



IGFOA

Island Government Finance Officers' Association

2010 Winter Conference
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Graduate School, Pacific & Virgin Islands Training Initiatives (PITI-VITI)
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EXECUTIVE SUMMARY

Since 1999, IGFOA members have met at least annually to participate in professional development and networking activities and to establish an agenda for financial management improvement. The conferences also provided a forum for participants to discuss common issues and strategies, and to develop a shared agenda for training, organizational development, and technical assistance.

For the past few conferences IGFOA has focused on improving accounting and financial practices in the governments. The current conference covered the single audits and how to improve management of the audits, new auditing standard GASB-54, and developing and using performance measures to monitor and improve financial office performance.

The IGFOA Executive Committee built the agenda for the conference based on input solicited from IGFOA members, feedback from the last conference, and current issues facing government accounting. The goals of the December 2010 IGFOA conference were to:

- Provide IGFOA members with the information and skills needed to implement GASB 54 – Fund Balance Reporting.
- Build government specific plans to address the GASB 54 changes in the governmental accounting structure.
- Exchange information on the latest Performer analysis.
- Provide training to IGFOA members in management and leadership best practices.
- Update the performance measurement action plans for the finance office operations.

IGFOA President and Virgin Islands Commissioner of Finance Angel Dawson welcomed the IGFOA group to Honolulu for the annual conference. After a moment of silence to commemorate the 69th anniversary of the Pearl Harbor attack, Commissioner Dawson thanked the Department of the Interior's Office of Insular Affairs for its financial support of the meeting and the Graduate School for its logistical support. The Commissioner mentioned a recent summit in the US Virgin Islands on improving efficiency and effectiveness, and suggested that those themes were particularly relevant to IGFOA, as well. The islands continue to face financial difficulties and the need to accomplish more with fewer deliverables.

Thomas Bussanich, Director of Budget and Grants Manager of OIA, welcomed the group on behalf of Assistant Secretary Tony Babauta, Director Nikolao Pula, and Director of Technical Assistance Charlene Leizear. Mr. Bussanich recognized the real fiscal and budgetary challenges that each of the islands faces, and suggested that the section of the agenda focused on leadership development is more important now than ever before. Finally, Mr. Bussanich thanked the group for its efforts in improving governments' Single Audits. Mr. Bussanich highlighted a recent article by Graduate School Consultant Deborah Milks on the progress the insular areas have made in improving their Single Audits.

John Maykoski, Senior Executive of the Graduate School, also welcomed everyone to the conference. Mr. Maykoski acknowledged the distances and travel that goes into attending the conference, and encouraged the group to make the most of their time in the meeting. Mr. Maykoski highlighted the recent Graduate School article in The Public Manager, which highlighted

much of the work that IGFOA had been doing, and was worthy of attention from the wider community. The approaches, tactics, and work completed were all very relevant to the wider community and should be commended. Mr. Maykoski emphasized the agenda highlighted performance measurement and improving the standards of finance offices in the region.

In preparation for the conference, each government was asked to prepare a brief presentation on its island and its progress on the IGFOA sponsored financial improvement activities. The governments gave basic geographic and demographic information about their islands, the size of their governments, budgets, and finance offices, and interesting facts about their culture or history.

Each island government gave an update on the status of its financial improvement projects. All of the governments except the U. S. Virgin Islands anticipate they will complete their audits on time. Most governments also expect to receive unqualified audits, although a few audits are still unclear whether they will be qualified or not. All of the governments are collecting performance measures to a greater or lesser extent, and the use of the measures to manage the finance offices is beginning to take hold.

Mr. Frank Crawford, CPA, gave an update on the status of the government accounting standards and the changes that are being implemented and/or considered by the Government Accounting Standards Board (GASB). He commented on the standards and how they apply to the islands.

Mr. Crawford noted that five GASB Statements are applicable to the island governments as of September 30, 2010; however most of the new standards will not apply to the island finance offices. Statement 51, Capitalizing Intangible Assets, is most likely to apply. The insular governments may have intangible assets associated with land use rights—easements and rights of way. The greatest change to fund accounting and financial presentations since GASB 34 is GASB Statement 54, Redefining Fund Balance. Statement 54 is applicable in FY 2011.

Georgina Kawamura, the former Budget Director for the State of Hawaii, gave a luncheon speech entitled *Lessons Learned from Managing a Budget through the Good, the Bad, and the Ugly Years*. Ms. Kawamura noted that the years were not in that order. First she experienced the bad years when the budget office was required to cut back on revenue estimates by leaving out non-renewable special revenue funds. The good years followed with surplus funds, though she pointed out that it is as difficult to manage expectations in times of surplus as it is in lean years. Rather than managing the lean budget, one has to manage unrealistic expectations. Finally, the ugly years occurred when revenues plunged and the budget office had to furlough staff, delay tax refunds, and raid special revenue funds.

Frank Crawford made a presentation on GASB 54 and its implementation in the island governments. He stressed, 'if your government reports governmental funds, then GASB 54 will affect you'. He provided background on the need for GASB 54, the effect it will have on financial reporting, and the steps needed to implement the standard. Finally, he led the participants through a case study in which the standard was used on Pohnpei State Government's financial statement. The standard is effective this fiscal year (FY2011) for all of the insular governments.

Ms. Debbie Milks, CPA, gave a brief overview of tips and techniques for process improvement. She reviewed the considerations the office should make when selecting which processes to improve and talked about the importance of selecting the right team members. She highlighted the importance

of questioning the value added of each step in the process. Finally, Ms. Milks emphasized the necessity for government leaders to commit to process improvement from its inception through to final implementation. Ms. Milks then led the participants through a case study of process improvement project in a finance office.

Mr. Glenn Furuya, founder of *Leadership Works*, gave a half-day training session on Leadership Island Style. In his full course, which is a one-week component of the Executive Leadership Development Program, Mr. Furuya presents core management and leadership principles in ways especially relevant to island cultures and individuals. For the IGFOA program, he gave a brief overview of one module from the full class—the special ‘gifts’ island people have that makes them effective leaders. According to Mr. Furuya, ‘Island style’ people are blessed with eight gifts, based on their culture, experiences, history, and values. These eight gifts are:

1. The three-way culture blend,
2. The spirit of aloha,
3. A giving heart,
4. Teiiam work,
5. Humility,
6. Resourcefulness,
7. Will and strength, and
8. Lokahi.

Mr. Furuya believes these eight gifts enable island people to be especially effective leaders and managers.

Marina Tinitali, the Senior Policy Specialist at the Department of Interior’s Office of Insular Affairs, whose responsibilities include assisting insular governments to improve accountability and operations, addressed the IGFOA Conference attendees about events occurring in OIA. Ms. Tinitali reported the status of the single audits submitted to OIA, the results of GAO and other reviews, and the planned meeting of the Interagency Group on Insular Areas (IGIA) on March 1, 2011. Ms. Tinitali closed by thanking the IGFOA members and the Graduate School for all of the accomplishments that have been achieved over the past several years and stated her enthusiasm to continue to be part of the combined efforts.

Debbie Milks moderated a panel discussion of ‘best practices’ in finance office. Some of the best practices cited were:

1. Pohnpei state has worked to comply with laws and regulations by empowering employees. This has resulted in unqualified audits and improved reporting, particularly with monthly reports that go out to departments (fund status and financial reports).
2. Pohnpei state conducted training for departments to help them understand financial reports.
3. Pohnpei state has begun delivering these reports electronically to improve accountability and reduce costs.

4. A big push from OMB for strategic planning—to transform government through performance, with a specific focus on management aspects. This has included bringing in additional departments and agencies, hiring new dedicated employees, and implementing a law requiring both quarterly and annual reporting. Performance Management is the key focus there.
5. Investing in employees—more than just training, USVI has moved towards certification, especially in entry-level performance management. OMB also maintains a tuition reimbursement program, which many employees continue use.
6. DOA assigned a single-audit coordinator responsible for tracking audit requests and incoming findings from the auditors. When they hold entrance audits, they emphasize to audit management that findings and questioned costs should be provided early in the audit to provide an opportunity to respond. One month prior to end of field work, DOA scheduled proactive meetings with departments.
7. DOA has begun conducting quarterly meetings among managers to remind them of policies and current issues, as well as meetings with program managers to remind them of single audit issues.
8. Federal grants has prepared a checklist to ensure everything that needs to be done prior to closing grants. This ensures compliance with requirements, including travel payments, drawdowns, indirect cost calculations, sub ledgers balanced, and encumbrances liquidated.
9. DOA calls supervisors together when they experience a crisis so the management team can brainstorm and make decisions together, collectively.
10. For audits at the department level, the grant/project coordinator contacts the ASG audit coordinator to make sure the Finance Office is aware of, and involved in, the audit from the beginning.
11. Provided training to all departments on the new travel policies. Expense reports for trips are due within 30days of the completion of the trip. If the expense reports are not submitted on time, the amount due is automatically withheld from subsequent pay checks.
12. They have assigned a person as a full-time records manager and maintain the records in the Finance Office. The Office does periodic 'tests' to see if they can find the test records and how long it takes to produce them.

Ms. Debbie Milks led the IGFOA group through a discussion of the Performance Management project. Most of the governments have completed their finance office measurement plans. Several of the finance offices are working within a government wide initiative to measure all agencies. While the plans may be complete, not all the finance offices have been able to implement the data collection and reporting process. There was discussion about the difference in collecting measures twice a year in order to present them to the IGFOA versus routinely collecting measures as a significant management oversight of finance operations. The group reviewed the basics of what makes a useful measure. Most importantly it should be helpful to the operations of the finance office. The measure should lead to action and if the measure is not useful, it is not worth the effort to collect it.

Frank Crawford provided all of the governments with their updated Performer reports and explained the concepts behind the Performer, how the Performer measures were computed and combined, and what the measures mean. The Performer measures the financial health and success of a government. Critical to the value of the Performer scores are the relevance (timeliness) and reliability (accuracy) of the data used to compute the score. Mr. Crawford presented the Performer scores for each insular government and identified each government's strengths and weaknesses.

Tom Bussanich, Director of the Budget and Grants Management Division, Department of Interior's Office of Interior Affairs gave a presentation on OIA's budget. The Department of Interior is still under a continuing resolution, a quarter of the way through the 2011fiscal year. Some of the highlights from the budget presentation were:

- Only \$27.4 million of OIA's \$457.7 million budget is discretionary,
- OIA's budget has been essentially flat for the past ten years,
- OIA faces a \$250,000 budget cut for FY2011, and
- Only \$9.1 million of OIA's \$457.7 million budget is for OIA staff and expenses.

Participants rated the conference very positively, with an overall ranking of 4.6 on a five point scale, thanking the Graduate School and OIA for supporting the conference and their continued commitment to financial improvement in the islands.

BACKGROUND

In 1999 the Department of Interior's (DOI) Office of Insular Affairs (OIA) and insular government financial management officials decided to form the Island Government Finance Officers Association (IGFOA). The purpose of IGFOA was to promote improved financial management in the insular governments. The IGFOA was incorporated in the Commonwealth of the Northern Mariana Islands and its by-laws were approved in 2001.

Since 1999, IGFOA members have met at least annually to participate in professional development and networking activities and to establish an agenda for financial management improvement. The conferences also provided a forum for participants to discuss common issues and strategies, and to develop a shared agenda for training, organizational development, and technical assistance.

For the past few conferences IGFOA has focused on improving accounting and financial practices in the governments. The current conference covered the single audits and how to improve management of the audits, new auditing standard GASB-54, and developing and using performance measures to monitor and improve financial office performance. The conference reviewed the governments' progress with some of the key on-going initiatives to improve operational performance—the Audit Improvement Project, the development and application of finance office performance measures, and use of the Performer. (See **Appendix A** for the complete conference agenda). Finally, the conference offered a half-day presentation on the roles and responsibilities executives and managers must fulfill to successfully lead their organizations.

CONFERENCE GOALS

The IGFOA Executive Committee built the agenda for the conference based on input solicited from IGFOA members, feedback from the last conference, and current issues facing government accounting. The goals of the December 2010 IGFOA conference were to:

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The twenty-four IGFOA participants represented all of the insular areas, including all FSM states. (See **Appendix B** for the Participant List.)

WELCOMING REMARKS

IGFOA President and Virgin Islands Commissioner of Finance Angel Dawson welcomed the IGFOA group to Honolulu for the annual conference. After a moment of silence to commemorate the 69th anniversary of the Pearl Harbor attack, Commissioner Dawson reviewed recent elections in the

Virgin Islands, in which the current administration won re-election. Mr. Dawson thanked the Department of the Interior's Office of Insular Affairs for its financial support of the meeting and the Graduate School for its logistical support. The Commissioner mentioned a recent summit in the US Virgin Islands on improving efficiency and effectiveness, and suggested that those themes were particularly relevant to IGFOA, as well. The islands continue to face financial difficulties and the need to accomplish more with fewer deliverables. Commissioner Dawson asked all participants to make maximum use of the opportunity presented by this conference.

