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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
Together With Independent Auditor's Report

BERT SMITH & CO.
CERTIFIED PUBLIC ACCOUNTANTS
& MANAGEMENT CONSULTANTS

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

CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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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 consolidated accompanying statement of net position of the Virgin Islands Economic Development Authority (the "Authority") and its wholly owned subsidiary Economic Development Park Corporation, a component unit of the Government of the U.S. Virgin Islands, as of and for the year ended September 30, 2019 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 consolidated financial statements.

Management's Responsibility for the Financial Statements

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 consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including, the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2019, 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 consolidated financial statements, the consolidated 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, 2019 and changes in the financial position of the Government of the U.S. Virgin Islands for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Comparative Information

We have previously audited the Authority's September 30, 2018 consolidated financial statements, and our report dated, October 28, 2019, expressed an unmodified opinion thereon. In our opinion, the comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited consolidated 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 9 and the Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions and Schedule of Proportionate Share of OPEB Liability on pages 29 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic consolidated 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 consolidated 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 consolidated financial statements. The other supplementary information listed in the accompanying table of contents on pages 35-36 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 consolidated financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated 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 consolidated 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 consolidated 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 January 15, 2021 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 solely 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 the effectiveness of the 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, U.S. Virgin Islands
January 15, 2021

INTRODUCTION

The Virgin Islands Economic Development Authority (the "Authority") is a semi-autonomous government instrumentality responsible for the promotion and enhancement of economic development in the U.S. Virgin Islands.

The Authority is the umbrella organization that 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 Zone Commission ("EZC").

The Authority 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 through 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 consolidated financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with the Authority's consolidated financial statements. This overview and analysis are 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 consolidated financial 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 consolidated 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 Consolidated Statement of Net Position:*** This statement includes all of the Authority's assets, deferred outflows of resources and deferred inflows of resources, and liabilities. It 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 Consolidated 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 Revenues, 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.

- ***Notes to the Financial Statements:*** The notes to the consolidated 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 consolidated financial statements are presented as supplementary schedules. These schedules separate the consolidated financial statements and operations for each of the major funds.

2019 FINANCIAL HIGHLIGHTS

- The Authority's net position (deficit) increased by $495,075 or 6.14% compared to fiscal year 2018.

- The Authority's total assets and deferred outflow of resources decreased by $761,410 or 2.06%.

- Total liabilities and deferred inflows of resources decreased by $266,335 or .59% compared to fiscal year 2018.

- The Authority's operating revenues increased by $590,540 or 29.59% and operating expenses decreased by $1,165,421 or 11.41% compared to fiscal year 2018 due to a reduction in losses associated with non-operating loans and receivables.

- Government appropriations increased by $876,992 or 18.28% compared to fiscal year 2018.

Condensed Consolidated Statements of Net Position as of September 30, 2019 and 2018

	2019	2018	Variance	% Variance
Assets				
Current Assets	$12,946,999	$11,412,366	$ 1,534,633	13.45%
Noncurrent Assets	17,711,710	17,775,033	(63,323)	-.36%
Capital Assets, net	1,170,014	1,242,328	(72,314)	-5.82%
Total Assets	31,828,723	30,429,727	1,398,996	4.60%
Deferred Outflows of Resources	4,394,391	6,554,797	2,160,406	-32.96%
Total Assets and Deferred Outflows of Resources	$36,223,114	$36,984,524	$ (761,410)	-2.06%
Liabilities				
Current Liabilities	$13,828,630	$14,589,169	$ 760,539	-5.21%
Noncurrent Liabilities	27,249,839	28,113,554	863,715	-3.07%
Total Liabilities	41,078,469	42,702,723	1,624,254	-3.80%
Deferred Inflows of Resources	3,707,616	2,349,697	1,357,919	57.79%
Total Liabilities and Deferred Inflows of Resources	$44,786,085	$45,052,420	$ (266,335)	-.59%
Net Position				
Net Investment in Capital Assets	$ 1,170,014	$ 1,242,328	$ (72,314)	-5.82%
Restricted	16,532,952	16,570,721	(37,769)	-.23%
Unrestricted	(26,265,937)	(25,880,945)	(384,992)	1.49%
Total Net Position	$ (8,562,971)	$ (8,067,896)	$ (495,075)	6.14%

CURRENT ASSETS

Current assets are used to support the Authority's operations and include cash and cash equivalents, net accounts receivables (primarily receivables from rentals and beneficiaries, and accrued interest receivable), short-term investments, and prepaid expenses. In Fiscal Year 2019, the Authority's current assets increased by $1,534,633 or 13.45%. This includes an increase in cash and cash equivalents of $1,780,526 or 18.07% due to increases in the government allotment and cash flow from the operations of the Economic Development Park Corporation (EDPC) and the Economic Development Commission (EDC) Program. There were also increases in prepaid and other assets of $55,547 or 77.39% and investment of $6,547 or 0.70%. The total of these increases was offset by a decrease of $307,987 or 55.93% in net account receivables as the Authority increased overall collection and established an allowance for accounts that were deemed uncollectible.

NONCURRENT RESTRICTED ASSETS

Noncurrent assets decreased by $63,323 or .36% compared to last fiscal year. This was mainly due to the net effect of a reduction in loan receivables (net allowance for doubtful accounts) of $297,030 or 10.48% and an increase in cash and cash equivalents of $200,901 or 2.10% that resulted from EDB borrowers paying off their loans before maturity. Additionally, there was also an increase in restricted investments of $32,806 or 0.61%, which represents interest earned on long-term investments held at local financial institutions in the form of Certificates of Deposit.

CURRENT LIABILITIES

Current liabilities decreased by $760,539 or 5.21% from Fiscal Year 2018 to Fiscal Year 2019. This reduction was primarily due to the Authority paying down its vendor, contractual, and payroll obligations by the end of the fiscal year. Contributing to this decline was a reduction in the current portion of compensated absences that resulted from the Authority continuing to manage its compensated absence policy effectively. Conversely, deferred revenues increased by $70,332 or 0.54%, which reflects grant funds received for the State Trade Expansion and Incubator Rural Business Development Grant Programs that had not been expended by the end of the fiscal year.

