

“SOWING THE SEEDS FOR ECONOMIC PROSPERITY”



ANNUAL OPERATING BUDGET Fiscal Year 2018

U.S. Virgin Islands Economic Development Authority



U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

**FISCAL YEAR 2018 BUDGET
OCTOBER 1, 2017 – SEPTEMBER 30, 2018**

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U.S.VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

FISCAL YEAR 2018 BUDGET October 1, 2017 – September 30, 2018

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U.S.VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY

**FISCAL YEAR 2018 BUDGET
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August 3, 2017

The Honorable Kurt A. Violet
Chairman, Committee on Finance
32nd Legislature of the U.S. Virgin Islands
Capital Building, P.O. Box 1690
St. Thomas, U.S. Virgin Islands 00804

Re: U.S. Virgin Islands Economic Development Authority's FY 2018 Budget Submission

Dear Senator Violet:

I am happy to present the U.S. Virgin Islands Economic Development Authority's ("USVIEDA" or "Authority") Fiscal Year 2018 budget for consideration by the Committee on Finance.

This budget is representative of a farmer sowing seeds in the ground, carefully selecting the areas to plant in anticipation of a bountiful crop. Like this farmer, we have identified areas within our budget that we believe will yield the greatest returns in expanding the economic base and allowing the Government to generate the revenues it needs to improve the standard of living for its citizens.

For Fiscal Year 2018, the USVIEDA budget request is \$5,882,865. This amount is \$400,000 less than the amount appropriated in Fiscal Year 2017 due to: a decrease in Incubator and marketing funding of \$150,000 and \$100,000, respectively, and the nonrecurring appropriation of \$150,000 to fund a cost-benefit analysis.

Although there is a reduction in the amount requested for Fiscal Year 2018, we believe we can achieve the objectives laid out in this budget with the funding we are requesting. It has the flexibility to shift resources around to areas that we feel can yield the greatest outcomes.

To this end, and beginning in the latter part of this fiscal year, we will complement the staffing needs of the organization by adding two (2) new positions: a Director of Marketing and an Associate Legal Counsel.

The Director of Marketing will lead the charge in helping to ensure that the Authority provides the help that businesses need to operate successfully in the Territory – whether existing or start-up - and to lure new businesses to our shores. This will be achieved by getting the message across forcefully and convincingly that the Territory is one of the most business-friendly places to do business.



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The Honorable Kurt Violet
USVIEDA FY 2018 Budget Request
August 3, 2017
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The Associate Legal Counsel will provide the much-needed support in the speedy development and completion of rules and regulations together with their promulgation relating to the Hotel Development Act, the Youth Recreational Incentive Act, and the update of the rules and regulations for the Economic Development Commission (EDC) and the Enterprise Zone Commission. In addition, this staff member's service will prove valuable in the drafting of legislations, and the interactions and contacts with the various levels of government to ensure that our laws and statutes are consistent with the goals of the organization and our desire to operate at the most efficient level.

With these important additions to our staff level, we can focus more on the use of analytics to help determine where best to invest the limited resources of the organization.

Finally, we hope that the seeds we are about to sow in fiscal year 2018 will germinate, grow strong, and bear a bountiful harvest we all can be proud of.

Respectfully,

Wayne Biggs, Jr.

Wayne Biggs, Jr.
Acting Chief Executive Officer



**U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
FISCAL YEAR BEGINNING OCTOBER 1, 2017**

Principal Officials

Governing Board

| <u>Board Member</u> | <u>Position</u> |
|----------------------------|------------------------|
| José A. Penn | Chairman |
| Philip Payne | Vice Chairman |
| Avery Lewis | Secretary |
| Haldane Davies, PhD. | Member |
| Eugene Farrell | Member |
| Juan Figueroa, Sr. | Member |
| Catherine Hendry, Esq. | Member |

Senior Management Team

Wayne L. Biggs, Jr., Acting Chief Executive Officer

Tracy Lynch Bhola, Esq., General Counsel

Ernest Halliday, CPA, CGMA, Director, Administration & Finance

Margarita Benjamin, Director, Economic Development Commission, Applications Department

Claude S.M. Gerard, Director, Economic Development Commission, Compliance Department

Nadine Marchena Kean, Director, Enterprise Zone Commission

Sharmane Brookes, Director, Economic Development Bank

Mark Finch, Industrial Park Superintendent, Economic Development Park Corporation

Mission Statement

The U.S. Virgin Islands Economic Development Authority (“USVIEDA”) is a semi-autonomous governmental agency responsible for promoting and enhancing economic development, and fostering positive public/private sector partnerships to improve the standard of living for residents of the United States Virgin Islands.

SCOPE AND OVERVIEW

The USVIEDA is the unification of four (4) separate entities: the Economic Development Bank for the United States Virgin Islands (“EDB”), the Economic Development Commission (“EDC”), the Economic Development Park Corporation (“EDPC”), and the Enterprise Zone Commission (“EZC”). The functions of each entity have been unified under one Governing Board (“Board”).

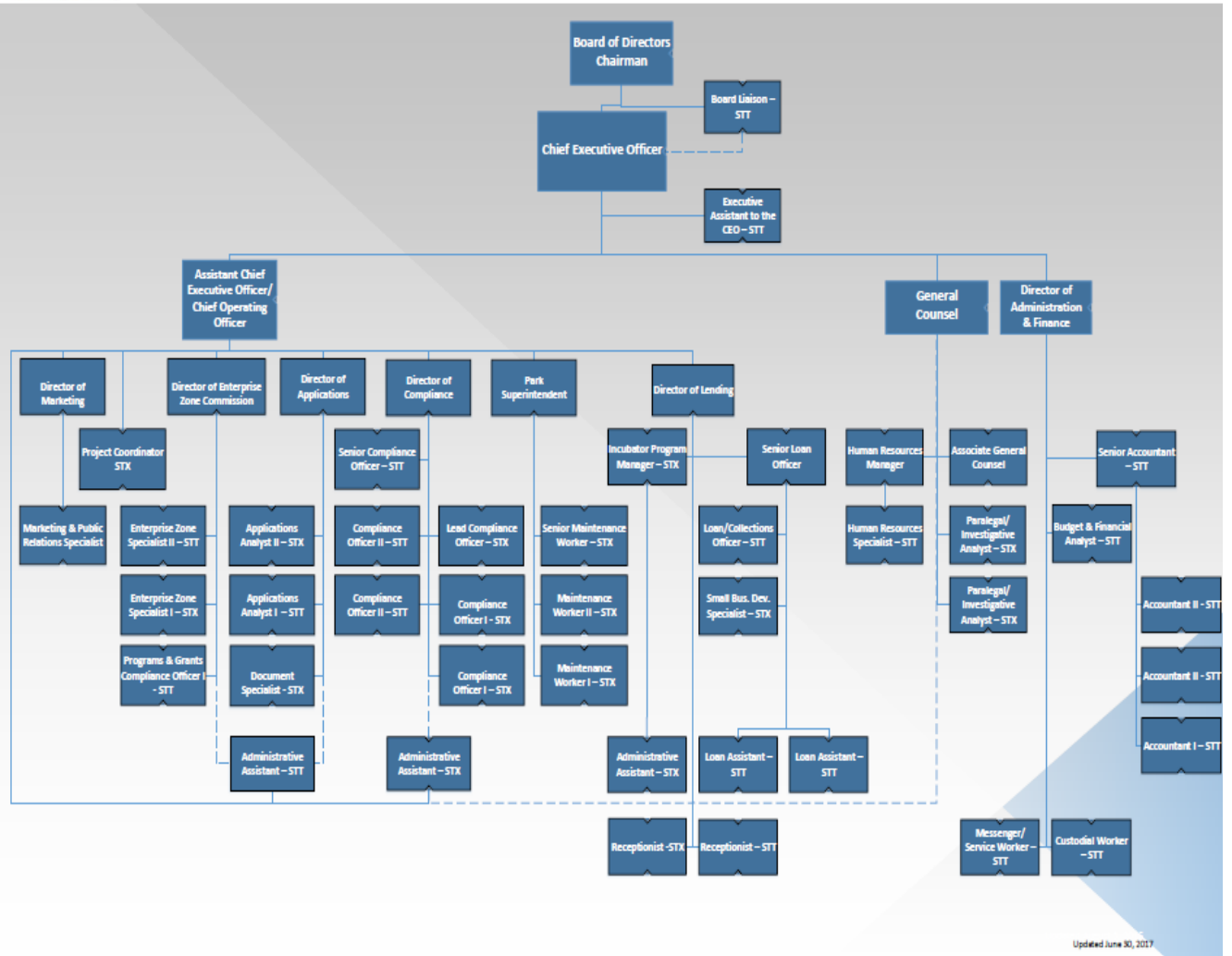
The Board is comprised of seven (7) members. Three (3) members are employees of the Government of the Virgin Islands or the Government of the United States and are appointed by the Governor, with the advice and consent of the Legislature for a term of three (3) years. Three (3) members must be non-government employees, one must be a resident of St. Thomas, another a resident of St. John, and the other a resident of St. Croix. One (1) member shall be appointed from either the Board or executive staff of the Employees Retirement System of the Government of the Virgin Islands, or the Virgin Islands Port Authority, or the University of the Virgin Islands.



USVIEDA ORGANIZATIONAL CHART



ORGANIZATIONAL CHART



ACCOUNTING SYSTEM AND FINANCIAL REPORTING ROLES AND RESPONSIBILITIES



The USVIEDA is a component unit of the U.S. Virgin Islands Government and follows enterprise fund accounting and reporting. The financial statements are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting.

Management prepares a number of financial and statistical reports, including the Financial Statements with Supplementary Information to support the annual audit, and is responsible for the integrity and objectivity of management and financial reporting. Financial statements are prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States of America, applying certain estimates and judgments as required.

The USVIEDA employs internal controls designed to provide reasonable assurance of integrity and reliability of financial reporting and to safeguard, verify, and maintain accountability of assets. Such controls are derived from established written policies and procedures that are implemented by trained, skilled personnel. The USVIEDA’s employment policy prescribes that all employees maintain the highest ethical standards and conduct business practices in a manner above reproach.

The USVIEDA engages the services of outside auditors on an annual basis to perform an independent audit of its financial statements, the objective of which is to express an opinion on the financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

The Governing Board of the USVIEDA formulates the overall vision of the entity and fulfills its responsibilities of the oversight and administration of the Authority’s practices and governance through actions of the full Board.

USVIEDA DIRECT AND INDIRECT COST ALLOCATIONS

The USVIEDA's activities can be classified into two (2) distinct categories – operational units' activities and administrative units' activities.

The definition of an operational unit is one that is charged with the responsibility of carrying out the organizational mandates. These operational units also known as divisions, include the Economic Development Bank ("EDB"), the Economic Development Commission ("EDC"), the Enterprise Zone Commission ("EZC") and the Economic Development Park Corporation ("EDPC").

The definition of an administrative unit is one that provides support to the operational units in fulfilling the organizational mandates. These administrative units, also known as departments, include the Governing Board, the Executive Office, Administration and Finance, Human Resources ("HR"), Legal, Marketing/Public Relations, and Economic Development Management ("EDM").

The operating costs of the USVIEDA are classified as either direct or indirect.

A direct cost is a cost that can be identified specifically with a unit and can be traced with relative ease and a high degree of accuracy to that unit. An indirect cost is a cost that is incurred in common with other units and cannot be traced to any specific unit. The indirect costs are then distributed to both the operational and administrative units through an internal indirect cost allocation process.

For ease and convenience, operating indirect costs are budgeted and expensed in the Economic Development Management (EDM) unit. At the end of a given period, the indirect costs accumulated in the EDM unit are distributed to all operational and administrative units based on a pre-determined allocation rate.

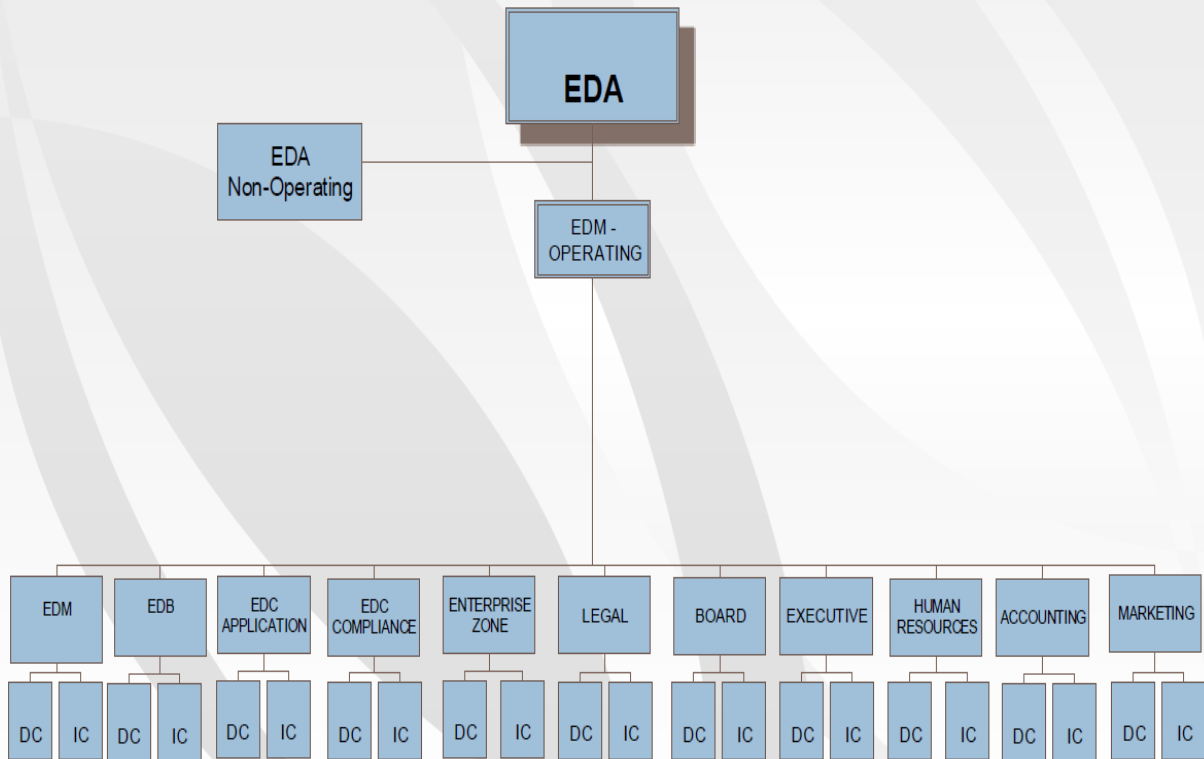
By the end of a fiscal period all direct costs would have been posted to both the operational and administrative units and all indirect costs would have been allocated from the EDM unit to both the operational and the other administrative units, the total cost to operate each operational and administrative unit can be determined.

The total cost (direct and indirect) for each administrative unit is indirect to the operational units and are then further allocated to the operational units using a pre-determined allocation method.

By the end of a fiscal period, the total cost of operating each operational unit within the USVIEDA can be determined and so can the total cost to operate the USVIEDA, which will be the sum total of each operating cost expense.

VI Economic Development Authority

Cost Accounting Structure



Legend:

DC = Direct Cost
IC = Indirect Cost

GOALS, OBJECTIVES, PERFORMANCE MEASUREMENT, AND PERFORMANCE EVALUATION

Goals, objectives, performance measurements, and performance evaluations establish the strategic operational framework for the USVIEDA.

A goal is the end result to be accomplished and answers this question: “What is the purpose in the big picture?” For the USVIEDA, its purpose is the creation of good jobs to improve the standard of living for residents.

Objectives are the action steps taken to carry out the big picture and serve as benchmarks to measure performance. Each objective has four (4) fundamental characteristics.

- Be measurable;
- Identify a target of program activity;
- Set a timeframe for completion; and
- Provide an expected direction of change.

Performance measurement is the ongoing monitoring and reporting on program accomplishments compared to the pre-established goals and objectives as outlined by each unit. The development of performance measurements requires careful thought and planning and must include the following basic ingredients: objectivity, relevance, reliability, validity, and indicators of degrees of success.

Performance Evaluations are critical, especially in periods of scarce resources, and provide a means of assessing how well a unit is performing. Evaluations answer key goal-related questions, such as:

- 1) Are stakeholders getting what they deserve?
- 2) Are taxpayers getting their money’s worth?
- 3) Are those we serve better off?
- 4) Can the service we provide be improved?

The achievability of the USVIEDA’s goals and the fulfillment of objectives rest with supervisors and their subordinates, and the budget provides the financial resources to do so. The execution of performance measurement and evaluation functions in ensuring that scarce resources are used in the most efficient manner for the benefit of residents is of utmost importance.

ANNUAL BUDGET CALENDAR AND PROCESSES

The budget formulation process is designed to allow the USVIEDA to fulfill its mission by aligning goals, priorities, and objectives with financial resources and to evaluate actual achievements relative to anticipated outcomes.

DECEMBER – JANUARY

The budget formulation process begins with the development of revenue and expenditure projections for the upcoming fiscal year. These projections are presented to the USVIEDA Governing Board with comparisons and analyses of past trends (i.e. appropriations, allotments, revenues, and expenditures) in addition to other financial data to justify and support management's budget recommendations.

During this process, the USVIEDA's Governing Board outlines its priorities, goals and objectives for the Authority for the upcoming fiscal year. This process forms the basis for the development of the budget and determines the final budget amount to be submitted to the Office of Management & Budget for consideration and inclusion in the Government of the Virgin Islands' annual operating budget submission to the Legislature.

FEBRUARY

The USVIEDA's budget staff establishes budget ceilings for each division and department consistent with the priorities, goals, and objectives as outlined by the USVIEDA Governing Board. This information is communicated to each division or department head through a budget call that provides instructions and guidance for preparing each division's and department's budget. The budget staff conducts budget orientation sessions with lead members of each division and department in order to provide guidance and present an overview of the budgeting priorities and to address other budgetary concerns.

MARCH – APRIL

The budget staff conducts budget review discussions with division and department heads on a one on one basis to discuss areas of concerns, goals, new initiatives, or programs each division or department desires to implement for the upcoming fiscal year. During this meeting, each division or department has the opportunity to justify its needs before the Chief Executive Officer and Assistant Chief Executive Officer/Chief Operating Officer. By the end of this process, revisions may be made to individual division or department budgets and budget schedules are updated accordingly. The final budget is presented to the USVIEDA Governing Board for consideration and approval before submission to the Legislature's Post-Audit Division.

APRIL – JUNE

Communication is maintained with the Post-Audit Division as it analyzes the USVIEDA budget while at the same time the USVIEDA's budget staff researches, gathers data and conducts round-table sessions with the internal division and department heads in preparing drafts of the Chief Executive Officer's budget presentation to the Finance Committee of the Legislature.

ANNUAL BUDGET CALENDAR AND PROCESSES CONTINUED

JULY – AUGUST

The Chief Executive Officer, accompanied by the Assistant Chief Executive Officer/Chief Operating Officer, and the Director of Administration and Finance, defends the USVIEDA budget recommendation before the Finance Committee of the Legislature.

OCTOBER

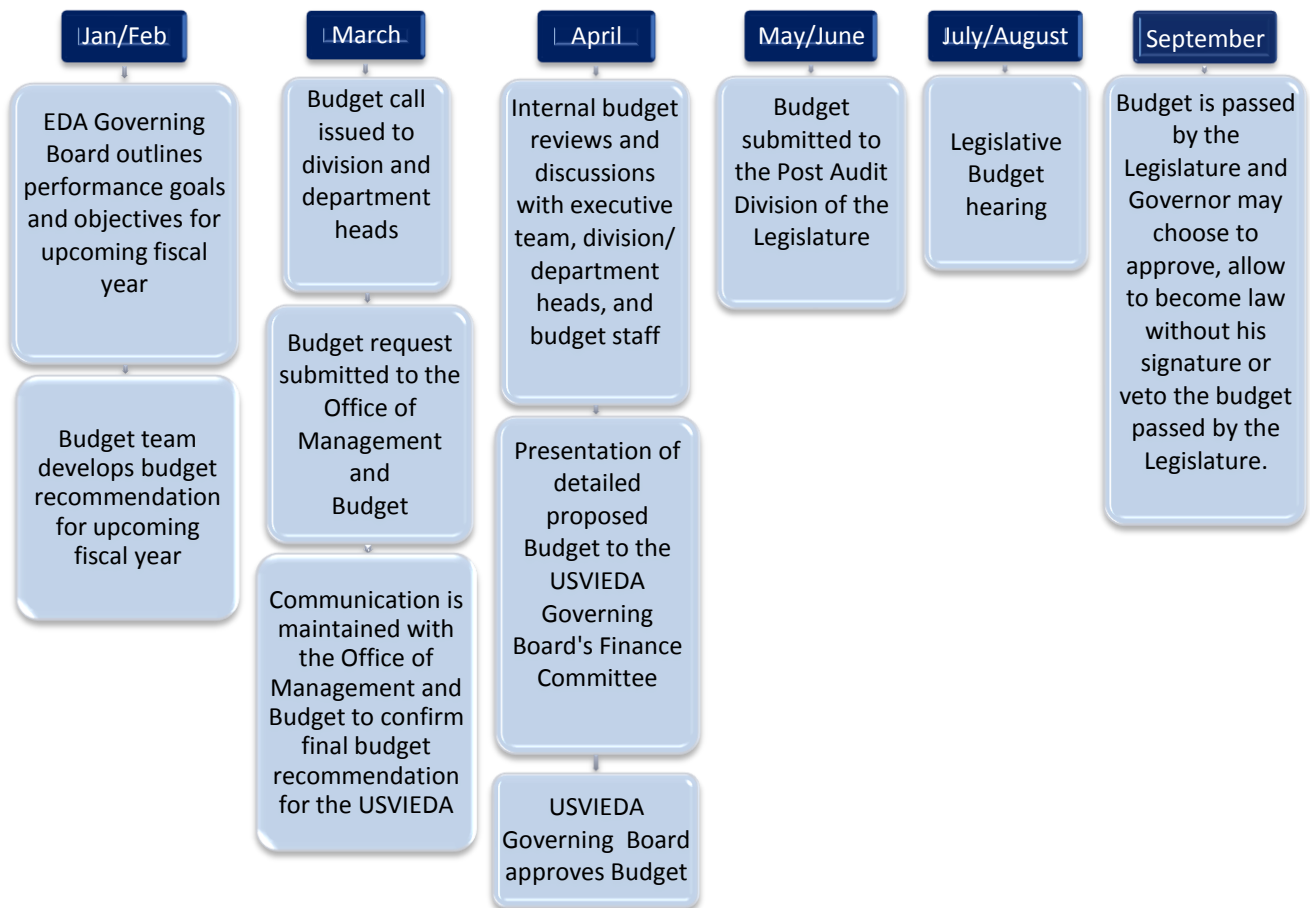
Once the budget is passed by the Legislature and approved by the Governor, the USVIEDA is legally authorized to request quarterly allotments from the Department of Finance through the Office of Management and Budget.

