



Independent Auditor's Report on the Great Lakes St. Lawrence Seaway Development Corporation's Financial Statements for Fiscal Years 2022 and 2021

Required by the Government Corporation Control Act of 1945 and the Chief Financial Officers Act of 1990

Great Lakes St. Lawrence Seaway Development Corporation | FS2023006 | November 15, 2022

What We Looked At

In accordance with the Government Corporation Control Act of 1945, we audited the financial statements of the Great Lakes St. Lawrence Seaway Development Corporation (GLS), a U.S. Government Corporation, as of and for the fiscal years ended September 30, 2022, and September 30, 2021.

What We Found

In our opinion, GLS's financial statements present fairly, in all material respects, the Agency's financial position as of September 30, 2022, and September 30, 2021, and its operations and changes in cumulative results of operations, cash flows, budgetary resources and actual expenses, and changes in equity of the U.S. Government for the years then ended, in accordance with U.S. generally accepted accounting principles. We found no material weaknesses in internal control over financial reporting based on the limited procedures we performed. We also found no reportable noncompliance for fiscal year 2022, with provisions of the applicable laws, regulations, and contracts we tested.

Our Recommendations

We are making no recommendations.

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Memorandum

Date: November 15, 2022

Subject: INFORMATION: Independent Auditor's Report on the Great Lakes St. Lawrence Seaway Development Corporation's Financial Statements for Fiscal Years 2022 and 2021 | Report No. FS2023006

From: Dormayne "Dory" Dillard-Christian *D. Dillard-Christian*
Assistant Inspector General for Financial Audits

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

In our audit of the fiscal years 2022 and 2021 financial statements of the Great Lakes St. Lawrence Seaway Development Corporation (GLS), a U.S. Government corporation, we found

- that GLS's financial statements as of and for the fiscal years ended September 30, 2022, and September 30, 2021, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses¹ in internal control over financial reporting based on the limited procedures we performed, and
- no reportable noncompliance for fiscal year 2022, with provisions of the applicable laws, regulations, and contracts we tested.

The following sections discuss in detail (1) our report on the financial statements and other information² included with the financial statements; (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, and contracts; and (4) the Agency's comments (see appendix).

¹ 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 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.

² The other information consists of GLS's Management Discussion and Analysis, which is included in the Agency's Annual Financial Report (see attachment 1).

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

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

Report on Financial Statements

In accordance with the Government Corporation Control Act of 1945,³ we have audited GLS's financial statements. These financial statements comprise the statements of financial position as of September 30, 2022, and September 30, 2021; the related statements of operations and changes in cumulative results of operations, cash flows, budgetary resources and actual expenses, and changes in equity of the U.S. Government for the years then ended; and the related notes to the financial statements.⁴

Opinion on Financial Statements

In our opinion, GLS's financial statements present fairly, in all material respects, GLS's financial position as of September 30, 2022, and September 30, 2021, and operations and changes in cumulative results of operations, cash flows, budgetary resources and actual expenses, and changes in equity of the U.S. Government for the years then ended, in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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. 22-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 22-01 are further described below under Auditor's Responsibilities for the Audit of the Financial Statements. We are required to be independent of 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

³ 31 U.S.C. § 9105.

⁴ The financial statements are included in GLS's Annual Financial Report (see attachment 3). For GLS's full Annual Financial Report, which includes these statements, related notes, and required supplementary information, go to <https://www.seaway.dot.gov/publications/annual-reports>.

Responsibilities of Management for the Financial Statements

GLS management is responsible for the (1) preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparation and presentation of other information included in documents containing the audited financial statements and auditor's report, and the consistency of that information with the audited financial statements; and (3) design, implementation, and maintenance of 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 obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, U.S. generally accepted Government auditing standards (GAGAS), and OMB Bulletin No. 22-01, *Audit Requirements for Federal Financial Statements* (August 2022), will always detect a material misstatement 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 are considered 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. 22-01, 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 in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the GLS's internal control; accordingly, no such opinion is expressed; and
- 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.

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 audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit and do not express an opinion or provide any assurance on this information.

Other Information

Management is responsible for the other information included in the Annual Report. The other information is comprised of the letter from the Acting Deputy Administrator, Key Performance Measures and Results, and other information sections, as listed in the Table of Contents of GLS's Annual Financial Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance on the other information. 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 that 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, 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 deficiencies or to express an opinion on the effectiveness of GLS's internal control over financial reporting. Given these limitations, during our 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.

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.

Responsibilities of Management for Internal Control over Financial Reporting

GLS's 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.⁵

Auditor's Responsibilities for 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, 2022 in accordance with U.S. generally accepted Government auditing standards, we considered GLS's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements 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 deficiencies⁶ 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 this process are to provide reasonable assurance that transactions are

1. 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
2. executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, and contracts,

⁵ GLS is also required to provide an assurance statement in accordance with the Federal Managers Financial Integrity Act of 1982 (FMFIA), Pub. L. No. 97-255 (1982) on its internal accounting and administrative control systems (see attachment 2).

⁶ 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 attention by those charged with governance.

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. Consequently, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance With Laws, Regulations, and Contracts

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

Results of Our Tests for Compliance With Laws, Regulations, and Contracts

Our tests for compliance with selected provisions of applicable laws, regulations, and contracts disclosed no instances of noncompliance for fiscal year 2022 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, and contracts applicable to GLS. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance With Laws, Regulations, and Contracts

We performed our tests of compliance in accordance with U.S. generally accepted Government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

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

GLS management is responsible for complying with laws, regulations, and contracts 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, and contracts applicable to GLS that directly effect on the determination of material amounts and disclosures in GLS's financial statements. Our responsibility is also to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, and contracts applicable to GLS. We caution that noncompliance may occur and not be detected by our tests.

Intended Purpose of Report on Compliance With Laws, Regulations, and Contracts

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, and contracts, 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. Consequently, this report on compliance with laws, regulations, and contracts is not suitable for any other purpose.

Agency Comments and OIG Response

We provided GLS with a draft of our report on November 9, 2022, and received GLS's response on November 10, 2022, which is included in the appendix to this report.

GLS's response to our report was not subject to the auditing procedures we applied to our audit of the financial statements and, therefore, we express no opinion on the response.

Actions Required

No actions are required.

