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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
Together With Independent Auditor's Report

BSC
BERT SMITH & CO.
CERTIFIED PUBLIC ACCOUNTANTS
& MANAGEMENT CONSULTANTS

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(A Component Unit of the Virgin Islands Government)

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SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Virgin Islands Economic Development Authority (the "Authority"), a component unit of the Government of the United States Virgin Islands, which comprise the consolidated statement of net position as of and for the year ended September 30, 2022, and the related consolidated 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, which collectively comprise the Authority's basic consolidated financial statements. The consolidated financial statements include the Authority's wholly owned subsidiary Economic Development Park Corporation.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the consolidated financial statements present only the Virgin Island's Economic Development 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, 2022, 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.

Other Matters

We have previously audited the Authority's September 30, 2021, consolidated financial statements, and our dated April 14, 2023, expressed an unqualified opinion thereon. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, 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 of America require that the management's discussion and analysis on pages 5 through 11, the schedule of the Authority's proportionate share of the net pension liability on page 30 and the Authority's schedule of contributions on page 31 be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, 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 financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 consolidated 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.

The Authority's notes to the consolidated financial statements do not include the necessary information under the Governmental Accounting Standards Board, Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The government of the U.S. Virgin Islands is responsible for paying the benefits. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Our opinion on the basic consolidated financial statements is not modified by the Authority's failure to present information required under Governmental Accounting Standards Board, Statement No. 75.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the Authority's basic consolidated financial statements. The combining schedule of net position and the combining schedule of changes in revenues, expenses and changes in net position on pages 34 and 35 are presented for the purpose of additional analysis and is not a required part of the basic consolidated 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. The 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 consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining schedule of net position and the combining schedule of revenue, expense and changes in net position 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 July 22, 2024 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 Authority's 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 Authority's internal control over financial reporting and compliance.

Bert Smith & Co.

Washington, D.C.
July 22, 2024

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, 2022. 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.

- ***The Consolidated 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 Information:*** The supplementary information represents the combining financial activities of the major fund groups.

2022 FINANCIAL HIGHLIGHTS

- The Authority's net position increased by $703,278. The Authority reported a deficiency of $198,221 in fiscal year 2021.

- The Authority's total assets and deferred outflow of resources increased by $4,042,280 or 9%. Total liabilities and deferred inflows of resources increased by $3,339,002, 6% rise compared to fiscal year 2021.

- The Authority's operating revenues decreased by $1,043,293 or 35%, and operating expenses decreased by $1,813,958, a 20% reduction compared to fiscal year 2021.

- Government appropriations increased by $275,082 or 5% compared to fiscal year 2021.

Condensed Consolidated Statements of Net Position as of September 30, 2022 and 2021

	2022	2021	Variance	% Variance
Assets				
Current Assets	$ 23,128,520	$ 17,232,677	$ 5,895,843	34%
Noncurrent Assets	17,839,795	18,173,354	(333,559)	-2%
Capital Assets, net	628,442	862,448	(234,006)	-27%
Lease Assets	29,321	-	29,321	100%
Total Assets	41,626,078	36,268,479	5,357,599	15%
Deferred Outflows of Resources	5,360,295	6,675,614	(1,315,319)	-20%
Total Assets and Deferred Outflows of Resources	$ 46,986,373	$ 42,944,093	$ 4,042,280	9%
Liabilities				
Current Liabilities	$ 18,237,397	$ 16,136,554	2,100,843	13%
Noncurrent Liabilities	31,072,887	34,265,406	(3,192,519)	-9%
Total Liabilities	49,310,284	50,401,960	1,091,676	-2%
Deferred Inflows of Resources - Leases	2,263,284	-	2,263,284	100%
Deferred Inflows of Resources - Pension	5,718,747	3,551,353	2,167,394	61%
Total Liabilities and Deferred Inflows of Resources	$ 57,292,315	$ 53,953,313	$ 3,339,002	6%
Net Position				
Net Investment in Capital Assets	$ 628,442	$ 862,448	$ (234,006)	-27%
Restricted	16,648,812	16,486,935	161,877	1%
Unrestricted	(27,583,196)	(28,358,603)	775,407	3%
Total Net Position	$(10,305,942)	$ (11,009,220)	$ 703,278	6%

CURRENT ASSETS

Current assets support the Authority's operations and include cash and cash equivalents, net accounts receivables (primarily receivables from rentals and beneficiaries, accrued interest receivables, short-term investments, and prepaid expenses).

Compared to the previous fiscal year, current assets increased by $5,895,843 or 34%. This total includes a $3,718,365 or 26% increase in cash and cash equivalents, primarily due to funding received from the Office of Management and Budget through the American Rescue Plan Act of 2011 ("ARPA") for the execution of the Governor's Small Business Innovation Grant Program. This program provided financial assistance to small businesses to aid in their recovery from the economic effects of the COVID-19 pandemic. Additionally, increased funding from the Government of the Virgin Islands ("GVI") for both general operations and the Enterprise Zone Commission further contributed to this overall increase. There was a slight decrease of $37,116, or 2%, in accounts receivable, net of allowance for doubtful accounts, due to the reimbursement of program expenses incurred by the Authority in connection with federally funded grant projects. There was also a reduction in prepaid and other assets of $65,557 or 33%. Lease receivables increased by $2,280,151 or 100% due to implementation of the GASB 87 lease standard.

NONCURRENT RESTRICTED ASSETS

Compared to the previous fiscal year, noncurrent assets decreased by $333,559 or 2%. This decline was primarily driven by a $913,651 or 23% reduction in restricted loan receivables, net of allowance for doubtful accounts. The main factors contributing to this reduction were borrowers who paid down their loans to the Economic Development Bank ("EDB") and borrowers in the State Small Business Credit Initiative ("SSBCI") Program who reduced their loan obligations with local banking institutions, thereby decreasing the receivable amount that served as collateral guarantees required by the banks. Offsetting this reduction was a $564,603 or 6% increase in restricted cash and cash equivalents from borrowers' payments towards their loan obligations, along with a $15,489 or 0.29% increase in restricted investments, reflecting interest earned on long-term investments held at local banking institutions in the form of certificates of deposit.