NONCURRENT LIABILITIES

The Authority's noncurrent liabilities are substantially comprised of long-term debt, net pension liability, other long-term liabilities accrued for post-employment and post-retirement benefits (OPEB), and compensated absences. During Fiscal Year 2019, noncurrent liabilities decreased by $863,715 or 3.07% due to the cumulative effect of:

- A reduction of $1,490,390 or 6.02% in the Authority's proportionate share of the net pension liability in the U.S. Virgin Islands' Government Employees Retirement System (GERS). The Governmental Accounting Standards Board (GASB) Statements No. 68 and 75 require governmental employers participating in multi-employer cost-sharing pension and healthcare benefit plans to recognize liabilities for their proportionate share of the unfunded liability for plans whose actuarial liabilities exceed the plan's net assets. As required by the U.S. Virgin Islands statute, all eligible employees of a qualifying employer must be a member of the Government Employees Retirement System (GERS). The reduction represents the adjustment made to record the Authority's share of the GERS's unfunded liability obligation for Fiscal Year 2019.

- A reduction of $25,460 or 10.66% in long-term debt, representing debt repayments made throughout the fiscal year on the Intermediary Relending Program (IRP) loan.

- A decrease in security deposits of $6,666 or 9.20% mainly due to returning a security deposit to a tenant that vacated the Economic Development Park.

- An increase in long term compensated absences of $34,100 or 16.52% due to the reclassification of employee accrued leave earned from current compensated absences to long-term compensated absences.

- An increase in deferred revenue of $624,701 or 66.50% mainly due to funds received from the Government of the Virgin Islands (GVI) for energy-efficient retrofits at the William D. Roebuck Industrial Park on St. Croix and State Trade Expansion and Incubator Rural Business Development Grant Programs that had not been expended by the end of the fiscal year.

NET POSITION

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

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

The Authority's total net position (deficit) increased by $495,075 or 6.14% during Fiscal Year 2019. This was due to the net effect of decreases in net investment in capital assets of $72,314 or 5.82% and unrestricted net position of $384,992 or 1.49% as total expenses exceeded total revenues for the fiscal year.

Condensed Consolidated Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended September 30, 2019 and 2018

	2019	2018	Variance	% Variance
Operating Revenues	$ 2,586,149	$ 1,995,609	$ 590,540	29.59%
Operating Expenses	(9,051,490)	(10,216,911)	1,165,421	11.41%
Operating Loss	(6,465,341)	(8,221,302)	1,755,961	21.36%
Net Non-operating Revenues	5,970,266	5,014,302	955,964	19.06%
Changes in Net Position	(495,075)	(3,207,000)	2,711,925	84.56%
Net Position, Beginning of Year	(8,067,896)	(4,860,896)	(3,207,000)	65.98%
Net Position, End of Year	$ (8,562,971)	$ (8,067,896)	$ (495,075)	6.14%

OPERATING REVENUES

Operating revenues increased by $590,540 or 29.59% compared to last fiscal year. This increase was primarily driven by increases in EDC penalties and EPDC rental income. EDC penalties increased by $253,542 or 87%. Rental income from EPDC tenants increased by $331,182 or 56.61%. In Fiscal Year 2018, many of the Parks' tenants received rental abatements for approximately the first quarter of the fiscal year due to the damages sustained to their leased spaces directly following the two category 5 hurricanes, Irma and Maria. There were also notable increases in application and processing fees of $91,050 or 18.56% due to a rise in EDB and EDC applications, and grant revenues of $78,756 or 92.35% to assist small businesses with export development and to purchase and install a generator for the Incubator Office Space. However, these increases were offset by reductions in penalties assessed to EDC beneficiaries of $155,583 or 53.18%, interest income of $83,301 or 46.11%, and other operating income of $94,916 or 26.26% due to collection on accounts that have been previously written off as bad debt.

OPERATING EXPENSES

Operating expenses declined by $1,165,421 or 11.41% compared to last fiscal year. The changes in operating expenses are primarily due to a significant reduction of $882,102 or 90.81% in loan losses and uncollectible receivables, a sharp decline of $215,277 or 27.71% in professional services due to the expiration of a lead generation and marketing contract, and a reduction in inter-island travel costs totaling $15,491. Conversely, occupancy costs rose by $26,534 or 9.21% based on the rental agreement with the Nisky Shopping Center office space in St. Thomas, and advertising costs increased by $113,880 or 35.30% due to additional marketing activities undertaken by the Authority.

NON-OPERATING REVENUES AND EXPENSES

Non-operating revenues are revenues received from activities not related directly to a business core operations. For example, appropriations from the Government of the Virgin Islands are non-operating revenues because appropriated funds are those controlled by Legislature through the general or special appropriation process and are designated for specific purposes. Without non-operating revenues, the Authority would not be able to cover its costs of operations. This funding is critical to the Authority's financial stability and directly impacts the quality of its programs.

The Authority's non-operating revenues for Fiscal Year 2019 exceeded those of Fiscal Year 2018 by $955,964 or 19.06%. This is mainly attributed to an increase of $876,992 or 18.28% in government allotments that were appropriated to fund energy retrofits at the William D. Industrial Park on St. Croix, support the operations of the Incubator Program, and complement the Authority's marketing budget.

CAPITAL ASSETS

At September 30, 2019, the Authority had $1,170,014 invested in capital assets. Increases during the year represent additions to those categories, while accumulated depreciation decrease represents retirements of assets during the year and depreciation of depreciable assets for the year.

Capital Assets at Year-end
Net of Accumulated Depreciation

	2019	2018
Building & Building Improvements	$ 9,508,842	$ 9,355,407
Leasehold Improvements	867,890	867,890
Equipment	1,283,111	1,186,915
Furniture & Fixtures	513,973	513,973
Vehicles	469,145	469,145
Leasehold Equipment	20,585	20,585
Total Costs	12,663,546	12,413,915
Less: Accumulated Depreciation	(11,493,532)	(11,171,587)
Net Capital Assets	$ 1,170,014	$ 1,242,328

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
(A Component Unit of the Virgin Islands Government)
CONSOLIDATED STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2019
(With Comparative Totals for 2018)

