



GLS

Report QC2024005
November 13, 2023

Quality Control Review of the Independent Auditor's Report on the Great Lakes St. Lawrence Seaway Development Corporation's Audited Financial Statements for Fiscal Years 2023 and 2022



Quality Control Review on the Independent Auditor's Report on the Great Lakes St. Lawrence Seaway Development Corporation's Audited Financial Statements for Fiscal Years 2023 and 2022

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

Great Lakes St. Lawrence Seaway Development Corporation | QC2024005 | November 13, 2023

What We Looked At

We contracted with the independent public accounting firm Allmond & Company LLC (Allmond) to audit the Great Lakes St. Lawrence Seaway Development Corporation's (GLS) financial statements as of and for the fiscal year ended September 30, 2023; 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 Allmond to perform the audit in accordance with U.S. generally accepted Government auditing standards, Office of Management and Budget audit guidance, and the Government Accountability Office's and Council of the Inspectors General on Integrity and Efficiency's *Financial Audit Manual*. We performed a quality control review of Allmond's report dated November 6, 2023, and related documentation, and inquired of its representatives.

What We Found

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

Our Recommendations

Allmond made two recommendations in its report with which GLS concurred. We agree with Allmond's recommendations and are making no additional recommendations.

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Memorandum

Date: November 13, 2023

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 Years 2023 and 2022 | Report No. QC2024005

From: Dormayne "Dory" Dillard-Christian 
Assistant Inspector General for Financial 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 years 2023 and 2022.

We contracted with the independent public accounting firm Allmond & Company LLC (Allmond) to audit GLS's financial statements as of and for the fiscal year ended September 30, 2023, 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 The Office of Inspector General (OIG) for the Department of Transportation (DOT) audited GLS's fiscal year 2022 financial statements and expressed an unmodified opinion on those statements.²

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: GLS Administrator
GLS Liaison

¹ GAO, *Financial Audit Manual*, Volume 1 (GAO-22-105894), Updated May 2023; Volume 2 (GAO-22-105895), Updated May 2023; Volume 3 (GAO-21-105127), updated June 2023.

² *Independent Auditor's Report on GLS's Audited Financial statements for Fiscal Years 2022 and 2021* (OIG Report No. FS2023006), November 15, 2022. Our report can be found on our website, www.oig.dot.gov.

Independent Auditor's Report

In their report on GLS's financial statements for the fiscal year 2023, Allmond states that:

- GLS's financial statements³ (see attachment 3) were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;
- Allmond found one significant deficiency⁴ in internal control over financial reporting that it did not consider to be a material weakness;⁵ and
- there were no instances of reportable noncompliance with provisions of laws tested, or reportable other matters.

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

Significant Deficiencies

Understatement of the Balance of Operating Materials & Supplies

Allmond determined that internal control relating to the valuation of Operating Materials and Supplies (OM&S) was not properly designed and implemented in order 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, did not agree with the supporting documentation, or supporting documentation was not retained.

³ 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>.

⁴ 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. 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.

⁵ A material weakness is a deficiency, or a combination of deficiencies, 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

Allmond made the following recommendations to GLS management to strengthen GLS's controls over OM&S:

1. 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.
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.

Quality Control Review

We performed a QCR of Allmond's report dated November 6, 2023, 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 November 3, 2023, and received GLS's response, dated November 6, 2023 (see attachment 2). GLS also concurred with Allmond's two recommendations and committed to developing a corrective action plan to address the deficiency by December 31, 2023. We agree with Allmond's recommendations and are not making any additional recommendations.

Actions Required

We consider Allmond's two recommendations open and unresolved pending receipt of the corrective action plan.

