Pacific Pilotage Authority Canada
Administration de pilotage du Pacifique Canada

Pacific Pilotage Authority

UNAUDITED FINANCIAL STATEMENTS

Quarterly Results

Six months to June 30, 2025

- Statement of Management Responsibility
- Unaudited Financial Statements and Notes
- Management's Discussion and Analysis

PACIFIC PILOTAGE AUTHORITY

1000 – 1130 West Pender Street

Vancouver, BC V6E 4A4

UNAUDITED FINANCIAL STATEMENTS

Quarterly Results

Six months to June 30, 2025

Statement of Management Responsibility:

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

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

Originally signed by:

John Wilson
Chief Executive Officer

Originally signed by:

Stuart Mackenzie
Chief Financial Officer

Vancouver, BC
August 19, 2025

PACIFIC PILOTAGE AUTHORITY

Unaudited

Statement of Financial Position
(in thousands of Canadian dollars)

ASSETS

	As at June 30, 2025	As at December 31, 2024
Current		
Cash	$ 16,888	$ 13,348
Trade accounts receivable	8,518	6,743
Investments	1,030	1,279
Prepaid expenses and other receivables	1,607	1,704
	28,043	23,074
Non-current		
Investments	2,893	2,556
Other receivables	105	105
Property and equipment	39,075	40,859
Intangible assets	864	919
	42,937	44,439
	$ 70,980	**$ 67,513**

LIABILITIES

	June 30, 2025	December 31, 2024
Current		
Accounts payable and accrued liabilities	$ 18,986	$ 16,478
Borrowings	323	313
Other employee benefits	6	6
Lease liabilities	3,117	2,995
	22,432	19,792
Non-current		
Borrowings	4,016	4,185
Other employee benefits	626	601
Lease liabilities	19,189	20,758
	23,831	25,544
	46,263	45,336

EQUITY

	June 30, 2025	December 31, 2024
Retained earnings	24,717	22,177
	$ 70,980	**$ 67,513**

PACIFIC PILOTAGE AUTHORITY

Unaudited

Statement of comprehensive income
(in thousands of Canadian dollars)

	Three months to June 30		Six months to June 30	
	2025	**2024**	**2025**	**2024**
Revenues				
Pilotage charges	$ 40,865	$ 34,847	$ 73,779	$ 60,141
Simulator fees and investment and other revenues	384	496	832	791
	41,249	35,343	74,611	60,932
Expenses				
Contract pilots' fees	25,482	21,425	45,792	37,063
Salaries and benefits	4,914	4,543	9,694	8,878
Pilots' transportation	4,328	3,761	6,955	5,836
Depreciation and amortization	1,548	874	3,096	1,423
Pilots' training	804	1.119	1,406	1,649
Fuel	641	709	1,210	1,231
Professional and special services	574	591	1,223	1,115
Repairs and maintenance	793	307	1,122	820
Finance costs	308	189	632	262
Computer services	145	141	307	290
Utilities, materials, supplies and other	127	129	270	324
Insurance	66	52	128	99
Travel	53	54	118	87
Rentals	59	65	116	133
	39,842	34,004	72,071	59,210
Profit for the period	**1,407**	**1,339**	**2,540**	**1,722**
Other comprehensive income, not to be reclassified to profit or loss in subsequent periods		-		-
Total comprehensive profit	**$ 1,407**	**$ 1,339**	**$ 2,540**	**$ 1,722**

PACIFIC PILOTAGE AUTHORITY

Unaudited

Statement of Changes in Equity
(in thousands of Canadian dollars)

	Six months to June 30	
	2025	**2024**
Retained earnings, beginning of period	$ 22,177	$ 18,754
Profit for the period	2,540	1,722
Other comprehensive income and adjustments	-	-
Total comprehensive profit	2,540	1,722
Retained earnings, end of period	**$ 24,717**	**$ 20,476**

PACIFIC PILOTAGE AUTHORITY

Unaudited

Statement of Cash Flows
(in thousands of Canadian dollars)

