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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the consolidated accompanying statement of net position of the Virgin Islands Economic Development Authority (the "Authority") and its wholly owned subsidiary Economic Development Park Corporation, a component unit of the Government of the U.S. Virgin Islands, as of and for the year ended September 30, 2020 and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including, the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2020, and the respective changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the consolidated financial statements present only the Authority's financial position and the changes in financial position and cash flows and do not purport to, and do not, present fairly the financial position of the Government of the U.S. Virgin Islands as of September 30, 2020 and changes in the financial position of the Government of the U.S. Virgin Islands for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Comparative Information

We have previously audited the Authority's September 30, 2019 consolidated financial statements, and our report dated, January 15, 2021, expressed an unmodified opinion thereon. In our opinion, the comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis information on pages 4 through 10 and the Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions and Schedule of Proportionate Share of OPEB Liability on pages 31 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic consolidated financial statement in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The combining statements of net position and the combining statements of revenues, expenses and changes in net position on pages 34 and 35 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other information, as noted in the preceding paragraph, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting or other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of the other auditors, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Bert Smith & Co.

St. Croix, U.S. Virgin Islands
February 22, 2022

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, 2020. We encourage readers to consider the information presented here in conjunction with the Authority's consolidated financial statements. This overview and analysis are required by accounting principles generally accepted in the United States of America ("GAAP"), and the Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Government.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

2020 FINANCIAL HIGHLIGHTS

- The Authority's net position (deficit) increased by $2,248,028 or 26.25% compared to fiscal year 2019.

- The Authority's total assets and deferred outflow of resources increased by $3,474,476 or 9.59%.

- Total liabilities and deferred inflows of resources increased by $5,722,504 or 12.78% compared to fiscal year 2019.

- The Authority's operating revenues decreased by $801,767 or 31.00% and operating expenses exclusive of depreciation increased by $123,924 or 1.42% compared to fiscal year 2019.

- Government appropriations decreased by $932,216 or 16.43% compared to fiscal year 2019.

Condensed Consolidated Statements of Net Position as of September 30, 2020 and 2019

	2020	2019	Variance	% Variance
Assets				
Current Assets	$ 13,239,440	$12,946,999	$ 292,441	2.26%
Noncurrent Assets	17,855,599	17,711,710	143,889	0.81%
Capital Assets, net	987,613	1,170,014	(182,401)	-15.59%
Total Assets	32,082,652	31,828,723	253,929	0.80%
Deferred Outflows of Resources	7,614,938	4,394,391	3,220,547	73.29%
Total Assets and Deferred Outflows of Resources	$ 39,697,590	$36,223,114	$ 3,474,476	9.59%
Liabilities				
Current Liabilities	$ 14,171,320	$13,828,630	$ 342,690	2.48%
Noncurrent Liabilities	32,143,383	27,249,839	4,893,544	17.96%
Total Liabilities	46,314,703	41,078,469	5,236,234	12.75%
Deferred Inflows of Resources	4,193,886	3,707,616	486,270	13.12%
Total Liabilities and Deferred Inflows of Resources	$ 50,508,589	$44,786,085	$ 5,722,504	12.78%
Net Position				
Net Investment in Capital Assets	$ 987,613	$ 1,170,014	$ (182,401)	-15.59%
Restricted	16,578,570	16,532,952	45,618	0.28%
Unrestricted	(28,377,182)	(26,265,937)	(2,111,245)	8.04%
Total Net Position	$ (10,810,999)	$ (8,562,971)	$ (2,248,028)	26.25%

CURRENT ASSETS

Current assets are used to support the Authority's operations and include cash and cash equivalents, net accounts receivables (primarily receivables from rentals and beneficiaries, and accrued interest receivable), short-term investments, and prepaid expenses. In Fiscal Year 2020, current assets increased by $292,441 or 2.26%. This increase was mainly due to the cumulative effect of an $837,172 or 344.98% increase in accounts receivables and a $725,614 or 6.24% reduction in cash and cash equivalents related to the operations of the State Small Business Credit Initiative ("SSBCI") Program. Prepaid and other assets increased by $174,287 or 136.88%. This was largely due to the establishment of an escrow account to pay for the development and promotion of the Territory's Opportunity Zone Tax Incentive Program. There was also an increase of $6,594 or 0.70% in investments representing annual interest earned on Certificates of Deposit held at local financial institutions.

NONCURRENT RESTRICTED ASSETS

Noncurrent assets increased by $143,889 or 0.81% compared to last fiscal year. This increase was principally driven by an increase of $596,006 or 23.48% in net restricted loan receivables and a reduction of $475,034 or 4.85% in cash and cash equivalent that resulted from increased loans being provided to small businesses. There was also an increase in restricted investments of $22,916 or 0.43%, representing interest earned on long-term investments held at local financial institutions in the form of Certificates of Deposit.

CURRENT LIABILITIES

Current liabilities increased by $342,690 or 2.48% from Fiscal Year 2019 to Fiscal Year 2020. Primarily contributing to this was an increase of $386,692 or 2.95% in deferred revenue for the operation of the Incubator Program and business marketing activities not expended at year-end due to COVID-19 travel and gathering restrictions. Additionally, compensated absences, employees' earned but unused vacation compensation, increased by $17,909 or 9.78% Accrued expenses increased by $78,272 or 3269.51% due to increases in payroll liabilities and contractual obligations. Conversely, accounts payable declined by $139,848 or 29.72% due to the overall reduction in vendor obligations.

NONCURRENT LIABILITIES

The Authority's noncurrent liabilities are substantially comprised of long-term debt, net pension liability, other long-term liabilities accrued for post-employment and post-retirement benefits (OPEB), and compensated absences. During Fiscal Year 2020, noncurrent liabilities increased by $4,893,544 or 17.96% due to the cumulative effect of:

- An increase of $4,842,586 or 19.55% in the Authority's proportionate share of the net pension liability in the U.S. Virgin Islands' Government Employees Retirement System (GERS). The Governmental Accounting Standards Board (GASB) Statements No. 68 and 75 require governmental employers participating in multi-employer cost-sharing pension and healthcare benefit plans to recognize liabilities for their proportionate share of the unfunded liability for plans whose actuarial liabilities exceed the plan's net assets. As required by the U.S. Virgin Islands statute, all eligible employees of a qualifying employer must be a member of the Government Employees Retirement System (GERS). The reduction represents the adjustment made to record the Authority's share of the GERS's unfunded liability obligation for Fiscal Year 2020.

