# VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
***(A Component Unit of the Virgin Islands Government)***

**FINANCIAL STATEMENTS**
**AND**
**SUPPLEMENTARY INFORMATION**
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**
*Together With Independent Auditor's Report*

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**
***(A Component Unit of the Virgin Islands Government)***

FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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# INDEPENDENT AUDITOR'S REPORT

Board of Directors
Virgin Islands Economic Development Authority
St. Thomas, U.S. Virgin Islands

## Report on the Financial Statements

We have audited the accompanying statement of net position of the Virgin Islands Economic Development Authority (the "Authority") a component unit of the Government of the U.S. Virgin Islands, as of and for the year ended September 30, 2015 and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the financial statements.

## Management's Responsibility

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depends on the auditor's judgment, including, the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation 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 of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the Authority as of September 30, 2015, and the respective changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements present only the Authority's financial position and the changes in financial position and cash flows and do not purport to, and do not, present fairly the financial position of the Government of the U.S. Virgin Islands as of September 30, 2015 and changes in the financial position of the Government of the U.S. Virgin Islands for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

*Change in the Method of Accounting for Pension*

During fiscal year ended September 30, 2015, the Authority adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions and the related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. As a result of the implementation of these standards, the Authority reported a restatement for the change in accounting principle. Our auditor's opinion was not modified with respect to the restatements.

*Report on Comparative Information*

We have previously audited the Authority's September 30, 2014 financial statements, and our report dated, May 22, 2015, expressed an unmodified opinion thereon. In our opinion, the comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Required Supplementary Information*

Accounting principles generally accepted in the United States require that the management's discussion and analysis information on pages 4 through 10 and the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions on pages 25 and 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statement in an appropriate operational, economic or historic 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Information

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The other supplementary information listed in the accompanying table of contents on pages 27 and 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Bert Smith & Co.

St. Croix
March 28, 2016

## INTRODUCTION

The Virgin Islands Economic Development Authority ("VIEDA" or "Authority") is a semi-autonomous governmental instrumentality responsible for the development, promotion and enhancement of the economy of the U.S. Virgin Islands.

The VIEDA is the umbrella organization which assumes, integrates, and unifies the functions of the following subsidiary entities: the Economic Development Bank ("EDB"), the Economic Development Commission ("EDC"), the Economic Development Park Corporation ("EDPC"), and the Enterprise and Commercial Zone Commission ("ECZC").

The VIEDA operates under one Governing Board ("Board") in order to achieve maximum efficiency of operation to avoid duplication of services, positions, and responsibilities; to reduce expenses of personnel, physical plant and operations; and to develop comprehensive programs for the economic development of the U.S. Virgin Islands. The Authority is funded primarily by allotments from the Office of Management and Budget via the Department of Finance based on an approved budget authorized by the Legislature of the Virgin Islands.

As management of the Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements. This overview and analysis is required by accounting principles generally accepted in the United States of America ("GAAP"), and the Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Government.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial report and statements consist of four parts: management's discussion and analysis, the financial statements, notes to the financial statements, and supplementary schedules. The Authority is a component unit of the Government of the U.S. Virgin Islands, and follows enterprise fund reporting. The financial statements, therefore, are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting.

- ***The Statement of Net Position:*** This statement includes all of the Authority's assets, deferred outflows of resources and deferred inflows of resources, and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). The assets and liabilities are presented in order of liquidity. The resulting net position presented in these statements is displayed as restricted or unrestricted.

- ***The Statement of Revenues, Expenses, and Changes in Net Position:*** All of the current year's revenues and expenses are accounted for in the Statement of Revenue, Expenses, and Changes in Net Position. This statement measures the activities of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through appropriations and the services it provided.

- ***Statement of Cash Flows:*** The primary purpose of this statement is to provide information about the Authority's net cash used in operating activities, capital and related financing activities, and provide information regarding the sources and uses of cash and the changes in the cash balance during the reporting period. The notes to the financial statements provide additional information essential to the full understanding of the Authority's financial statements.

- ***Notes to the Financial Statements:*** The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements.

- ***Supplementary Schedules:*** The Authority's fund financial statements are presented as supplementary schedules. These schedules separate the financial statements and operations for each of the major funds.

## 2015 FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by $17,478,730 or 115% compared to fiscal year 2014.
- The Authority's total assets decreased by $897,468 or 4% and total liabilities increased by $18,836,946 or 264% compared to fiscal year 2014.
- The Authority's operating revenues decreased by $625,148 or 9% and operating expenses increased by $2,520,819 or 35% compared to fiscal year 2014.
- Government appropriations decreased by $188,469 or 4% compared to fiscal year 2014.

## CONDENSED FINANCIAL INFORMATION

**Condensed Statements of Net Position as of September 30, 2015 and 2014**

| | 2015 | 2014 | Variance | % Variance |
|---|---|---|---|---|
| **Assets** | | | | |
| Current Assets | $ 4,655,257 | $ 4,183,785 | $ 471,472 | 11% |
| Noncurrent Assets | 14,953,767 | 15,937,971 | (984,204) | -6% |
| Capital Assets, net | 1,874,918 | 2,259,654 | (384,736) | -17% |
| **Total Assets** | 21,483,942 | 22,381,410 | (897,468) | -4% |
| **Deferred Outflows of Resources** | 2,255,684 | - | 2,255,684 | 100% |
| **Total Assets and Deferred Outflows of Resources** | $23,739,626 | $22,381,410 | $ 1,358,216 | 6% |
| **Liabilities** | | | | |
| Current Liabilities | $ 5,102,252 | $ 5,057,022 | $ 45,230 | 1% |
| Noncurrent Liabilities | 20,867,447 | 2,075,731 | 18,791,716 | 905% |
| **Total Liabilities** | $25,969,699 | $ 7,132,753 | $18,836,946 | 264% |
| **Net Position** | | | | |
| Net Investment in Capital Assets | $ 1,874,918 | $ 2,259,654 | $ (384,736) | -17% |
| Restricted | 12,914,073 | 13,553,923 | (639,850) | -5% |
| Unrestricted | (17,019,064) | (564,920) | (16,454,144) | -2913% |
| **Total Net Position** | $ (2,230,073) | $15,248,657 | $(17,478,730) | -115% |

### *Current Assets*

- Current assets increased by $471,472 or 11% compared to last fiscal year. This was due mainly to the effect of an increase in cash of $1,066,272 or 41% due mainly to a reclassification of restricted cash and cash equivalents from non-current to current classification. Unrestricted investments decreased by $21,290 or 10% due to the reclassification of USE funds that was moved to restricted investments. Accounts receivables, net of allowance for doubtful accounts, decreased by $558,077 or 43% due to the reimbursement of funds expended by the Authority on behalf of two federal programs. Prepaid and other assets decreased by $15,433 or 25% and the deducted amount represents expenses that were consumed in the period.

### *Noncurrent Assets*

- Noncurrent assets decreased by $984,204 or 6% compared to last fiscal year due to the reclassification of restricted cash and cash equivalent from the non-current to the current classification. Loan receivable, net of allowance for doubtful accounts, decreased by $125,567 or 3% which is attributable to the Economic Development Bank (EDB) restructuring a portion of its existing loans, as well as borrowers paying off their loans with the EDB. Restricted cash decreased by $1,918,494 or 25% while restricted investments increased by $1,059,857 or 23% due mainly to the utilization of SSBCI funds in providing the required collateral for business loans approved by local banks.

### *Capital Assets*

- Capital assets, net of accumulated depreciation, decreased by $384,736 or 17% compared to last fiscal year. This is due to the net effect of the capitalization of certain equipment and furniture that were purchased during the year and depreciation taken on capital assets.

### *Current Liabilities*

- Current liabilities increased by $45,230 or 1% compared to last fiscal year. This increase includes $190,965 or 33% in accounts payable due to a reduction in vendor obligations. There was also a decrease of $52,777 or 50% in accrued expenses due to reductions in payroll liabilities, contractual and other obligations. Additionally, compensated absences decreased by $82,774 or 61% due to the separation of certain employees from the Authority. There was also a decrease in deferred revenues of $8,765 or .21% due to the net effect of an increase to EZC and a decrease to SSBCI.