	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and Cash Equivalents	$ 11,635,065	$ 9,854,539
Investments	941,936	935,389
Other Receivables, net	242,674	550,661
Prepaid and Other Assets	127,324	71,777
Total Current Assets	12,946,999	11,412,366
Noncurrent Restricted Assets:		
Restricted Cash and Cash Equivalents	9,788,426	9,587,525
Restricted Investments	5,384,871	5,352,065
Restricted Loans Receivable, net	2,538,413	2,835,443
Total Noncurrent Restricted Assets	17,711,710	17,775,033
Capital Assets, net	1,170,014	1,242,328
Total Assets	31,828,723	30,429,727
Deferred Outflows of Resources	4,394,391	6,554,797
Total Assets and Deferred Outflows of Resources	$ 36,223,114	$ 36,984,524
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities:		
Accounts Payable	$ 470,474	$ 1,230,057
Accrued Expenses	2,394	63,300
Compensated Absences	183,141	190,884
Interest Payable	18,245	20,790
Deferred Revenue	13,128,487	13,058,155
Loan Payable, current	25,889	25,983
Total Current Liabilities	13,828,630	14,589,169
Noncurrent Liabilities:		
Compensated Absences	240,506	206,406
Security Deposits	65,792	72,458
Deferred Revenue	1,564,106	939,405
Relief Revolving Funds	400,000	400,000
Loan Payable	213,464	238,924
Net Pension Liability	24,765,971	26,256,361
Total Noncurrent Liabilities	27,249,839	28,113,554
Total Liabilities	41,078,469	42,702,723
Deferred Inflows of Resources	3,707,616	2,349,697
Total Liabilities and Deferred Inflows of Resources	$ 44,786,085	$ 45,052,420
NET POSITION		
Net Position:		
Net Investment in Capital Assets	$ 1,170,014	$ 1,242,328
Restricted Net Position	16,532,952	16,570,721
Unrestricted Net Position	(26,265,937)	(25,880,945)
Total Net Position	$ (8,562,971)	$ (8,067,896)

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

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

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(With Comparative Totals for 2018)

	2019	2018
Operating Revenues:		
Application and Processing Fees	$ 581,700	$ 490,650
Rental Income	916,164	584,982
Interest Income from Loans	97,349	180,650
Grant Revenue	164,038	85,282
Fees and Fines	560,337	292,568
Other Operating Revenue	266,561	361,477
Total Operating Revenues	2,586,149	1,995,609
Operating Expenses:		
Personnel Costs	6,217,145	6,202,940
General and Administrative	948,885	1,176,603
Occupancy	314,682	288,148
Advertising	436,445	322,565
Professional Services	561,572	776,849
Travel	53,618	69,559
Grant Expenditures	114,038	85,282
Loan Losses	-	672,807
Uncollectible Receivables	83,161	232,456
Total Operating Expenses	8,729,546	9,827,209
Operating Loss Before Depreciation	(6,143,397)	(7,831,600)
Depreciation	(321,944)	(389,702)
Operating Loss	(6,465,341)	(8,221,302)
Nonoperating Revenues (Expenses):		
Government Appropriations	5,674,499	4,797,507
Interest Income	83,360	77,279
Other Income	215,317	141,770
Interest Expenses and Finance Charges	(2,910)	(2,254)
Total Nonoperating Revenues	5,970,266	5,014,302
Changes in Net Position	(495,075)	(3,207,000)
Net Position, Beginning of the Year	(8,067,896)	(4,860,896)
Net Position, End of Year	$ (8,562,971)	$ (8,067,896)

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

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
(A Component Unit of the Virgin Islands Government)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(With Comparative Totals for 2018)

	2019	2018
Cash Flows from Operating Activities		
Cash Received from Application and Processing Fees	$ 554,036	$ 490,650
Cash Received from Tenants	846,131	581,218
Cash Received from Loan Repayments	724,842	445,961
Cash Received from Other Operating Income	1,221,277	690,852
Cash Received from Federal Government	164,038	85,282
Cash Paid for Grant Programs	(114,038)	(85,282)
Cash Paid for Goods and Services	(2,231,860)	(2,058,626)
Cash Paid to Employees for Services	(4,215,567)	(3,926,018)
Loan Disbursements	(540,000)	(29,158)
Net Cash (Used in) Provided by Operating Activities	(3,591,141)	(3,805,121)
Cash Flows from Noncapital Financing Activities		
Cash Received from Primary Government	6,074,467	4,840,735
Other Income	(267,810)	212,065
Interest Expense and Finance Charges	(2,910)	(2,254)
Net Cash Provided by Noncapital Financing Activities	5,803,747	5,050,546
Cash Flows from Capital and Related Financing Activities		
Note Principal Payments	(25,555)	(26,884)
Acquisition of Property and Equipment	(249,630)	(151,803)
Net Cash Used in Capital and Related Financing Activities	(275,185)	(178,687)
Cash Flows from Investing Activities		
Interest Income	506,713	77,279
Return of Relief Revolving Funds	-	400,000
Net Sale of Investments	(39,353)	(37,479)
Net Cash Provided by (Used in) Investing Activities	467,360	439,800
Net Increase in Cash and Cash Equivalents	1,981,427	1,506,538
Cash and Cash Equivalents, Beginning of Year	19,442,064	17,935,526
Cash and Cash Equivalents, End of Year	$ 21,423,491	$ 19,442,064
Operating Loss	$ (6,465,341)	$ (8,221,302)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	321,944	389,702
Bad Debt Expense	83,161	905,263
Decrease (Increase) in Deferred Outflows of Resources	2,160,406	1,450,797
(Decrease) Increase in Net Pension Liability	(1,490,390)	(890,847)
Decrease (Increase) in Accounts Receivable	307,987	659,927
(Increase) Decrease in Prepaid Expenses	(55,547)	(10,384)
Decrease (Increase) in Loans Receivable	297,030	583,851
(Decrease) Increase in Accounts Payable and Accrued Expenses	(820,489)	(510,232)
(Decrease) Increase in Compensated Absences	26,357	(1,998)
Increase (Decrease) in Deferred Revenue	695,033	95,455
Increase (Decrease) in Security Deposit	(6,666)	25,001
Increase (Decrease) in Deferred Inflows of Resources	1,357,919	1,718,972
(Decrease) Increase in Interest Payable	(2,545)	674
Net Cash (Used in) Provided by Operating Activities	$ (3,591,141)	$ (3,805,121)

The accompanying notes are an integral part of these consolidated 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 Economic Park Development Corporation (formerly known as the Industrial Development Park 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 Economic Park facilities. During fiscal year ended September 30, 2019, the Authority received appropriations totaling $5,745,138 from the Government of the Virgin Islands, which approximates 88% of its nonoperating 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.

  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, 2019, the Authority maintained twelve (12) accounting divisions and ten (10) 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.

- **Economic Park Development Corporation (EPDC)** accounts for the activities conducted by the EPDC. The EPDC 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 EPDC accounts for rental and investment income, and administrative costs associated with its operation. The EPDC 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.

- ***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 assets or materially extends the life of the assets 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

  The Authority evaluated its capital assets in accordance with GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries and determined that there was no impairment loss for the year ended September 30, 2019.

- ***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's 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.

NOTE 2 NATURAL DISASTERS – HURRICANES IRMA AND MARIA

On September 6 and 19, 2017, the United States Virgin Islands were struck by two Category five hurricanes. The extent and severity of the storms was unprecedented and resulted in catastrophic damage to the Territory.