Exhibit. List of Acronyms

DOT	Department of Transportation
GAO	Government Accountability Office
GLS	Great Lakes St. Lawrence Seaway Development Corporation
OIG	Office of Inspector General
QCR	quality control review

Attachment 1. Independent Auditor's Report

**GREAT LAKES ST. LAWRENCE SEAWAY
DEVELOPMENT CORPORATION**

**AUDIT REPORT
SEPTEMBER 30, 2023**



**ALLMOND & COMPANY, LLC
Certified Public Accountants
7501 Forbes Boulevard, Suite 200
Lanham, Maryland 20706
(301) 918-8200**



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

Pursuant to Section 9105 of the Government Corporation Control Act of 1945¹, we have audited the accompanying financial statements of the Great Lakes St. Lawrence Seaway Development Corporation (GLS), which comprise the Statement of Financial Position as of September 30, 2023; the related Statement of Operations and Changes in Cumulative Results of Operations, and Statement of Changes in Equity of the U.S. Government, and Statement of Cash Flows, for the fiscal year then ended; and the related notes to the financial statements (hereinafter referred to as the financial statements).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Great Lakes St. Lawrence Seaway Development Corporation as of September 30, 2023 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 accounting principles generally accepted in the United States of America.

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. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 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.

Other Matter

The financial statements of GLS as of and for the fiscal year ended September 30, 2022 were audited by another auditor, who expressed an unmodified opinion on those statements on November 15, 2022. These statements were not audited, reviewed, or compiled by us; accordingly, we do not express an opinion or provide any other form of assurance on them.

¹ 31 United States Code (U.S.C.) § 9105

Responsibilities of Management for the Financial Statements

Management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) the preparation, measurement, and presentation of Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles; (3) the preparation and presentation of other information included in GLS's Annual Report and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) the 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 (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. 24-01 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. 24-01, we exercise professional judgment and maintain professional skepticism throughout the audit; identify and assess risks of material misstatement of the financial statements, whether due to fraud or error; and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. In addition, in making those risk assessments, we 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, we express no such opinion.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements, and performing 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 information in the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is

required 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 GLS's 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 *Letter from the Administrator*, *Key Performance Measures and Results*, and *Other Information* sections, as listed in the Table of Contents of GLS's Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express 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, 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 to express an opinion on the effectiveness of GLS's internal control over financial reporting. Given these limitations, during our 2023 audit, we did not identify any deficiencies in internal control over financial

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.

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 2023 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 2023 financial statements. Although the significant deficiency in internal control did not affect our opinion on GLS's fiscal year 2023 financial statements, misstatements may occur in unaudited financial information reported internally and externally by GLS because of this significant deficiency.

In addition, we also identified 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 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, 2023, 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 (1) 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 (2) 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 2023 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.

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.

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 provision 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.

Agency Comments

We provided GLS with a draft of our report on November 3, 2023, and received GLS's response on November 6, 2023. 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
November 6, 2023

Incorrect Unit Costs Resulted in Understatement of the Balance of Operating Materials & Supplies (2023-01)

CONDITION

An internal control relating to the valuation of Operating Materials and Supplies (OM&S) was not properly designed and implemented in order to prevent or detect and correct errors in unit costs that were entered into the inventory tracking system.

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

- For 3 of 25 samples, the unit and total costs did not agree with the supporting documentation or supporting documentation was not readily available or reliable.

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."

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:

- 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.
- The Corporation's current inventory tracking and management system was placed into service in 2017. Records for inventory items purchased before that date were not entered into the system.
- GLS personnel are not certain about how average costs are calculated over time within the inventory tracking system.
- During the performance of GLS's annual count and cost verification process, the personnel performing the annual inventory 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 the unit cost information entered into the system was inaccurate or absent.

EFFECT

- Actual understatement of the OM&S balance is \$4,553.01 for this sample; the projected understatement of the balance at year-end is \$29,819.81.
- 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.
- 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 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 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.

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

The GLS concurs with the condition, based on the results of the initial sampling. The GLS will await the results from the year-end review of the OM&S inventory before developing a corrective action plan to address net cost discrepancies. Since receiving this Notice of Findings and Recommendations (NFR), the GLS performed an internal analysis on approximately 100 items in the OM&S inventory and identified a net discrepancy of \$611 out of a total of \$141,500, which represented only a 0.45% variance.