TWELVE (12) MONTHS MONITORING (OCTOBER – SEPTEMBER)

Actual revenues and expenditures are monitored throughout the year and are compared and analyzed against the budget to ensure that resources are managed in accordance with the budget plan and are consistent with the goals and objectives of the Authority. At the end of each quarter, financial analyses are performed and financial presentations are made to the Governing Board showing sources and uses of resources compared to the budget within the same period of the previous fiscal year. The budget staff offers recommendations to division and department heads in addition to the Governing Board to improve operational efficiencies.

ANNUAL BUDGET CALENDAR AND PROCESSES, CONTINUED

BUDGET CALENDAR OVERVIEW



1.0 USVIEDA ADMINISTRATIVE DEPARTMENTS

The administrative departments within the USVIEDA provide support to the operational divisions in ensuring that the USVIEDA meets its statutory and legal mandates and requirements.

1.1 USVIEDA'S GOVERNING BOARD

FUNCTIONAL STATEMENT

The powers of the USVIEDA rest in the hands of a governing board, which sets the vision and acts on behalf of the organization. The Board is responsible for establishing all operating policies, hiring the Chief Executive Officer ("CEO"), approving all major contracts, making policy decisions, and providing oversight, but most importantly ensuring that the organization complies with all applicable laws.

OPERATIONAL GOAL(S)

Work collaboratively with the USVIEDA management team to explore opportunities for economic growth by adapting to the challenges and changes in the global environment.

FISCAL YEAR 2017 OBJECTIVES

- Attract businesses and industries complimentary to our strengths and support new local business expansion in the Territory;
- Increase employment opportunities by attracting capital and diversifying the economic base;
- Help create an economic climate that increases job opportunities for residents; and
- Support local business activities in promoting the revitalization and development of the downtown areas.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Continued search for a new CEO of the USVIEDA;
- Held strategic sessions with USVIEDA management team; and
- Participated in beneficiaries' and practitioners' forums.

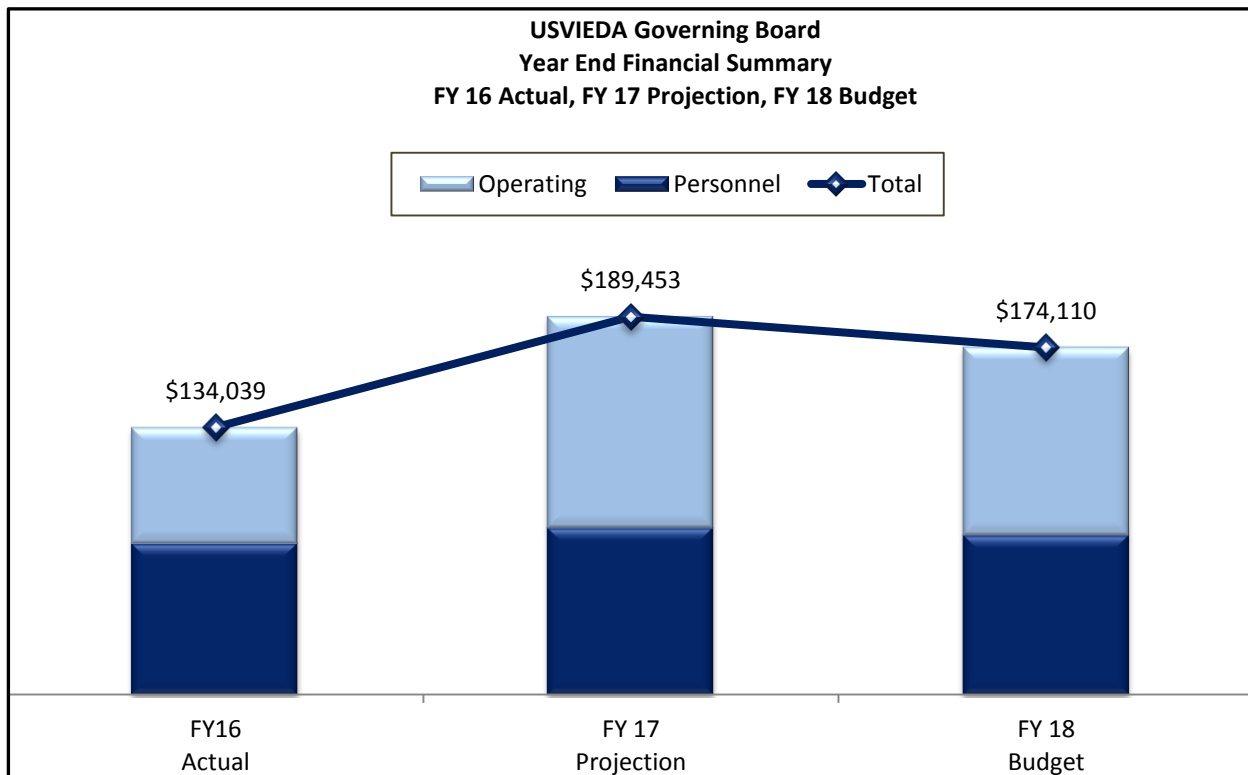
FISCAL YEAR 2018 OBJECTIVES

- Select the CEO of the USVIEDA by the end of the first quarter;
- Develop a comprehensive strategic 5 – 10-year plan for the USVIEDA; and
- Implement strategies to help retain, expand, and attract businesses.

| Key Performance Indicators (KPI) | Actual FY 16 | Target FY 17 | Actual FY 17 (as of 3/31/17) | Planned FY 18 |
|--------------------------------------|-----------------|-----------------|---------------------------------|------------------|
| Number of new EDC companies approved | 18 | 15 | 9 | 15 |
| Number of business loans approved | 23 | 20 | 6 | 10 |

US Virgin Islands Economic Development Authority
Board of Directors
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--|---|--|
| Personnel Expenses | | | |
| Salaries - Unclassified | 57,438 | 61,005 | 62,225 |
| Fica | 3,561 | 4,087 | 3,858 |
| Medicare | 833 | 956 | 902 |
| Group Insurance | 25 | 22 | 22 |
| Annual Leave Expense | 1,954 | - | - |
| Retirement | 11,775 | 12,506 | 12,756 |
| All Other | | 4,915 | - |
| Total Personnel Expense | 75,587 | 83,490 | 79,763 |
| Operating Expenses | | | |
| Catering Services | 252 | 2,933 | 1,000 |
| Supplies | 1,324 | 825 | 500 |
| Dues & Subscriptions | 1,050 | 1,295 | 1,295 |
| Employee Relations | 240 | 1,099 | 500 |
| Professional Development | 33,546 | 42,131 | 42,000 |
| Software Agreement | 3,252 | 3,252 | 3,252 |
| Miscellaneous | 142 | 826 | - |
| Board Attendance Fee | 6,300 | 10,650 | 10,800 |
| Travel | 9,580 | 39,344 | 30,000 |
| Communication | 2,766 | 3,608 | 5,000 |
| Total Operating Expense | 58,452 | 105,962 | 94,347 |
| Total Department Expense (Direct Cost Only) | 134,039 | 189,453 | 174,110 |



1.2 EXECUTIVE OFFICE

FUNCTIONAL STATEMENT

The Chief Executive Officer (“CEO”) and the Assistant Chief Executive Officer (“ACEO”)/Chief Operating Officer (“COO”) provide overall leadership and direction in the planning, development and administration of policies governing the operation of the USVIEDA. This department ensures that those responsibilities established by statute and other policy directives are executed at the highest level.

OPERATIONAL GOAL(S)

Direct and monitor the activities of the USVIEDA to ensure assets are safeguarded and optimized, and to maintain a positive work climate conducive to attracting, retaining, and motivating a diverse group of top quality performers in achieving the goals of the organization.

FISCAL YEAR 2017 OBJECTIVES

- Initiate and strengthen existing partnership collaborations;
- Update rules and regulations for: (i) the Sustainable Tourism Through Arts-Based Revenue Streams Act (“STARS Act”), (ii) Economic Development Bank (“EDB”), (iii) Economic Development Commission (“EDC”), (iv) Enterprise Zone Commission (“EZC”), (v) Hotel Development Act, and (vi) Youth Recreational Incentive Act;
- Develop legislative proposals in support of economic development; and
- Continue to support economic diversification initiatives in the Broadband, Maritime & Marine, and Arts-Based industries.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Launched a local public relations campaign to inform the community about the Economic Development Authority’s programs and services;
- Participated in the Maritime Institute Stakeholders Meetings at the University of the Virgin Islands (UVI) and discussed plans for a UVI extension in Christiansted;
- Finalized the rules and regulations for the Sustainable Tourism through Arts-Based Revenue Streams (STARS) Act; and
- Contracted UVI to conduct economic impact studies on the EDC, EZC, EDB and EDPC Programs.

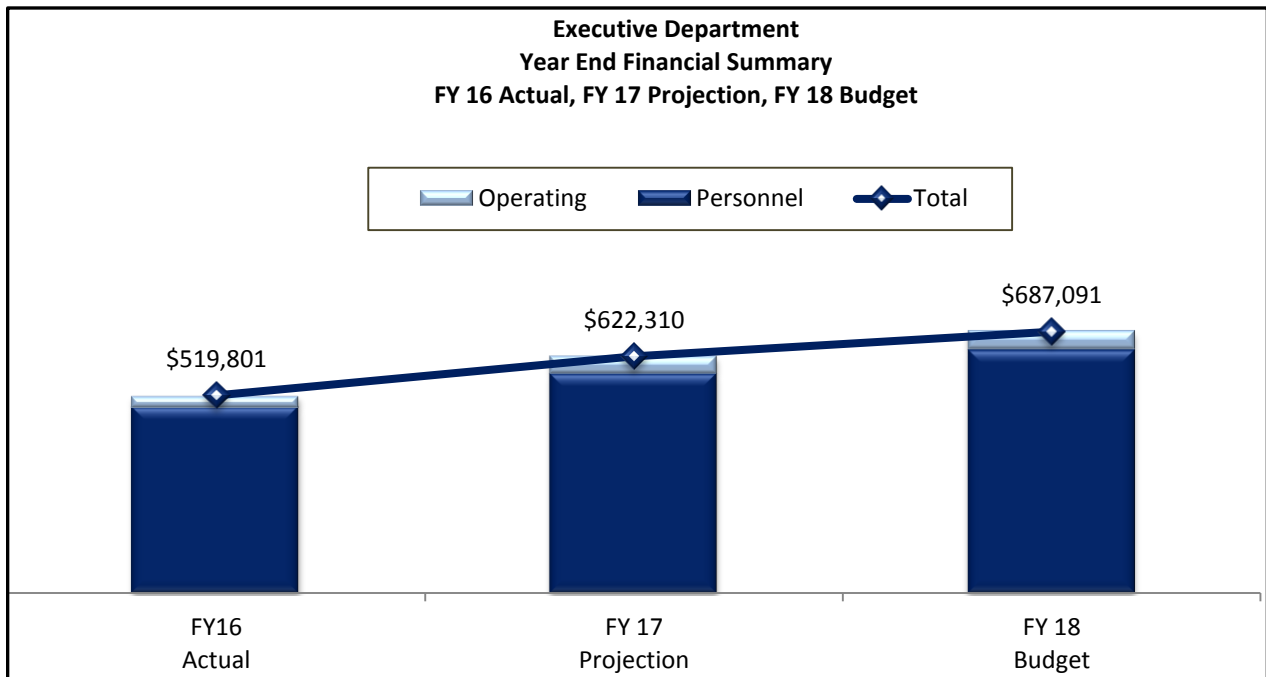
FISCAL YEAR 2018 OBJECTIVES

- Finalize rules and regulations for the Hotel Development Act, International Financial Services Entities Program, the Economic Development Commission, the Enterprise Zone Commission, the Economic Development Bank, and the Youth Recreational Incentive Act;
- Continue to strengthen relationships with the local community by increasing the awareness and understanding of programs and services through public education initiatives;
- Employ strategies to support and attract financial sector entities; and
- Promote the STARS Program to internal and external stakeholders.

| Key Performance Indicators (KPI) | Actual FY 16 | Target FY 17 | Actual FY 17 (as of 3/31/17) | Planned FY 18 |
|---|-----------------|-----------------|---------------------------------|------------------|
| Number of partnership collaborations | 14 | 15 | 10 | 15 |
| Number of economic development initiatives undertaken | 4 | 7 | 4 | 8 |

US Virgin Islands Economic Development Authority
Executive Office
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Personnel Expenses | | | |
| Salaries - Classified | 124,952 | 131,391 | 134,019 |
| Salaries - Unclassified | 278,704 | 300,385 | 359,405 |
| Fica | 24,513 | 27,540 | 30,592 |
| Medicare | 5,853 | 6,557 | 7,155 |
| Group Insurance | 17,121 | 26,837 | 28,196 |
| Annual Leave Expense | 4,520 | - | - |
| Retirement | 33,141 | 62,859 | 78,554 |
| All Other | - | 20,420 | - |
| Total Personnel Expense | 488,803 | 575,988 | 637,921 |
| Operating Expenses | | | |
| Bank Charges | 75 | - | 50 |
| Supplies | 619 | 1,240 | 800 |
| Catering Services | 120 | 200 | 500 |
| Donations & Contributions | 500 | 1,425 | - |
| Dues & Subscriptions | 3,310 | 1,610 | 3,695 |
| Employee Relations | - | 150 | 375 |
| Postage & Delivery | 164 | 200 | 200 |
| Parking | 10 | 100 | 50 |
| Professional Development | 7,749 | 21,599 | 25,000 |
| Miscellaneous | 15 | - | - |
| Travel | 15,219 | 16,745 | 15,000 |
| Communication | 3,217 | 3,054 | 3,500 |
| Total Operating Expense | 30,998 | 46,322 | 49,170 |
| Total Department Expense (Direct Cost Only) | 519,801 | 622,310 | 687,091 |



1.3 ADMINISTRATION AND FINANCE DEPARTMENT

FUNCTIONAL STATEMENT

The Administration and Finance Department provides financial planning, accounting, and reporting. It is responsible for establishing relationships with external auditors, financial institutions, the Post-Audit Division of the Legislature, and others within the financial community. It takes a leading role in developing proposals and policies on strategic issues that affect the long-term financial integrity and competitiveness of the USVIEDA. Financial policies, procedures, and the establishment of internal control are formulated within this department.

OPERATIONAL GOAL(S)

Provide quality customer and stakeholder services, and practice responsible stewardship of financial resources, while aspiring to excellence in financial and administrative practices to improve overall efficiency.

FISCAL YEAR 2017 OBJECTIVES

- Complete the Fiscal Year 2016 audit by March 30, 2017;
- Provide staff training in the area of data analysis and financial reporting;
- Present quarterly financial updates to the Finance Committee of the Board by the 15th of the month following the end of a quarter; and
- Submit all financial reports to appropriate local and federal agencies by due dates.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Completed the Fiscal Year 2016 audit;
- Submitted all local/federal financial reports by due date;
- Received training in Portfolio and budgeting
- Continued to develop a property/procurement procedure for the USVIEDA; and
- Presented first quarter financial updates to the EDA Finance Committee of the Board.

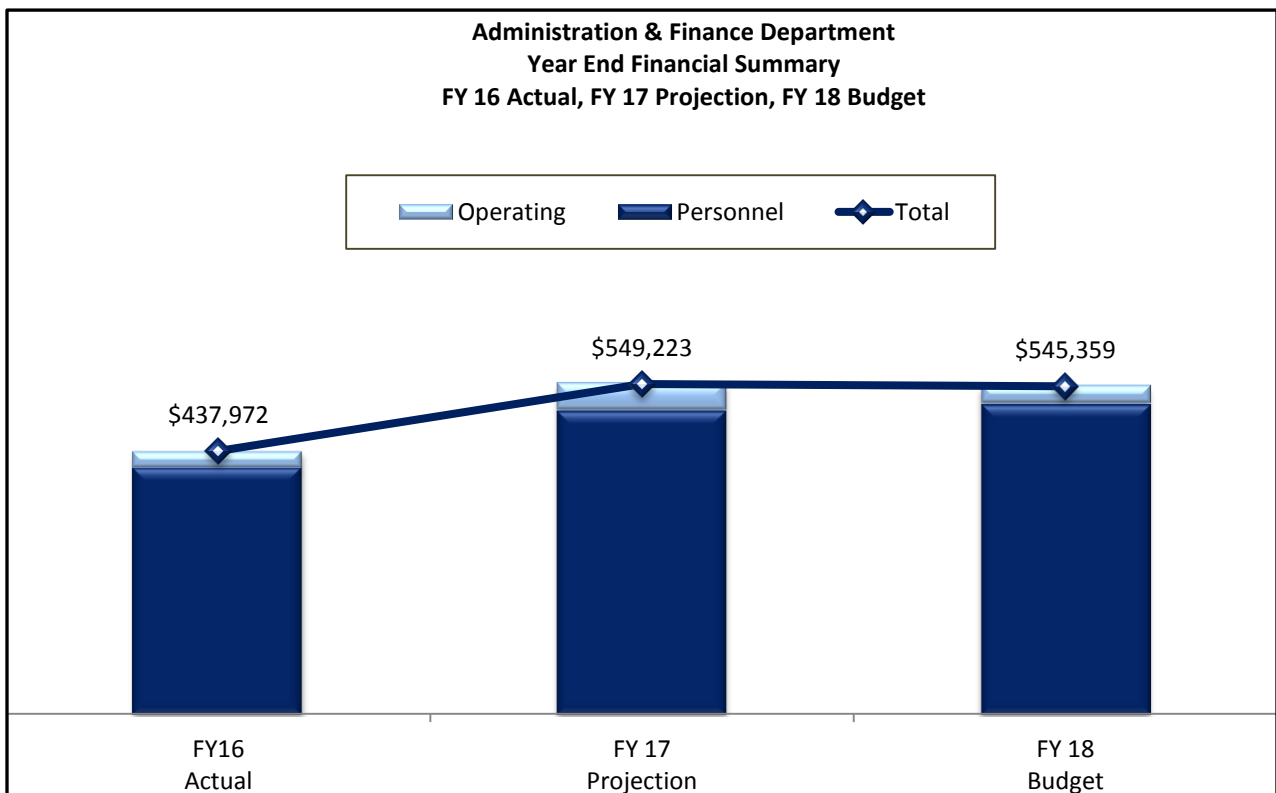
FISCAL YEAR 2018 OBJECTIVES

- Modify accounting structure to meet the financial reporting needs of the organization;
- Submit 100% of financial reports on time to appropriate local and federal entities;
- Close Fiscal Year 2017 financial statements by November 15, 2017;
- Complete Fiscal Year 2017 audit by February 28, 2018;
- Conduct at least ten (10) internal site visits and/or provide management/financial assistance to help managers meet objectives;
- Develop a long-term plan for EDA self-sufficiency for Board consideration; and
- Reduce outstanding accounts receivables by at least 50% compared to Fiscal Year 2017.

| Key Performance Indicators (KPI) | Actual FY16 | Target FY17 | Actual FY 17 (as of 3/31/17) | Planned FY 18 |
|---|----------------|----------------|---------------------------------|------------------|
| Change in accounts receivables | n/a | n/a | n/a | 50% |
| Percentage of financial reports submitted on time | n/a | 100% | 100% | 100% |
| Number of USVIEDA department objectives accomplished with budgetary assistance and support | n/a | n/a | n/a | 6 |

US Virgin Islands Economic Development Authority
Administration & Finance
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Personnel Expenses | | | |
| Salaries - Classified | 222,524 | 266,194 | 271,208 |
| Salaries - Unclassified | 90,692 | 94,500 | 96,390 |
| Fica | 19,419 | 23,512 | 22,791 |
| Medicare | 4,542 | 5,499 | 5,330 |
| Group Insurance | 37,950 | 31,918 | 53,436 |
| Annual Leave Expense | (12,696) | - | - |
| Retirement | 48,132 | 64,297 | 65,982 |
| All Other | - | 18,528 | - |
| Total Personnel Expense | 410,563 | 504,448 | 515,136 |
| Operating Expenses | | | |
| Advertising & Promotion | 2,000 | - | - |
| Supplies | 1,121 | 500 | 500 |
| Dues & Subscriptions | 1,008 | 737 | 737 |
| Employee Relations | 246 | 250 | 200 |
| Repairs & Maintenance | 250 | - | - |
| Postage & Delivery | 263 | 392 | 200 |
| Professional Development | 4,272 | 13,210 | 12,500 |
| Software Agreement | 12,264 | 23,149 | 11,086 |
| Professional Services | 2,313 | 1,305 | 1,000 |
| Travel | 2,498 | 4,171 | 2,700 |
| Communication | 1,175 | 1,062 | 1,300 |
| Total Operating Expense | 27,409 | 44,776 | 30,223 |
| Total Department Expense (Direct Cost Only) | 437,972 | 549,223 | 545,359 |



1.4 HUMAN RESOURCES (HR) DEPARTMENT

FUNCTIONAL STATEMENT

The Human Resources (“HR”) Department is responsible for talent management and workforce development to include staff recruitment, position classification, benefits counseling, and employee and labor relations.

