fees	44.6	42.3	2.3	5%
Docking/undocking	3.1	2.8	0.3	11%
Surcharges	2.5	2.3	0.2	9%
Pilot Boat charges	1.3	0.9	0.4	44%
Delays/detentions	1.6	0.7	1.0	143%
Pilot transfers	0.3	0.3	(0.0)	0.0%
Cancellations	0.4	0.3	0.1	33%
<i>Pilotage Act</i> administration fee recovery	0.3	0.3	0.0	0%
Transit Interruption	0.4	0.0	0.4	n/a
<b>Total pilotage charges</b>	<b>54.5</b>	<b>49.9</b>	<b>4.6</b>	<b>9%</b>
Pilot boat income	0.5	0.4	0.1	25%
Interest and other income	0.2	0.6	(0.4)	-67%
<b>Total revenues</b>	<b>55.2</b>	<b>50.9</b>	<b>4.3</b>	<b>8%</b>

For 2025, the GLPA recorded revenues of \$55.2 million, an increase of \$4.3 million over 2024. The revenue increase is mainly due to an increase in vessel traffic volume of 3% and total pilotage charges increased by 4% compared to 2024.

## Operating Expenses

(in million of Canadian dollars)

The following table shows the various sources of operating expenses for the years ended December 31, 2025, and December 31, 2024.

	2025	2024	Var \$	Var %
Pilots' salaries and benefits	38.4	35.6	2.8	8%
Transportation and travel	4.6	4.6	(0.0)	0%
Pilot boat services	4.3	4.1	0.2	5%
Operations and Administration staff salaries and benefits	4.4	4.5	(0.1)	-2%
Professional fees	0.7	0.9	(0.2)	-22%
Pilot training and recruiting costs	0.3	0.2	0.1	50.0%
Pilot transfer services	0.3	0.3	(0.0)	0%
Amortization and depreciation	0.4	0.4	0.0	0%
Other	1.2	1.2	(0.0)	0%
<b>Total operating expenses</b>	<b>54.6</b>	<b>51.8</b>	<b>2.8</b>	<b>5%</b>

For 2025, the GLPA recorded expenses of \$54.6 million, an increase of \$2.8 million compared to 2024. 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. The rise was primarily attributable to a surge in traffic during the second quarter, which required additional pilotage resources to sustain service levels.

## Comprehensive income (loss)

(in million of Canadian dollars)

The following table shows the comprehensive income (loss) for the years ended December 31, 2025, and December 31, 2024.

	2025	2024	Var \$	Var %
Profit (loss) for the year	0.6	(0.9)	1.5	166%
<b>Other comprehensive income (loss)</b>				
Actuarial gain (loss) on employee benefits	(0.0)	(0.0)	0.0	n/a
<b>Other comprehensive income (loss) for the year</b>	<b>0.6</b>	<b>(0.9)</b>	<b>1.5</b>	<b>166%</b>

## Cash flow and Financial Position

(in million of Canadian dollars)

The following table shows the cash flow and financial position for the years ended December 31, 2025, and December 31, 2024.

	2025	2024	Var \$	Var %
Balance, beginning of the year	8.2	17.1	(8.9)	-52.0%
Net cash (used in) provided by operating activities	(0.5)	(8.7)	8.2	-94.3%
Net cash (used in) provided by investing activities	(0.3)	(0.1)	(0.2)	200.0%
Net cash (used in) provided by financing activities	(0.1)	(0.1)	0.0	0.0%
<b>Balance, ending of the year</b>	<b>7.3</b>	<b>8.2</b>	<b>(0.9)</b>	<b>-11.0%</b>

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 2025 the GLPA did access its line of credit in Q2. As of December 31, 2025, the GLPA had a cash balance of \$7.3 million (compared to \$8.2 million in 2024) and no short-term investments.

## Capital assets and Investments

The following table shows an increase of \$58,079 in property & equipment and intangible assets which includes capital investments of \$330,034 and depreciation & amortization of \$271,955 for 2025.

### Capital Investments (in Canadian dollars)

	2025	2024	Var \$	Var %
Buildings	267,672	286,239	(18,567)	-6%
Furniture	86,693	62,450	24,243	39%
Leasehold improvements	0	0	-	n/a
Communications and computer equipment	101,950	249,052	(147,101)	-59%
Software	30,600	23,668	6,932	29%
Projects in Progress	222,667	30,095	192,572	640%
<b>Total</b>	<b>709,582</b>	<b>651,504</b>	<b>58,079</b>	<b>9%</b>

In 2025, the Authority invested \$364,533 in capital asset additions, including \$222,667 related to an intangible asset under development as part of ongoing modernization initiatives. There were no asset disposals during the year. Depreciation and amortization totaled \$356,748.