CURRENT LIABILITIES

In Fiscal Year 2022, current liabilities increased by $2,100,843 or 13% from the previous fiscal year. This was primarily driven by a $1,936,481 or 13% increase in deferred revenue due to the receipt of funds to implement the Governor's Small Business Innovative Grant Program and GVI line-item appropriations for program activities that were not fully executed by the end of the fiscal year. Additionally, accrued expenses increased by $58,871 or 113% due to higher payroll liability costs, and accounts payable witnessed a $94,434 or 19% increase due to timing differences in vendor payments during the fourth quarter of the fiscal year. Conversely, there was a slight reduction of $10,388, or 5%, in compensated absences. This was mainly due to payments made to employees who separated from the Authority for their unused vacation time. Lease liability increased by $18,563 or 100% due to the implementation of the GASB 87 lease standard.

NONCURRENT LIABILITIES

The Authority's noncurrent liabilities are significantly comprised of long-term debt, net pension liability, lease liability and other long-term liabilities accrued for post-employment and post-retirement benefits ("OPEB"). During Fiscal Year 2022, noncurrent liabilities decreased by $3,192,519 or 9% due to the cumulative effect of:

- A reduction of $3,172,130 or 10% 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 GERS.

- A reduction of $29,308 or 18% in long-term debt, representing the annual principal payment on the Intermediary Relending Program ("IRP") loan.

- A reduction of $2,861 or 1% in long-term compensated absences to record the amount owed to employees for accumulated vacation time at the end of the fiscal year.

- An increase of $11,780 or 100% lease liability due to the implementation of GASB 87.

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 2022 change in net position was $703,278 versus a deficiency of $198,221 in 2021. This was largely attributed to reduced retirement expenses resulting from a decrease in net pension liability.

Condensed Consolidated Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended September 30, 2022 and 2021

	2022	2021	Variance	% Variance
Operating Revenues	$ 1,930,927	$ 2,974,220	$(1,043,293)	-35%
Operating Expenses	(7,382,975)	(9,196,933)	1,813,958	-20%
Operating Loss before Depreciation	(5,452,048)	(6,222,713)	770,665	-12%
Depreciation	(320,342)	(257,022)	(63,320)	25%
Right-of-Use Amortization	(18,519)	-	(18,519)	100%
Operating Loss	(5,790,909)	(6,479,735)	688,826	-11%
Net Non-operating Revenues	6,494,187	6,281,514	212,673	3%
Changes in Net Position	703,278	(198,221)	901,499	455%
Net Position, Beginning of Year	(11,009,220)	(10,810,999)	(198,221)	-2%
Net Position, End of Year	$(10,305,942)	$ (11,009,220)	$ 703,278	6%

OPERATING REVENUES

Operating revenues decreased by $1,043,293 or 35% compared to the prior fiscal year. This was primarily due to a reduction of $879,870 or 89% in federal grant revenue following the expiration of three (3) major grants. These included grants from the U.S. Economic Development Administration ("USEDA") for developing a 20-year economic strategy and action plan for the U.S. Virgin Islands, and grants from the U.S. Small Business Administration ("USSBDA"). and the U.S. Department of the Interior ("USDOI") for small business export development and economic studies in the arts, agriculture, and farming sectors. Additionally, other operating revenue decreased due to the absence of income generated from the sale of collateral used to settle a delinquent loan with the EDB in the prior fiscal year. The amount billed for penalties and fines also decreased, reflecting a reduced number of VI Economic Development Commission ("VIEDC") beneficiaries found to be in violation of their Certificates. Lease revenue decreased by $59,826 or 7% as the decrease is attributable to the change in accounting principle based on GASB 87. However, the EDB experienced an increase of $33,860 or 28% in interest income from loans, driven by consistent year-over-year growth in the lending portfolio.

OPERATING EXPENSES

Operating expenses in the aggregate decreased by $1,813,958 or 20% compared to the previous fiscal year. This amount includes a reduction of $1,498,986 or 24% in personnel costs due to the net pension amount that was recorded for the fiscal year based on the updated actuarial estimate of pension costs for the Government of the U.S. Virgin Islands, in accordance with GASB Nos. 68 and 75. Further contributing to this reduction was a decrease in federal grant expenditures of $793,761 or 88% due to the completion of three (3) grant programs in the prior fiscal year. Additionally, there was a sharp decline in uncollectible receivables of $61,180 or 100% as no loans were deemed uncollectible in the EDB's loan portfolio during the fiscal year. On the other hand, advertising costs increased by $175,625 or 66% due to staff's attendance at targeted marketing events, tradeshows, and conferences, and placement of advertisements in national/industry publications. There was also a noticeable increase in general and administrative services of $164,621 or 20% due to increased professional development for staff and board, premiums for the Directors & Officers and General Commercial liability insurances, and labor costs related to the VIEDC Tax Incentive Program. Professional Services increased $199,593 or 38% as a result of contractual obligations for grant writing, lead generation, and auditing services. Right-of-use assets amortization increased by $18,519 or 100% due to implementation of GASB 87.

NON-OPERATING REVENUES AND EXPENSES

Non-operating revenues are revenues received from activities not related directly to a business core operation. 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.