OPERATIONAL GOAL(S)

Provide an organizational framework to strategically develop and retain a workforce capable of supporting the economic development initiatives of the organization.

FISCAL YEAR 2017 OBJECTIVES

- Increase employee performance and productivity by providing professional development opportunities;
- Develop the organizational culture by creating focus groups to identify issues and recommend solutions;
- Plan mandatory trainings for employees to include Sexual Harassment Awareness, Proper Use of Fire Extinguishers, Hazardous Communication, Conflict Resolution Management, and Progressive Discipline;
- Offer professional development training to improve leadership and team building skills on a quarterly basis; and
- Continue the USVIEDA Wellness Program to improve employee health and wellness.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Filled three critical positions;
- Participated with the negotiation of a new collective bargaining agreement for Fiscal Years 2017 - 2021;
- Developed a 40-Step Pay Plan and Position Classification Chart for classified employees;
- Arranged and facilitated the annual biometric health screenings for the staff on St. Thomas;
- Surveyed employees to assess employment satisfaction level;
- Created an HR newsletter providing staff with information on HR programs and events;
- Provided general and specialized training for all staff members; and
- Organized the annual Employee Appreciation Day activities that included service and recognition awards and team building exercises.

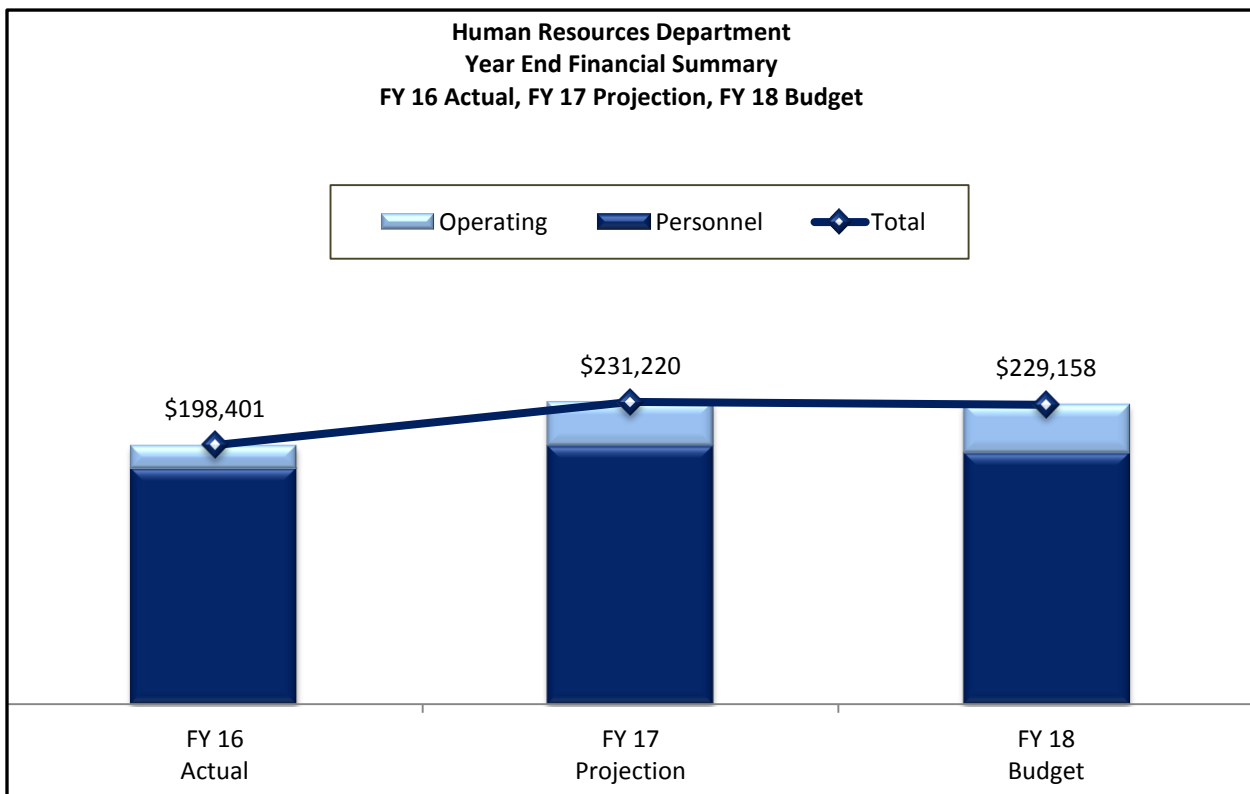
FISCAL YEAR 2018 OBJECTIVES

- Continue to measure employee satisfaction through the use of surveys;
- Work with managers in developing specific, measurable, achievable, relevant and time-based (“SMART”) performance objectives for their subordinates;
- Provide professional development trainings to improve leadership and teambuilding skills;
- Implement a performance management system that will include goal setting, performance appraisal and performance improvement plans;
- Continue health and wellness workplace programs to encourage healthy lifestyles; and
- Develop a compensation plan for non-union and management staff.

| Key Performance Indicators (KPI) | Actual FY 16 | Target FY17 | Actual FY 17 (as of 3/31/17) | Planned FY 18 |
|--|-----------------|----------------|---------------------------------|------------------|
| Level of employee satisfaction (Percentage) | 79% | n/a | n/a | 80% |
| Percentage of managers that developed SMART performance objectives | n/a | n/a | n/a | 100% |
| Percentage of employee annual evaluations completed on time | 40% | 100% | n/a | 100% |
| Number of employee trainings offered | 24 | 13 | 12 | 14 |

US Virgin Islands Economic Development Authority
Human Resources Department
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Personnel Expenses | | | |
| Salaries - Classified | 60,885 | 63,815 | 65,092 |
| Salaries - Unclassified | 73,058 | 76,125 | 77,648 |
| Fica | 8,304 | 9,212 | 8,850 |
| Medicare | 1,942 | 2,157 | 2,070 |
| Group Insurance | 11,362 | 11,762 | 11,799 |
| Annual Leave Expense | (2,067) | - | - |
| Retirement | 26,778 | 25,646 | 26,650 |
| All Other | - | 8,832 | - |
| Total Personnel Expense | 180,262 | 197,549 | 192,108 |
| Operating Expenses | | | |
| Advertising & Promotion | 1,898 | 2,500 | 4,000 |
| Supplies | 528 | 409 | 500 |
| Dues & Subscriptions | 340 | 898 | 900 |
| Employee Relations | 11,476 | 16,931 | 20,000 |
| Parking | 60 | 60 | 50 |
| Professional Development | 465 | 10,271 | 8,500 |
| Postage & Delivery | - | 190 | 100 |
| Travel | 2,858 | 2,021 | 2,500 |
| Communication | 514 | 391 | 500 |
| Total Operating Expense | 18,139 | 33,671 | 37,050 |
| Total Department Expense (Direct Cost Only) | 198,401 | 231,220 | 229,158 |



1.5 LEGAL DEPARTMENT

FUNCTIONAL STATEMENT

The Legal Department provides a broad range of legal services that include providing legal analyses, preparing and reviewing legal documents, and conducting background investigations on prospective employees and EDC and EDB applicants. This department also provides legal and policy guidance to the USVIEDA's Governing Board, drafts legislations, and develops rules and regulations consistent with legislative mandates.

OPERATIONAL GOAL(S)

Ensure that the organization is in compliance with all applicable laws, institute measures to prevent litigation and loss of assets, and to maintain the USVIEDA's legal image of integrity, professionalism and fairness.

FISCAL YEAR 2017 OBJECTIVES

- Continue to enhance the quality of investigative reports by sharing criminal justice information using the National Crime Information Center database;
- Continue efforts to secure expanded access to the Department of Licensing and Consumer Affairs' database;
- Coordinate professional training for Legal Department staff with the National Association of Professional Background Screeners or similar certifying entity;
- Continue to explore software updates to enhance the processing of legal documents;
- Continue to explore file management systems and record retention policies;
- Continue to draft/amend USVIEDA Governing Board's policies, resolutions, motions and orders;
- Continue drafting/amending internal policies and procedures; and
- Continue to prepare and review for legal sufficiency, agreements necessary to accomplish the mandates of the USVIEDA.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Worked with the Office of Collective Bargaining to amend and negotiate the Collective Bargaining Agreement between USVIEDA and United Steelworkers Local 8249 effective October 1, 2016 through September 30, 2021;
- Reduced expenses by securing a lower rate for online research services;
- Reduced expenses associated with legal publications;
- Enhanced the quality of investigative reports by contracting with a new online research provider;
- Obtained expanded access to the Department of Licensing and Consumer Affairs' database;
- Completed the promulgation of the STARS Rules and Regulations;
- Drafted and fully executed a wide range of professional service contracts and lease agreements;
- Drafted and amended USVIEDA internal policies and procedures;
- Drafted and amended USVIEDA Governing Board resolutions, motions and orders; and
- Prepared and reviewed statutory agreements necessary to accomplish the mandates of the USVIEDA.

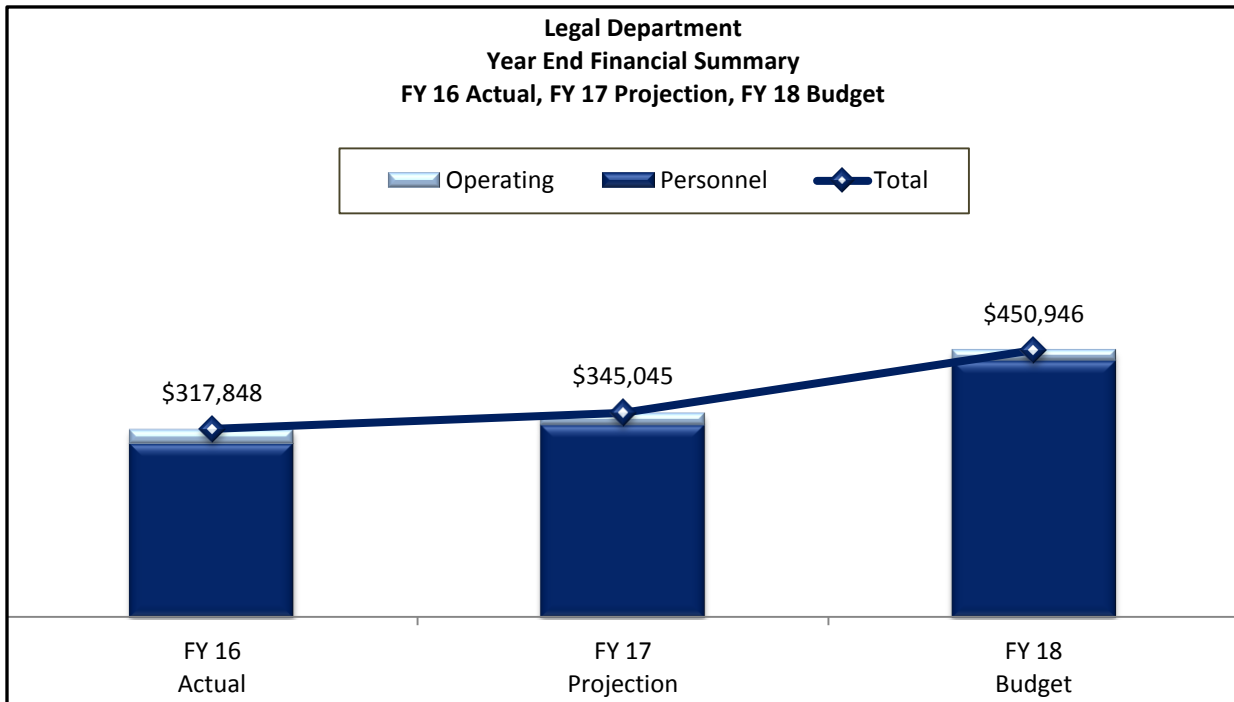
FISCAL YEAR 2018 OBJECTIVES

- Coordinate the drafting of rules and regulations;
- Provide staff training in investigative analysis, contract management, and legal best practices;
- Draft and amend USVIEDA internal policies and procedures;
- Draft and amend USVIEDA Governing Board resolutions, motions and orders;
- Review and draft statutory agreements necessary to accomplish the mandates of the USVIEDA; and
- Draft professional service contracts, leases and show cause orders for the USVIEDA and its subsidiary entities.

| Key Performance Indicators (KPI) | Actual FY 16 | Target FY17 | Actual FY 17 (3/31/17) | Planned FY 18 |
|---|-----------------|----------------|---------------------------|------------------|
| Number of rules and regulations drafted and/or promulgated | n/a | n/a | 1 | 1 |
| Number of professional contracts and leases reviewed, drafted and/or executed | 17 | n/a | 20 | 17 |
| Number of background investigations completed | 46 | 30 | 24 | 30 |
| Number of Board resolutions drafted | 4 | n/a | 2 | 4 |

US Virgin Islands Economic Development Authority
Legal Department
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Personnel Expenses | | | |
| Salaries - Classified | 107,823 | 114,113 | 116,395 |
| Salaries - Unclassified | 110,846 | 115,500 | 202,810 |
| Fica | 13,557 | 15,023 | 19,791 |
| Medicare | 3,171 | 3,514 | 4,628 |
| Group Insurance | 25,719 | 26,632 | 37,127 |
| Annual Leave Expense | 4,096 | - | - |
| Retirement | 27,554 | 36,943 | 50,511 |
| All Other | | 12,701 | - |
| Total Personnel Expense | 292,765 | 324,426 | 431,262 |
| Operating Expenses | | | |
| Supplies | 614 | - | 500 |
| Dues & Subscriptions | 13,383 | 13,349 | 11,659 |
| Catering Services | 250 | 230 | 250 |
| Employee Relations | - | 200 | 225 |
| Postage & Delivery | 33 | 21 | 50 |
| Professional Development | 8,643 | 5,000 | 4,500 |
| Travel | 1,591 | 1,086 | 1,500 |
| Communication | 568 | 733 | 1,000 |
| Total Operating Expense | 25,082 | 20,619 | 19,684 |
| Total Department Expense (Direct Cost Only) | 317,848 | 345,045 | 450,946 |



1.6 MARKETING / PUBLIC RELATIONS DEPARTMENT

FUNCTIONAL STATEMENT

The key responsibilities of this department are to promote the U.S. Virgin Islands as the best place for businesses to relocate and to promote the many services that are being offered by the USVIEDA to local businesses and the general public.

OPERATIONAL GOAL(S)

Utilize various marketing tools to attract new businesses to the Territory, and to grow and expand local businesses operating in the Territory.

FISCAL YEAR 2017 OBJECTIVES

- Increase the number of EDC applications by 10% through various marketing initiatives;
- Increase strategic advertising in key local sites and targeted media; and
- Continue building marketing alliances that broaden USVIEDA's outreach to increase awareness of the USVIEDA's programs and offerings.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Promoted the U.S. Virgin Islands in five (5) marketing missions;
- Initiated a local marketing campaign to increase awareness and educate the community about the USVIEDA's programs and services,
- Published the USVIEDA's 2015 Annual Report;
- Strategically placed ads in key national publications; and
- Updated marketing materials and produced a new USVI Fast Facts Guide.

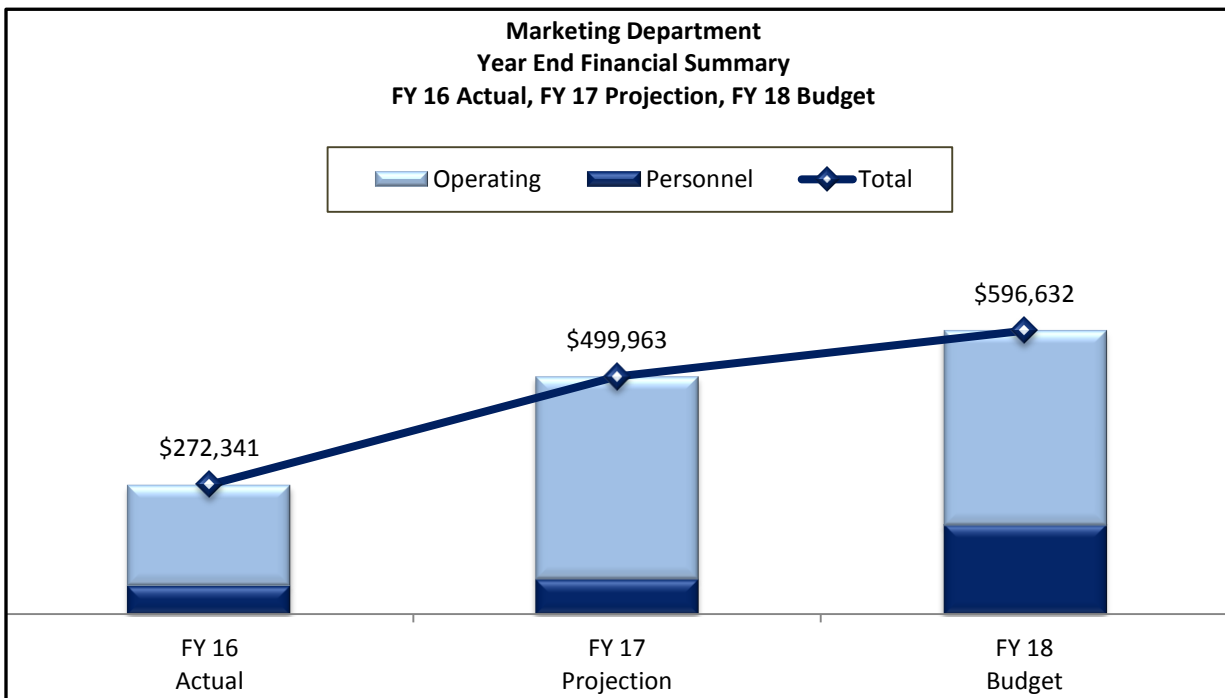
FISCAL YEAR 2018 OBJECTIVES

- Restructure the marketing department within the USVIEDA;
- Use data mining technique to help make marketing decisions; and
- Re-evaluate the USVIEDA's Marketing and Strategic Plan.

| Key Performance Indicators (KPI) | Actual FY 16 | Target FY 17 | Actual FY 17 (as 3/31/17) | Planned FY 18 |
|--|-----------------|-----------------|------------------------------|------------------|
| Number of targeted marketing events undertaken | 9 | 10 | 4 | 12 |
| Number of site visits made by potential EDC beneficiaries | 5 | 20 | 7 | 20 |

US Virgin Islands Economic Development Authority
Marketing Department
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Personnel Expenses | | | |
| Salaries - Classified | 46,706 | 49,626 | 50,619 |
| Salaries - Unclassified | - | - | 85,680 |
| Fica | 2,896 | 3,344 | 8,451 |
| Medicare | 677 | 782 | 1,976 |
| Group Insurance | 5,681 | 5,900 | 16,309 |
| Annual Leave Expense | (5,090) | - | - |
| Retirement | 9,575 | 10,173 | 23,702 |
| All Other | | 4,302 | |
| Total Personnel Expense | 60,446 | 74,127 | 186,736 |
| Operating Expenses | | | |
| Advertising & Promotion | 146,450 | 199,476 | 581,364 |
| Bank Charges | 60 | 600 | 500 |
| Supplies | 179 | 746 | 500 |
| Catering Services | 131 | 150 | 200 |
| Dues & Subscription | - | 3,532 | 3,532 |
| Employee Relations | - | 156 | 200 |
| Postage & Delivery | 1,715 | 5,093 | 5,000 |
| Printing & Publication | 2,025 | 9,750 | 8,000 |
| Professional Services | 59,284 | 197,802 | 205,000 |
| Communication | - | 358 | 600 |
| Travel | 2,052 | 8,175 | 5,000 |
| Total Operating Expense | 211,895 | 425,836 | 809,896 |
| Total Department Expense (Direct Cost Only) | 272,341 | 499,963 | 996,632 |



1.7 ECONOMIC DEVELOPMENT MANAGEMENT (EDM)

FUNCTIONAL STATEMENT

This unit acts as the General Fund for the organization. Operating revenues and indirect costs to include custodial and messenger services are accounted for in this department.

OPERATIONAL GOAL(S)

Allows for the efficient management of the general operation of the organization and for proper analysis of financial information for management decision-making purposes.

FISCAL YEAR 2017 OBJECTIVES

- Develop and implement procedures to increase accuracy of posting expenses to correct accounts;
- Reduce indirect costs by at least 5% of amount budgeted through the process of analysis; and
- Improve relations with service vendors by reducing payment delays and improving service levels.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Increased collaboration between budget and accounting resulted in improved data comparisons for financial and management analyses.