## Accrued salaries and benefits

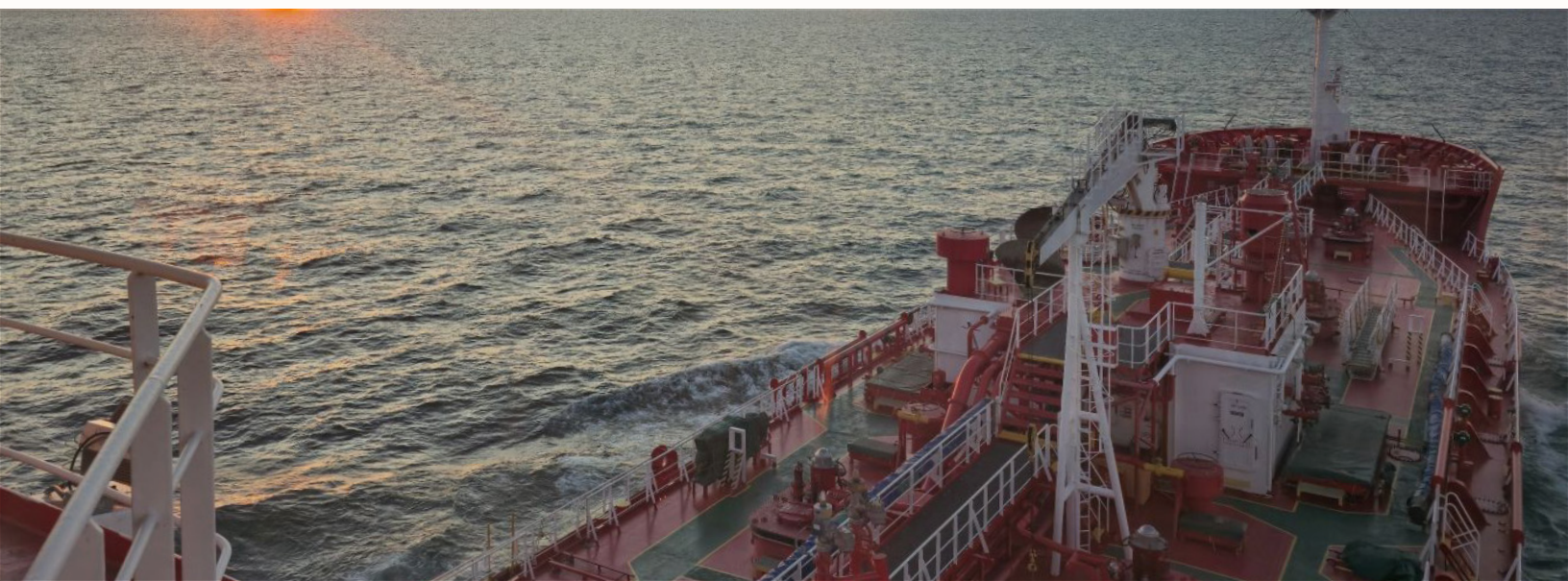
Accrued salaries (in millions of Canadian dollars)

	2025	2024	Var \$	Var %
Accrued salaries and benefits	12	13	-1.0	-7.6%

For 2025, the accrued salaries and benefits decreased by \$1 million. The decrease is predominantly attributed to the settlement of the previously outstanding pilot taxable benefit payments for two Districts.

## Risk Analysis

The GLPA is dedicated to identifying, assessing and mitigating risks as appropriate. It employs an ERM approach within strategic planning process and continuously monitors identified and emerging risks.





**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 25, 2026

## 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 2025, 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 2025, 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.

Annie Leclerc, CPA  
Principal  
for the Auditor General of Canada

Ottawa, Canada  
25 March 2026


**Statement of Financial Position**  
**(In Canadian dollars)**


	<b>December 31</b>	<b>December 31</b>
	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 7,334,120	\$ 8,250,436
Trade and other receivables	9,357,346	7,628,698
Prepays	210,956	290,745
	<u>16,902,422</u>	<u>16,169,879</u>
Non-current		
Property and equipment (Note 7)	\$ 456,315	\$ 627,836
Intangible assets (Note 8)	253,267	23,668
Right-of-use assets (Note 9)	92,058	172,446
	<u>\$ 17,704,062</u>	<u>\$ 16,993,829</u>
<b>Liabilities</b>		
Current		
Accrued salaries and benefits	\$ 12,235,136	\$ 13,211,660
Other accounts payable and accrued charges	3,579,424	2,250,390
Employee benefits (Note 12)	158,500	263,700
Lease liability (Note 13)	88,576	82,394
	<u>16,061,636</u>	<u>15,808,144</u>
Non-current		
Employee benefits (Note 12)	\$ 1,884,400	\$ 1,928,900
Lease liability (Note 13)	7,570	93,708
	<u>17,953,606</u>	<u>17,830,752</u>
<b>Equity</b>		
Accumulated deficit	\$ (249,544)	\$ (836,923)
	<u>\$ 17,704,062</u>	<u>\$ 16,993,829</u>

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 25, 2026.

