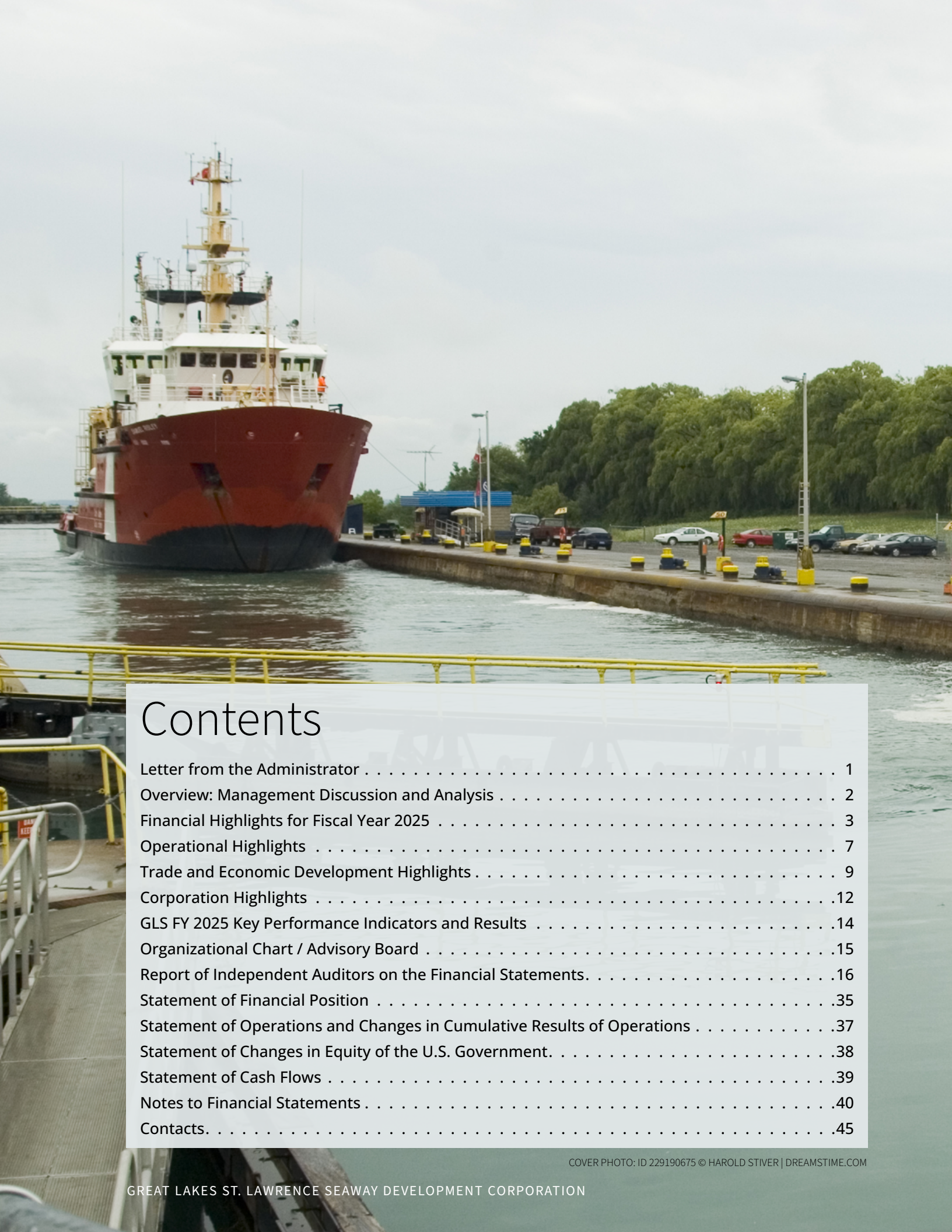


Great Lakes St. Lawrence Seaway Development Corporation

Fiscal Year 2025 Annual Report





Contents

Letter from the Administrator	1
Overview: Management Discussion and Analysis	2
Financial Highlights for Fiscal Year 2025	3
Operational Highlights	7
Trade and Economic Development Highlights	9
Corporation Highlights	12
GLS FY 2025 Key Performance Indicators and Results	14
Organizational Chart / Advisory Board	15
Report of Independent Auditors on the Financial Statements.	16
Statement of Financial Position	35
Statement of Operations and Changes in Cumulative Results of Operations	37
Statement of Changes in Equity of the U.S. Government.	38
Statement of Cash Flows	39
Notes to Financial Statements	40
Contacts.	45

COVER PHOTO: ID 229190675 © HAROLD STIVER | DREAMSTIME.COM



Letter from the Administrator

Dear Seaway Stakeholder:

I am pleased to present the annual management report and financial audit of the Great Lakes St. Lawrence Seaway Development Corporation (GLS) for Fiscal Year (FY) ending September 30, 2025. The Allmond & Company Audit Report represents GLS's 62nd consecutive unmodified audit opinion, reflecting our commitment to excellence since our first financial audit in 1955. I am grateful for this opportunity to lead GLS and its workforce as they are responsible for so much of the success of the Seaway System.

This is my first opportunity to present this report as the 12th Administrator of GLS. I was honored to begin serving in this position in June 2025 and am grateful to President Trump for appointing me and humbled to serve the Seaway System and its stakeholders in this role.

The FY 2025 report and audit provide a comprehensive look at the many programs and initiatives undertaken by GLS during the past fiscal year. The continued safety and reliability of our waterway is the foundation upon which we fulfill our mission, including promoting and accommodating increases in maritime cargo. The exceptional safety record of the Seaway System is an enduring legacy of the waterway that all of us at GLS work hard to promote and preserve.

In FY 2025, GLS's Trade and Economic Development activities remained robust. GLS hosted and attended specialized conferences and trade missions, fostering partnerships to enhance Great Lakes/Seaway trade. Notably, GLS focused special emphasis on engagements with key partners, including Morocco, Kazakhstan, Ukraine, Belgium, Spain, Germany, France, Netherlands, Switzerland, and Portugal.

Throughout FY 2025, we completed several major projects to rehabilitate and modernize our infrastructure as part of GLS's Seaway Infrastructure Program (SIP). These projects not only extend the lifespan of our critical assets but also enhance operational efficiency and reduce maintenance costs. Since FY 2009, GLS has obligated nearly \$238.8 million on 69 separate capital infrastructure projects. One major capital project completed in FY 2025 was the concrete rehabilitation of walls, sills, and culverts at both the Eisenhower and Snell Locks. The completion of this vital \$6.4 million project will reduce the risk of system delays to commercial navigation caused by lock equipment malfunction.

The activities and programs highlighted in this report promote a safe, reliable, efficient, and competitive waterway for all its users. As we embark on the journey ahead, we remain committed to fostering collaboration, innovation, and prosperity for all stakeholders. To stay connected on the latest GLS programs and activities, visit us at www.greatlakes-seaway.com, www.seaway.dot.gov, and across social media [@SeawayUSDOT](https://twitter.com/SeawayUSDOT).



*GLS Administrator
J. M. (Mike) McCoshen*

Best Regards,

J. M. (Mike) McCoshen
Administrator

Management Discussion and Analysis

Overview

Core Organizational Values



Commitment



Dependability



Service



Leadership



Stewardship

AUTHORITY – The U.S. Great Lakes St. Lawrence Seaway Development Corporation (GLS or Corporation), a wholly owned government corporation and an operating administration of the U.S. Department of Transportation (USDOT or Department), is responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. This responsibility includes maintaining and operating the two U.S. Seaway locks located in Massena, N.Y., maintaining the channels and navigational aids in U.S. waters, and performing vessel traffic control operations in areas of the St. Lawrence River and Lake Ontario. In addition, the Corporation performs economic and trade development activities designed to enhance Great Lakes St. Lawrence Seaway System utilization.

The Corporation’s operational staff and facilities are in Massena, N.Y., including the two U.S. Seaway locks (Eisenhower and Snell). GLS’s headquarters is in Washington, D.C.

GLS interacts with numerous U.S. and Canadian government agencies and private industry to carry out its mission. The Corporation coordinates its activities with its Canadian counterpart, the St. Lawrence Seaway Management Corporation (SLSMC), particularly with respect to rules and regulations, overall day-to-day waterway and lock operations, traffic management, navigation aids, safety, environmental programs, operation dates and trade development programs. The unique binational nature of the Seaway System requires close coordination between the two Seaway Corporations.

The St. Lawrence Seaway serves the eight-state, two-province region of North America, which represents an economic output of \$6 trillion annually. Maritime commerce on the Great Lakes Seaway System annually sustains over 240,000 U.S. and Canadian jobs and \$36 billion in transportation-related business revenue.

MISSION STATEMENT – GLS operates and maintains the U.S. infrastructure and waters of the St. Lawrence Seaway, while performing trade development focused on increasing economic activity for the Great Lakes St. Lawrence Seaway System. The Corporation’s mission is to serve the marine transportation industry by providing a safe, reliable, efficient, and competitive deep draft international waterway, in cooperation with the Canadian SLSMC.

VISION STATEMENT – GLS will be a model federal agency, leading the Great Lakes Seaway System as the safest and most efficient, competitive, and technologically advanced marine transportation system in the world.

Financial Highlights for Fiscal Year 2025

Each year, GLS reports its financial position and results of operations, pursuant to the requirements of the Chief Financial Officers Act of 1990.

Corporation Financing

Until 1987, the Corporation was a self-sustaining entity and financed its operations and investments in plant and equipment by charging tolls to commercial users of the two U.S. Seaway locks. Toll rates were established jointly with and collected by the St. Lawrence Seaway Authority (now known as the St. Lawrence Seaway Management Corporation or SLSMC), with the U.S. share remitted

to GLS. With the enactment of the Water Resources Development Act of 1986, P.L. 99-662, which created the Harbor Maintenance Trust Fund (HMTF), GLS began receiving annual appropriations. Although the U.S. portion of Seaway tolls was still collected, the Act required the U.S. Treasury to rebate the U.S. toll collections to users. Subsequent legislation, effective October 1, 1994, waived the billing and collection process of the U.S. tolls. However, GLS still recognizes the requirement under the 1959 Tariff of Tolls agreement between Canada and need for the U.S. to negotiate Seaway toll levels with the SLSMC.

The Articulated Tug and Barge Everlast and Norman McLeod, operated by McAsphalt Marine Transportation Limited, was the first ship to transit through the lock in St. Catharines, Ontario, Canada on Tuesday, March 25, 2025, marking the start of the 67th navigation season of the St. Lawrence Seaway.