FISCAL YEAR 2018 OBJECTIVES

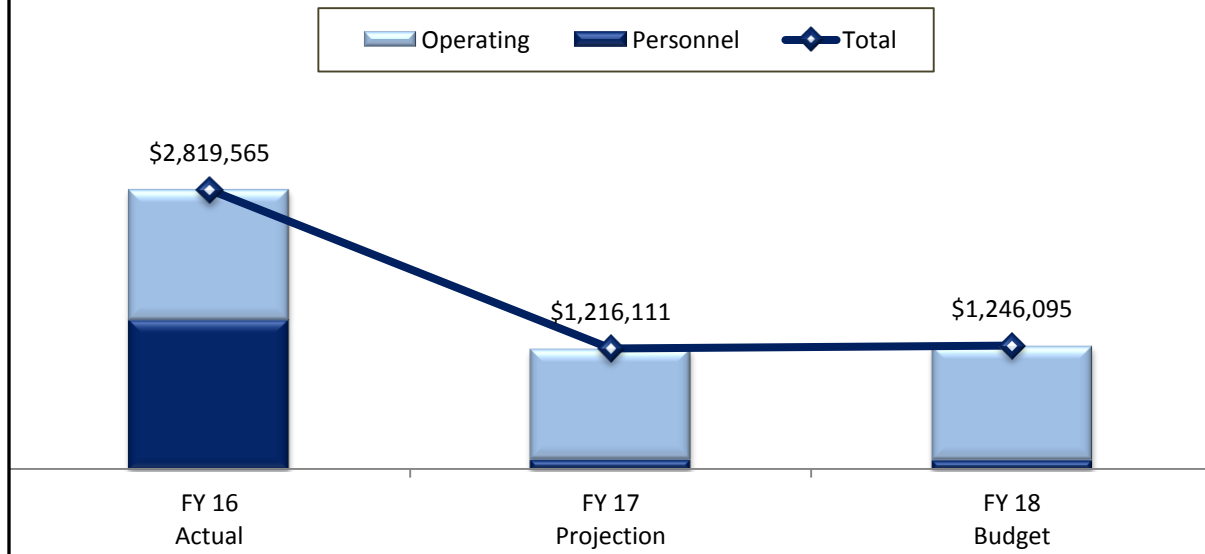
- Budget and accounting will work cooperatively to improve financial data reporting analyses.

| Key Performance Indicators (KPI) | Actual FY 16 | Target FY 17 | Actual FY 17 (as of 3/31/2017) | Planned FY 18 |
|---|-----------------|-----------------|-----------------------------------|------------------|
| Percentage of times expenses posted incorrectly | - | - | - | 10% |

| US Virgin Islands Economic Development Authority Indirect Cost Year End Financial Summary FY 16 Actual, FY 17 Projected, and FY 18 Budget | | | |
|--|--------------------------------|-------------------------------------|--------------------------------|
| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
| Personnel Expenses | | | |
| Salaries - Classified | 57,552 | 59,366 | 60,553 |
| Salaries - Unclassified | 723 | 759 | - |
| Fica | 3,525 | 4,051 | 3,754 |
| Medicare | 845 | 947 | 878 |
| Group Insurance | 15,873 | 20,925 | 20,818 |
| Annual Leave Expense | (1,753) | - | - |
| *Retirement | 1,424,028 | 12,326 | 12,413 |
| All Other | - | 5,214 | - |
| Total Personnel Expense | 1,500,793 | 103,588 | 98,417 |
| Operating Expenses | | | |
| Advertising & Promotion | 26,623 | 6,938 | 10,000 |
| Auto Expense | 14,637 | 17,125 | 15,000 |
| Bank Charges | 3,025 | 5,874 | 7,000 |
| Employee Incentive Program | - | 25,000 | 25,000 |
| Supplies | 30,628 | 34,604 | 42,900 |
| Unemployment Insurance | 15,282 | 1,668 | 2,500 |
| Labor | 4,048 | 12,500 | 6,000 |
| Catering Services | 15,813 | 14,291 | 25,000 |
| Custodial Services | 19,333 | 34,185 | 40,000 |
| Depreciation | 181,259 | - | - |
| Donations & Contributions | 32,250 | 21,900 | 25,000 |
| Drinking Water | 1,952 | 972 | 1,200 |
| Dues & Subscription | 10,950 | 2,459 | 2,500 |
| Employee Relations | 11,011 | 14,599 | 6,000 |
| Repairs | 74,603 | 85,035 | 75,000 |
| Postage & Delivery | 10,899 | 12,832 | 12,000 |
| Parking | 129 | 200 | 600 |
| Printing & Publication | 9,086 | 9,700 | 10,000 |
| Professional Development | 10,287 | 19,778 | 15,000 |
| Garbage Removal | 675 | 600 | 1,000 |
| Miscellaneous | (37) | 2,355 | 5,000 |
| Insurance | 51,612 | 58,750 | 52,000 |
| Professional Services | 296,329 | 248,268 | 287,000 |
| Travel | 3,739 | 22,535 | 17,000 |
| Communication | 54,682 | 67,409 | 60,000 |
| Electrical | 76,544 | 64,257 | 75,000 |
| Water | 1,226 | 1,200 | 1,200 |
| Rent | 241,670 | 248,046 | 268,279 |
| Capital Outlay | 120,518 | 79,443 | 60,000 |
| Total Operating Expense | 1,318,772 | 1,112,522 | 1,147,179 |
| Total Department Expense (Direct Cost Only) | 2,819,565 | 1,216,111 | 1,245,595 |

*Not inclusive of the USVIEDA's share of the unfunded liability in Fiscal Year 2016.

**Economic Development Management
Year End Financial Summary
FY 16 Actual, FY 17 Projection, FY 18 Budget**



2.0 USVIEDA OPERATIONAL DEPARTMENTS

The operational departments within the USVIEDA are responsible for carrying out the organization's mandates.

2.1 V.I. ECONOMIC DEVELOPMENT COMMISSION DIVISION

FUNCTIONAL STATEMENT

The Economic Development Commission (EDC) is charged with promoting the growth, development, and diversification of the economy of the United States Virgin Islands. The EDC is comprised of the Applications Department, which is the first point of contact for a business seeking to apply for economic development benefits, and the Compliance Department, which monitors beneficiaries to ensure that they comply with the terms and conditions of their agreements and other requirements of law.

2.1.1 APPLICATIONS DEPARTMENT

OPERATIONAL GOAL(S)

Review and analyze EDC applications and to provide support and advice to the USVIEDA's Governing Board in its consideration of applicants' requests for EDC benefits.

FISCAL YEAR 2017 OBJECTIVES

- Process a "completed" EDC application within forty-five (45) working days of receipt;
- Review initial EDC applications within ten (10) working days and notify applicants within fifteen (15) working days of application status;
- Submit notice to EDC applicants within ten (10) working days of Board decision meetings;
- Complete EDC Application Client Survey form as part of the EDC inquiry and application process; and
- Participate in community outreach programs such as: EDC 45th Anniversary Event, EDC Career Fair, other Target Markets, and Consultants Seminar.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Reviewed and analyzed ten (10) applications for economic development benefits: four (4) new, one (1) extension, four (4) extension/modification, and one (1) transfer;
- Acquired an online survey tool to gauge applicants satisfaction of application process; and
- Participated in VIEDC Practitioners' Forum and VIEDC local media campaign initiatives.

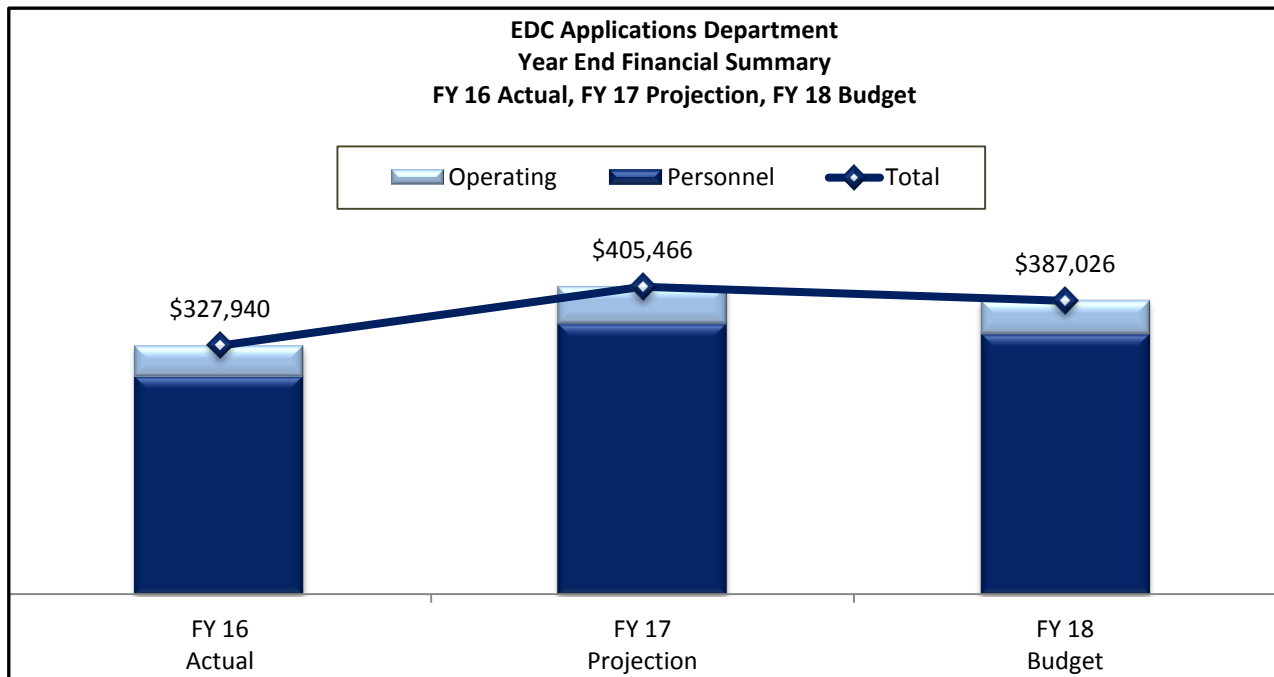
FISCAL YEAR 2018 OBJECTIVES

- Process a "completed" application for EDC benefits within thirty (30) working days of receipts;
- Review EDC applications within five (5) working days for completeness and notify applicant within ten (10) working days of application status;
- Submit notice to VIEDC applicants within five (5) working days of Board decision meetings;
- Participate in community outreach programs, informational and other marketing initiatives; and
- Implement VIEDC Online Application Program.

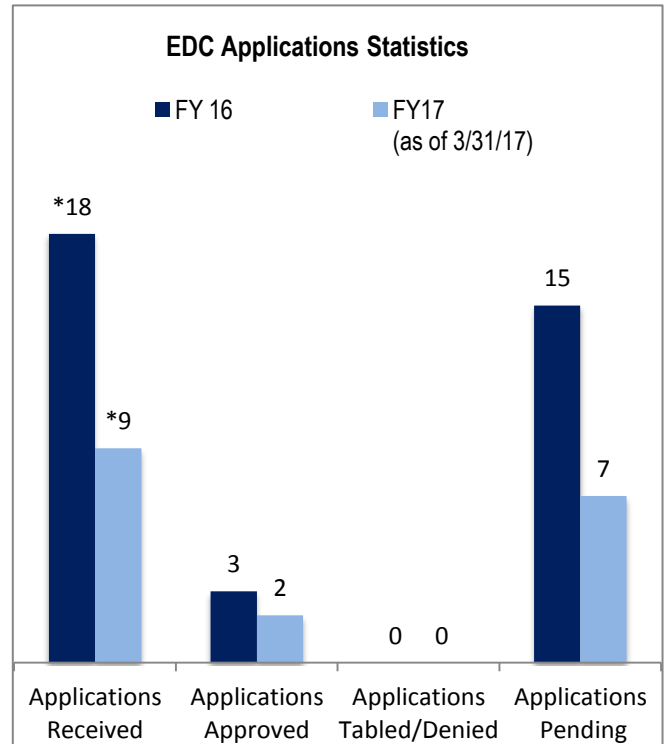
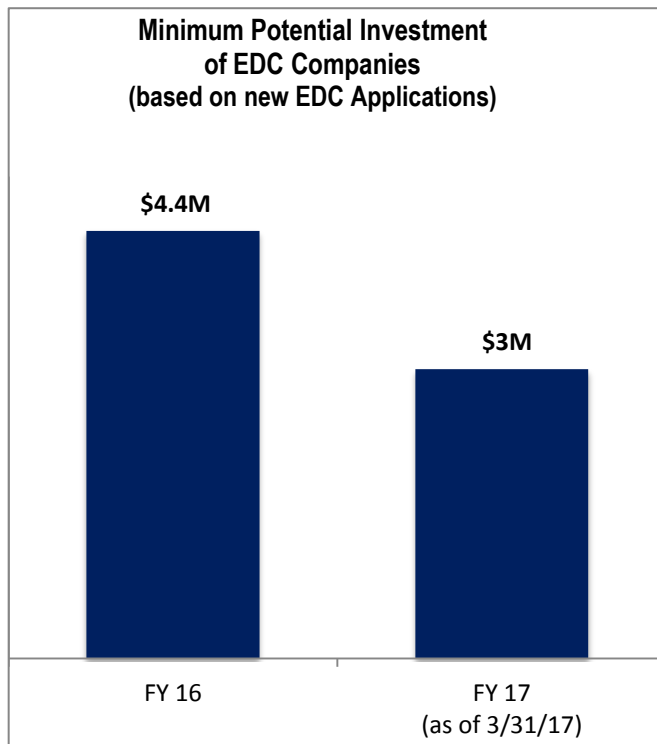
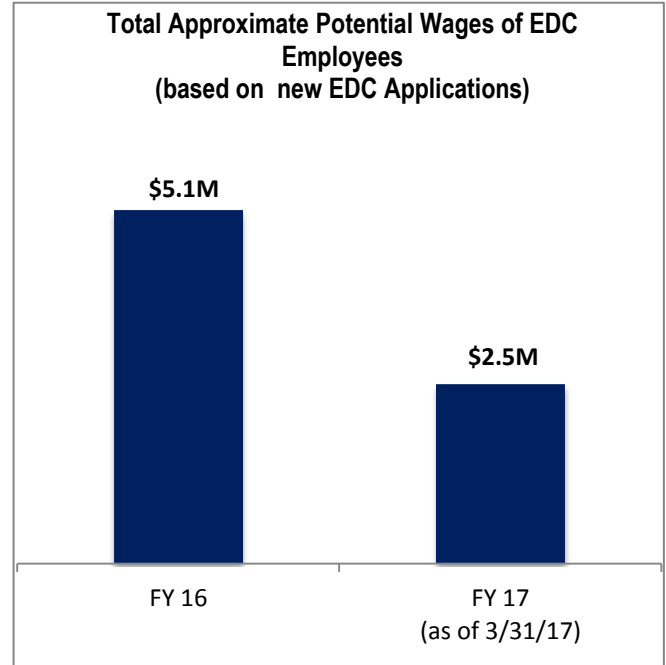
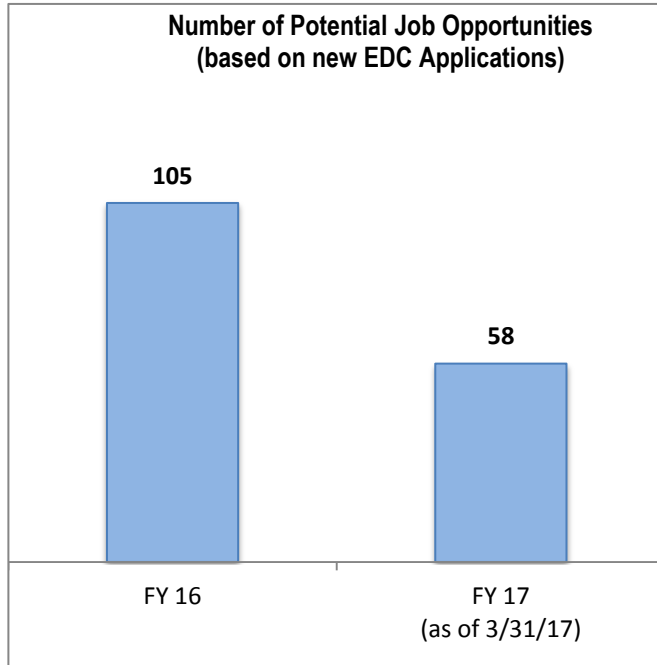
| Key Performance Indicators (KPI) | Actual FY 16 | Target FY 17 | Actual FY 2017 (as of 3/31/17) | Planned FY 2018 |
|---|-----------------|-----------------|-----------------------------------|--------------------|
| Average number of days to complete analysis of an EDC application for Public Hearing | 29 days | 45 days | 29 days | 30 days |
| Average number of days to complete analysis of an EDC application for EDC Decision Meetings | 20 days | 30 days | 18 days | 30 days |
| Average number of days to process an Eligible VI Supplier application | 29 days | 30 days | 6 days | 14 days |
| Percentage of time “complete” applications are processed on time | n/a | n/a | n/a | 100% |
| Number of community outreach program | 0 | 8 | 2 | 4 |

US Virgin Islands Economic Development Authority
EDC Applications Department
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Personnel Expenses | | | |
| Salaries - Classified | 126,829 | 152,316 | 155,362 |
| Salaries - Unclassified | 80,616 | 84,000 | 85,680 |
| Fica | 12,862 | 9,369 | 14,945 |
| Medicare | 3,008 | 9,707 | 3,495 |
| Group Insurance | 30,794 | 38,722 | 37,127 |
| Annual Leave | (1,115) | - | - |
| Retirement | 33,531 | 46,410 | 45,174 |
| All Other | | 14,995 | |
| Total Personnel Expense | 286,524 | 355,519 | 341,783 |
| Operating Expenses | | | |
| Advertising & Promotion | 16,886 | 16,963 | 17,000 |
| Supplies | 955 | 500 | 800 |
| Catering | 1,432 | 1,500 | 1,500 |
| Professional Development | 478 | 6,000 | 6,000 |
| Dues & Subscription | 165 | 175 | 555 |
| Parking | 20 | - | - |
| Postage & Delivery | - | 250 | 250 |
| Printing & Publication | - | 1,250 | 1,250 |
| Meeting Space Rental | 1,600 | 1,300 | 1,600 |
| Professional Services | 15,154 | 19,718 | - |
| Software Agreement | - | - | 10,788 |
| Travel | 4,007 | 1,581 | 4,800 |
| Employee Relations | 40 | 193 | 200 |
| Communication | 563 | 518 | 500 |
| Miscellaneous | 117 | - | - |
| Total Operating Expense | 41,416 | 49,947 | 45,243 |
| Total Department Expense (Direct Cost Only) | 327,940 | 405,466 | 387,026 |



**U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
EDC APPLICATIONS DEPARTMENT
STATISTICAL DATA**



*Nine (9) of the 18 applications received for Fiscal Year 2016 were new applicants.

*Four (4) of the nine (9) applications received for Fiscal Year 2017, as of March 31, were new applicants.

2.1.2 COMPLIANCE DEPARTMENT

FUNCTIONAL STATEMENT

The Compliance Department helps to ensure the integrity of the Economic Development Program by assisting and ensuring that beneficiaries meet the requirements of their agreements. Beneficiaries reports that are not in compliance are reported to the EDC Governing Board, which has the legal authority to assess fines and penalties.

OPERATIONAL GOAL(S)

Build and maintain good relations with beneficiaries in ensuring that beneficiaries are adhering to the requirements of the program and to help in the retention of beneficiaries in the Territory.

FISCAL YEAR 2017 OBJECTIVES

- Host EDC beneficiary summits in both districts in August 2017;
- Partner with the Applications Unit in upgrading the Cost Benefit Analysis Model;
- Implement the EDC Compliance Handbook for Beneficiaries; and
- Terminate inactive EDC beneficiaries and charge-off receivables.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

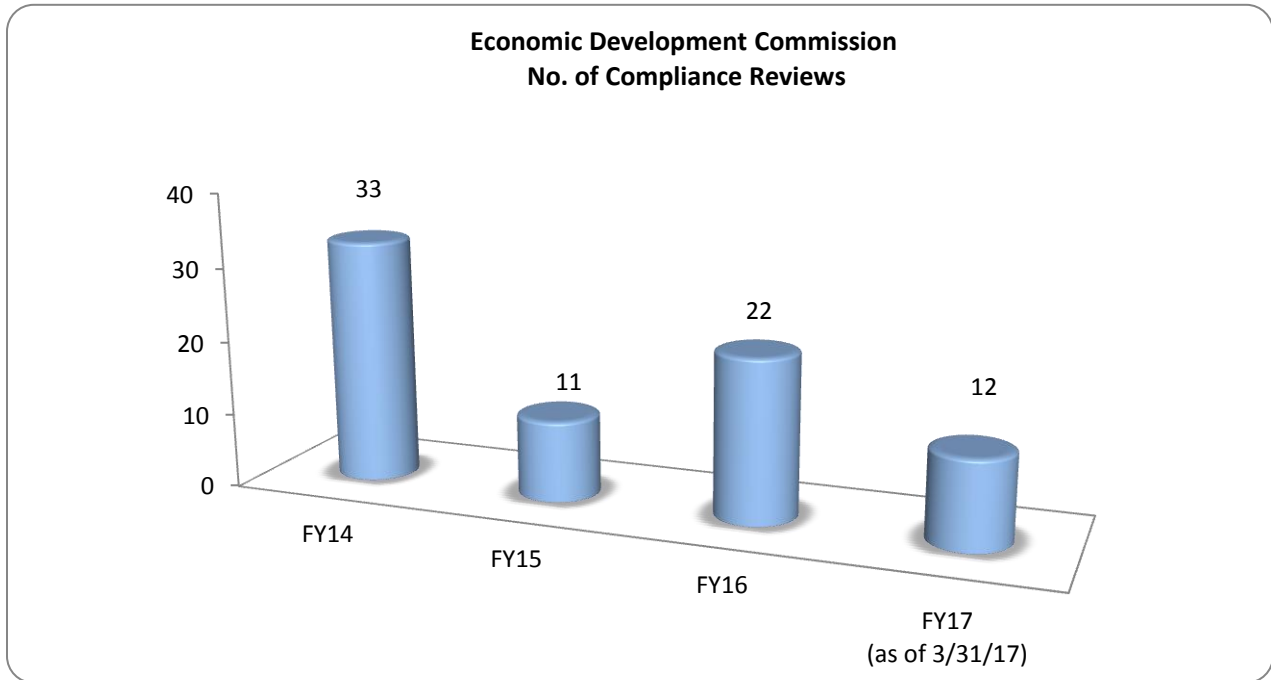
- Expedited multi-year compliance reviews that were in queue for modifications/extensions;
- Distributed annual compliance report cards to ensure reporting requirements are met; and
- Developed new billing procedure with the Division of Administration & Finance to address assessed penalties and fines.