The Authority suffered damages in the amount of $8,979,280. The Authority's assets are covered under the Government of the Virgin Islands Property Insurance Program. The insurance program covers substantially all the property of the Virgin Islands Government. The program provides coverage for all risks including windstorm, earthquake, and floods. The Virgin Islands Department of Property and Procurement manages all activity related to the Property Insurance Program. The Authority realized $-0- in insurance recoveries in fiscal year 2018.

On or about September 7 and 20, 2017, the President of the United States declared the United States Virgin Islands a disaster area and eligible for Federal Emergency Management Agency (FEMA) recovery assistance. The Authority requested financial assistance from FEMA to aid with storm related losses caused by the hurricanes, reimbursement of expenditures will be secured through Federal assistance and other contributions. As of September 30, 2018, the Authority has not received any Federal assistance or other contributions from FEMA.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at September 30, 2019:

	Unrestricted	Restricted	Total
Cash and Cash Equivalents	$ 11,635,065	$9,788,426	$21,423,491

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 handheld by depository institutions and trustees in the Authority's name. During the fiscal year, including the final date of the period, September 30, 2019, accounts at each financial institution were insured by the Federal Deposit Insurance Corporation up to $250,000. Cash in excess of this limit are $24,160,853 and are fully collateralized.

Restricted Cash and Cash Equivalents: The restricted cash and cash equivalents at September 30, 2019 consisted of the following:

Micro Credit Loan Program	$ 1,795,929
Farmers and Fishermen Loan Fund	299,559
Frederiksted Revolving Loan Fund	271,876
Performance Bonding Loan Fund	2,159,403
Intermediary Relending Loan Fund	221,184
SBDA Revolving Loan Fund	919,839
SBDA Administration Loan Fund I	142,761
SBDA Administration Loan Fund II	308,948
SSBCI Grant	3,168,927
TAP Grant	500,000
	$ 9,788,426

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

The Authority categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other than observables inputs; Level 3 inputs are significant observable inputs. At September 30, 2019, the Authority's investments consisted of certificate of deposits which had a recurring fair value of $6,287,454 at year-end. The certificate of deposits is classified as Level 2 in the fair value hierarchy and is valued at amortized cost-plus accrued interest.

		Investment Maturities	
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**
Certificates of Deposits	$ 9,047,694	$ 941,936	$8,105,758

NOTE 5 RESTRICTED NET POSITION FOR LOAN PROGRAMS AND OTHER FUNDS

The restricted net position at September 30, 2019, consists of the following:

Micro Credit Loan Program	$ 3,726,741
Farmers and Fishermen Loan Fund	313,839
Frederiksted Revolving Loan Fund	271,876
Performance Bonding Loan Fund	3,901,497
Intermediary Relending Loan Fund	59,465
SBDA Revolving Loan Fund	1,380,063
SBDA Administration Loan Fund I	145,411
SBDA Administration Loan Fund II	405,981
SSBCI Grant	5,828,079
TAP Grant	500,000
	$16,532,952

NOTE 6 LOANS RECEIVABLE

Restricted Loans receivable as of September 30, 2019 was as follows:

Loan Principal	$ 2,993,684
Allowance for Doubtful Accounts	(455,271)
Net Loans Receivable	$ 2,538,413

The loans bear interest rates ranging from 4% to 12%. The majority of the allowance for doubtful accounts is attributed to SBDA & GDB loans which were assumed by the Authority at its inception. No additional allowance was recorded in fiscal year 2019.

NOTE 7 OTHER RECEIVABLES

The other receivables balance as of September 30, 2019:

	Other Receivables	Allowance	Other Receivables, net
Interest Receivable	$ 8,168	$ -	$ 8,168
GDB Receivable	22,035	-	22,035
EDC Fees & Charges	126,721	(117,935)	8,786
Rent Receivable	148,657	(92,667)	55,990
Grant Receivable-Board Up & Scrape and Paint Program	40	-	40
Tax Increment Financing Fund	30,015	(30,015)	-
Economic Development Management	147,865	-	147,865
Receivable - Taxi-Tour Bus	(210)	-	(210)
Total	$ 483,291	$ (240,617)	$ 242,674

Provision for uncollectible accounts was $83,161 in fiscal year 2019.

NOTE 8 CAPITAL ASSETS

Capital assets are composed of the following at September 30, 2019:

	Beginning Balance	Additions	Retirement	Ending Balance
Capital Assets				
Building and Building Improvements	$ 9,355,407	$ 153,435	$ -	$ 9,508,842
Leasehold Improvements	867,890	-	-	867,890
Equipment	1,186,915	96,196	-	1,2,83,111
Furniture and Fixtures	513,973	-	-	513,973
Vehicles	469,145	-	-	469,145
Leasehold Equipment	20,585	-	-	20,585
Total Capital Assets	12,413,915	249,631	-	12,663,546
Accumulated Depreciation				
Building and Building Improvements	(8,787,534)	(145,307)	-	(8,932,841)
Leasehold Improvements	(451,685)	(77,007)	-	(528,692)
Equipment	(1,082,623)	(49,155)	-	(1,131,778)
Furniture and Fixtures	(506,560)	(3,171)	-	(509,731)
Vehicles	(322,600)	(47,305)	-	(369,905)
Leasehold Equipment	(20,585)	-	-	(20,585)
Total Accumulated Depreciation	(11,171,587)	(321,945)	-	(11,493,532)
Capital Assets, net	$ 1,242,328	$ (72,314)	$ -	$ 1,170,014

Depreciation expense for the year ended September 30, 2019 totaled $321,944.

During 2018, the Authority was impacted by Hurricanes Irma and Maria and certain assets sustained physical damage and other assets require considerable effort to restore their service utility. The Authority evaluated its capital assets in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.* The Authority did not recognize any impairment loss for the year ended September 30, 2019.

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, 2019, the outstanding loan balance was $264,907.

As of September 30, 2019, the outstanding loan balance is comprised of the following:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Loan Payable	$ 264,907	$ -	$ (25,555)	$ 239,352	$ 25,889

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

2021	$ 26,147
2022	26,409
2023	26,673
2024	26,940
2025-2028	110,201
Total	$ 216,370

NOTE 10 COMPENSATED ABSENCES

Compensated absences balance as of September 30, 2019 was $423,647 of which $183,141 is due within a year.

NOTE 11 LEASES

Lessor --- The Authority leases commercial properties it owns through the Economic 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, 2018 through December 31, 2022, 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 two-year term, from January 1, 2017 – December 31, 2019.