Photo credit: The St. Lawrence Seaway Management Corporation (SLSMC)





Then-GLS Deputy Administrator Anthony Fisher (far left), SLSMC President/CEO Jim Athanasiou (far right), extended a special welcome to Chief Engineer Vladislav Kardach (middle left) and Captain Keith Bromley (middle right) of the Articulated Tug and Barge Everlast and Norman McLeod, the ceremonial opening vessel. Opening Ceremony of the St. Lawrence Seaway's 2025 navigation season on March 25, 2025, in St. Catharines, Ontario, Canada.

Photo credit: The St. Lawrence Seaway Management Corporation (SLSMC)



Selected Financial Indicators

(In thousands of dollars)

For the Fiscal Year Ended September 30		2025
Operating Revenues		38,195
Appropriations expended		37,035
Other		1,160
Operating Expenses		28,541
Personnel services and benefits		18,559
Other		9,982
Imputed Financing and Expenses		
Imputed financing		1,774
Imputed expenses		1,774
Total Assets		250,328
Time Deposits in Minority Banks		2,742
Short-term		2,502
Long-term		240
Interest Income from Minority Banks		343

Note: Rounding may affect the addition of rows and columns in the table.

Operating Revenues

Operating revenues, excluding imputed financing, totaled \$38.2 million in Fiscal Year (FY) 2025. This is comprised primarily of appropriations expended, representing the amount of the HMTF expended for operating purposes and other revenues.

Operating Expenses

In FY 2025, operating expenses totaled \$28.5 million, excluding depreciation, imputed expenses, and workers' compensation benefits. Personnel services and benefits totaled \$18.5 million and other costs totaled \$10.0 million. Personnel services and benefits represented 65 percent of the Corporation's operating expenses in FY 2025. GLS employed 124 people on September 30, 2025.

Other costs totaling \$10 million included: \$6.1 million for other contractual services; \$2.4 million for supplies and materials; \$1.0 million for equipment not capitalized; \$203,000 for travel and transportation of persons and things; \$139,000 for rent, communications, and utilities; \$103,000 loss on property disposals; and \$23,000 for printing and reproduction.

Imputed Financing and Expenses

Effective in 1997, GLS was required to recognize and record the cost of pension and post-retirement benefits during employees' active years of service, based on cost factors provided by the Office of Personnel Management (OPM). These costs are recorded as an expense paid by OPM offset by an imputed financing source to the receiving entity (GLS).

Total Assets

GLS's financial position continues to remain sound with total assets of \$250.3 million. Plant, property, and equipment are valued at \$179.0 million.

Time Deposits in Minority Banks and Interest Income

Time deposits in minority banks decreased from \$10.2 million in FY 2024 to \$2.7 million in FY 2025, a decrease of \$7.5 million. This change was in response to Executive Orders 14151, Ending Radical and Wasteful Government DEI Programs and Preferencing, and 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity. GLS completed an internal review of all programs including its participation in the Minority Bank Deposit program. In alignment with the Executive Orders and guidance received, deposits previously maintained with minority-owned depository institutions were withdrawn as each reached maturity. These funds were returned to the corporation's Treasury account and did not have a material impact on the agency's financial position or operations.

Unobligated Balance

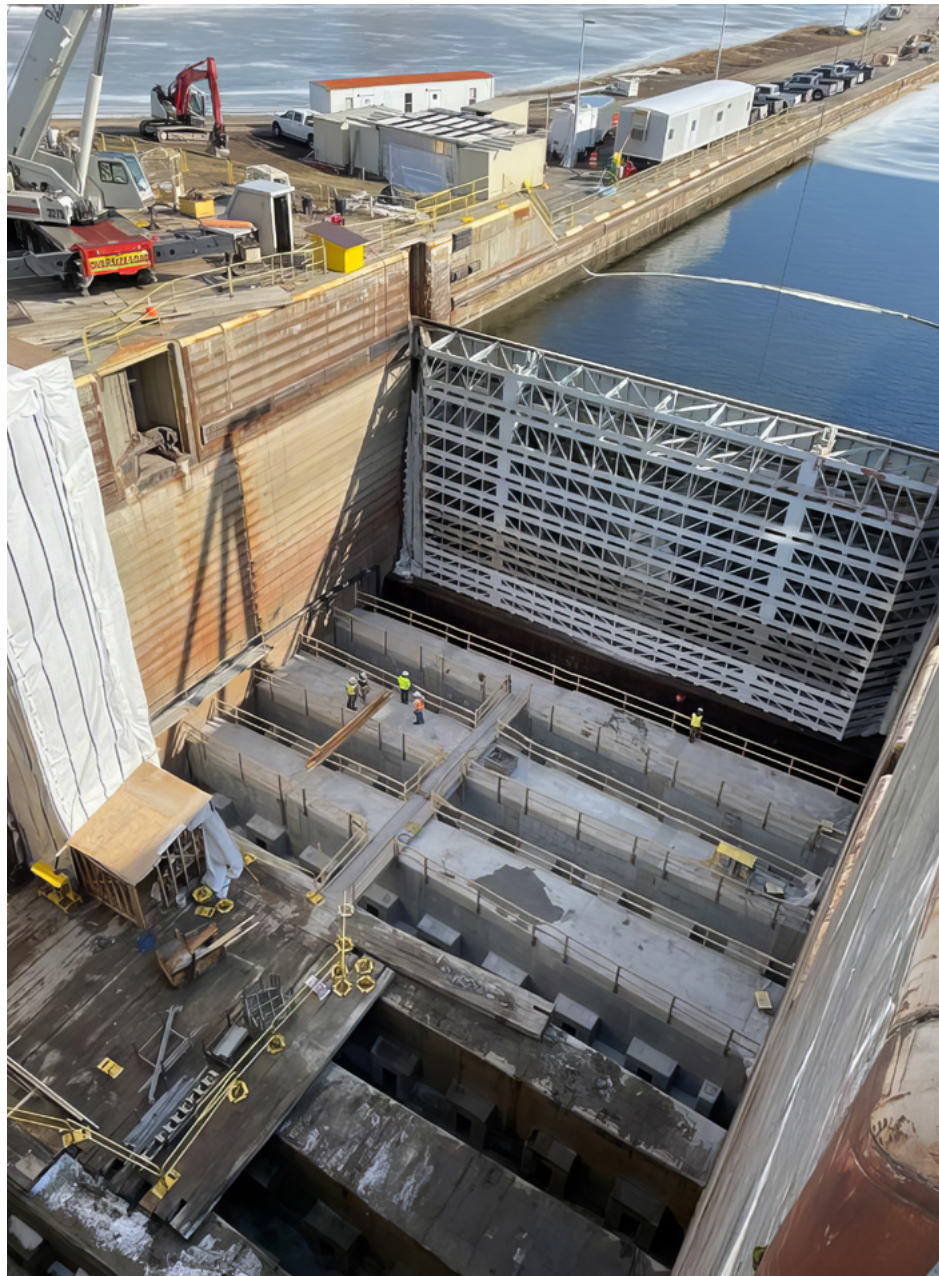
GLS had an unobligated balance on September 30, 2025, of \$59.5 million, comprised of \$32.4 million of carryover balances from prior year appropriations, \$23.9 million in financial reserves, and \$3.2 million is unused borrowing authority. The financial reserve is maintained to finance emergency or extraordinary expenditures to ensure safe and uninterrupted use of the St. Lawrence Seaway, a policy affirmed by the USDOT, Office of Management and Budget (OMB), and the U.S. Congress in Appropriations Committee reports.

GLS's Seaway Infrastructure Program (SIP)

GLS's Seaway Infrastructure Program (SIP) addresses the long-term capital asset renewal needs of the U.S. Seaway infrastructure. The start of GLS's capital infrastructure program in FY 2009 represented the first time in GLS's history that a comprehensive effort had been undertaken to modernize the Seaway infrastructure, including rehabilitation of and improvements to the U.S.-operated locks, the navigation channels, the Seaway International Bridge, and other Corporation facilities and assets located in Upstate New York.

In FY 2025, GLS obligated \$10.5 million for 29 capital projects under the Seaway Infrastructure Program (SIP). This amount includes \$6.4 million for concrete rehabilitation of walls, sills, and culverts at both the Eisenhower and Snell Locks; \$926,000 for replacement of paving and drainage infrastructure; \$624,000 for floating plant replacements and upgrades; and \$616,000 for Global Positioning System (GPS), Automatic Identification System (AIS), and Transportation Management System (TMS) enhancements. The remaining 25 projects accounted for approximately \$1.9 million in additional SIP-related obligations. Included within the total is \$497,000 in personnel compensation and benefits for SIP-related staff time. Since the program's inception in 2009, GLS has obligated a cumulative total of \$238.8 million across 69 separate infrastructure projects.

The completion of SIP projects will extend the life of the U.S. Seaway infrastructure and reduce the risk of system delays to commercial navigation caused by lock equipment malfunction. In addition, several projects involve the implementation of new technologies for the safe and secure operation of the Seaway infrastructure, resulting in reduced maintenance needs and operating costs to Seaway users. SIP projects also address workplace facilities for GLS staff in Massena, N.Y., that are in need of rehabilitation or replacement.



Winter Work in progress.

Operational Highlights

GLS Maintains 100 Percent Safety Inspections/Assessments of Foreign Vessels Entering the St. Lawrence Seaway

Under the Enhanced Seaway Inspection (ESI) program, GLS inspects or assesses all ocean vessels on their initial transit into the St. Lawrence Seaway. The inspection focuses on safety and environmental protection issues and occurs in lower Québec ports, before the vessel enters the Seaway and U.S. waters. The ESI program expedites the safe transit of shipping through the Great Lakes St. Lawrence Seaway System, while maintaining strict environmental standards.

ESI inspections are jointly performed by GLS and SLSMC marine inspectors and covers both Seaway-specific fittings as well as port state control items identified by the U.S. Coast Guard (USCG) and Transport Canada as required for Great Lakes Seaway System vessel transits. In the event major deficiencies are identified, Transport Canada

and the USCG are notified, and the vessel is held before entering the St. Lawrence Seaway until all deficiencies are cleared.

The proactive approach and continued improvement of the program has been successful in reducing the number and frequency of incidents both on the St. Lawrence River as well as in and around the lock facilities. In addition, the inspection/assessment program has eliminated the practice of duplicative inspections by multiple U.S. and Canadian agencies, allowing for a more seamless and efficient transit of the Seaway.

GLS's goal of performing inspections or assessments of all foreign-flag vessels on their initial Seaway transit each year was achieved during the 2024 navigation season, with 102 inspections or assessments conducted by Corporation personnel. As of September 30, 2025, 100 percent of foreign-flag vessels were either inspected or assessed for compliance during the 2025 navigation season.