- A reduction of $24,136 or 11.31% in long-term debt, representing the annual principal payment on the Intermediary Relending Program ("IRP") loan.

- An increase in security deposits of $3,332 or 5.06% due to a new tenant moving into the V.I. Industrial Park on St. Thomas.

- An increase of $66,809 or 27.78% in long term compensated absences to record the amount owed to employees for accumulated vacation time at the end of the fiscal year.

NET POSITION

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

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

The Authority's total net position (deficit) increased by $2,248,028 or 26.25% during Fiscal Year 2020. This was due to the net effect of a decrease in net investment in capital assets of $182,401 or 15.59% and unrestricted net position of $2,111,245 or 8.04% as total expenses exceeded total revenues

Condensed Consolidated Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended September 30, 2020 and 2019

	2020	2019	Variance	% Variance
Operating Revenues	$ 1,784,382	$ 2,586,149	$ (801,767)	-31.00%
Operating Expenses	(9,085,001)	(9,051,490)	(33,511)	0.37%
Operating Loss	(7,300,619)	(6,465,341)	(833,999)	12.92%
Net Non-operating Revenues	5,052,591	5,970,266	(917,675)	-15.37%
Changes in Net Position	(2,248,028)	(495,075)	(1,752,953)	354.08%
Net Position, Beginning of Year	(8,562,971)	(8,067,896)	(495,075)	6.14%
Net Position, End of Year	$(10,810,999)	$ (8,562,971)	$ (2,248,028)	26.25%

OPERATING REVENUES

Compared to last fiscal year, operating revenues decreased by $801,767 or 31.00%. Included in this amount is a reduction of $558,925 or 99.75% in EDC penalties. This was due primarily to a reduction in the amount of EDC fines assessed on beneficiaries that violated their certificates. The COVID-19 pandemic adversely affected the business community throughout the territory, including EDC beneficiaries. As a result, EDC compliance shifted its emphasis to Business Retention and Expansion (BRE), and focused on reviewing beneficiary petitions for modification of minimum employment numbers and other employment requirements. This helped to keep businesses in operation rather than penalizing them for non-compliance with their contracted employment requirements. Due to these BRE efforts, no EDC beneficiaries terminated their certificate in fiscal year 2020. Other operating income declined by $107,408 or 40.29%. This was mainly due to a reduction in the sale of collateral by the Economic Development Bank to satisfy the loan obligations of its delinquent borrowers this fiscal year. Federal grant revenue declined by $96,295 or 58.70% due to the expiration of the US Small Business Administration State Trade Expansion Program (STEP) III and the Rural Business Development – Incubator Program Phase I grants. Additionally, application and processing fees declined by $83,550 or 14.36% due to less companies activating their VIEDC tax incentive benefits and fewer beneficiaries renewing their certificates after expiration. Interest income from loans declined by $21,346 or 21.93% due to the Governing Board granting a moratorium on loans to alleviate the hardships borrowers faced during the COVID-19 pandemic.

There was also a reduction of $7,243 or 0.79% in rental income from EDPC tenants due to a tenant vacating the William D. Roebuck Industrial Park on St. Croix. However, this loss of revenue was offset by the addition of a new tenant at the VI Industrial Park on St. Thomas. Conversely, non-federal grants increased by $73,000 or 100% due to the receipt of grant funding from the global humanitarian organization Mercy Corps and Bacardi Limited to conduct a Caribbean Innovation Challenge that awarded 25 local businesses up to $5,000 in grants and access to free mentoring.

OPERATING EXPENSES

Operating expenses in the aggregate increased by $123,924 or 1.42% compared to last fiscal year. This amount includes an increase of $182,214 or 2.93% in personnel services due to the retirement expense amount recorded for the fiscal year based on the updated actuarial estimate of pension costs for the Government of the U.S. Virgin Islands. There was also an increase in professional services of $152,200 or 27.10% due to an increase in the use of external legal services to draft the Hotel Development Act ("HDA") Rules and Regulations and to provide advisory opinions on economic development policies, as well as, the execution of new lead generation contracts to identify qualified businesses looking to invest in the U.S. Virgin Islands through the V.I. Economic Development Commission ("VIEDC") Tax Incentive Program. Additionally, expenses related to the Authority conducting its first Caribbean Innovation Challenge, an initiative that provided Virgin Islands businesses with grants and free mentoring services, led to an increase of $73,000 or 100% in non-federal grants. On the other hand, federal grant expense declined by $46,295 or 40.60% due to the expiration of the U.S. Small Business Administration State Trade Expansion Program ("STEP") III grants. There was also a reduction of $141,336 or 32.38% in marketing costs due to reduced in-person attendance at trade shows, business conferences, and other marketing events to promote the VIEDC Tax Incentive Program as a result of COVID-19 travel restrictions. COVID-19 restrictions also resulted in a reduction of $26,228 or 2.76% in general and administrative expenses as fewer in-person employee and business relations activities were held throughout the year. Uncollectible receivables declined by $78,184 or 85.60% as the Authority worked with delinquent borrowers through loan refinancing or restricting to bring their loans current.

NON-OPERATING REVENUES AND EXPENSES

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

In Fiscal Year 2020, the Authority's non-operating revenues declined by $917,675 or 15.37%. This was primarily driven by a reduction of $932,216 or 16.43% in the government appropriation that supports the Authority's day-to-day operations and the deferral of the line-item appropriations for business recruitment and the Incubator Program not fully utilized at the end of the fiscal year.

