



USVI Revenue Conference

Department of Finance - Financial Outlook

December 2, 2020

USVI Outlook

- ▶ One of the most important aspects to consider when making an investment decision is the outlook into the future. While the historical financial numbers provide insights into the key drivers for past performance, their most significant relevance for an investment or financial decision is to provide the basis for future projections. In this regard, the disclosure and explanation of the impacts of the hurricanes and pandemic are of major importance.

USVI Outlook

- ▶ Uncertainty remains as a result of the hurricanes and covid-19 impact on forecasting revenues and expenditures.
- ▶ Disaster recovery and covid related activities are the major items currently strengthening the GVI's economy.
- ▶ We currently have about 48 days of cash on hand which equates to about \$129M.
- ▶ Revenues will begin to decrease around January until after the tax deadline in April.

USVI Outlook

- ▶ Due to overlapping functions of OMB and DOF my presentation will focus more on the audit, federal grants reconciliation, reimbursements to the General Fund in addition to accounts payable aging.
- ▶ OMB will focus more on revenue forecast to include budget to actuals.
- ▶ We continue to work collaboratively as OMB allotments are released based on the availability of cash reported by DOF.

Basic Financial Audit

- ▶ The FY2019 audit issuance has been extended to March 31, 2021.
- ▶ Schedule of Expenditures and Federal Awards (SEFA) schedule needs to be completed. Bertsmith Company is contracted to assist with the reconciliation.
- ▶ Federal receivables are pending, however, our internal auditors B&H are assisting departments with their reconciliations
- ▶ We went from about \$280m in federal grants to about \$750M which also contributes to some of the delays.

Audit cont.

- ▶ Actuarial reports are required to finalize audit procedures.
- ▶ Impairment assessment is also critical in finalizing the audits.
- ▶ Component units providing timely financials is also a major challenge.
- ▶ Decentralization of processes continues to be a challenge as we rely heavily on departments to provide auditors with supporting documentation.

Grants

(\$ in thousands)

Agency	Salary Amt	Employer Share	Paid Invoice Report (Accounts Payable)	Amount Actually Drawn Down	Pass-through amounts in Federal Account	Amount Posted In ERP	Amount Not Posted In ERP	Total to be Drawn Down
BUREAU OF CORRECTION	\$ -	\$ -	\$ 484	\$ 50	\$ -	\$ 50	\$ -	\$ 434
BUREAU OF INFO. TECH	67	30	453	92	-	92	-	458
DEPARTMENT OF AGRICULTURE	39	12	495	457	-	457	-	89
DEPARTMENT OF EDUCATION	9,509	3,446	3,850	17,065	-	17,020	44	(260)
DEPARTMENT OF FINANCE	-	-	2,847	2,349	-	2,349	-	498
DEPARTMENT OF HUMAN SERVICES	13,495	6,079	29,132	113,644	26,497	112,010	1,634	(38,441)
DEPARTMENT OF LABOR	2,671	1,041	2,696	7,611	1,287	7,611	-	84
DEPARTMENT OF PLANNING AND NATURA	2,502	1,055	8,930	9,864	-	9,864	-	2,623
DEPARTMENT OF PUBLIC WORKS	602	248	15,989	15,578	-	14,132	1,445	1,261
DEPT OF JUSTICE	1,712	708	2,914	5,911	-	5,887	24	(577)
ELECTION ASSISTANCE COMMISSION	-	-	868	1,200	-	1,200	-	(332)
FIRE SERVICES	215	104	36	166	-	166	-	188
HEALTH	5,998	2,457	9,526	17,295	-	17,295	-	686
IRB	-	-	-	58	-	58	-	(58)
LEPC	32	14	3,366	-	-	-	-	3,412
OFFICE OF THE ADJUTANT GENERAL	836	370	2,267	3,192	-	3,177	15	281
OFFICE OF THE GOVERNOR	-	-	96	96	-	96	-	-
OFFICE OF MANAGEMENT AND BUDGET	-	-	439	682	-	682	-	(243)
VI ENERGY OFFICE	50	20	499	478	-	478	-	91
VI POLICE DEPARTMENT	886	279	1,385	2,362	-	2,248	114	188
VITEMA	2,851	1,259	376,767	354,839	-	354,837	2	26,039
WIC	-	-	12,699	1,943	-	1,943	-	10,756
GRAND TOTAL	\$ 41,464	\$ 17,125	\$ 475,738	\$ 554,932	\$ 27,784	\$ 551,653	\$ 3,279	\$ 7,179

4,183

\$ 559,115

4,183

\$ 7,462

26,497 These are Molinas that were process from the General Fund and the monies are drawdown from DHS they are transmitted to the Federal Account.

1,287 The monies belongs to Unemployment Insurance Benefit Program Transfer.

10,756 These revenues belong to prior year expenses.