In Fiscal Year 2022, the Authority's non-operating revenues increased by $212,673 or 3%. This was primarily driven by a $275,082 or 5% increase in the Government Appropriation, stemming from a one-time payment to restore the eight (8) percent wages withheld from GVI employees under the Economic Stability Act of 2011. Conversely, other income declined by $117,029 or 27% due to reduced indirect cost reimbursements following the closeout of grants from USEDA, USSBA, and USDOI last fiscal year, and decreased enhancement fees from SSBCI borrowers. Interest income declined by $12,164 or 27% due to the refinancing and/or modification of troubled loans, making it easier for borrowers to make payments. Additionally, interest expense and finance charges decreased by $362 or 17% as a result of paying the annual installment on the ("IRP") loan from the U.S. Department of Agriculture. Lease interest income increased by $66,422 or 100% due to the implementation of GASB 87.

CAPITAL ASSETS

As of September 30, 2022, the Authority had $628,442 invested in capital assets. Total asset acquisition during the fiscal year was $86,337 compared to $131,857 in 2021, a reduction of $45,520 or 35%. The net effect of these additions in the capital asset account and this year's total depreciation expense of $320,342 results in an overall decrease in net capital assets of $234,006 or 27% compared to last year.

Capital Assets at Year-end
Net of Accumulated Depreciation

	2022	2021
Building & Building Improvements	$ 9,509,937	$ 9,508,842
Leasehold Improvements	867,890	867,890
Equipment	1,549,343	1,464,098
Furniture & Fixtures	513,973	513,973
Vehicles	469,145	469,145
Leasehold Equipment	20,585	20,585
Total Costs	12,930,873	12,844,533
Less: Accumulated Depreciation	(12,302,431)	(11,982,085)
Net Capital Assets	$ 628,442	$ 862,448

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

CONSOLIDATED STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2022
(With Comparative Totals for 2021)

	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and Cash Equivalents	$ 17,972,193	$ 14,253,828
Investments	955,218	955,218
Other Receivables, net	1,786,853	1,823,969
Prepaid and Other Assets	134,105	199,662
Lease Receivables	2,280,151	-
Total Current Assets	23,128,520	17,232,677
Noncurrent Restricted Assets:		
Restricted Cash and Cash Equivalents	9,394,597	8,829,994
Restricted Investments	5,446,883	5,431,394
Restricted Loans Receivable, net	2,998,315	3,911,966
Total Noncurrent Restricted Assets	17,839,795	18,173,354
Capital Assets, net	628,442	862,448
Right-of-Use Asset, net	29,321	-
Total Assets	41,626,078	36,268,479
Deferred Outflows of Resources	5,360,295	6,675,614
Total Assets and Deferred Outflows of Resources	$ 46,986,373	$ 42,944,093
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities:		
Accounts Payable	$ 593,637	$ 499,203
Accrued Expenses	111,097	52,226
Compensated Absences	208,478	218,866
Interest Payable	18,352	18,245
Deferred Revenue	17,260,597	15,324,116
Loan Payable – Current	26,673	23,898
Lease Liability – Current	18,563	-
Total Current Liabilities	18,237,397	16,136,554
Noncurrent Liabilities:		
Compensated Absences	290,388	293,249
Security Deposits	69,125	69,125
Deferred Revenue	1,569,059	1,569,059
Relief Revolving Funds	400,000	400,000
Loan Payable – Noncurrent	135,144	164,452
Net Pension Liability	28,597,391	31,769,521
Lease Liability – Noncurrent	11,780	-
Total Noncurrent Liabilities	31,072,887	34,265,406
Total Liabilities	49,310,284	50,401,960
Deferred Inflows – Leases	2,263,284	-
Deferred Inflows – Pensions	5,718,747	3,551,353
Total Liabilities and Deferred Inflows of Resources	$ 57,292,315	$ 53,953,313
NET POSITION		
Net Position:		
Net Investment in Capital Assets	$ 628,442	$ 862,448
Restricted Net Position	16,648,812	16,486,935
Unrestricted Net Position	(27,583,196)	(28,358,603)
Total Net Position	$ (10,305,942)	$ (11,009,220)

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, 2022
(With Comparative Totals for 2021)

	2022	2021
Operating Revenues:		
Application and Processing Fees	$ 641,420	$ 638,216
Lease Revenue	800,673	860,499
Interest Income from Loans	153,175	119,315
Grant Revenue – Federal	108,260	988,130
Fees and Fines	115,165	169,634
Other Operating Revenue	112,234	198,426
Total Operating Revenues	1,930,927	2,974,220
Operating Expenses:		
Personnel Costs	4,799,162	6,298,148
General and Administrative	975,286	810,665
Occupancy	304,265	322,211
Advertising	440,916	265,291
Professional Services	718,619	519,026
Travel	33,237	18,391
Grant Expenditures – Federal	108,260	902,021
Grant Expenditures – Non-Federal	1,600	-
Lease Interest Expense	1,630	-
Uncollectible Receivables	-	61,180
Total Operating Expenses	7,382,975	9,196,933
Operating Loss Before Depreciation	(5,452,048)	(6,222,713)
Depreciation	(320,342)	(257,022)
Right-of-Use Amortization	(18,519)	-
Operating Loss	(5,790,909)	(6,479,735)
Nonoperating Revenues (Expenses):		
Government Appropriations	6,079,489	5,804,407
Interest Income	32,194	44,358
Other Income	317,860	434,889
Interest Expenses and Finance Charges	(1,778)	(2,140)
Lease Interest Income	66,422	-
Total Nonoperating Revenues	6,494,187	6,281,514
Changes in Net Position	703,278	(198,221)
Net Position, Beginning of the Year	(11,009,220)	(10,810,999)
Net Position, End of Year	$ (10,305,942)	$ (11,009,220)

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, 2022
(With Comparative Totals for 2021)