### *Noncurrent Liabilities*

- Noncurrent liabilities increased by $18,791,716 or 905% compared to last fiscal year. This net effect includes an increase of $10,974 or 4% in compensated absences due to the Authority correcting the accrued leave balances, based on the years of service of employees transferred from other government agencies and recording of net pension liability of $18,803,107 due to the implementation of GASB 68. Security deposits increased by $1,084 or 2% due to a new tenant at the Industrial Park on St. Croix. Long term debt decreased by $23,449 or 7% as the Economic Development Bank (EDB) continues to pay down its debt on its Intermediary Relending Program (IRP) loan.

### *Net Position*

- Net position represents residual interest in the Authority's assets and deferred outflows of resources after all liabilities are deducted for reporting purposes and are divided into three major components:

  - Net Investment in Capital Assets
  - Restricted Net Position
  - Unrestricted Net Position

The decrease in the Authority's total net position of $17,478,730 or 115% was due to the net effect of decreases in net investment in capital assets of $384,736 or 17% and restricted net position of $639,850 or 5%. The Authority's unrestricted net position decreased by $16,454,144 or 2913%, a direct result of the recording of the Authority's proportionate share of net pension liability at the beginning of the fiscal year.

**Condensed Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended September 30, 2015 and 2014**

| | 2015 | 2014 | Variance | % Variance |
|---|---|---|---|---|
| **Operating Revenues** | $ 6,655,440 | $ 7,280,588 | $ (625,148) | -9% |
| **Operating Expenses** | (9,702,102) | (7,181,283) | 2,520,819 | 35% |
| **Operating Loss/Income** | (3,046,662) | 99,305 | (3,145,967) | -3168% |
| **Nonoperating Revenues** | 229,836 | 265,609 | (35,773) | -13% |
| **Changes in Net Position** | (2,816,826) | 364,914 | (3,181,740) | -872% |
| **Net Position, Beginning of Year (as previously stated)** | 15,248,657 | 14,883,743 | 364,914 | 2% |
| **Cumulative Effect of Implementing GASB 68** | (14,661,904) | - | (14,661,904) | -100% |
| **Net Position, Beginning of Year (restated)** | 586,753 | 14,883,743 | (14,296,990) | -96% |
| **Net Position, End of Year** | $(2,230,073) | $15,248,657 | $(17,478,730) | -115% |

***Revenues***

- Operating revenues decreased by $625,148 or 9% compared to last fiscal year. Included in this amount was a reduction in application and processing fees of $177,677 or 27% due to a decline in EDC and EDB applications. There was also a decrease of $32,484 or 20% in interest from loans resulting from a reduction in loan applications. Government allotments decreased by $188,469 or 4% as a result of decreased government operating revenues. Grant revenues decreased by $10,311 or 2% due to the closing-outs of certain federal programs. Other operating income decreased by $426,185 or 86% due to the non-repetitive nature of certain income received last year. However, there was an increase of $195,684 or 221% in penalties assessed on EDC beneficiaries who were not in compliance with the terms of their agreement.

***Operating Expenses***

- Operating expenses increased by $2,520,819 or 35% compared to last fiscal year. Included in this amount was an increase in pension expense of $1,885,519, a decrease of $389,131 or 11% in personnel costs due to the separation of certain employees from the Authority. There was an increase of $364,977 or 45% in professional services costs due to training and legal contractual agreements in connection with to the operation of the Incubator program. Travel and per diem costs increased by $6,055 or 6% due to rising inter-island travel costs. Other expenses decreased by $176,951 or 15% due to the agency's efforts in reducing expenses and increasing efficiency. Grant expenses decreased by $10,311 or 2% as certain federal grant programs were closed. Bad debt increased by $457,699 or 342% which is an allowance to fairly state the amount deemed collectible in receivables for the EDC, EDB and Industrial Park.

***Nonoperating Revenues***

- Nonoperating revenues decreased by $35,773 or 13% compared to last year. This includes a decrease of $18,152 or 26% in interest income due to the restructure of a portion of existing loans in EDB. Other income decreased by $20,113 or 10% due to a reduction in the receipt of indirect funds as a result of the expiration of certain federal grant programs. Interest expense and finance charges decreased due to the cumulative effect of a decrease in the Intermediary Relending Program (IRP) loan balance and the amount collected in late and NSF fees that were charged to borrowers.

## CAPITAL ASSETS

The Authority's capital assets as of September 30, 2015 and 2014 were $1,874,918 and $2,259,654, respectively (net of accumulated depreciation). The net decrease in capital assets of $384,736 or 17% results from the effect of new acquisitions and reduction in asset carry value as a result of depreciation.

| | 2015 | 2014 |
|---|---|---|
| Building & Building Improvements | $ 9,158,980 | $ 9,149,776 |
| Leasehold Improvements | 867,889 | 858,894 |
| Equipment | 1,160,867 | 1,132,399 |
| Furniture & Fixture | 367,993 | 356,325 |
| Vehicles | 232,621 | 232,621 |
| Leasehold Equipment | 20,585 | 20,585 |
| Total Costs | 11,808,935 | 11,750,600 |
| Less: Accumulated Depreciation | (9,934,017) | (9,490,946) |
| Net Capital Assets | $ 1,874,918 | $ 2,259,654 |

## PROGRAMS

**Enterprise and Commercial Zone Program** – This program offers incentives for businesses to invest in severely economically depressed areas on St. Thomas and St. Croix. It provides tax credits to businesses, which provide employment to residents of the designated areas. Additionally, it manages the Scrape and Paint and Historic Walk programs funded by sub-grants from federal grantor agencies.

**Tax-Incentive Program** – This program is aimed at local entrepreneurs who want to develop and expand their current businesses in exchange for various tax exemptions.

**Micro Loan Program** – This program is geared to current and potential business owners who meet certain eligibility criteria. The micro-loans range from $1,000 to $50,000, have an interest rate of 5% and a term of five (5) years. The Micro Loan program is administered by the Economic Development Bank (EDB).

**Performance Bonding Program –** This program allows local contractors to participate in capital development projects by providing payment and performance bonding.

**Energy Loan and Rebate Program –** As a loan agent for this program, the Authority processes loan applications, issues loan and rebate checks, and maintains loan files and balances on behalf of the Virgin Islands Energy Office. These transactions are not reflected in the financial statements of the Authority.

**Department of Agriculture Loan Program** – As a loan agent for this program, the Authority processes loan applications, issues loan checks and maintains loan files and balances on behalf of the Department of Agriculture. These transactions are not reflected in the financial statements of the Authority.

**State Small Business Credit Initiative (SSBCI) Program** – The Authority was awarded a federal grant of $13.1M to support loan enhancements and performance bonding for local businesses. Those businesses who otherwise qualify to receive a loan from local banks are eligible for this program.

**State Trade Export Program (STEP) –** This federal program was designed to promote trade and assist small local manufacturers to increase exports and promote trade.

**Disaster Small-Midsized Enterprises Incubator Program –** The Authority was awarded $1.0M in federal funds matched with $200,000 of local funding in the establishment of an incubator program on the island of St. Croix. It is a collaborative venture, involving the government and other community based institutions to create avenues for economic viability and sustainability.

**Post-Disaster Relief Revolving Loan –** The United States EDA awarded $2,000,000 in federal grant matched with $400,000 of local funding to support natural disaster resiliency and economic diversification in the territory.

## REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for those with an interest in the Authority's operation. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Virgin Islands Economic Development Authority, Nisky Shopping Center, Suite 620, St. Thomas, VI 00802.