Exhibit A. List of Acronyms

DOT	U.S. Department of Transportation
FMFIA	Federal Managers Financial Integrity Act of 1982
GAAS	generally accepted auditing standards
GAGAS	generally accepted Government auditing standards
GLS	Great Lakes St. Lawrence Seaway Development Corporation
OIG	Office of Inspector General
OMB	Office of Management and Budget

Exhibit B. Major Contributors to This Report

INGRID HARRIS

KEVIN KELLY

ANGIE MOULTRIE

ANH PHAM

WAYNE SUMMERS

AMY BERKS

GEORGE ZIPF

MAKESI ORMAND

SUSAN NEILL

PROGRAM DIRECTOR

PROJECT MANAGER

SENIOR AUDITOR

SENIOR AUDITOR

AUDITOR

DEPUTY CHIEF COUNSEL

SUPERVISORY MATHEMATICAL

STATISTICIAN

STATISTICIAN

WRITER-EDITOR

Appendix. Agency Comments



U.S. Department
Of Transportation

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

Memorandum

Subject: Management's Response to the OIG Audit Report
on the GLS's Financial Statements
for Fiscal Year 2022

Date: November 10, 2022

From: 
Adam Tindall-Schlicht
Administrator

To: Eric J. Soskin
Inspector General
U.S. Department of Transportation

This memorandum represents the Great Lakes St. Lawrence Seaway Development Corporation's (GLS) official management response to the Office of Inspector General's (OIG) Independent Auditor's Report on Audited Financial Statements for Fiscal Year (FY) 2022.

We are pleased that the OIG audit team that performed the GLS FY 2022 financial audit provided an unmodified audit opinion – the GLS's 59th consecutive clean audit opinion dating back to its first financial audit in 1955.

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

Please refer any questions to Lisa Healy, GLS Chief Financial Officer.

Attachment 1. Agency Management's Discussion and Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

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). The GLS's policy headquarters is in Washington, D.C.

The 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 nearly 238,000 U.S. and Canadian jobs and \$35 billion in transportation-related business revenue. The binational waterway also provides approximately \$4 billion in annual transportation cost savings compared to competing rail and highway routes.

Mission Statement – The 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 industries by providing a safe, secure, reliable, efficient, and competitive deep draft international waterway, in cooperation with the Canadian SLSMC.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights for Fiscal Year 2022

Each year, the 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 the GLS. With the enactment of the Water Resources Development Act of 1986, P.L. 99-662, which created the Harbor Maintenance Trust Fund (HMTF), the GLS became an appropriated federal agency. 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, the 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.

Selected Financial Indicators				
<i>(In thousands of dollars)</i>				
For the Fiscal Years Ended September 30	2022	2021	Change	
			\$	%
Operating Revenues	28,323	25,145	3,178	13
Appropriations expended	27,370	24,426	2,944	12
Other	953	719	234	33
Operating Expenses	24,386	22,997	1,046	5
Personnel services and benefits	15,286	15,680	(395)	(3)
Other	9,100	7,317	1,441	20
Imputed Financing and Expenses				
Imputed financing	838	832	6	1
Imputed expenses	838	832	6	1
Total Assets	239,685	232,810	6,875	3
Time Deposits in Minority Banks	10,240	10,200	40	0
Short-term	9,760	9,720	40	0
Long-term	480	480	0	0
Interest Income from Minority Banks	47	84	(37)	(44)

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

Operating Revenues

Operating revenues, excluding imputed financing, totaled \$28.3 million in Fiscal Year (FY) 2022, a \$3.2 million increase. Appropriations expended, representing the amount of the HMTF expended for operating purposes, increased \$2.9 million and other revenues increased \$234,000.

Operating Expenses

Overall operating expenses of \$24.3 million, excluding depreciation, imputed expenses, and workers' compensation benefits, increased by \$1.3 million. Personnel services and benefits decreased \$394,500 and other costs increased \$1.7 million. Personnel services and benefits represented 63 percent of the Corporation's operating expenses in FY 2022. The GLS employed 120 people on September 30, 2022.

Other costs of \$9.1 million included: \$6.2 million for other contractual services; \$343,000 for Seaway International Bridge Corporation, Ltd., \$1.9 million for supplies and materials; \$223,000 for equipment not capitalized; \$180,000 for rent, communications, and utilities; \$132,000 for travel and transportation of persons and things; \$30,000 loss on property disposals, and \$66,000 for printing and reproduction.

Imputed Financing and Expenses

Effective in 1997, the 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

The GLS's financial position continues to remain sound with total assets of \$239 million. Plant, property, and equipment are valued at \$179 million.

Time Deposits in Minority Banks and Interest Income

A key asset of the GLS is time deposits in minority banks, totaling \$10.2 million at year-end, with an increase of \$40,000 from prior year. The interest income is an important financing source for the Corporation.

Unobligated Balance

The GLS had an unobligated balance on September 30, 2022 of \$42 million, comprised of \$19.7 million of carryover balances from prior year appropriations, \$19.1 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. The funds on deposit in minority banks were principally built up from toll income in excess of cash outlays prior to April 1, 1987, when the Corporation was a self-sustaining entity, and are invested in insured deposits consistent with Executive Order 11625 (October 13, 1971).

GLS's Seaway Infrastructure Program (SIP)

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.

In FY 2022, the GLS obligated \$18.8 million on contracts for 28 capital projects as part of its SIP, including: \$9.0 million for the new Seaway Visitor Center at Eisenhower Lock, \$3.1 million for concrete rehabilitation at Eisenhower Lock, \$2.6 million for floating plant upgrades, and \$1.3 million for maintenance dredging. Additionally, the GLS obligated and expended \$519,000 in personnel compensation and benefits in FY 2022 for SIP-related staff time.

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 operation of the Seaway infrastructure, resulting in reduced maintenance needs and operating costs to Seaway users.

Details on major FY 2022 SIP projects include:

Tugboat Construction/Buoy Barge Modification Designs and Construction – Washburn & Doughty Associates, Inc., East Boothbay, Maine, continued to construct an ice-capable, 60-foot azimuth stern drive tugboat as a replacement for GLS's tugboat *PERFORMANCE*. Glosten, Inc., Seattle, Wash., continued to perform the construction inspection services for the new tugboat. Additionally, Robert Allan, Ltd., Vancouver, British Columbia, completed the design modifications for the GLS's buoy barge necessary to facilitate safe operations with the *SEAWAY GUARDIAN* tugboat. Heddle Marine Service, Inc., Hamilton, Ont., was awarded a contract to complete the construction of the modifications for the buoy barge, and WSP Global, Inc., Buffalo, N.Y., was awarded a contract to perform the technical inspection services for the buoy barge project.