FISCAL YEAR 2018 OBJECTIVES

- Complete EDC Compliance Handbook for Beneficiaries;
- Conduct triennial beneficiary compliance reviews; and
- Close-out forty (40) inactive beneficiary cases.

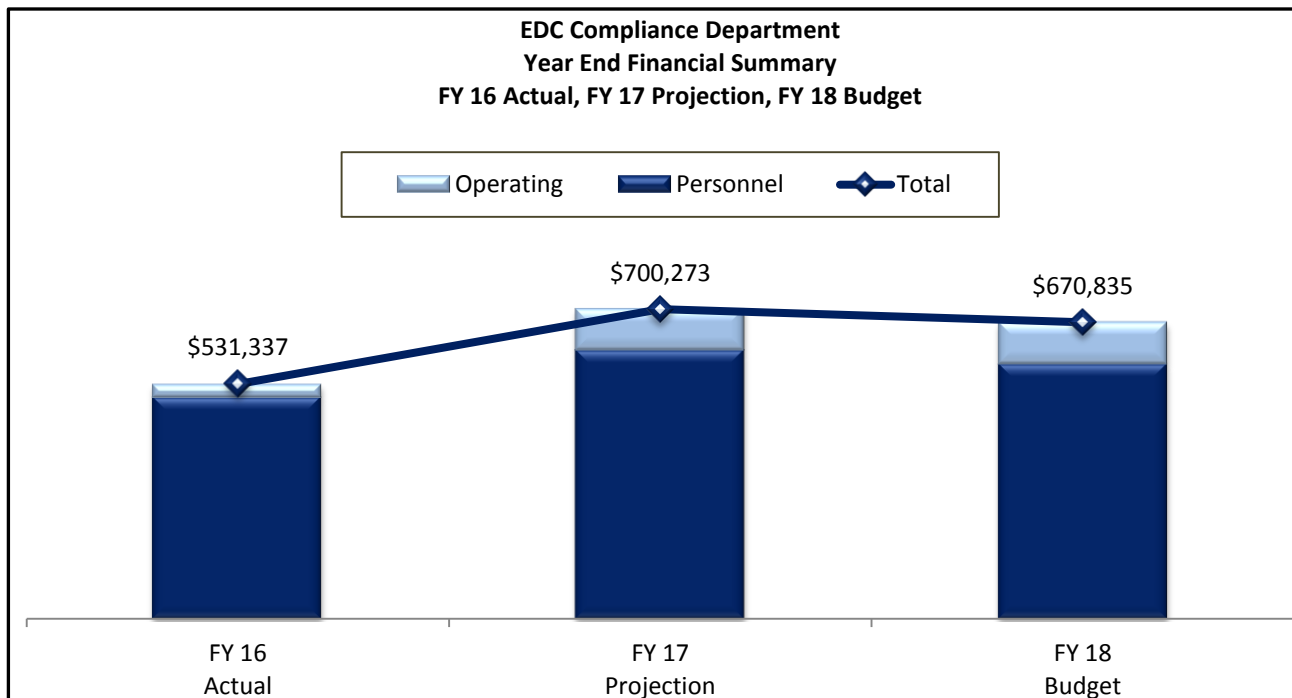
| KEY PERFORMANCE INDICATORS (KPI) | Actual FY 16 | Target FY17 | Actual FY 2016 (as of 3/31/17) | Planned FY 18 |
|---|-----------------|----------------|-----------------------------------|------------------|
| Number of compliance reviews completed | 22 | 30 | 12 | 48 |
| Percentage of non-compliance cases resolved | 72% | 80% | 70% | 85% |
| Number of inactive cases closed | 1 | 8 | 1 | 15 |
| EDC Beneficiary retention rate | - | - | 83% | 100% |

**U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
EDC COMPLIANCE DEPARTMENT
STATISTICAL DATA**



US Virgin Islands Economic Development Authority
EDC Compliance Department
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Personnel Expenses | | | |
| Salaries - Classified | 284,233 | 342,023 | 336,613 |
| Salaries - Unclassified | 75,577 | 78,750 | 80,325 |
| Fica | 22,308 | 17,041 | 25,850 |
| Medicare | 5,217 | 16,885 | 6,046 |
| Group Insurance | 37,247 | 46,034 | 44,439 |
| Annual Leave Expense | 4,180 | - | - |
| Retirement | 71,011 | 81,868 | 81,212 |
| All Other | | 22,710 | - |
| Total Personnel Expense | 499,774 | 605,311 | 574,485 |
| Operating Expenses | | | |
| Advertising & Promotion | 14,379 | 47,537 | 40,000 |
| Supplies | 274 | 508 | 500 |
| Labor | - | 29,064 | 38,000 |
| Dues & Subscription | - | 1,250 | 1,750 |
| Employee Relations | 5 | 250 | 600 |
| Postage & Delivery | 60 | 80 | 250 |
| Parking | 62 | 80 | - |
| Printing & Publication | - | 750 | 1,000 |
| Professional Development | - | 800 | 9,000 |
| Professional Services | 10,570 | 10,175 | - |
| Travel | 5,878 | 4,131 | 4,500 |
| Communication | 335 | 338 | 750 |
| Total Operating Expense | 31,563 | 94,963 | 96,350 |
| Total Department Expense (Direct Cost Only) | 531,337 | 700,273 | 670,835 |



2.2 ECONOMIC DEVELOPMENT BANK (EDB)

FUNCTIONAL STATEMENT

The Government Development Bank and the Small Business Development Agency were merged and renamed the Economic Development Bank (EDB). The EDB provides loan guarantees and equity infusion to help minority, small, and medium-sized businesses to maintain economic stability and grow into mainstream commercial banking customers. The EDB also works with local commercial banks by providing loan guarantees, thereby reducing the risks to the banks.

OPERATIONAL GOAL(S)

Assist small and medium sized businesses by providing capital, and technical and managerial assistance to ensure viability and thereby facilitating employment growth and opportunities.

FISCAL YEAR 2017 OBJECTIVES

- Reduce the loan delinquency rate by 10% through aggressive collection efforts, including legal actions, loan restructuring, modifications, and reclassifications;
- Increase the number of loans approved to 20 and loan guarantees by \$1.8M;
- Provide professional development training to staff in the areas of credit administration and collections;
- Partner with local banks to increase the number of loans through the State Small Business Credit Initiative ("SSBCI") Program;
- Collaborate with other related government agencies to promote loan programs and services; and
- Implement Phase II of the Sun Power Energy Program in conjunction with the Energy Office.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

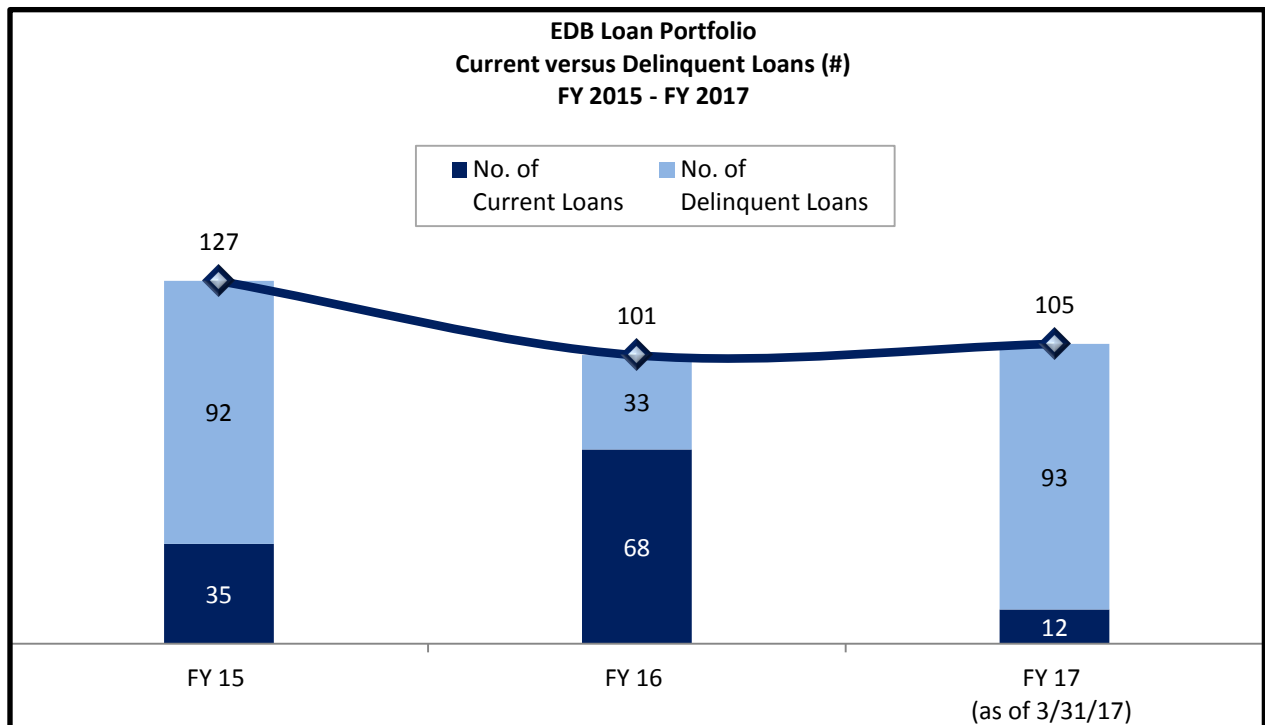
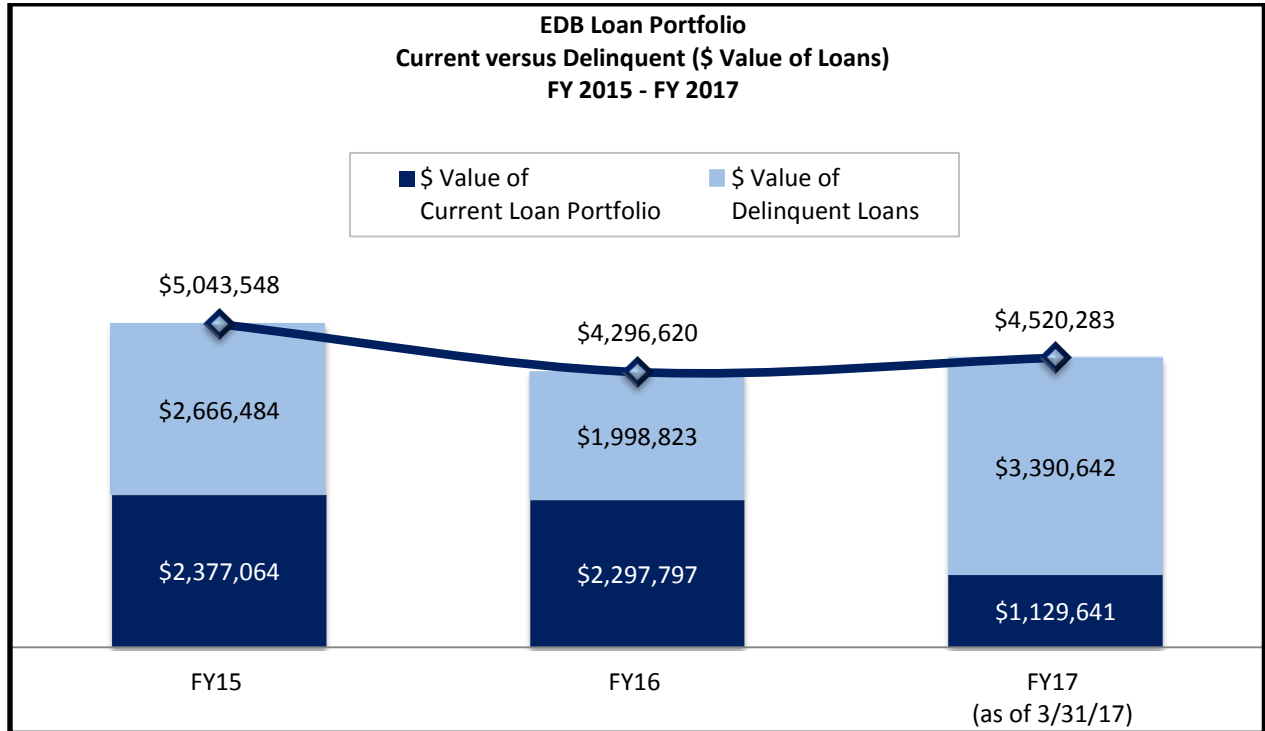
- Reduced the loan delinquency rate by 4.3 percent;
- Approved \$1.8M in new loans/guarantees;
- Received training in Portfol, lending best practices, and customer service;
- Hosted Lender Conferences; and
- Collaborated with local partners to inform the community of the EDB's products and services.

FISCAL YEAR 2018 OBJECTIVES

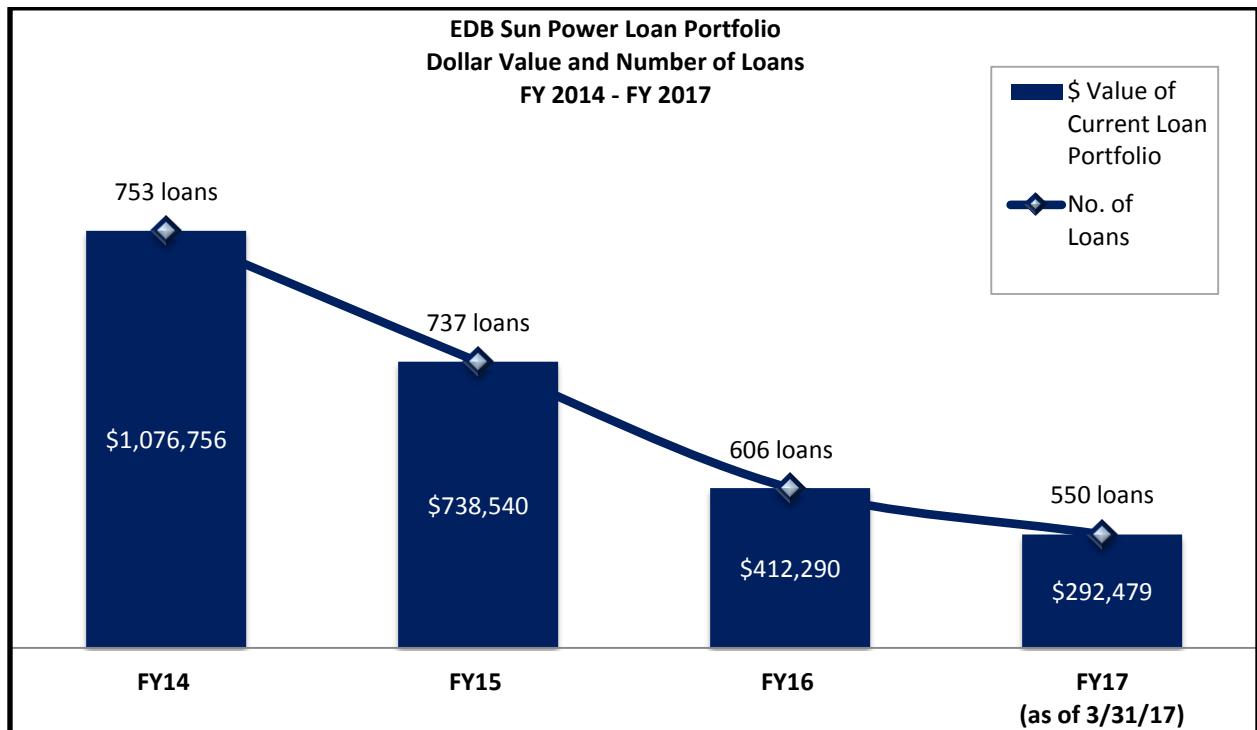
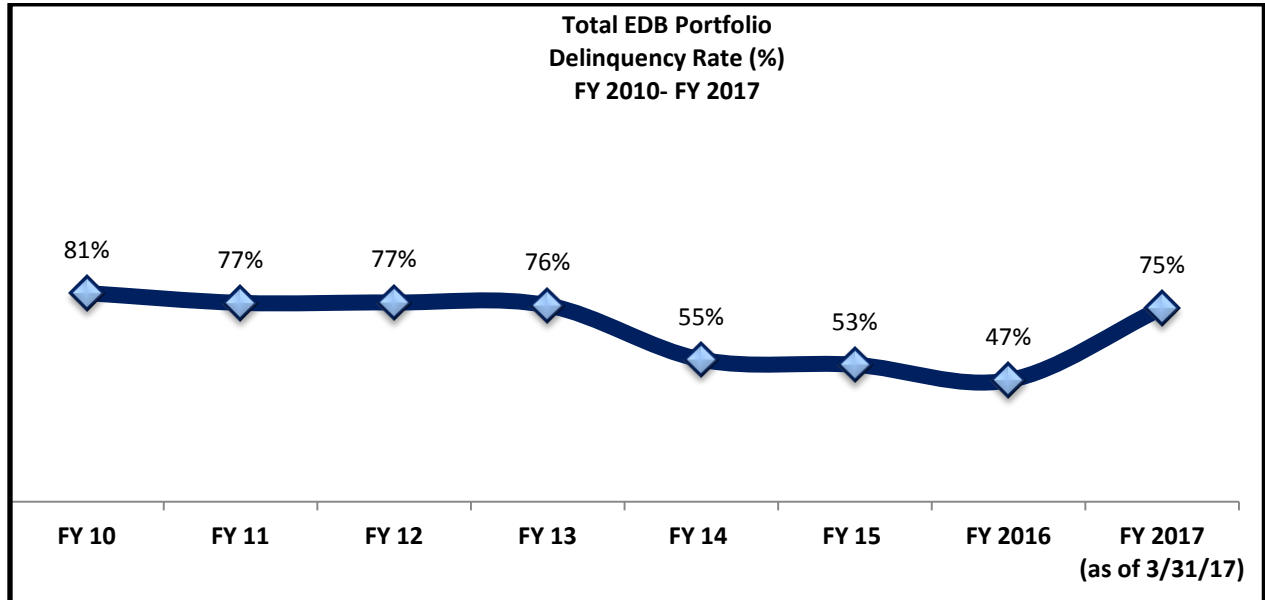
- Reduce the delinquency rate to at least 47% of the loan portfolio;
- Increase the loan portfolio at least by \$1.8M in credit quality loans and guarantees;
- Provide professional development training for staff in credit administration and collections;
- Continue partnering with local banks to promote the SSBCI Loan Program; and
- Continue collaborating with other related government agencies to promote loan programs and services.

| Key Performance Indicators (KPI) | Actual FY 16 | Target FY 17 | Actual FY 17 (as of 3/31/17) | Planned FY 18 |
|---|-----------------|-----------------|---------------------------------|------------------|
| Loan Delinquency rate (%) | 47% | 50% | 75% | 47% |
| Dollar value of loan payments | \$976K | \$1M | \$927K | \$1M |
| Dollar value of loans and guarantees approved | \$7.2M | \$2M | \$1.5M | \$3.9M |

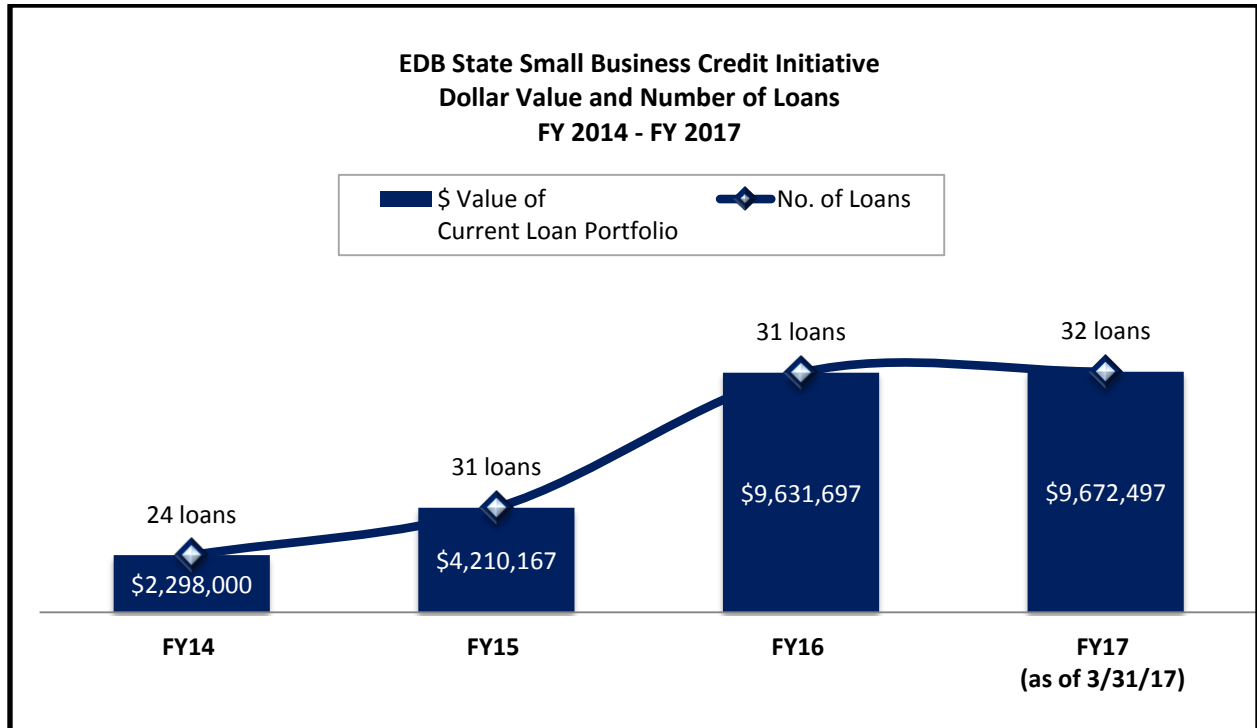
**U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT BANK (EDB)
STATISTICAL DATA**