  
\_\_\_\_\_  
Julie Mills  
Chairperson

  
\_\_\_\_\_  
John St. Marseille  
Director

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

	<b><u>2025</u></b>	<b><u>2024</u></b>
<b>Revenues</b>		
Pilotage charges (Note 15)	\$ 54,556,071	\$ 49,928,355
Pilot boat income	459,090	367,399
Interest and other income	193,527	601,211
	<u>55,208,688</u>	<u>50,896,965</u>
<b>Expenses</b>		
Pilots' salaries and benefits	\$ 38,355,225	\$ 35,603,531
Transportation and travel	4,588,904	4,625,320
Operations and Administration staff salaries and benefits	4,356,288	4,465,669
Pilot boat services	4,286,840	4,087,991
Professional and special services	659,559	928,538
Utilities, materials and supplies	557,304	342,875
<i>Pilotage Act administration fees</i>	481,008	271,036
Amortization and depreciation	356,748	353,911
Pilot training and recruiting costs	298,853	201,115
Pilot transfer services	295,606	320,764
Portable pilotage units and navigation software	141,996	115,492
Communications	129,559	126,941
Repairs and maintenance	43,299	68,734
Interest and bank charges	30,490	28,088
Rentals	21,300	27,145
Interest on lease liability	6,830	9,252
Purchased dispatching services	-	235,278
	<u>54,609,809</u>	<u>51,811,680</u>
Surplus (Loss) for the period	\$ 598,879	\$ (914,715)
Other Comprehensive Income		
Items that will not be reclassified to net results		
Actuarial loss on employee benefits (Note 12)	\$ (11,500)	\$ (16,501)
Comprehensive Surplus (loss) for the period	<u>\$ 587,379</u>	<u>\$ (931,216)</u>

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

	<b><u>2025</u></b>	<b><u>2024</u></b>
Accumulated (Loss) surplus, beginning of year	\$ (836,923)	\$ 94,293
Surplus (Loss) for the year	598,879	(914,715)
Other Comprehensive income (loss) for the period	<u>(11,500)</u>	<u>(16,501)</u>
Accumulated loss , end of year	<u>\$ (249,544)</u>	<u>\$ (836,923)</u>

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

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

	<b><u>2025</u></b>	<b><u>2024</u></b>
<b>Operating activities</b>		
Surplus (Loss) for the period	\$ 598,879	\$ (914,715)
Adjustments to determine net cash (used in) provided by operating activities:		
Employee benefits paid	(248,300)	(38,800)
Interest cost on employee benefits	84,900	96,500
Retirees' contributions for death benefits	2,200	3,000
Amortization and depreciation	356,748	353,911
Changes in non-cash working capital items:		
Increase in trade and other receivables	(1,728,648)	(490,375)
(Increase) decrease in prepaids	79,789	(244,113)
(Decrease) Increase in accrued salaries and benefits	(976,524)	(7,834,977)
Increase in other accounts payable and accrued charges	1,329,034	347,288
Net cash used in operating activities	<u>(501,922)</u>	<u>(8,722,281)</u>
<b>Investing activities</b>		
Acquisitions of property and equipment	\$ (91,113)	(47,716)
Acquisitions of intangible assets	(243,325)	(15,844)
Cash used in investing activities	<u>(334,438)</u>	<u>(63,560)</u>
<b>Financing activities</b>		
Repayment of lease liability	\$ (73,126)	(70,065)
Interest paid on lease liability	(6,830)	(9,252)
Cash used in financing activities	<u>(79,956)</u>	<u>(79,317)</u>
<b>Cash</b>		
Net decrease in cash during the year	\$ (916,316)	(8,865,158)
Balance, beginning of year	<u>8,250,436</u>	<u>17,115,594</u>
Balance, end of year	<u>\$ 7,334,120</u>	<u>\$ 8,250,436</u>

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

**Notes to the Financial Statements**  
**December 31, 2025**  
**(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 requirements 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, Amended and Upcoming accounting standards

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

The following standards and amendments issued by the IASB have been assessed as having a possible effect on the Authority in the future:

In April 2024 the IASB issued IFRS 18 – Presentation and Disclosures in the Financial Statements. It will be effective for annual periods beginning on or after January 1, 2027. The new standard sets out requirements for the presentation and disclosure of information in order to enhance the relevance and reliability of the financial statements as well as the comparability and transparency of reporting. We are currently assessing the impact of the new standard. While we expect it will affect the presentation of the financial statements, the full impact cannot yet be reasonably determined.