Thomas Bussanich, Director of Budget and Grants Manager of OIA, welcomed the group on behalf of Assistant Secretary Tony Babauta, Director Nikolao Pula, and Director of Technical Assistance Charlene Leizear. Mr. Bussanich offered to update the group on recent developments in Washington and with OIA's budget. He recognized the real fiscal and budgetary challenges that each of the islands faces, and suggested that the section of the agenda focused on leadership development is more important now than ever before. Finally, Mr. Bussanich thanked the group for its efforts in improving governments' Single Audits. Mr. Bussanich highlighted a recent article by Graduate School Consultant Deborah Milks on the progress the insular areas have made in improving their Single Audits.

John Maykoski, Senior Executive of the Graduate School, also welcomed everyone to the conference. Mr. Maykoski acknowledged the distances and travel that goes into attending the conference, and encouraged the group to make the most of their time in the meeting. Mr. Maykoski highlighted the recent Graduate School article in *The Public Manager*, which highlighted much of the work that IGFOA had been doing, and was worthy of attention from the wider community. The approaches, tactics, and work completed were all very relevant to the wider community and should be commended. Mr. Maykoski emphasized the agenda highlighted performance measurement and improving the standards of finance offices in the region.

GOVERNMENT UPDATES: SINGLE AUDIT STATUS AND FINANCE OFFICE PERFORMANCE MEASURES

In preparation for the conference, each government was asked to prepare a brief presentation on its island and its progress on the IGFOA sponsored financial improvement activities. The governments gave basic geographic and demographic information about their islands, the size of their governments, budgets, and finance offices, and interesting facts about their culture or history (see Appendices C through L for the slide presentations made by the governments).

American Samoa

American Samoa, represented by Levi Reese and Carri-Lee Magalei, presented trend data for both its single audits and some of its key performance measures. In its single audits from 2007 to 2009, American Samoa had essentially the same number of qualifications (4,5,5), but reduced questioned costs dramatically (from \$409,156 to \$100 to \$0). In measuring and reporting its performance, ASG sampled the timeliness of finding and accuracy of payroll data. In three samples (of 30 records each) selected over time, the number of correct payroll records increased from 27 to 28 to 30. The performance measures for timely bank reconciliations (completed each month) increased from 80% in July, to over 90% in August and October, and 100% in September. ASG also identified

performance measures to be collected for five additional processes—the per cent of SOPs completed for the travel process, the number of departments receiving monthly reports for the MIS function, the number of days to send out vendor payments for the disbursing process, the percent of payments over 120 days old for the accounts payable process, and the number of days to clear receivables for the grants management function. (See **Appendix C** for the slides from the American Samoa presentation.)

CNMI

The CNMI presentation was made by Vicky Villagomez and Larrisa Larson. The FY2009 single audit had 56 audit findings and \$4.8 million in questioned costs. The 2010 single audit has not been started yet, but the CNMI expected completion by the June 30, 2011, deadline. The CNMI has experienced a significant loss of staff and expertise, therefore it has focused on staffing and training rather than performance measures. To improve its cash flow, the CNMI has tried to improve its capital improvement spending process. The process involved several different departments—the CIP Management Office, the Finance Office, Procurement and Supply. (See **Appendix D** for the slides from the CNMI presentation.)

Federated States of Micronesia National Government

Juliet Jimmy provided the status report for the FSM National Government. In FY09, the National Government received an unqualified audit opinion on its financial statements but a qualified opinion on compliance. The unqualified audit opinion was the first time the National Government had ever had a ‘clean’ opinion. The total number of citations was 24, totaling \$2.9 million in questioned costs. This number was an increase from FY08 when the audit reported 18 citations totaling 2.3 million. The National Government presented a detailed plan for collecting its key performance measures, but had not yet started to collect and report the measurement data. (See **Appendix E-1** for the slides from the FSMNG presentation and **Appendix E-2** for its Performance Measurement Plan.)

Pohnpei

The Pohnpei State Government status report was presented by Francine Poll. Ms. Poll stated that in the FY2009 audit, Pohnpei received unqualified opinions on both financial statements and compliance. The audit found no questioned costs and only one finding related to the maintenance of fixed assets. She further reported the FY10 single audit was currently in the compliance testing phase. The Finance Office identified four processes for which it would develop performance measures. These processes were accounts receivable, grant reimbursements, bank reconciliation, and financial reporting. (See **Appendix F** for the slides from the Pohnpei State Government presentation.)

Chuuk

Jesse Mori gave an update on the status of the single audit in Chuuk. For the FY09 single audit, Chuuk received a qualified opinion with no questioned costs. This opinion was the first time in many years in which Chuuk has been able to get an opinion. The qualification was based on issues with Chuuk's component units.

Yap

Robert Fathaltamanbay reported Yap had 11 findings and \$376,295.00 worth of questioned cost for FY09, bringing the cumulative total to \$2,494,249.00. For the first time ever, Yap had a SAS-112 finding. Mr. Fathaltamanbay stated Yap had nine performance measures for four of its key processes—transaction processing, performance management, financial reporting, and single audit. (See **Appendix G** for the slides from the Yap presentation.)

Kosrae

Shiro Sigrah presented the Kosrae status report. Mr. Sigrah stated that in the Kosrae FY 2009 Single Audit financial statements were unqualified, compliance for major programs was unqualified, and there were no questioned costs. The audit found two findings, one in fixed assets and the other in equity investments. The FY 2010 Single Audit started compliance testing November 15, 2010.

Mr. Sigrah also provided an update on Kosrae's performance measures. Travel advances were reconciled 100% up to November 30, 2010, although collection process is still in progress. Bank reconciliation was 100% reconciled as of October 31, 2010. Advance purchases have been reconciled at 100% as of November 30, 2010. In addition, fund status report and encumbrance by fund reports were distributed to all departments and agencies for quarters ending June 30, 2010 and September 30, 2010. Kosrae, was still working on human resource programs and process documentation. (See **Appendix H** for the slides from the Kosrae presentation.)

Guam

The Guam status report was given by Tera Camacho. For the FY2009 audit, Guam received an unqualified, 'clean' opinion, with no questioned costs and ten findings. As of November 10, the FY 2010 audit had reported no questioned costs or finding. Over the past three audit cycles, questioned costs have gone from \$2.8 million in FY2007 to \$1.9 million in FY2008 to no questioned costs. Similarly, the number of findings decreased from 26 to 21 to 10.

Ms. Camacho reported on one process for which Guam has established performance standards and is measuring performance—the appropriation process. Guam set a three day standard to enter invoices and a two day standard for reviewing invoices. They used the same, documented process for each transaction:

Standard: 3 days to enter invoices

- Receiving report

- Receipt date
- Verify amount on invoice against the PO
- Verify authorize personnel receiving goods
- Verify if grant is expired
- Verify if the invoice meets the date of the grant

Standard: 2 days to review invoices

Guam will have performance data to report at the next conference. (See **Appendix I** for the slides from the Guam presentation.)

Republic of the Marshall Islands

Clarence Samuel provided the status update for the Marshall Islands. Since FY2002, the Republic of the Marshall Islands (RMI) reduced audit findings from 32 to 11 (in FY2009). The RMI decreased questioned costs from \$5,412,536 in FY2003 to \$570,007 in FY 2009. Mr. Samuel noted, however, that both the number of findings (since FY2004) and the amount of questioned costs (since FY2006) have remained flat over the past few years.

The RMI has implemented some of the finance office performance measures. Ninety per cent of bank reconciliations have been completed on a monthly basis. Outstanding travel advances have been kept to a minimum, with 100% of travel advances over two weeks old being closed or the advance recovered through automatic payroll deductions. The Ministry's Operational Manual is currently being finalized by management and the staff continues to work with management to implement more performance measures. (See **Appendix J** for the slides from the Marshall Islands presentation.)

Republic of Palau

Priscilla Soalablai reported on the Republic of Palau's single audit. For the FY2009 single audit, the final reports have been submitted to the Department of Interior. The financial statement received an unqualified audit. The internal controls audit reported 45 findings and 18 questioned costs. The Ministry of Finance has been holding meetings with the line ministries and departments on the findings and corrective actions taken, specifically on compliance for major programs. The Request for Procurement (RFP) for the FY2010 single audit has been issued with a closing date of December 16, 2010.

Ms. Soalablai stated that the Republic of Palau (ROP) has continued to focus on performance management – monitoring and reporting on measures of performance. They have integrated effective implementation and enforcement of divisional and sectional work plans and have improved communications with other ministries and agencies on program implementation and reporting to ensure compliance with existing policies and regulations. They have also integrated audit plans and corrective measures and established performance agreements and implemented reviews of progress. (See **Appendix K** for the slides from the Republic of Palau's presentation.)

U. S. Virgin Islands

Commissioner Angel Dawson and Deborah Gottlieb presented the status of the single audit in the USVI. They discussed the challenges they faced as they transitioned from one external auditor (KPMG from FY1995-FY2005) to a new auditor (Ernst and Young from FY2006 to FY2009) and from one information system to a new one in FY2006-2007. Over the past five audit cycles, the number of findings has gradually increased, from 35 in FY2004 to 61 in FY2008. This increase was attributed to the improvement in the financial accounting and reporting being done by the USVI. Now that the accounting practices and information system have stabilized, they expect the number of findings to decrease. The USVI is currently conducting its FY2009 audit and expects it to be completed in March 2011.

The USVI has implemented a fairly extensive performance management process. Its Office of Management and Budget has a vision to “Transform Government through Performance”. OMB and several other agencies have developed strategic plans and OMB has certified one-third of its staff in performance management. The USVI plans to further implement performance management by:

- Ensuring that all departments and agencies have written strategic plans
- Streamlining the Evaluation and Reporting process
- Acquiring or developing a system that would accommodate performance management data government-wide
- Bringing awareness to constituents of governmental initiatives, successes and changes
- Establishing a Performance Measurement Steering Committee to support and strengthen commitment to the process

The USVI presented several pages from its Annual Performance Report to illustrate how it ties expenditures to strategic goals, operational goals, and performance measures. (See **Appendix L** for the slides from the U. S. Virgin Islands’ presentation, including examples of their web sites, Annual Performance reports, and ARRA reporting formats.)

GOVERNMENT ACCOUNTING STANDARDS UPDATES

Mr. Frank Crawford, CPA, gave an update on the status of the government accounting standards and the changes that are being implemented and/or considered by the Government Accounting Standards Board (GASB). He commented on the standards and how they apply to the islands.

He made the initial observation that accounting is really not that complicated, mostly the result of a mathematical equation. Then he continued to show how complicated accounting can become. Mr. Crawford noted that five GASB Statements are applicable to the island governments as of September 30, 2010; however most of the new standards will not apply to the island finance offices. Statement 51, Capitalizing Intangible Assets, is most likely to apply. The insular governments may have intangible assets associated with land use rights—easements and rights of way. The greatest change to fund accounting and financial presentations since GASB 34 is GASB Statement 54, Redefining Fund Balance. Statement 54 is applicable in FY 2011. Other GASB issues this year include the Comprehensive Implementation Guide and suggested guidelines on Service

Efforts and Accomplishments. (See **Appendix M** for the slides from the GASB Standards Updates presentation.)

LUNCH SPEAKER: GEORGINA KAWAMURA

Budget Director, State of Hawaii: Lessons Learned from Managing a Budget through the Good, the Bad, and the Ugly Years

Ms. Kawamura's title for her presentation included the "Good, Bad and Ugly" budget years. She noted that the years were not in that order. First she experienced the bad years when the budget office was required to cut back on revenue estimates by leaving out non-renewable special revenue funds. The good years followed with surplus funds, though she pointed out that it is as difficult to manage expectations in times of surplus as it is in lean years. Rather than managing the lean budget, one has to manage unrealistic expectations. Finally, the ugly years occurred when revenues plunged and the budget office had to furlough staff, delay tax refunds, and raid special revenue funds.

The lessons Ms. Kawamura learned from these years started with staying on message. When dealing with the Legislature as well as departments, she said you have to stay consistent. If the answer is no, then learn to say "No" over and over and in many different ways and stay on the same page as your managers. She learned that the budget cannot satisfy everyone and there is never enough. If you try to spread a little to everyone, the programs and projects will fail.

Ms. Kawamura also stressed that involving employees is a critical lesson. Good employees will give good ideas. She emphasized governments must connect resources to performance measures. If a department has too few resources, then it must adjust its performance measures accordingly. Managers tend to forget this and need to be reminded that they should look at what they are doing and determine how it will change if their programs get less money.

Ms. Kawamura's final advice was to "Keep your humor." (See **Appendix N** for the slides from the Ms. Kawamura's presentation.)

FUND BALANCE AND YOUR GOVERNMENT: A CASE STUDY TO FURTHER EXPLORE THE NEW GASB 54 REPORTING REQUIREMENTS

Frank Crawford made a presentation on GASB 54 and its implementation in the island governments. He stressed, 'if your government reports governmental funds, then GASB 54 will affect you'. He provided background on the need for GASB 54, the effect it will have on financial reporting, and the steps needed to implement the standard. Finally, he led the participants through a case study in which the standard was used on Pohnpei State Government's financial statement. The standard is effective this fiscal year (FY2011) for all of the insular governments.