Rent expense for the year ending September 30, 2019 was $267,503. The aggregate lease commitment for the Authority is $-0-.

NOTE 12 DEFERRED REVENUE

Current Deferred Revenue: Out of $13,128,487 reflected in the financial statements $12,920,121 represents the amount not expended as of September 30, 2019 from the grant funds received in fiscal year 2012 from the United States Department of Treasury for the State Small Business Credit Initiative.

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 $939,405 represents advance 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 Authority 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 Authority's employees are members of the Employees' Retirement System of the Government of the U.S. Virgin Islands ("GERS"), cost sharing multiple 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, 2017, member contributions were 11 and 11.5% for Tier I and Tier II employees. Prior to that, member contributions were 10 and 10.5% for Tier I and Tier II employees respectively. Total amount of the Authority's covered payroll for the year ended September 30, 2019 was $2,402,395.

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, 2019. 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 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.

NOTE 14 NET PENSION LIABILITY

Net Pension Liability

Effective July 1, 2014, the Entity implemented the prov1s1ons of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Following is a description of the pension plan and accounting for pension expense, liabilities, and deferred outflows/inflows of resources.

Plan Description and Benefits

Full time employees of the Authority are members of the Government Employees' Retirement System of the Virgin Islands (GERS), a cost sharing multiple-employer, defined benefit pension plan (the plan) established as of October1,1959 in accordance with Title 3, Chapter 27 of the Virgin Islands Code to provide retirement, death, and disability benefits. Benefits may be extended to beneficiaries of plan members. The plan covers all employees of the Government, including the Entity, except employees compensated on a contract fee basis, casual, per diem or provisional and part time employees who work less than 20 hours per week. Persons over the age of 55 may opt out of the plan by providing formal notification to the plan. Vesting of benefits occurs after 10 years of service. Benefits may be extended to beneficiaries of plan members.

There are two tiers within the plan:

Tier I: Employees hired prior to September 30, 2005
Tier II: Employees hired on or after October 1, 2005

Regular employees who have completed 30 years of credited service or have attained age 60 with at least 10 years of credited service are eligible for a full-service retirement annuity. Members who are considered "safety employees" as defined in the Code are eligible for full retirement benefits when they have earned at least 20 years of service or have reached the age of 55 with at least 10 years of credited service. Regular and safety employees who have attained age 50 with at least 10 years of credited service may elect to retire early with a reduced benefit.

The monthly annuity benefit payment is determined by applying a stipulated benefit ratio to the member's average compensation. Average compensation for Tier I members is determined by averaging the five highest years of credited service within the last ten years of service, subject to the maximum salary limitations in effect during such service.

Average compensation for Tier II members is determined by averaging the most recent five years of credited service within the last ten years of service, subject to the maximum salary limitations in effect during the service. The maximum annual salary that can be used in this computation is $65,000, except for senators and judges, whose annual salary is used.

Funding and Contribution Policy

Contributions to GERS are established by the Board of Trustees of GERS. The Government's required employer contribution for Tier I and Tier II members was 20.5% of the member's annual salary.

Effective January 1, 2017, Tier I member contributions increased by 1% to 11% of annual salary for regular employees.

Effective January 1, 2017, Tier II member contributions increased by 1% to 11.5% of annual salary for regular employees.

Prior to June 29, 2000, member contributions were refundable without interest upon withdrawal from employment before retirement. Effective July 1, 2009, GERS' Board of Trustees approved an effective annual interest rate on refunded contributions of 2% per annum.

Both the Plan and the Authority have a September fiscal year end. GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date:	October 1, 2018
Measurement Date:	September 30, 2018
Measurement Period:	October 1, 2017 – September 30, 2018

The Authority's proportionate share of employer contributions recognized by GERS was $415,001 for the Plan's fiscal year ended September 30, 2018.

Pension Liabilities and Expense and Deferred Outflows/Inflows of Resources

As of September 30, 2019, the actuarial calculated net pension liability for the Authority's proportionate share of the net pension liability of the Plan was $22,826,467. The net pension liability of the Plan is measured as of September 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018. Actuarially determined proportionate share information from GERS was estimated by management based on an average four-year respective share of the Authority's contributions to the Plan relative to all contributions to the Plan.

At September 30, 2018, the Authority's proportion was .5470 percent, which was a decrease of .0352 from its proportion measured as of September 30, 2017.

For the year ended September 30, 2019, the Authority recognized $493,041 of pension expense, inclusive of amortization of deferred outflows of pension related items.

Following is a schedule of deferred outflows/inflows of resources allocated to the Authority in the computation of net pension liability:

	Deferred Outflows by Resources	Deferred Inflows of Resources
Change in assumptions	$ 2,683,369	$ 2,842,660
Difference between expected and actual experience	529,969	-
Net difference between projected and actual earnings on pension plan investments	43,108	519,125
Change in proportionate share	336,502	-
Contributions made subsequent to measurement date	493,041	-
	$ 4,085,989	$ 3,361,785

Amounts reported as deferred outflows, exclusive of contributions made after the measurement date, will be recognized in pension expense as follows:

Year ending September 30,	
2020	$ 713,326
2021	630,670
2022	(136,587)
2023	(123,550)
2024	(497,501)
Thereafter	(234,765)

Actuarial Assumptions

A summary of the actuarial assumptions and methods used to calculate the total pension liability as of September 30, 2017, is provided below, including any assumptions that differ from those used in the October 1, 2017 actuarial valuation. Refer to October 1, 2017 actuarial valuation report for a complete description of all other assumptions, which can be found on GERS' website.

Inflation Rate:	2.50%
Salary Increases:	3.25% including inflation
Actuarial Cost Method:	Entry Age Normal
Expected Rate of Return:	7.00%
Municipal Bond Yield:	4.18%
Discount Rate:	4.25%
Mortality Table:	RP-2014 Blue Collar

Investment Rate of Return

The long-term expected rate of return of 7.0% on 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 plan's target asset allocation as of September 30, 2018, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	29%	6.16%
International equity	12%	6.71%
Fixed income	27%	1.71%
Cash	2%	0.91%
Alternative	30%	5.50%

Discount Rate

The discount rate used to measure the total pension liability was 4.25% as of September 30, 2018 and 3.74% as of September 30, 2017. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate, including the future increases in the employee contribution rates legislated. Based on those assumptions, the plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.0% 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, which was 4.18% and 3.64% at September 30, 2018 and 2017, respectively.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's allocation of its proportionate share of the net pension liability (NPL) for the plan, calculated using the discount rate, and what the allocation of the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% (2.74%) lower or 1% (4.74%) higher than the current rate.