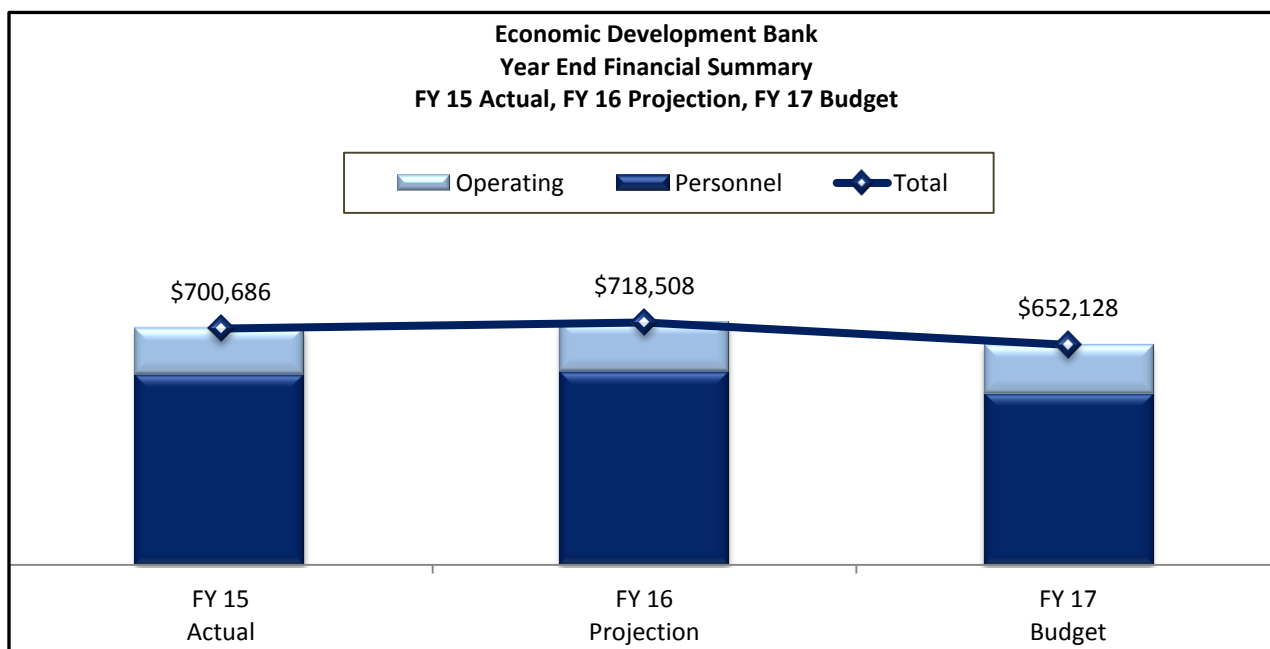
**U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT BANK (EDB)
STATISTICAL DATA**



**U.S. VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT BANK (EDB)
STATISTICAL DATA**



| US Virgin Islands Economic Development Authority Economic Development Bank Year End Financial Summary FY 16 Actual, FY 17 Projected, and FY 18 Budget | | | |
|--|--------------------------------|-------------------------------------|--------------------------------|
| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
| Personnel Expenses | | | |
| Salaries - Classified | 260,359 | 246,668 | 229,475 |
| Salaries - Unclassified | 152,162 | 145,180 | 137,088 |
| Fica | 25,576 | 26,180 | 22,727 |
| Medicare | 5,981 | 6,123 | 5,315 |
| Group Insurance | 50,984 | 47,360 | 43,049 |
| Annual Leave Expense | (836) | | - |
| Retirement | 71,163 | 69,781 | 69,787 |
| All Other | | 30,409 | - |
| Total Personnel Expense | 565,390 | 571,701 | 507,440 |
| Operating Expenses | | | |
| Advertising & Promotion | 5,159 | 5,777 | 6,000 |
| Bank Charges | 202 | - | - |
| Supplies | 645 | 1,198 | 1,500 |
| Catering | 324 | 500 | 500 |
| Credit Report | 1,981 | 1,682 | 1,682 |
| Drinking Water | 24 | - | - |
| Dues & Subscriptions | 325 | 300 | 300 |
| Employee Relations | - | 386 | 675 |
| Courier Service | 8,875 | 9,470 | 8,400 |
| Postage & Delivery | 216 | 150 | 600 |
| Parking | 10 | 50 | 100 |
| Professional Development | 5,514 | 6,444 | 9,000 |
| Software Agreement | 3,600 | 11,300 | 11,300 |
| Insurance | 8,130 | 8,130 | 8,130 |
| Professional Services | 98,616 | 96,000 | 91,000 |
| Travel | 2,643 | 4,500 | 4,500 |
| Communication | 1,031 | 921 | 1,000 |
| Total Operating Expense | 137,296 | 146,807 | 144,687 |
| Total Department Expense (Direct Cost Only) | 702,686 | 718,508 | 652,128 |



2.2.1 INCUBATOR PROGRAM

FUNCTIONAL STATEMENT

The Incubator Program helps new and start-up businesses to develop into full-fledged businesses by providing services such as management training and office space so that they can grow and contribute to the economic development of the Territory.

OPERATIONAL GOAL(S)

Engage, support, and assist entrepreneurs to build sustainable businesses throughout the Territory.

FISCAL YEAR 2017 OBJECTIVES

- Host the Young CEO Camp;
- Work collaboratively with the Small Business Development Center to present entrepreneurial workshops and seminars;
- Create an Angel Investor Network as a means of providing investment capital for startups and established businesses seeking to expand; and
- Manage the USVIEDA's \$2M Disaster Loan Fund.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Assisted over 20 entrepreneurs in the following sectors, manufacturing, consumable products, engineering, aquaponics, and hydroponics;
- Fostered a renewed partnership with the Small Business Development Center (SBDC) and Small Business Agency;
- Referred five (5) clients to Economic Development Bank (EDB) for financing; and
- Referred one (1) client to Economic Development Commission for EDC benefits.

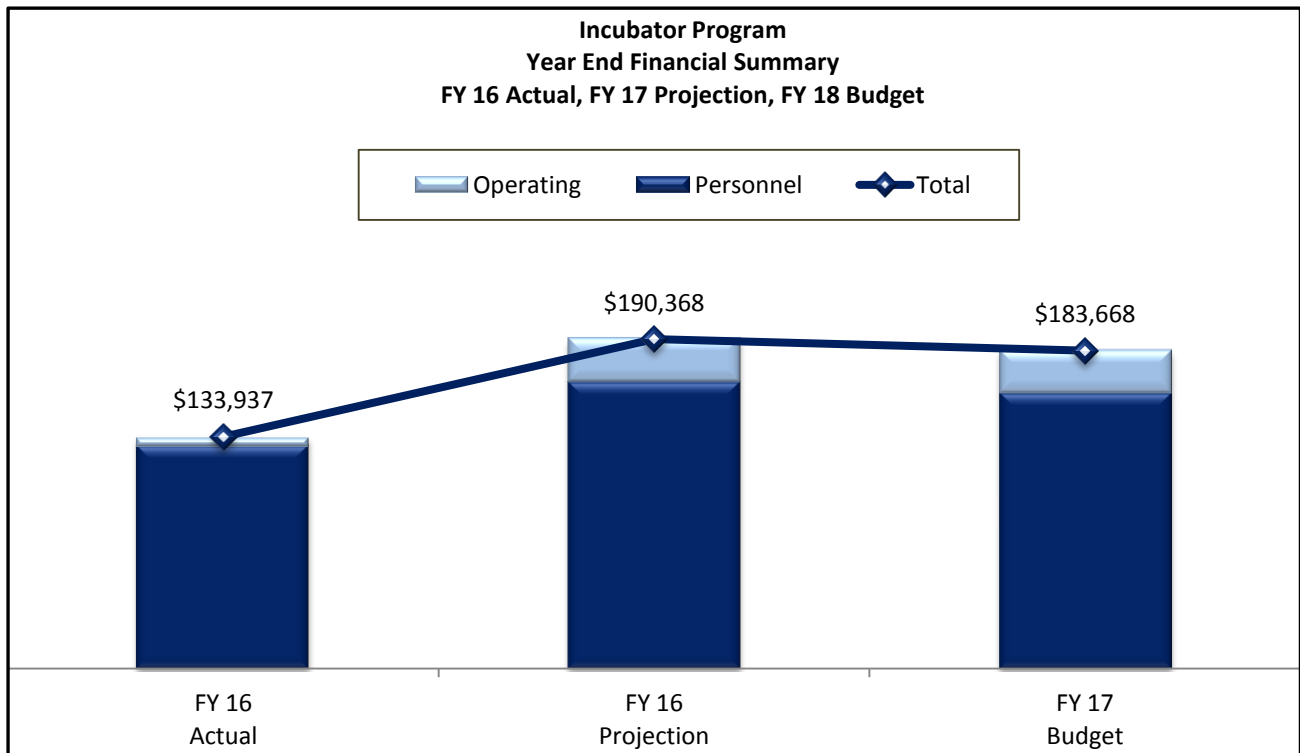
FISCAL YEAR 2018 OBJECTIVES

- Host a Young CEO Camp in both the St. Thomas-St. John and St. Croix districts;
- Assist and refer at least ten (10) clients to EDB financing;
- Assist and refer at least two (2) clients to EDC for EDC benefits; and
- Apply for grants to supplement the Incubator Program.

| KEY PERFORMANCE INDICATORS (KPI) | Actual FY 16 | Target FY17 | Actual FY 2017 (as of 3/31/17) | Planned FY 18 |
|---|-----------------|----------------|-----------------------------------|------------------|
| Number of entrepreneurs assisted | 25 | 30 | 23 | 20 |
| Number of businesses in developing industries | 10 | 5 | 5 | 5 |
| Number of businesses developed into full fledged businesses | 2 | 2 | 1 | 4 |
| Number of seminars and workshops held | 0 | 4 | 0 | 4 |

US Virgin Islands Economic Development Authority
Incubator Program
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--|---|--|
| Personnel Expenses | | | |
| Salaries - Classified | 34,410 | 40,690 | 41,503 |
| Salaries - Unclassified | 54,332 | 69,076 | 70,457 |
| Fica | 5,502 | 7,334 | 6,942 |
| Medicare | 1,287 | 1,451 | 1,623 |
| Group Insurance | 14,496 | 16,256 | 16,309 |
| Annual Leave Expense | 269 | - | - |
| Retirement | 18,192 | 21,694 | 21,833 |
| All Other | | 8,527 | - |
| Total Personnel Expense | 128,490 | 165,028 | 158,668 |
| Operating Expenses | | | |
| Advertising & Promotion | - | 3,500 | 3,500 |
| Supplies | - | 1,500 | 1,500 |
| Professional Development | - | 3,000 | 3,000 |
| Meeting Space Rental | - | 1,500 | 1,500 |
| Professional Services | 2,007 | 7,000 | 7,000 |
| Miscellaneous | 3,076 | - | - |
| Travel | 365 | 840 | 500 |
| Communication | - | 3,250 | 3,250 |
| Utilities | - | 4,750 | 4,750 |
| Total Operating Expense | 5,448 | 25,340 | 25,000 |
| Total Department Expense (Direct Cost Only) | 133,937 | 190,368 | 183,668 |



2.3 ENTERPRISE ZONE COMMISSION

FUNCTIONAL STATEMENT

The Enterprise Zone Commission (“EZC”) Division is responsible for the revitalization of designated blighted and severely distressed areas in the U.S. Virgin Islands that were once social and economically vibrant communities. The EZC provides tax incentives and economic development benefits and helps to reduce fiscal and regulatory constraints that hinder economic growth. In addition, this division also encourages collaboration between public, private, and non-profit entities in support of economic growth and development.

OPERATIONAL GOAL(S)

Promote economic growth through revitalizations and business expansion opportunities utilizing public/private partnerships to create jobs, sustain community self-sufficiency and involvement.

FISCAL YEAR 2017 OBJECTIVES

- Host an International Business Expo;
- Complete the goals of the EZC 5-Year Strategic Plan; and
- Implement core provisions of the EZC Section of the Community and Town Plans to include marketing, application analysis, and program compliance.

FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

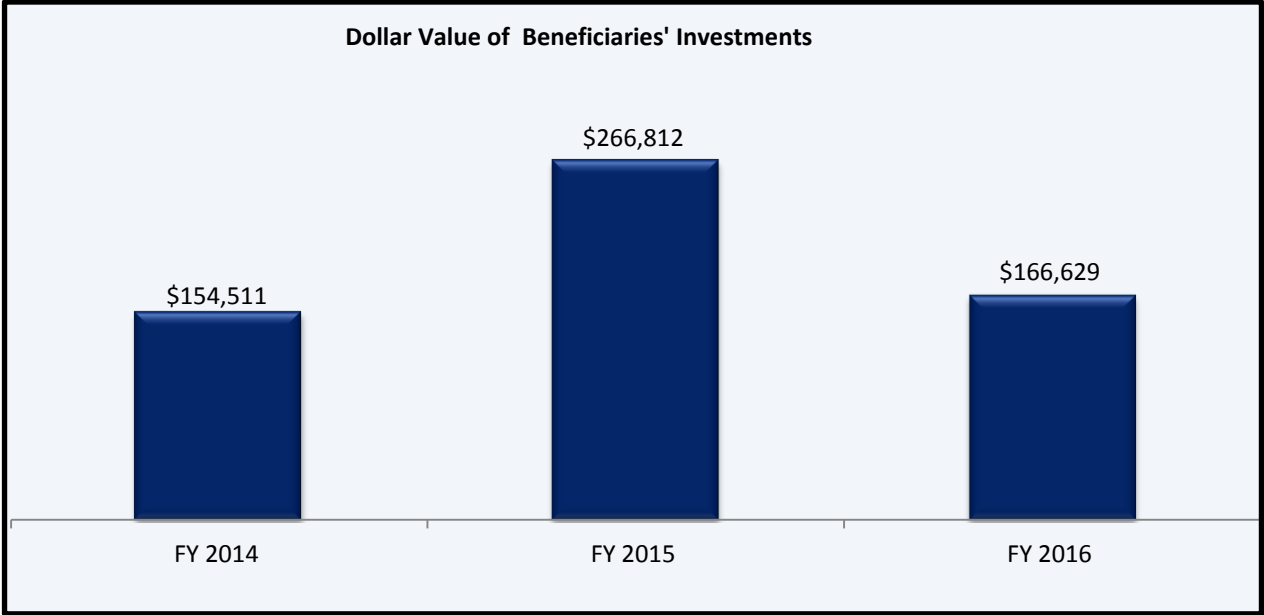
- Completed town plan for Savanne-Downstreet;
- Hosted activities with Danish students and funders of the revitalization of two (2) anchor buildings within the Enterprise Zones;
- Approved five (5) applications for the Scrape, Paint, and Rejuvenate Program;
- Submitted a grant request to the Historic Preservation Office for scrape, paint, rejuvenate projects within the zones;
- Hosted two (2) business-to-business events;
- Approved one (1) application for EZ tax credits;
- Held an open house at the Agriculture Fair in St. Croix; and
- Completed 40 compliance reports covering 53 years of combined beneficiary activity.

FISCAL YEAR 2018 OBJECTIVES

- Complete eight (8) scrape & paint, two (2) rehabilitation, and four (4) board-up projects;
- Conduct the EntrepreNow program and a community building presentation within each of the schools in the zones;
- Conduct an Estate Planning Seminar to provide the latest trends in estate and long-term care planning;
- Conduct open house events to provide information about the resources available through the EZC, its partners and stakeholders;
- Actively promote the EZC tax incentive program and strengthen the compliance component; and
- Conduct a beneficiary conference, USVIEDA Expo, and Business-to-Business event.

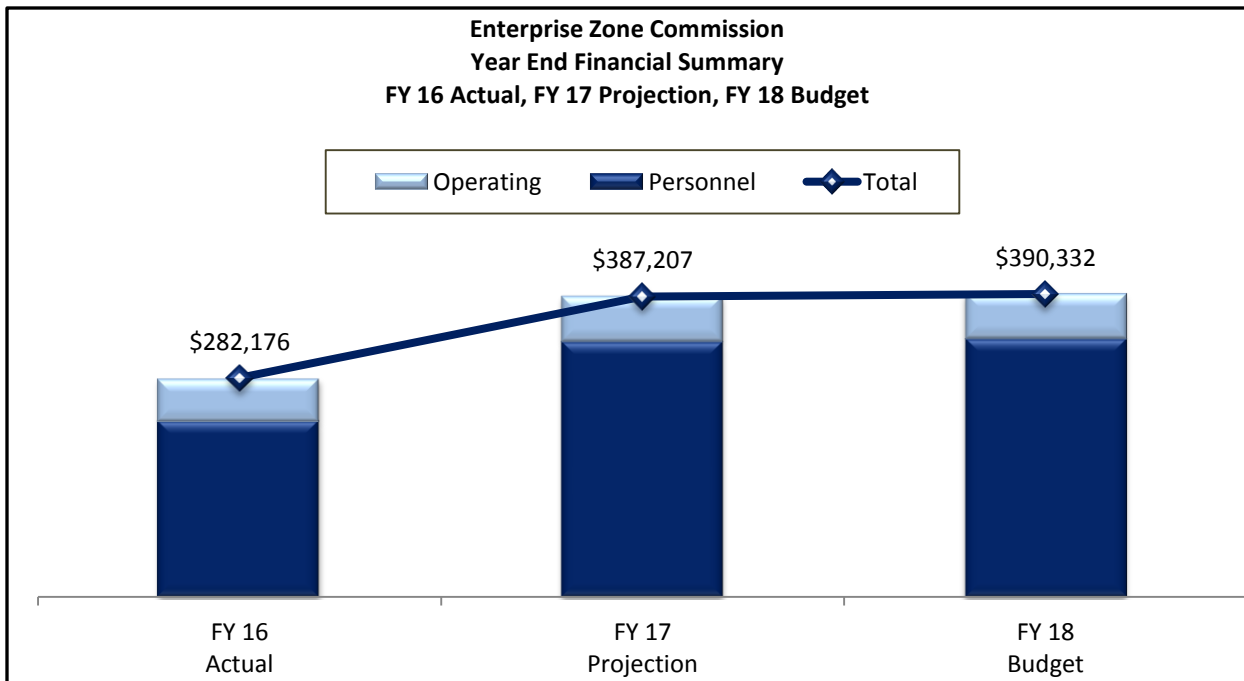
| KEY PERFORMANCE INDICATORS (KPI) | Actual FY 16 | Target FY17 | Actual FY 2017 (as of 3/31/17) | Planned FY 18 |
|---|-----------------|----------------|-----------------------------------|------------------|
| Number of collaborative events | 8 | 11 | 4 | 12 |
| Number of rehabilitated properties | 0 | 9 | 2 | 10 |
| Number of properties boarded up (for safety concerns) | 0 | 2 | 1 | 4 |
| Number of public meetings held towards revitalization | 1 | 2 | 1 | 3 |

**U.S. VIRGIN ISLAND ECONOMIC DEVELOPMENT AUTHORITY
ENTERPRISE ZONE COMMISSION (EZO)
STATISTICAL DATA**



US Virgin Islands Economic Development Authority
Enterprise Zone Commission
Year End Financial Summary
FY 16 Actual, FY 17 Projected, and FY 18 Budget

| | FY16-Actual 10/1/15-9/30/16 | Total Proj. Exp. 10/1/16-9/30/17 | FY18-Budget 10/1/17-9/30/18 |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Personnel Expenses | | | |
| Salaries - Classified | 97,798 | 139,503 | 146,706 |
| Salaries - Unclassified | 90,692 | 94,500 | 96,390 |
| Fica | 11,686 | 15,098 | 15,072 |
| Medicare | 2,733 | 3,531 | 3,525 |
| Group Insurance | 16,134 | 25,353 | 26,740 |
| Annual Leave | (19,308) | - | - |
| Retirement | 26,936 | 40,989 | 43,400 |
| All Other | - | 9,515 | - |
| Total Personnel Expense | 226,673 | 328,489 | 331,832 |
| Operating Expenses | | | |
| Advertising & Promotion | 9,218 | 6,761 | 7,000 |
| Supplies | 780 | 978 | 1,000 |
| Dues & Subscription | - | 932 | - |
| Labor | 2,889 | 1,200 | - |
| Catering Services | 3,144 | 1,932 | - |
| Employee Relations | 119 | 365 | 500 |
| Parking | 2 | 20 | - |
| Printing & Publication | 280 | 2,058 | 3,500 |
| Professional Development | - | 4,750 | 8,000 |
| Miscellaneous | 17,680 | 23,212 | 25,000 |
| Meeting Space Rental | 300 | 2,100 | - |
| Professional Services | 12,865 | 10,375 | 10,000 |
| Travel | 7,379 | 3,677 | 3,000 |
| Communication | 848 | 358 | 500 |
| Total Operating Expense | 55,503 | 58,718 | 58,500 |
| Total Department Expense (Direct Cost Only) | 282,176 | 387,207 | 390,332 |



2.4 ECONOMIC DEVELOPMENT PARK CORPORATION

FUNCTIONAL STATEMENT

The Economic Development Park Corporation (“EDPC”) is chartered as a public corporation to acquire and operate industrial parks in the U.S. Virgin Islands to complement activities of the Economic Development Commission (“EDC”). The EDPC is self-supported by revenues it generates from its tenants. The EDPC has two locations, one on St. Croix known as William D. Roebuck Industrial Park and the other on St. Thomas located in Estate Contant.

OPERATIONAL GOAL(S)

Support economic development by offering space for commercial use for rent; and to maintain and upgrade the facilities to retain and attract tenants.

FISCAL YEAR 2017 OBJECTIVES

- Develop and implement a five-year capital project budget;
- Complete a micro-grid investment audit of the William D. Roebuck Industrial Park;
- Lease 75% of rentable space; and
- Work with tenants in fostering good relations.