CAPITAL ASSETS

At September 30, 2020, the Authority had $987,613 invested in capital assets. Total asset acquisition during the fiscal year was $49,130 compared to $249,631 last year, a reduction of 80.32%. The net effect of these additions in the capital asset account and fiscal year's total depreciation expense of $231,531 results in an overall decrease in capital assets of $182,401 or 15.59% compared to last year.

Capital Assets at Year-end
Net of Accumulated Depreciation

	2020	**2019**
Building & Building Improvements	$ 9,508,842	$ 9,508,842
Leasehold Improvements	867,890	867,890
Equipment	1,332,241	1,283,111
Furniture & Fixtures	513,973	513,973
Vehicles	469,145	469,145
Leasehold Equipment	20,585	20,585
Total Costs	12,712,676	12,663,546
Less: Accumulated Depreciation	(11,725,063)	(11,493,532)
Net Capital Assets	$ 987,613	$ 1,170,014

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
(A Component Unit of the Virgin Islands Government)
CONSOLIDATED STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2020
(With Comparative Totals for 2019)

	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and Cash Equivalents	$ 10,909,451	$ 11,635,065
Investments	948,530	941,936
Other Receivables, net	1,079,848	242,674
Prepaid and Other Assets	301,611	127,324
Total Current Assets	13,239,440	12,946,999
Noncurrent Restricted Assets:		
Restricted Cash and Cash Equivalents	9,313,393	9,788,426
Restricted Investments	5,407,787	5,384,871
Restricted Loans Receivable, net	3,134,419	2,538,413
Total Noncurrent Restricted Assets	17,855,599	17,711,710
Capital Assets, net	987,613	1,170,014
Total Assets	32,082,652	31,828,723
Deferred Outflows of Resources	7,614,938	4,394,391
Total Assets and Deferred Outflows of Resources	$ 39,697,590	$ 36,223,114
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities:		
Accounts Payable	$ 330,626	$ 470,474
Accrued Expenses	80,666	2,394
Compensated Absences	201,050	183,141
Interest Payable	18,245	18,245
Deferred Revenue	13,515,179	13,128,487
Loan Payable, current	25,554	25,889
Total Current Liabilities	14,171,320	13,828,630
Noncurrent Liabilities:		
Compensated Absences	307,315	240,506
Security Deposits	69,124	65,792
Deferred Revenue	1,569,059	1,564,106
Relief Revolving Funds	400,000	400,000
Loan Payable	189,328	213,464
Net Pension Liability	29,608,557	24,765,971
Total Noncurrent Liabilities	32,143,383	27,249,839
Total Liabilities	46,314,703	41,078,469
Deferred Inflows of Resources	4,193,886	3,707,616
Total Liabilities and Deferred Inflows of Resources	$ 50,508,589	$ 44,786,085
NET POSITION		
Net Position:		
Net Investment in Capital Assets	$ 987,613	$ 1,170,014
Restricted Net Position	16,578,570	16,532,952
Unrestricted Net Position	(28,377,182)	(26,265,937)
Total Net Position	$ (10,810,999)	$ (8,562,971)

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, 2020
(With Comparative Totals for 2019)

	2020	2019
Operating Revenues:		
Application and Processing Fees	$ 498,150	$ 581,700
Rental Income	908,921	916,164
Interest Income from Loans	76,003	97,349
Grant Revenue – Federal	67,743	164,038
Grant Revenue – Non-Federal	73,000	-
Fees and Fines	1,412	560,337
Other Operating Revenue	159,153	266,561
Total Operating Revenues	1,784,382	2,586,149
Operating Expenses:		
Personnel Costs	6,399,359	6,217,145
General and Administrative	922,657	948,885
Occupancy	315,850	314,682
Advertising	295,109	436,445
Professional Services	713,772	561,572
Travel	54,003	53,618
Grant Expenditures – Federal	67,743	114,038
Grant Expenditures – Non-Federal	73,000	-
Uncollectible Receivables	11,977	83,161
Total Operating Expenses	8,853,470	8,729,546
Operating Loss Before Depreciation	(7,069,088)	(6,143,397)
Depreciation	(231,531)	(321,944)
Operating Loss	(7,300,619)	(6,465,341)
Nonoperating Revenues (Expenses):		
Government Appropriations	4,742,283	5,674,499
Interest Income	67,796	83,360
Other Income	244,850	215,317
Interest Expenses and Finance Charges	(2,338)	(2,910)
Total Nonoperating Revenues	5,052,591	5,970,266
Changes in Net Position	(2,248,028)	(495,075)
Net Position, Beginning of the Year	(8,562,971)	(8,067,896)
Net Position, End of Year	$ (10,810,999)	$ (8,562,971)

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, 2020
(With Comparative Totals for 2019)