Eisenhower Lock Concrete Rehabilitation – Patterson-Stevens, Inc., Tonawanda, N.Y., was awarded a contract to complete the demolition and dry-mix shotcrete repairs for the concrete surfaces of the north and south side intake manifold culverts and the vertical lift gate recess area at Eisenhower Lock following the completion of the 2021 navigation season. Bergmann Associates, Rochester, N.Y., was awarded a contract to perform the technical inspection services for the rehabilitation project.

Eisenhower Lock Visitors' Center Replacement – Aubertine and Currier, Watertown, N.Y., completed the building design and construction documents and was awarded a contract to provide solicitation and construction administration support services for the replacement of the existing Eisenhower Lock Visitors' Center building. The construction contract for the new Seaway Visitor Center was awarded to Con Tech Building Systems, Gouverneur, N.Y., and is scheduled to be completed near the end of the 2023 navigation season. Bergmann Associates, Rochester, N.Y., was awarded a contract to perform the technical inspection services for the new building project.

Eisenhower Lock Diffusers Rehabilitation – Kubricky Construction Corp., Gansevoort, N.Y., completed the replacement of the concrete diffuser structures at the downstream end of Eisenhower Lock. The first phase of the project included replacing three of the six diffusers following the completion of the 2020 navigation season. The second phase included replacing the remaining three diffusers following the 2021 navigation season. WSP Global Inc., Buffalo, N.Y., completed the technical inspection services for the first phase of the project, and Bergmann Associates, Rochester, N.Y., was awarded a contract to perform the technical inspection services for the second phase of the project.

Operational Initiatives

Construction Continues on New GLS Tugboat *SEAWAY TRIDENT*

Throughout FY 2022, construction work continued on the GLS's new tugboat *SEAWAY TRIDENT*. The vessel was designed by Glostten Associates in Seattle, Wash., and is being built by Washburn & Doughty, East Boothbay, Maine. The GLS anticipates the completion/delivery of the new tug in late 2022/early 2023 at a total estimated cost of \$7 million (design, construction, inspection, and delivery).

In May 2021, U.S. Transportation Secretary Pete Buttigieg approved the name of *SEAWAY TRIDENT* for the new GLS tugboat, which was the suggested name offered by GLS employees. The new name reflects the GLS's official seal, which bears the maritime symbol of Poseidon's trident.

The *SEAWAY TRIDENT* will be the companion tug to the *SEAWAY GUARDIAN*, measuring 52 feet in length overall compared to the *GUARDIAN*'s 118 feet, but with many of the same design characteristics as the *GUARDIAN*. Like the *GUARDIAN*, it will be ice-classed and have twin azimuthing stern drives (ASD) propelled by twin Caterpillar Tier 3 diesel engines. The *TRIDENT* will also be equipped with an ice scraping arm to help clear the lock walls of ice. The new tug will be used for buoy positioning at the beginning of each navigation season, assisting during buoy tending operations at the beginning and end of each navigation season, moving buoys back onto station during the navigation season, and for assisting with moving the gatelifter crane barge.

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

In February 2022, a new report showed the continued effectiveness of the current Great Lakes Seaway ballast water management regime during the 2021 navigation season. This was evident in both the number of ballast tank inspections of oceangoing commercial ships entering the Great Lakes St. Lawrence Seaway System 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 the GLS, SLSMC, the U.S. Coast Guard's (USCG) 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 ships' ballast water.

The *2021 Summary of Great Lakes Seaway Ballast Water Working Group* examined the U.S.-Canada Great Lakes Seaway System ballast water ship inspection program. During 2021, 100 percent of the ships bound for the Great Lakes from outside the Exclusive Economic Zone received a ballast tank exam prior to entering the St. Lawrence Seaway for the 12th consecutive year.

In total, 9,470 ballast tanks were assessed during 490 inbound ocean vessel transits in 2021. Additionally, BWWG agencies issued a Letter of Retention for 61 vessel transits involving 248 tanks. Letters of Retention are issued for vessels that choose to retain the contents of the ballast water tanks, in lieu of another management option. When the vessel departs the Seaway System, compliance is verified and the letter is rescinded. The BWWG anticipates continued high vessel compliance rates for future navigation seasons.

The Great Lakes Aquatic Nonindigenous Species Information System, maintained by the National Oceanic and Atmospheric Administration (NOAA), 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).

Additionally in FY 2022, an independent report released further verified the effectiveness and success of this important binational environmental program. “*Vector control reduces the rate of species invasion in the world’s largest freshwater ecosystem,*” was published in the journal *Conservation Letters* by Dr. Anthony Ricciardi and Dr. Hugh J. MacIsaac in January 2022. The report states, “To our knowledge, the 2006/2008 regulation is the only case of a policy intervention that is linked to a massive reduction of the invasion rate of a large aquatic ecosystem.”

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

Under the Enhanced Seaway Inspection (ESI) program, the GLS inspects 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. Each inspection covers both Seaway-specific fittings as well as port state control items identified by the 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 inspection program has been successful in reducing the number and frequency of incidents both on the St. Lawrence River and in and around the lock facilities. In addition, the inspection program has eliminated the practice of duplicative inspections, allowing for a more seamless and efficient transit of the Seaway.

Due to the 2020 health pandemic, the GLS modified its inspection protocols in 2020 and 2021 to perform ship inspections in Montréal only for foreign vessels that have not transited the St. Lawrence Seaway in the past 15 years. For all other foreign vessels, the GLS reviews self-assessments of each ship’s safety equipment and protocols with a focus on any issues identified by the inspection team’s review of historic inspection and transit data.

The GLS's goal of performing inspections of all foreign-flag vessels on their initial Seaway transit each year was achieved during the 2021 navigation season, with 228 inspections or assessments conducted by Corporation personnel. As of September 30, 2022, 100 percent of foreign-flag vessels were either inspected or assessed for compliance during the 2022 navigation season.

GLS Continues to Support Binational "Green Marine" Program; Achieves High Level of Environmental Performance

In FY 2022, the GLS continued to financially support and participate in the U.S.-Canadian "Green Marine" initiative, a marine industry partnership program aimed at demonstrating and communicating the maritime industry's commitment to addressing key environmental issues.

The objective of the Green Marine program, which was launched in October 2007, is to build and maintain strong relations with key stakeholders and to develop a greater awareness of the maritime industry's activities, benefits, and challenges. To accomplish this, Green Marine activities are directed towards strengthening the industry's environmental standards and performance through a process of continuous improvement. The program focuses on helping the maritime industry represent itself uniformly, strengthening industry involvement in regulatory processes, and improving regulatory outcomes.

All Green Marine participants must complete a yearly self-evaluation to demonstrate their environmental performance based on numerous criteria and undergo an independent third-party verification every two years to confirm the results and provide input and guidance on reaching the highest level. The performance indicators range on a scale from 1 to 5, with 1 representing regulatory compliance and 5 reflecting leadership and excellence.