GLS Participates in Seaway Emergency Response Exercise

GLS maintains an Emergency Response Plan that enhances the Corporation's ability to respond to any vessel incident on the St. Lawrence River. GLS works closely with other stakeholders to prepare for a quick and safe response to mitigate the impact of an accident or spill on the St. Lawrence Seaway. Annual training and drills are practiced ensuring resources are adequate for an effective response. Most training and drills include the participation of federal, state, tribal, local response agencies, and environmental groups.

From July 29-31, 2025, GLS participated in a maritime disruption exercise in Hogsburg, N.Y., focused on strengthening coordination between environmental responders and Historic Preservation Officers during oil spills or other environmental incidents. Participants included representatives from the U.S. Coast Guard, Canadian Coast Guard, St. Regis Mohawk Tribe and Tribal Police, Mohawk Council of Akwasasne, New York State Department of Environmental Conservation, U.S. Department of Interior, U.S. Fish and Wildlife Service, New York State Parks, Recreation, and Historic Preservation, and Environment Canada. The exercise featured classroom discussions of initial assessments and shoreline cleanup priorities and field exercises on the St. Lawrence River, which included a practice boom deployment.



Practice boom deployment.



Joint Maritime Disruption Exercise delegation gathered in Hogansburg, N.Y.

U.S./Canadian Federal Report Highlights Continued Effectiveness of the Great Lakes Seaway System Ballast Water Inspection Program

In February 2025, a new report showed the continued effectiveness of the current Great Lakes Seaway ballast water management regime during the 2024 navigation season. This was evident in both the number of ballast tank inspections of oceangoing commercial ships entering the St. Lawrence Seaway from outside U.S. or Canadian waters, as well as the extent of compliance with ballast water management requirements.

The report was prepared by the Great Lakes Seaway Ballast Water Working Group (BWWG), which includes representatives of GLS, SLSMC, USCG's Ninth District, and Transport Canada. The group coordinates U.S. and Canadian enforcement and compliance efforts to reduce the introduction of aquatic invasive species in the Great Lakes Seaway System via foreign flag commercial vessels.

The *2024 Summary of Great Lakes Seaway Ballast Water Working Group* examined the U.S.-Canada Great Lakes Seaway System ballast water ship inspection program. In 2024, 9,506 ballast

tanks were assessed during 482 vessel transits. Vessels that did not exchange their ballast water or flush their ballast tanks on board, treat the ballast water in an environmentally sound and approved manner, or return to sea to conduct a ballast water exchange. Vessels that were unable to exchange their ballast water/residuals and that were required to retain them onboard received a verification exam during their outbound transit prior to exiting the Seaway. Verification efforts indicated that there was no non-compliant ballast water discharged in the Great Lakes Seaway System in 2024. Since 2009, 100 percent of international vessels entering the Seaway have received a ballast water management exam.

The Great Lakes Aquatic Nonindigenous Species Information System, maintained by the National Oceanic and Atmospheric Administration, documents that Seaway regulations and the effectiveness of the BWWG and the ballast water inspection program have been publicly credited as key factors in dramatically decreasing the risk of aquatic invasive species introductions by international vessels transiting the Seaway (only 2 possible introductions since 2006 compared to 15 for 1991-2006).



Great Lakes St. Lawrence Seaway System delegation in attendance at the 2024 Breakbulk Events & Media Americas Conference in Houston, Texas.

Trade and Economic Development Highlights

Office of Trade And Economic Development (OTED) Focuses on Strategic Goals

Goal 1: Raising Great Lakes Seaway System and Regional Awareness

To increase visibility of the Great Lakes and St. Lawrence Seaway system as a key maritime gateway, GLS OTED presented at seven domestic and international conferences and seminars, reaching 487 audience members from October 1, 2024-September 30, 2025. GLS also attended and exhibited at an additional six domestic and international trade shows with a total of 11,145 attendees. GLS focused special emphasis on engagements with Morocco, Kazakhstan, Ukraine, Belgium, Spain, Germany, France, Netherlands, Switzerland, and Portugal to reinforce and encourage ongoing Seaway trade dialogue with respect to growth opportunities through those lanes. Each of these opportunities was leveraged to highlight the Seaway system's maritime connectivity, the access it provides to the economic heartland of North America, and its contributions to the economic development of the Great Lakes region.



Executive Officer Sylvonica Madlock represented GLS throughout Project Cargo Summit 2025 held in Bilbao, Spain.

Goal 2: Promotion of Great Lakes Cruise Industry

GLS OTED supported Great Lakes stakeholders who are engaged in developing the cruise industry on the Great Lakes to provide positive local and regional economic impacts through increased cruise passenger activity. GLS has been raising awareness of the Great Lakes market to the cruise industry including the ports' capabilities to handle cruise vessels and of the Seaway's operational details for safe transit of vessels into the system. GLS has been a conduit in connecting prospective cruise line operators to Federal partners at both the US Customs and Border Protection (CBP) and the US Coast Guard in order for a thorough review and discussion of security and passenger clearance processes. In 2025, GLS attended cruise ship vessel christening ceremonies and various cruise ship events within the Great Lakes to directly engage with stakeholders and the industry. To raise the visibility of the Seaway with international cruise



Great Lakes Cruise Ship Pearl Mist.

lines not yet operating in the Great Lakes, GLS attended Seatrade Europe in Hamburg which was attended by over 3,000 industry professionals and had over 240 exhibitors including multiple cruise lines.

Goal 3: Strengthening the System Through Business Intelligence, Resiliency, and Efficiency

GLS OTED continued its ongoing engagement with stakeholders throughout the Seaway System through a combination of routine communication, maritime trade events, and coordinated port visits. OTED staff participated in five local, state, and national maritime strategy sessions at the invitation of stakeholders. Additionally, through collaboration with Customs and Border Protection (CBP), two additional Great Lakes ports received approval to clear containers with operations starting in 2026.

In transatlantic markets, GLS focused its efforts on collecting business intelligence to expand Seaway growth by working to identify opportunities where

the efficiency of the system would offer shippers added value. Establishing strategic relationships with key logistics centers and then leveraging those to better understand freight movements to and from the Great Lakes region was a continual focus of GLS. Given the investments being made by US ports in the Great Lakes to expand into container freight movement, GLS worked on their behalf to identify existing overseas container trade lanes connections to strengthen the Seaway system.

Overall, GLS conducted 12 separate initiatives with 850 stakeholders to further business intelligence, resiliency, and efficiency.



Specialty Soya and Grains Alliance (SSGA) Awards Annual Alliance Honors



The Specialty Soya and Grains Alliance (SSGA) Executive Committee recognized those who have made significant and sustaining contributions to the U.S. Identity Preserved industry during the past year. GLS's Director of Trade and Economic Development, Peter Hirthe, was awarded the SSGA Alliance Honor for Advancing Transportation.

Director Hirthe was recognized for his work at GLS to promote and revitalize the Great Lakes and St. Lawrence Seaway as a critical trade-lane option serving the U.S. intermodal and international transportation system.



TOP: GLS Administrator Mike McCoshen presented the Pacesetter Award to Port of Cleveland's then-interim CEO & Chief Commercial Officer Dave Gutheil; Toledo-Lucas County Port Authority's Vice President of Business Development, Joe Cappel and President & CEO Thomas Winston; Port of Duluth's Executive Director, Kevin Beardsley; Port Milwaukee's then-Director, Jackie Carter; and Lorain Port and Finance Authority's Executive Director, Tiffany McClelland during the Annual Conference of the American Great Lakes Ports Association in Chicago.



BOTTOM LEFT: GLS Administrator Mike McCoshen presented the Pacesetter Award to Illinois International Port District's Executive Director, Erik Varela during the Annual Conference of the American Great Lakes Ports Association in Chicago.

BOTTOM RIGHT: Administrator McCoshen (center) presented Conneaut Port Authority's Pacesetter Award to the Port's Board Chairperson Bill Kline (far left) and Conneaut's City Manager Nick Sanford (far right) in Ohio.

Seven U.S. Great Lakes Ports Earn GLS's Robert J. Lewis Pacesetter Award for Increased International Trade in 2024

In FY 2025, GLS presented seven U.S. Great Lakes Seaway System ports with its 33rd annual Robert J. Lewis Pacesetter Award for registering increases in international cargo tonnage shipped through their ports during the 2024 navigation season compared to 2023.

The ports earning the Robert J. Lewis Pacesetter Award for 2024 were the Port of Cleveland (Ohio), Conneaut Port Authority (Ohio), Illinois International Port District (Chicago), Port of Duluth-Superior (Minn.), Lorain Port and Finance Authority (Ohio), Port Milwaukee (Wis.), and Toledo-Lucas County Port Authority (Ohio).

GLS Pacesetter Award annually recognizes the economic development achievements of those U.S. Great Lakes Seaway System ports that increase international tonnage shipped through the St. Lawrence Seaway in comparison to the previous year. The award also serves to raise awareness among the wider community about

how important ports are as assets to the local, regional, and national economy. The Pacesetter Award name was officially changed in 2001 to posthumously honor the noteworthy career of GLS Logistics Director Robert J. Lewis, who was instrumental in developing and implementing GLS's trade development program.

GLS Facilitates Belgium-Great Lakes Reverse Trade Mission

In May 2025, GLS welcomed a distinguished trade delegation from Antwerp, Belgium, marking a long-standing relationship of maritime trade between the two regions. The Antwerp visit to the region followed an earlier visit by GLS and Great Lakes/Seaway officials to Belgian and German ports in 2023.

GLS, the U.S. Commercial Service, Port of Antwerp-Bruges' Memorandum Of Cooperation partners, the Ports of Indiana - Burns Harbor and the Council of the Great Lakes St. Lawrence Governors and Premiers, hosted a networking event on May 20 for 55 attendees that furthered our collective effort to facilitate trade between North America and industrial areas in Europe.



Mike McCoshen (left) was joined by his wife, Julie McCoshen, as he was officially sworn in as the 12th Administrator of the Great Lakes St. Lawrence Seaway Development Corporation by USDOT Deputy Assistant Secretary Keith Washington (far right) at the U.S. Department of Transportation Headquarters in Washington, DC.

Corporation Highlights

GLS Welcomes New Administrator

In June 2025, J.M. (Mike) McCoshen was sworn in as the twelfth Administrator of the U.S. Department of Transportation's Great Lakes St. Lawrence Seaway Development Corporation (GLS).