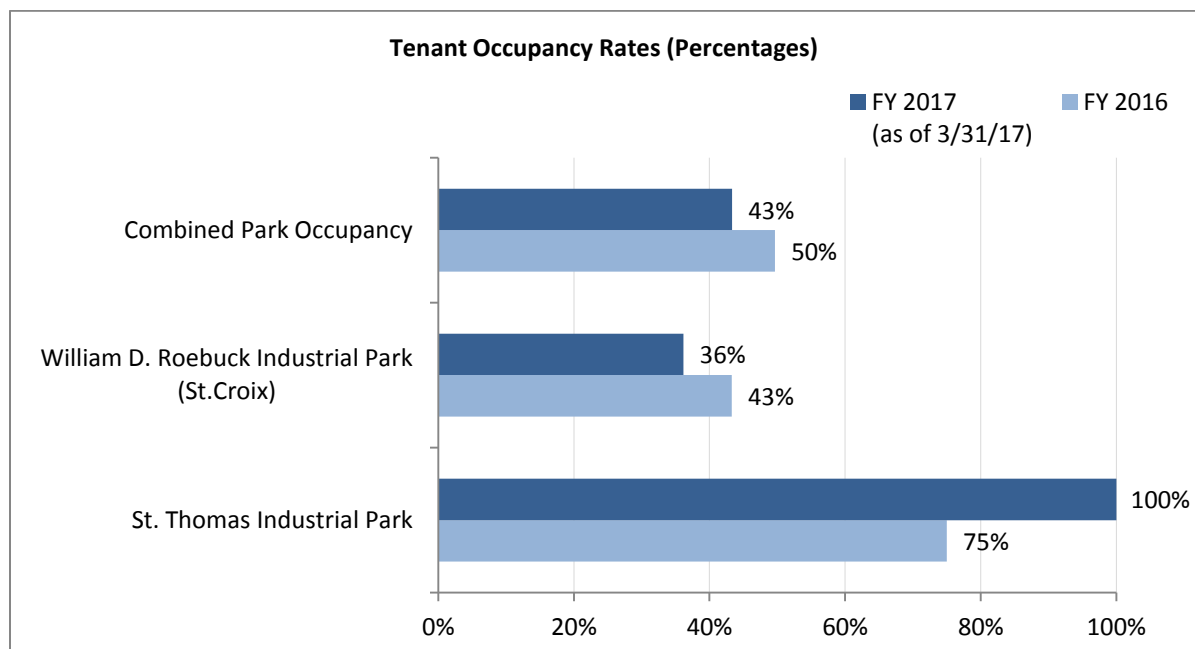
FISCAL YEAR 2017 ACCOMPLISHMENTS AS OF MARCH 31, 2017

- Substantial completion of the planned capital improvement projects for FY 2017;
- Negotiating leases with several prospective tenants;
- Aggressively marketing the Park thus increasing the number of rental inquiries and site visits; and
- Enhanced tenant satisfaction through improved communication and responsiveness.

FISCAL YEAR 2018 OBJECTIVES

- Complete a micro-grid investment audit of the William D. Roebuck Industrial Park;
- Lease 75% of rentable space; and
- Work with tenants in fostering good relations.

| Key Performance Indicators (KPI) | Actual FY 16 | Target FY 17 | Actual FY 17 (as of 3/31/17) | Planned FY 18 |
|---------------------------------------|-----------------|-----------------|---------------------------------|------------------|
| Number of capital projects completed | 1 | 6 | 5 | 3 |
| Percentage of rentable space occupied | 50% | 75% | 43% | 75% |

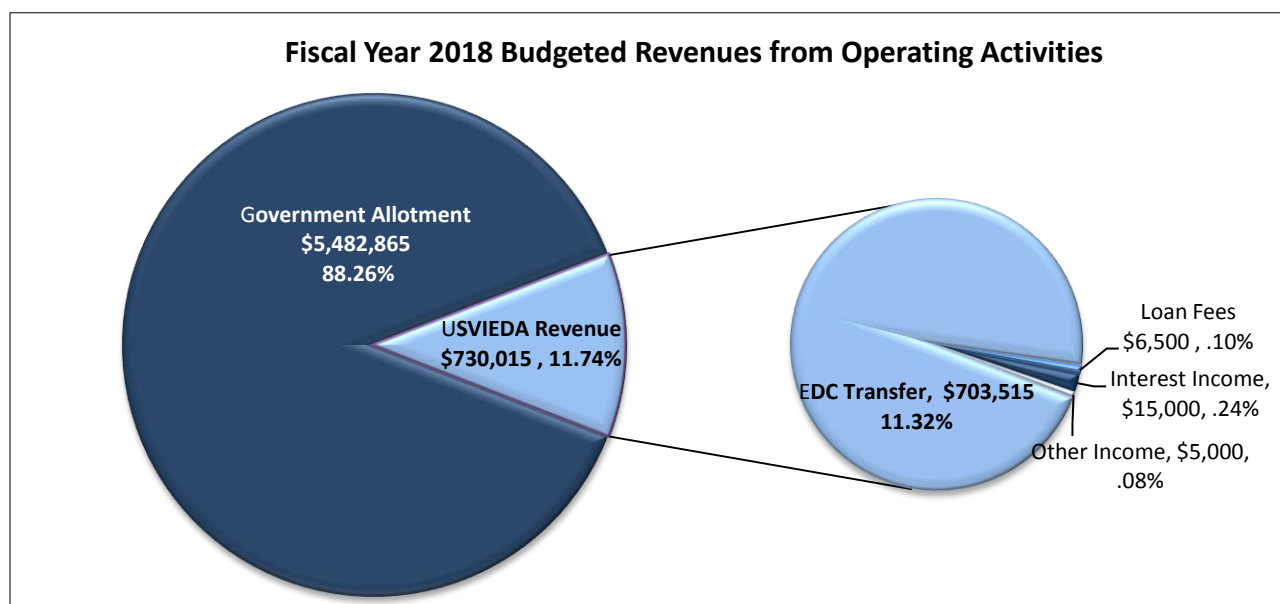


3.0 FINANCIAL INFORMATION

3.1 REVENUES

The USVIEDA's revenue is derived from two (2) primary sources: government allotments and internally generated revenues.

Internally generated revenues include EDC activation, application, and compliance fees received from beneficiaries. These amounts are deposited into the EDC Industrial Promotion Fund and annually, an amount is transferred from this fund to help support the EDC budget. Other internally generated revenues consist of non-restricted interests from interest bearing accounts and amounts received in loan originating and loan application fees.

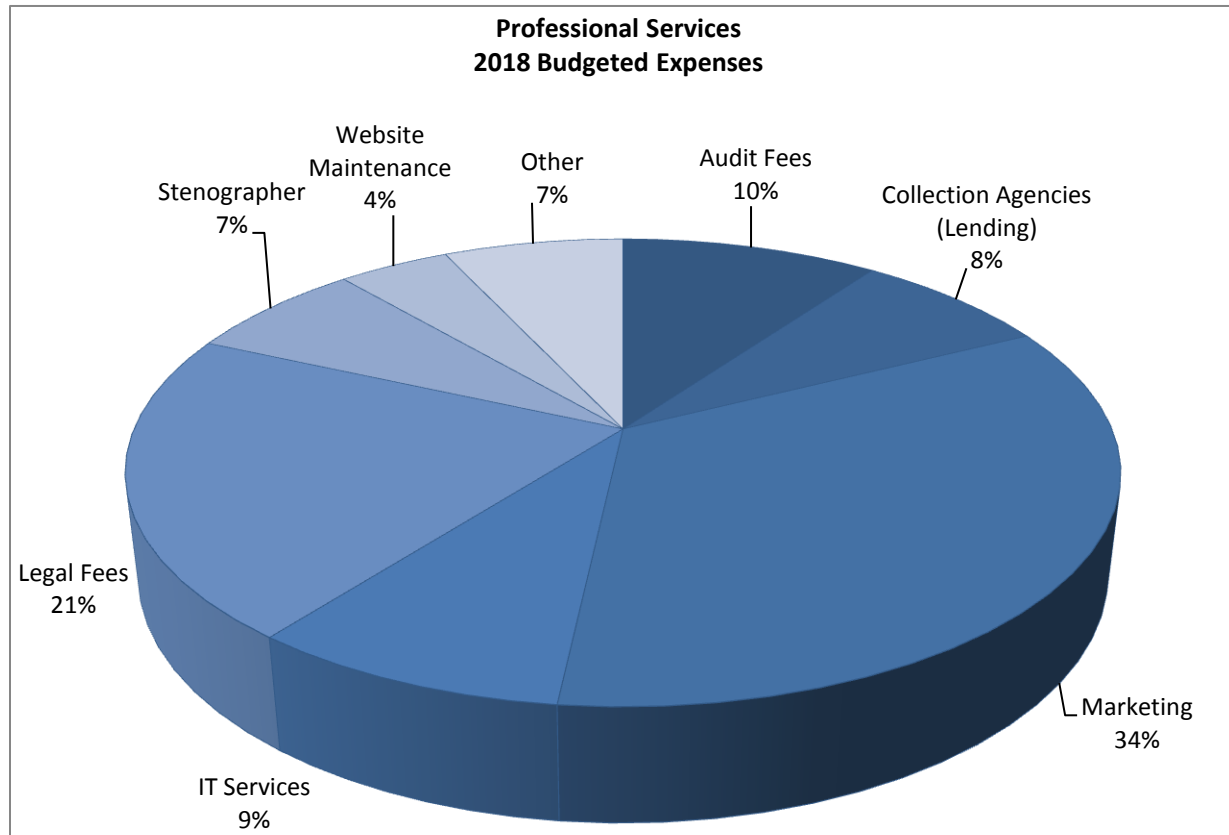


| | <u>Actual</u> <u>FY16</u> | <u>Actual</u> <u>10/1/16-3/31/17</u> | <u>Projected</u> <u>4/1-9/30/17</u> | <u>Total Proj.</u> <u>FY17</u> | <u>Budgeted</u> <u>FY18</u> |
|-------------------------------|------------------------------|---|--|-----------------------------------|--------------------------------|
| Revenues | | | | | |
| Interest Income | 10,251 | 582 | 9,669 | 10,251 | 10,000 |
| Loan Fees | 35,467 | 3,558 | 3,500 | 7,058 | 7,000 |
| Transfer: Promotion Fund | 505,000 | 703,515 | - | 703,515 | 703,515 |
| Other | 29,531 | 4,693 | 5,000 | 9,693 | 9,500 |
| Total | 580,248 | 712,348 | 18,169 | 730,517 | 730,015 |
| Plus: | | | | | |
| Government Allotment | 4,800,000 | 2,310,987 | 3,007,392 | 5,318,379 | 5,882,865 |
| Total Budgeted Revenue | 5,380,248 | 3,023,335 | 3,025,562 | 6,048,896 | 6,612,880 |

3.2 EXPENDITURE COMPARISONS FOR FY16, FY17 PROJECTED AND FY18 BUDGETED

| DEPARTMENT/AGENCY/OFFICE NAME: | Actual | Actual Expenditures | Proj. Expenditures | Total Proj. Expenditures | PROJECTED |
|--|-----------|---------------------|--------------------|--------------------------|-------------|
| Fiscal Period | 2016 | 10/1/16-3/31/17 | 4/1-9/30/17 | FY 2017 | Budget 2018 |
| PERSONNEL SERVICES | | | | | |
| CLASSIFIED EMPLOYEE SALARIES | 1,424,071 | 756,680 | 849,024 | 1,605,704 | 1,607,544 |
| UNCLASSIFIED EMPL. SALARIES | 1,064,841 | 495,050 | 624,731 | 1,119,780 | 1,354,098 |
| TEMP/PART TIME SALARIES | | | | | |
| OVERTIME SALARIES | | | | | |
| LUMP SUM PAYMENTS | | | | | |
| NIGHT DIFFERENTIAL COMP | | | | | |
| OTHER DIFFERENTIAL COMP | | | | | |
| FEES & COMPENSATION NOC | | | | | |
| HOLIDAY PAY | | | | | |
| ALL OTHER | (27,844) | 161,069 | - | 161,069 | - |
| SUB-TOTAL | 2,461,067 | 1,412,798 | 1,473,755 | 2,886,553 | 2,961,642 |
| CAPITAL OUTLAYS | | | | | |
| MACHINERY & EQUIPMENT | 120,518 | 14,443 | 65,000 | 79,443 | 60,000 |
| VEHICLES | | | | | |
| ALL OTHER | | | | | |
| SUB-TOTAL | 120,518 | 14,443 | 65,000 | 79,443 | 60,000 |
| FRINGE BENEFITS | | | | | |
| EMPLOYER CONTR. RETIREMENT | 1,801,816 | 216,750 | 268,742 | 485,491 | 531,974 |
| F.I.C.A. | 153,711 | 86,935 | 74,855 | 161,790 | 183,622 |
| MEDICARE | 36,089 | 20,486 | 37,623 | 58,108 | 42,944 |
| HEALTH INSURANCE PREMIUM | 263,386 | 145,890 | 151,830 | 297,720 | 335,370 |
| WORKERS COMP. PREMIUMS | | | | | |
| UNIFORM ALLOWANCE | | | | | |
| ALL OTHER | | | | | |
| SUB-TOTAL | 2,255,002 | 470,061 | 533,049 | 1,003,110 | 1,093,909 |
| SUPPLIES | | | | | |
| OFFICE SUPPLIES | 37,668 | 18,283 | 24,724 | 43,007 | 51,500 |
| OPERATING SUPPLIES | | | | | |
| SMALL TOOLS/MINOR EQUIPMENT | | | | | |
| ALL OTHER | | | | - | |
| SUB-TOTAL | 37,668 | 18,283 | 24,724 | 43,007 | 51,500 |
| OTHER SERVICES & CHARGES | | | | | |
| PROFESSIONAL SERVICES | 497,137 | 258,767 | 331,875 | 590,642 | 601,000 |
| COMMUNICATION | 64,288 | 37,579 | 43,544 | 81,122 | 76,900 |
| TRAVEL | 57,808 | 56,292 | 52,513 | 108,805 | 91,000 |
| TRANSPORTATION - NOT TRAVEL | | | | | |
| ADVERTISING AND PROMOTION | 222,613 | 93,447 | 196,004 | 289,451 | 668,864 |
| PRINTING AND BINDING | 11,391 | 5,008 | 18,500 | 23,508 | 23,750 |
| INSURANCE | 59,742 | 7,525 | 59,355 | 66,880 | 60,130 |
| REPAIRS AND MAINTENANCE | 74,853 | 45,035 | 40,000 | 85,035 | 75,000 |
| RENTAL- LAND/BUILDING | 241,670 | 123,046 | 125,000 | 248,046 | 268,279 |
| RENTAL - MACHINES/EQUIPMENT | | | | | |
| TRAINING | 70,953 | 66,233 | 66,750 | 132,983 | 142,500 |
| SECURITY | | | | | |
| ALL OTHER | 244,302 | 167,563 | 177,290 | 344,853 | 362,206 |
| SUB-TOTAL | 1,544,758 | 860,495 | 1,110,831 | 1,971,325 | 2,369,629 |
| UTILITY SERVICES | | | | | |
| ELECTRICITY | 76,544 | 29,257 | 35,000 | 64,257 | 75,000 |
| WATER | 1,226 | - | 1,200 | 1,200 | 1,200 |
| SUB-TOTAL | 77,770 | 29,257 | 36,200 | 65,457 | 76,200 |
| TOTAL EXPENSES | 6,496,783 | 2,805,337 | 3,243,559 | 6,048,896 | 6,612,880 |
| Appropriation/Allotment | 4,800,000 | 2,310,987 | 3,007,392 | 5,318,379 | 5,882,865 |
| EDA Revenue | 580,248 | 712,348 | 18,169 | 730,517 | 730,015 |
| Total Projected (Actual) Revenues | 5,380,248 | 3,023,335 | 3,025,561 | 6,048,896 | 6,612,880 |

3.3 PROFESSIONAL SERVICES BREAKDOWN IN DETAIL

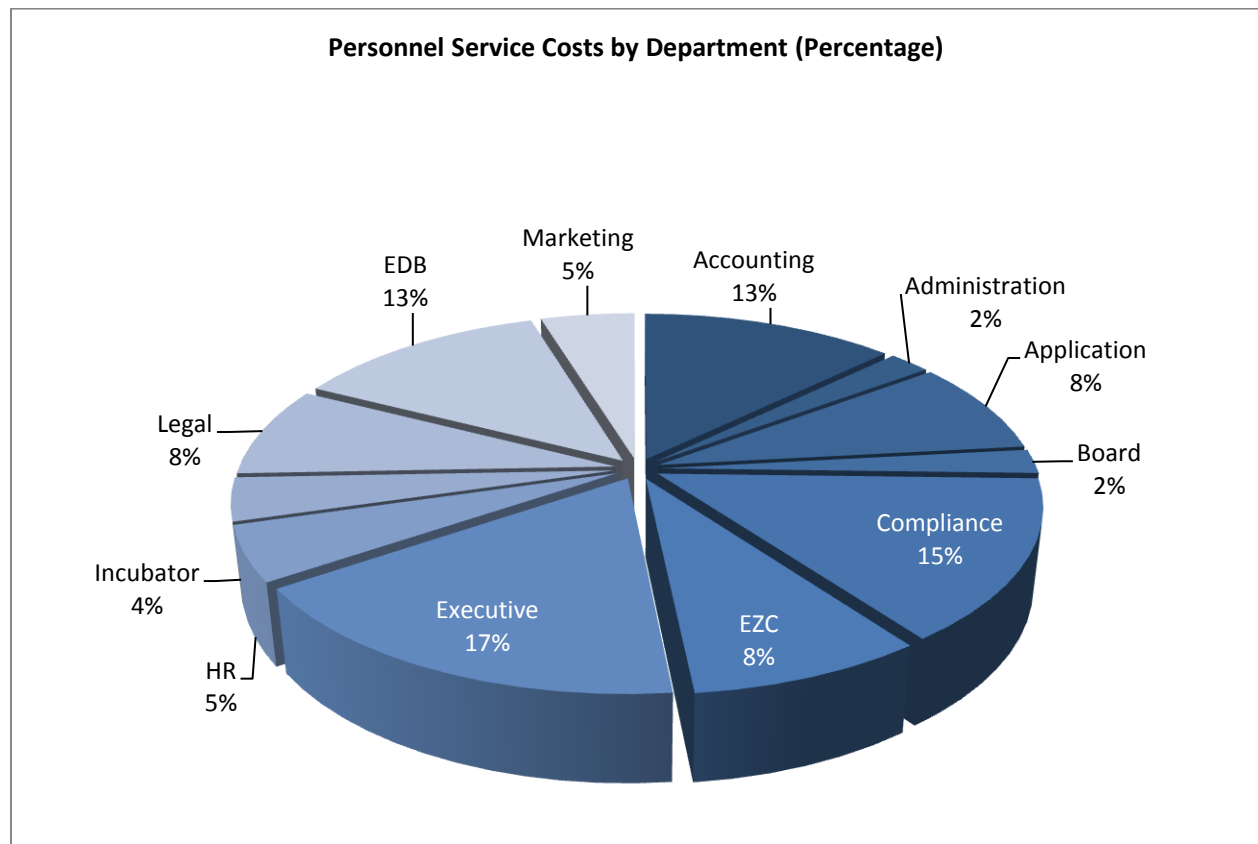


| | Actual FY16 | Actual 10/1/16-3/31/17 | Projected 4/1-9/30/17 | Total Proj. FY17 | Budgeted FY18 |
|-------------------------------|------------------------|-----------------------------------|----------------------------------|-----------------------------|--------------------------|
| Professional Services | | | | | |
| Audit Fees | 60,000 | - | 60,000 | 60,000 | 60,000 |
| Collection Agencies | 47,071 | 21,564 | 23,000 | 44,564 | 46,000 |
| IT Services | 51,508 | 22,197 | 28,000 | 50,197 | 53,000 |
| Legal Fees | 131,896 | 62,160 | 61,000 | 123,160 | 127,000 |
| Marketing | 106,201 | 100,402 | 95,000 | 195,402 | 205,000 |
| Stenographer | 35,511 | 16,779 | 25,000 | 41,779 | 42,000 |
| Website Maintenance | 25,500 | 10,875 | 15,125 | 26,000 | 26,000 |
| Other | 39,450 | 24,791 | 24,750 | 49,541 | 42,000 |
| Total Budgeted Revenue | 497,137 | 258,767 | 331,875 | 590,642 | 601,000 |

3.4 PERSONNEL SERVICE COST BREAKDOWN BY DEPARTMENT AND CLASSIFICATION

Personnel cost is the single largest component of the Authority's operating budget, representing approximately sixty-five percent (65%) of the total operating expenses.