	2020	2019
Cash Flows from Operating Activities		
Cash Received from Application and Processing Fees	$ 463,049	$ 554,036
Cash Received from Tenants	926,285	846,131
Cash Received from Loan Repayments	341,408	724,842
Cash Received from Other Operating Income	574,188	1,221,277
Cash Received from Grant Programs	140,743	164,038
Cash Paid for Grant Programs	(140,743)	(114,038)
Cash Paid for Goods and Services	(3,089,901)	(2,231,860)
Cash Paid to Employees for Services	(4,375,769)	(4,215,567)
Loan Disbursements	(977,408)	(540,000)
Net Cash (Used in) Operating Activities	(6,138,148)	(3,591,141)
Cash Flows from Noncapital Financing Activities		
Cash Received from Primary Government	4,742,283	6,074,467
Other Income	184,598	(267,810)
Interest Expense and Finance Charges	(2,338)	(2,910)
Net Cash Provided by Noncapital Financing Activities	4,924,543	5,803,747
Cash Flows from Capital and Related Financing Activities		
Note Principal Payments	23,801	(25,555)
Acquisition of Property and Equipment	(49,129)	(249,630)
Net Cash Used in Capital and Related Financing Activities	(25,328)	(275,185)
Cash Flows from Investing Activities		
Interest Income	67,796	506,713
Return of Relief Revolving Funds	-	-
Net Sale of Investments	(29,510)	(39,353)
Net Cash Provided by Investing Activities	38,286	467,360
Net (Decrease) Increase in Cash and Cash Equivalents	(1,200,647)	1,981,427
Cash and Cash Equivalents, Beginning of Year	21,423,491	19,442,064
Cash and Cash Equivalents, End of Year	$ 20,222,844	$ 21,423,491
Operating Loss	$ (7,300,619)	$ (6,465,341)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	231,531	321,944
Bad Debt Expense	11,977	83,161
Decrease (Increase) in Deferred Outflows of Resources	(3,220,547)	2,160,406
(Decrease) Increase in Net Pension Liability	4,842,586	(1,490,390)
Decrease (Increase) in Accounts Receivable	(837,172)	307,987
(Increase) Decrease in Prepaid Expenses	(174,287)	(55,547)
Decrease (Increase) in Loans Receivable	(596,006)	297,030
(Decrease) Increase in Accounts Payable and Accrued Expenses	(61,576)	(820,489)
(Decrease) Increase in Compensated Absences	84,718	26,357
Increase (Decrease) in Deferred Revenue	391,645	695,033
Increase (Decrease) in Security Deposit	3,332	(6,666)
Increase (Decrease) in Deferred Inflows of Resources	486,270	1,357,919
(Decrease) Increase in Interest Payable	-	(2,545)
Net Cash (Used in) Operating Activities	$ (6,138,148)	$ (3,591,141)

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 Park facilities. During fiscal year ended September 30, 2020, the Authority received appropriations totaling $4,742,283 from the Government of the Virgin Islands, which approximates 88% of its nonoperating revenue.

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

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

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

  During fiscal year ended September 30, 2020, 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 assets.

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

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

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

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

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

  The Authority evaluated its capital assets in accordance with GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries and determined that there was no impairment loss for the year ended September 30, 2020.

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

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

NOTE 2 NATURAL DISASTERS – HURRICANES IRMA AND MARIA

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

The Authority suffered damages in the amount of $8,979,280. The Authority's assets are covered under the Government of the Virgin Islands Property Insurance Program. The insurance program covers substantially all the property of the Virgin Islands Government. The program provides coverage for all risks including windstorm, earthquake, and floods. The Virgin Islands Department of Property and Procurement manages all activity related to the Property Insurance Program. The Authority realized $-0- in insurance recoveries in fiscal year 2020.

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, 2020, the Authority has not received any Federal assistance or other contributions from FEMA.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at September 30, 2020:

	Unrestricted	**Restricted**	**Total**
Cash and Cash Equivalents	$10,909,451	$9,313,393	$20,222,844

Custodial Risk is the risk that in the event of bank failure the Authority's deposits may not be returned to it. Cash consists of cash on handheld by depository institutions and trustees in the Authority's name. During the fiscal year, including the final date of the period, September 30, 2020, accounts at each financial institution were insured by the Federal Deposit Insurance Corporation up to $250,000. Cash in excess of this limit are $23,096,690 and are fully collateralized.

Restricted Cash and Cash Equivalents: The restricted cash and cash equivalents at September 30, 2020 consisted of the following:

Micro Credit Loan Program	$ 1,744,557
Farmers and Fishermen Loan Fund	302,832
Frederiksted Revolving Loan Fund	252,449
Performance Bonding Loan Fund	1,983,183
Intermediary Relending Loan Fund	107,645
SBDA Revolving Loan Fund	937,374
SBDA Administration Loan Fund I	97,331
SBDA Administration Loan Fund II	189,094
SSBCI Grant	3,168,928
TAP Grant	500,000
	$ 9,313,393

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

NOTE 4 INVESTMENTS

The Authority categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other than observables inputs; Level 3 inputs are significant observable inputs. At September 30, 2020, the Authority's investments consisted of certificate of deposits which had a recurring fair value of $6,356,317 at year-end. The certificate of deposits is classified as Level 2 in the fair value hierarchy and is valued at amortized cost-plus accrued interest.

		Investment Maturities	
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**
Certificates of Deposits	$ 6,356,317	$ 948,530	$5,407,787

NOTE 5 RESTRICTED NET POSITION FOR LOAN PROGRAMS AND OTHER FUNDS

The restricted net position at September 30, 2020, consists of the following:

Micro Credit Loan Program	$ 3,765,444
Farmers and Fishermen Loan Fund	314,460
Frederiksted Revolving Loan Fund	252,449
Performance Bonding Loan Fund	3,954,827
Intermediary Relending Loan Fund	(33,967)
SBDA Revolving Loan Fund	1,419,160
SBDA Administration Loan Fund I	155,666
SBDA Administration Loan Fund II	411,764
SSBCI Grant	5,838,767
TAP Grant	500,000
	$16,578,570

NOTE 6 LOANS RECEIVABLE

Restricted Loans receivable as of September 30, 2020 was as follows:

Loan Principal	$ 3,585,542
Allowance for Doubtful Accounts	(451,123)
Net Loans Receivable	$ 3,134,419

The loans bear interest rates ranging from 4% to 12%. The majority of the allowance for doubtful accounts is attributed to SBDA & GDB loans which were assumed by the Authority at its inception. No additional allowance was recorded in fiscal year 2020.

NOTE 7 OTHER RECEIVABLES

The other receivables balance as of September 30, 2020:

	Other Receivables	Allowance	Other Receivables, net
SSBCI Receivable	$ 946,126	$ -	$ 946,126
Interest Receivable	8,168	-	8,168
GDB Receivable	16,034	-	16,034
EDC Fees & Charges	92,163	(118,478)	(26,315)
Rent Receivable	166,021	(92,666)	73,355
Grant Receivable-Board Up & Scrape and Paint Program	40	-	40
Tax Increment Financing Fund	30,015	(30,015)	-
Economic Development Management	62,650	-	62,650
Receivable - Taxi-Tour Bus	(210)	-	(210)
Total	$ 1,321,007	$ (241,159)	$ 1,079,848

Provision for uncollectible accounts was $241,159 in fiscal year 2020.