	2022	2021
Cash Flows from Operating Activities		
Cash Received from Application and Processing Fees	$ 676,231	$ 541,578
Cash Received from Tenants	815,729	736,152
Cash Received from Fees and Fines & Other Operating Income	985,926	368,060
Cash Received from Grant – Federal and Non-Federal	2,424,919	2,797,067
Cash Paid for Program Expenditure	(109,860)	(902,021)
Cash Paid for Goods and Services	(2,382,980)	(2,876,970)
Cash Paid to Employee for Services	(4,444,987)	(3,836,643)
Net Cash (Used in) Operating Activities	(2,035,022)	(3,172,777)
Cash Flows from Noncapital Financing Activities		
Cash Received from Primary Government	6,127,911	5,804,407
Other Income	230,247	434,889
Interest Expense and Finance Charges	(1,778)	-
Net Cash Provided by Noncapital Financing Activities	6,356,380	6,239,296
Cash Flows from Capital and Related Financing Activities		
Payment on Lease Liability	(19,019)	-
Net Principal Payments	(45,095)	(26,532)
Acquisition of Property and Equipment	(86,337)	(131,857)
Net Cash (Used in) Capital and Related Financing Activities	(150,451)	(158,389)
Cash Flows from Investing Activities		
Interest Income	32,194	42,218
Loan Repayments	611,632	962,375
Loan Disbursements	(516,276)	(1,021,450)
Purchase of Investment Securities	(15,489)	(30,295)
Net Cash Provided by (Used in) Investing Activities	112,061	(47,152)
Net Increase in Cash and Cash Equivalents	4,282,968	2,860,978
Cash and Cash Equivalents, Beginning of Year	23,083,822	20,222,844
Cash and Cash Equivalents, End of Year	$ 27,366,790	$ 23,083,822
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating (Loss)	$ (5,790,909)	$ (6,479,735)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	338,861	257,022
Bad Debt	-	59,076
Changes in Assets and Liabilities:		
Decrease (Increase) in Deferred Outflows of Resources – Pension	1,315,319	939,324
Decrease (Increase) in Other Receivable	37,116	(744,121)
(Increase) Decrease in Prepaid Expenses	65,557	101,949
Decrease (Increase) in Loans Receivable	913,651	(777,547)
Decrease (Increase) in Lease Receivable	(2,280,151)	-
(Decrease) Increase in Net Pension Liability	(3,172,130)	2,160,964
(Decrease) Increase in Lease Liability	30,343	-
(Decrease) Increase in Accounts Payable and Accrued Expenses	153,305	140,137
(Decrease) Increase in Compensated Absences	(13,250)	3,750
(Decrease) Increase in Deferred Revenue	1,936,481	1,808,937
(Increase) Decrease in Deferred Inflows of Resources – Pension	2,167,394	(642,533)
(Increase) Decrease in Deferred Inflows of Resources – Leases	2,263,284	-
Decrease (Increase) in Interest Payable	107	-
Net Cash (Used in) Operating Activities	$ (2,035,022)	$ (3,172,777)

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 Development Park 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 Development Park facilities. During fiscal year ended September 30, 2022, the Authority received appropriations totaling $6,079,489 from the Government of the Virgin Islands, which approximates 94% 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 government appropriations, interest generated from restricted and unrestricted investments in short-term investment instruments, other income, and lease interest income. Nonoperating expenses consist of interest expense and finance charges.

- ***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, 2022, 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 SBDA 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 Development Park Corporation (EDPC)** accounts for the activities conducted by the EDPC. The EDPC 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 EDPC accounts for rental and investment income, and administrative costs associated with its operation. The EDPC 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 position.

- ***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 amount 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

- ***Leases:*** The Authority implemented GASB Statement No. 87, Leases in fiscal year 2022. This Statement defines a lease as a legally binding contract that conveys control of the right-to-use another entity's nonfinancial asset (underlying asset) as specified in the contract for a period of time. This contractual arrangement requires the lessee (the party who is renting or leasing the asset) to pay the lessor (the party who owns or controls the asset) for use of the asset over a specified period of time. The Authority engages in contractual arrangements both as a lessee and lessor.

  Lessee

  As a lessee, the Authority recognizes a lease liability and an intangible right-to-use asset. The lease liability is measured at the present value of future payments expected to be paid during the lease term. Lease liabilities are subsequently reduced by the principal portion of lease payments made. The lease asset is measured as the initial lease liability. The right-to-use leased asset is amortized over the shorter of the lease term of the useful life of the underlying asset. The Authority utilizes the interest rate that is implicitly defined within the lease agreement as the discount rate. If one is not readily determinable, the Authority utilizes the incremental borrowing rate as an alternative. The Authority monitors changes in circumstances that would require remeasurement of its lease liability and will remeasure the lease liability and the right-to-use asset if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor
As a lessor, the Authority recognizes a lease receivable and deferred inflows of resources. The lease receivable is measured at lease commencement, based on the present value of future lease payments expected to be collected during the lease term. Lease receivables are subsequently reduced by the principal portion of lease payments received. The deferred inflows of resources are measured at the initial amount of the lease receivable. Deferred inflows of resources are recognized as revenue over the life of the lease term. The Authority utilizes the interest rate that is implicitly defined within the lease agreement as the discount rate. If one is not readily determinable, the Authority utilizes the incremental borrowing rate as an alternative. The Authority monitors changes in circumstances that would require remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

- ***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.

- ***Comparative Information:*** The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail or reclassifications to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended September 30, 2021 from which the summarized information was derived.

- ***Reclassifications:*** Certain prior year amounts may have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

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 2022.

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, 2022, the Authority recovered grants totaling $16,056,286.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at September 30, 2022:

	Unrestricted	Restricted	Total
Cash and Cash Equivalents	$17,972,193	$ 9,394,597	$27,366,790

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, 2022, accounts at each financial institution were insured by the Federal Deposit Insurance Corporation up to $250,000. Cash in excess of this limit are $35,401,372 and are fully collateralized.