AUDITOR RESPONSE

We will perform follow up procedures during FY 2024 to determine if corrective action has been fully implemented.

Attachment 2. Agency Response



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 2023

Date: November 6, 2023

From: Adam Tindall-Schlicht
Administrator

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) 2023 financial statements audit report, dated November 6, 2023.

We are pleased that your audit team that performed the GLS's FY 2023 financial statements audit provided an unmodified audit opinion – the GLS's 60th consecutive clean audit opinion dating back to its first financial statements audit in 1955.

We concur with the findings and the lone significant deficiency identified in the audit report related to the unit costs of operating materials and supplies. The GLS has already begun to address this finding and will work to implement corrective actions by April 30, 2024.

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 staffs were critical to achieving the objectives of the financial audit process.

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

Attachment 3. Agency Financial Report

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
September 30, 2023 and 2022

Assets	2023	2022
Current Assets		
Cash		
Held by U.S. Treasury	\$ 46,115,155	\$ 47,739,592
Held in banks and on hand	4,892	3,609
Short-term time deposits in minority banks (Note 3)	9,520,000	9,760,000
Accounts receivable (Note 4)	197,135	106,750
Due from SIBC (Note 6)	548,634	655,319
Operating materials and supplies (Note 2)	547,433	442,801
Other current assets (Note 4)	19,795	13,810
Total current assets	<u>56,953,044</u>	<u>58,721,881</u>
Long-Term Investments		
Long-term time deposits in minority banks (Note 3)	<u>240,000</u>	<u>480,000</u>
Plant, Property and Equipment		
Plant in service (Note 5)	327,225,382	317,048,001
Less: Accumulated depreciation	<u>(154,556,950)</u>	<u>(147,226,741)</u>
Net plant in service	172,668,432	169,821,260
Information Software, net	43,797	62,744
Work in progress	13,500,833	8,933,680
	<u>186,213,062</u>	<u>178,817,684</u>
Other Assets		
Lock spare parts (Note 2)	<u>1,499,615</u>	<u>1,664,937</u>
Total assets	<u>\$ 244,905,721</u>	<u>\$ 239,684,502</u>

See Notes to Financial Statements

(Continued)

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
September 30, 2023 and 2022

Liabilities and Equity of the U.S. Government	2023	2022
Current Liabilities		
Accounts payable	\$ 4,396,286	\$ 3,933,582
Accrued annual leave (Note 2)	1,012,117	906,228
Accrued payroll costs	953,955	843,601
Other Current Liabilities	<u>4,892</u>	<u>3,609</u>
Total current liabilities	<u>6,367,250</u>	<u>5,687,020</u>
Actuarial Liabilities		
Worker's compensation benefits (Note 2)	<u>5,950,718</u>	<u>5,287,838</u>
Total liabilities	<u>12,317,968</u>	<u>10,974,858</u>
Equity of the U.S. Government		
Invested capital (Note 2)	201,778,867	194,379,488
Cumulative results of operations	30,260,252	33,674,837
Cumulative results of SIBC restricted use fund (Note 6)	<u>548,634</u>	<u>655,319</u>
	<u>232,587,753</u>	<u>228,709,644</u>
Total liabilities and equity of the U.S. Government	<u>\$ 244,905,721</u>	<u>\$ 239,684,502</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, 2023 and 2022