Beginning in 2015, the GLS and Canadian SLSMC have published their results as a single entry to reflect the binational nature of the Seaway and the collaborative work by both entities in pursuing environmental excellence. In 2021, the GLS/SLSMC scored a 4.1 for Waste Management and Greenhouse Gases and Air Pollutants; 4.9 for Environmental Leadership and Spill Prevention/Stormwater Management; and earned a perfect score of 5.0 for Community Impacts.

GLS Participates in Seaway Emergency Response Exercise

The GLS maintains an Emergency Response Plan that enhances the Corporation's ability to respond to any vessel incident on the St. Lawrence River. The GLS works closely with local, tribal, state, and federal agencies 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, and local response agencies and environmental groups. Since 1992, the GLS has participated in and/or hosted 42 annual emergency exercises.

On August 18, 2022, the GLS participated in the multi-agency Joint Maritime Disruption Exercise held at Wilson Hill on the St. Lawrence River in New York State. The exercise simulated a tanker vessel running aground near Massena, N.Y., with 10,000 gallons of oil spilled into the river. Agencies in attendance included the GLS, U.S. Coast Guard (USCG), Akwesasne Mohawk Tribal environmental divisions from the U.S. and Canada, St. Regis Mohawk Tribe Tribal Police, New York State Department of Environmental Conservation, USCG Auxiliary, and the U.S. Department of the Interior. Exercise participants developed and implemented a plan to secure the spill and deploy boom to deflect the spill to an area for the clean-up process to begin.

Trade and Economic Development Initiatives

GLS Expands Opportunities to Raise Awareness of Great Lakes Seaway System

In FY 2022, the GLS significantly expanded its outreach to new trade and transportation associations to educate their members about commercial shipping on the Great Lakes St. Lawrence Seaway System. These trade and transportation associations include Specialty Soya and Grain Alliance, National Grain and Feed Association, U.S. Grain Council, National Customs Brokers and Forwarders Association of America, CleanPower (former American Wind Energy Association), Cruise the Great Lakes (Great Lakes St. Lawrence Governors and Premiers), and Cruise Lines International. In addition to joining these associations, the GLS was represented through conference speeches, panel discussions, and publications.

GLS Trade Development Efforts Lead to New Seaway Cargo Shipments

As part of the association membership initiative of its Trade and Economic Development Strategic Plan, the GLS worked with the Specialty Soya and Grain Alliance to jointly development and host an agricultural export conference focused on the Great Lakes St. Lawrence Seaway System maritime supply chain. The result was the Transportation Go! conference held in Milwaukee, Wis., March 3-4, 2022.

The GLS opened the two-day event with an overview of the Great Lakes Seaway System, a five-year review of its U.S. agricultural export shipments, overseas markets served, and an update of port export capabilities, including new port terminal facilities and container capabilities. The GLS's presentation also highlighted its goal of increasing U.S. grain exports by developing partnerships with Great Lakes Seaway System stakeholders and the U.S. agricultural export community.

Following the conference, the GLS was approached by a U.S. agricultural exporter that attended Transportation Go! to explain its current supply chain issues in delivering their product by container to customers in Europe. The GLS facilitated discussions between the exporter and a U.S. Great Lakes port with capabilities to handle this export. As a result, 200 containers of kidney beans were exported through the Great Lakes Seaway System. This was a new cargo for the Seaway and a second shipment took place in September 2022.

GLS Returns to Greece to Participate at Posidonia 2022 Shipping Exhibition

The GLS led a binational delegation to the Posidonia 2022 Shipping Exhibition in Athens, Greece, June 6-10, 2022. The conference attracts breakbulk and project cargo shippers and carriers from Europe, North Africa, and the Middle East, as well as a strong contingent of Greek shipowners and operators. The GLS was an exhibitor and organized a delegation of U.S. and Canadian Great Lakes Seaway System stakeholders, including the Canadian SLSMC, port officials, vessel agents, and vessel owners/operators.

The GLS informational booth within the U.S. Pavilion spotlighted the Great Lakes as an accessible maritime supply chain with video footage of the Hands-Free Mooring (HFM) technology that now makes it safer and quicker for the ocean fleet to transit through the St Lawrence Seaway lock system. Additionally, the booth highlighted in the implementation of the Seaway's Draft Information System (DIS), which determines precisely how much draft a vessel can safely transit the Seaway with, allowing maximum cargo to be loaded into a vessel, making carriers as efficient and cost-effective as possible to their customers.

Six U.S. Ports Earn GLS's Robert J. Lewis Pacesetter Award for Increased International Trade in 2021

In FY 2022, the GLS presented six U.S. Great Lakes Seaway System ports with its 30th annual Robert J. Lewis Pacesetter Award for registering increases in international cargo tonnage shipped through their ports during the 2021 navigation season compared to 2020. Established in 1992, the GLS has distributed 166 Pacesetter Awards to 16 different U.S. Great Lakes Seaway System ports.

The six ports earning the Pacesetter Award for 2021 were: Ports of Indiana – Burns Harbor (Ind.); Port of Chicago (Ill.); Port of Cleveland (Ohio); Detroit/Wayne County Port Authority (Mich.); Erie-Western Pennsylvania Port Authority (Pa.); and Port of Oswego Authority (N.Y.).

The 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.

GLS Participates at Breakbulk Americas Conference

The GLS was one of several U.S. and Canadian Great Lakes Seaway System stakeholders represented at the annual Breakbulk Americas Exhibition and Conference in Houston, Texas, September 27-29, 2022. Conference organizers announced that more than 1,000 attendees gathered in Houston for the three-day event and represented ocean carriers, freight forwarders, ports/terminals, logistics providers, multi-modal transportation entities, export packers, and equipment companies. GLS and Great Lakes/Seaway representatives met with several prospective new customers interested in utilizing the Seaway System for breakbulk commercial trade.

GLS Leads Binational Delegation to Seatrade Cruise Shipping Exhibition

In coordination with the Great Lakes Cruising Coalition, the GLS and several other U.S. and Canadian Great Lakes Seaway System stakeholders participated in the annual Seatrade Cruise Shipping Exhibition, April 26-28, 2022, in Miami, Fla. The goal of attending and exhibiting at the conference was to market and promote the Seaway System to cruise ship owners and operators. Each year, Seatrade Cruise draws more than 11,000 registered attendees and over 700 exhibiting companies from more than 100 countries to become the epicenter of the cruise industry.