	Three months to June 30		Six months to June 30,	
	2025	**2024**	**2025**	**2024**
Cash flows from operating activities				
Cash receipts from customers	$ 39,438	$ 32,265	$ 72,004	$ 57,130
Cash paid to suppliers and others	(30,403)	(25,861)	(56,339)	(47,467)
Cash paid to employees	(4,811)	(4,495)	(9,377)	(8,928)
Finance costs paid	(308)	(189)	(632)	(262)
Other income received	384	496	832	791
Net cash provided by operating activities	4,300	2,216	6,488	1,264
Cash flows from investing activities				
Purchase of investments	(71)	(37)	(88)	(41)
Acquisition of property and equipment	(425)	(283)	(1,252)	(1,818)
Acquisition of intangible assets	(3)	-	(3)	-
Net cash used in investing activities	(499)	(320)	(1,343)	(1,859)
Cash flows from financing activities				
Principal repayment of borrowings	(79)	(77)	(158)	(155)
Principal repayment of leases	(735)	(287)	(1,446)	(345)
Net cash used in financing activities	(814)	(364)	(1,604)	(500)
Net increase (decrease) in cash	**2,987**	**1,532**	**3,541**	**(1,095)**
Cash, beginning of period	13,901	10,382	13,347	13,009
Cash, end of period	$ **16,888**	$ **11,914**	$ **16,888**	$ **11,914**

Basis of Presentation

In accordance with the Treasury Board of Canada Standard, these financial statements do not include all of the financial statement disclosure required for annual financial statements and should be read in conjunction with the Authority's audited financial statements for the year ended December 31, 2024. In management's opinion, the financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim period presented.

1. Authority and objectives

The Pacific Pilotage Authority (the Authority) was established in 1972 pursuant to the *Pilotage Act*. The objectives of the Authority are to establish, operate, maintain and administer a safe and efficient pilotage service within designated Canadian waters.

The Authority is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* and is not subject to income taxes.

The pilotage charges set by the Authority for compulsory pilotage services are governed by the *Pilotage Act* and must be established in accordance with the charging principles within the *Pilotage Act*. The *Pilotage Act* provides that pilotage charges shall be set at levels that are fair and reasonable and that allow the Authority to be financially self-sufficient.

Coastal pilots are provided by British Columbia Coast Pilots Ltd. under an agreement for services. Fraser River pilots are employees of the Authority.

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, and to report on the implementation of this directive in the Authority's next corporate plan. The Authority finalized its implementation of this directive effective January 2019 and confirms the requirements of the directive have been met throughout 2024.

The principal registered address and records office of the Authority are located at 1000–1130 West Pender Street, Vancouver, British Columbia.

2. Material accounting policy information

2.1 Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS).

The quarterly financial statements were authorized for issue by the Finance and Audit Committee on August 19, 2025.

2.2 Joint operation

The Authority has classified its interest in a joint arrangement as a joint operation where the Authority has both the rights to assets and obligations for the liabilities of the joint arrangement. In its assessment of the classification of its interest in the joint arrangement, the Authority considered the structure, the legal form and the contractual terms.

The Authority accounts for its interest in the joint operation by recognizing its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

2.3 Cash and cash equivalents

Cash comprises cash on hand and Canadian dollar deposits held at Canadian chartered banks. Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. The Authority had no cash equivalents as at June 30, 2025.

2.4 Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit and loss) are added to or deducted from the fair value of the assets or liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Authority's financial assets include cash, trade accounts receivable, other receivables and investments.

On initial recognition, the Authority classifies its financial assets as measured at amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

Financial assets are reclassified subsequent to their initial recognition when the Authority changes its business model for managing those financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets that are not designated as being measured at FVTPL are recorded at amortized cost or FVOCI as appropriate.

Financial assets are measured at amortized cost when both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at FVOCI when both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Authority's cash is initially recognized at fair value and subsequently measured at amortized cost.

Trade accounts receivable are initially recognized at the transaction price; other receivables are initially recognized at fair value; and both are subsequently measured at amortized cost using the effective interest method, less a provision for impairment when applicable. Receivables are considered individually for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Since the objective of the Authority's investment policy is to hold investments and collect contractual cash flows on specified dates that are solely principal and interest on amounts outstanding, the Authority's investments are measured at amortized cost. Investments classified as measured at amortized cost are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. When required, the Authority recognizes a loss allowance for expected credit losses. Such losses are included in comprehensive income and reduce the carrying value of the related investments. Interest income and any gain or loss on de-recognition is included in comprehensive income.

Financial liabilities

Financial liabilities are recognized when the Authority becomes a party to the contractual provisions of the financial instrument and are classified as measured at amortized cost, except for financial liabilities measured at fair value through profit or loss.

The Authority's financial liabilities include accounts payable and accrued liabilities, lease liabilities and borrowings, and are all classified as measured at amortized cost using the effective interest method. Financial liabilities are removed from the statement of financial position when the obligation specified in the contract is either discharged, cancelled or expires.