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7– Amendments to the Classification and Measurement of Financial Instruments. These amendments will be effective for annual periods beginning on or after January 1, 2026, and aim to clarify how financial instruments are classified, measured, and disclosed in relation to environmental, social and governance (ESG) considerations and electronic transactions. While we are currently assessing the impact of these amendments, we do not expect their adoption to have a material impact on the presentation of the 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, 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:

<u>Asset category</u>	<u>Estimated useful life</u>
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:

<u>Asset category</u>	<u>Estimated useful life</u>
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:

<u>Asset Category</u>	<u>Estimated useful life</u>
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 lease 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 recognizes 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 in 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 \$9,357,346 as at December 31, 2025 (December 31, 2024 - \$7,628,698). There is no concentration of accounts receivable with any one customer. As at December 31, 2025, 0% (December 31, 2024 – 0.01%) of accounts receivable were over 90 days past due, whereas 98.60% (December 31, 2024 – 99.99%) 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, 2025, and nil at December 31, 2024.

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, 2025, the Authority was not using the line of credit (December 31, 2024 – nil). During the year, the interest expense was \$3,265 (2024 – nil). As at December 31, 2025 and December 31, 2024, 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 \$15,814,560 (December 31, 2024 - \$15,462,050), 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
<b>Cost</b>						
At January 1, 2024	449,655	272,326	270,769	908,492	-	<b>1,901,242</b>
Acquisitions	-	2,317	-	48,164	30,095	<b>80,576</b>
Disposals	-	-	-	(25,118)	-	<b>(25,118)</b>
At December 31, 2024	449,655	274,643	270,769	931,538	30,095	<b>1,956,700</b>
Acquisitions	2,096	42,072	-	72,636	-	<b>116,804</b>
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	(30,095)	<b>(30,095)</b>
At December 31, 2025	451,751	316,715	270,769	1,004,174	-	<b>2,043,409</b>
<b>Accumulated depreciation</b>						
At January 1, 2024	142,858	195,390	260,619	498,688	-	<b>1,097,555</b>
Depreciation for the year	20,558	16,803	10,150	208,916	-	<b>256,427</b>
Disposals	-	-	-	(25,118)	-	<b>(25,118)</b>
Transfers	-	-	-	-	-	-
At December 31, 2024	163,416	212,193	270,769	682,486	-	<b>1,328,864</b>
Depreciation for the year	20,663	17,829	-	219,738	-	<b>258,230</b>
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At December 31, 2025	184,079	230,022	270,769	902,224	-	<b>1,587,094</b>
<b>Carrying amounts</b>						
At December 31, 2024	286,239	62,450	-	249,052	30,095	<b>627,836</b>
At December 31, 2025	267,672	86,693	-	101,950	-	<b>456,315</b>

**8. Intangible assets**

	Software	Projects in Progress	Total
<b>Cost</b>			
At January 1, 2024	662,450	-	<b>662,450</b>
Acquisitions	15,844	-	<b>15,844</b>
Disposals	-	-	-
Transfers	-	-	-
At December 31, 2024	678,294	-	<b>678,294</b>
Acquisitions	20,658	222,667	<b>243,325</b>
Disposals	-	-	-
Transfers	-	-	-
At December 31, 2025	698,952	222,667	<b>921,619</b>
<b>Accumulated amortization</b>			
At January 1, 2024	639,885	-	<b>639,885</b>
Amortization for the year	14,741	-	<b>14,741</b>
Disposals	-	-	-
Transfers	-	-	-
At December 31, 2024	654,626	-	<b>654,626</b>
Amortization for the year	13,726	-	<b>13,726</b>
Disposals	-	-	-
Transfers	-	-	-
At December 31, 2025	668,352	-	<b>668,352</b>
<b>Carrying amounts</b>			
At December 31, 2024	23,668	-	<b>23,668</b>
At December 31, 2025	30,600	222,667	<b>253,267</b>

## 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.

In 2025, the Authority further remeasured the lease liability to incorporate CPI-driven changes in future lease payments, with the corresponding adjustment recorded to the related ROU asset in accordance with the lease terms.