*** There is \$4,182,611.10 in funds that were drawn but are unidentified and not posted into the ERP system.***

Accounts Payable Aging

- ▶ Aged Invoice as of December 1, 2020.

 - ▶ \$16,688,149.14

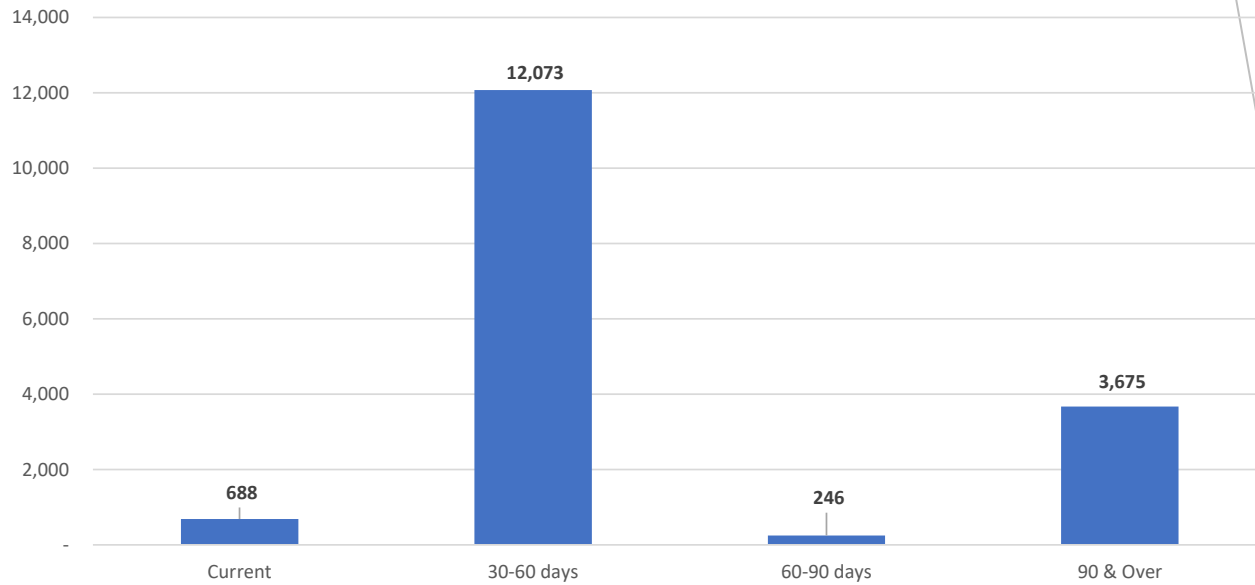
 - ▶ Of the \$16,688,149.14, Cigna represents \$12,015,111.01.

Days Over

90 & Over	\$3.67M
60-90 Over	\$246K
30-60 Over	\$12M
Current	\$687K
Balance	\$16.7M

Days Over

(\$ in thousands)



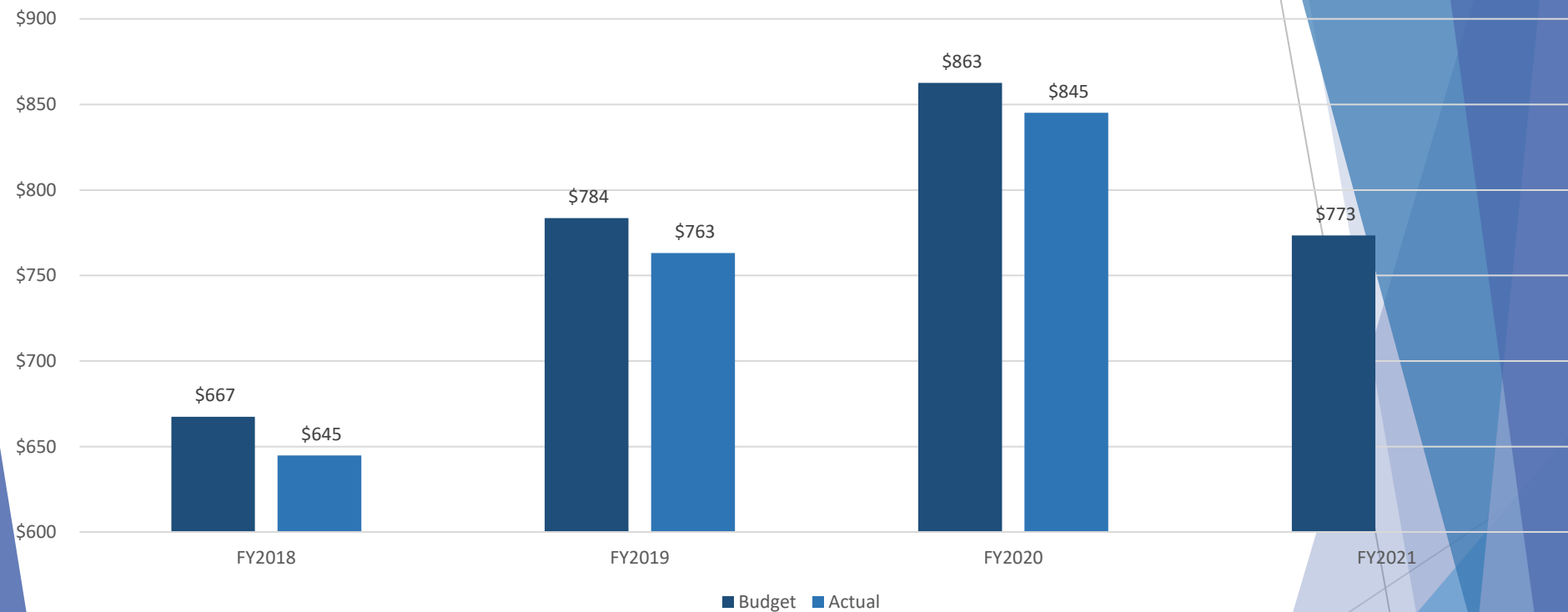
Percentage of Timely Payments (October 2020)