Need for GASB 54—The Government Accounting Standards Board developed GASB 54 to address several specific issues:

- Statement 34 had no effect on fund balance reporting

- Significant variation in how standards are applied, leading to significant divergence in practice
- Widespread confusion about terminology
- Mismatch between what governments are reporting about fund balance and what users of financial statements actually need

As an illustration of the problems the standard is trying to address, Mr. Crawford presented the following situation. Under the current standard, if the amounts constrained to specific purposes are reported in the *general fund*, they are shown as reserved. BUT, if the amounts constrained to specific purposes are reported *outside* the general fund, they are shown as unreserved

What GASB 54 does--GASB 54 changes the fund balance classifications from reserved and unreserved to:

- Nonspendable
- Restricted
- Committed
- Assigned
- Unassigned

Non-spendable fund balances are:

- Not in spendable form, such as
 - Inventory
 - Long-term receivables (unless the proceeds are restricted, committed, or assigned)
- Legally or contractually required to be maintained intact
 - Corpus of a permanent fund

Restricted fund balances are:

- Same definition as for net assets in Statement 34 (as amended by Statement 46)—amounts constrained to being used for a specific purpose by
 - External parties
 - Constitutional provisions
 - Enabling legislation

Committed fund balances are:

- Constrained on use imposed by the government itself, using its highest level of decision making authority
- Constraint can be removed or changed only by taking the same action
- Action to constrain resources should occur prior to end of fiscal year, though the exact amount may be determined subsequently

Assigned fund balances are:

- Amounts *intended* to be used for specific purposes
- Intent is expressed by
 - The governing body
 - A body (budget or finance committee) or official authorized by the governing body
- Residual amounts in governmental funds other than the general fund are assigned
- Appropriation of existing fund balance

Unassigned fund balances are:

- Available for any purpose
- Reported only in the general fund, except in cases of negative fund balance
 - Negative balances in other governmental funds are reported as unassigned

Thus, in the problem illustrated above, under the new standard, the amounts constrained to specific purposes are reported in the same classifications *regardless of the fund they are in*.

After presenting the concepts behind GASB 54, Mr. Crawford provided several examples and worked through a case study using Pohnpei State Government financial data. (See **Appendix O** for the slides from the GASB 54 presentation, **Appendix P** for the Steps to Implement GASB 54, and **Appendix Q** for a sample financial statement under GASB 54).

FINANCE OFFICE PROCESS IMPROVEMENT CASE STUDY

Ms. Debbie Milks, CPA, gave a brief overview of tips and techniques for process improvement. She reviewed the considerations the office should make when selecting which processes to improve and talked about the importance of selecting the right team members. She highlighted the importance of questioning the value added of each step in the process. Finally, Ms. Milks emphasized the necessity for government leaders to commit to process improvement from its inception through to final implementation.

Ms. Milks then led the participants through a case study of process improvement project in a finance office. The finance officers reviewed the “as is” map of a process to make vendor payments for Capital Improvement Projects. They brainstormed ideas how to modify the process to make it more efficient without cutting essential steps or sacrificing internal control. (See **Appendix R** for the slides from the Finance Office Process Improvement Case Study presentation.)

LEADERSHIP ISLAND STYLE

Mr. Glenn Furuya, founder of *Leadership Works*, gave a half-day training session on Leadership Island Style. In his full course, which is a one-week component of the Executive Leadership Development Program, Mr. Furuya presents core management and leadership principles in ways especially relevant to island cultures and individuals. For the IGFOA program, he gave a brief

overview of one module from the full class—the special ‘gifts’ island people have that makes them effective leaders. The IGFOA session is briefly summarized below and the session handouts can be found in **Appendix S**.

Leadership Island Style

‘Island style’ is a state of mind and a way of being. An ‘island style’ person is one who lives ‘aloha’.

Birthplace, ethnicity, or country/state of residency does not determine whether one is an island style person. Island people are typically raised in the intimacy of a ‘village’. Villages, like small towns and close-knit families, create intimacy. People raised in these intimate environments tend to be nice, well-mannered, responsible, and cooperative.

‘Island style’ people are blessed with eight gifts, based on their culture, experiences, history, and values. These eight gifts are:

1. The three-way culture blend,
2. The spirit of aloha,
3. A giving heart,
4. Teiiam work,
5. Humility,
6. Resourcefulness,
7. Will and strength, and
8. Lokahi.

The Three-Way Culture Blend

Pacific Islanders are a blend of three cultures—the East, the West, and Polynesia. From each of these three great cultures the island people receive gifts:

- Blessings from the East: Humility, respectfulness, education, consciousness and centeredness.
- Blessings from the West: Achievement, individualism, independence, drive and ingenuity.
- Blessings from Polynesia: Generosity, hospitality, gentleness, inclusiveness and warmth.

The combination of these gifts enables islanders to have a key leadership attribute--“Two Think”, or the ability to simultaneously hold two contradictory beliefs or thoughts in one’ mind and then to creatively resolve the tension between these two conflicting ideas by generating a new one that contains elements of both but is superior to either one. Examples of ‘Two Think’ in the leadership are efficacy and transformation, circular preparation and linear execution, and ‘preserve the core AND stimulate progress’.

The Spirit of Aloha

‘Aloha’ means being nice, well-mannered, and considerate. It means thinking of others first and conforming to the rules, values, and beliefs of the greater ‘ohana’, or family. True ‘aloha’ means staying in the ‘bowl’ and not being a ‘banana’. The bowl is the parameters for behavior in the organization—its beliefs, values, rules, laws, regulations, protocols, and policies. A ‘banana’ is one who violates the organizations norms and therefore falls out of the bowl. It is the leader’s job to make sure all the staff stay in the ‘bowl’ and no ‘bananas’ fall out, and if a banana does fall out of the bowl, the leader needs to return the banana to the bowl with the ‘aloha’ spirit—nicely, considerately, respectfully.

True ‘aloha’ means taking care of the ‘next process’ at work. Do anything possible to make it easy for the next person in the process flow. Provide products and services that are accurate, complete, and timely.

A Giving Heart

Island people are naturally giving. The cultures value how much one gives, not how much one has. Leaders need to give their staff peak performance. Leaders need to determine whether each staff member has the skill and will to perform every task assigned, and where either the skill or will is lacking, help the individual raise the skill and will levels.

To improve skill, real leaders provide direction:

- Clarify
- Explain
- Teach
- Demonstrate
- Supervise

To improve will, real leaders provide support:

- Listen
- Reassure
- Encourage
- Prioritize
- Mediate

Teiia Work

A true team player exhibits both Individual effort and Interdependence. Individual effort means doing one’s job well, pulling one’s own weight, and taking responsibility. Interdependence means cooperating, working in harmony, and helping others. An interdependent person believes in

AFOOFA: All For One, One For All. If one truly lived ALOHA, you do your job and work well with others.

Humility

In island culture, everyone is 'same-same'. If everyone is truly 'same-same', then no one is better or more important than anyone else. In the island boat races, the leader always sits in the back, not in the front. It allows the leader to see the goal, watch how the team is pulling together and give guidance to improve performance, but not be the one in the limelight as the boat reaches its goal.

Resourcefulness

Island people have to be resourceful because have very few resources. They must learn to do what they can, where they are, with what they have. This resourcefulness in living translates well into 'doing more with less' in the work place.

Will and Strength

Just because people are nice and humble, it does not mean they are weak. Island people come from tough immigrant stock. When faced with "hot water" or difficulties in life, make "tea." Avoid being a whining, complaining "carrot" or an angry, bitter "hard-boiled egg". People are like tea bags – you never know how strong they are until they get in "hot water." Adapted from a quote by Eleanor Roosevelt.

Lokahi

Peace, unity and harmony. If one cannot establish peace, unity, and harmony for oneself, how can one provide them for others? The work place needs peace, unity, and harmony, not drama. It is the leaders' job to create the conditions that foster 'lokahi'.

OIA UPDATE

Marina Tinitali, the Senior Policy Specialist at the Department of Interior's Office of Insular Affairs, whose responsibilities include assisting insular governments to improve accountability and operations, addressed the IGFOA Conference attendees about events occurring in OIA. Ms. Tinitali's presentation centered on the following:

- Congratulations to the IGFOA members for the progress they have achieved and continue to maintain to improve the accuracy and timeliness of financial data reported primarily through the completion of annual audits under the Single Audit Act.
- OIA continues to inform interested parties within the Department of the Interior and others such as members of the U.S. Congress, other Federal agencies and the general public of the progress made by the insular governments through OIA's comprehensive approach. This approach includes conferences and workshops that provide training and build the capacity of

the local workforce organized through a contract with the Graduate School, OIA staff with financial and management expertise who communicate directly with insular government officials and perform on-site reviews, and increased coordination with other Federal agencies to help address systemic issues. OIA also developed a process for allocating OIA grant awards that centers mainly on the insular governments' progress related to improving financial management practices and administering Federal grant programs.

- Reviews of the most recently completed annual audits (FY 2008 for the Government of the U.S. Virgin Islands, FY 2009 for all other governments) were completed, letters were sent out to the appropriate officials, and OIA is awaiting responses. Follow up on the responses will continue. A special note is made regarding communication for completion of Single Audits. Please be sure to maintain communication regarding deadlines for completion of audits. And although insular officials may be communicating with others within OIA, officials are requested to please send information to Ms. Tinitali either by letter or email at marina_tinitali@ios.doi.gov.
- In response to a previous review completed by the U.S. Government Accountability Office (GAO), OIA was recommended to set a deadline for insular governments to achieve unqualified ("clean") audit opinions from the independent auditors performing the annual single audits. Several years ago, IGFOA members estimated clean opinions would be achieved by the Single Audit of Fiscal Year 2010. Several insular governments have achieved and maintained clean opinions. However, others governments still have material qualifications that must be addressed. OIA is requesting that an action plan be submitted to identify how each qualification will be addressed and resolved. The deadline for the action plan from each insular government is January 30, 2011. A letter from OIA's senior management to the leader of the insular area (Governors and Presidents) will be sent as necessary if the January 30, 2011 deadline is not met.
- Reviews of OIA were recently completed by Interior's Office of Inspector General (OIG) and GAO. Recommendations for OIA included a review of OIA's authorities by Interior's Office of the Solicitor. That review is currently underway. Copies of the OIG and GAO reviews are available on their respective websites. OIA's responses to the reports included acknowledgement of the collaborative efforts between OIA and the insular governments, the work completed under contract with the Graduate School and the increased coordination with other Federal agencies.
- The Interagency Group on Insular Areas (IGIA) have a meeting scheduled for March 1, 2011. The IGIA is a Federal group comprised of senior officials from a multitude of Federal agencies which have policies relevant to the insular areas. The IGIA functions as an advisory committee to the President of the United States. Co-chaired by the Secretary of the Interior and the Director of the White House Intergovernmental Office, the IGIA addresses issues of the territories. The Department of State has a "sister" group that handles issues of the freely associated states (areas under Compact Agreements with the United States). Attending the IGIA meeting will be cabinet level officials of the Federal agencies, Governors of the insular territories, members of Congress, and OIA staff. The Assistant Secretary of OIA along with a senior official from the White House will preside over the March 1, 2011 meeting, although the Secretary of Interior may be available to open the meeting. OIA prepares a briefing book that is provided to all of the IGIA attendees, and some of the issues will be highlighted at the

March meeting. Issues that are expected to be included in the briefing book are compliance with the Single Audit Act, the financial position of the Government, use of funds under the American Reinvestment and Recovery Act (ARRA), economic activities, energy projects, health care, infrastructure challenges and disaster recovery. Communication with IGFOA members and other government officials is critical to ensure that sufficient information is received to provide a complete picture of what is happening in the insular area.

Ms. Tinitali again thanked the IGFOA members and the Graduate School for all of the accomplishments that have been achieved over the past several years and stated her enthusiasm to continue to be part of the combined efforts.

PANEL DISCUSSION: FINANCE OFFICE BEST PRACTICES

Thomas Pablo discussed four best practices that Pohnpei State Government has implemented. These best practices were:

1. Pohnpei state has worked to comply with laws and regulations by empowering employees. This has resulted in unqualified audits and improved reporting, particularly with monthly reports that go out to departments (fund status and financial reports). As a specific example, a process has been put in place to reject any procurement requests that don't include at least three bids, which still occurs on a daily basis. The key here is that the low-level staff has the authority to reject Purchase Requests, despite complaints that then come in from higher-level department heads.
2. Pohnpei state conducted training for departments to help them understand reports.
3. Pohnpei state has begun delivering these reports electronically to improve accountability and reduce costs. One possibility for process improvement might be the inclusion of a checklist.
4. Departments have been trained sufficiently and provided the necessary information so they can help reconcile accounts.