Restricted Cash and Cash Equivalents: The restricted cash and cash equivalents at September 30, 2022 consisted of the following:

Micro Credit Loan Program	$ 1,803,443
Farmers and Fishermen Loan Fund	291,736
Frederiksted Revolving Loan Fund	257,923
Performance Bonding Loan Fund	2,301,444
Intermediary Relending Loan Fund	154,309
SBDA Revolving Loan Fund	999,837
SBDA Administration Loan Fund I	121,462
SBDA Administration Loan Fund II	245,689
SSBCI Grant	2,718,754
TAP Grant	500,000
	$ 9,394,597

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 based on inputs other than quoted prices included in Level 1 that are observable for the asset either directly or indirectly; Level 3 inputs are based unobservable inputs that are supported by little or no market activity that are significant to the fair value of the assets. At September 30, 2022, the Authority's investments consisted of certificate of deposits which had a recurring fair value of $6,402,101 at year-end. The certificates of deposits are classified as Level 2 in the fair value hierarchy and are valued at amortized cost-plus accrued interest.

		Investment Maturities	
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**
Certificates of Deposits	$ 5,446,883	$ 955,218	$6,402,101

NOTE 5 RESTRICTED NET POSITION FOR LOAN PROGRAMS AND OTHER FUNDS

The restricted net position at September 30, 2022, consists of the following:

Micro Credit Loan Program	$ 3,885,349
Farmers and Fishermen Loan Fund	316,736
Frederiksted Revolving Loan Fund	257,923
Performance Bonding Loan Fund	4,136,684
Intermediary Relending Loan Fund	(7,507)
SBDA Revolving Loan Fund	1,463,464
SBDA Administration Loan Fund I	181,216
SBDA Administration Loan Fund II	508,424
SSBCI Grant	5,406,523
TAP Grant	500,000
	$16,648,812

NOTE 6 LOANS RECEIVABLE

Restricted Loans receivable as of September 30, 2022 was as follows:

Loan Principal	$ 3,469,167
Less Allowance for Doubtful Accounts	(470,852)
Net Loans Receivable	$ 2,998,315

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.

NOTE 7 OTHER RECEIVABLE

The other receivables balance as of September 30, 2022:

	Other Receivables	Allowance	Other Receivables, net
SSBCI Receivable	$ 876,923	$ -	$ 876,923
Interest Receivable	2,359	-	2,359
GDB Receivable	16,035	-	16,035
EDC Fees & Charges	167,415	(70,730)	96,685
Rent Receivable	121,650	-	121,650
Grant Receivable-Board Up & Scrape and Paint Program	40	-	40
Tax Increment Financing Fund	30,015	(30,015)	-
Economic Development Management	704,982	(31,611)	673,371
Receivable - Taxi-Tour Bus	(210)	-	(210)
Total	$ 1,919,209	$ (132,356)	$ 1,786,853

Provision for uncollectible accounts was $132,356 in fiscal year 2022.

NOTE 8 CAPITAL ASSETS

Capital assets are composed of the following at September 30, 2022:

	Beginning Balance	Additions	Retirement	Ending Balance
Capital Assets				
Building and Building Improvements	$ 9,508,842	$ 1,095	$ -	$ 9,509,937
Leasehold Improvements	867,890	-	-	867,890
Equipment	1,464,101	85,242	-	1,549,343
Furniture and Fixtures	513,973	-	-	513,973
Vehicles	469,145	-	-	469,145
Leasehold Equipment	20,585	-	-	20,585
Total Capital Assets	12,844,536	86,337	-	12,930,873
Accumulated Depreciation				
Building and Building Improvements	(9,080,297)	(126,082)	-	(9,206,379)
Leasehold Improvements	(682,708)	(77,008)	-	(759,716)
Equipment	(1,240,887)	(96,800)	-	(1,337,687)
Furniture and Fixtures	(513,861)	(111)	-	(513,972)
Vehicles	(443,751)	(20,341)	-	(464,092)
Leasehold Equipment	(20,585)	-	-	(20,585)
Total Accumulated Depreciation	(11,982,089)	(320,342)	-	(12,302,431)
Capital Assets, net	$ 862,447	$ (234,005)	$ -	$ 628,442

Depreciation expense for the year ended September 30, 2022 totaled $320,343.

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, 2022, the outstanding loan balance was $161,817.

As of September 30, 2022, the outstanding loan balance is comprised of the following:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Loan Payable	$ 188,350	$ -	$ 26,533	$ 161,817	$ 26,673

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

2023	$ 26,673
2024	26,940
2025	27,209
2026	27,482
Thereafter	55,513
Total	$ 161,817

NOTE 10 COMPENSATED ABSENCES

Compensated absences balance as of September 30, 2022 was $498,866 of which $208,478 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.

The leases require monthly payments for varying terms. The Authority recognized $800,673 and $66,422 in lease revenue and interest income, respectively, during the fiscal year ended September 30, 2022. As of September 2022, lease receivables totaled $2,280,151 and deferred inflows of resources totaled $2,263,284.

Lease Liability
The System entered into contractual arrangements as a lessee for an office building. 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. Lease expense for the year ending September 30, 2022 was $212,180. As of September 30, 2022, the statement of net position includes the following amounts related to leases:

Leased Assets:	
Building	$ 47,840
Less Accumulated Amortization	18,519
Leased Assets, Net of Amortization	$ 29,321
Lease Liability:	
Current	$ 18,563
Non-Current	11,780
Total Lease Liability	$ 30,343

The aggregate future lease payments below summarize the remaining future undiscounted cash flows for operating leases as of September 30, 2022, and a reconciliation to operating lease liabilities reported on the statement of financial position:

Date	Principal	Interest	Total
September 30, 2023	$ 18,563	$ 931	$ 19,494
September 30, 2024	11,780	167	11,947
	$ 30,343	$ 1,098	$ 31,441

NOTE 12 DEFERRED REVENUE

Current Deferred Revenue: The $17,260,597 reflected in the financial statements is composed of $12,920,121 which was not expended as of September 30, 2022, from the grant funds received in fiscal year 2012 from the United States Department of Treasury for the State Small Business Credit Initiative, $2,000,000 in increased funding from the Government of the Virgin Islands for the construction of a state of the art, certified, clean kitchen facility on St. Croix and $2,340,476 which represents amounts not expended for the incubator grant and marketing supplemental allotments.