The Great Lakes Seaway System booth was prominently displayed and delegation members were approached by multiple cruise ship owners, operators, charterers, and influencers with specific initiatives to bring added cruise inventory into the Great Lakes. Visitors to the information booth included cruise ship owners, operators, and travel agents. The GLS also facilitated a meeting between a cruise ship operator and U.S. Customs and Border Protection to discuss biometric facial recognition technology for Customs clearance on Great Lakes/Seaway cruise ships.

Management Initiatives

New GLS Associate Administrator Named for Massena Operations

On June 5, 2022, the GLS announced that Mr. Jeffrey Scharf assumed the position of Associate Administrator of the GLS's Massena, N.Y. operations and facilities. The GLS Associate Administrator oversees the operation of the U.S. locks, vessel traffic control, and other programs involved with maintaining locks, facilities, and waters, and directs vessel speed enforcement activities balancing the needs of shippers, landowners, and other stakeholders which include private, commercial, sovereign Mohawk nation, and Canadian and New York State entities.

Scharf joined the GLS in 2012 and has served as the organization's Director of Engineering and Maintenance since 2016. He led the GLS team responsible for managing the Corporation's facilities, which include two locks and operating equipment, navigational aids and channels, buildings, grounds, utilities, and roadways. Scharf was also instrumental in the planning and execution of the GLS's Seaway Infrastructure Program. He earned degrees in civil engineering from the Massachusetts Institute of Technology (undergraduate) and Stanford University (graduate).

GLS Employees and Work Teams Receive USDOT Secretarial Awards

On March 31, 2022, U.S. Secretary of Transportation Pete Buttigieg honored GLS employees at the 54th Annual Department of Transportation (DOT) Secretary's Awards Ceremony. At the virtual event held yesterday, the Secretary recognized individuals and teams across DOT who performed their duties in an exemplary manner to meet the Department's strategic goals and accomplish its mission.

The GLS's Vessel Inspection Team, comprised of Matthew Trego, Derek Dostie, and Bryan Wood, received the Secretary's Transportation Safety Award for partnership with the GLS's Canadian counterpart (SLSMC) to implement new measures to the Seaway's Joint Enhanced Ship Inspection (ESI) program for foreign ships during the COVID-19 pandemic.

The GLS's Paint Crew Team, comprised of Lawrence Greenwood, Matthew Nichols, James Hewitt, and Jonathan Chapman, received the Secretary's Creativity and Innovation Award for researching, testing, and implementing a new coating system for stop logs used at the U.S. Seaway locks, that resulted in time and money savings and reduced Volatile Organic Compounds in the environment.

The Secretary's Team Award was presented to the GLS's Operations Service Technicians Team for decreasing lockage times. The GLS team members were Jacque Leduc, James MacDonald, Christopher McCuin, Tyler Tynon, Michael Childs, Richard Loffler, Darrin Oakes, and Roger Paradis.

Christina Jacot, Human Resources Specialist in the GLS's Massena, N.Y. office, was presented the Secretary's Excellence Award, which is granted to employees who have achieved outstanding performance in all aspects of their work and deserve special commendation. Christina is receiving this award for excellent performance in the operations of the GLS's Human Resources department.

Lastly, Secretary Buttigieg awarded a Meritorious Achievement Award (Silver Medal) to Carrie Lavigne, GLS Chief Counsel, for preserving the financial integrity of the U.S./Canadian Seaway International Bridge while protecting U.S. interests in how the bridge is governed. This is the second highest award bestowed by the Secretary in recognition of exceptionally meritorious service to the Department.

Long-Time GLS Deputy Administrator Craig H. Middlebrook Retires from Federal Service

Craig H. Middlebrook, GLS's Deputy Administrator, retired from the GLS on September 30, 2022, with 34 years of federal service, 27 of which were with the GLS. Middlebrook was responsible for the overall day-to-day management of the GLS since January 2017. Under his leadership, the GLS invested in new infrastructure and innovation including Hands-Free Mooring technology at the locks and two new operational tugboats, served as an active participant and founding member in the Green Marine environmental initiative, and, most notably, led the organization through the COVID-19 pandemic ensuring that Seaway operations continued on a 24x7 basis to ensure the continued safe and efficient movement of commercial goods to and from the Great Lakes region of North America.

Middlebrook began his federal service as a law clerk with the Office of Proceedings at the Interstate Commerce Commission where he rose to the level of Attorney Advisor for Chairman Gail C. McDonald. In 1995, he joined the GLS as an Attorney Advisor and was selected as the Deputy Administrator in 2005.

Top USDOT Officials Participate in Groundbreaking Ceremony for GLS's New Seaway Visitor Center

On September 29, 2022, U.S. Transportation Secretary Pete Buttigieg and Deputy Secretary Polly Trottenberg attended the formal groundbreaking ceremony hosted by the GLS for its new Seaway Visitor Center at Eisenhower Lock in Massena, N.Y.

The new 7,500 square-foot Seaway Visitor Center will include memorabilia and informational displays as well as an observation deck where visitors can watch commercial vessels as their transit the lock that raises and lowers ships more than 40 feet. Construction of the new center is scheduled to be completed by late 2023.

GLS FY 2022 Key Performance Measures and Results

Enhanced Seaway Inspections — “Inspect 100 percent of ocean vessels during their first Seaway inbound transit at Montréal, Qué., outside of U.S. waters, each navigation season.” The goal was achieved during the 2021 navigation season, with 228 vessel inspections or assessments completed by GLS personnel. In 2022, through September 30, 100 percent of foreign-flag vessels were either inspected or assessed for compliance.

System Reliability — “Ensure the reliability of the U.S. portion of the Seaway, including the U.S. locks and related navigational facilities, during each navigation season.” The goal each year is 99 percent system reliability. System reliability during the 2022 navigation season, through September 30, was 99.8 percent. Final FY 2022 system reliability was 99.6 percent.

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 2022 season, through September 30, was 99.97 percent. Final FY 2022 lock-related delays totaled 2 hours, 27 minutes, which produced a 99.96 percent lock availability rate.

Administrative Expenses — “Reduce the administrative overhead expense ratio of total operating expenses, excluding ARP projects, depreciation, and imputed expenses, to 23 percent or lower.” The administrative expense ratio goal was met in FY 2022 at 17 percent.

Financial Reserve Balance — “Maintain/increase the financial reserve account to ensure contingency funding for catastrophic emergencies and funding for critical capital and extraordinary maintenance projects.” The goal each year is to maintain a minimum year-end balance of \$10 million. The financial reserve goal was met in FY 2022 with a year-end balance of \$19.1 million.