2.5 Property and equipment

Property and equipment are initially recorded at cost, and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. The cost of assets constructed by the Authority includes design, project management, legal, materials, interest on directly attributable construction loans, and construction costs. Spare engines are carried at cost and will be depreciated when put in service.

Depreciation is recognized so as to allocate the cost or valuation of the assets less their residual values over their useful lives, on a straight-line basis. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of the Authority's assets are as follows:

- Buildings and floats — 10 - 20 years
- Pilot boats — 25 years
- Pilot boat engines — 10,250 running hours
- Pilot boat generators — 10 years
- Equipment
    - communication and other — 4 - 10 years
    - computers — 3 years
    - simulators — 5 - 7 years
- Leasehold improvements — lesser of 10 years or term of lease
- Right-of-use assets — term of lease

With regard to simulators, communication and other equipment, the Authority's proportion of the cost of software purchased for its own use and which is integral to the hardware (because without that software the equipment cannot operate) is treated as part of the cost of the hardware and capitalized to property and equipment.

In addition, the Authority reviews the carrying amount of its non-financial assets, which include property and equipment, at each financial year end to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (the cash generating unit or CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value by applying a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in comprehensive income.

Impairment losses recognized in prior periods are assessed at each financial year end for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

2.6 Intangible assets

Acquired computer software, excluding software integral to hardware, is recorded at cost and amortized on a straight-line basis over its estimated useful life of up to 10 years.

2.7 Leases

A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

i. Determining whether an arrangement contains a lease

At the inception of an arrangement, the Authority assesses whether the arrangement is, or contains, a lease. An arrangement is, or contains, a lease if the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether an arrangement conveys the right to control the use of an identified asset, the Authority assesses whether:

- the arrangement involves the use of an identified asset;
- the Authority has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Authority has the right to direct the use of the asset.

For practical expediency, the Authority has elected to:

- Account for leases with a remaining term of less than 12 months as short-term leases and expense on a straight-line basis over the lease term; and
- Account for lease payments as an expense and not recognize a right-of-use (“ROU”) asset if the underlying asset is of low dollar value.

ii. Recognition and measurement of the right-of-use asset

For arrangements that contain a lease, the Authority recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset to its originally condition, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

iii. Lease term

The lease term includes periods covered by an option to extend if the Authority is reasonably certain to exercise that option as well as periods covered by an option to terminate the lease if the Authority is reasonably certain not to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

iv. Recognition and measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined the Authority's incremental borrowing rate will be used. All extension options have been included in the measurement of lease obligations where applicable. Payments for optional renewals or purchase options are included if they are reasonably certain to be made. Variable lease payments that depend on sales or usage are excluded from the lease liability and recognize in income as incurred. Variable payments that depend on an index or rate are included in the lease liability based on the index or rate existing at each balance sheet date.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is re-measured when there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee, when there is a change in future lease payments arising from a change in a rate used to determine those payments, or if the Authority changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in comprehensive income or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.8 Employee benefits

i. Pension benefits

All eligible employees of the Authority participate in the Public Service Pension Plan (the Plan), a multi-employer 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.

ii. Other employee benefits

Management, unionized employees and the Fraser River pilots are entitled to sick leave benefits as provided for under collective agreements or employment contracts. Unionized employees are entitled to severance benefits accumulated up to March 31, 2018. The liability for these benefits is estimated and recorded in the financial statements as the benefits accrue to the employees.

The costs and the defined benefit obligation are actuarially determined using the projected unit credit method prorated on service that incorporates management's best estimate assumptions.

Actuarial gains and losses are recognized immediately in other comprehensive income.

2.9 Revenue recognition

The Authority recognizes revenue upon the transfer of control of promised services to customers at an amount that reflects the consideration to which the Authority expects to collect in exchange for the pilotage services it provides. The Authority has determined that control for pilotage services has passed when the pilot assigned to a vessel has completed the pilotage assignment, or the assignment is cancelled.

3. Significant accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying accounting policies and in making critical accounting estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

(a) Significant accounting judgments

Leases

The application of IFRS 16, "Leases", requires the Authority to make judgments that affect the valuation of lease liabilities and right-of-use assets. These include determining contracts in scope of IFRS 16 and determining the contract term.

The lease term determined by the Authority comprises the non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Authority is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Authority is reasonably certain not to exercise that option. This same term is applied to determine the depreciation term of right-of-use assets.