NOTE 8 CAPITAL ASSETS

Capital assets are composed of the following at September 30, 2020:

	Beginning Balance	Additions	Retirement	Ending Balance
Capital Assets				
Building and Building Improvements	$ 9,508,842	$ -	$ -	$ 9,508,842
Leasehold Improvements	867,890	-	-	867,890
Equipment	1,283,111	49,130	-	1,332,241
Furniture and Fixtures	513,973	-	-	513,973
Vehicles	469,145	-	-	469,145
Leasehold Equipment	20,585	-	-	20,585
Total Capital Assets	12,663,546	49,130	-	12,712,676
Accumulated Depreciation				
Building and Building Improvements	(8,932,841)	(55,847)	-	(8,988,688)
Leasehold Improvements	(528,692)	(77,007)	-	(605,699)
Equipment	(1,131,778)	(49,302)	-	(1,181,080)
Furniture and Fixtures	(509,731)	(2,070)	-	(511,801)
Vehicles	(369,905)	(47,305)	-	(417,210)
Leasehold Equipment	(20,585)	-	-	(20,585)
Total Accumulated Depreciation	(11,493,532)	(231,531)	-	(11,725,063)
Capital Assets, net	$ 1,170,014	$ (182,401)	$ -	$ 987,613

Depreciation expense for the year ended September 30, 2020 totaled $251,531.

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, 2020, the outstanding loan balance was $214,882.

As of September 30, 2020, the outstanding loan balance is comprised of the following:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Loan Payable	$ 239,352	$ -	$ (24,470)	$ 214,882	$ 25,554

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

2022	$ 26,409
2023	26,673
2024	26,940
2025	27,209
2026-2028	82,991
Total	$ 190,222

NOTE 10 COMPENSATED ABSENCES

Compensated absences balance as of September 30, 2020 was $508,365 of which $183,141 is due within a year.

NOTE 11 LEASES

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

Lessee --- The Authority leases office space, under a five-year lease term, from January 1, 2018 through December 31, 2022, for office and common area spaces with increases in rent on the 2nd and 4th anniversaries equal to the percentage of the cost-of-living increase for the preceding year, based upon the Consumer Price Index (CPI-U) as published by the U.S. Department of Labor Bureau of Labor Statistics. In addition, the Industrial Park buildings are located on parcels of leased land. The land is rented under a two-year term, from January 1, 2017 – December 31, 2019.

Rent expense for the year ending September 30, 2020 was $315,850. The aggregate lease commitment for the Authority is:

2021	$ 200,000
2022	200,000
2023	50,001
Total	$ 450,001

NOTE 12 DEFERRED REVENUE

Current Deferred Revenue: Out of $13,515,179 reflected in the financial statements $12,920,121 represents the amount not expended as of September 30, 2020 from the grant funds received in fiscal year 2012 from the United States Department of Treasury for the State Small Business Credit Initiative.

Noncurrent Deferred Revenue: In October 2009, the Virgin Islands Public Finance Authority (VIPFA) issued $87,000,000 in bonds of which $5,000,000 was allotted to the Authority. These funds are to be utilized for developmental loan programs and are drawn down from VIPFA as loans are issued. Out of the noncurrent deferred revenue reflected in the financial statements $939,405 represents advance funds received from VIPFA in fiscal year 2009. The deferred revenue will be relieved as additional loans are made in the future.

NOTE 13 PAYCHECK PROTECTION PROGRAM

On March 20, 2020, the Authority's Economic Development Board (EDB) resolved to participate in the Small Business Paycheck Protection Program (PPP) as implemented by the Small Business Administration (SBA) through the CARES Act. The PPP was established under the Federal Coronavirus Aid, Relief, and Economic Security Act ("Cares Act"). EDB was approved as an SBA participating lender on or about April 20, 2020. Under the SBA guidelines the Authority utilized EDA funds from the Development Loan Program. Funds will be reimbursed by SBA with 1% interest to the Authority upon submission and approval of the PPP loan forgiveness. If the loan forgiveness is not approved by SBA, the borrower will be required to repay the funds loaned at a 1% interest for a period of up to 5 years. As of September 30, 2020, funds disbursed totaled $494,322. Loans funded under PPP are reported in Restricted Loan Receivable on the Statement of Net Position. There is no assurance that the Authority will receive loan forgiveness. The Authority is in the process of submitting loan forgiveness applications.

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, 2020 was $2,236,567.

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, 2020. 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 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:	October 1, 2019
Measurement Date:	September 30, 2019
Measurement Period:	October 1, 2018 – September 30, 2019

The Authority's proportionate share of employer contributions recognized by GERS was $415,001 for the Plan's fiscal year ended September 30, 2019.

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, 2020, the actuarial calculated net pension liability for EDA's and EDPC's proportionate share of the net pension liability of the Plan was $27,636,169 and $2,125,859, respectively. The net pension liability of the Plan is measured as of September 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019. Actuarially determined proportionate share information from GERS was estimated by management based on an average four-year respective share of the Authority's contributions to the Plan relative to all contributions to the Plan.

At September 30, 2019, EDA's and EDPC's proportion was .5200% and .0400% percent respectively, which was a decrease of .0352% and .0065% respectively from its proportion measured as of September 30, 2018.

For the year ended September 30, 2020, EDA and EDPC recognized $465,548 and $37,103 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	$6,126,906	$2,207,044
Difference between expected and actual experience	340,991	12,801
Net difference between projected and actual earnings on pension plan investments	15,668	-
Change in proportionate share	262,951	1,387,254
Contributions made subsequent to measurement date	498,825	-
	$7,245,341	$3,607,099

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,		
2021	$	764,239
2022	$	777,276
2023	$	403,119
2024	$	652,933
2025	$	-
Thereafter	$	-

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	$ 471,300	$ 169,773
Difference between expected and actual experience	26,230	985
Net difference between projected and actual earnings on pension plan investments	1,205	-
Change in proportionate share	12,442	301,854
Contributions made subsequent to measurement date	30,309	-
	$ 541,486	$ 472,612

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,		
2021	$	97,271
2022	$	98,432
2023	$	64,893
2024	$	86,622
2025	$	-
Thereafter	$	-

Actuarial Assumptions

A summary of the actuarial assumptions and methods used to calculate the total pension liability as of September 30, 2019, is provided below, including any assumptions that differ from those used in the October 1, 2019 actuarial valuation. Refer to October 1, 2019 actuarial valuation report for a complete description of all other assumptions, which can be found on GERS' website.