Deborah Gottlieb from the U.S. Virgin Islands presented three best practices from her government:

1. A big push from OMB for strategic planning—to transform government through performance, with a specific focus on management aspects. This has included bringing in additional departments and agencies, hiring new dedicated employees, and implementing a law requiring both quarterly and annual reporting. Performance Management is the key focus there.
2. Investing in employees—more than just training, USVI has moved towards certification, especially in entry-level performance management. OMB also maintains a tuition reimbursement program, which many employees continue use.
3. Recognizing employees with non-monetary awards—the USVI has bought uniforms for some employees.

Kathy Kakigi from the Guam Department of Administration covered five best practices her office has implemented. These practices were:

1. DOA assigned a single-audit coordinator responsible for tracking audit requests and incoming findings from the auditors. When they hold entrance audits, they emphasize to audit management that findings and questioned costs should be provided early in the audit to provide an opportunity to respond. One month prior to end of field work, DOA scheduled proactive meetings with departments.
2. DOA has begun conducting quarterly meetings among managers to remind them of policies and current issues, as well as meetings with program managers to remind them of single audit issues.
3. Federal grants has prepared a checklist to ensure everything that needs to be done prior to closing grants. This ensures compliance with requirements, including travel payments, drawdowns, indirect cost calculations, sub ledgers balanced, and encumbrances liquidated.
4. DOA calls supervisors together when they experience a crisis so the management team can brainstorm and make decisions together, collectively.
5. As a morale booster, DOA has developed prizes for words of encouragement from among our staff. The winning entries are then posted publicly in the office.

Carri-Lee Magalei from American Samoa discussed four best practices from her office:

1. Using a Single Audit coordinator to facilitate the audit process.
2. For audits at the department level, the grant/project coordinator contacts the ASG audit coordinator to make sure the Finance Office is aware of, and involved in, the audit from the beginning.
3. Provided training to all departments on the new travel policies. Expense reports for trips are due within 30 days of the completion of the trip. If the expense reports are not submitted on time, the amount due is automatically withheld from subsequent pay checks.
4. They have assigned a person as a full-time records manager and maintain the records in the Finance Office. The Office does periodic 'tests' to see if they can find the test records and how long it takes to produce them.

FINANCE OFFICE PERFORMANCE MEASURES

Ms. Debbie Milks led the IGFOA group through a discussion of the Performance Management project. Most of the governments have completed their finance office measurement plans. Several of the finance offices are working within a government wide initiative to measure all agencies. While the plans may be complete, not all the finance offices have been able to implement the data collection and reporting process. There was discussion about the difference in collecting measures twice a year in order to present them to the IGFOA versus routinely collecting measures as a significant management oversight of finance operations.

The group reviewed the basics of what makes a useful measure. Most importantly it should be helpful to the operations of the finance office. The measure should lead to action and if the measure is not useful, it is not worth the effort to collect it.

Other basics of a useful measure are:

- it should be relatively easy to collect,
- it should be a number, and
- it should have an associated benchmark, or standard.

The measurement plan should explain:

- how the measure will be collected (using a system report or a log book ,etc),
- who will be responsible for collecting measurement data,
- how often the measure is to be collected,
- who will receive the measurement report, and
- what future actions may be taken based on the measurement data.

The group reviewed the island government presentations on their finance office performance measurements. The most meaningful measures had a benchmark as well as actual data showing a trend.

After the discussion, the finance office representatives worked within their government groups on action planning for performance measures. It was agreed that the final plans would be due by January 31st and an interim performance measure report would be due by March 31st, 2011. (See **Appendix T** for the slides from Finance Office Performance Measures presentation.)

PERFORMETER UPDATES

Frank Crawford explained the concepts behind the Performeter, how the Performeter measures are computed and combined, and what the measures mean. The Performeter measures the financial health and success of a government. Critical to the value of the Performeter scores are the relevance (timeliness) and reliability (accuracy) of the data used to compute the score. Mr. Crawford presented the Performeter scores for each insular government and identified each government's strengths and weaknesses. For the FY2009 financial statements, some governments had improved scores, while others had lower scores or stayed about the same. Notably, Chuuk and Kosrae improved their scores through significant cost saving actions (e.g., reductions-in-force). (See **Appendix U** for the slides from the Performeter presentation.)

OIA BUDGET

Tom Bussanich, Director of the Budget and Grants Management Division, Department of

Interior's Office of Interior Affairs gave a presentation on OIA's budget. The Department of Interior is still under a continuing resolution, a quarter of the way through the 2011 fiscal year. Some of the highlights from the budget presentation were:

- Only \$27.4 million of OIA's \$457.7 million budget is discretionary,
- OIA's budget has been essentially flat for the past ten years,
- OIA faces a \$250,000 budget cut for FY2011, and
- Only \$9.1 million of OIA's \$457.7 million budget is for OIA staff and expenses.

OIA has instituted a new program, called Empowering Insular Communities. The program is designed to:

- Strengthen the foundations for economic development in the islands by addressing challenges preventing reliable delivery of critical services needed to attract investment.
- Pursue economic development initiatives that encourage private sector investment in the insular areas.

(See **Appendix V** for the slides from the OIA Budget presentation.)

GOVERNMENT ACTION PLANS TO ADDRESS ACCOUNTING CHANGES AND PERFORMANCE MEASUREMENT

To close the conference, the participants from each government convened to build an action plan to implement some of the key principles and practices covered during the conference. Using an action plan template (see **Appendix W** for the Action Plan Template), each government identified its highest priorities and identified the steps it needed to take to begin addressing these items. After the action steps were listed, the governments assigned responsibility for performing each task, established start and completion dates, and documented the support and/or resources needed to implement the plan successfully.

For GASB 54 implementation, many of the governments requested support from Graduate School consultants. Prior to scheduling the arrival of the consultants on-island, the host governments agreed to complete the following preparation tasks:

- Complete steps 1a-e of the Steps to Implement GASB 54 work sheet,
- Obtain documentation that supports the classifications of funds, and
- Schedule a review of the classification process and results with the auditors.

Since most governments do not prepare the Notes themselves, they should not worry about the Notes until last.

The governments agreed to further develop and complete the action plans by January 31, 2011. The completed action plans should be submitted to Debbie Milks no later than the end of January. In addition, the governments agreed to submit performance measurement data, including trends and standards, to Ms. Milks by March 31, 2011.

CONFERENCE EVALUATION

At the end of the conference, participants completed an evaluation rating the conference on several dimensions and providing comments to open-ended questions. (See **Appendix X** for a full Summary of the Conference Evaluations). On the key evaluative dimensions, the participants rated the conference extremely highly. On a scale of 1 - 5, with 5 being the highest score and 1 being the lowest score, the average ratings were:

1. The GFOA conference sessions were relevant and timely.
Score: 4.8
2. The IGFOA conference sessions were relevant and timely.
Score: 4.5
3. The conference's objectives were substantially met.
Score: 4.5
4. Logistics for bringing participants to and from Honolulu were handled satisfactorily.
Score: 4.6
5. The conference site (hotel) was comfortable and conducive to the meeting.
Score: 4.6
6. Support services by the Graduate School staff during the conference were handled well and in a timely manner.
Score: 4.6

APPENDIX A – AGENDA

The goals of the December 2010 IGFOA conference are to:

- Provide IGFOA members with the information and skills needed to implement GASB 54 – Fund Balance Reporting
- Build government specific plans to address the GASB 54 changes in the governmental accounting structure
- Exchange information on the latest *Performer* analysis
- Provide training to IGFOA members in management and leadership best practices.
- Update the performance measurement action plans for the finance office operations

Monday, December 6th

10:00 am – 12:00 pm

Conference Registration

Registration table located outside the Kona Moku Ballroom

Tuesday, December 7th

7:00 – 8:15 am

Breakfast

Oahu Room

8:30 am

Welcome

Commissioner Angel Dawson, U.S. Virgin Islands/President, IGFOA

Tom Bussanich, Director of the Budget and Grants Management Division,

Department of Interior/OIA

Jack Maykoski, Senior Executive, Graduate School

8:45 am

Review agenda and introductions

Steve Medlin, Facilitator

9:15 am

Government Updates: Single Audit Status and Finance Office Performance Measures

Moderator: Debbie Milks, CPA

Presentations (10 minutes each):

American Samoa

Commonwealth of the Northern Mariana Islands

Federated States of Micronesia

Guam

Republic of the Marshall Islands

Republic of Palau

U.S. Virgin Islands

10:45 am

Break

11:00 am

Government Accounting Standards Updates

Frank Crawford, CPA

12:00 pm

Group Photo

12:15 – 1:15 pm

Lunch

"Lessons Learned form Managing a Budget Through the Good, the Bad, and the Ugly Years."

Speaker: Georgina Kawamura, Budget Director, State of Hawaii

Oahu Room

1:15 pm

Fund Balance and Your Government: A Case Study to further explore the new GASB 54 Reporting Requirements

Frank Crawford, CPA

2:30 pm

Break

2:45 pm

Fund Balance and Your Government: A Case Study to further explore the new GASB 54 Reporting Requirements (continued)

Frank Crawford, CPA

4:00 pm

GASB 54 Implementation: Applying the new standard back home

Government Break-Out Groups

4:30 pm

Review and Adjourn

5:30 pm

Reception: Hosted by First Hawaiian Bank Waikiki Terrace

Wednesday, December 8th

- 7:00 – 8:15 am Breakfast
Oahu Room
- 8:30 am Review results from Tuesday and overview of today's agenda
- 8:45 am Performeter Updates
Frank Crawford, CPA
- 10:00 am OIA Update
Marina Tinitali, Accountability and Insular Policy Specialist,
Department of Interior/Office of Insular Affairs
- 10:15 am Break
- 10:30 am Finance Office Process Improvement Case Study
Debbie Milks, CPA
- 12:00 – 1:00 pm Lunch
Oahu Room
- 1:00 pm Leadership Island Style
Glenn Furuya, Leadership Works
- 2:30 pm Break
- 2:45 pm Leadership Island Style (continued)
Glenn Furuya, Leadership Works
- 4:30 pm Adjourn

Thursday, December 9th

- 7:00 – 8:15 am Breakfast
Oahu Room
- 8:30 am Review results from Wednesday and overview of today's agenda
- 8:45 am Panel Discussion: Finance Office Best Practices
Panelists:
Kathy Kakigi, Controller, Department of Administration,
Guam

Thomas Pablo, Director, Depart of Finance and Admin.,
Pohnpei State

Deborah Gottlieb, Director, OMB, U.S. Virgin Islands

Carri-Lee Magalei, Senior Acct., Treasury Department,
American Samoa

Jesse Mori, Director, Department of Administrative Services,
Chuuk State

Moderator: Deborah Milks

9:45 am

Finance Office Performance Measures

Debbie Milks, CPA

10:15 am

Break

10:30 am

**Action planning to address governmental accounting
changes and performance measurement plans**

Government Break-Out Groups

Steve Medlin and Debbie Milks

11:15 am

Report out: Government specific action planning

11:45 am

Tom Bussanich

Director of the Budget and Grants Management Division,
Department of Interior/OIA

Questions and Answers

12:15 pm

Working Lunch

1:15 pm

Conference Wrap-up

- **Advancing the plans**
- **Summary of progress during this session**
- **Next steps**
- **Conference evaluation**

2:00 pm

Adjourn

APPENDIX B - PARTICIPANT LIST

U.S. Virgin Islands

Angel Dawson, Commissioner of Finance

Deborah Gottlieb, Director, Office of Management and Budget

CNMI

Vicky Villagomez, Special Assistant for Management and Budget, OMB

Larrisa Larson, Technical Analyst, Office of the Lt. Governor

Guam

Lourdes Perez, Director, Department of Administration

Kathy Kakigi, Controller, Department of Administration

Teralynn Camacho, Accountant, Department of Administration

Republic of Palau

Priscilla Soalablai, Chief of Accounting, Ministry of Finance

Haruo Willter, Special Assistant to the President

American Samoa

Logovi'i Magalei, Treasurer, Department of Treasury

Levi Reese, Chief Accountant, Department of Treasury

Carri-Lee Magalei, Senior Accountant, Department of Treasury

FSM National Government

Juliet L. Jimmy, Assistant Secretary, Department of Finance and Administration

Chuuk State

Jesse Mori, Director, Department of Administrative Services

Kosrae State

Tiser Reynold, Director, Office of Administration and Finance

Shiro Sigrah, FMIS Manager, Office of Administration and Finance

Pohnpei State

Thomas Pablo, Director, Department of Finance and Administration

Alpino Kerman, Budget Director

Francine Poll, Assistant Chief of Finance & Revenue
Angie Neth, Chief of Revenue and Taxation

Yap State

Robert Fathaltamanbay, Chief of Finance, Office of Administrative Services
Pius Talimeisei, Chief of Budget

Republic of the Marshall Islands

Clarence Samuel, Budget Director, Ministry of Finance
Boris Anni, Chief Accountant, Ministry of Finance

Department of Interior/Office of Insular Affairs

Tom Bussanich, Director of the Budget and Grants Management Division
Marina Tinitali, Accountability and Insular Policy Specialist

Graduate School

Jack Maykoski, Senior Executive
Stephen Latimer, Program Manager
Jason Aubuchon, Project Manager
Mark Canney, Training Specialist

Resource Consultants/Speakers

Dr. Steven Medlin, Facilitator
Debbie Milks, CPA
Frank Crawford, CPA
Glenn Furuya, Leadership Works
Debbie Furuya, Leadership Works
Georgina Kawamura, Budget Director, State of Hawaii

APPENDIX C – ASG STATUS REPORT



AMERICAN SAMOA

Motu O Fiafiaga

American Samoa

- Five volcanic islands with rugged peaks and limited coastal plains, two coral rolls (Rose Island, Swains Island).
- **Location:** Oceania, group of islands in the South Pacific Ocean, about half way between Hawaii and New Zealand. We are the 'Heart of Polynesia.'