A native of Superior, Wis., McCoshen brings more than 45 years of experience in maritime transportation and waterfront operations. He most recently served as President of McCoshen Logistics Solutions LLC, a consulting firm focused on bulk terminals and cargo logistics throughout the Great Lakes region. Previously, he spent two decades as President and Chief Operating Officer of Hallett Dock Company in Duluth, Minn., directing operations at the westernmost terminal on the Great Lakes. He began his career in 1976 as a heavy equipment operator and shiploader at the Burlington Northern (now BNSF Railway) taconite transshipment facility in Superior, Wis., steadily rising through the ranks to eventually manage that



Mike McCoshen (left) is officially sworn in as the 12th Administrator of the Great Lakes St. Lawrence Seaway Development Corporation by USDOT Deputy Assistant Secretary Keith Washington (far right) in a brief ceremony at the U.S. Department of Transportation Headquarters in Washington, DC.

terminal's operations. Across his career, he was involved in moving more than 200 million tons of cargo through the Seaway System.



▲
▲
(L-R): Kathryn Puleo, Destination Manager, St. Lawrence County Chamber of Commerce; Amanda Helmer, Management Support Clerk, Great Lakes St. Lawrence Seaway Development Corporation; Amy Stark, Visitor Center and Community Relations Manager, Great Lakes St. Lawrence Seaway Development Corporation; and Tif Amo, Director of Tourism, St. Lawrence County Chamber of Commerce.

Seaway Visitor Center Recognized for Outstanding Community Engagement

The Seaway Visitor Center at Eisenhower Lock has been recognized for its outstanding approach to community outreach during its recent reopening campaign. Through the dedication and creativity of the team, the Center became a shining example of how to do more with less—relying not on a large budget, but on smart planning, operational efficiency, and strong local partnerships.

By tapping into no-cost media opportunities and working closely with regional partners, the Center successfully reignited public interest and turned the reopening into a county-wide tourism success story. This effort was recently honored with the 2025 Tourism Excellence Award for Best Destination Marketing Initiative by the St. Lawrence County Chamber of Commerce, recognizing the campaign’s regional impact and the strength of its community-focused approach.

This recognition is a testament to the hard work of GLS employees and the continued efforts to connect meaningfully with the communities they serve.



▶▶
 GLS staff and awardees
 in attendance at the
 USDOT Awards Ceremony,
 (L-R): then-Deputy
 Administrator Anthony
 Fisher and GLS team
 leaders Joseph (Jody)
 David and Amy Stark.

GLS Employees and Work Teams Receive DOT Secretarial Awards

The U.S. Department of Transportation honored GLS employees at the 57th Annual U.S. Department of Transportation (DOT) Secretary’s Awards Ceremony on December 5, 2024. Individuals and teams who performed their duties in an exemplary manner to meet the Department’s strategic goals and accomplish its mission were recognized at the event.

Among the distinguished recipients were the interdepartmental team behind the successful launch of the new Eisenhower Lock Visitor Center. This team displayed exceptional cooperation, ingenuity, originality, and commitment during the construction phase and grand opening of the new visitor center in Massena, N.Y. last year. GLS employees recognized for the Secretary’s Team Award included Jessica Bender, Ryan Chatland,

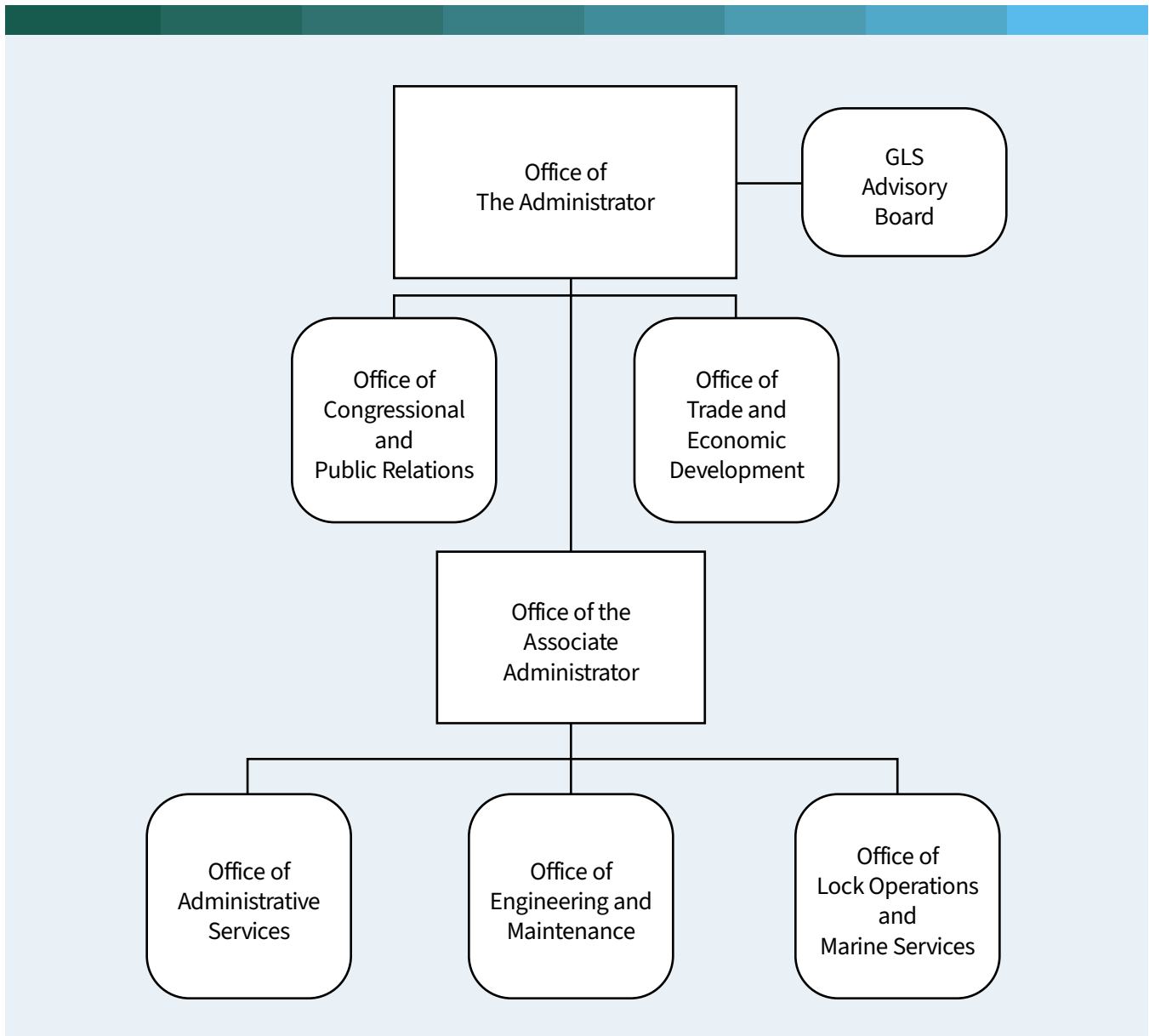
Anthony Curley, Jon-Paul Faucher, Louis Fiacco, Lee Fregoe, Latoya James, Danit Johnson, Mary-Alice LaPlante, Dalton Lottie, Sylvonica Madlock, Jeffrey Mee, Anthony Monacelli, Scott Nelson, Kevin O’Malley, Thomas Owney, Derek Paquin, Dale Peets, Christopher Phillips, Carrie Rogers, Chora Snyder, William Sova, Amy Stark, Tyler Tynon, and Jennifer Wilk.

Several other employees working together were also recognized for developing an innovative, efficient, and repeatable process to change Hands-Free Mooring (HFM) Pads without the need to remove the entire HFM unit from its mounting position on the lock wall. The new repair method provided significant savings in time and costs for this maintenance procedure. GLS employees recognized for the Secretary’s Creativity and Innovation Award included Robert Barkley, David Joseph, Spencer Haggett, Travis Leggue, Philip Munson, and Jeffrey Reed.

GLS FY 2025 Key Performance Indicators and Results

Lock Availability — “Minimize vessel delays due to lock equipment failure or malfunction.” The goal each year is 99 percent lock availability. Lock availability during the 2025 season, through September 30, was 99.6 percent. Final 2024 season lock-related delays totaled 18 hours, 56 minutes, which produced a 99.7 percent lock availability rate.

Great Lakes St. Lawrence Seaway Development Corporation FY 2025 Organization Chart



The GLS has a statutorily mandated five-member Advisory Board, which reviews the general policies of the GLS and advises the Administrator with respect to these policies. The members of the Advisory Board are appointed by the President with the advice and consent of the U.S. Senate. Not more than three of the members shall belong to the same political party. The Advisory Board must meet at least once every 90 days.

In FY 2025, there were currently three active members on the GLS's Advisory Board:

David J. McMillan
 Chairman
 Acting Chancellor
 U-M Duluth
 Duluth, Minn.

William J. Mielke
 Member
 Chairman of the Board,
 Ruekert/Mielke
 Waukesha, Wis.

Arthur H. Sulzer Ed. D.
 Member
 Captain USN-Ret.
 Arthur H. Sulzer Associates, Inc.
 Glen Mills, Pa.



U.S. Department
Of Transportation

**Great Lakes
St. Lawrence Seaway
Development Corporation**

Memorandum

Subject: Federal Managers' Financial Integrity Act
(FMFIA) Assurance Statement

Date: October 21, 2025

From: 
James M. McCoshen
Administrator

To: Jason Allmond
Managing Member
Allmond & Company, LLC

Pursuant to Section 306 of the Chief Financial Officers Act of 1990, the Great Lakes St. Lawrence Seaway Development Corporation (Corporation) is required to provide a statement on internal accounting and administrative control systems consistent with the requirements of the Federal Managers' Financial Integrity Act (FMFIA) of 1982. An evaluation of the system of internal accounting and administrative control of the Corporation in effect during the year ended September 30, 2025, was performed in accordance with "Guidelines for Evaluation and Improvement of and Reporting on Internal Control Systems in the Federal Government," issued by the Director of the Office of Management and Budget, in consultation with the Comptroller General, as required by the FMFIA, and accordingly included an evaluation of whether the system of internal accounting and administrative control of the Corporation was in compliance with the standards prescribed by the Comptroller General.

The objectives of the system of internal accounting and administrative control of the Corporation are to provide reasonable assurance that:

- Obligations and costs are in compliance with applicable laws;
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
- Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports, and to maintain accountability over the assets.