	Building	Total
<b>Cost</b>		
At January 1, 2024	324,613	<b>324,613</b>
Re-measurement	248,323	<b>248,323</b>
Additions	-	-
At December 31, 2024	572,936	<b>572,936</b>
Re-measurement	4,404	<b>4,404</b>
At December 31, 2025	577,340	<b>577,340</b>
<b>Accumulated depreciation</b>		
At January 1, 2024	317,747	<b>317,747</b>
Depreciation for the year	82,743	<b>82,743</b>
Additions	-	-
At December 31, 2024	400,490	<b>400,490</b>
Depreciation for the year	84,792	<b>84,792</b>
At December 31, 2025	485,282	<b>485,282</b>
<b>Carrying amounts</b>		
At December 31, 2024	172,446	<b>172,446</b>
At December 31, 2025	92,058	<b>92,058</b>

## 10. Bank indebtedness and bank overdraft

Bank indebtedness and bank overdraft as at December 31 were nil for 2025 and 2024.

## 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 \$1.01 for employees hired prior to January 1, 2013, and \$1.00 for employees hired after December 31, 2012 (2024 - \$1.02 and \$1.00 respectively) for every dollar contributed by the employee. If an employee's annual salary is greater than \$210,200 (2024 - \$202,000), the portion of the employee's salary above this amount is subject to an employer contribution of \$5.09 (2024 - \$4.63) for every dollar contributed by the employee. Contributions during the year were as follows:

	December 31, 2025	December 31, 2024
Authority	\$3,363,790	\$2,971,429
Employee	\$2,118,028	\$2,664,742
Total contributions	\$5,481,818	\$5,636,171

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 \$3,663,790 will be made to the plan in 2026.

## 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 as at December 31 was 2.6 years (2024 – 2.6 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 2025 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	December 31
	2025	2024
<b>Reconciliation of defined benefit obligation</b>		
Defined benefit obligation, beginning of year	2,119,700	2,012,300
Current service cost	-	-
Interest cost	81,800	92,600
Benefits paid	(248,300)	-
Curtailment	-	-
Actuarial loss (gain)	11,100	14,800
<b>Defined benefit obligation, end of year</b>	<b>1,964,300</b>	<b>2,119,700</b>
<b>Components of expense recognized in profit and loss</b>		
Current service cost	-	-
Interest cost	81,800	92,600
Curtailment	-	-
<b>Total expense recognized in profit and loss</b>	<b>81,800</b>	<b>92,600</b>
<b>Analysis of actuarial gain or loss</b>		
Experience	-	-
Change in financial assumptions	11,100	14,800
Change in demographic assumptions	-	-
<b>Actuarial loss (gain)</b>	<b>11,100</b>	<b>14,800</b>
<b>Classification of defined benefit obligation</b>		
Current Portion	144,300	248,300
Non - current Portion	1,820,000	1,871,400
<b>Defined benefit obligation, end of year</b>	<b>1,964,300</b>	<b>2,119,700</b>

**Key assumptions used in the actuarial valuation**

Discount rate	3.90%	4.10%
Estimated salary rate increase	1.5% and 2.5% after 2027	1.50%
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 \$13,500. An increase in the discount rate of 1% would decrease the defined benefit obligation at December 31 by \$10,400

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 2025 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 2025	December 31 2024
<b>Reconciliation of defined benefit obligation</b>		
Defined benefit obligation, beginning of year	72,900	103,100
Current service cost	-	-
Interest cost	3,100	3,900
Benefits paid	-	(38,800)
Retirees' contributions	2,200	3,000
Actuarial loss (gain)	400	1,700
<b>Defined benefit obligation, end of year</b>	<b>78,600</b>	<b>72,900</b>
<b>Components of expense recognized in profit and loss</b>		
Current service cost	-	-
Interest cost	3,100	3,900
<b>Total expense recognized in profit and loss</b>	<b>3,100</b>	<b>3,900</b>
<b>Analysis of actuarial gain or loss</b>		
Experience		
Change in financial assumptions	400	1,700
Change in demographic assumptions	-	-
<b>Actuarial loss (gain)</b>	<b>400</b>	<b>1,700</b>
<b>Classification of defined benefit obligation</b>		
Current Portion	14,200	15,400
Non - current Portion	64,400	57,500
<b>Defined benefit obligation, end of year</b>	<b>78,600</b>	<b>72,900</b>

#### Key assumptions used in the actuarial valuation

Discount rate	4.10%	4.20%
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The weighted average of the maturity of the plan at December 31 was 4.1 years (2024 – 4.1 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 \$3,600. An increase in the discount rate of 1% would decrease the defined benefit obligation at December 31 by \$3,400.

### 13. Lease liability

The Authority's outstanding lease liability is:

	December 31 2025	December 31 2024
Cornwall Head Office Lease:		
Lease payable in monthly installments including interest at 4.68%, amortized over 3 years, term ending January 31, 2027	96,146	176,102
Current portion	88,576	82,394
Non-current portion	7,570	93,708
<b>Carrying amount, end of the period</b>	<b>\$96,146</b>	<b>\$176,102</b>

Interest expense on the lease for the year 2025 amounted to \$6,830 (2024 – \$9,252).