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. The remaining amount relates to $112,436 and $8,143 which represents unexpended funds for the EZC and STEP grant programs and $509,075 which relate to the energy efficient program which EDA administers on behalf the Virgin Islands energy office.

NOTE 13 FEDERAL GRANT EXPENDITURES

Federal grant expenditures for the year ended September 30, 2022, totaled $108,260. Additionally, FEMA grants were awarded to repair buildings affected by hurricanes Maria and Irma in 2017. Those grants are administered by the Virgin Islands Disaster Recovery Office (VI DOR) and the Virgin Islands Territorial Emergency Management Agency (VITEMA) on behalf of the Authority and are recorded by VITEMA. Expenditures for these grants are not included in the Authority's financial statements.

NOTE 14 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, 2022 was $2,136,291.

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, 2022. 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 15 NET PENSION LIABILITY

Net Pension Liability

Effective July 1, 2014, the Entity implemented the provisions 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 semi-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 23.5% 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:	September 30, 2021
Measurement Date:	September 30, 2021
Measurement Period:	October 1, 2020 – September 30, 2021

The Authority's proportionate share of employer contributions recognized by GERS was $528,113 for the Plan's fiscal year ended September 30, 2021.

Pension Liabilities and Expense and Deferred Outflows/Inflows of Resources

The actuarial calculated net pension liability is calculated for Economic Development Authority (EDA) and Economic Development Park Corporation (EDPC) separately. As of September 30, 2022, the actuarial calculated net pension liability for EDA's and EDPC's proportionate share of the net pension liability of the Plan was $26,479,066 and $2,118,325, respectively. The net pension liability of the Plan is measured as of September 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021. Actuarially determined proportionate share information from GERS was estimated by management based on an average five-year respective share of the Authority's contributions to the Plan relative to all contributions to the Plan.

At September 30, 2021, EDA's and EDPC's proportion was 0.4973% and 0.0364% percent respectively, which was a decrease of 0.0127% and 0.0036%, respectively, from its proportion measured as of September 30, 2020.

For the year ended September 30, 2022, EDA and EDPC recognized $262,215 and $48,368 of pension expense respectively, inclusive of amortization of deferred outflows of pension related items.

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

	Deferred Outflows by Resources	Deferred Inflows of Resources
Change in assumptions	$ 4,175,811	$ 2,086,386
Difference between expected and actual experience	159,444	1,595,115
Net difference between projected and actual earnings on pension plan investments	-	20,243
Change in proportionate share	129,771	1,542,226
Contributions made subsequent to measurement date	515,617	-
	$ 4,980,643	$ 5,243,970

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,	
2023	$ 614,704
2024	$ 253,191
2025	$ 483,301
2026	$ (152,752)
2027	$ (153,250)
Thereafter	$ (415,105)

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

	Deferred Outflows by Resources	Deferred Inflows of Resources
Change in assumptions	$ 334,065	$ 166,911
Difference between expected and actual experience	12,756	127,609
Net difference between projected and actual earnings on pension plan investments	-	1,619
Change in proportionate share	6,219	178,638
Contributions made subsequent to measurement date	26,612	-
	$ 379,652	$ 474,777

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,	
2023	$ 44,993
2024	$ 18,532
2025	$ 35,375
2026	$ (11,181)
2027	$ (11,217)
Thereafter	$ (30,384)

Actuarial Assumptions

A summary of the actuarial assumptions and methods used to calculate the total pension liability as of September 30, 2021, is provided below. Refer to September 30, 2021 actuarial valuation report for a complete description of all other assumptions, which can be found on GERS' website.

Inflation Rate:	2.10%
Salary Increases:	3.25% including inflation
Actuarial Cost Method:	Entry Age Normal
Expected Rate of Return:	4.00%
Municipal Bond Yield:	2.26%
Discount Rate:	2.52%
Mortality Table:	RP-2014 Blue Collar

Investment Rate of Return

The expected rate of return of 4.0% 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 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, 2021, are summarized as follows:

Asset Class	**Target Allocation**	[1] **Long-Term Expected Real Rate of Return**
Domestic Equity	9%	7.04%
Fixed Income	60%	0.89%
Real Estate	10%	4.14%
Cash	12%	0.29%
Private Equities (Alternatives)	9%	11.04%
Total	100%	

[1] **Real rates of return are net of inflation.**

Discount Rate

The discount rate used to measure the total pension liability was 2.52% as of September 30, 2021. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate. 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 expected rate of return on plan investments of 4.0% 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 2.26% at September 30, 2021.

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

The following presents the System's allocated proportionate share of the net pension liability (NPL) for the plan, calculated using the discount rate of 2.52% as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (1.52%) or 1% higher (3.52%) than the current rate.

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

1% Decrease Share of NPL @ 1.52%	Share of NPL @ 2.52%	1% Increase Share of NPL @ 3.52%
$33,328,044	$26,479,066	$24,966,384

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

1% Decrease Share of NPL @ 1.52%	Share of NPL @ 2.52%	1% Increase Share of NPL @ 3.52%
$2,439,455	$2,118,325	$1,827,421

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

NOTE 16 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Authority has various outstanding commitments at September 30, 2022, 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.

NOTE 20 SUBSEQUENT EVENTS

The Authority operates the Economic Adjustment Assistance program a revolving loan fund (RLF) with grant funding from the United States Department of Commerce - Economic Development Administration (USEDA). Subsequent to September 30, 2022, the USEDA authorized the release of its federal interest in the RLF awards. The federal share of the RLF awards totaled $731,908.