The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived therefrom, and that the benefits consist of reductions in the risks of failing to achieve the stated objectives. Estimates and judgments are required to assess the expected benefits and related costs of control procedures. Furthermore, errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative

control, including those limitations resulting from resource constraints, Congressional restrictions, and other factors. Finally, projection of any evaluation of the system to future periods is subject to the risk that procedures may be inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

A material weakness or non-conformance is a specific instance of non-compliance with the Integrity Act. Such weakness would significantly impair the fulfillment of an agency component's mission; deprive the public of needed services; violate statutory or regulatory requirements; significantly weaken safeguards against waste, loss, unauthorized use or misappropriation of funds, property, or other assets; or result in a conflict of interest. Each material non-conformance in a financial system merits the attention of the agency head/senior management, the Executive Office of the President, or the relevant Congressional oversight committee; prevents the primary agency's financial system from achieving central control over agency financial transactions and resource balances; and/or prevents conformance of financial systems with financial information standards and/or financial system functional standards.

The results of the evaluations described in the second paragraph, assurances given by appropriate Corporation officials, and other information provided indicate that the system of internal accounting and administrative control of the Corporation in effect during the year ended September 30, 2025, taken as a whole, complies with the requirement to provide reasonable assurance that the above-mentioned objectives were achieved within the limits described in the preceding paragraph. The evaluation did not disclose any material weaknesses or non-conformances in the internal accounting and administrative control system in FY 2025 and prior years.



U.S. Department
of Transportation

**Great Lakes
St. Lawrence Seaway
Development Corporation**

Memorandum

Subject: Management's Response to the GLS's
Financial Statements Audit Report
for Fiscal Year 2025

Date: January 7, 2026

From: James M. McCoshen
Administrator

A handwritten signature in black ink, appearing to read 'J. McCoshen', written over the name and title of the sender.

To: Jason Allmond
Managing Member
Allmond & Company, LLC

This memorandum represents the Great Lakes St. Lawrence Seaway Development Corporation's (GLS) official management response to the Fiscal Year (FY) 2025 financial statements audit report, dated January 6, 2026.

We are pleased that your audit team that performed the GLS's FY 2025 financial statements audit provided an unmodified audit opinion – the GLS's 62nd consecutive clean audit opinion dating back to its first financial statements audit in 1955.

We concur with the one significant deficiency identified in the audit report related to the unit costs of operating materials and supplies. The GLS will work to implement corrective actions by June 30, 2026.

We appreciate the professionalism and cooperation exhibited by the audit team during this year's audit. The combined efforts and teamwork of the Allmond & Company and GLS staff members were critical to achieving the objectives of the financial audit process.

Please refer any questions to Carrie Rogers, Director, Office of Administrative Services.

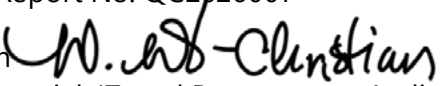


U.S. Department of Transportation
Office of Inspector General

Memorandum

Date: January 13, 2026

Subject: ACTION: Quality Control Review of the Independent Auditor's Report on the Great Lakes St. Lawrence Seaway Development Corporation's Audited Financial Statements for Fiscal Year 2025 | Report No. QC2026007

From: Dormayne "Dory" Dillard-Christian 
Assistant Inspector General for Financial, IT, and Procurement Audits

To: Administrator, Great Lakes St. Lawrence Seaway Development Corporation

I respectfully submit the results of our quality control review (QCR) of the independent auditor's report on the Great Lakes St. Lawrence Seaway Development Corporation's (GLS) audited financial statements for fiscal year 2025.

We contracted with the independent public accounting firm Allmond & Company, LLC to audit GLS's financial statements as of and for the fiscal year ended September 30, 2025, and provide an opinion on those financial statements, report on internal control over financial reporting, and report on compliance with laws and other matters. The contract required the audit to be performed in accordance with U.S. generally accepted Government auditing standards, Office of Management and Budget audit guidance, and the Government Accountability Office's (GAO) and Council of the Inspectors General on Integrity and Efficiency's *Financial Audit Manual*.¹

We appreciate the cooperation and assistance of GLS's representatives and Allmond. If you have any questions about this report, please contact me or Ingrid Harris, Program Director.

cc: The Secretary
DOT Audit Liaison, M-1
GLS Liaison

¹ GAO, *Financial Audit Manual*, Volume 1 (GAO-25-107705), June 2025; Volume 2 (GAO-24-107279), June 2024; Volume 3 (GAO-25-107707), August 2025.

Independent Auditor's Report

In its audit report, dated January 7, 2026, Allmond states that:

- GLS's financial statements² (see attachment 3) were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;
- it found one significant deficiency³ in internal control over financial reporting that it did not consider to be a material weakness;⁴ and
- there were no instances of reportable noncompliance with provisions of laws tested, or reportable other matters.

Allmond made five recommendations to address the significant deficiency in internal control over financial reporting (see attachment 1).

Significant Deficiency

Incorrect Unit Costs Resulted in Misstatement of the Balance of Operating Materials and Supplies

Allmond determined that internal controls relating to the valuation of operating materials and supplies were not operating effectively to prevent or detect and correct errors in unit costs that were entered into the inventory tracking system. Specifically, historical cost information was not entered correctly into the inventory tracking system and supporting documentation was not retained. In other instances, the quantities of the items recorded in the system were incorrect.

² The financial statements are included in GLS's Annual Report. For GLS's full Annual Report, which includes these statements, related notes, and required supplementary information, go to: <https://www.seaway.dot.gov/publications/annual-reports>.

³ A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness but important enough to merit attention by those charged with governance.

⁴ A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Recommendations

To help strengthen GLS's internal controls, Allmond recommended that:

1. GLS should amend its procedures relating to the annual count and valuation of operating materials and supplies to include verification of unit and total costs. This should include locating or reconstructing source documentation for the total quantity on hand for each item and matching the costs entered in the system to the source documents.
2. GLS should determine how average costs are calculated within the inventory tracking system. If the average cost in the system for specific inventory items does not represent the average cost of inventory on hand, the average cost in the system should be periodically adjusted when the annual inventory is performed or at year-end.
3. GLS should tighten its controls relating to personnel's completion of inventory issuance requests so that warehouse personnel are aware when items are checked out and the inventory tracking system can be updated timely.
4. GLS should implement a procedure (e.g., require two people to sign off on the shipping receipt or bill of lading) for all operating materials and supplies to ensure that the quantity received agrees with the quantity recorded and placed into inventory.
5. GLS should continue executing its corrective action plan and complete the review of the unit and total costs of inventory items.

Quality Control Review

We performed a QCR of Allmond's report and related documentation, and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted Government auditing standards, was not intended to enable us to express, and we do not express, an opinion on GLS's financial statements or conclusions about the effectiveness of internal control over financial reporting, or compliance with laws and other matters. Allmond is responsible for its report and the conclusions expressed therein.

Our QCR disclosed no instances in which Allmond did not comply, in all material respects, with U.S. generally accepted Government auditing standards.

Agency Comments and OIG Response

Allmond provided GLS with its draft report on January 6, 2026, and received GLS's response, dated January 7, 2026 (see attachment 2). GLS agreed with the deficiency Allmond found. GLS concurred with Allmond's five recommendations and committed to implementing corrective actions to address the deficiencies by June 30, 2026. We agree with Allmond's recommendations and are not making any additional recommendations.

Actions Required

We consider all five of Allmond's recommendations open and resolved pending completion of the corrective actions.



ALLMOND & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

7501 FORBES BOULEVARD, SUITE 200
LANHAM, MARYLAND 20706(301) 918-8200
FACSIMILE (301) 918-8201

Independent Auditor's Report

Administrator, Great Lakes St. Lawrence Seaway Development Corporation
Inspector General, U.S. Department of Transportation

Report on the Financial Statements

Opinion

In accordance with Section 9105 of the Government Corporation Control Act of 1945¹, we have audited the Great Lakes St. Lawrence Seaway Development Corporation (GLS) financial statements. GLS's financial statements comprise the Statement of Financial Position as of September 30, 2025; the related Statement of Operations and Changes in Cumulative Results of Operations, Statement of Cash Flows, and Statement of Changes in Equity of the U.S. Government for the fiscal year then ended; and the related notes to the financial statements.

In our opinion, GLS's financial statements present fairly, in all material respects, GLS's financial position as of September 30, 2025, and its operations and changes in cumulative results of operations, changes in equity of the U.S. Government, and cash flows, for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the GLS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance

¹ 31 U.S. Code (U.S.C.) § 9105

with U.S. generally accepted accounting principles;

- preparing and presenting other information included in GLS's Annual Report and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-02 will always detect a material misstatement or material weakness when it exists.

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. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to an audit of the financial statements 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 GLS's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information (RSI)

U.S. generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB) require that the RSI be presented to supplement the financial statements. Such information is the

Independent Auditor's Report

responsibility of management and, although not a part of the financial statements, is required under standards issued by FASB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

GLS's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in GLS's Annual Report. The other information comprises the following sections: the *Letter from the Administrator*, *Operational Highlights*, *Trade and Economic Development Highlights*, *Corporation Highlights*, and *Key Performance Indicators and Results* sections, as listed in the Table of Contents of GLS's Annual Report. Other information 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 an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audit of GLS's financial statements as of and for the year ended September 30, 2025, we considered GLS's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies² or

² A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

Independent Auditor's Report

to express an opinion on the effectiveness of GLS's internal control over financial reporting. Given these limitations, during our 2025 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

During our fiscal year 2025 audit, we identified a deficiency in GLS's internal control over financial reporting that we consider to be a significant deficiency. This deficiency is described in the accompanying *Exhibit I, Findings and Recommendations*, to this report. We considered this significant deficiency in determining the nature, timing, and extent of our audit procedures on GLS's fiscal year 2025 financial statements. Although the significant deficiency in internal control did not affect our opinion on GLS's fiscal year 2025 financial statements, misstatements may occur in unaudited financial information reported internally and externally by GLS because of this significant deficiency.

In addition, we identified other deficiencies in GLS's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies that, nonetheless, warrant management's attention. We have communicated these matters to GLS management and, where appropriate, will report on them separately.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to GLS's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

Responsibilities of Management for Internal Control over Financial Reporting

GLS management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Consideration of Internal Control over Financial Reporting

In planning and performing our audit of GLS's financial statements as of and for the fiscal year ended September 30, 2025, in accordance with U.S. generally accepted government auditing standards, we considered GLS's internal control relevant to the financial statement 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 GLS's internal control over financial reporting. Accordingly, we do not express an opinion on GLS's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and

Independent Auditor's Report

- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of GLS's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of GLS's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audit of GLS's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2025 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to GLS. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

GLS management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to GLS.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to GLS that have a direct effect on the determination of material amounts and disclosures in GLS's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to GLS. We caution that noncompliance may occur and not be detected by these tests.

Independent Auditor's Report

Intended Purpose for Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

GLS's Response to Findings

GLS's responses to the findings identified during our audit are described immediately following the auditor's recommendations in *Exhibit I*. GLS's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Agency Comments

We provided GLS with a draft of our report on January 6, 2026, and received GLS's response on January 7, 2026. GLS's response to our report was not subjected to the auditing procedures that we applied to our audit of the financial statements and, therefore, we express no opinion on the response.