Attachment 2. Agency's FMFIA Assurance Statement



U.S. Department
Of Transportation

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

Memorandum

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

Date: October 18, 2022

From: Jeffrey Scharf
Associate Administrator

To: Dormayne Dillard-Christian
Assistant Inspector General
for Financial Audits

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, 2022, 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, 2022, 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 2022 and prior years.

Attachment 3. Agency's Financial Statements and Notes

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
September 30, 2022 and 2021

Assets	2022	2021
Current Assets		
Cash		
Held by U.S. Treasury	47,739,592	\$ 42,840,046
Held in banks and on hand	3,609	3,000
Short-term time deposits in minority banks (Note 3)	9,760,000	9,720,000
Accounts receivable (Note 4)	106,750	166,942
Due from SIBC (Note 6)	655,319	1,646,070
Operating materials and supplies (Note 2)	442,801	456,445
Other current assets (Note 4)	<u>13,810</u>	<u>4,129</u>
Total current assets	<u>58,721,881</u>	<u>54,836,632</u>
Long-Term Investments		
Long-term time deposits in minority banks (Note 3)	<u>480,000</u>	<u>480,000</u>
Plant, Property and Equipment		
Plant in service (Note 5)	317,048,001	288,733,527
Less: Accumulated depreciation	<u>(147,226,741)</u>	<u>(140,035,402)</u>
Net plant in service	169,821,260	148,698,125
Information Software, net	62,744	265,443
Work in progress	<u>8,933,680</u>	<u>26,883,046</u>
	<u>178,817,684</u>	<u>175,846,614</u>
Other Assets		
Lock spare parts (Note 2)	<u>1,664,937</u>	<u>1,646,599</u>
Total assets	<u>\$ 239,684,502</u>	<u>\$ 232,809,845</u>

See Notes to Financial Statements

(Continued)

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
September 30, 2022 and 2021

Liabilities and Equity of the U.S. Government	2022	2021
Current Liabilities		
Accounts payable	3,933,582	\$ 3,072,808
Accrued annual leave (Note 2)	906,228	903,777
Accrued payroll costs	843,601	800,942
Other Current Liabilites	<u>3,609</u>	<u>3,000</u>
Total current liabilities	<u>5,687,020</u>	<u>4,780,527</u>
Actuarial Liabilities		
Worker's compensation benefits (Note 2)	<u>5,287,838</u>	<u>5,096,140</u>
Total liabilities	<u>10,974,858</u>	<u>9,876,667</u>
Equity of the U.S. Government		
Invested capital (Note 2)	194,379,488	191,404,097
Cumulative results of operations	33,674,837	29,883,012
Cumulative results of SIBC restricted use fund (Note 6)	<u>655,319</u>	<u>1,646,070</u>
	<u>228,709,644</u>	<u>222,933,178</u>
Total liabilities and equity of the U.S. Government	<u>\$ 239,684,502</u>	<u>\$ 232,809,845</u>

See Notes to Financial Statements

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF OPERATIONS AND CHANGES
IN CUMULATIVE RESULTS OF OPERATIONS
For the Years Ended September 30, 2022 and 2021

	2022	2021
Operating Revenues		
Appropriations expended	\$ 27,369,641	\$ 24,426,001
Imputed financing (Note 9)	\$ 837,838	831,765
Other (Note 7)	<u>953,087</u>	<u>718,818</u>
Total operating revenues	<u>29,160,566</u>	<u>25,976,584</u>
Operating Expenses (Note 8)		
Locks and marine operations	6,749,507	6,674,772
Maintenance and engineering	8,802,060	7,573,321
General and development	4,771,977	4,821,054
Administrative expenses	3,720,024	3,928,277
Depreciation	7,661,615	6,910,526
Imputed expenses (Note 9)	837,838	831,765
SIBC payments	343,068	-
Worker's compensation benefits (Note 2)	<u>191,698</u>	<u>461,498</u>
Total operating expenses	<u>33,077,787</u>	<u>31,201,213</u>
Operating loss	(3,917,221)	(5,224,629)
Other Financing Sources		
Interest on deposits in minority banks	47,431	84,409
Transfer from invested capital for depreciation	7,661,615	<u>6,910,526</u>
Total other financing sources	<u>7,709,046</u>	<u>6,994,935</u>
Operating revenues and other financing sources over (under) operating expenses	3,791,825	1,770,306
Beginning cumulative results of operations	<u>29,883,012</u>	<u>28,112,706</u>
Ending cumulative results of operations	<u>\$ 33,674,837</u>	<u>\$ 29,883,012</u>
SIBC Restricted Use Fund Activity (Note 6)		
Interest earned	7,809	4,216
Foreign currency exchange	<u>(115,974)</u>	<u>127,723</u>
Total SIBC revenues	<u>(108,165)</u>	131,939
Bridge repairs	<u>882,586</u>	<u>1,206,147</u>
SIBC restricted fund (loss) gain	<u>(990,751)</u>	<u>(1,074,208)</u>
Beginning cumulative results of SIBC restricted use fund	<u>1,646,070</u>	<u>2,720,278</u>
Ending cumulative results of SIBC restricted use fund	<u>\$ 655,319</u>	<u>\$ 1,646,070</u>

See Notes to Financial Statements

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Operating revenues and other financing sources over (under) operating expenses	\$ 3,791,825	\$ 1,770,306
Adjustments to reconcile operating revenues and other financing sources over operating expenses to net cash provided by (used in) operating activities:		
Depreciation	7,661,615	6,910,526
Transfer from invested capital for depreciation	(7,661,615)	(6,910,526)
Net (gain) loss on property disposals	(30,008)	(36,849)
Change in assets and liabilities:		
Accounts receivable	60,192	(77,147)
Operating materials and supplies	13,644	7,528
Other current assets	(9,681)	32,091
Other assets	(18,338)	(184,287)
Accounts payable	860,774	(138,991)
Accrued liabilities	45,110	(79,396)
Other Current Liabilities	609	(1,365)
Actuarial Liabilities (Note 2)	191,698	461,498
Net cash provided (used in) by operating activities	<u>4,905,825</u>	<u>1,753,388</u>
Cash flows from investing activities:		
Proceeds from plant, property and equipment disposals	34,330	128,553
Acquisition of plant, property and equipment	(10,637,006)	(13,577,755)
Net (increase) decrease in time deposits	<u>(40,000)</u>	<u>(240,000)</u>
Net cash used in investing activities	<u>(10,642,676)</u>	<u>(13,689,202)</u>
Cash flows from financing activities:		
Appropriations for plant, property and equipment	<u>10,637,006</u>	<u>13,577,755</u>
Net increase (decrease) in cash	4,900,155	1,641,941
Cash at beginning of year	<u>42,843,046</u>	<u>41,201,105</u>
Cash at end of year	<u>\$ 47,743,201</u>	<u>\$ 42,843,046</u>