1% Decrease Share of NPL @ 3.25%	Share of NPL @ 4.25%	1% Increase Share of NPL @ 5.25%
$28,487,644	$24,765,971	$21,673,729

Detailed information about pension plan's fiduciary net position is available in the separately issued GERS financial report.

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS

The Government provides other postemployment benefits (OPEB) of healthcare, prescription, dental and life insurance coverage. The Authority participates in the Government's plan. These benefits are provided in accordance with Title 3, Chapter 25, Subchapter VIII of the V.I. Code as part of a multiple employer defined benefit OPEB plan, in which the Authority participates. All employees who retire from government service after attaining age fifty-five (55) with at least thirty (30) years of service, except for policemen and firemen who can retire with at least twenty (20) years of service, are eligible for these benefits.

In the year ended September 30, 2018, the Authority has implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This standard requires the reporting and disclosure of costs and liabilities associated with postemployment benefits provided to retirees of the Authority.

Healthcare, prescription, and dental insurance is provided through negotiated contracts with private insurance companies. Participants in the plan may elect coverage for their spouses and dependent children. Participants are required to contribute 35% of medical, prescription, and dental premiums.

Employees covered by benefits terms. At September 30, 2019, the following employees were covered by the benefit terms:

Service and Disability retirees	7
Active employees	44
Total	51

The contribution requirements of plan members and the Primary Government are legislated within the V.I. Code, and may be amended, by the Virgin Islands Legislature. As part of the code, the Primary Government is legally responsible to pay 100% of the cost of the benefits constituting a special funding situation under GASB Statement No. 75 for the Authority. For the years ended September 30, 2019 and 2018, the Authority recognized revenue and related expenses of $154,344 and $169,745, respectively, related to the on-behalf OPEB costs paid by the Primary Government. The plan is a pay-as-you-go plan, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75 and expenses are paid as they become due.

At September 30, 2019 and 2018, respectively, the Authority's proportionate share of the total OPEB liability was reduced by the OPEB support provided by the Primary Government. The amount recognized by the Authority for its proportionate share, the related Primary Government proportion and the total were as follows:

	2019	2018
The Authority's proportionate share of total OPEB liability	$ -	$ -
Primary Government's share of the total OPEB liability associated with the Authority	1,911,089	1,841,060
Total OPEB liability	$ 1,911,089	$ 1,841,060

At September 30, 2019 and 2018, the Primary Government's share of the deferred inflows of resources related to the Authority are as follows:

	2019	**2018**
Changes in Actuarial Assumptions or other input	$181,816	$126,327

The amounts of the Primary Government's balances of deferred inflows of resources related to the Authority will be recognized in OPEB expense as follows:

Year ended September 30	OPEB Expense Amount
2020	$ 37,924
2021	37,924
2022	37,924
2023	37,924
2024	24,145
Thereafter	5,975
Total	$181,816

Actuarial Assumptions

The postemployment benefit plan is an unfunded plan. An actuarial valuation was conducted of the amount required to fund the plan, involving assumptions about the probability of the occurrence of events in the future. Update procedures were used to roll forward the total OPEB liability to the measurement date. Actuarial assumptions used in the computation of the total OPEB liability are as follows:

Valuation date:	October 1, 2017
Measurement date:	October 1, 2018
Report date:	September 30, 2019
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Recognition Period of 6 Years
Salary increases:	Payroll Growth of 3.25% per year
Discount rate:	Beginning of Year Rate of 3.35% End of Year Rate of 3.64% S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2018
Healthcare cost trend rates:	Pre-Medicare Increases of 7.00% in 2018 to 4.50% in 2023 Medicare Increases of 5.50% in 2018 to 4.50% in 2023 Dental Increases of 5.50% in 2018 to 4.50% in 2023
Inflation:	2.25% Implicit Rate in Healthcare Trend Analysis

Retirees share of costs:	35% of Medical and Dental Premiums and Noncontributory Life Insurance Coverage.
Mortality:	RP-2014 Blue Collar Mortality Generational Table Adjusted 110% with Scale MP-2015 for Healthy Lives. For Disability Retirees, RP-2014 Disabled Mortality Generational Table Adjusted 125% with Scale MP-2015
Marital status:	Assumed 50% of Future Male Retirees and 25% of Future Female Retirees Cover Spouses in Retirement Husbands Assumed to be 3 Years Older Than Spouse Subsidized Coverage of Spouses and Dependents Ceases Upon Death.
Actuarial Experience Study	The actuarial assumptions used in the October 1, 2018 valuation was based on the results of an actuarial experience study for the period October 1, 2014 – September 30, 2015.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB Liability if the discount rate was 1% less than and 1% greater than the discount rate that was used (3.64%) in measuring the total OPEB Liability for the year ended September 30, 2019.

	1% Decrease in Discount Rate (2.64%)	Current Single Discount Rate (3.64%)	1% Increase in Discount Rate (4.64%)
The Primary Government's share of the total OPEB liability associated with the Authority:	$ 2,277,285	$ 1,911,089	$ 1,611,511

The following schedule shows the impact of the total OPEB Liability if the discount rate was 1% less than and 1% greater than the discount rate that was used (3.35%) in measuring the total OPEB Liability for the year ended September 30, 2018.

	1% Decrease in Discount Rate (2.35%)	Current Single Discount Rate (3.35%)	1% Increase in Discount Rate (4.35%)
The Primary Government's share of the total OPEB liability associated with the Authority:	$ 2,188,485	$ 1,841,060	$ 1,565,162

Healthcare trend Sensitivity Analysis

The following schedule shows the impact of the total OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 7.0% rate used for the year ended September 30, 2019.

	1% Decrease in Healthcare Trend Rate (6.0%)	Current Single Healthcare Trend Rate (7.0%)	1% Increase in Healthcare Trend Rate (8.0%)
The Primary Government's share of the total OPEB liability associated with the Authority:	$ 1,569,991	$ 1,911,089	$ 2,363,432

The following schedule shows the impact of the total OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 7.0% rate used for the year ended September 30, 2018.