Allmond & Company, LLC

Lanham, MD
January 7, 2026

Independent Auditor's Report
Exhibit I – Significant Deficiency

Incorrect Unit Costs Resulted in Misstatement of the Balance of Operating Materials & Supplies (2025-01)

CONDITION

Corrective actions relating to the valuation of Operating Materials and Supplies (OM&S) were not fully implemented in order to prevent or detect and correct errors in unit costs that were entered into the inventory tracking system.

During our year-end substantive testing of OM&S for the Great Lakes St. Lawrence Seaway Development Corporation (GLS), we identified the following exceptions:

- 2 of 28 statistical samples for which the unit cost information entered into GLS's EPAC inventory tracking system was incorrect and information supporting the unit and total costs was not available.

In addition, during our on-site testwork at GLS's operations headquarters in Massena, NY and our review of GLS's completed FY 2025 OM&S physical inventory, we identified the following conditions:

- 1 of 65 items selected at random from the inventory listing for which cost information was not entered into the tracking system; therefore, the value of this item was reported as \$0.
- 1 of 65 items selected at random from the inventory listing was removed from inventory and placed into production; however, the item was not checked out or removed from the inventory listing.
- 1 of 46 items selected at random from the inventory available on-site for which the quantity on hand did not agree with the quantity per the inventory tracking system.

CRITERIA

Financial Accounting Standards Board (FASB) Accounting Standards Codification 330-10-30-1, Cost Basis, states, "The primary basis of accounting for inventories is cost, which has been defined generally as the price paid or consideration given to acquire an asset. As applied to inventories, cost means in principle the sum of the applicable expenditures and charges directly or indirectly incurred in bringing an article to its existing condition and location. It is understood to mean acquisition and production cost, and its determination involves many considerations."

FASB Accounting Standards Codification 330-10-30-9, Determination of Inventory Costs, states, "Cost for inventory purposes may be determined under any one of several assumptions as to the flow of cost factors, such as first-in first-out (FIFO), average, and last-in first-out (LIFO). The major objective in selecting a method should be to choose the one which, under the circumstances, most clearly reflects periodic income."

FASB Accounting Standards Codification 330-10-30-12, Determination of Inventory Costs, states, "Standard costs are acceptable if adjusted at reasonable intervals to reflect current conditions so that at the balance-sheet date standard costs reasonably approximate costs computed under one of the recognized bases. In such cases descriptive language shall be used which will express this relationship, as, for instance, "approximate costs determined on the first-in first-out basis," or, if it is desired to mention standard costs, "at standard costs, approximating average costs."

GLS Supply Division Policies and Procedures (February 14, 2023), Section 8, General Procedures, Part 1.

Receipt of Material, Supplies and Equipment, states,

- i. Incoming shipments from vendors, will be checked for agreement and conformance to the purchase order and/or contract; and processed as received within five (5) working days of receipt. All deliveries will be date stamped and marked with the purchase order number unless the shipment is a non-operating materials and supplies credit card order. Non-operating materials and supplies credit card purchase will be handed over to the purchaser.
- ii. Discrepancies on purchase requests for shortages, overages and damage for material ordered through a purchase order will be cleared through the Procurement branch prior to acceptance or rejection.”

GLS Supply Division Policies and Procedures (February 14, 2023), Section 8, General Procedures, Part 4. Request for Issue, i. Warehouse Stock Items, states,

1. When Corporation employees require materials, supplies or equipment stocked in the warehouse, the Materials Handler, Warehouse Worker, or Supply Technician will generate the issue transaction on the automated supply inventory system. The requested items must be accepted in the quantity it is issued such as pack, bag, hundred, etc... The employee’s supervisor must then log on to the supply system to approve or reject the issue. Approvals require the supervisor to enter a charge department, accounting string, and object class from the list of available codes withing the supply system. Issue transactions are monitored weekly to ensure accurate information is entered.”

Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 3: Accounting for Inventory and Related Property, Section 26, Valuation Methods for Opening Balances and Exceptions to Valuation, states,

“Alternative Valuation Method for Opening Balances.3a Deemed cost is an acceptable valuation method for opening balances of inventory, operating materials and supplies (OM&S), and stockpile materials when a reporting entity is presenting financial statements, or one or more line items addressed by Statement of Federal Financial Accounting Standards (SFFAS) 48, Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials, following generally accepted accounting principles (GAAP) promulgated by the FASAB either (1) for the first-time or (2) after a period during which existing systems could not provide the information necessary for producing such GAAP-based financial statements without use of the alternative valuation method... [D]eemed cost should be based on following should be considered in applying an alternative valuation method: deemed cost should be based on one, or a combination, of the following valuation methods:

- (1) Standard price (selling price) or fair value
- (2) Latest Acquisition Cost
- (3) Replacement cost
- (4) Estimated historical cost (initial amount)
- (5) Actual historical cost (initial amount).”

The Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government*, Principle 10.01: Design Control Activities, states, “Management should design control activities to achieve objectives and respond to risks. The following attributes contribute to the design, implementation, and operating effectiveness of this principle:

Independent Auditor's Report
Exhibit I – Significant Deficiency

- Response to Objectives and Risks
- Design of Appropriate Types of Control Activities
- Design of Control Activities at Various Levels
- Segregation of Duties.”

GAO *Standards for Internal Control in the Federal Government*, Section 10.03 Design of Appropriate Types of Control Activities, *Appropriate Documentation of Transactions and Internal Control*, states, “Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination...Documentation and records are properly managed and maintained.”

CAUSE

- Historical cost information was not entered correctly into the inventory tracking system, did not agree with the supporting documentation, or supporting documentation was not retained.
- GLS’s current inventory tracking and management system was placed into service in 2017. Records for inventory items purchased before that date were not available, not entered into the system, or incorrect amounts were entered.
- During the performance of GLS’s annual count and cost verification process, the personnel performing the annual inventory previously verified the number of items on hand, but did not match the unit cost in the system to supporting documentation and therefore did not identify that unit cost information entered into the system was inaccurate or absent.
- Items may have been taken out of inventory without logging the item on the check-out list or requesting issuance of items by warehouse personnel, which prevented warehouse personnel from updating the tracking system timely. Alternatively, the quantity that was received and placed into inventory may not have been the quantity that was ordered and recorded by warehouse personnel.
- GLS’s corrective action plan is still being implemented. Given the number of inventory items to review and GLS’s small staff, additional time is needed to complete the revaluation project.

EFFECT

- Actual (known) overstatement of the OM&S balance is \$20,128.60; the projected overstatement of the balance is \$90,529.73. The total known and projected overstatement is \$110,658.33.
- Increased risk that the average cost used to calculate the value of other OM&S inventory items may be incorrect or be diluted over time if not periodically reviewed and corrected.
- Increased risk of additional under- or overstatements for other OM&S items, resulting in potential future misstatements of Operating Expenses when the items are used in production or disposed of.

RECOMMENDATION

We recommend that:

- GLS should amend its procedures relating to the annual count and valuation of OM&S to include verification of unit and total costs. This should include locating or reconstructing source documentation for the total quantity on hand for each item and matching the costs entered in the system to the source documents.
- GLS should determine how average costs are calculated within the inventory tracking system. If the average cost in the system for specific inventory items does not represent the average cost of inventory on hand, the average cost in the system should be periodically adjusted when the annual inventory is performed or at year-end.
- GLS should tighten its controls relating to personnel's completion of inventory issuance requests so that warehouse personnel are aware when items are checked out and the inventory tracking system can be updated timely.
- GLS should implement a procedure (e.g., require two people to sign off on the shipping receipt or bill of lading) for all operating materials and supplies to ensure that the quantity received agrees with the quantity recorded and placed into inventory.
- GLS should continue executing its corrective action plan and complete the review of the unit and total costs of inventory items.

MANAGEMENT RESPONSE

Management concurs with the condition and will consider the recommendation provided when determining if a corrective action plan should be developed once the audit concludes.

General Comments

GLS amended its procedures relating to the annual count and valuation of OM&S in April 2025. GLS will further strengthen its procedures in regard to inventory issuance and receiving processes. As of 10/01/2025 GLS has converted the inventory system to the FIFO method.

AUDITOR RESPONSE

We will perform follow up procedures during the FY 2026 audit to determine if corrective actions have been fully implemented.

Independent Auditor’s Report

Exhibit II –

Status of Prior Year Findings and Recommendations

The following table provides the fiscal year (FY) 2025 status of all recommendations included in the Independent Auditor’s Report on GLS’s FY 2024 Financial Statements (November 6, 2024).

FY 2024 Finding	FY 2024 Recommendation	FY 2025 Status
<p>Incorrect Unit Costs Resulted in Understatement of the Balance of Operating Materials & Supplies (2024-01)</p>	<p>Recommendations:</p> <p>Improve controls relating to the valuation of Operating Materials & Supplies (OM&S).</p> <p>Specifically, we recommended that management should:</p> <ol style="list-style-type: none"> 1. Amend its procedures relating to the annual count and valuation of OM&S to include verification of unit and total costs. This should include locating or reconstructing source documentation for the total quantity on hand for each item and matching the costs entered in the system to the source documents. 2. Determine how average costs are calculated within the inventory tracking system. If the average cost in the system for specific inventory items does not represent the average cost of inventory on hand, the average cost in the system should be periodically adjusted when the annual inventory is performed or at year-end. 3. Continue executing its corrective action plan and complete the review of the unit and total costs of inventory items. 	<p>Open</p> <p>Open</p> <p>Open</p>

Status of Prior Year Findings and Recommendations

<p>Loss Contingencies Were Not Reported in Accordance with Generally Accepted Accounting Principles (2024-02)</p>	<p>Improve controls relating to the identification and reporting of loss contingencies in accordance with generally accepted accounting principles.</p> <p>Specifically, we recommended that management should:</p> <ol style="list-style-type: none"> 1. Proactively and independently initiate discussions with Legal Counsel on an at least quarterly basis in order to identify contingent liabilities which should be recognized and/or disclosed in the Corporation’s financial statements and footnotes so that appropriate entries can be recorded, and/or note disclosures prepared, prior to the finalization of the financial statements and footnotes. 2. Document the actions taken to verify that the information received is complete and whether information is needed from other sources to complete the financial reporting process. 3. Update the Corporation’s standard operating procedures to incorporate timely inquiries of legal counsel during the preparation of the financial statements and footnotes. 	<p>Open</p> <p>Open</p> <p>Open</p>
---	--	-------------------------------------