Total # of Invoices that Met Target	2,345
Total # of Invoices that Did Not Meet Target	<u>60</u>
Total # of Invoices	2,405
Exceed Target for October 2020	98%

USVI's Budget vs. Actuals - Revenues

USVI has consistently underperformed its budget estimates

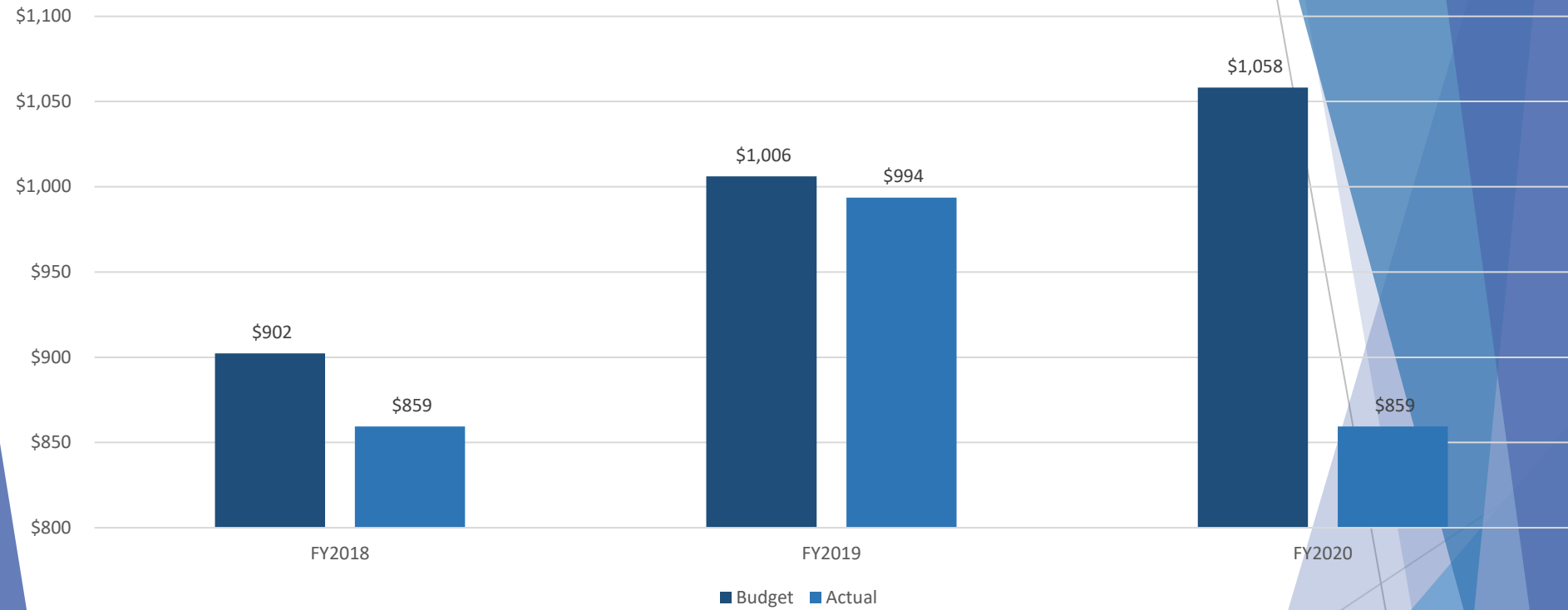
(\$ in millions)



Note: Budgeted figures based on approved OMB budgets and latest revenue estimates for FY2021. Actuals based on cash flow actuals

USVI's Budget vs. Actuals - Expenses

(\$ in millions)



Questions???