	1% Decrease in Healthcare Trend Rate (6.0%)	Current Single Healthcare Trend Rate (7.0%)	1% Increase in Healthcare Trend Rate (8.0%)
The Primary Government's share of the total OPEB liability associated with the Authority:	$ 1,517,108	$ 1,841,060	$ 2,270,905

NOTE 16 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Authority has various outstanding commitments at September 30, 2019, 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 17 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 18 INSURANCE RECOVERIES

Certain properties of the Authority sustained damage as a result of hurricanes Irma and Maria. The Authority's properties are insured under an umbrella policy owned by the Government of the U.S. Virgin Islands. The Authority has expended certain sums on repairs and expects to incur substantial costs in future periods. The allocated insurance recovery from the Government wide insurance policy has not been received as of the date of this report. Minimal recoveries have been received and are reflected in the financial statements.

NOTE 19 SUBSEQUENT EVENTS

The Authority's management has evaluated subsequent events through January 15, 2021, 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.

The U.S. Virgin Islands has been impacted by the Coronavirus Disease (COVID-19), an aggressive and potent pandemic. This pandemic is considered a non-recognized subsequent event, that is, an event that did not exist at the date of the statement of position. The financial impact of the event is unknown, and no adjustment has been recorded in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF THE AUTHORITY'S PRORPORTIONATE SHARE OF NET PENSION LIABILITIY

LAST 10 FISCAL YEARS

	2019	2018	2017	2016	2015
Proportion Share of the Net Pension Liability	0.5935%	0.5994%	0.5868%	0.6044%	0.05569%
Proportionate Share of the Net Pension Liability	$24,765,971	$26,256,361	$27,147,208	$24,609,495	$18,803,107
Covered-Employee Payroll	$ 2,402,395	$ 2,404,022	$ 2,130,222	$ 2,149,268	$ 2,106,050
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	1031%	1092%	1274%	1145%	892%
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	11.32%	16.18%	16.54%	19.58%	27.02%

**The schedule is intended to show a 10-year trend. Additional years will be reported as they become available. The amounts presented for each fiscal year are as of the measurement date (September 30 of the previous fiscal year.)*

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

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS

LAST 10 FISCAL YEARS

	2019	2018	2017	2016	2015
Contractually Required Contributions	$1,647,137	$1,604,852	$1,450,324	$1,209,343	$1,056,524
Contributions in Relation to the Contractually Required Contribution	484,158	450,946	528,992	437,513	388,619
Annual Contribution Deficiency (Excess)	$1,162,979	$1,153,906	$ 921,332	$ 771,830	$ 677,905
Covered Employee Payroll	$2,402,395	$2,404,022	$2,130,222	$2,149,268	$2,106,050
Contributions as a Percentage of Covered Employee Payroll	20.15%	18.76%	24.83%	20.36%	18.45%

**The schedule is intended to show a 10-year trend. Additional years will be reported as they become available. The amounts presented for each fiscal year are as of the latest fiscal year.*

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

SCHEDULE OF THE AUTHORITY'S PRORPORTIONATE SHARE OF OPEB LIABILITIY

LAST 10 FISCAL YEARS

Year Ended September 30,	Measurement Period Ended October 1,	Authority's Proportion of the Total OPEB Liability	Authority's Proportion of the Total OPEB Liability	Primary Government's Proportionate Share of the total OPEB Liability	Total OPEB Liability	Authority's Covered Employee Payroll	Total OPEB Liability as a Percentage of the Authority's Covered Employee Payroll
2019	2018	0.00%	$ -	$1,911,089	$1,911,089	$2,402,395	79.55%
2018	2017	0.00%	$ -	$1,841,060	$1,841,060	$2,404,022	76.58%
2017	2016	0.00%	$ -	$1,824,937	$1,824,937	$2,130,222	85.67%

**The schedule is intended to show a 10-year trend. Additional years will be reported as they become available. The amounts presented for each fiscal year are as of the measurement date (September 30 of the previous fiscal year.)*

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the 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, the consolidated financial statements of the Virgin Islands Economic Development Authority (the Authority), and its wholly owned subsidiary Economic Development Park Corporation, a component unit of the Government of the U.S. Virgin Islands, as of and for the year ended September 30, 2019, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's consolidated 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 that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bert Smith & Co.

U.S. Virgin Islands
January 15, 2021

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Audit Finding No.	Finding	Corrected	Not Corrected
2018-01	Noncompliance with Program Requirements	X	

OTHER SUPPLEMENTARY INFORMATION

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30, 2019
(With Comparative Totals for 2018)