The Authority's management has evaluated subsequent events through July 22, 2024, the date the financial statements were available to be issued. There were no additional events or transactions which would require adjustments or disclosure to the financial statements. 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

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

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion Share of the Net Pension Liability	0.5337%	0.5500%	0.5600%	0.5935%	0.5994%	0.5868%	0.6044%	0.05569%
Proportionate Share of the Net Pension Liability	$28,597,391	$31,769,521	$29,762,028	$24,765,971	$26,256,361	$27,147,208	$24,609,495	$18,803,107
Covered-Employee Payroll	$2,197,549	$ 2,264,666	$ 2,236,567	$ 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	1301%	1403%	1331%	1031%	1092%	1274%	1145%	892%
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	8.23%	8.23%	9.16%	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

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	$1,930,777	$2,055,618	$2,048,499	$1,647,137	$1,604,852	$1,450,324	$1,209,343	$1,056,524
Contributions in Relation to the Contractually Required Contribution	528,113	517,748	509,651	484,158	450,946	528,992	437,513	388,619
Annual Contribution Deficiency (Excess)	$1,402,664	$1,537,870	$1,545,848	$1,162,979	$1,153,906	$ 921,332	$ 771,830	$ 677,905
Covered Employee Payroll	$2,293,724	$2,264,666	$2,236,567	$2,402,395	$2,404,022	$2,130,222	$2,149,268	$2,106,050
Contributions as a Percentage of Covered Employee Payroll	23.02%	22.86%	22.47%	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.*

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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*

The 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 financial statements of the Virgin Islands Economic Development Authority (the "Authority"), which comprise the consolidated statement of net position as of September 30, 2022, and the related consolidated 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, which collectively comprise the Authority's basic consolidated financial statement, and have issued our report thereon dated July 22, 2024.

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) as a basis for designing 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 or significant deficiencies 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 consolidated 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 financial statements. 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 or other matters 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.

Washington, D.C.
July 22, 2024

OTHER SUPPLEMENTARY INFORMATION

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
COMBINING SCHEDULE OF NET POSITION
AS OF SEPTEMBER 30, 2022
(With Comparative Total for 2021)

ASSETS	EDB	EDC	EDM	EDPC	EZC	IRP	SSBCI	STEP	USE	Eliminations	2022	2021
Current Assets:												
Cash and Cash Equivalents	$ 28,015	$ 1,094,036	$ 6,308,413	$ 1,433,686	$ 2,132,788	$ -	$ 6,972,680	$ 2,575	$ -	$ -	$ 17,972,193	$ 14,253,828
Investments		-	955,218	-	-	-	-	-	-	-	955,218	955,218
Receivable, net	(13,427)	96,685	704,982	121,650	39	-	876,924	-		-	1,786,853	1,823,969
Due from Other Fund	2,577,345	2,565,088	831,332	1,304	-	-	-	21,797		5,996,866	-	-
Prepaid & Other Assets	-	-	119,747	14,358	-	-	-	-	-	-	134,105	199,662
Lease Receivables				2,280,151							2,280,151	-
Total Current Assets	2,591,933	3,755,809	8,919,692	3,851,149	2,132,827	-	7,849,604	24,372	-	5,996,866	23,128,520	17,232,678
Non-Current Assets:												
Restricted Cash & Cash Equivalents	5,654,382	-	-	500,000		154,309	2,718,755	-	367,151	-	9,394,597	8,829,994
Restricted Investments	2,750,237	-	-	-	-	-	2,696,646	-	-	-	5,446,883	5,431,394
Restricted Loan Receivable, net	2,601,976	-	9,770	-	-	90,975		-	295,594	-	2,998,315	3,911,966
Total Non-Current Assets	11,006,595	-	9,770	500,000	-	245,284	5,415,401	-	662,745	-	17,839,795	18,173,354
Capital Assets, net	97,245	-	147,541	383,656	-	-	-	-	-	-	628,442	862,448
Right of Use Asset, net			29,321								29,321	-
											-	
Total Assets	13,695,773	3,755,809	9,106,324	4,734,805	2,132,827	245,284	13,265,005	24,372	662,745	5,996,866	41,626,078	36,268,480
											-	
Deferred Outflows of Resources	-	-	4,980,643	379,652	-	-	-	-	-	-	5,360,295	6,675,614
											-	
											-	
Total Assets and Deferred Outflows of Resources	$ 13,695,773	$ 3,755,809	$ 14,086,967	$ 5,114,457	$ 2,132,827	$ 245,284	$ 13,265,005	$ 24,372	$ 662,745	$ 5,996,866	$ 46,986,373	$ 42,944,094
LIABILITIES												
Current Liabilities												
Accounts Payable	$ 4,928	$ 47,498	$ 486,267	$ 52,894	$ -	$ 1,500	$ -	$ -	$ 550	$ -	$ 593,637	$ 499,203
Accrued Expenses		-	105,431	5,666	-	-	-	-	-	-	111,097	52,226
Compensated Absences - Current		-	202,723	5,755	-	-	-	-	-	-	208,478	218,866
Interest Payable	18,245	-	107	-	-	-	-	-	-	-	18,352	18,245
Due to Other Fund	458,973	10	5,090,884	429,254	-	-	17,745	-		5,996,866	-	-
Deferred Revenue	-	-	2,340,476	-	2,000,000	-	12,920,121	-	-	-	17,260,597	15,324,116
Note Payable - Current	-	-	-	-	-	26,673	-	-	-	-	26,673	23,898
Lease Liability - Current	-	-	18,563	-	-	-	-	-	-	-	18,563	-
Total Current Liabilities	482,146	47,508	8,244,451	493,569	2,000,000	28,173	12,937,866	-	550	5,996,866	18,237,397	16,136,553
Non-Current Liabilities												
Compensated Absences	-	-	284,453	5,935	-	-	-	-	-	-	290,388	293,249
Security Deposit	-	-	-	69,125	-	-	-	-	-	-	69,125	69,125
Deferred Revenue	939,405	-	-	509,075	112,436	-	-	8,143	-	-	1,569,059	1,569,059
Relief Revolving Funds	400,000	-	-	-	-	-	-	-	-	-	400,000	400,000
Loan Payable	-	-	-	-	-	135,144	-	-	-	-	135,144	164,452
Net Pension Liability	-	-	26,479,066	2,118,325	-	-	-	-	-	-	28,597,391	31,769,521
Lease Liability - Non-Current	-	-	11,780								11,780	-
Total Non-Current Liabilities	1,339,405	-	26,775,299	2,702,460	112,436	135,144	-	8,143	-	-	31,072,887	34,265,406
											-	
Total Liabilities	1,821,551	47,508	35,019,750	3,196,029	2,112,436	163,317	12,937,866	8,143	550	5,996,866	49,310,284	50,401,959
											-	
Deferred Inflows - Leases				2,263,284							2,263,284	-
Deferred Inflows of Resources	-	-	5,243,970	474,777	-	-	-	-	-	-	5,718,747	3,551,353
											-	
Total Liabilities and Deferred Inflows of Resources	1,821,551	47,508	40,263,720	5,934,090	2,112,436	163,317	12,937,866	8,143	550	5,996,866	57,292,315	53,953,313
											-	
NET POSITION											-	
Invested in Capital Assets, net of related debt	97,245	-	147,541	383,656	-	-	-	-	-	-	628,442	862,448
Restricted Net Position	10,050,385	-	9,770	500,000	-	(7,507)	5,406,525	-	689,639	-	16,648,812	16,486,935
Unrestricted Net Positon	1,726,592	3,708,301	(26,334,064)	(1,703,289)	20,391	89,474	(5,079,386)	16,229	(27,444)	-	(27,583,196)	(28,358,603)
											-	
Total Net Position	$ 11,874,222	$ 3,708,301	$ (26,176,753)	$ (819,633)	$ 20,391	$ 81,967	$ 327,139	$ 16,229	$ 662,195	$ -	$ (10,305,942)	$ (11,009,220)