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**
***(A Component Unit of the Virgin Islands Government)***

STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2015
*(With Comparative Totals for 2014)*

| | 2015 | 2014 |
|---|---|---|
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | |
| **Current Assets:** | | |
| Cash and Cash Equivalents | $ 3,674,757 | $ 2,608,485 |
| Investments | 185,558 | 206,848 |
| Receivable, net | 748,550 | 1,306,627 |
| Prepaid and Other Assets | 46,392 | 61,825 |
| Total Current Assets | 4,655,257 | 4,183,785 |
| **Noncurrent Assets:** | | |
| Restricted Cash and Cash Equivalents | 5,633,701 | 7,552,195 |
| Restricted Investments | 5,755,669 | 4,695,812 |
| Restricted Loans Receivable, net | 3,564,397 | 3,689,964 |
| Total Noncurrent Assets | 14,953,767 | 15,937,971 |
| **Capital Assets, net** | 1,874,918 | 2,259,654 |
| **Total Assets** | 21,483,942 | 22,381,410 |
| **Deferred Outflows of Resources** | 2,255,684 | - |
| **Total Assets and Deferred Outflows of Resources** | $ 23,739,626 | $ 22,381,410 |
| **LIABILITIES** | | |
| **Current Liabilities:** | | |
| Accounts Payable | $ 772,665 | $ 581,700 |
| Accrued Expenses | 51,903 | 104,680 |
| Compensated Absences | 52,286 | 135,060 |
| Interest Payable | 19,280 | 20,638 |
| Deferred Revenue | 4,181,547 | 4,190,312 |
| Loan Payable, current | 24,571 | 24,632 |
| Total Current Liabilities | 5,102,252 | 5,057,022 |
| **Noncurrent Liabilities:** | | |
| Compensated Absences | 300,453 | 289,479 |
| Security Deposits | 45,183 | 44,099 |
| Deferred Revenue | 1,000,000 | 1,000,000 |
| Relief Revolving Funds | 400,000 | 400,000 |
| Loan Payable | 318,704 | 342,153 |
| Net Pension Liability | 18,803,107 | - |
| Total Noncurrent Liabilities | 20,867,447 | 2,075,731 |
| **Total Liabilities** | 25,969,699 | 7,132,753 |
| **NET POSITION** | | |
| **Net Position:** | | |
| Net Investment in Capital Assets | 1,874,918 | 2,259,654 |
| Restricted Net Position | 12,914,073 | 13,553,923 |
| Unrestricted Net Position | (17,019,064) | (564,920) |
| **Total Net Position** | $ (2,230,073) | $ 15,248,657 |

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

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**
***(A Component Unit of the Virgin Islands Government)***

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015
*(With Comparative Totals for 2014)*

| | **2015** | **2014** |
|---|---|---|
| **Operating Revenues:** | | |
| Government Appropriation | $ 4,667,520 | $ 4,855,989 |
| Allocation of Bond Proceeds | 12,999 | (1,945) |
| Application and Processing Fees | 487,518 | 665,195 |
| Rental Income | 474,111 | 474,761 |
| Interest Income from Loans | 130,429 | 162,913 |
| Grant Revenue | 529,450 | 539,761 |
| Penalties | 284,291 | 88,607 |
| Other Operating Revenue | 69,122 | 495,307 |
| Total Operating Revenues | 6,655,440 | 7,280,588 |
| **Operating Expenses:** | | |
| Personnel Costs | 5,318,125 | 3,386,931 |
| General and Administrative | 1,034,070 | 1,211,021 |
| Occupancy | 276,965 | 272,450 |
| Advertising | 232,016 | 241,350 |
| Professional Services | 1,175,506 | 810,529 |
| Travel | 101,335 | 95,280 |
| Grant Expenditures | 529,450 | 539,761 |
| Bad Debt | 591,563 | 133,864 |
| Total Operating Expenses | 9,259,030 | 6,691,186 |
| Excess (Deficiency) of Revenues from Operations Before Depreciation and Other Assets | (2,603,590) | 589,402 |
| Depreciation | 443,072 | 490,097 |
| **Operating (Loss) Income** | (3,046,662) | 99,305 |
| **Nonoperating Revenues:** | | |
| Interest Income | 51,384 | 69,536 |
| Other Income | 179,705 | 199,818 |
| Interest Expenses and Finance Charges | (1,253) | (3,745) |
| Total Nonoperating Revenues | 229,836 | 265,609 |
| **Changes in Net Position** | (2,816,826) | 364,914 |
| **Net Position, Beginning of Year (as previously stated)** | 15,248,657 | 14,883,743 |
| **Cumulative Effect of Implementing GASB 68** | (14,661,904) | - |
| **Net Position, Beginning of the Year (restated)** | 586,753 | - |
| **Net Position, End of Year** | $ 2,230,073 | $ 15,248,657 |

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

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**
***(A Component Unit of the Virgin Islands Government)***

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
*(With Comparative Totals for 2014)*

| | 2015 | 2014 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Cash Received from Primary Government and Allocation of Bond Proceeds | $ 4,386,105 | $ 5,094,083 |
| Cash Received from Application and Processing | 1,013,778 | 509,240 |
| Cash Received from Tenants | 350,858 | 514,130 |
| Cash Received from Loan Repayments | 535,508 | 547,991 |
| Cash Received from Other Operating Income | 483,842 | 746,827 |
| Cash Received from Federal Government | 749,349 | 792,849 |
| Cash Paid for Grant Program | (529,450) | (539,762) |
| Cash Paid for Goods and Services | (2,667,629) | (2,894,701) |
| Cash Paid to Employee for Services | (3,504,406) | (3,184,290) |
| Loan Disbursements | (779,599) | (618,072) |
| **Net Cash Provided by Operating Activities** | 38,356 | 968,295 |
| **Cash Flows from Noncapital Financing Activities** | | |
| Other Income | 179,705 | 194,778 |
| Interest Expense and Finance Charges | (1,253) | 1,295 |
| **Net Cash Provided by Noncapital Financing Activities** | 178,452 | 196,073 |
| **Cash Flows from Capital and Related Financing Activities** | | |
| Note Principal Payments | (23,510) | (25,370) |
| Acquisition of Property and Equipment | (58,336) | (123,688) |
| **Net Cash Used in Capital and Related Financing Activities** | (81,846) | (149,058) |
| **Cash Flows from Investing Activities** | | |
| Interest Income | 51,384 | 69,536 |
| Net Sale of Investments | (1,038,568) | (1,458,268) |
| **Net Cash Used in Investing Activities** | (987,184) | (1,388,732) |
| **Net Decrease in Cash and Cash Equivalents** | (852,222) | (373,422) |
| **Cash and Cash Equivalents, Beginning of Year** | 10,160,680 | 10,534,102 |
| **Cash and Cash Equivalents, End of Year** | $ 9,308,458 | $ 10,160,680 |
| **Reconciliation of Operating Income or (Loss) to Net Cash Provided by (Used In) Operating Activities:** | | |
| **Operating (Loss) Income** | $ (3,046,662) | $ 99,305 |
| *Adjustments to Reconcile Operating Income to Net Cash Provided by (Used In) Operating Activities:* | | |
| Depreciation Expense | 443,072 | 490,097 |
| Bad Debt Expense | 591,563 | 133,864 |
| Increase in Deferred Outflows of Resources | (1,902,620) | - |
| Increase in Net Pension Liability | 3,788,139 | - |
| Decrease (Increase) in Accounts Receivable | 503,947 | 120,270 |
| Decrease (Increase) in Prepaid Expenses | 15,434 | 20,474 |
| (Increase) Decrease in Loans Receivable | (411,866) | (145,487) |
| (Decrease) Increase in Accounts Payable and Accrued Expenses | 138,188 | (285,198) |
| Increase (Decrease) in Compensated Absences | (71,800) | 202,642 |
| (Decrease) in Deferred Revenue | (8,765) | (72,557) |
| Increase in Security Deposit | 1,084 | 4,234 |
| Increase in Relief Revolving Funds | - | 400,000 |
| Increase (Decrease) in Interest Payable | (1,358) | 651 |
| **Net Cash Provided by Operating Activities** | $ 38,356 | $ 968,295 |

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

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- ***Governance:*** The Virgin Islands Economic Development Authority (the "Authority"), was created on December 21, 2000, as an umbrella authority to assume, integrate and unify the functions of the Government Development Bank, the Economic Development Commission, the Industrial Park Development Corporation and the Small Business Development Agency under an executive board, which consists of seven members appointed by the Governor. The Authority is a public corporation and a semi-autonomous instrumentality of the Government of the Virgin Islands and operates under the provisions of Act of 6390, approved by the Twenty-third Legislature of the United States Virgin Islands. The general purposes and functions of the Authority were previously carried out by the Government Development Bank for the United States Virgin Islands which was created originally in 1978 by Act No. 902, and subsequently amended in 1995 and 1996.