Great Lakes St. Lawrence Seaway Development Corporation
Statement Of Financial Position
As of September 30, 2025

Assets	2025
Current Assets	
Cash	
Held by U.S. Treasury	\$ 64,310,771
Held in banks and on hand	5,978
Short-term time deposits in minority banks (Note 3)	2,502,000
Accounts receivable (Note 4)	229,603
Due from SIBC (Note 6)	225,862
Operating materials and supplies (Note 2)	547,607
Other current assets (Note 4)	1,440,512
Total current assets	<u>69,262,333</u>
Long-Term Investments	
Long-term time deposits in minority banks (Note 3)	<u>240,000</u>
Plant, Property and Equipment	
Plant in service (Note 5)	344,129,924
Less: Accumulated depreciation	<u>(167,624,959)</u>
Net plant in service	176,504,965
Information Software, net	9,177
Work in progress	<u>2,269,820</u>
Total plant, property and equipment	<u>178,783,962</u>
Other Assets	
Lock spare parts (Note 2)	1,931,290
Total assets	<u>\$ 250,217,585</u>

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

Great Lakes St. Lawrence Seaway Development Corporation
Statement Of Financial Position
As of September 30, 2025

Liabilities and Equity of the U.S. Government	2025
Current Liabilities	
Accounts payable	\$ 1,362,697
Accrued annual leave (Note 2)	1,049,523
Accrued payroll costs	698,331
FECA Liability	556,317
Other Current Liabilities	5,978
Total current liabilities	3,672,846
Actuarial Liabilities	
Worker's compensation benefits (Note 2)	5,332,710
Long Term Liabilities	
FECA Liability	689,848
Total liabilities	9,695,404
Equity of the U.S. Government	
Invested capital (Note 2)	194,682,446
Cumulative results of operations	45,613,873
Cumulative results of SIBC restricted use fund (Note 6)	225,862
Total equity of the U.S. government	240,522,181
Total liabilities and equity of the U.S. Government	\$ 250,217,585

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

Great Lakes St. Lawrence Seaway Development Corporation
Statement Of Operations And Changes In Cumulative Results Of Operations
For the Year Ended September 30, 2025

	2025
Operating Revenues	
Appropriations expended	\$ 37,035,078
Imputed financing (Note 9)	1,774,058
Other (Note 7)	1,159,742
Total operating revenues	<u>39,968,878</u>
Operating Expenses (Note 8)	
Locks and marine operations	7,071,423
Maintenance and engineering	9,913,848
General and development	4,943,598
Administrative expenses	6,760,944
Depreciation	8,344,822
Imputed expenses (Note 9)	1,774,058
Worker's compensation benefits (Note 2)	(519,386)
Total operating expenses	<u>38,289,307</u>
Operating gain	1,679,571
Other Financing Sources	
Interest on deposits in minority banks	342,917
Transfer from invested capital for depreciation	8,344,822
Total other financing sources	<u>8,687,739</u>
Operating revenues and other financing sources over operating expenses	10,367,310
Beginning cumulative results of operations	<u>35,246,563</u>
Ending cumulative results of operations	<u>\$ 45,613,873</u>
SIBC Restricted Use Fund Activity (Note 6)	
Interest earned	21,143
Allocation of Annual Surplus	97,830
Foreign currency exchange	(16,973)
Total SIBC revenues	<u>102,000</u>
Bridge repairs	434,965
Total SIBC expenditures	<u>434,965</u>
SIBC restricted fund loss	(332,965)
Beginning cumulative results of SIBC restricted use fund	<u>558,827</u>
Ending cumulative results of SIBC restricted use fund	<u>\$ 225,862</u>

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

Great Lakes St. Lawrence Seaway Development Corporation
Statement Of Changes In Equity Of The U.S. Government
 For the Year Ended September 30, 2025

	Invested Capital	Unexpended Appropriations	Cumulative Results of Operations	Cumulative Results of SIBC Restricted Use Fund
Balance, September 30, 2024	\$ 199,774,346	\$ -	\$ 35,283,019	\$ 558,827
Correction of Errors	-	-	(36,456)	-
Adjusted Balance, September 30, 2024	\$ 199,774,346	\$ -	\$ 35,246,563	\$ 558,827
Appropriations expended	-	(37,035,078)	37,035,078	-
Fiscal Year 2025 appropriations	-	40,288,000	-	-
Other financing sources	-	-	3,276,717	102,000
Operating expenses, excluding depreciation and imputed expenses	-	-	(28,689,813)	(434,965)
Depreciation expense	-	-	(8,344,822)	-
Imputed expenses	-	-	(1,774,058)	-
Workers' compensation actuarial	-	-	519,386	-
Transfer from invested capital for depreciation	(8,344,822)	-	8,344,822	-
Capital expenditures	3,252,922	(3,252,922)	-	-
Balance, September 30, 2025	\$ 194,682,446	\$ -	\$ 45,613,873	\$ 225,862

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

Great Lakes St. Lawrence Seaway Development Corporation Statement Of Cash Flows

For the Year Ended September 30, 2025

	2025
Cash flows from operating activities:	
Operating revenues and other financing sources over operating expenses	\$ 10,367,310
Adjustments to reconcile operating revenues and other financing sources over operating expenses to net cash provided by operating activities:	
Depreciation	8,344,822
Transfer from invested capital for depreciation	(8,344,822)
Net loss on property disposals	103,392
Change in assets and liabilities:	
Accounts receivable	(25,395)
Operating materials and supplies	30,399
Other current assets	(1,310,500)
Other assets	234,127
Accounts payable	(584,578)
Accrued liabilities	34,923
Other Current Liabilities	2,634
Actuarial Liabilities (Note 2)	(519,386)
Long Term Liabilities (Note 2)	14,364
Net cash provided by operating activities	8,347,290
Cash flows from investing activities:	
Proceeds from plant, property and equipment disposals	-
Acquisition of plant, property and equipment	(3,252,922)
Net decrease in time deposits	7,498,000
Net cash provided by investing activities	4,245,078
Cash flows from financing activities:	
Appropriations for plant, property and equipment	3,252,922
Net increase in cash	15,845,290
Cash at beginning of year	48,471,459
Cash at end of year	\$ 64,316,749

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

Notes to Financial Statements

Note 1. The Great Lakes St. Lawrence Seaway Development Corporation

The Great Lakes St. Lawrence Seaway Development Corporation (the "Corporation"), a wholly owned government corporation within the U.S. Department of Transportation, was created by the Wiley-Dondero Act of May 13, 1954 (68 Stat. 92, 33 U.S.C. 981), as

amended. The Corporation is responsible for the development, seasonal operation and maintenance of the portion of the St. Lawrence Seaway (the "Seaway") between Montreal and Lake Erie, and within the territorial limits of the United States.

Note 2. Summary of Significant Accounting Policies and Change in Presentation

In accordance with Office of Management and Budget (OMB) Memorandum M-25-30, Improving Transparency and Standardization of Federal Financial Reporting and OMB Circular A-136, the Great Lakes St. Lawrence Seaway Development Corporation has changed its financial statement presentation from a comparative, two-year format to a single-year format.

Prior-year comparative information has been omitted to align with the updated reporting requirements established by OMB. This change in presentation does not affect the underlying accounting principles, recognition, or measurement of the amounts reported in the financial statements.

This change was made to enhance consistency, transparency, and comparability with other federal reporting entities and to comply with OMB's updated guidance for fiscal year ended September 30, 2025.

These financial statements have been prepared to report the financial position, results of operations, changes in equity, and cash flows of the Corporation, as required by the Chief Financial Officers Act of 1990. They have been prepared from the books and records of the Corporation in accordance with generally accepted accounting principles as set forth for Federal Government Corporations, and the Corporation's accounting policies and procedures, which are summarized below. The accounting policies and procedures are consistent with Title 2 of the U.S. Government Accountability Office's *Policy and Procedures Manual for Guidance of Federal Agencies*.

Operating materials and supplies consist primarily of expendable personal property to be consumed in normal operations and are valued at cost or market with cost being determined using the weighted-average method.

In response to a prior year audit finding, GLS continues to identify all operating materials and supplies in its EPAC inventory system with inadequate source documentation to support the average cost and is in the process of calculating the historical cost using an inflation calculator.

All lock spare parts are included and tracked in Operating Materials and Supplies with no depreciation and continue to be disclosed on the balance sheet under Other Assets. The total cost of lock spare parts on September 30, 2025, was \$1,931,290.

Plant, property, and equipment are stated at cost of acquisition or construction. Indirect costs incurred prior to the opening of the Seaway on April 25, 1959, have been allocated to the permanent features of the Seaway. Assets, improvements, and betterments costing \$20,000 or more are capitalized when they have an expected useful life of two years or more. Repairs and maintenance costs are expensed. The straight-line method of depreciation is used and is computed on balances in plant in service. The cost of plant retired, and the accumulated depreciation are removed from the accounts on disposal. Gains or losses on disposals are credited or charged to operations.

Accrued annual leave represents the value of the unused annual leave accrued to employees of the Corporation. The leave is funded and reported as an obligation.

The Corporation funds a program administered by the U.S. Department of Labor to compensate certain employees for death and disability resulting from performance of duty injuries or illnesses as set forth in the Federal Employees Compensation Act (FECA). As provided by FECA, employees and certain dependents are beneficiaries for various periods that can extend to life. The Corporation recognizes current costs of the program on an accrual basis and expenses those costs in the year the benefits are due. Effective with fiscal year (FY) 1994, the actuarial liability of these benefits is recognized and recorded in these financial statements. The liability recorded of \$5,332,710 as of September 30, 2025, reflects the actuarial liability as determined by the U.S. Department of Labor.

Invested Capital

The Corporation was initially funded by revenue bonds issued by the U.S. Treasury. On December 18, 1982, Congress cancelled the outstanding revenue bonds of \$109,976,000 (P.L. 97-369, 96 Stat. 1782). With cancellation of the debt, the amount was converted to invested capital. Since FY 1987, when the Corporation began receiving annual appropriations from the Harbor Maintenance Trust Fund (HMTF), capital expenditures and annual depreciation have been recognized in invested capital.

Note 2. Summary of Significant Accounting Policies and Change in Presentation (*continued*)

Budget Authority

The Corporation was apportioned authority by the Office of Management and Budget (OMB) to obligate a maximum amount of \$67,641,861 for FY 2025, \$40,288,000 from the HMTF (P.L. 119-4) and \$27,353,861 from the Corporation’s unobligated balance and non-federal revenues. Actual obligations, in contrast to the accrued costs stated in the Statement of Operations, totaled \$36,178,254 for FY 2025. The Corporation’s unobligated balance as of September 30, 2025, totaled \$59.5 million, including \$3.2 million in unused borrowing authority.