After the commencement date, the Authority remeasures the lease liability to reflect changes in the lease payments when the Authority is reasonably certain to exercise an option that would change the lease payments. The right-of-use asset is adjusted for the remeasurement of the lease liability.

(b) Significant accounting estimates

Depreciation – property and equipment

Significant components of property and equipment are depreciated over their estimated useful lives. Useful lives are determined based on current facts and past experience. While these useful life estimates are reviewed on a regular basis and depreciation calculations are revised accordingly, actual lives may differ from the estimates. As such, assets may continue in use after being fully depreciated or may be retired or disposed of before being fully depreciated.

Management's Discussion and Analysis

Unaudited financial results to June 30, 2025

Assignments	**2025 Actual**	**2024 Actual**	**Change**	**2025 Plan**	**Variance**
Coastal assignments	6,875	5,961	914	6,083	792
Fraser River assignments	619	613	6	604	15
Total	7,494	6,574	920	6,687	807

For the six months ended June 30, 2025, the Authority completed 7,494 pilotage assignments, an increase of 920 assignments, or 14%, when compared to prior year, and 12% above plan. The variance to prior year is mainly due to the significant increase in crude oil-related tanker traffic (663 assignments in 2025 vs 256 assignments for the same period in 2024 – six full months of Trans Mountain's expanded pipeline operations in 2025 vs 45 days operations for the same period last year). Also, there was an increase in grain shipments from a stronger harvest last year. Assignments for containers and cruise ships, however, decreased slightly over last year. With these traffic levels we generated revenues of $74.6 million and earned a net profit of $2.5 million for the period.

Cash flows from operating activities resulted in inflows of $6.5 million for the six months. These were offset by $1.3 million of capital expenditures and repayment of $1.6 million of borrowings and leases. As a result, cash and cash equivalents increased by $3.6 million from $13.3 million at December 31, 2024 to $16.9 million at June 30, 2025. Borrowings at June 30, 2025 were $4.3 million.

The capital expenditures of $1.3 million in 2025 was mostly for equipment related to the replacement of laptops that are part of the portable pilotage units (PPUs) the pilots use for navigation and for pilot boat overhauls. Planned capex for the full year was originally $27 million, of which $22.4 million was expected in 2025 for right-of-use assets, but that has been delayed, $2.5 million is for pilot boat upgrades, and $1.1 million for replacement of existing PPUs.

Operating Segment Analysis

	Six months to June 30				
	2025	2024		2025	
	Actual	Actual	Change	Plan	Variance
	$'000	$'000	%	$'000	%
Coastal pilotage revenue	$ 51,532	$ 42,910	20%	$ 44,619	15%
Coastal contract expenses	(45,792)	(37,063)	24%	(38,696)	18%
Coastal margin	5,740	5,847		5,923	
Launch and helicopter revenue	11,765	7,973	7%	11,377	2%
Launch and helicopter expenses	(8,163)	(7,072)	15%	(7,944)	3%
Launch and helicopter margin	3,602	901		3,433	
Travel revenue	6,419	5,383	19%	5,477	17%
Pilot travel expenses	(5,025)	(4,588)	10%	(4,766)	5%
Travel margin	1,394	795		711	
River pilotage revenue	2,632	2,594	1%	2,604	1%
River pilot wages and benefits	(2,541)	(2,173)	17%	(2,346)	8%
River margin	91	421		258	
Total margin	10,827	7,964		10,325	
Other revenue and expenses					
Surcharges	1,430	1,280	12%	1,328	8%
Other income	832	791	5%	644	29%
Pilot training expenses	(1,406)	(1,649)	-15%	(1,224)	15%
Administrative salaries and benefits	(3,500)	(3,161)	11%	(3,336)	5%
Other expenses	(2,547)	(2,080)	22%	(3,106)	-18%
Depreciation	(3,096)	(1,423)	117%	(4,104)	-25%
TOTAL PROFIT	**$ 2,540**	**$ 1,722**		**$ 527**	

The net profit for the six months ended June 30, 2025 was $2.5 million, above prior year by $0.8 million, and $2 million above plan. Significant changes from prior year and variances from plan are explained below:

- Although traffic volume was 12% above plan, the coastal pilotage margin was 2% below plan. There were significantly more assignments requiring two pilots in the first six months compared to last year (900 vs 530) because of the increase in tanker traffic. Two pilot assignments contribute a lower profit margin % and therefore lower the average margin % for all assignments. Average coastal margin % year-to-date in 2025 was 11% compared to 14% for the same period in the prior year. Coastal callbacks in the current year were also significantly higher than prior year due to greater need for pilots because of the increase in two pilot assignments.