ASSETS	EDB	EDC	EDM	EPDC	EZC	IRP	SSBCI	STEP	USE	Eliminations	2019	2018
Current Assets:												
Cash and Cash Equivalents	$ 28,015	$2,046,117	$ 1,768,094	$ 268,640	$178,938	$ -	$ 7,342,684	$ 2,575	$ -	$ -	$11,635,065	$ 9,854,539
Investments	-	-	941,936	-	-	-	-	-	-	-	941,936	935,389
Receivable, net	24,183	8,786	147,865	56,175	40	-	5,625	-	-	-	242,674	550,661
Due from Other Fund	2,577,345	2,565,088	799,150	1,033	-	-	-	21,797	-	5,964,413	-	-
Prepaid & Other Assets	-	-	112,347	14,977	-	-	-	-	-	-	127,324	71,777
Total Current Assets	2,629,543	4,619,991	3,769,392	340,826	178,978	-	7,348,309	24,372	-	5,964,413	12,946,999	11,412,366
Non-Current Assets:												
Restricted Cash & Cash Equivalents	5,446,606	-	-	500,000	-	221,184	3,168,927	-	451,709	-	9,788,426	9,587,525
Restricted Investments	2,725,719	-	-	-	-	-	2,659,152	-	-	-	5,384,871	5,352,065
Restricted Loan Receivable, net	2,361,288	-	(192)	-	-	77,634	-	-	99,683	-	2,538,413	2,835,443
Total Non-Current Assets	10,533,613	-	(192)	500,000	-	298,818	5,828,079	-	551,392	-	17,711,710	17,775,033
Capital Assets, net	137,824	-	428,032	604,158	-	-	-	-	-	-	1,170,014	1,242,328
Total Assets	13,300,980	4,619,991	4,197,232	1,444,985	178,978	298,818	13,176,388	24,372	551,392	5,964,413	31,828,723	30,429,727
Deferred Outflows of Resources	-	-	4,070,450	323,941	-	-	-	-	-	-	4,394,391	6,554,797
Total Assets and Deferred Outflows of Resources	$13,300,980	$4,619,991	$ 8,267,682	$ 1,768,925	$178,978	$298,818	$13,176,388	$ 24,372	$551,392	$ 5,964,413	$36,223,114	$36,984,524
LIABILITIES												
Current Liabilities												
Accounts Payable	$ 11,923	$ 47,500	$ 323,734	$ 84,563	$ -	$ 2,545	$ -	$ -	$ 210	$ -	$ 470,474	$ 1,230,057
Accrued Expenses	-	-	200	2,194	-	-	-	-	-	-	2,394	63,300
Compensated Absences - Current	-	-	182,622	519	-	-	-	-	-	-	183,141	190,884
Interest Payable	18,245	-	-	-	-	-	-	-	-	-	18,245	20,790
Due to Other Fund	458,973	10	5,090,614	397,073	-	-	17,743	-	-	5,964,413	-	-
Deferred Revenue	-	-	208,366	-	-	-	12,920,121	-	-	-	13,128,487	13,058,155
Long Payable - Current	-	-	-	-	-	25,889	-	-	-	-	25,889	25,983
Total Current Liabilities	489,141	47,510	5,805,536	484,349	-	28,434	12,937,864	-	210	5,964,413	13,828,630	14,589,169
Non-Current Liabilities												
Compensated Absences	-	-	225,641	14,865		-	-	-	-	-	240,506	206,406
Security Deposit	-	-	-	65,791		-	-	-	-	-	65,792	72,458
Deferred Revenue	939,405	-	-	504,122	112,436	-	-	8,143	-	-	1,564,106	939,405
Relief Revolving Funds	400,000	-	-	-	-	-	-	-	-	-	400,000	400,000
Loan Payable	-	-	-	-	-	213,463	-	-	-	-	213,464	238,924
Net Pension Liability	-	-	22,826,467	1,939,504	-	-	-	-	-	-	24,765,971	26,256,361
Total Non-Current Liabilities	1,339,405	-	23,052,108	2,524,282	112,436	213,463	-	8,143	-	-	27,249,839	28,113,554
Total Liabilities	1,828,546	47,510	28,857,644	3,008,631	112,436	241,897	12,937,864	8,143	210	5,964,413	41,078,468	42,702,723
Deferred Inflows of Resources	-	-	3,361,785	345,831	-	-	-	-	-	-	3,707,616	2,349,697
Total Liabilities and Deferred Inflows of Resources	$ 1,828,546	$ 47,510	$ 32,219,429	$ 3,354,462	$112,436	$241,897	$12,937,864	$ 8,143	$ 210	$ 5,964,413	$44,786,085	$45,052,420
NET POSITION												
Invested in Capital Assets, net of related debt	$ 137,824	$ -	$ 428,032	$ 604,158	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,170,014	$ 1,242,328
Restricted Net Position	9,594,208	-	(192)	500,000	-	59,465	5,828,079	-	551,392	-	16,532,952	16,570,721
Unrestricted Net Position	1,740,401	4,572,482	(24,379,587)	(2,689,695)	66,542	(2,545)	(5,589,555)	16,229	(209)	-	(26,265,937)	(25,880,945)
Total Net Position	$11,472,433	$4,572,482	$(23,951,747)	$(1,585,536)	$ 66,542	$ 56,920	$ 238,524	$ 16,229	$551,183	$ -	$ (8,562,971)	$ (8,067,896)

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITON
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(With Comparative Totals for 2018)

	EDB	EDC	EDM	EPDC	EZC	IRP	SSBCI	STEP	USE	2019	2018
Operating Revenues											
Application and Processing Fees	$ 4,750	$ 576,000	$ 950	$ -	$ -	$ -	$ -	$ -	$ -	$ 581,700	$ 490,650
Rental Income	-	-	-	916,164	-	-	-	-	-	916,164	584,982
Interest Income from Loans	85,004	-	9,108	-	-	3,237	-	-	-	97,349	180,650
Grant Revenue	50,000	-	-	-	60,500	-	-	53,538	-	164,038	85,282
Penalties	-	546,110	-	-	14,227	-	-	-	-	560,337	292,568
Other Operating Income	55,933		-	85,684	-	107,795	-	-	17,150	266,561	361,477
Total Revenue	195,687	1,122,110	10,058	1,001,848	74,727	111,032	-	53,538	17,150	2,586,149	1,995,609
Operating Expenses											
Personnel Costs	-	-	5,823,606	393,539	-	-	-	-	-	6,217,145	6,202,940
General and Administrative	73	15	623,352	292,451	33,226	-	(306)	-	73	948,885	1,176,603
Occupancy	-	-	271,926	42,756	-	-	-	-	-	314,682	288,148
Advertising	-	-	436,045	-	400	-	-	-	-	436,445	322,565
Professional Services	-	-	541,157	20,418	-	-	-	-	-	561,572	776,849
Travel	-	-	50,279	3,340	-	-	-	-	-	53,618	69,559
Grant Expenditure	-	-	-	-	60,500	-	-	53,538	-	114,038	85,282
Uncollectible Receivables	18,948	-	-	49,750	-	-	-	-	14,463	83,161	905,263
Total Operating Expenses	19,021	15	7,746,364	802,254	94,126	-	(306)	53,538	14,537	8,729,546	9,827,209
Excess (Deficiency) of Revenues from Operations Before Depreciation and Other Assets	176,666	1,122,095	(7,736,306)	199,594	(19,399)	111,032	306	-	2,613	(6,143,397)	(7,831,600)
Depreciation	6,642	-	156,136	159,167	-	-	-	-	-	321,944	389,702
Operating Income (Loss)	170,024	1,122,095	(7,892,441)	40,427	(19,399)	111,032	306	-	2,613	(6,465,341)	(8,221,302)
NonOperating Revenues (Expenses)											
Government Appropriation	-	-	5,674,499	-	-	-	-	-	-	5,674,499	4,797,507
Interest Income	12,191	-	10,450	402	-	-	60,317	-	-	83,360	77,279
Other Income	2,755	(703,515)	908,516	-	-	75	-	-	7,487	215,317	141,770
Interest Expense & Finance Charges	-	-	-	-	-	(2,910)	-	-	-	(2,910)	(2,254)
Total Non-Operating Revenues	14,946	(703,515)	6,593,466	402	-	(2,835)	60,317	-	7,487	5,970,266	5,014,302
Changes in Net Assets	184,970	418,580	(1,298,976)	40,830	(19,399)	108,196	60,622	-	10,100	(495,075)	(3,207,000)
Net Assets, Beginning of Year	11,287,463	4,153,902	(22,652,771)	(1,626,366)	85,941	(51,277)	177,902	16,229	541,082	(8,067,896)	(4,860,896)
Net Assets, End of Year	$ 11,472,433	$ 4,572,482	$ (23,951,747)	$ (1,585,536)	$ 66,542	$ 56,920	$ 238,524	$ 16,229	$ 551,183	$ (8,562,971)	$ (8,067,896)