American Samoa

- Capital: Pago Pago
- Population: 66,432 (July 2010)
- Government:
 - Executive Branch
 - Governor Togiola Tulafono
 - Cabinet 12 department directors
- Legislative Branch: 2 Houses
 - Senate elected from village council of Chiefs to serve 4 yr term (18 members)
 - House of Representatives elected for 2 year term, general election (21 members)
- Judicial Branch:
 - High Court

American Samoa

- Size of Government – close to 5,000 employees
- Finance Office – 9 divisions (170 employees)
- 2011 budget - \$466 million

Single Audit

	2007	2008	2009
Qualifications	4	5	5
Questioned Costs	\$409,196	\$100	\$0
Missing Doc	10	7	4
Payroll	2	3	2
Davis Bacon	2	3	0
Procurement	1	0	0

Bank recons

AP Accruals

Timely closing

Fixed Assets

Budget

Grants management

Pooled cash

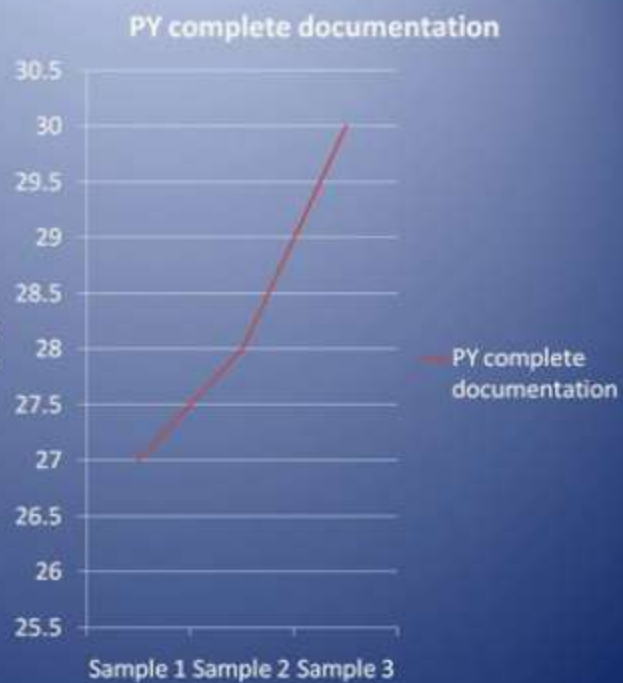
Immigration bond

Performance Measures

Payroll

1.# of days to pull documentation.

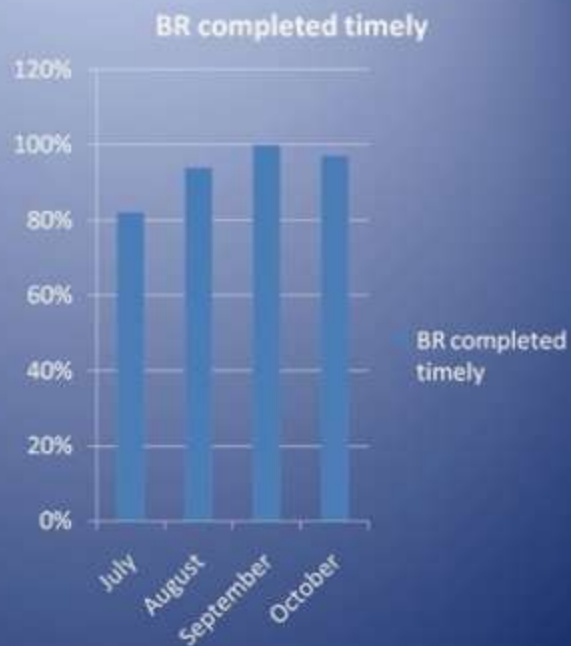
2.% of samples pulled has complete documentation



Performance Measures

General Accounting

of bank recons completed timely (by the 10th of each month)



Performance Measures

Travel

% of SOPs documented

Accounts Payable

% of payables over 120 days old

MIS

of departments receiving monthly reports

Grants

of days to clear receivables

Disbursing

of days to send out vendor payments

APPENDIX D – CNMI STATUS REPORT



Northern Mariana Islands

Background:

- Formerly administered by the Trust Territory
- Became a Commonwealth in 1975
- 14 islands chain
- 4 populated islands (Saipan, Tinian, Rota and Agrihan)
- Strategically located within 4 hours of economically vibrant countries like Japan, China, Hong Kong, Korea, Taiwan and Philippines
- Population: 2000 – 69,221
2010 – 39,500 (preliminary est.)

Northern Mariana Islands

Size of Government

- 3 Branches (Executive, Legislative & Judicial)
- 3 Senatorial Districts
- 4 Mayors

2011 Budget

- 3,656 FTEs
- 1st budget approved since 2006
- 1st ever to implement a government shutdown affecting nearly 3000 government employees
- incorporated a 25% cut across the board in salaries and enefits plus 13 unpaid holidays
- equivalent to 65 unpaid days/employee

Budget Comparison: 1998 - \$242 million 2011 - \$132 million <\$110 m>

Northern Mariana Islands

Description	Finance Office	Budget Office
Department	7 Divisions	Under the Office of the Governor
Full Time Equivalents	163	7
2011 Budget	\$4.3 million (86% for personnel)	\$315k
Other Information	w/o Secretary w/o Dir. Rev & Tax w/o Dir. EDP w/o Dir. F&A	5 budget analysts 1 admin. asst. 1 budget director
	Key staff near retirement eligibility	All staff are near retirement eligibility
Education (highest)	A.A.S.	A.A.S.
Goal	Fill critical positions; Develop capacity in finance and accounting areas	Fully staffed; Implement internship program; Continue capacity building in budgeting and finance

Northern Mariana Islands

- 2009 Audit Findings
 - 56
- 2010 Single Audit
 - not started
 - completion expected by the June 30, 2011 deadline
- ARRA
 - anticipated grant awards - \$104 m
 - awarded to date as of 10/10/10 - \$88 m
 - expended to date - \$23.2 m
 - drawdown \$21.8 m
 - unspent \$65.2 m

Northern Mariana Islands

Measures	CIP Program Administration	Finance Office
Bank Reconciliation: - # of checking accounts reconciled	N/A	Finance & Accounting: -not implemented -staff resigned/need replacement
Increase capital improvement spending	Implement weekly solicitation of projects through open competition	Division of Proc & Supply: -timely approval of bid solicitation and contract processing
Drawdowns: - # of drawdowns processed	Submit request for payment to Finance within three days of review for work completed	Finance & Accounting: Enters payment request w/in 3 days of receipt; Office of the Secretary: Process drawdowns daily within the allowed threshold
Payment Disbursements - # of payments processed timely; - Decrease the number of complaints of untimely payments to vendors	-Verify weekly outstanding payments to contracts; -Verify with Treasury if CIP Account Bank Balance reflects drawdowns received are posted; Challenge: contact/meet with Treasury to make payment	Division of Treasury: -Verify funds are drawn and posted prior to disbursement Challenge: vouchers being entered using the wrong bank code causes delay in payments

APPENDIX E1 – FSM NATIONAL GOVERNMENT STATUS REPORT

The Federated States of Micronesia comprises of 607 small islands in the Western Pacific Ocean, spread almost 1,700 miles, north of the equator, 2,500 miles southwest of the main islands of Hawaii, South of Guam and the Marianas, west of Nauru and the Marshalls and east of Palau. Total population is around 107,000.

The FSM constitution, like that of U.S. provides for three separate branches of government. Unlike the U.S. System, however, most major governmental functions are carried out by the State Governments. FSM consists of four state governments and the National Government located in Palikir, Pohnpei, the capital of FSM.

The National Government consists of 7 departments, 6 offices and 6 component units. As of 09/30/2010, the national government has 1,000 plus active employees and a budget totaling \$53.1 million. Of the 53.1 million, 37.5 million is from domestic revenues.

The Department of Finance & Administration has 5 divisions

1. Division of Administration
2. Division of Investment
3. Division of Treasury
4. Division of Customs, Tax Administration
5. Division of Personnel

The total number of staff is 81.

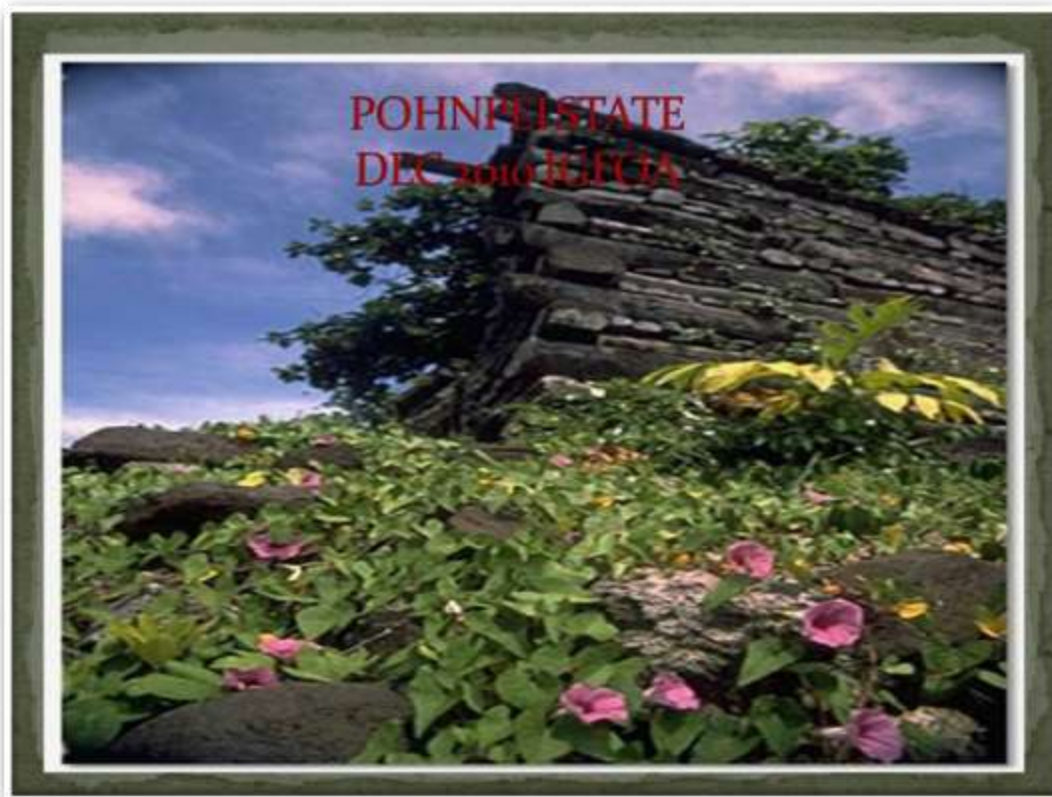
In FY09, the National government received an unqualified audit opinion on its financial statements but a qualified opinion on compliance. Total number of citations was 24, totaling \$2.9 million. An increase from FY08 (18 citations totaling 2.3 million)