  The mission of the Authority is to accelerate the economic development of the Virgin Islands by providing financial and technical assistance to industrial and commercial enterprises to create and save jobs in the community. In this regard, the Authority is authorized, among other things, to make loans to eligible small business enterprises.

  The Authority is a component unit of the Government of the Virgin Islands and as such, its financial statements are included in the Comprehensive Annual Financial Statements of the Central Government.

- ***Economic Dependency:*** The Authority's sustainability depends primarily on appropriations from the Government of the Virgin Islands. In addition, it earns income from application fees, processing fees, compliance fees, and rental income from its Industrial Park facilities. During fiscal year ended September 30, 2015, the Authority received appropriations totaling $4,667,520 from the Government of the Virgin Islands, which approximates 70% of its operating revenue.

- ***Basis of Presentation:*** The Authority's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board. The Authority uses the economic resources measurement focus and follows the accrual basis of accounting whereby revenue is recorded when earned and expenses are recorded when incurred.

  In accordance with the provisions of Governmental Accounting Standards Board (GASB) Pronouncement as well as any applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

  The Authority distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing business operations. Operating expenses include costs and losses resulting from services, administrative expenses, and depreciation expense. All other revenues and expenses are reported as nonoperating revenues and expenses. Nonoperating revenues consist of interest generated from restricted and unrestricted investments in short-term investment instruments.

- ***Separate Funds:*** The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. All transactions are recorded in a separate set of self-balancing accounts, which include assets, liabilities, fund net assets, revenues and expenses.

  During fiscal year ended September 30, 2015, the Authority maintained twelve (12) accounting entities and twelve (12) major funds which constitute major transactions of the Authority.

  The following is a summary of these funds:

  - **Government Development Bank Fund (GDB)** accounts for the locally funded Micro Loan Program. This fund accounts for interest income from the operating account and certificates of deposits, local government appropriations, and administrative costs. The Authority's administration and processing of loan applications on behalf of the Virgin Islands Department of Agriculture and the Virgin Islands Energy Office also occur within this fund. Those transactions have however, been excluded from the Authority's financial statements.

  - **Economic Development Commission Fund (EDC)** accounts for application, activation and annual compliance fees. Local government appropriations are also accounted for in this account together with related administrative costs.

  - **Small Business Development Agency (SBDA)** accounts for the Federal Economic Development Administration Loan Funds from the U.S. Department of Agriculture, Farmers and Fishermen local loans, Frederiksted Revolving Loan Fund and the SDBA Direct Loan Fund. Appropriations from the central government and administrative costs are also accounted for under this fund. The SBDA legislation does not allow interest earned from its loan portfolio to be used for administrative purposes. The interest income is restricted and is used for issuing new loans.

  - **Industrial Park Development Corporation Fund (IPDC)** accounts for the activities conducted by the IPDC. The IPDC was established in March 1984 to acquire, operate, and improve industrial parks in order to provide suitable sites for the location of industries to the Virgin Islands. The IPDC accounts for rental and investment income, and administrative costs associated with its operation. The IPDC does not receive any appropriations from the local government.

  - **Intermediary Relending Program (IRP)** accounts for loans that are funded by the United States Department of Agriculture Rural Development Program. The interest income earned from these loans is applied to the program's administrative costs.

  - **Enterprise Zone Commission (EZC)** accounts for funds committed to the task of offering incentives to businesses that invest in severely economically depressed designated areas of St. Thomas and St. Croix. As a result, employment opportunities are provided to residents of the areas so designated.

  - **Economic Development Authority (Authority)** accounts for loans that are funded through U.S. Department of Agriculture.

  - **Tax Increment Financing (TIF)** this fund allows projects to be financed by pledging the increases in tax revenues that can be reasonably anticipated to be collected by the government once the financed project or activity is completed.

- **Economic Development Management (EDM)** this account was established to record all administrative costs associated with the day-to-day operations of the Authority.

- **State Small Business Credit Initiative (SSBCI)** this fund was established by the Small Business Jobs Act of 2010 by the Federal Government to Collateral Support Program, the Credit Guarantee Program and the Payment, Surety and Performance Bond Program.

- **State Trade and Export Promotion Grant Program (STEP)** this program is funded by a federal grant from U.S. Small Business Administration. The program authorized by the Small Business Jobs Act of 2010 is a 3-year trade and export promotion pilot initiative to make matching-fund grants for states to assist 'eligible small business concerns.' The program objectives are to increase the number of small businesses that are exporting, and to increase the value of exports for those small businesses.

- **Disaster Small-Midsized Enterprises Incubator Program –** The Authority was awarded a Federal grant in the amount of $1,000,000 that is matched with $200,000 of local funding for the establishment of an incubator program on the island of St. Croix. The program promotes resource collaborations between the local government and other community based institutions to create an avenue to spark economic viability and sustainability.

- ***Cash and Cash Equivalents:*** For the purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand, demand deposits, certificate of deposits with financial institutions and all highly liquid investments available for current use with an initial maturity of three months or less are considered to be cash or cash equivalents.

- ***Investments:*** Investments in marketable securities or other short-term investments of cash with readily determinable fair values and investments in debt securities are reported at their fair values in the Authority's statement of net assets.

- ***Restricted Cash and Cash Equivalents:*** This consists of cash and cash equivalents to be used for specific purposes as specified by legislation or by a grant agreement.

- ***Allowance for Uncollectible Accounts (Loan Losses):*** The Authority provides for losses when a specific need for an allowance is indicated. The provision for loan losses charged to operating expenses is the amount necessary to report the net asset at its estimated realizable value. In determining the adequacy of the allowance, management considers the composition of the loan portfolio, economic factors, historical loss experience, and value and sufficiency of collateral in the current level of the allowance.

- ***Capital Assets:*** The Authority capitalizes all property and equipment at cost. The property and equipment is capitalized and depreciated using the straight line method over the assets estimated useful lives. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extends the asset life are not capitalized.

  Depreciation has been provided using the straight line method. The estimated economic lives of the Authority's property and equipment varied as follows:

| | |
|---|---|
| Equipment and Furniture and Fixtures | 3-5 Years |
| Vehicles | 5 Years |
| Buildings and Leasehold Improvements | 5-27 Years |

- ***Compensated Absences:*** The Authority has recognized the liability for annual leave, which is payable to employees upon separation. Sick leave balances are not paid out upon termination, however liability for the balances exists in the event an employee transfers to another government agency; such liability is recognized at the time of the transfer. The liability for both amounts is calculated based on the Authority salary rates in effect at the statement of net position date.

- ***Use of Estimates:*** The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

- ***Newly Adopted GASB Statements:*** In fiscal year 2015, the Authority implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 and the related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68. These Statements improve accounting and financial reporting by state and local government employers for the pension in which they are involved. The Authority is now required to record a liability for future pension benefits in excess of accumulated plan contributions. The Statements became effective for fiscal years beginning after June 15, 2014.

## NOTE 2 CHANGE IN ACCOUNTING PRINCIPLE

In accordance with GASB Statement Nos. 68 and 71, which was adopted effective October 1, 2014, the Authority restated the October 1, 2014 net position as follows:

| | EDA | IPDC | Total |
|---|---|---|---|
| Net Position October 1, 2014, as previously stated | $ 13,876,415 | $ 1,372,242 | $ 15,248,657 |
| Cumulative effect of application of GASB 68, net pension liability | (13,686,089) | (1,328,879) | (15,014,968) |
| Cumulative effect of application of GASB 71, deferred outflows of resources | 321,833 | 31,231 | 353,064 |
| Net Position October 1, 2014, as restated | $ 512,159 | $ 74,594 | $ 586,753 |

The Authority has elected not to exercise the option of restatement of September 30, 2014 net position because the information is not available.

## NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at September 30, 2015:

| | Unrestricted | Restricted | Total 2015 |
|---|---|---|---|
| Cash and Cash Equivalents | $3,674,757 | $5,633,701 | $9,308,458 |

Custodial Risk is the risk that in the event of bank failure the Authority's deposits may not be returned to it. Cash consists of cash on hand held by depository institutions and trustees in the Authority's name. During the fiscal year, including the final date of the period, September 30, 2015, accounts at each financial institution were insured by the Federal Deposit Insurance Corporation up to $250,000. Cash in excess of this limit are $15,825,753 and are fully collateralized.