## 14. Capital management

The Authority's capital is its equity, which consists of accumulated loss of \$249,544 (2024 – accumulated loss of \$836,923).

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 2025	December 31 2024
Basic Pilotage	\$ 44,550,921	42,297,061
Docking/undocking	3,062,613	2,764,639
Surcharges	2,558,082	2,337,437
Pilot Boat charges	1,256,415	853,558
Cancellations	443,944	340,117
Delays/detentions	1,623,962	662,615
Pilot transfers	316,003	349,088
<i>Pilotage Act</i> administration fees recovery	332,106	323,840
Transit Interruption	412,025	-
<b>Total Pilotage charges</b>	<b>\$ 54,556,071</b>	<b>49,928,355</b>

## 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 for key management personnel

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

Compensation of key management personnel	December 31 2025	December 31 2024
Compensation and short-term employee benefits	918,714	968,622
Termination benefit	-	229,131
Post-employment benefits	99,136	81,579
	<b>1,017,850</b>	<b>1,279,332</b>

## 17. Commitments

The Authority has commitments in respect of pilot boat services, simulator services for pilot training, support for the Authority's dispatch system, an iPad lease agreement and a new lease agreement which will take effect in the first quarter of 2026 as part of the planned relocation of the head office to support strategic strengthening initiatives. Future minimum rental and contractual payments are as follows:

	<b>December 31 2025</b>	<b>December 31 2024</b>
Less than 1 year	891,805	716,662
Between 1 and 5 years	1,880,236	1,636,251
More than 5 years	130,423	73,851
	<b>2,902,464</b>	<b>2,426,764</b>

## 18. Subsequent event

Subsequent to year end, the authority entered into a contract valued at a maximum undiscounted value of \$2.4M for the lease and maintenance of required equipment for its pilots over a 4-year period. As this agreement was executed after the reporting date, it is considered a non-adjusting subsequent event, and no amounts related to this agreement have been recognized in the financial statements for the year ended 31 December 2025.



**APPENDIX A -  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES  
(TCFD)**

# Appendix A - Climate-Related Financial Disclosures (TCFD) (Second Annual Disclosure)

## Purpose

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This Appendix provides the second annual Climate-Related Financial Disclosures for the Great Lakes Pilotage Authority (GLPA), prepared in alignment with the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**. These disclosures support the climate-related information presented in the body of the 2025 Annual Report and reflect measured data for the 2025 reporting year.

## Governance

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Climate-related risks and opportunities are overseen through the GLPA's established governance and Enterprise Risk Management (ERM) framework. The Board of Directors retains overall accountability for climate-related oversight, supported by its committees, including the Audit Committee, which oversees financial disclosures related to climate risk.

Management regularly integrates climate considerations into risk reporting, operational planning and financial discussions presented to the Board. As climate-related impacts continue to evolve, the GLPA's governance approach remains adaptive, supporting informed oversight and continuous improvement.

To support effective governance, Directors are expected to maintain a broad understanding of issues affecting the marine transportation sector, including climate trends, regulatory developments and emerging risks. Ongoing education and engagement support the Board's ability to fulfil its responsibilities.

## Strategy

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The Great Lakes Pilotage Authority operates within a complex and environmentally sensitive maritime corridor, where climate variability increasingly influences navigation conditions, service demand and operational planning. The Authority is committed to delivering safe and efficient pilotage services while supporting the protection of the Great Lakes - St. Lawrence Seaway ecosystem.

Climate change presents operational, environmental and financial risks for the GLPA, particularly through:

- changing ice patterns and navigation seasons;
- fluctuating water levels and weather volatility; and
- increased operational complexity and variability in service demand.

These risks may affect service reliability, pilot availability and operating costs. Climate considerations are therefore incorporated into operational planning, workforce planning and long-term modernization initiatives, including targeted investments in technology, cybersecurity and infrastructure resilience.

In alignment with the Government of Canada's objective of achieving net-zero greenhouse gas emissions by 2050, the GLPA considers climate-related risks and opportunities within its strategic and corporate planning processes. These risks are assessed over the short-, medium- and long-term, and where feasible the Authority adapts its strategies to enhance resilience, manage operational impacts and maintain financial stability in the face of increasingly unpredictable navigation conditions.

## Risk Management

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Climate-related risks are identified, assessed and managed through the GLPA's ERM framework, which includes a corporate risk register reviewed on a regular basis. Climate considerations are evaluated alongside strategic, operational, environmental, safety and financial risks.