APPENDIX E2 – FSMNG STATUS REPORT ON PERFORMANCE MEASURES

Objective	Performance Measure	WHO	ACTION(S)
Reduce Outstanding Travel advances by 50% by fiscal year end	Expected filing date against the actual date of filing	Sehra	Establish a schedule of Travel Advance 2nd reminder is sent on the 1 day after due date of filing if travel advance is still outstanding after 10 working days via e-mail 3rd reminder is sent to Department Secretary/Director if no response 3 working days after 2nd notice Travel Claim calculated and disbursed within 10 days of submission of claim
Transaction Processing	Reduce turnaround time no more than 10 days (submission of request to disbursement)		
	Front Desk--Ensure all incoming documents/requests are stamp dated and logged in daily and distributed to the appropriate sections	Emlynn	Ensure signed/completed requests are forwarded to appropriate sections daily
	Fund Certification--no more than 2 days after receipt of request from time of log in to division of treasury	JJ/Warren	Establish a tracking system to track movement of request from section to section/Document tracking report (from date of log in) through financial system processing (to stage 60)
	Supply and Procurement--no more than 2 days after receipt of request from fund certification	Herman/ Stoney/Lester	Set up incoming and outgoing trays for each section
	Accounts payable--request to be entered into financial system no more than 2 days after receipt from other sections	Jay/Marleen/ Sehra	
	and disbursed no later than 3 days after entry into financial system	Jay/Marleen/ Sehra	
All bank accounts are reconciled and adjustments booked before the ending of the subsequent	Bank Reconciliation reports to be submitted no later than the 30th of the subsequent month to accounting advisor and	Naide/Dayleen/ Deborah	Bank reconciliation access module needs to be fully implemented and staff trained no later than December 31, 2010

month	assistant secretary, nt		
			Accounting Advisor/Assistant Secretary, NT to verify bank recon report matches GL balance
To ensure fund certification logs and financial system are in balance	Number of programs that are out of balance	JJ/Warren	Reconciliation of programs
			Set up fund certification control log database to facilitate exception reporting against the financial system
To improve customer service	customer service survey	Assistant Secretary, NT	Design and distribute a customer service survey to establish a baseline to identify areas needing improvement
			Provide basic customer service to staff of national treasury
			Repeat the survey in 8 months
To improve the timeliness of identifying incoming revenues	The time between the deposit being made and the revenue being booked to the correct account	Akiama/Naide	To establish a baseline measurement
			Monthly reports to be submitted to accounting advisor and assistant secretary national treasury
To reduce A/R	Aging of A/R		To fill the A/R position to provide proper management of accounts receivable
			NOAA billings prepared every 15 days and mailed within 24 hours of creating the bill
			Further action pending congressional bill AR-OT)
Improve general accuracy of payroll processing	to be developed in cooperation with payroll and personnel	Assistant Secretary's-NT and personnel and Renee	
To ensure the fixed assets inventory is accurate	Number of items not tagged and current inventory verification completed	Herman/Stoney/Lester	Establish a link between the gl and the fixed assets module
			Conduct inventory monthly at central and quarterly by field office either by location or item type (establish supporting schedule)

APPENDIX F - POHNPEI STATE STATUS REPORT





SINGLE AUDITS

**FY09 :
UNQUALIFIED ON BOTH FINANCIAL
STATEMENTS AND COMPLIANCE**

**ZERO QUESTIONED COSTS
FINDINGS: MAINTENANCE OF FIXED
ASSETS**

FY10 STATUS: COMPLIANCE TESTING



FINANCE OFFICE PERFORMANCE MEASURES

ACCOUNTS RECEIVABLES

GRANT REIMBURSEMENTS

BANK RECONCILIATION

FINANCIAL REPORTING



APPENDIX G –YAP STATUS REPORT

Population = 11,000 (2006 Census)

Size of Government = 1,056 employees, 2011 Budget = 18.3 mil

Size of Government's Finance Office

Accounting & Treasury = 9 staff, 2011 Budget = 86,063.00

Procurement & Property = 3 staff, 2011 Budget = 27,999.00

Personnel = 3 staff, 2011 Budget = 34,899.00

Revenue & Taxation = 3 staff, 2011 Budget = 29,973.00

Computer = 3 staff (including 1 volunteer), 2011 Budget = 61,997.00

Budget = 4 staff, 2011 Budget = 47,254.00

An interesting fact about Yap = Canoe Festival started in 2009 as both a celebration and a revival of the island navigation. It is an attempt to jump-start a fading interest in local navigation which combines both stellar, atmospheric, and oceanographic phenomena to safely sail between the islands.

Status of your 2009 single audit which includes such information as the number of findings, questioned costs, etc. 11 findings and 376,295.00 worth of questioned cost for FY09 bringing the cumulative total to 2,494,249.00. First time ever, to have a SAS-112 finding.

An update on the status of American Recovery and Reinvestment Act (ARRA) funds your government has both been granted and expended. No funds

APPENDIX H - KOSRAE STATUS REPORT



Kosrae (FSM)

- Population - 6,626 (2010 Census)
- Government Size – 507 Total Active Employees
- Department of Administration and Finance – 20 Employees
- Total Budget of \$13.2 Million
- Natural Beauty (Sleeping Lady, Coral Reefs, Beaches, Rum, People)

The slide features a background image of a tropical landscape with a body of water and mountains. In the top left corner is the United Nations flag, and in the top right corner is a map of the Federated States of Micronesia.



Single Audit

- FY 2009 Single Audit
 - Financial Statements – Unqualified
 - Compliance for major programs – Unqualified
 - Questioned Cost - \$0
 - Financial Statement Findings:
 - 2009-01 – Fixed Assets
 - 2009-02 – Equity Investments
- FY 2010 Single Audit
 - Compliance Testing started Nov. 15, 2010
 - Next visit is December, 2010

The slide has a dark blue background with a subtle pattern.

Finance Office Performance Measures

- Travel Advances – Reconciled @ 100% up to November 30, 2010.
(Collection Process is still in progress.)
- Bank Recon – 100% Reconciled as of October 31, 2010.
- Capital Asset Register Recon/Accounting - Registers are imported in the FMIS System. Year End Inventory is ongoing and expected to complete on 12/15/2010. Receiving of off-island purchases are centralized to Procurement Office for tagging and recording of assets.
- Advance Purchases – Reconciled at 100% as of November 30, 2010
- Procurement Receiving Report – Receiving reports are being logged and file. As of 09/30/10 – 92 Receiving Report completed; As of 12/03/2010 16 RR completed and filed.
- Financial Reporting – Fund Status Report and Encumbrance by Fund Reports were distributed to all departments and agencies for Qtr. End June 30, 2010 and Sept. 30, 2010.

Cont.?

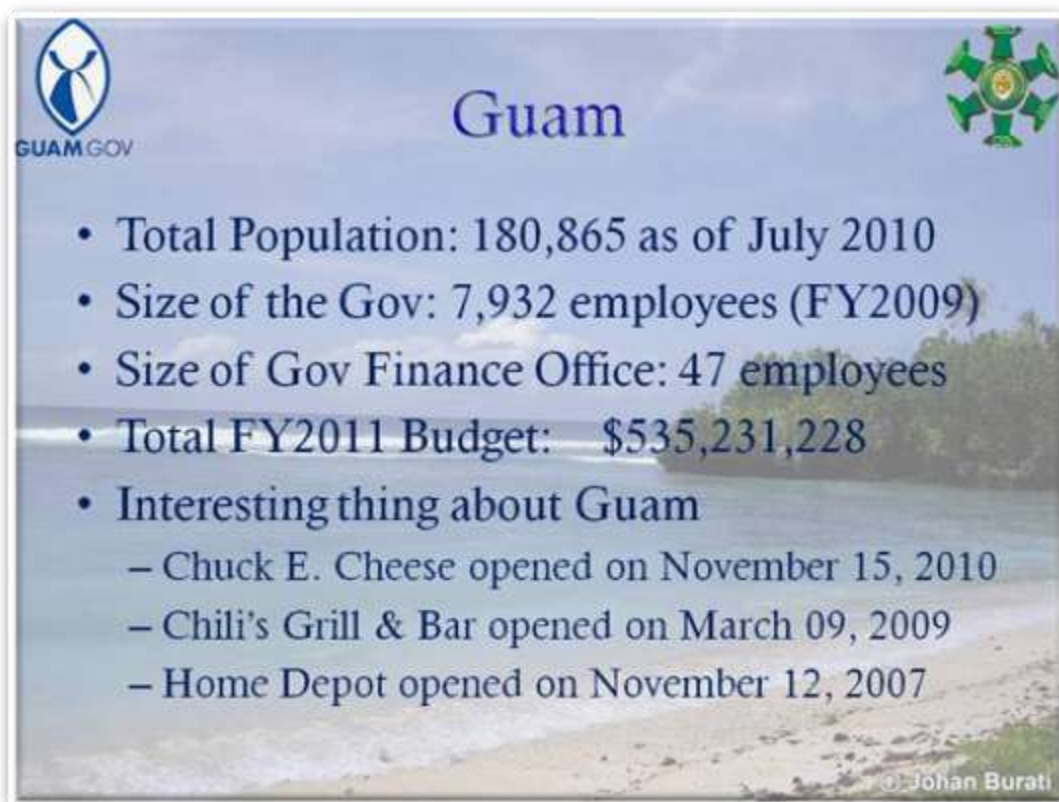
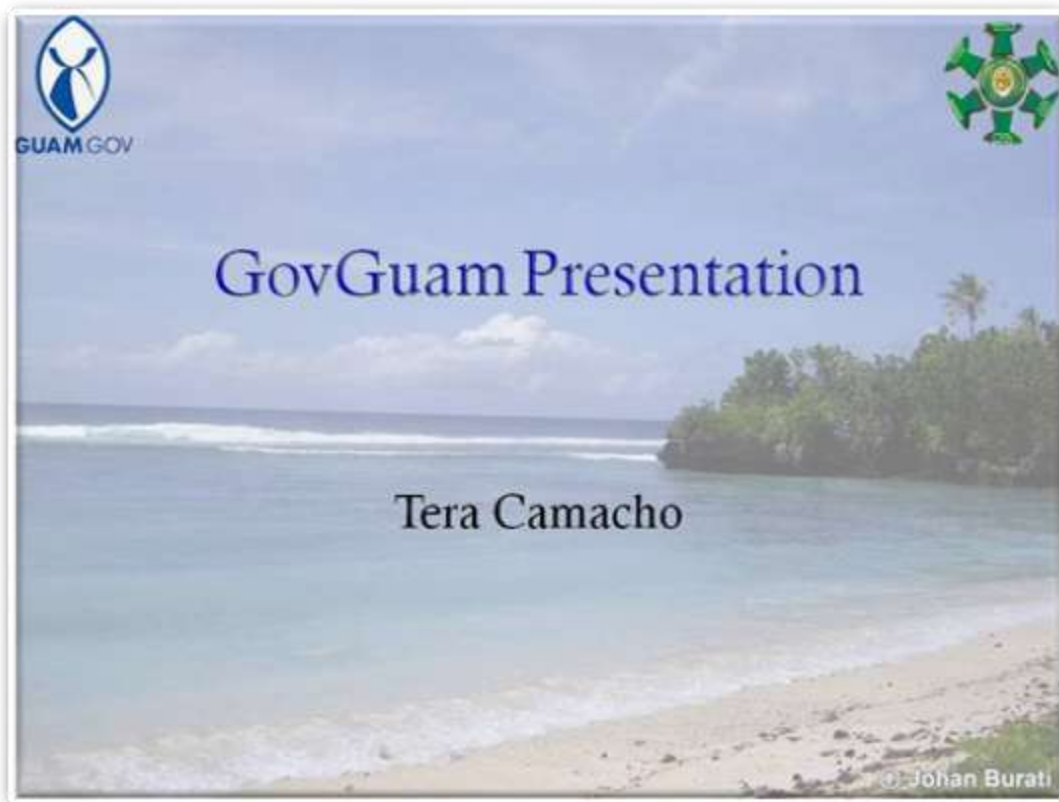
- Staff Development – 1 Staff in UOG BA program for Accounting; 1 Staff attending ELDP II; July 12-16, 2010 7 staff (Accounting for Government Entities, 20 CPE Hours); 7 Staff Attended APIPA 2010 in PNI
- Human Resource Program – Job appraisals @ 40% as of Dec. 2010.
- Process Documentation – (SOP) Aug 2010 – Researched; Sept. 2010 – Implementations started; Need more time to work on project.



Feedback

- Question/Comments and Feedback

KULO MA LULAPI!!

APPENDIX I - GUAM STATUS REPORT



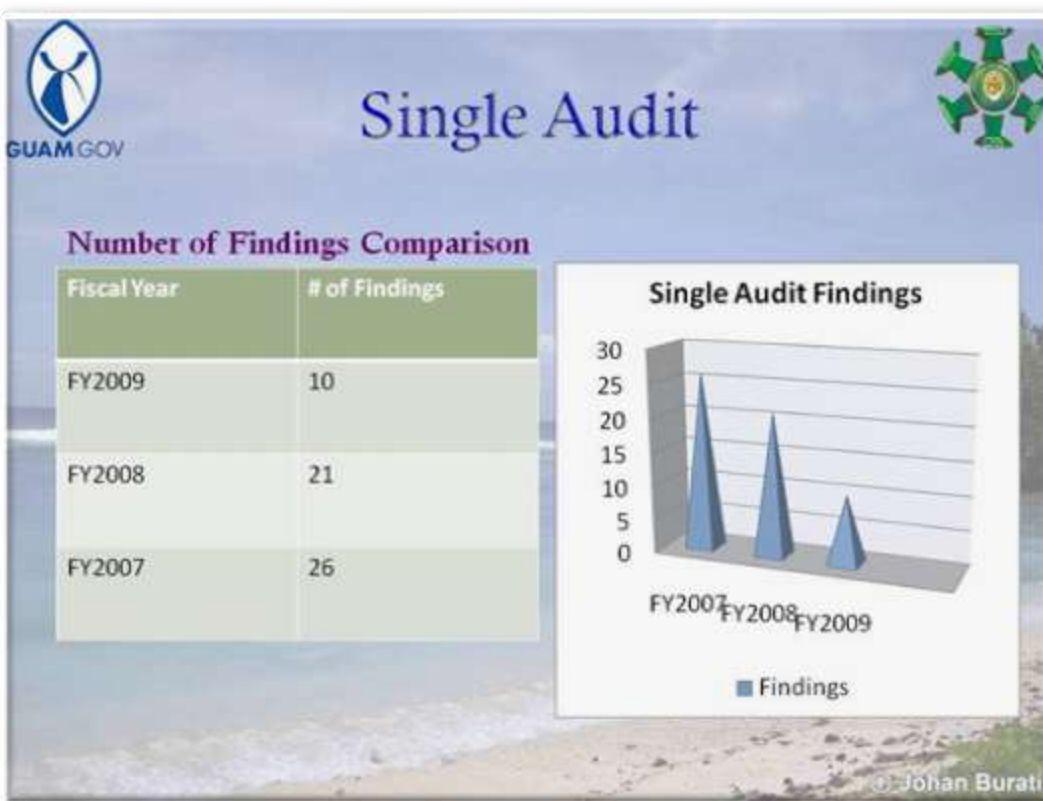




Single Audit

- 2009
 - Unqualified “clean” opinion
 - Questioned Cost - Zero
 - Findings - 10
- 2010
 - As of November 30, DOA has no question cost or finding

Johan Burati







Performance Measure, Cont.