	2023	2022
Operating Revenues		
Appropriations expended	\$ 23,083,933	\$ 27,369,641
Imputed financing (Note 9)	1,279,139	\$ 837,838
Other (Note 7)	<u>963,696</u>	<u>953,087</u>
Total operating revenues	<u>25,326,768</u>	<u>29,160,566</u>
Operating Expenses (Note 8)		
Locks and marine operations	7,956,481	6,749,507
Maintenance and engineering	7,911,979	8,802,060
General and development	5,500,540	4,771,977
Administrative expenses	5,128,754	3,720,024
Depreciation	8,016,688	7,661,615
Imputed expenses (Note 9)	1,279,139	837,838
SIBC payments	517,074	343,068
Worker's compensation benefits (Note 2)	<u>662,880</u>	<u>191,698</u>
Total operating expenses	<u>36,973,535</u>	<u>33,077,787</u>
Operating loss	(11,646,767)	(3,917,221)
Other Financing Sources		
Interest on deposits in minority banks	215,494	47,431
Transfer from invested capital for depreciation	<u>8,016,688</u>	7,661,615
Total other financing sources	<u>8,232,182</u>	<u>7,709,046</u>
Operating revenues and other financing sources over (under) operating expenses	(3,414,585)	3,791,825
Beginning cumulative results of operations	<u>33,674,837</u>	<u>29,883,012</u>
Ending cumulative results of operations	<u>\$ 30,260,252</u>	<u>\$ 33,674,837</u>
SIBC Restricted Use Fund Activity (Note 6)		
Interest earned	16,370	7,809
Foreign currency exchange	<u>8,982</u>	<u>(115,974)</u>
Total SIBC revenues	25,352	(108,165)
Bridge repairs	<u>132,037</u>	<u>882,586</u>
SIBC restricted fund (loss) gain	(106,685)	(990,751)
Beginning cumulative results of SIBC restricted use fund	<u>655,319</u>	<u>1,646,070</u>
Ending cumulative results of SIBC restricted use fund	<u>\$ 548,634</u>	<u>\$ 655,319</u>

See Notes to Financial Statements

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF CHANGES IN EQUITY OF THE U.S. GOVERNMENT
For the Years Ended September 30, 2023 and 2022

	Invested Capital	Unexpended Appropriations	Cumulative Results of Operations	Cumulative Results of SIBC Restricted Use Fund
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	10,637,006	(10,637,006)	-	-
Balance, September 30, 2022	<u>\$ 194,379,488</u>	<u>\$ -</u>	<u>\$ 33,674,837</u>	<u>\$ 655,319</u>
Appropriations expended	-	(23,083,933)	23,083,933	-
Fiscal Year 2023 appropriations	-	38,500,000	-	-
Other financing sources	-	-	2,458,329	25,352
Operating expenses, excluding depreciation and imputed expenses	-	-	(27,014,828)	(132,037)
Depreciation expense	-	-	(8,016,688)	-
Imputed expenses	-	-	(1,279,139)	-
Workers' compensation actuarial	-	-	(662,880)	-
Transfer from invested capital for depreciation	(8,016,688)	-	8,016,688	-
Capital expenditures	15,416,067	(15,416,067)	-	-
Balance, September 30, 2023	<u><u>\$ 201,778,867</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,260,252</u></u>	<u><u>\$ 548,634</u></u>

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Operating revenues and other financing		
sources over (under) operating expenses	\$ (3,414,585)	\$ 3,791,825
Adjustments to reconcile operating revenues and other		
financing sources over operating expenses to net		
cash provided by (used in) operating activities:		
Depreciation	8,016,688	7,661,615
Transfer from invested capital for depreciation	(8,016,688)	(7,661,615)
Net (gain) loss on property disposals	4,000	(30,008)
Change in assets and liabilities:		
Accounts receivable	(90,385)	60,192
Operating materials and supplies	(104,632)	13,644
Other current assets	(5,985)	(9,681)
Other assets	165,322	(18,338)
Accounts payable	462,704	860,774
Accrued liabilities	216,244	45,110
Other Current Liabilities	1,283	609
Actuarial Liabilities (Note 2)	662,880	191,698
Net cash provided (used in) by operating activities	<u>(2,103,154)</u>	<u>4,905,825</u>
Cash flows from investing activities:		
Proceeds from plant, property and equipment disposals	-	34,330
Acquisition of plant, property and equipment	(15,416,067)	(10,637,006)
Net (increase) decrease in time deposits	480,000	(40,000)
Net cash used in investing activities	<u>(14,936,067)</u>	<u>(10,642,676)</u>
Cash flows from financing activities:		
Appropriations for plant, property and equipment	<u>15,416,067</u>	<u>10,637,006</u>
Net increase (decrease) in cash	(1,623,154)	4,900,155
Cash at beginning of year	<u>47,743,201</u>	<u>42,843,046</u>
Cash at end of year	<u>\$ 46,120,047</u>	<u>\$ 47,743,201</u>

See Notes to Financial Statements

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2023 and 2022

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, 2023 was \$1,499,615.