Statements of Cash Flows

For purposes of financial reporting, the Corporation considers cash to be cash held in the U.S. Treasury, cash in banks and cash on hand.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States

of America requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Prior Period Adjustments

During the current fiscal year, two errors were identified that affected the reporting in prior periods. In accordance with FASAB SFFAS No. 21, Reporting Corrections and Errors and Changes in Accounting Principles, GLS corrected the errors. The net overstatement of the prior period adjustments on the beginning cumulative results of operations is summarized below:

A decrease of \$110,658 to Operating Materials and Supplies and an increase to operating expenses of \$74,202 created a cumulative net decrease to the beginning balance of Cumulative Results of Operations of \$36,456.

GLS has corrected the errors by restating the opening balances as of 10/01/2024. There was no effect on budgetary resources or net cost of current year operations.

Note 3. Time Deposits in Minority Banks

On January 20 and 21, 2025 the President issued Executive Orders 14151, Ending Radical and Wasteful Government DEI Programs and Preferencing, and 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity. Federal agencies were directed to review and modify programs and activities that provide preferential treatment or funding based on diversity, equity, or inclusion criteria. The corporation

conducted a review of all programs to ensure compliance with the Executive Orders and related guidance issued. As a result of this review, the corporation began to withdraw deposits as they matured that were previously held under the Minority Bank Deposit Program. These funds were returned to the corporation’s treasury account and did not have a material impact on the agency’s financial position or operations.

Note 4. Accounts Receivable and Other Current Assets

The Corporation has not provided for an allowance on uncollectible receivables because prior losses have been insignificant. Receivables and other current assets as of September 30, 2025, are as follows:

Due from concession contract	\$	68,858
Other		145,453
Interest on deposits in minority banks		15,292
		<u>229,603</u>
Prepaid Contracts – Non-federal		13,380
Prepaid Contracts – Federal		1,427,132
Total	\$	<u>1,670,115</u>

Note 5. Plant in Service

Plant in service as of September 30, 2025, is as follows:

Plant in Service	Estimated Life (Years)	Cost	Accumulated Depreciation
Locks and guidewalls	40-100	\$ 190,926,140	\$ 87,257,648
Permanent operating equipment	5-40	52,158,133	15,957,142
Channels and canals	95	37,759,075	26,109,014
Buildings, grounds, and utilities	50	36,861,768	18,286,399
Roads and bridges	50	13,947,236	13,145,780
Land rights and relocations	95	7,225,112	4,124,784
Navigation aids	10-40	4,385,134	2,744,192
Lands in fee	N/A	867,326	-
Total plant in service		<u>\$ 344,129,924</u>	<u>\$ 167,624,959</u>

The U.S. portion of the St. Lawrence Seaway was built in the 1950s. The GLS's Seaway Infrastructure Program (SIP) addresses the long-term capital asset renewal needs of the U.S. Seaway infrastructure. The start of the GLS's capital infrastructure program in FY 2009 represented the first time in the GLS's history that a comprehensive effort had been undertaken to modernize the Seaway infrastructure, including rehabilitation of and improvements to the U.S.-operated locks, the navigation channels, the Seaway International Bridge, and other Corporation facilities and assets located in Upstate New York. The total amount that has been expended and/or committed (including open obligations) in the infrastructure renewal program through September 30, 2025, amounted to \$239 million.

Plant in Service includes costs of certain features of the South Channel Span of the Seaway International Bridge, which

is discussed in Note 6. These features include land rights and relocation costs incurred in removing the old bridges, which were a hindrance to navigation, and in building the superstructure of the South Channel Span. The gross amounts of \$7,225,112 in land rights and relocations, and \$13,947,236 in roads and bridges have been depreciated accordingly.

In addition, there are costs for Internal Use Software systems totaling \$1,846,376 and total amortization amounted to \$1,837,199 on September 30, 2025.

Construction in progress represents the Corporation's ongoing major projects. These projects are strategically vital for the Corporation's future operations. The balance of the Construction in Progress as of September 30, 2025, is \$2,269,820.

Note 6. Due from the Seaway International Bridge Corporation, Ltd. (SIBC)

The Corporation owns, on behalf of the U.S. Government, 68 percent of the South Channel Span of the Seaway International Bridge operated by the SIBC, a wholly owned subsidiary of The Federal Bridge Corporation Ltd., a federal Crown Corporation of Canada. To maintain oversight of the SIBC, the Corporation designates four senior Corporation officials to serve on the eight member SIBC Board of Directors.

The net annual income from the SIBC, after all operating expenses, is divided equally between the Corporation and The Federal Bridge Corporation Ltd. The Corporation's portion, if any, is held by the SIBC solely to fund structural repair or project costs to the South Channel Span as provided in the Corporation's enabling act (33 U.S.C. 984(a)(12)). Accordingly, SIBC holds, on behalf of the Corporation, cash which is restricted to use on expenses for the South Channel Span as follows:

Beginning Balance	\$ 558,827
Interest Earned	21,143
Allocation of Annual Surplus	97,830
Bridge Repairs/Improvements	(434,965)
Foreign Currency Exchange	(16,973)
Ending Balance	<u>\$ 225,862</u>

The ending balance is disclosed as an asset, Due from SIBC, and equity, Cumulative results of SIBC restricted use fund. The activity for FY 2025 is disclosed on the Statements of Operations and Changes in Cumulative Results of Operations.

Note 7. Other Revenues

Other revenues for the year ended September 30, 2025, consist of the following:

Concession operations	\$	891,498
Repair to facility revenues		143,203
Pleasure craft/non-commercial tolls		62,177
Miscellaneous, net		46,682
Rebates		16,182
Total	\$	1,159,742

Note 8. Operating Expenses by Object Class

Operating expenses by object class for the year ended September 30, 2025, is as follows:

Personnel services and benefits	\$	18,558,939
Contractual services		6,196,245
Supplies and materials		2,353,374
Equipment not capitalized		1,113,615
Travel and Transportation		202,734
Rental, communications, and utilities		138,524
Loss on Property Disposals		103,392
Printing and reproduction		22,990
Subtotal		28,689,813
Depreciation expenses		8,344,822
Imputed expenses		1,774,058
Worker's compensation benefits		(519,386)
Total operating expenses	\$	38,289,307

Note 9. Retirement Plans

Retirement Plans consist of the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). FERS went into effect, pursuant to Public Law 99-335, on January 1, 1987. Employees hired after December 31, 1983, are automatically covered by FERS and Social Security while employees hired prior to January 1, 1984, elected to either join FERS and Social Security or remain in CSRS. A primary feature of FERS is that it offers a savings plan to which the Corporation

automatically contributes 1 percent of pay and matches any employee contributions up to an additional 4 percent of pay. For employees hired since December 31, 1983, the Corporation also contributes the employer's matching share for Social Security.

The Corporation paid contributions to the retirement plans and Social Security for the year ended September 30, 2025, as follows:

Federal Employees Retirement System:		
Automatic contributions	\$	2,172,286
Matching contributions		455,597
Social Security		775,504
Civil Service Retirement System		3,585
Total	\$	3,406,972

Effective with FY 1997, the Corporation recognizes and records the cost of pensions and other post-retirement benefits during employees' active years of service, based on cost factors provided by the Office of Personnel Management (OPM). These costs are recorded as both an expense paid by another entity and an imputed financing source to the receiving entity; therefore,

they offset each other with no impact upon the Corporation's net position.

The imputed financing and offsetting imputed expense amount for the year ended September 30, 2025, is \$1,774,058.

Note 10. Related Party Transactions

The Corporation, through international agreements, operates the St. Lawrence Seaway, in coordination and cooperation with the Canadian St. Lawrence Seaway Management Corporation

(SLSMC). In FY 2025, the Corporation accrued costs of \$70,480 to the SLSMC for administrative services related to tolls and statistics.

Note 11. Contingencies and Commitments

As of September 30, 2025, the GLS is involved in certain claims, suits, and complaints that have been filed or are pending. An accrued liability is recognized for legal claims where the loss is probable, and the amount can be reasonably estimated. For pending legal claims where the loss is reasonably possible, a liability is not recognized; however, the estimated range of loss is disclosed. As of September 30, 2025, claims are pending for which the likelihood of loss is

reasonably possible. The total estimated amount for these losses is \$100,000. In addition to the current liabilities as of September 30, 2025, there were undelivered orders and contracts amounting to \$8,936,971. For FY 2025, Federal Undelivered Orders totaled \$1,814,640 and Non-Federal Undelivered Orders were \$7,122,331 with \$0 paid.

Note 12. Schedule of Budgetary Resources and Actual Expenses

The Schedule of Budgetary Resources and Actual Expenses presents budget information as reported on the Corporation's "Report on Budget Execution" SF-133 and reconciles accrued expenditures from that report to expenses as reported in the accompanying financial statements.

Budget resources of \$95,659,113 consist of the Corporation's unobligated balance of \$52,857,185 brought forward October 1, 2024, and reimbursements earned of \$41,703,048 and recoveries of prior year's obligations of \$1,098,880.

	Budget Resources	Obligations	Expenses
	\$ 95,659,113	\$ 36,178,254	\$ 38,289,307
Budget Reconciliation:			
Total Expenses			38,289,307
Adjustments			
Add:			
Capital acquisitions			3,252,922
Increase in other assets			519,386
Deduct:			
Depreciation			(8,344,822)
Imputed expenses			(1,774,058)
Unfunded Workers' Compensation benefits			(570,680)
Decrease in other assets			(234,127)
Decrease in net plant in service, property disposals			(103,392)
Decrease in operating materials and supplies			(30,399)
Less reimbursements:			
Trust funds and Financing Sources Transferred In			(40,288,000)
Revenues from Non-Federal Sources			(1,502,659)
			\$ (10,786,522)



CONTACTS

HEADQUARTERS OFFICE (Washington D.C.) (202) 366-0091

GREAT LAKES REGIONAL OFFICE (Milwaukee, Wisconsin).(414) 551-3161

MASSENA, N.Y. OFFICE

Associate Administrator and Resident Manager (315) 764-3254

Administrative Services (315) 764-3272

Engineering and Maintenance (315) 764-3253

Lock Operations and Marine Services (315) 764-3293



U.S. Department of Transportation
Great Lakes
St. Lawrence Seaway
Development Corporation

Phone: (202) 366-0091
Email: glsl@dot.gov
www.greatlakes-seaway.com
www.seaway.dot.gov
www.facebook.com/SeawayUSDOT
www.twitter.com/SeawayUSDOT
www.instagram.com/SeawayUSDOT