Inflation Rate:	2.50%
Salary Increases:	3.25% including inflation
Actuarial Cost Method:	Entry Age Normal
Expected Rate of Return:	4.00%
Municipal Bond Yield:	2.66%
Discount Rate:	2.67%
Mortality Table:	RP-2014 Blue Collar

Investment Rate of Return

The expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2019, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	9%	6.23%
International equity	60%	0.98%
Fixed income	10%	4.33%
Cash	12%	0.48%
Alternative	9%	10.23%

Discount Rate

The discount rate used to measure the total pension liability was 2.67% as of September 30, 2019 and 4.25% as of September 30, 2018. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate, including the future increases in the employee contribution rates legislated. Based on those assumptions, the plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 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 2.66% and 4.18% at September 30, 2019 and 2018, respectively.

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

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

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

1% Decrease Share of NPL @ 1.67%	Share of NPL @ 2.67%	1% Increase Share of NPL @ 3.67%
$33,731,948	$27,636,169	$25,254,171

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

1% Decrease Share of NPL @ 1.67%	Share of NPL @ 2.67%	1% Increase Share of NPL @ 3.67%
$2,866,114	$2,125,859	$2,145,780

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

NOTE 16 OTHER POSTEMPLOYMENT BENEFITS

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

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

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

Employees covered by benefits terms. At September 30, 2020, the following employees were covered by the benefit terms:

Service and Disability retirees	7
Active employees	37
Total	44

The contribution requirements of plan members and the Primary Government are legislated within the V.I. Code, and may be amended, by the Virgin Islands Legislature. As part of the code, the Primary Government is legally responsible to pay 100% of the cost of the benefits constituting a special funding situation under GASB Statement No. 75 for the Authority. For the years ended September 30, 2020 and 2019, the Authority recognized revenue and related expenses of $182,636 and $154,344, respectively, related to the on-behalf OPEB costs paid by the Primary Government. The plan is a pay-as-you-go plan, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75 and expenses are paid as they become due.

At September 30, 2020 and 2019, respectively, the Authority's proportionate share of the total OPEB liability was reduced by the OPEB support provided by the Primary Government. The amount recognized by the Authority for its proportionate share, the related Primary Government proportion and the total were as follows:

	2020	2019
The Authority's proportionate share of total OPEB liability	$ -	$ -
Primary Government's share of the total OPEB liability associated with the Authority	2,223,191	1,911,089
Total OPEB liability	$2,223,191	$1,911,089

At September 30, 2020 and 2019, the Primary Government's share of the deferred inflows of resources related to the Authority are as follows:

	2020	2019
Changes in Actuarial Assumptions or other input	$143,892	$181,816

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

Year ended September 30	OPEB Expense Amount
2021	$13,805
2022	13,805
2023	13,805
2024	(26)
2025	18,144
Thereafter	6,029
Total	$65,562

Actuarial Assumptions

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

Valuation date:	October 1, 2019
Measurement date:	October 1, 2020
Report date:	September 30, 2020
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Recognition Period of 6 Years
Salary increases:	Payroll Growth of 3.25% per year
Discount rate:	Beginning of Year Rate of 3.64% End of Year Rate of 3.58% S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2019
Healthcare cost trend rates:	Pre-Medicare Increases of 6.00% in 2019 to 4.50% in 2023 Medicare Increases of 5.00% in 2019 to 4.50% in 2023 Dental Increases of 5.25% in 2019 to 4.50% in 2023
Inflation:	2.25% Implicit Rate in Healthcare Trend Analysis
Retirees share of costs:	35% of Medical and Dental Premiums and Noncontributory Life Insurance Coverage.
Mortality:	RP-2014 Blue Collar Mortality Generational Table Adjusted 110% with Scale MP-2015 for Healthy Lives. For Disability Retirees, RP-2014 Disabled Mortality Generational Table Adjusted 125% with Scale MP-2015

Marital status:	Assumed 50% of Future Male Retirees and 25% of Future Female Retirees Cover Spouses in Retirement Husbands Assumed to be 3 Years Older Than Spouse Subsidized Coverage of Spouses and Dependents Ceases Upon Death.
Actuarial Experience Study	The actuarial assumptions used in the October 1, 2019 valuation was based on the results of an actuarial experience study for the period October 1, 2014 – September 30, 2015.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB Liability if the discount rate was 1% less than and 1% greater than the discount rate that was used (3.58%) in measuring the total OPEB Liability for the year ended September 30, 2020.

	1% Decrease in Discount Rate (2.58%)	Current Single Discount Rate (3.58%)	1% Increase in Discount Rate (4.58%)
The Primary Government's share of the total OPEB liability associated with the Authority:	$ 2,642,628	$ 2,223,191	$ 1,889,929

The following schedule shows the impact of the total OPEB Liability if the discount rate was 1% less than and 1% greater than the discount rate that was used (3.35%) in measuring the total OPEB Liability for the year ended September 30, 2019.

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

Healthcare trend Sensitivity Analysis

The following schedule shows the impact of the total OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 7.0% rate used for the year ended September 30, 2020.

	1% Decrease in Healthcare Trend Rate (6.0%)	Current Single Healthcare Trend Rate (7.0%)	1% Increase in Healthcare Trend Rate (8.0%)
The Primary Government's share of the total OPEB liability associated with the Authority:	$ 1,831,654	$ 2,223,191	$ 2,740,672

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

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

NOTE 17 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Authority has various outstanding commitments at September 30, 2020, 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 18 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 19 RISK AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The Authority's operations and financial performance may be affected by the pandemic, which has spread globally and is expected to adversely affect economic conditions throughout the world. Management is closely monitoring the impact of COVID-19. However, management is unable to estimate the financial impact, if any, related to this matter.