**Restricted Cash and Cash Equivalents.** The restricted cash and cash equivalents at September 30, 2015 consisted of the following:

| | 2015 |
|---|---|
| Micro Credit Loan Program | $1,997,805 |
| Farmers and Fishermen Loan Fund | 310,657 |
| Frederiksted Revolving Loan Fund | 268,053 |
| Performance Bonding Loan Fund | 1,760,730 |
| Intermediary Relending Loan Fund | 154,702 |
| SBDA Revolving Loan Fund | 265,361 |
| SBDA Administration Loan Fund I | 108,987 |
| SBDA Administration Loan Fund II | 126,478 |
| SSBCI Grant | 199,599 |
| Historic Grant | 41,439 |
| Relief Revolving Fund | 399,890 |
| | $5,633,701 |

The restrictions above relate to revolving loan funds established through legislation to offer direct assistance to various industries and businesses and to aid in the creation of economic opportunities within the United States Virgin Islands.

## NOTE 4 INVESTMENTS

Investments at September 30, 2015 were comprised of certificates of deposits totaling $5,941,227. Balances in excess of $250,000 maintained in depository institutions are collateralized.

Investments as of September 30, 2015 are as follows:

| | | Investment Maturities | |
|---|---|---|---|
| **Investment Type** | **Fair Value** | **Less than 1 Year** | **1-5 Years** |
| Certificates of Deposits | $5,941,227 | $5,755,227 | $ 186,000 |

## NOTE 5 RESTRICTED NET POSITION FOR LOAN PROGRAMS AND OTHER FUNDS

The restricted net position at September 30, 2015consist of the following:

| | 2015 |
|---|---|
| Micro Credit Loan Program | $ 2,181,012 |
| GDB Funds – Start Up | 2,677,312 |
| Farmers and Fishermen Loan Fund | 310,333 |
| Frederiksted Revolving Loan Fund | 268,053 |
| Performance Bonding Loan Fund | 2,112,229 |
| Intermediary Relending Loan Fund | 264,451 |
| SBDA Revolving Loan Fund | 850,439 |
| SBDA Administration Loan Fund I | 272,398 |
| Relief Revolving Fund | 399,890 |
| SBDA Administration Loan Fund II | 298,255 |
| SSBCI Grant | 3,238,262 |
| Historic Walk Grant | 41,439 |
| | $ 12,914,073 |

## NOTE 6 LOANS RECEIVABLE

Loans receivable as of September 30, 2015 was as follows:

| | 2015 |
|---|---|
| Loan Principal | $ 5,053,793 |
| Allowance for Doubtful Accounts | (1,489,396) |
| Net Loans Receivable | $ 3,564,397 |

The loans bear interest rates ranging from 4% to 12%. The majority of the allowance for doubtful accounts is attributed to SBDA loans which were assumed by the Authority at its inception; the additional allowance recorded in fiscal year 2015 was $287,589.

## NOTE 7 OTHER RECEIVABLES

The other receivables balance as of September 30, 2015:

| | Other Receivables | Allowance | Other Receivables, net |
|---|---|---|---|
| Interest Receivable | $ 5,678 | $ - | $ 5,678 |
| Performance Bonding Receivable | 412,646 | - | 412,646 |
| GDB Receivable | 45,680 | - | 45,680 |
| EDC Fees & Charges | 661,959 | (479,237) | 182,722 |
| SBDA Receivable | 1,765 | - | 1,765 |
| Rent Receivable | 279,290 | (215,335) | 63,955 |
| Grant Receivable - Board Up & Scrap | 40 | - | 40 |
| Tax Increment Financing Fund | 30,015 | (30,015) | - |
| Economic Development Management | 20,405 | - | 20,405 |
| Incubator Grant | 15,869 | - | 15,869 |
| Receivable - Taxi-Tour Bus | (210) | - | (210) |
| Total | $ 1,472,137 | $ (724,587) | $ 748,550 |

Provision for uncollectible accounts was $303,974 in fiscal year 2015.

## NOTE 8 CAPITAL ASSETS

Capital assets are composed of the following at September 30, 2015:

| | Beginning Balance | Additions | Retirement | 2015 Ending Balance |
|---|---|---|---|---|
| **Capital Assets** | | | | |
| Building and Building Improvements | $ 9,148,426 | $ 10,554 | $ - | $ 9,158,980 |
| Leasehold Improvements | 858,894 | 8,995 | - | 867,889 |
| Equipment | 1,133,206 | 27,661 | - | 1,160,867 |
| Furniture and Fixtures | 356,866 | 11,127 | - | 367,993 |
| Vehicles | 232,621 | - | - | 232,621 |
| Leasehold Equipment | 20,585 | - | - | 20,585 |
| Total Capital Assets | 11,750,598 | 58,337 | | 11,808,935 |
| **Accumulated Depreciation** | | | | |
| Building and Building Improvements | (7,924,200) | (225,651) | - | (8,149,851) |
| Leasehold Improvements | (143,553) | (78,362) | - | (221,915) |
| Equipment | (1,002,715) | (98,972) | - | (1,101,687) |
| Furniture and Fixtures | (195,700) | (31,756) | - | (227,456) |
| Vehicles | (204,191) | (8,332) | - | (212,523) |
| Leasehold Equipment | (20,585) | - | - | (20,585) |
| Total Accumulated Depreciation | (9,490,944) | (443,073) | - | (9,934,017) |
| Capital Assets, net | $ 2,259,654 | $ (384,736) | $ - | $ 1,874,918 |

Depreciation expense for the year ended September 30, 2015 totaled $443,073.

## NOTE 9 LOANS PAYABLE

The Authority entered into an Intermediary Relending Program loan agreement (IRP) with the United States Department of Agriculture Rural Business Cooperative Services on April 21, 1998. This agreement requires the repayment of the approved loan principal of $670,530 to begin after three (3) years in twenty-seven (27) equal annual installments. An interest rate of 1% accrues on the outstanding balance. As of September 30, 2015, the outstanding loan balance was $343,275.

As of September 30, 2015, the outstanding loan balance is comprised of the following:

| | Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Loan Payable | $ 366,785 | $ - | $ (23,510) | $ 343,275 | $ 24,571 |

Future minimum payments to the U.S. Department of Agriculture are as follows:

| | |
|---|---|
| 2016 | $ 24,879 |
| 2017 | 25,126 |
| 2018 | 25,378 |
| 2019 | 25,632 |
| 2020-2028 | 242,260 |
| Total | $ 343,275 |

## NOTE 10 COMPENSATED ABSENCES

Compensated absences balance as of September 30, 2015 was $352,739 of which $52,286 is due within a year.

## NOTE 11 LEASES

**Lessor ---** The Authority leases commercial properties it owns through the Industrial Park Development Corporation. The terms of the leases vary from one to five years, with monthly rent payments dependent on the amount of square footage occupied and the location of the property.

**Lessee ---** The Authority leases office space, under a five year lease term, from January 1, 2013 through December 31, 2017, for office and common area spaces with increases in rent on the 2nd and 4th anniversaries equal to the percentage of the cost of living increase for the preceding year, based upon the Consumer Price Index (CPI-U) as published by the U.S. Department of Labor Bureau of Labor Statistics. In addition, the Industrial Park buildings are located on parcels of leased land. The land is rented under a thirty (30) year term lease which expires May 2013. Two additional ten year option periods are available to the Industrial Park with the rental amounts based upon the Bureau of Labor Statistics' Consumer Price Index.

Rent expense for the year ending September 30, 2015 was $276,965. The aggregate lease commitment for the Authority is as follows as of September 30, 2015:

| | |
|---|---|
| 2016 | $ 166,600 |
| 2017 | 166,600 |
| Oct. 2017 – Dec. 2017 | 41,650 |
| Total | $ 374,850 |

## NOTE 12 DEFERRED REVENUE

**Current Deferred Revenue:** Represent grant funds received in fiscal year 2012 from the United States Department of Treasury for the State Small Business Credit Initiative. The amount not expended as of the fiscal year end has been reflected in the financial statement as current deferred revenue in the amount of $4,181,547 for fiscal year 2015.