- Launch and helicopter revenues for first six months in 2025 were 3% above plan, and $3.8 million above same period prior year because of six full months of helicopter service in 2025 compared to 40 days of helicopter service in the same period in 2024. Launch expenses in 2025 were higher than prior year because of repair costs for the Scout and PP2 launches. Launch and helicopter margins were very close to the plan. There was also approximately $2.1 million of depreciation and finance expenses related to helicopter operations that are included in depreciation and other expenses below. These additional helicopter-related costs are associated with accounting for the helicopter contract as a right-of-use asset.

- Travel revenues were 17% above plan for the first six months of fiscal 2025, mainly due to an increase in Southern assignments. Travel revenues from Southern assignments increased to $3.6 million for 2025 compared to $2.7 million for the same period prior year. The increase in travel expenses was only 5% over the plan as the Authority managed to secure a lower air charter fee to Port Hardy for 2025. As a result, margins for travel improved to 22%.

- Although River pilotage revenues were very close to plan and prior year, the margin in this sector was slightly down because of an increase in Fraser River pilot headcount to handle more assignments, which translated into higher fixed costs. As at Jun 30, 2025, there were also two Fraser River apprentices.

- Training expenses were 15% below prior year's level, as an above average number of unrestricted coast pilots were required to undergo manned model training in 2024. The number resumed to a more normal level in 2025.

- Administrative salaries and benefits for the first six months of fiscal 2025 were 5% above plan because of annual wage increases and the prior year benefitting from savings resulting from turnover in some positions.

- Other expenses were 22% above the prior year due to an increase in finance costs related to the helicopter contract and an increase in Transport Canada's charge for administering the *Pilotage Act (*from year-to-date $401K in 2024 to $566K in 2025). Other expenses were 18% below plan largely due to the plan assuming a helicopter contract to service LNG tankers in the north would have been operational in March 2025, which did not occur.

- Depreciation, which includes amortization of right-of-use assets, increased by $1.5 million over the prior year mainly because of the helicopter contract, which only started in May last year. Depreciation was 25% less than plan due to a delay in any helicopter service in the north, as noted above.

Key Performance Indicators

Performance of the Authority is regularly reviewed by the Board of Directors. Certain key performance indicators are incorporated as part of this review and are disclosed below.

Pacific Pilotage Authority
KEY PERFORMANCE INDICATORS
Six months to June 30

Safety		**2025**	**2024**
1.	Incidents on vessels under pilotage [0]	1	0
2.	Incidents on pilot launches [0]	1	0
3.	Pollution incidents on pilot launches [0]	0	0
Reliability			
4.	Number of delays (hours) caused by pilots [0]	1 (6)	5 (21.5)
5.	Number of delays (hours) caused by dispatch errors [0]	0	0
6.	Number of delays (hours) caused by launches [0]	1 (3)	1 (0.25)
7.	Total number of delays (total hours delayed) [0]	2 (9)	6 (21.75)
Efficiency: Pilots			
8.	Complaints regarding pilot service level [0%] [number of complaints/number of assignments]	0.1%	0%
9.	Callbacks as percentage of assignments [≤ 2.5%]	1.9%	1.4%
10.	Annual assignments per pilot a) Coastal [≥ 107] b) Fraser River [≥ 120]	 129 118	 106 144
11.	Annual utilization of pilots – terminal delays [≤ 5%] (hours delayed at terminal/total hours on assignment)	2%	2%
12.	Annual utilization of pilots – cancellations [≤ 8%] (number of cancellations/number of assignments)	9%	8%
Efficiency: General			
13.	Maintain an average of 3 working days to acknowledge all complaints [≤ 3 days]	3 days	0 days
14.	Invoice disputes related to disputed assignment details [<1%] (number of disputes/number of invoices issued)	0.3%	0.2%
Financial			
15.	Average revenue/cost per assignment a) Revenue [$10,264] b) Cost [$10,238] c) Profit (loss) [$26]	 $ 9,956 $ 9,617 $ 339	 $ 9,269 $ 9,007 $ 262
16.	Maintain adequate reserves (cash and investments) [≥ $16M]	$21M	$15M
17.	Accounts receivable - % of invoices under 30 days [≥ 95 %]	98%	99%
18.	Working capital ratio - current assets/current liabilities [1.0]	1.3	1.2

[ ]: goal