The Authority applies structured risk assessment tools to evaluate both the likelihood and potential impact of climate-related risks. Existing controls are monitored and refined, and additional mitigation measures are implemented where practical.

The potential impacts of these risks include service disruptions, increased transit times, safety considerations for pilot transfers and pressures on infrastructure and operating costs.

### | Key Climate-Related Risk Areas

The GLPA's principal climate-related risks continue to fall within the following categories:

- **Regulatory and policy risk**, including evolving climate and environmental requirements affecting maritime operations;
- **Operational and technological risk**, related to the resilience of transportation, digital tools, and infrastructure under changing environmental conditions;
- **Market and transition risk**, driven by shifts in global trade patterns and customer demand;
- **Reputational risk**, reflecting increasing expectations for sustainability performance and transparency; and
- **Environmental risk**, including extreme weather events, variable ice conditions and fluctuating water levels.

### | Climate Risk Mitigations

To address these risks, the GLPA continues to:

- **incorporate climate considerations into strategic, operational and workforce planning;**
- **adapt pilot training and operational procedures to evolving environmental conditions;**
- **maintain flexible scheduling and passage planning practices;**
- **collaborate with stakeholders to support resilient marine infrastructure;**
- **strengthen communication with vessels regarding navigation constraints; and**
- **identify opportunities to reduce administrative energy use and emissions.**

## Metrics and Targets

The Great Lakes Pilotage Authority measures and reports greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Emissions are reported in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) and include Scope 1, Scope 2 and Scope 3 emissions.

The GLPA established its baseline GHG inventory in 2023, recording total emissions of 130 tCO<sub>2</sub>e. This baseline continues to serve as the foundation for tracking emissions trends over time, with Scope 3 emissions representing the largest share of the Authority’s emissions profile.

During the 2025 reporting year, the GLPA continued to measure and monitor its carbon dioxide emission indicators. Total emissions of approximately 135

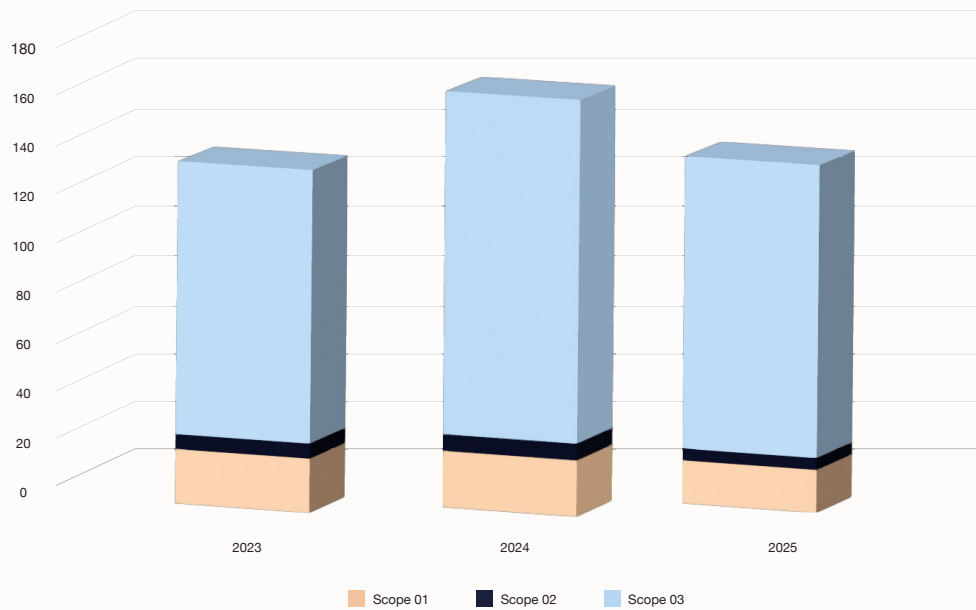
tCO<sub>2</sub>e were recorded. Scope 3 emissions, primarily associated with employee commuting, business travel and pilot transportation, remained the most significant contributor to overall emissions. The Authority will continue to measure and disclose emissions annually. As additional data are collected and trends become clearer, the GLPA will assess opportunities to develop interim emissions reduction targets and identify operational measures that support long-term climate objectives, including alignment with the Government of Canada’s net-zero emissions goal by 2050.