**Noncurrent Deferred Revenue:** In October 2009, the Virgin Islands Public Finance Authority (VIPFA) issued $87,000,000 in bonds of which $5,000,000 was allotted to the Authority. These funds are to be utilized for developmental loan programs and are drawn down from VIPFA as loans are issued. Out of the noncurrent deferred revenue reflected in the financial statements $1,000,000 represents advanced funds received from VIPFA in fiscal year 2009. The deferred revenue will be relieved as additional loans are made in the future.

## NOTE 13 PENSION PLAN

The Virgin Islands Economic Development Authority (VIEDA) follows the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement establishes financial reporting standards for state and local governments for pensions.

### *Plan Description*

The VIEDA employees are members of the Employees' Retirement System of the Government of the U.S. Virgin Islands ("GERS"), cost sharing single employer defined benefit, public employee retirement system as defined by GASB 68. The system was established by the Government to provide retirement, death and disability benefits to its employees. All of the Authority's full-time regular employees are mandated to participate in the retirement plan administered by GERS.

The Authority's part-time employees who regularly work more than 50% of the normal work period, and full-time regular employees who at the time of employment are under age 55 years with one year of government service are eligible to participate in the system. Effective January 1, 2015, the Authority's required contribution was 20.5% of the member's annual salary. Prior to that date, the percentage was 17.5%. Effective January 1, 2015, member contributions were 9 and 9.5% for Tier I and Tier II employees. Prior to that, member contributions were 8 and 8.5% for Tier I and Tier II employees respectively. Total amount of VIEDA's and IPDC's covered payroll for the year ended September 30, 2015 was $1,751,669 and $129,666, respectively.

Plan descriptions, funding policies, and a schedule of employee required and paid contributions for the defined benefit plans are presented in the Virgin Islands Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015. The CAFR also provides detailed historical trend information showing the progress in accumulating sufficient assets to pay benefits when due. In addition, GERS issues a publicly available report that includes financial statements and required supplementary information.

This financial report may be obtained from the Employees Retirement System of the Government of the Virgin Islands, GERS Complex, 3438 Kronprindsens Gade, St. Thomas, VI 00802.

***Financial Impact of Implementing GASB 68***

The Statement required that the Authority recognize a Net Pension Liability ("NPL") for the difference between the present value of projected benefits for the past service known as the Total Pension Liability ("TPL") and the restricted resources held in trust for the payment of pension benefits, known as the Plan Fiduciary Net Position ("PFNP"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of GERS and additions to/deductions from GERS' fiduciary net position have been determined on the same basis as they are reported by GERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term.

The impact of the adoption of the new accounting standards as of the beginning of the year ended September 30, 2015 is as follows:

| | EDA | IPDC | Total |
|---|---|---|---|
| Net Pension Liability as of the Measurement Date of September 30, 2014 | $13,686,089 | $1,328,879 | $15,014,968 |
| Deferred Outflows of Resources | (321,833) | (31,231) | (353,064) |
| Effect of Change in Accounting Standard | $13,364,256 | $1,297,648 | $14,661,904 |

At September 30, 2015 the Authority reported deferred outflows of resources related to pensions from the following sources:

| | EDA | IPDC | Total |
|---|---|---|---|
| Net Pension Liability as of the Measurement Date of September 30, 2014 | | | |
| Difference Between Expected and Actual Experience | $ 160,021 | $ 15,057 | $ 175,078 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 123,006 | 11,574 | 134,580 |
| Changes in Assumptions | 1,076,053 | 101,248 | 1,177,301 |
| Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions | 314,547 | 21,372 | 335,919 |
| Authority's Contributions Subsequent to Measurement Date | 401,035 | 31,771 | 432,806 |
| Total | $2,074,662 | $181,022 | $2,255,684 |

The deferred outflows of resources related to pensions will be recognized in pension expense as follows:

| | EDA | IPDC | Total |
|---|---|---|---|
| 2016 | $339,770 | $31,970 | $371,740 |
| 2017 | $339,770 | $31,970 | $371,740 |
| 2018 | $339,770 | $31,970 | $371,740 |
| 2019 | $339,770 | $31,970 | $371,740 |

As of September 30, 2015, the Authority reported a liability of $17,186,034 for EDA and $1,617,073 for IPDC for a total liability of $18,803,107 for its proportionate share of GERS' net pension liability, as calculated by the GERS independent actuaries. The net pension liability was measured as of September 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2014 based on update procedures. At September 30, 2014, the Authority's proportionate share was .5569% for EDA and .0524% for IPDC.

The Authority's pension expense reported in the Authority's financial statements in general and administrative expenses is $1,747,116 for EDA and $138,403 for IPDC. The Authority's total September 30, 2015 pension expense is $1,885,519.

### *Actuarial Methods and Assumptions*

The total pension liability in the September 30, 2014 actuarial valuation used by the Authority for the initial adoption of GASB 68 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Investment Rate of Return | 4.42%, net of investment expenses, including inflation |
| Salary Increases | 4.00%, including inflation |
| Cost of Living Adjustments | 2.85% |

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table set forward 2 years.

The long-term expected rate of return of 7.5% on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Weighted Long-Term Expected Real Return Arithmetic Basic |
|---|---|---|---|
| Domestic Equity | 45% | 6.99% | 3.14% |
| International Equity | 10% | 7.49% | 1.75% |
| Fixed Income | 40% | 2.59% | 1.03% |
| Alternatives | 5% | 4.29% | 2.15% |
| Total | 100% | | 8.07% |

***Discount Rate***

The discount rate used to measure the total pension liability was 4.42% as of September 30, 2014. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of the current plan members.

Therefore, the long-term expected rate of return on pension plan investments of 7.5% was applied to all periods of projected benefit payments that are covered by projected assets. For periods where projected future benefit payments are not covered by projected assets, the yield on a 20-year AA Municipal Bond Index was applied. As of September 30, 2014 that rate was 4.11%.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

As required by GASB 68, the following presents the net pension liability of the plan calculated using the discount rate of 4.42%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.42%) or 1-percentage point higher (5.42%) than the current rate:

| | **1% Decrease (3.42%)** | **Current Discount (4.42%)** | **1% Increase (5.42%)** |
|---|---|---|---|
| EDA Share of Net Pension Liability | $19,954,880 | $17,186,034 | $14,844,936 |
| IPDC Share of Net Pension Liability | $ 1,877,601 | $ 1,617,073 | $ 1,396,794 |

## NOTE 14 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Authority has various outstanding commitments at September 30, 2015, which includes outstanding loan commitments in the process of being approved by the Board of Directors which are not reflected on the statement of net assets.

The Authority asserts that there have not been any material claims, suits or complaints filed nor are any pending against the Authority. In the opinion of management, all other matters which are asserted or unasserted are without merit and would not have a significant effect on the financial position or results of operations if they were disposed of unfavorably.

## NOTE 15 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters for which the Authority has commercial insurance coverage. Annual premium payments are made in proportion to the anticipated exposure to the liability losses assessed.

## NOTE 16 SUBSEQUENT EVENTS

The Authority's management has evaluated subsequent events through March 28, 2016, the date the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that exist at the balance sheet date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events that did not exist at the balance sheet date, but disclosures of such events, if any, are included in the accompanying notes.