NOTE 20 INSURANCE RECOVERIES

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

NOTE 21 SUBSEQUENT EVENTS

The Authority's management has evaluated subsequent events through February 22, 2022, the date the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that exist at the balance sheet date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events that did not exist at the balance sheet date, but disclosures of such events, if any, are included in the accompanying notes.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2020	2019	2018	2017	2016	2015
Proportion Share of the Net Pension Liability	0.5600%	0.5935%	0.5994%	0.5868%	0.6044%	0.05569%
Proportionate Share of the Net Pension Liability	$29,762,028	$24,765,971	$26,256,361	$27,147,208	$24,609,495	$18,803,107
Covered-Employee Payroll	$ 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	1331%	1031%	1092%	1274%	1145%	892%
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	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

	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	$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	509,651	484,158	450,946	528,992	437,513	388,619
Annual Contribution Deficiency (Excess)	$1,545,848	$1,162,979	$1,153,906	$ 921,332	$ 771,830	$ 677,905
Covered Employee Payroll	$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	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.*

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

SCHEDULE OF THE AUTHORITY'S PRORPORTIONATE SHARE OF OPEB LIABILITIY

LAST 10 FISCAL YEARS

Year Ended September 30,	Measurement Period Ended October 1,	Authority's Proportion of the Total OPEB Liability	Authority's Proportion of the Total OPEB Liability	Primary Government's Proportionate Share of the total OPEB Liability	Total OPEB Liability	Authority's Covered Employee Payroll	Total OPEB Liability as a Percentage of the Authority's Covered Employee Payroll
2020	2019	0.00%	$ -	$2,223,191	$2,223,191	$2,336,567	99.40%
2019	2018	0.00%	$ -	$1,911,089	$1,911,089	$2,402,395	79.55%
2018	2017	0.00%	$ -	$1,841,060	$1,841,060	$2,404,022	76.58%
2017	2016	0.00%	$ -	$1,824,937	$1,824,937	$2,130,222	85.67%

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

OTHER SUPPLEMENTARY INFORMATION

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
COMBINING STATEMENTS OF NET POSITION
AS OF SEPTEMBER 30, 2020
(With Comparative Totals for 2019)

ASSETS	**EDB**	**EDC**	**EDM**	**EDPC**	**EZC**	**IRP**	**SSBCI**	**STEP**	**USE**	**Eliminations**	**2020**	**2019**
Current Assets:												
Cash and Cash Equivalents	$ 28,015	$ 1,480,669	$ 2,140,675	$ 689,368	$ 146,122	$ -	$ 6,424,661	$ 2,575	$ (2,634)	$ -	$ 10,909,451	$ 11,635,065
Investments	-	-	948,530	-	-	-	-	-	-	-	948,530	941,936
Receivable, net	18,183	(26,315)	62,650	73,539	40	-	951,751	-	-	-	1,079,848	242,674
Due from Other Fund	2,577,345	2,565,088	812,778	1,064	-	-	-	21,797	-	5,978,072	-	-
Prepaid & Other Assets	-	-	287,444	14,167	-	-	-	-	-	-	301,611	127,324
Total Current Assets	2,623,543	4,019,442	4,252,077	778,138	146,162	-	7,376,412	24,372	(2,634)	5,978,072	13,239,440	12,946,999
Non-Current Assets:												
Restricted Cash & Cash Equivalents	5,250,394	-	-	500,000		107,645	3,168,927	-	286,425	-	9,313,393	9,788,426
Restricted Investments	2,737,947	-	-	-	-	-	2,669,839	-	-	-	5,407,787	5,384,871
Restricted Loan Receivable, net	2,674,390	-	2,891	-	-	173,271	-	-	283,867	-	3,134,419	2,538,413
Total Non-Current Assets	10,662,731	-	2,891	500,000	-	280,916	5,838,766	-	570,293	-	17,855,599	17,711,710
Capital Assets, net	123,030	-	337,611	526,972	-	-	-	-	-	-	987,613	1,170,014
Total Assets	13,409,304	4,019,442	4,592,579	1,805,110	146,162	280,916	13,215,178	24,372	567,658	5,978,072	32,082,652	31,828,723
Deferred Outflows of Resources	-	-	7,249,323	365,615	-	-	-	-	-	-	7,614,938	4,394,391
Total Assets and Deferred Outflows of Resources	$ 13,409,304	$ 4,019,442	$ 11,841,902	$ 2,170,725	$ 146,162	$ 280,916	$ 13,215,178	$ 24,372	$ 567,658	$ 5,978,072	$ 39,697,590	$ 36,223,114
LIABILITIES												
Current Liabilities												
Accounts Payable	$ 4,355	$ 47,500	$ 247,599	$ 30,070	$ -	$ 889	$ -	$ -	$ 212	$ -	$ 330,626	$ 470,474
Accrued Expenses	-	-	77,717	2,949	-	-	-	-	-	-	80,666	2,394
Compensated Absences - Current	-	-	192,344	8,706	-	-	-	-	-	-	201,050	183,141
Interest Payable	18,245	-	-	-	-	-	-	-	-	-	18,245	18,245
Due to Other Fund	458,973	10	5,090,645	410,700	-	-	17,744	-		5,978,072	-	-
Deferred Revenue	-	-	595,058	-	-	-	12,920,121	-	-	-	13,515,179	13,128,487
Long Payable - Current	-	-	-	-	-	25,554	-	-	-	-	25,554	25,889
Total Current Liabilities	481,573	47,510	6,203,363	452,425	-	26,443	12,937,865	-	212	5,978,072	14,171,320	13,828,630
Non-Current Liabilities												
Compensated Absences	-	-	294,255	13,060	-	-	-	-	-	-	307,315	240,506
Security Deposit	-	-	-	69,124	-	-	-	-	-	-	69,124	65,792
Deferred Revenue	939,405	-	-	509,075	112,436	-	-	8,143	-	-	1,569,059	1,564,106
Relief Revolving Funds	400,000	-	-	-	-	-	-	-	-	-	400,000	400,000
Loan Payable	-	-	-	-	-	189,328	-	-	-	-	189,328	213,464
Net Pension Liability	-	-	27,636,169	1,972,388	-	-	-	-	-	-	29,608,557	24,765,971
Total Non-Current Liabilities	1,339,405	-	27,930,424	2,563,647	112,436	189,328	-	8,143	-	-	32,143,383	27,249,839
Total Liabilities	1,820,978	47,510	34,133,787	3,016,072	112,436	215,771	12,937,865	8,143	212	5,978,072	46,314,703	41,078,469
Deferred Inflows of Resources	-	-	3,607,099	586,787	-	-	-	-	-	-	4,193,886	3,707,616
Total Liabilities and Deferred Inflows of Resources	$ 1,820,978	$ 47,510	$ 37,740,886	$ 3,602,859	$ 112,436	$ 215,771	$ 12,937,865	$ 8,143	$ 212	$ 5,978,072	$ 50,508,589	$ 44,786,085
NET POSITION												
Invested in Capital Assets, net of related debt	$ 123,030	$ -	$ 337,611	$ 526,972	$ -	$ -	$ -	$ -	$ -	$ -	$ 987,613	$ 1,170,014
Restricted Net Position	9,703,450	-	2,891	500,000	-	(33,967)	5,838,767	-	567,429	-	16,578,570	16,532,952
Unrestricted Net Positon	1,761,846	3,971,932	(26,239,486)	(2,459,106)	33,726	99,113	(5,561,454)	16,229	18	-	(28,377,182)	(26,265,937)
Total Net Position	$ 11,588,326	$ 3,971,932	$ (25,898,984)	$ (1,432,131)	$ 33,724	$ 65,146	$ 277,314	$ 16,229	$ 567,447	$ -	$ (10,810,999)	$ (8,562,971)

VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITON
FOR THE YEARS ENDED SEPTEMBER 30, 2020
(With Comparative Totals for 2019)

	EDB	EDC	EDM	EDPC	EZC	IRP	SSBCI	STEP	USE	2020	2019
Operating Revenues											
Allocation of Bond Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Application and Processing Fees	-	434,500	63,650	-	-	-	-	-	-	498,150	581,700
Rental Income	-	-	-	908,921	-	-	-	-	-	908,921	916,164
Interest Income from Loans	61,567	-	10,173	-	-	4,263	-	-	-	76,003	97,349
Grant Revenue - Federal	-	-	25,730	-	42,013	-	-	-	-	67,743	164,038
Grant Revenue - Non-Federal	-	-	73,000	-	-	-	-	-	-	73,000	-
Penalties	-	1,412	-	-	-	-	-	-	-	1,412	560,337
Bad Debt Recovery	-	-	-	12,500	-	-	-	-		12,500	-
Other Operating Income	61,995	-	-	68,388	-	6,300	-	-	9,970	146,653	266,561
Total Revenue	123,562	435,912	172,553	989,809	42,013	10,563	-	-	9,970	1,784,382	2,586,149
Operating Expenses											
Personnel Costs	-	-	5,944,485	454,874	-	-	-	-	-	6,399,359	6,217,145
General and Administrative	382	-	631,154	258,050	32,817	-	254	-	-	922,657	948,885
Occupancy	-	-	273,301	42,549	-	-	-	-	-	315,850	314,682
Advertising	-	-	293,570	1,539	-	-	-	-	-	295,109	436,445
Professional Services	300	-	711,961	1,511	-	-	-	-	-	713,772	561,572
Travel	-	-	52,173	1,830	-	-	-	-	-	54,003	53,618
Grant Expenditure - Federal	-	-	25,730	-	42,013	-	-	-	-	67,743	114,038
Grant Expenditure-Non-Federal	-	-	73,000	-	-	-	-	-	-	73,000	-
Uncollectible Receivables	4,443	-	-	-	-	-	7,534	-	-	11,977	83,161
Total Operating Expenses	5,125	-	8,005,374	760,353	74,830	-	7,788	-	-	8,853,470	8,729,546
Excess (Deficiency) of Revenues from Operations Before Depreciation and Other Assets	118,437	435,912	(7,832,821)	229,456	(32,817)	10,563	(7,788)	-	9,970	(7,069,088)	(6,143,397)
Depreciation	14,794		139,552	77,185	-	-	-	-	-	231,531	321,944
Operating Income (Loss)	103,643	435,912	(7,972,373)	152,271	(32,817)	10,563	(7,788)	-	9,970	(7,300,619)	(6,465,341)
NonOperating Revenues (Expenses)											
Government Appropriation	-	-	4,742,283	-	-	-	-	-	-	4,742,283	5,674,499
Interest Income	12,228	-	7,856	1,134	-	-	46,578	-	-	67,796	83,360
Other Income	21	(1,036,462)	1,274,997	-	-	-	-	-	6,294	244,850	215,317
Interest Expense & Finance Charges	-	-	-	-	-	(2,338)	-	-	-	(2,338)	(2,910)
Total Non-Operating Revenues	12,249	(1,036,462)	6,025,136	1,134	-	(2,338)	46,578	-	6,294	5,052,591	5,970,266
Changes in Net Assets	115,893	(600,550)	(1,947,237)	153,405	(32,817)	8,226	38,790	-	16,264	(2,248,028)	(495,075)
Net Assets, Beginning of Year	11,472,433	4,572,482	(23,951,747)	(1,585,536)	66,541	56,920	238,524	16,229	551,183	(8,562,971)	(8,067,896)
Net Assets, End of Year	$ 11,588,326	$ 3,971,932	$ (25,898,984)	$ (1,432,131)	$ 33,724	$ 65,146	$ 277,314	$ 16,229	$ 567,447	$ (10,810,999)	$ (8,562,971)