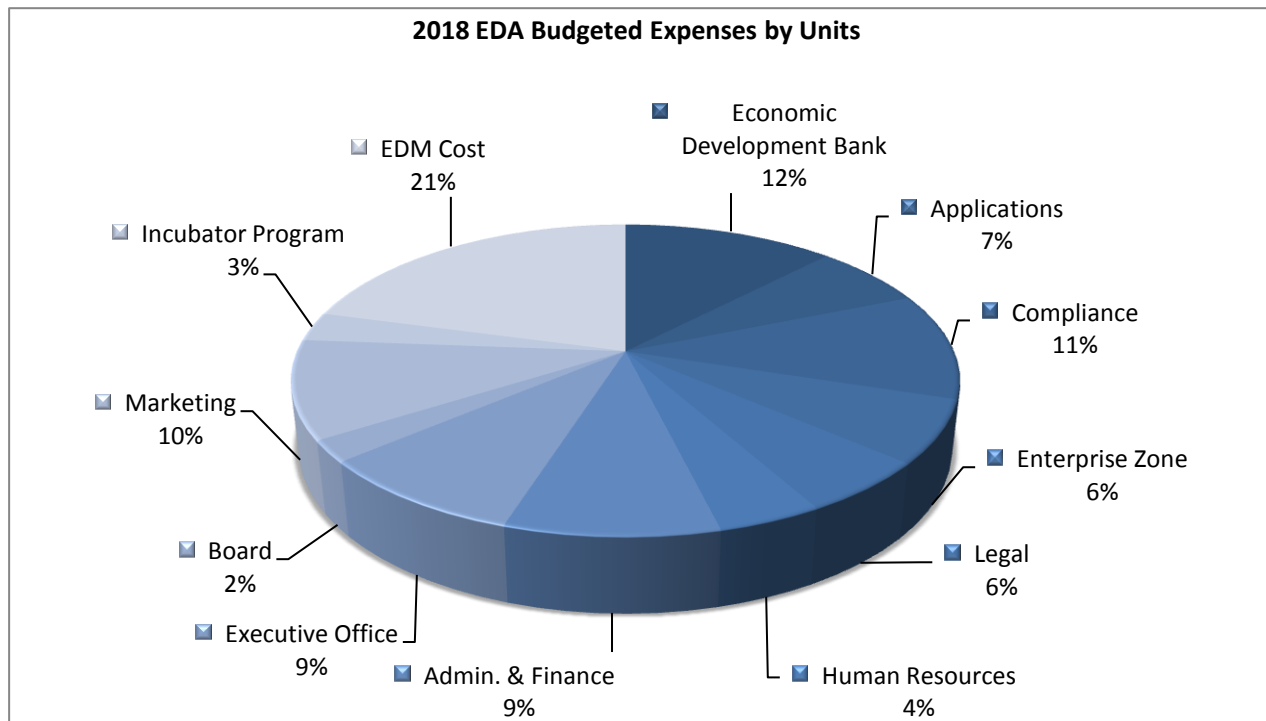
| FY 2018 Personnel Cost by Department | | | | | | |
|--------------------------------------|---------------|-------------------|---------------|------------------|---------------------|-------------------|
| Department | Positions (#) | Unclassified (\$) | Positions (#) | Classified (\$) | Total Positions (#) | Total Salary (\$) |
| Accounting | 1 | 96,390 | 5 | 271,208 | 6 | 367,598 |
| Administration | 0 | 0 | 2 | 60,553 | 2 | 60,553 |
| Application | 1 | 85,680 | 3 | 155,362 | 4 | 241,042 |
| Board | 1 | 62,225 | 0 | - | 1 | 62,225 |
| Compliance | 1 | 80,325 | 6 | 336,613 | 7 | 416,938 |
| EZC | 1 | 96,390 | 3 | 146,706 | 4 | 243,096 |
| Executive | 4 | 359,405 | 4 | 134,019 | 8 | 493,424 |
| HR | 1 | 77,648 | 1 | 65,092 | 2 | 142,739 |
| Incubator | 1 | 70,457 | 1 | 41,503 | 2 | 111,961 |
| Legal | 2 | 202,810 | 2 | 116,394 | 4 | 319,204 |
| EDB | 2 | 137,088 | 4 | 229,475 | 6 | 366,563 |
| Marketing | 1 | 85,680 | 1 | 50,619 | 2 | 136,299 |
| Total | 16 | 1,354,098 | 32 | 1,607,544 | 48 | 2,961,642 |



3.5 BUDGET SUMMARY

- ◆ FY 2018 budgeted revenue is \$6,612,880.
 - Internally generated revenue is \$730,015.
 - Recommended appropriation is \$5,882,865.
- ◆ FY 2018 budgeted expenses total \$6,612,880.

| Division / Department | Personnel Costs | Operating Expense | Total |
|--|---------------------|---------------------|---------------------|
| Economic Development Bank | \$ 507,440 | \$ 144,687 | \$ 652,128 |
| EDC Applications Department | \$ 341,783 | \$ 45,243 | \$ 387,026 |
| EDC Compliance Department | \$ 574,485 | \$ 96,350 | \$ 670,835 |
| Enterprise Zone Commission | \$ 331,832 | \$ 58,500 | \$ 390,332 |
| Legal Department | \$ 431,262 | \$ 19,684 | \$ 450,946 |
| Human Resources | \$ 192,108 | \$ 37,050 | \$ 229,158 |
| Administration & Finance | \$ 515,136 | \$ 30,223 | \$ 545,359 |
| Executive Office | \$ 637,921 | \$ 49,170 | \$ 687,091 |
| Board of Directors | \$ 79,763 | \$ 94,347 | \$ 174,110 |
| Marketing Department | \$ 186,736 | \$ 809,896 | \$ 996,632 |
| Incubator Program | \$ 158,668 | \$ 25,000 | \$ 183,668 |
| EDM - Indirect Cost | \$ 98,417 | \$ 1,147,179 | \$ 1,245,595 |
| Total Fiscal Year 2016 Budgeted Expense | \$ 4,055,551 | \$ 2,557,328 | \$ 6,612,880 |



A hand holding a small green plant against a blurred background of trees.

V. SUPPLEMENTAL INFORMATION

This section of the budget presents additional information to assist management, the public and outside users in gaining a better understanding of the operations of the organization and to provide selected historical data for comparisons. The major components of this section consist of charts, tables, and graphs presenting: revenue, expense, and operating information.

VEHICLE LISTING

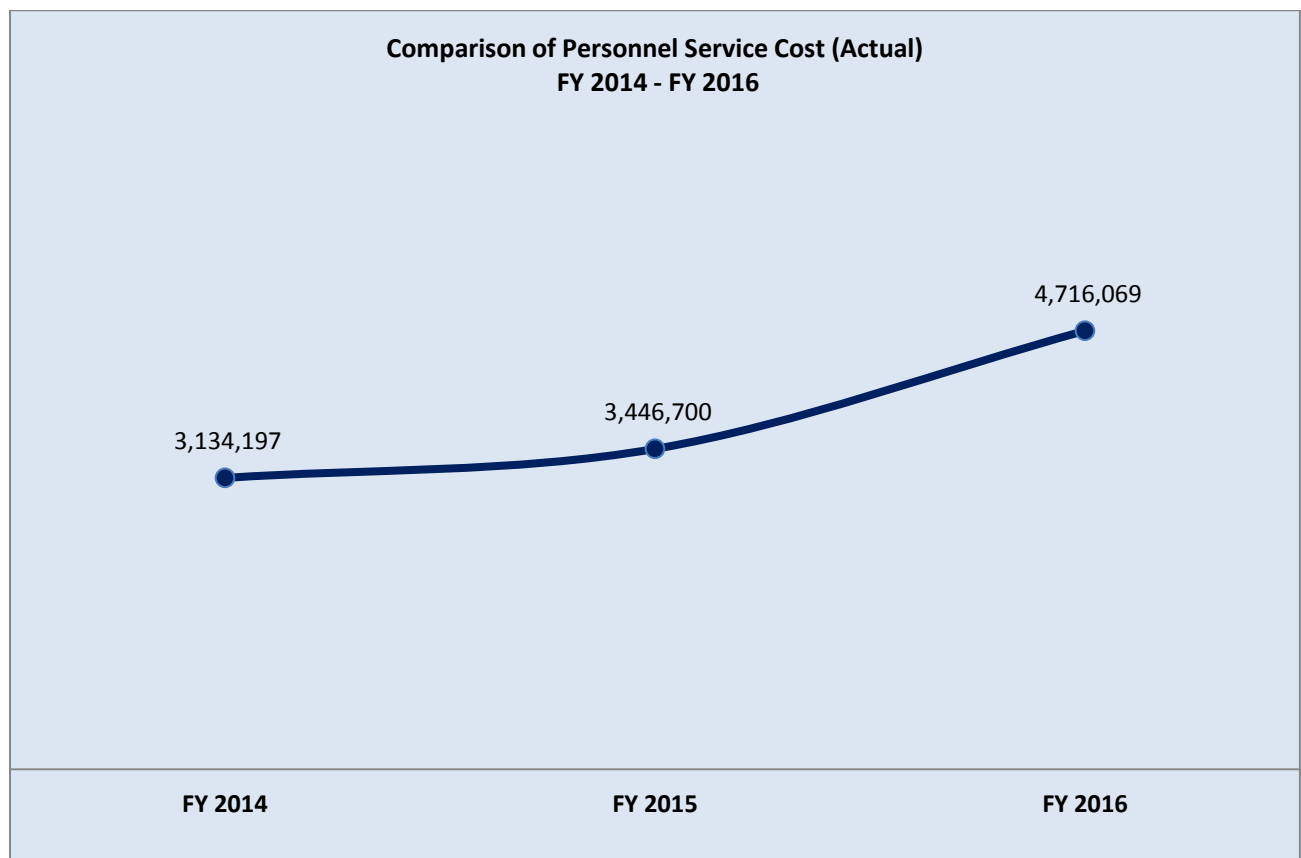
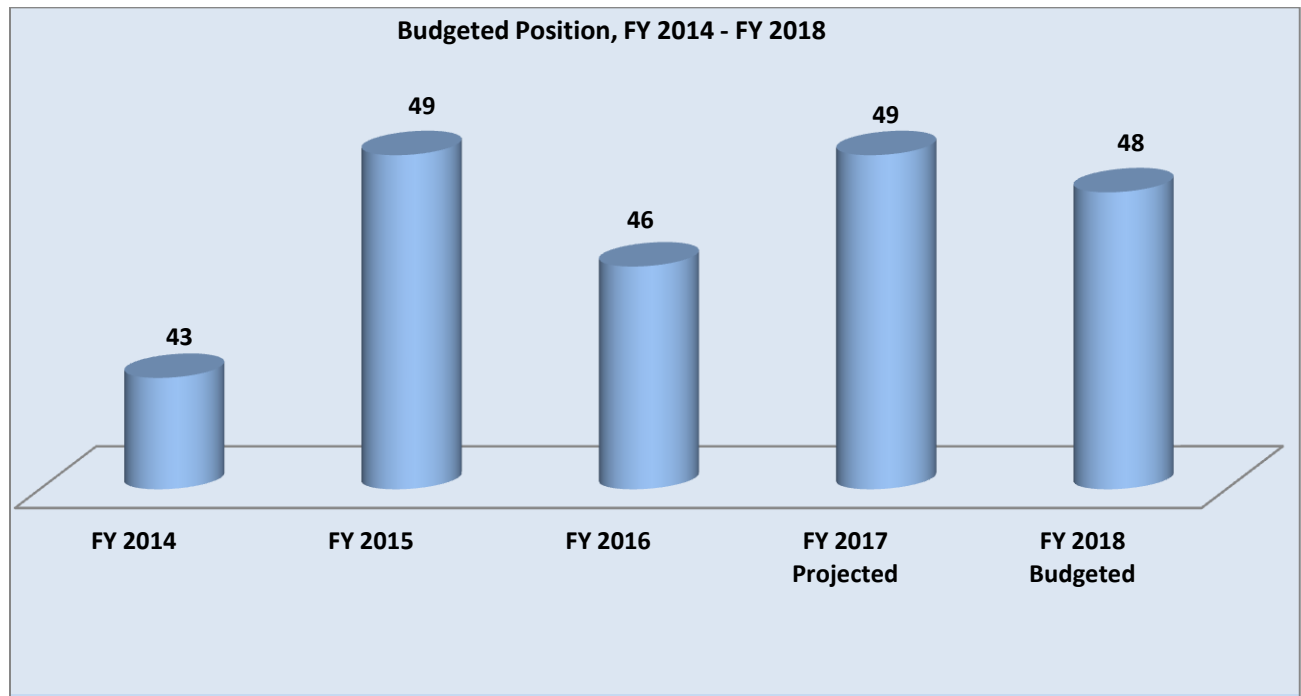
Presently, the USVIEDA has nine (9) vehicles. Eight (8) were purchased with USVIEDA funds and one (1) with Economic Development Park Corporation funds.

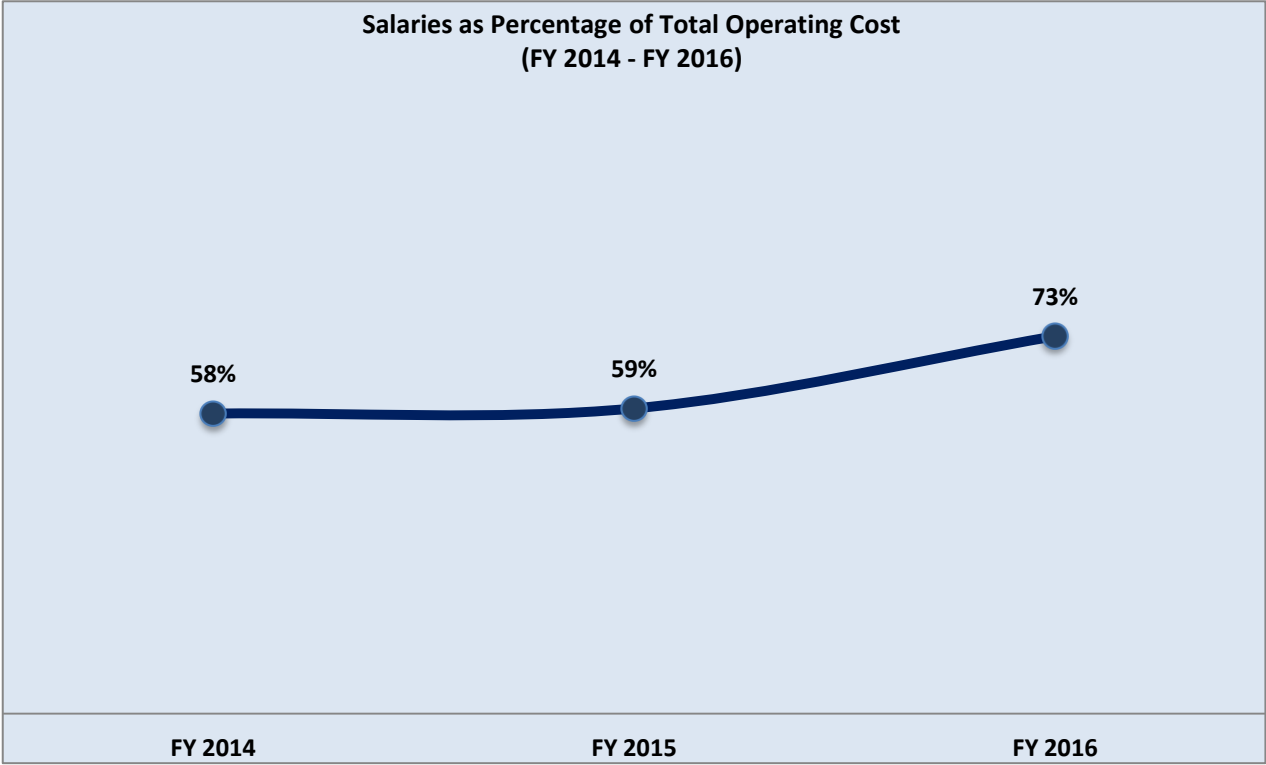
| Year | Make | Model | Assigned Use | Fund Source | Island |
|------|-----------|----------|---------------------|--------------|------------------------------|
| 2007 | Toyota | Rav4 | Executive - USVIEDA | USVIEDA Fund | St. Thomas/St. John District |
| 2007 | Toyota | Rav4 | General | USVIEDA Fund | St. Thomas/St. John District |
| 2007 | Toyota | Rav4 | General | USVIEDA Fund | St. Croix District |
| 2007 | Toyota | Rav4 | General | USVIEDA Fund | St. Croix District |
| 2013 | Chevrolet | Traverse | Executive - USVIEDA | USVIEDA Fund | St. Thomas/St. John District |
| 2015 | Chevrolet | Colorado | General | USVIEDA Fund | St. Thomas/St. John District |
| 2015 | Chevrolet | Equinox | Park Superintendent | USVIEDA Fund | St. Croix District |
| 2016 | Chevrolet | Traverse | Executive - USVIEDA | USVIEDA Fund | St. Croix District |
| 2016 | Chevrolet | Colorado | General | EDPC Fund | St. Croix District |

REAL PROPERTY LEASED

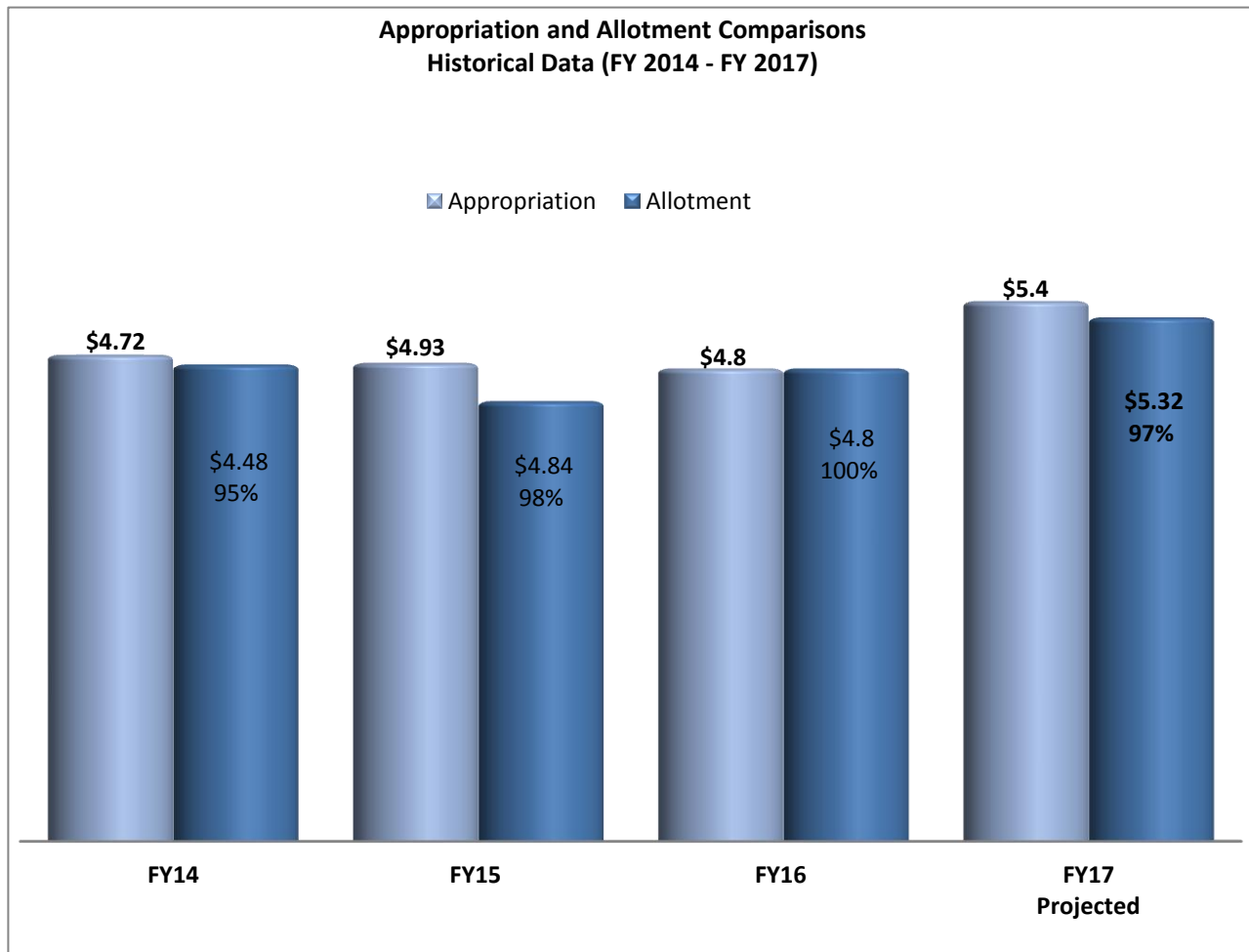
| Lessor | Address | Sq. Ft. | Annual Rent | Lease Terms | Use |
|------------------------------------|--|---------|-------------|----------------|---------------|
| B&W Realty Investments, Ltd. | Nisky Shopping Center Second Floor, Suite 620 St. Thomas | 6,800 | \$182,048 | 5 Years | Office Space |
| VI Economic Development Park Corp. | 116 King Street Frederiksted, St. Croix | 4,088 | \$49,464 | Month to Month | Office Space |
| Crown Holdings | 18B-2 Lindberg Bay St. Thomas | 2,000 | \$17,229 | 5 Years | Storage Space |

PERSONNEL STATISTICS





APPROPRIATION AND ALLOTMENT COMPARISON



GLOSSARY OF SELECTED TERMS

Budget: An estimate of income and expenditure in the planning, monitoring, and evaluation of financial activities.

Capital Outlay: Expenditures made for the acquisition of assets that exceed \$500 in cost and has a service life of more than a year.

Direct Cost: A cost that can be identified or traced with relative ease and a high degree of accuracy to a particular Unit.

Fringe Benefits: The various types of non-wage compensations such as retirement contributions, F.I.C.A., health insurance, and uniform allowance provided to employees.

Insurance: Cost to cover the risk of a contingency or uncertain loss and include personal injury, directors' and officers' liability and auto.

Indirect Costs: A cost incurred in common with other Units that cannot be traced to any one particular Unit.

Key Performance Indicator (KPI): A quantitative or qualitative factor that measures program results against planned outcomes.

Personnel Service: The gross salary amounts paid to full-time, part-time, and temporary employees.

Professional Development: Employer sponsored training to improve or enhance employees' job-related skills. Costs include airfare, hotel accommodation, and registration fees.

Rent: Compensation paid for the use of office or storage space.

Repairs and Maintenance: Costs incurred to maintain or upkeep buildings and equipment in good working conditions.

Office Supplies: All materials required by employees to perform their daily tasks. Examples include pens, paper and other stationery items.

Travel: Costs of airfare, ferry service, per diem, ground transportation, and hotel accommodations for employees travel between islands.

Utilities: This expense includes electricity, water, telephone, cell phones, and internet service costs.