# *REQUIRED SUPPLEMENTARY INFORMATION*

### Schedule of Economic Development Authority's Proportionate Share of Net Pension Liability
### Component Unit of the Government of the U.S. Virgin Islands
### Employees' Retirement System of the Government of the U.S. Virgin Islands
### Last 10 Fiscal Years

| | **2015** |
|---|---|
| Economic Development Authority's Proportion of the Net Pension Liability | 0.5569% |
| Economic Development Authority's Proportionate Share of Net Pension Liability | $17,186,034 |
| Covered-Employee Payroll | $ 1,751,669 |
| Proportionate Share of Net Pension Liability as a Percentage of its Covered-Employee Payroll | 981% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 27.03% |

Measurement Date – September 30, 2014

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

### Schedule of Industrial Park Development Corporation's Proportionate Share of Net Pension Liability
### Component Unit of the Government of the U.S. Virgin Islands
### Employees' Retirement System of the Government of the U.S. Virgin Islands
### Last 10 Fiscal Years

| | **2015** |
|---|---|
| Industrial Park Development Corporation's Proportion of the Net Pension Liability | 0.0524% |
| Industrial Park Development Corporation's Proportionate Share of Net Pension Liability | $ 1,617,073 |
| Covered-Employee Payroll | $ 129,666 |
| Proportionate Share of Net Pension Liability as a Percentage of its Covered-Employee Payroll | 1247% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 27.03% |

Measurement Date – September 30, 2014

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**
***(A Component Unit of the Virgin Islands Government)***

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
SEPTEMBER 30, 2015

**Schedule of Economic Development Authority's Contributions**
**Component Unit of the Government of the U.S. Virgin Islands**
**Employees' Retirement System of the Government of the U.S. Virgin Islands**
**Last 10 Fiscal Years**
***(in thousands)***

| | **2015** |
|---|---|
| Contractually Required Contributions | $ 1,114 |
| Contributions in Relation to Contractually Required Contributions | 401 |
| Contribution (Deficiency) Excess | $ 713 |
| Economic Development Authority's Covered-Employee Payroll | 1,751 |
| Contributions as a Percentage Covered-Employee Payroll | 22.90% |

Measurement Date – September 30, 2014

*The schedule is intended to show a 10 year trend. Additional years will be reported as they become available.*

**Schedule of Industrial Park Development Corporation's Contributions**
**Component Unit of the Government of the U.S. Virgin Islands**
**Employees' Retirement System of the Government of the U.S. Virgin Islands**
**Last 10 Fiscal Years**
***(in thousands)***

| | **2015** |
|---|---|
| Contractually Required Contributions | $ 105 |
| Contributions in Relation to Contractually Required Contributions | 32 |
| Contribution (Deficiency) Excess | $ 73 |
| Industrial Park Development Corporation's Covered-Employee Payroll | 129 |
| Contributions as a Percentage Covered-Employee Payroll | 24.81% |

Measurement Date – September 30, 2014

*The schedule is intended to show a 10 year trend. Additional years will be reported as they become available.*

# *OTHER SUPPLEMENTARY INFORMATION*

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**
***(A Component Unit of the Virgin Islands Government)***
**STATEMENT OF NET POSITION**
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**
***(With Comparative Totals for 2014)***

| **ASSETS** | **GDB** | **EDM** | **EDC** | **SBDA** | **IPDC** | **IRP** | **EZC** | **USE** | **TIF** | **SSBCI** | **STEP** | **INCUBATOR** | **Tour Bus** | **Eliminations** | **2015** | **2014** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Current Assets: | | | | | | | | | | | | | | | | |
| Cash and Cash Equivalents | $ - | $ 1,162,763 | $ 1,224,366 | $ 126,938 | $ 141,113 | $ - | $ - | $ - | $ 1 | $ 941,212 | $ 2,575 | $ 14,630 | $ 61,159 | $ - | $ 3,674,757 | $ 2,608,485 |
| Investments | - | - | - | - | 185,558 | - | - | - | - | | - | - | - | - | 185,558 | 206,848 |
| Accounts Receivable, net | 460,664 | 20,405 | 182,722 | 1,785 | 64,139 | - | 40 | - | - | 3,136 | - | 15,869 | (210) | - | 748,550 | 1,306,627 |
| Due from Other Fund | 2,352,132 | 482,351 | 1,356,423 | 273,709 | 3,038 | - | - | - | - | - | 21,797 | - | - | (4,489,450) | - | - |
| Prepaid & Other Assets | - | 35,942 | - | - | 9,450 | - | - | - | - | - | - | 1,000 | - | - | 46,392 | 61,825 |
| Total Current Assets | 2,812,796 | 1,701,461 | 2,763,511 | 402,432 | 403,298 | - | 40 | - | 1 | 944,348 | 24,372 | 31,499 | 60,949 | (4,489,450) | 4,655,257 | 4,183,785 |
| Non-Current Assets | | | | | | | | | | | | | | | | |
| Loan Receivable, net | $ 2,534,706 | $ - | $ - | $ 584,754 | $ - | $ 109,749 | $ - | $ 335,188 | $ - | $ - | $ - | $ - | $ - | $ - | $ 3,564,397 | $ 3,689,964 |
| Restricted Cash & Cash Equivalents | 2,758,535 | 1,000,000 | - | 1,243,961 | - | 154,702 | 41,439 | 235,465 | - | 199,599 | - | - | - | - | 5,633,701 | 7,552,195 |
| Restricted Investments | 2,677,313 | - | - | - | - | - | - | 22,170 | - | 3,056,186 | - | - | - | - | 5,755,669 | 4,695,812 |
| Total Non-Current Assets | 7,970,554 | 1,000,000 | - | 1,828,715 | - | 264,451 | 41,439 | 592,823 | - | 3,255,785 | - | - | - | - | 14,953,767 | 15,937,971 |
| Capital Assets, net | 13,492 | 744,066 | 16,402 | 102,897 | 997,463 | - | - | - | - | - | 598 | - | - | - | 1,874,918 | 2,259,654 |
| Total Assets | $ 10,796,842 | $ 3,445,527 | $ 2,779,913 | $ 2,334,044 | $ 1,400,761 | $ 264,451 | $ 41,479 | $ 592,823 | $ 1 | $ 4,200,133 | $ 24,970 | $ 31,499 | $ 60,949 | $ (4,489,450) | $ 21,483,942 | $ 22,381,410 |
| Deferred Outflows of Resources | $ - | $ 2,074,662 | $ - | $ - | $ 181,022 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,255,684 | $ - |
| Total Assets and Deferred Outflows of Resources | $ 10,796,842 | $ 5,520,189 | $ 2,779,913 | $ 2,334,044 | $ 1,581,783 | $ 264,451 | $ 41,479 | $ 592,823 | $ 1 | $ 4,200,133 | $ 24,970 | $ 31,499 | $ 60,949 | $ (4,489,450) | $ 23,739,626 | $ 22,381,410 |
| **LIABILITIES** | | | | | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | | | | | |
| Accounts Payable | $ 81,281 | $ 337,676 | $ 62,167 | $ 128,984 | $ 96,007 | $ - | $ - | $ - | $ - | $ 6,706 | $ - | $ 59,282 | $ 562 | $ - | $ 772,665 | $ 581,700 |
| Accrued Expenses | - | 46,360 | 25 | - | 5,518 | - | - | - | - | - | - | - | - | - | 51,903 | 104,680 |
| Compensated Absences - Current | - | 51,195 | - | - | 1,091 | - | - | - | - | - | - | - | - | - | 52,286 | 135,060 |
| Interest Payable | 18,245 | - | - | - | - | 1,035 | - | - | - | - | - | - | - | - | 19,280 | 20,638 |
| Due to Other Fund | - | 3,875,174 | 10 | - | 130,131 | - | - | - | 7,596 | 17,670 | - | 392,894 | 65,975 | (4,489,450) | - | - |
| Deferred Revenue | - | - | - | - | - | - | 41,437 | - | - | 4,131,967 | 8,143 | - | - | - | 4,181,547 | 4,190,312 |
| Long-Term Debt - Current | - | - | - | - | - | 24,571 | - | - | - | - | - | - | - | - | 24,571 | 24,632 |
| Total Current Liabilities | 99,526 | 4,310,405 | 62,202 | 128,984 | 232,747 | 25,606 | 41,437 | - | 7,596 | 4,156,343 | 8,143 | 452,176 | 66,537 | (4,489,450) | 5,102,252 | 5,057,022 |
| Non-Current Liabilities | | | | | | | | | | | | | | | | |
| Compensated Absences | - | 271,034 | - | - | 29,419 | - | - | - | - | - | - | - | - | - | 300,453 | 289,479 |
| Revolving Funds | - | - | - | 400,000 | - | - | - | - | - | - | - | - | - | - | 400,000 | 400,000 |
| Deferred Revenue | 1,000,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,000,000 | 1,000,000 |
| Security Deposit | - | - | - | - | 45,183 | - | - | - | - | - | - | - | - | - | 45,183 | 44,099 |
| Long-Term Debt | - | - | - | - | - | 318,704 | - | - | - | - | - | - | - | - | 318,704 | 342,153 |
| Net Pension Liability | - | 17,186,034 | - | - | 1,617,073 | - | - | - | - | - | - | - | - | - | 18,803,107 | - |
| Total Non-Current Liabilities | 1,000,000 | 17,457,068 | - | 400,000 | 1,691,675 | 318,704 | - | - | - | - | - | - | - | - - | 20,867,447 | 2,075,731 |
| Total Liabilities | $ 1,099,526 | $ 21,767,473 | $ 62,202 | $ 528,984 | $ 1,924,422 | $ 344,310 | $ 41,437 | $ - | $ 7,596 | $ 4,156,343 | $ 8,143 | $ 452,176 | $ 66,537 | $ (4,489,450) | $ 25,969,699 | $ 7,132,753 |
| **NET POSITION** | | | | | | | | | | | | | | | | |
| Net Investment in Capital Assets | $ 13,492 | $ 744,066 | $ 16,402 | $ 102,897 | $ 997,463 | $ - | $ - | $ - | $ - | $ - | $ 598 | $ - | $ - | $ - | $ 1,874,918 | $ 2,259,654 |
| Restricted Net Position | 6,970,554 | - | - | 1,828,714 | - | 264,451 | 41,439 | 570,653 | - | 3,238,262 | - | - | - | - | 12,914,073 | 13,553,923 |
| Unrestricted Net Position | 2,713,270 | (16,991,350) | 2,701,309 | (126,551) | (1,340,102) | (344,310) | (41,397) | 22,170 | (7,595) | (3,194,471) | 16,229 | (420,677) | (5,589) | - | (17,019,064) | (564,920) |
| Total Net Assets | $ 9,697,316 | $ (16,247,284) | $ 2,717,711 | $ 1,805,060 | $ (342,639) | $ (79,859) | $ 42 | $ 592,823 | $ (7,595) | $ 43,791 | $ 16,827 | $ (420,677) | $ (5,589) | $ - | $ (2,230,073) | $ 15,248,657 |

**VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY**
***(A Component Unit of the Virgin Islands Government)***
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**
***(With Comparative Totals for 2014)***

| | GDB | EDM | EDC | SBDA | IPDC | IRP | EZC | USE | TIF | SSBCI | STEP | INCUBATOR | Tour Bus | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating Revenues | | | | | | | | | | | | | | | |
| Application and Processing Fees | $ 3,450 | $ 3,866 | $ 480,202 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 487,518 | $ 665,195 |
| Interest from Loans | 92,910 | - | - | 18,722 | - | 4,272 | - | 14,525 | - | - | - | - | - | 130,429 | 162,913 |
| Rental Income | - | - | - | - | 461,361 | - | - | - | - | - | - | 12,750 | - | 474,111 | 474,761 |
| Grant Revenue | - | - | - | - | - | - | 50,428 | - | - | 50,308 | 10,549 | 418,165 | - | 529,450 | 539,761 |
| Government Appropriation | - | 4,667,520 | - | - | - | - | - | - | - | - | - | - | - | 4,667,520 | 4,855,989 |
| PFA Bonds | 12,999 | - | - | - | - | - | - | - | - | - | - | - | - | 12,999 | (1,945) |
| Penalties | - | - | 284,291 | - | - | - | - | - | - | - | - | - | - | 284,291 | 88,607 |
| Other Operating Income | 26,363 | - | - | 1,192 | 40,884 | 683 | - | - | - | - | - | - | - | 69,122 | 495,307 |
| Total Revenue | 135,722 | 4,671,386 | 764,493 | 19,914 | 502,245 | 4,955 | 50,428 | 14,525 | - | 50,308 | 10,549 | 430,915 | - | 6,655,440 | 7,280,588 |
| Operating Expenses | | | | | | | | | | | | | | | |
| Personnel Costs | - | 4,915,091 | - | - | 382,304 | - | - | - | - | - | - | 20,730 | - | 5,318,125 | 3,386,931 |
| Occupancy | - | 235,980 | - | - | 40,985 | - | - | - | - | - | - | - | - | 276,965 | 272,450 |
| Advertising | - | 227,437 | - | - | - | - | - | - | - | - | - | 4,579 | - | 232,016 | 241,350 |
| Professional Services | - | 726,863 | 7,706 | - | 1,641 | - | - | - | 84,613 | - | - | 354,683 | - | 1,175,506 | 810,529 |
| Travel and Per Diem | - | 98,035 | - | - | 4,928 | - | - | - | - | - | - | (1,628.00) | - | 101,335 | 95,280 |
| Other Expenses | 1,211 | 810,426 | 6,000 | (31) | 210,207 | - | - | 847 | - | - | (10) | 2,386 | 3,034 | 1,034,070 | 1,211,021 |
| Grant Expenditure | - | - | - | - | - | - | 50,428 | - | - | 50,308 | 10,549 | 418,165 | - | 529,450 | 539,761 |
| Bad Debt | 287,843 | - | 249,844 | - | 54,130 | (254) | - | - | - | - | - | - | - | 591,563 | 133,864 |
| Total Operating Expenses | 289,054 | 7,013,832 | 263,550 | (31) | 694,195 | (254) | 50,428 | 847 | 84,613 | 50,308 | 10,539 | 798,915 | 3,034 | 9,259,030 | 6,691,186 |
| Operating Income or (Loss) Before Depreciation | (153,332) | (2,342,446) | 500,943 | 19,945 | (191,950) | 5,209 | - | 13,678 | (84,613) | - | 10 | (368,000) | (3,034) | (2,603,590) | 589,402 |
| Depreciation | 4,452 | 172,472 | 29,735 | 8,863 | 226,354 | - | - | - | - | - | 1,196 | - | - | 443,072 | 490,097 |
| Operating Income or (Loss) | (157,784) | (2,514,918) | 471,208 | 11,082 | (418,304) | 5,209 | - | 13,678 | (84,613) | - | (1,186) | (368,000) | (3,034) | 3,046,662 | 99,305 |
| Other Revenues (Expenses) | | | | | | | | | | | | | | | |
| Interest Income | 13,291 | 12,938 | - | - | 1,071 | - | - | - | - | 24,084 | - | - | - | 51,384 | 69,536 |
| Other Income | - | 57,737 | - | 18,471 | - | - | - | 18,883 | 84,614 | - | - | - | - | 179,705 | 199,818 |
| Interest Expense & Finance Charges | - | - | - | - | - | (3,597) | - | 2,344 | - | - | - | - | - | (1,253) | (3,745) |
| Total Other Revenues (Expenses) | 13,291 | 70,675 | - | 18,471 | 1,071 | (3,597) | - | 21,227 | 84,614 | 24,084 | - | - | - | 229,836 | 265,609 |
| Changes in Net Position | (144,493) | (2,444,243) | 471,208 | 29,553 | (417,233) | 1,612 | - | 34,905 | 1 | 24,084 | (1,186) | (368,000) | (3,034) | (2,816,826) | 364,914 |
| Net Position - Beginning of Year | 9,841,809 | (438,785) | 2,246,503 | 1,775,507 | 1,372,242 | (81,471) | 42 | 557,918 | (7,596) | 19,707 | 18,013 | (52,677) | (2,555) | 15,248,657 | 14,883,743 |
| Cumulative Effect of Implementing GASB 68 | - | (13,364,256) | - | - | (1,297,648) | - | - | - | - | - | - | - | - | (14,661,904) | |
| Net Position - Beginning of Year, as restated | 9,841,809 | (13,803,041) | 2,246,503 | 1,775,507 | 74,594 | (81,471) | 42 | 557,918 | (7,596) | 19,707 | 18,013 | (52,677) | (2,555) | 586,753 | 14,883,743 |
| Net Assets, End of Year | $ 9,697,316 | $ (16,247,284) | $ 2,717,711 | $ 1,805,060 | $ (342,639) | $ (79,859) | $ 42 | $ 592,823 | $ (7,595) | $ 43,791 | $ 16,827 | $ (420,677) | $ (5,589) | $ (2,230,073) | $ 15,248,657 |