## Greenhouse Gas Emissions Summary

Scope	Baseline (2023) tCO <sub>2</sub> e	2024 Reporting Year tCO <sub>2</sub> e	2025 Reporting Year tCO <sub>2</sub> e
Scope 1 – Direct emissions	20.9	20.7	20.8
Scope 2 – Indirect energy emissions	3.2	3.2	3.5
Scope 3 – Other indirect	105.9	138.5	110.8
<b>Total</b>	<b>130.0</b>	<b>162.4</b>	<b>135.1</b>

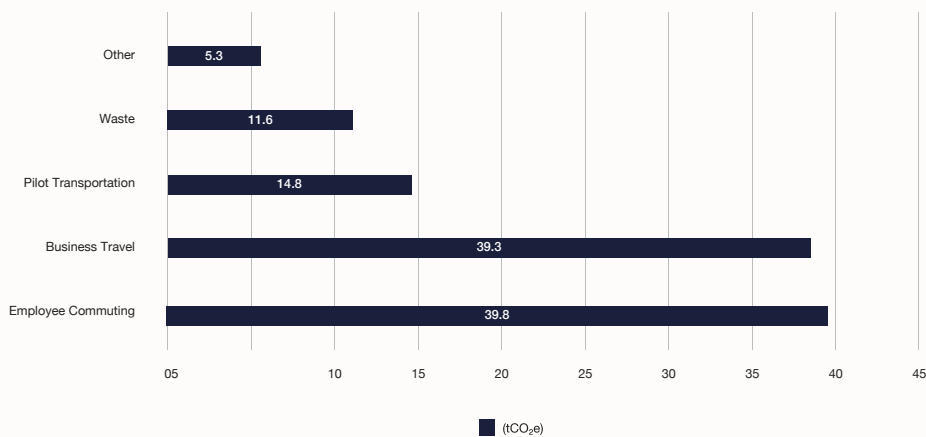
Emissions have varied year over year due to operational demand, transportation requirements and navigation conditions. As additional data is collected, longer-term trends will become clearer.

GHG Emissions by Scope (tCO<sub>2</sub>e)



This chart summarizes the GLPA’s greenhouse gas emissions by scope across reporting years. Scope 3 emissions represent the largest share of total emissions, reflecting the Authority’s operational and transportation-related activities. Variations across years reflect operational demand and transportation requirements.

Emissions by Source (2025)



Scope 3 emissions primarily reflect workforce mobility and transportation activities. Employee commuting, business travel and pilot transportation account for the majority of indirect emissions recorded during the 2025 reporting year.

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

Activity Type	2024		2025		Current vs Prior	
	(tCO <sub>2</sub> e)	% of emissions	(tCO <sub>2</sub> e)	% of emissions	(tCO <sub>2</sub> e)	% of emissions
at GLPA Head Office, St. Catharines Modular Office, Lock Modular Office, St. Lambert Dispatcher Office	15.64	11.70%	15.79	11.7%	0.15	>1%
Energy consumption for GLPA Trailer	Heat 1.69	<b>1.30%</b>	Heat 1.39	<b>1.3%</b>		
	AC 3.32	3%	AC -3.32	<b>2.5%</b>		
<b>Total</b>	<b>20.32</b>	<b>13.00%</b>	<b>20.8</b>	<b>15.00%</b>	<b>0.15</b>	<b>&gt;1%</b>

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

Activity Type	2024		2025		Current vs Prior	
	(tCO <sub>2</sub> e)	% of emissions	(tCO <sub>2</sub> e)	% of emissions	(tCO <sub>2</sub> e)	% of emissions
Electricity:	GLPA office	1.7%	GLPA office	2.2%	0.3	>1%
Actual electricity consumption	2.62		2.92			
of GLPA Head Office, St. Catharines Modular Office, Lock Modular Office, St. Lambert Dispatcher Office	Modular offices 0.56	0.4%	Modular offices .56	0.4%		
<b>Total</b>	<b>3.18</b>	<b>1.90%</b>	<b>3.48</b>	<b>2.60%</b>	<b>0.3</b>	<b>&gt;1%</b>

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

Activity Type	2024		2025		Current vs Prior	
	(tCO <sub>2</sub> e)	% of emissions	(tCO <sub>2</sub> e)	% of emissions	(tCO <sub>2</sub> e)	% of emissions
Capital Goods	6.92	4.40%	4.32	3.2%	-2.6	-1.10%
Employee commuting to work	52.65	33.2%	39.8	29.5%	-12.85	-3.70%
Business travel (including pilots)	50.59	32.00%	39.27	29.1%	-11.32	-2.90%
Pilot Boats	12.82	8.10%	14.76	10.90%	1.94	2.80%
Other	11.12	7.00%	11.64	8.60%	.52	1.60%
<b>Total</b>	<b>159</b>	<b>85.50%</b>	<b>135</b>	<b>82%</b>	<b>-24</b>	<b>3.00%</b>



Great Lakes Pilotage  
Authority

Administration de pilotage  
des Grands Lacs

Canada 