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, 2023 and 2022

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 \$5,950,718 and \$5,287,838 at September 30, 2023 and 2022, 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 \$56,400,000 for FY 2023, \$38,500,000 from the HMTF (P.L. 117-328) and \$17,900,000 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 \$41,003,342 for FY 2023. The Corporation's unobligated balance at September 30, 2023 totaled \$42.4 million, including \$3.2 million in unused borrowing authority. For FY 2024, the Corporation is currently operating on a Continuing Resolution based on the FY 2023 level of \$38,500,000. In addition, authority to obligate \$1,000,000 of non-federal revenues and \$5,047,350 from the Corporation's unobligated balance has been apportioned by OMB for FY 2024.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2023 and 2022

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, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Due from concession contract	\$ 142,773	\$ 69,169
Interest on deposits in minority banks	48,237	28,952
Other	<u>6,125</u>	<u>8,629</u>
	197,135	106,750
Prepaid Contracts – Non-federal	–	–
Prepaid Contracts – Federal	<u>19,795</u>	<u>13,810</u>
Total	<u>\$ 216,930</u>	<u>\$ 120,560</u>

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2023 and 2022

Note 5. Plant in Service

Plant in service as of September 30, 2023 and 2022 is as follows:

Plant in Service	Estimated Life (Years)	<u>2023</u>		<u>2022</u>	
		Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Locks and guidewalls	40-100	\$181,695,266	\$ 77,606,633	\$180,095,704	\$ 72,994,807
Permanent operating equipment	5-40	55,231,138	16,093,036	46,617,414	14,689,431
Channels and canals	95	37,759,075	25,216,322	37,759,075	24,769,977
Buildings, grounds, and utilities	50	26,928,364	16,232,110	27,276,719	15,685,158
Roads and bridges	50	13,947,236	12,773,377	13,947,236	12,462,033
Land rights and relocations	95	7,225,112	3,900,642	7,225,112	3,788,571
Navigation aids	10-40	3,571,865	2,734,830	3,259,415	2,836,764
Lands in fee	N/A	867,326	—	867,326	—
Total plant in service		<u>\$327,225,382</u>	<u>\$154,556,950</u>	<u>\$317,048,001</u>	<u>\$147,226,741</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, 2023 amounted to \$225 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 \$1,802,578 at September 30, 2023.

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, 2023 is \$13,500,833. The two major projects and their CIP balances are the construction of the new Seaway Visitor Center at Eisenhower Lock, \$7,191,129 and the replacement of the diffusers at Snell lock, \$5,440,889.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2023 and 2022

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>2023</u>	<u>2022</u>
Beginning Balance, 10/1/2022	\$ 655,319	\$ 1,646,070
Interest Earned	16,370	7,809
Bridge Repairs/Improvements	(132,037)	(882,586)
Foreign Currency Exchange	8,982	(115,974)
Ending Balance, 9/30/2023	<u>\$ 548,634</u>	<u>\$ 655,319</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 2023 and FY 2022 is disclosed on the Statements of Operations and Changes in Cumulative Results of Operations. South Channel Span bridge repairs in FY 2023 included net expenditures of \$132,037 for sidewalk repairs, pedestrian rail improvements, and the completion of the rocker arm replacement project.