- Purchase Order Amount
 - \$15,000 and below Accounting Tech Supv
 - \$15,000 and above Accountant
 - \$100,000 & above General Accounting Supv
 - \$1,000,000 & above Controller
- 2 days to review invoices

© Johan Burati



American Recovery and Reinvestment Act (ARRA)

- Award: \$123,971,919
- Expended: \$18,934,518

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APPENDIX J - RMI STATUS REPORT



Map of RMI



RMI Facts/Data

Official Name: Republic of the Marshall Islands

Population: 53,800

Capital City: Majuro (20,500)

Languages: Marshallese, English

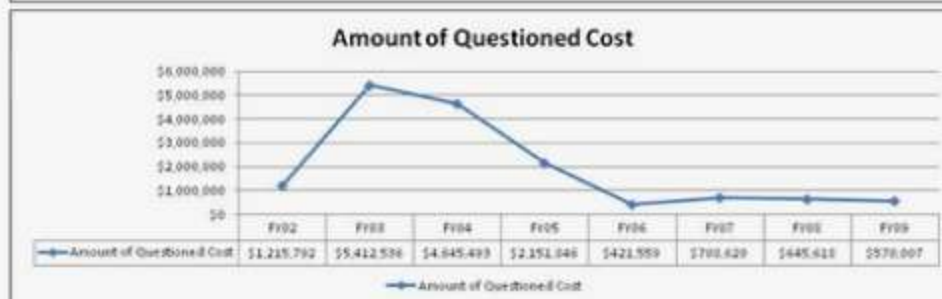
Size of Govt: 2,238

MoF Employees: 88

Govt Component Units: 21

FY 11 Global FY11 Budget: \$130M

COMPLIANCE MANAGEMENT : Audit Progress since FY 2003



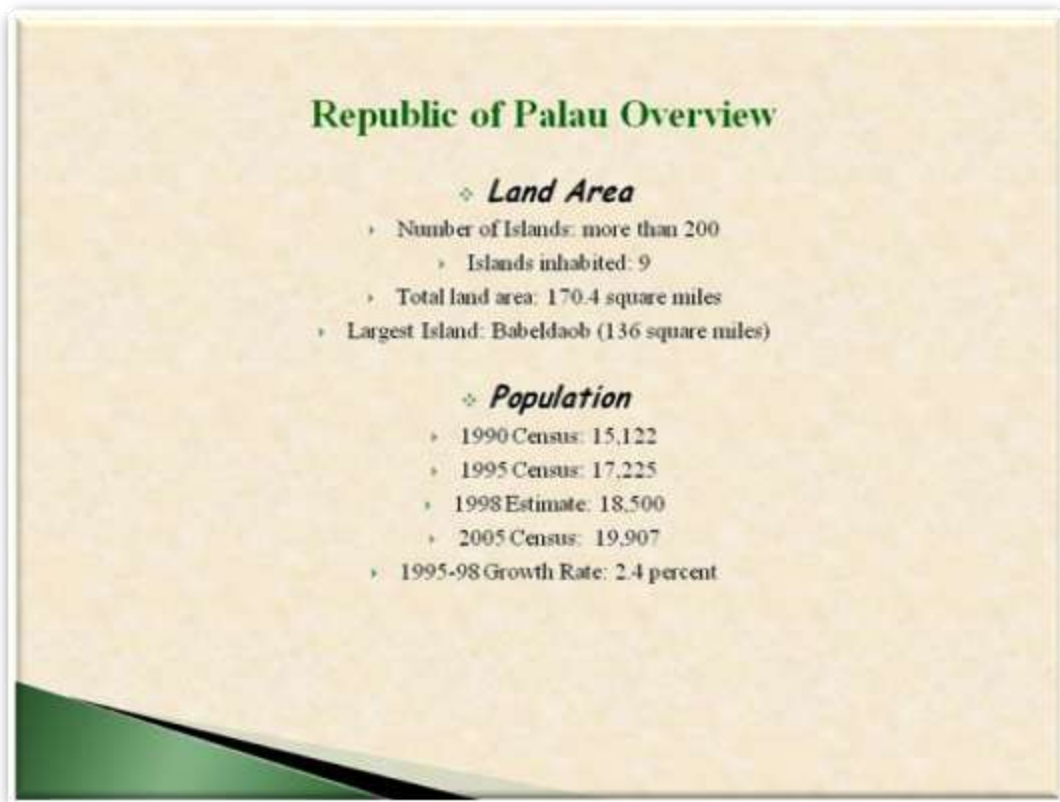
Performance Measurement Plan UPDATE

- Implemented some of the performance measurements.
 - Bank Reconciliations (90% done on monthly basis)
 - Outstanding travel advances to be kept at a minimal level
 - 100% of TAs over 2 weeks old must be closed, otherwise recover thru payroll deductions
 - Ministry's Operational Manual is being finalized by Management
- Continue to work w/ Management to implement the rest
- Quarterly meeting of Fiscal Officers

ARRA Update

- Four different grants worth \$1,189,660; two years project period for each
- Two of the grants are being implemented in Majuro and the other two in Ebeye.
- To date, total of \$373,649 or 30% has been expended
- End of grants varies from March 2011 to Feb. 2012

APPENDIX K - PALAU STATUS REPORT



Republic of Palau overview –cont'd.

❖ *Political Status*

- › Sovereign nation since 1994
- › Compact of Free Association with the United States
 - › States for 50 years (1994-2044)
 - › 16 states
 - › Bicameral legislature
- › American-style democracy with three branches of government

❖ *Economy*

- › Currency: US dollar
- › Income sources: Compact Funds, Local Taxes & Fees
- › tourism, services, trade, subsistence fishing and agriculture

❖ Only in Palau - you can swim amongst thousands of jellyfish without getting stung.

ROP National Government

➤ Total Government Employees:	2055
• Civil Service Employees:.....	1937
• Contract Employees:	118
➤ Ministry of Finance Employees:	125
• BNT Employees	28
✓ Div of F&A	16
➤ FY2011 National Budget.....	\$54.6m
➤ Ministry of Finance Budget.....	\$2.2m
• BNT Budget	\$631k

Ministry of Finance Update

I. ROPNG Single Audit update

- FY2009 single audit – submitted final reports to IOS-USDOJ
- Financial Statement issued: Unqualified
- Internal Controls & Compliance
 - Number of Findings: 45
 - Number of Questioned Costs: 18
- MoF -on going meetings with ministries and departments on the findings and corrective actions taken, specifically on compliance for major programs.
- FY2010 single audit status – RFP has been issued with closing date of December 16, 2010.

Ministry of Finance Update – *cont'd.*

II. Status on ARRA funds

- Total number of ARRA grants: 5
- Total grant awarded funds \$1,305m
- Total grant expended to date \$578k

Ministry of Finance Update – *cont'd.*

III. Performance Measures Updates

- Continue to focus on performance management – monitoring (measures) and reporting
 - Integrate effective implementation and enforcement of divisional and sectional work plans
 - improve effective communications with other ministries and agencies on:
 - ✓ program implementation and reporting – ensure compliance to existing policies and regulations,
 - ✓ Integrated audit plans and corrective measure
- Establish performance agreements and implement review progress

Ministry of Finance Update – *cont'd.*

III. Performance Measures Updates - (*cont'd.*)

- Technical Assistance – human resource development (technical and practical skills, restructure, and improved succession planning)
- Total number of advance payments and amount have decreased as of fiscal year ended September 30, 2010.
 - Effective 2011 fiscal year, advance payment is no longer applicable - Vice President and Minister of Finance's directive

Ministry of Finance Update – *cont'd.*

IV. New Legislations, Rules and Regulations, affecting the Ministry of Finance:

- Taxes/Fees Legislations
 - Medical Health Care Plan/MSA
 - Environmental Protection “Green Fee”
 - Corporate /Shipping Registry
 - Elite Residence Visa Act amendment- *proposed*
- Policies and Regulations
 - Beverage Container Recycling Act – being finalized
 - Elite Res. Visa Act – being finalized
 - EPF “Green Fee” – pending
 - Water & Sewer usage rate – effective February 2011
 - Corporate/Shipping Registry Act – pending
 - Medical Health Care Plan/MSA - implemented

Ministry of Finance Update – *cont'd.*

IV. SUMMARY

- Unqualified 2009 Audit Report
- Continue to focus on Performance Management
- Substantial progress in many other areas
- Continue to implement work plans to meet requirements as outlined in ROPNG national laws and policies.
- **Looking forward to new expectations over the next few years...**

Ministry of Finance Update – *cont'd.*

IV. New Legislations, Rules and Regulations, affecting the Ministry of Finance:

- Taxes/Fees Legislations
 - Medical Health Care Plan/MSA
 - Environmental Protection “Green Fee”
 - Corporate /Shipping Registry
 - Elite Residence Visa Act amendment-*proposed*

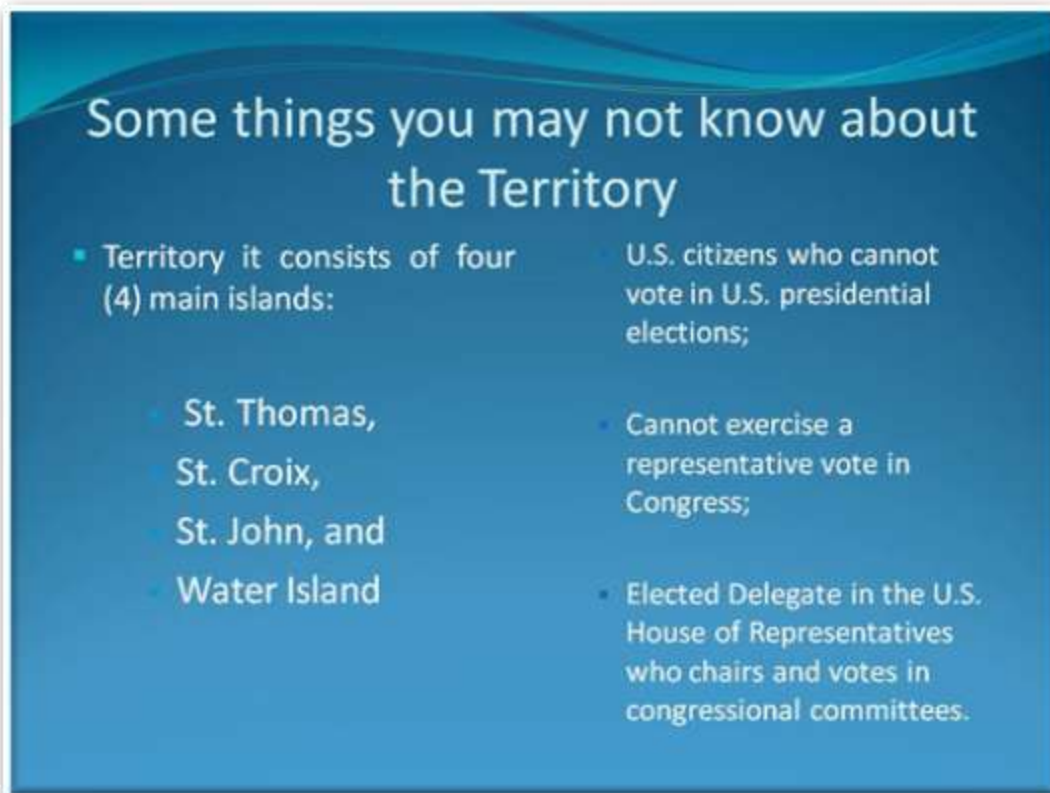
- Policies and Regulations
 - Beverage Container Recycling Act – being finalized
 - Elite Res. Visa Act – being finalized
 - EPF “ Green Fee” – pending
 - Water & Sewer usage rate – effective February 2011
 - Corporate/Shipping Registry Act – pending
 - Medical Health Care Plan/MSA - implemented