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2022

(With Comparative Total for 2021)

	EDB	EDC	EDM	EDPC	EZC	IRP	SSBCI	STEP	USE	2022	2021
Operating Revenues											
Application and Processing Fees	$ -	$ 635,500	$ 5,920	$ -	$ -	$ -	$ -	$ -	$ -	$ 641,420	$ 638,216
Rental Income	-	-	-	800,673	-	-	-	-	-	800,673	860,499
Interest Income from Loans	136,230	-	12,550	-	-	4,395	-	-	-	153,175	119,315
Grant Revenue - Federal	-	-	25,911		82,349	-	-	-	-	108,260	988,130
Grant Revenue - Non-Federal	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	115,165	-	-	-	-	-	-	-	115,165	169,634
Bad Debt Recovery	-	-	-	-	-	-	-	-	-	-	-
Other Operating Income	27,562	-	-	71,408	-	614	-	-	12,650	112,234	198,426
Total Revenue	163,792	750,665	44,381	872,081	82,349	5,009	-	-	12,650	1,930,927	2,974,220
Operating Expenses											
Personnel Costs	-	-	4,521,933	277,229	-	-	-	-	-	4,799,162	6,298,148
General and Administrative	40	-	771,157	203,993	-	-	96	-		975,286	810,665
Occupancy	-	-	261,645	42,620	-	-	-	-	-	304,265	322,211
Advertising	-	-	438,165	2,751	-	-	-	-	-	440,916	265,291
Professional Services	-	-	662,736	55,883	-	-	-	-	-	718,619	519,026
Travel	-	-	30,984	2,253	-	-	-	-	-	33,237	18,391
Grant Expenditure - Federal	-	-	25,911	-	82,349	-	-		-	108,260	902,021
Grant Expenditure - Non-Federal	-	-	1,600	-	-	-	-	-	-	1,600	-
Lease Interest Expense			1,630							1,630	-
Uncollectible Receivables	-	-	-	-	-	-	-	-		-	61,180
Total Operating Expenses	40	-	6,715,761	584,729	82,349	-	96	-	-	7,382,975	9,196,933
Excess (Deficiency) of Revenues from Operations Before Depreciation and Other Assets	163,752	750,665	(6,671,380)	287,352	-	5,009	(96)	-	12,650	(5,452,048)	(6,222,713)
Depreciation	12,892		150,246	157,204	-	-	-	-	-	320,342	257,022
ROU Amortization			18,519							18,519	
Operating Income (Loss)	150,860	750,665	(6,840,145)	130,148	-	5,009	(96)	-	12,650	(5,790,909)	(6,479,735)
NonOperating Revenues (Expenses)											
Government Appropriation	-	-	6,079,489	-	-	-	-	-	-	6,079,489	5,804,407
Interest Income	4,109	-	349	3,242	-	-	23,657	-	837	32,194	44,358
Other Income	1,243	(699,970)	995,229	-	-	3,711	-	-	17,647	317,860	434,889
Interest Expense & Finance Charges	-	-	-	-	-	(1,778)	-	-	-	(1,778)	(2,140)
Lease Interest Income				66,422						66,422	-
Total Non-Operating Revenues	5,352	(699,970)	7,075,067	69,664	-	1,933	23,657	-	18,484	6,494,187	6,281,514
Change in Net Position	156,212	50,695	234,922	199,812	-	6,942	23,561	-	31,134	703,278	(198,221)
Net Position, Beginning of Year	11,718,010	3,657,606	(26,411,675)	(1,019,445)	20,391	75,025	303,578	16,229	631,061	(11,009,220)	(10,810,999)
Net Position, End of Year	$ 11,874,222	$ 3,708,301	$ (26,176,753)	$ (819,633)	$ 20,391	$ 81,967	$ 327,139	$ 16,229	$ 662,195	$ (10,305,942)	$ (11,009,220)