Note 7. Other Revenues

Other revenues for the years ended September 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Concession operations	\$ 797,783	\$ 722,326
Pleasure craft/non-commercial tolls	64,682	66,476
Rental of administration building	50,171	46,886
Rebates	36,400	26,056
Miscellaneous, net	14,660	82,572
Payments for damages to locks, net	-	8,771
Total	<u>\$ 963,696</u>	<u>\$ 953,087</u>

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2023 and 2022

Note 7. Other Revenues (*continued*)

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, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Personnel services and benefits	\$ 17,161,573	\$ 15,286,086
Contractual services	6,119,358	6,247,430
Supplies and materials	2,456,412	1,938,223
SIBC Payments	517,074	343,068
Travel and transportation	266,486	132,039
Equipment not capitalized	247,895	223,536
Rental, communications, and utilities	174,217	180,340
Printing and reproduction	67,813	65,922
(Loss)/gain on property disposals	<u>4,000</u>	<u>(30,008)</u>
Subtotal	27,014,828	24,386,636
Depreciation expenses	8,016,688	7,661,615
Imputed expenses	1,279,139	837,838
Workers compensation benefits	662,880	191,698
Total operating expenses	<u>\$ 36,973,535</u>	<u>\$ 33,077,787</u>

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 2023 totaled \$517,074 and is disclosed on the Statements of Operations and Changes in Cumulative Results of Operations.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2023 and 2022

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 years ended September 30, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Federal Employees Retirement System:		
Automatic contributions	\$ 1,998,637	\$ 1,833,938
Matching contributions	421,022	382,940
Social Security	674,990	623,386
Civil Service Retirement System	<u>12,682</u>	<u>15,225</u>
Total	<u>\$ 3,107,331</u>	<u>\$ 2,855,489</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, 2023 and 2022 were \$1,279,139 and \$837,838, 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, 2023 and 2022, revenue totaled \$50,171 and \$46,886 for space provided to the U.S. Coast Guard.

The Corporation leases 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). Costs for the years ended September 30, 2023 and 2022 of \$74,649 and \$59,690, respectively, are included in the reimbursable agreements listed below.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2023 and 2022

Note 10. Related Party Transactions (*continued*)

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 2023 and FY 2022 were as follows:

	<u>2023</u>	<u>2022</u>
U.S. Department of the Interior	\$ 663,708	\$ 790,685
General Services Administration	74,649	59,690
U.S. Department of Transportation	62,082	451,744
U.S. Department of Defense	21,492	25,000
U.S. Department of Commerce	11,422	11,430
OPM Administrative Costs	8,750	8,300
Total	<u>\$ 842,103</u>	<u>\$ 1,346,849</u>

Accounts payable and accrued payroll benefits at September 30, 2023 and 2022 include \$1,705,925 and \$1,500,120 respectively, of amounts payable to the U.S. Government.

In FYs 2023 and 2022, the Corporation accrued costs of \$131,191 and \$123,257 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, 2023, no material claims are pending against the Corporation. In addition to the current liabilities at September 30, 2023 and 2022 there were undelivered orders and contracts amounting to \$10,356,729 and \$13,506,137, respectively. For FY 2023, Federal Undelivered Orders totaled \$54,947 and Non-Federal Undelivered Orders were \$10,301,782 with \$0 paid.

Note 12. Schedule 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 \$83,359,409 consist of the Corporation's unobligated balance of \$41,990,044 brought forward October 1, 2022, and reimbursements earned of \$39,587,964 and recoveries of prior year's obligations of \$1,781,401.

GREAT LAKES ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
As of and for the years ended September 30, 2023 and 2022

----- Budget -----

Resources	Obligations	Expenses
\$ 83,359,409	\$ 41,003,342	\$ 36,973,535

Budget Reconciliation:

Total expenses	36,973,535
Adjustments	
Add:	
Capital acquisitions	15,416,067
Increase in operating materials and supplies	104,632
Deduct:	
Depreciation	(8,016,688)
Imputed expenses	(1,279,139)
Workers' compensation benefits	(662,880)
Decrease in other assets	(165,322)
Decrease in net plant in service, property disposals	(4,000)
Less reimbursements:	
Trust funds and Financing Sources Transferred In	(38,500,000)
Revenues from non-federal sources	<u>(1,179,190)</u>
Accrued expenditures	<u>\$ 2,687,015</u>

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