See Notes to Financial Statements

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES (NOTE 12)
For the Year Ended September 30, 2022

	----- Budget -----		
	Resources	Obligations	Expenses
Great Lakes St. Lawrence Seaway Development Corporation Fund	\$ 83,897,595	\$ 41,907,550	\$ 33,077,787
Budget Reconciliation:			
Total expenses			33,077,787
Adjustments			
Add:			
Capital acquisitions			10,637,006
Increase in other assets			18,338
Increase in net plant in service, property disposals			30,008
Deduct:			
Depreciation			(7,661,615)
Imputed expenses			(837,838)
Workers' compensation benefits			(191,698)
Decrease in operating materials and supplies			(13,644)
Less reimbursements:			
Trust funds & Financing Sources Transferred In			(38,006,647)
Revenues from non-federal sources			<u>(1,034,848)</u>
Accrued expenditures			<u>\$ (3,983,151)</u>

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF CHANGES IN EQUITY OF THE U.S. GOVERNMENT
For the Years Ended September 30, 2022 and 2021

	Invested Capital	Unexpended Appropriations	Cumulative Results of Operations	Cumulative Results of SIBC Restricted Use Fund
Balance, September 30, 2020	\$ 184,736,868	\$ -	\$ 28,112,706	\$ 2,720,278
Appropriations expended	-	(24,426,001)	24,426,001	-
Fiscal Year 2021 appropriations	-	38,000,000	-	-
Other financing sources	-	3,756	1,634,992	131,939
Operating expenses, excluding depreciation and imputed expenses	-	-	(22,997,424)	(1,206,147)
Depreciation expense	-	-	(6,910,526)	-
Imputed expenses	-	-	(831,765)	-
Workers' compensation actuarial	-	-	(461,498)	-
Transfer from invested capital for depreciation	(6,910,526)	-	6,910,526	-
Capital expenditures	<u>13,577,755</u>	<u>(13,577,755)</u>	<u>-</u>	<u>-</u>
Balance, September 30, 2021	191,404,097	-	29,883,012	1,646,070
Appropriations expended	-	(27,369,641)	27,369,641	-
Fiscal Year 2022 appropriations	-	38,000,000	-	-
Other financing sources	-	6,647	1,838,356	(108,165)
Operating expenses, excluding depreciation and imputed expenses	-	-	(24,386,636)	(882,586)
Depreciation expense	-	-	(7,661,615)	-
Imputed expenses	-	-	(837,838)	-
Workers' compensation actuarial	-	-	(191,698)	-
Transfer from invested capital for depreciation	(7,661,615)	-	7,661,615	-
Capital expenditures	<u>10,637,006</u>	<u>(10,637,006)</u>	<u>-</u>	<u>-</u>
Balance, September 30, 2022	<u>\$ 194,379,488</u>	<u>\$ -</u>	<u>\$ 33,674,837</u>	<u>\$ 655,319</u>

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2022 and 2021

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

These financial statements have been prepared to report the financial position, results of operations, 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.

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 at September 30, 2022 was \$1,664,937.

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.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2022 and 2021

Note 2. Summary of Significant Accounting Policies *(continued)*

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 \$5,287,838 and \$5,096,140 at September 30, 2022 and 2021, respectively, reflects the actuarial liability as determined by the 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.

Budget Authority

The Corporation was apportioned authority by the Office of Management and Budget (OMB) to obligate a maximum amount of \$61,560,000 for FY 2022, \$38,000,000 from the HMTF (P.L. 117-103) and \$23,560,000 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 \$41,907,550 for FY 2022. The Corporation's unobligated balance at September 30, 2022 totaled \$42.0 million, including \$3.2 million in unused borrowing authority. For FY 2023, the Corporation is currently operating on a Continuing Resolution based on the FY 2022 level of \$38,000,000. In addition, authority to obligate \$650,000 of non-federal revenues and \$8,081,000 from the Corporation's unobligated balance has been apportioned by OMB for FY 2023.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2022 and 2021

Note 2. Summary of Significant Accounting Policies *(continued)*

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.

Note 3. Time Deposits in Minority Banks

The Corporation maintains insured deposits in a number of minority banks throughout the United States to help expand opportunities for minority business enterprises. These deposits consist mainly of the Corporation's unobligated balance, which is retained for emergency situations.

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, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Due from concession contract	\$ 69,169	\$ 59,797
Other	28,952	103,174
Interest on deposits in minority banks	<u>8,629</u>	<u>3,971</u>
	106,750	166,942
Prepaid Contracts – Non-federal	–	–
Prepaid Contracts – Federal	<u>13,810</u>	<u>4,129</u>
Total	<u>\$ 120,560</u>	<u>\$ 171,071</u>

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2022 and 2021

Note 5. Plant in Service

Plant in service as of September 30, 2022 and 2021 is as follows:

Plant in Service	Estimated Life (Years)	2022		2021	
		Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Locks and guidewalls	40-100	\$180,095,704	\$ 72,994,807	\$153,197,631	\$ 68,727,747
Permanent operating equipment	5-40	46,617,414	14,689,431	46,848,435	13,523,433
Channels and canals	95	37,759,075	24,769,977	37,759,075	24,323,631
Buildings, grounds, and utilities	50	27,276,719	15,685,158	27,215,345	14,783,394
Roads and bridges	50	13,947,236	12,462,033	13,947,236	12,150,689
Land rights and relocations	95	7,225,112	3,788,571	5,639,064	3,714,647
Navigation aids	10-40	3,259,415	2,836,764	3,259,415	2,811,861
Lands in fee	N/A	867,326	—	867,326	—
Total plant in service		<u>\$317,048,001</u>	<u>\$147,226,741</u>	<u>\$288,733,527</u>	<u>\$140,035,402</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, 2022 amounted to \$209 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.

Included in Plant in Service is Internal Use Software with a total cost for these systems at \$1,846,376 and total amortization amounted to \$1,783,631 at September 30, 2022.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2022 and 2021

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:

	<u>2022</u>	<u>2021</u>
Beginning Balance, 10/1/2021	\$ 1,646,070	\$ 2,720,278
Interest Earned	7,809	4,216
Allocation of Annual Surplus	-	-
Bridge Repairs/Improvements	(882,586)	(1,206,147)
Foreign Currency Exchange	(115,974)	127,723
Ending Balance, 9/30/2022	<u>\$ 655,319</u>	<u>\$ 1,646,070</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 2022 and FY 2021 is disclosed on the Statements of Operations and Changes in Cumulative Results of Operations. Bridge Repairs for FY 2022 included \$668,772 for Service Job Order 22-01 for the replacement of seven rocker arms on the South Channel Span.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2022 and 2021

Note 7. Other Revenues

Other revenues for the years ended September 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Concession operations	\$ 722,326	\$ 463,433
Miscellaneous, net	82,572	106,100
Pleasure craft/non-commercial tolls	66,476	82,824
Rental of administration building	46,886	46,247
Rebates	26,056	20,214
Payments for damages to locks, net	8,771	—
Total	<u>\$ 953,087</u>	<u>\$ 718,818</u>

Payments for damages are reported net of direct materials and direct labor costs. Reimbursements for direct materials and direct labor are recorded as reductions of the related expense accounts.

Note 8. Operating Expenses by Object Class

Operating expenses by object class for the years ended September 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Personnel services and benefits	\$ 15,286,086	\$ 15,680,588
Contractual services	6,247,430	5,462,381
SIBC Payments	343,068	0
Supplies and materials	1,938,223	1,545,641
Equipment not capitalized	223,536	62,273
Rental, communications, and utilities	180,340	158,890
Travel and transportation	132,039	77,767
Gain/(loss) on property disposals	(30,008)	(36,849)
Printing and reproduction	65,922	46,733
Subtotal	<u>24,386,636</u>	<u>22,997,424</u>
Depreciation expenses	7,661,615	6,910,526
Imputed expenses	837,838	831,765
Workers compensation benefits	191,698	461,498
Total operating expenses	<u>\$ 33,077,787</u>	<u>\$ 31,201,213</u>

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2022 and 2021

Note 8. Operating Expenses by Object Class (continued)

Starting in March 2020, the COVID-19 pandemic prompted U.S./Canadian border crossing restrictions, which impacted paid car and truck traffic and toll revenues on the Seaway International Bridge, a vehicular bridge co-owned by the Corporation and the Canadian FBCL. The bridge serves as a critical transportation asset for members of the Mohawk Nation communities in Ontario and Upstate New York and is currently operated and managed by the SIBC. The significant loss of revenue made it untenable for the bridge to continue operating solely on car and truck tolls for day-to-day operational expenses without U.S. or Canadian Federal funding. The Canadian Government provided the SIBC with approximately \$3.2 million to keep the bridge safely open and operational from April 2020-March 2022.

On March 15, 2022, President Biden signed into law P.L. 117-103 (FY 2022 Consolidated Appropriations Act) that included language directing the Corporation to use traditional Federal appropriations, for the first time ever, for the operations and maintenance of the Bridge:

Provided further, That not more than \$1,500,000 of the unobligated balances from the amounts made available for capital asset renewal activities under the heading “Saint Lawrence Seaway Development Corporation—Operations and Maintenance” in any prior Act shall be for activities pursuant to section 984(a)(12) of title 33, United States Code.

A Memorandum of Agreement (MOA) between the Corporation and the SIBC was entered into in April 2022, for a term of 12 months, to provide up to \$1.5 million to offset any revenue (toll collections) shortfalls needed to operate and maintain the bridge on a month-to-month basis. Thus, these Corporation payments to the SIBC are designated as operating expenses under contractual services. The activity for FY 2022 totaled \$343,068 and is disclosed on the Statements of Operations and Changes in Cumulative Results of Operations.

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.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
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Note 9. Retirement Plans (continued)

The Corporation paid contributions to the retirement plans and Social Security for the years ended September 30, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Federal Employees Retirement System:		
Automatic contributions	\$ 1,833,938	\$ 1,692,702
Matching contributions	382,940	374,164
Social Security	623,386	669,436
Civil Service Retirement System	15,225	26,481
Total	<u>\$ 2,855,489</u>	<u>\$ 2,762,783</u>

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 amounts for the years ended September 30, 2022 and 2021 were \$837,838 and \$831,765, respectively.

Note 10. Related Party Transactions

The Corporation receives rental payments for office space at its administration building in Massena, N.Y. For the years ended September 30, 2022 and 2021, revenue totaled \$46,886 and \$46,247 for space provided to the U.S. Coast Guard.

In FY 2022, the Corporation began leasing office space at the U.S. Department of Transportation headquarters building in Washington, D.C. under the terms of an Intra-agency Agreement (IAA) with the General Services Administration (GSA). Prior to FY 2022, the Corporation leased office space in Washington, D.C. under the terms of an IAA with the Federal Aviation Administration. The FAA lease expired on June 30, 2021. Washington-based staff returned to the U.S. Department of Transportation headquarters building. Costs for the years ended September 30, 2022 and 2021 of \$59,690 and \$327,789, respectively, are included in the reimbursable agreements listed below.

The Corporation has entered into reimbursable agreements with certain federal agencies to provide services and equipment to the Corporation. Reimbursable agreements with federal agencies for FY 2022 and FY 2021 were as follows:

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2022 and 2021

Note 10. Related Party Transactions (continued)

	<u>2022</u>	<u>2021</u>
U.S. Department of the Interior	\$ 790,685	\$ 743,080
Federal Aviation Administration	-	341,405
General Services Administration	59,690	-
U.S. Department of Transportation	451,744	45,460
U.S. Department of Defense	25,000	16,988
U.S. Department of Commerce	11,430	11,604
OPM Administrative Costs	8,300	-
Federal Occupational Health	-	3,159
Total	<u>\$ 1,346,849</u>	<u>\$ 1,161,696</u>

Accounts payable and accrued payroll benefits at September 30, 2022 and 2021 include \$1,528,302 and \$1,518,336 respectively, of amounts payable to the U.S. Government.

In FYs 2022 and 2021, the Corporation accrued costs of \$123,257 and \$114,490 respectively, to the Canadian St. Lawrence Seaway Management Corporation for administrative services related to tolls and statistics.

Note 11. Contingencies and Commitments

As of September 30, 2022, no material claims are pending against the Corporation. In addition to the current liabilities at September 30, 2022 and 2021 there were undelivered orders and contracts amounting to \$13,506,137 and \$7,247,246, respectively. For FY 2022, Federal Undelivered Orders totaled \$237,208 and Non-Federal Undelivered Orders were \$13,268,929 with \$0 paid.

Note 12. Statement of Budgetary Resources and Actual Expenses

The Statement 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 \$83,897,595 consist of the Corporation's unobligated balance of \$44,215,275 brought forward October 1, 2021, and reimbursements earned of \$39,015,962 and recoveries of prior year's obligations of \$666,357.

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