APPENDIX L - USVI STATUS REPORT



UNITED STATES VIRGIN ISLANDS
AMERICA'S PARADISE

- Population: **113,689**
- Size of Government: **9,882**
- Size of Finance Office: **DOF 94 OMB 44**
- Fiscal Year 2011 Budget **\$ 844.47 Million**



Some things you may not know about the Territory

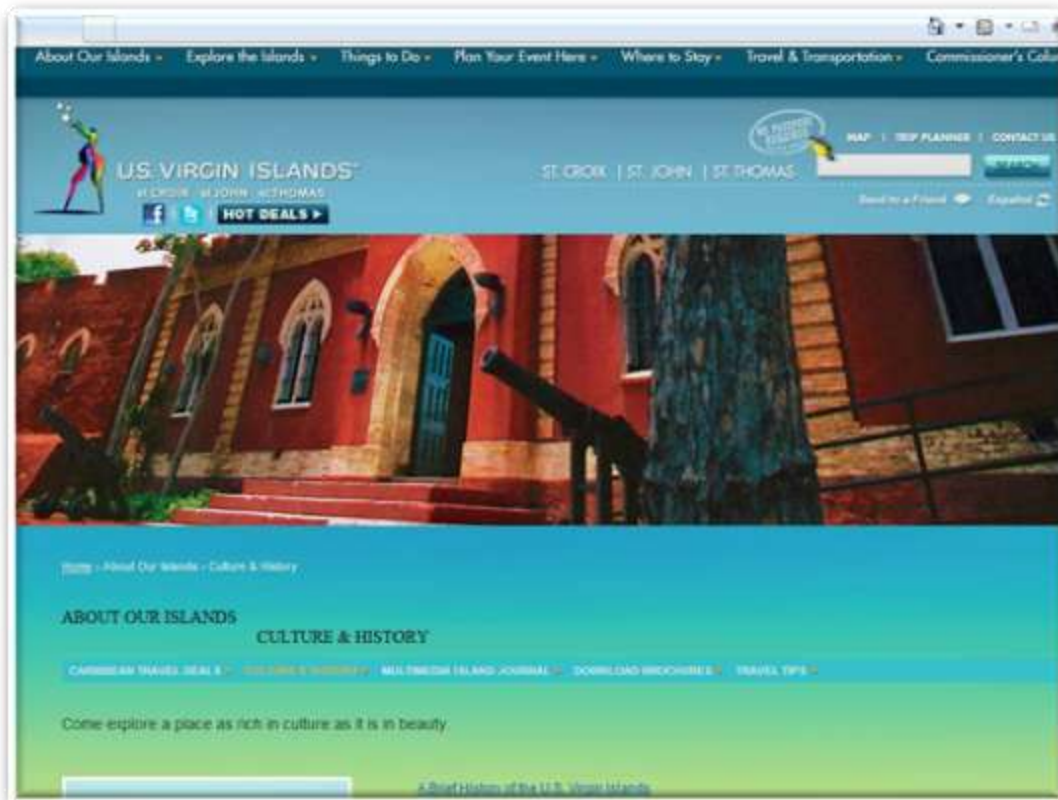
- Territory it consists of four (4) main islands:
 - St. Thomas,
 - St. Croix,
 - St. John, and
 - Water Island
- U.S. citizens who cannot vote in U.S. presidential elections;
- Cannot exercise a representative vote in Congress;
- Elected Delegate in the U.S. House of Representatives who chairs and votes in congressional committees.

The
United States
Virgin Islands'
Flag



The Great Seal of
the Government
of the United
States Virgin
Islands







Audit of the Major Federal Programs

- External Auditors (CPAs)
 - KPMG (FYs 1995 – 2005)
 - Ernst and Young (E&Y) (FYs 2006 – 2009 (to-date))
- Audit Findings

FY 2006 - 26 (4, 22) - 11	FY 2007 - 62 (12, 50) - 13
FY 2005 - 38 (3, 35) - 12	FY 2008 - 61 (11, 50) - 14
FY 2004 - 35 (3, 32) - 11	
- Transitions
 - External Auditor (KPMG, FY 2005/ E&Y, FY 2006)
 - Financial Systems (FMS, FY 2006/ ERP, FY 2007)

Status of 2008 Single Audit (Audit of the Major Federal Programs)

Program	Department	No. of Findings	Questioned Costs
• Child Nutrition Cluster	Education	5	\$1,165,496
• Special Education	Education	2	N/A
• Innovative Education	Education	3	N/A
• W.I.C. Program	Health	2	\$4,016
• Medical Assistance Program	Health	5	\$7,248
• Food Stamps Cluster	Human Services	3	\$37,231
• Temporary Assistance for Needy Families	Human Services	2	N/A
• Child Support Enforcement	Justice	3	N/A
• Unemployment Insurance	Labor	4	N/A
• Drinking Water Grants	Planning & Natural Resources	2	\$83,112
• Performance Partnership Grants	Planning and Natural Resources	6	\$13,040
• Highway Planning and Construction	Public Works	2	\$3,161
• National Guard Military Operations/Maintenance (O&M) Projects	Adjutant General	7	\$1,928,512
• Homeland Security	VITEMA (Emergency Management)	4	\$245,406

Status of 2009 Single Audit (Audit of the Major Federal Programs)

- Minimum of 14 programs from 8 agencies/departments being audited
- Indirect Cost - might also be audited
- Audit Meetings conducted with external auditors, department Program Managers/Fiscal Officers, and VIOMB-FGMU (Federal Grants Management Unit staff, e.g. Senior Grants Analysts)
 - Entrance Meeting
 - Mid-point Meeting

Pre-Exit Meeting

Exit Meeting

Status of 2009 Single Audit

2009 Single Audit in Process

Program	Department	Last Meeting	Next Step
• Child Nutrition Cluster	Education	Mid-point Meeting	Pre-Exit Meeting
• Special Education	Education	Mid-point Meeting	Pre-Exit Meeting
• Innovative Education	Education	Mid-point Meeting	Pre-Exit Meeting
• W.I.C. Program	Health	Mid-point Meeting	Pre-Exit Meeting
• Medical Assistance Program	Health	Mid-point Meeting	Pre-Exit Meeting
• Social Services Block Grant	Human Services	Mid-point Meeting	Pre-Exit Meeting
• Food Stamps Cluster	Human Services	Mid-point Meeting	Pre-Exit Meeting
• Head Start	Human Services	Mid-point Meeting	Pre-Exit Meeting
• Temporary Assistance for Needy Families	Human Services	Mid-point Meeting	Pre-Exit Meeting
• Child Support Enforcement	Justice	Mid-point Meeting	Pre-Exit Meeting
• Unemployment Insurance	Labor	Mid-point Meeting	Mid-point Meeting
• Highway Planning and Construction	Public Works	Mid-point Meeting	Pre-Exit Meeting
• National Guard Military Operations/ Maintenance(O&M) Projects	Adjutant General	Mid-point Meeting	Pre-Exit Meeting
• Homeland Security	VITEMA(Emergency Management) N/A		Entrance Meeting

PERFORMANCE MANGEMENT – Then!

- In Fiscal Year 2005, OMB began an aggressive promotion of the Government of the Virgin Islands' Performance Based Budget – Budgeting for Results initiative
- In Fiscal Year 2008 eleven (11) out of thirty (30) departments and agencies were selected for the Performance Based Budgeting Pilot Program
- By February 2009, all remaining departments and agencies were trained and are now completely involved in the program.
- By the end of Fiscal Year 2009, OMB realigned the process to focus on not just the Performance Based Budget, but on the entire concept of Performance Management

PERFORMANCE MANGEMENT – Now!

- Today all departments and agencies comply with the mandates of Title 2, VIC Chapter 3, §27 (a) and (b);
- OMB's vision is to "Transform Government through Performance,"
- Certified one-third of its staff in the principles of Performance Management
- OMB along with several departments and agencies has now developed written strategic plans

PERFORMANCE MANGEMENT – Moving Forward!

- Ensure that all departments and agencies have written strategic plans
- Streamline the Evaluation and Reporting process
- Acquire or develop a system that would accommodate the performance management data government-wide
- Bringing awareness to constituents of governmental initiatives, successes and changes
- Establish a Performance Measurement Steering Committee to support and strengthen commitment to the process

ANNUAL PERFORMANCE REPORT

Department/Agency: FINANCE

	FY 2008	FY 2009	FY 2010
Dept.'s Fiscal Year Profile	Total Funds	Allotted Funds	Expenditures
Appropriated Funds			
General Fund	\$ 7,098,564	\$ 7,027,578	\$ 6,662,677
Indirect Cost Funds	\$ 2,300,845	\$ 2,300,845	\$ 2,743,024
Government Insurance	\$ 686,245	\$ 686,245	\$ 624,483
Non-Appropriated Funds			
*Federal Funds	\$ 190,464	\$ 0	\$ 133,091
*ARRA Funds	\$ 2,425,159	\$ 0	\$ 0
Data Processing Revolving	\$ 133,124	\$ 0	\$ 133,124
Total Resources	\$12,834,401	\$10,014,668	\$10,796,309

*Federal Funds are not allotted.

Full Time Equivalents: 95 (Represents all Funds)

Organization Type (s) Service and Administrative

Mission Statement: Providing efficient government financial services to all stakeholders and customers by administering and enforcing the laws and regulations relating to all locally and federally funded financial operations of the Virgin Islands Government.

Scope and Overview: The Department of Finance is established under Title 3, Section 177 of the Virgin Islands Code. It is administered under the supervision of the Office of the Commissioner which operates through seven (7) Division, with offices located on St. Thomas and St. Croix, as follows: (1) Financial Reporting and Audit Assurance; (2) Accounting; (3) Treasury Division; (4) Government Insurance; (5) Payroll; (6) Management Information System; and (7) Board of Tax Review.

Strategic Goal (s):

SG1 – To efficiently manage the use of federal and local finances of the Government of the Virgin Islands.

Performance Goal (s):

PG 1 – Provide timely and accurate financial information.

EXECUTIVE SUMMARY

The Department of Finance (DOF) is committed to becoming the "Center of Service and Expertise" and continues to do this by providing a highly professional work environment for its

Annual Performance Report

November 12, 2010

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Employees. Despite the fiscal hardships and staffing constraints experienced by the DOF made every effort to meet or exceed the Key Performance Indicator (KPI) applicable to each Division. In those instances where the KPIs were not met, we have identified appropriate corrective action to put the DOF in a position to achieve all of its Performance Measures.

ORG 39000 OFFICE OF THE COMMISSIONER

Functional Statement:

The Office of the Commissioner develops and administers Departmental policies; coordinates day-to-day operations; compile the annual budget; and manages the personnel and labor relations activities of the Department.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of days to issue the single audit	SG1/PG1	571 (FY '08)	595 (FY '09)	742/695 (FY '09)	725/699 (FY '09/FY '09)		4

Challenges: Manual preparation of fixed assets additions, construction-in-progress, disposals, etc.

Action Plan: Coordinate with the Department of Property & Procurements to leverage ERP Fixed Asset module in FY '11.

Key Accomplishments for FY 2010:

- Issuance of FY'07 and FY'08 audited basic and single financial statements;
- Implementation of ERP Payroll Module;
- Received grant in the amount of \$2.4M from U.S. Department of Education to implement Standardized Automated Time & Attendance biometric system across GVI;
- Received grant in the amount of \$309K from U.S. Department of the Interior to implement the Tyler-Munis's Project Accounting Grants Management module and to perform an ERP Information Technology Risk Assessment;
- Improved cooperation and transparency with U.S. Customs & Border Patrol;

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39010 BOARD OF TAX REVIEW

Functional Statement:

The Board of Tax Review receives and processes appeals and resolves disputes from the Office of the Tax Assessor by conducting hearings for the Board's consideration and determination.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of cases received	SG1/PG1	100	125	10	140	+	+
Percent of determinations issued	SG1/PG1	n/a	75%		80%	+	+

*Undetermined at this time.

NOTE: Based on the 2009 actual cases received, the 2010 estimate was arrived at pending the issuance of the 2006 Real Property Tax Bills. The bills were issued late and the window for filing appeals is still open. However, the anticipated blitz of appeals has not been realized.

Challenges: Please refer to note above.

Action Plan: Not applicable.

Key Accomplishments for FY 2010: The Board with assistance from the AG's office worked on and approved the Rules and Regulations for the Board of Tax Review.

ORG 39020 DEPARTMENT OF BUSINESS OFFICE

Functional Statement:

The Departmental Business Office compiles the annual budget estimates; monitors appropriated and allotted funds; and processes personnel and payment documents.

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Challenges: Please refer to note above.

Action Plan: Not applicable.

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Functional Statement:

The Departmental Business Office compiles the annual budget estimates; monitors appropriated and allotted funds; and processes personnel and payment documents.

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Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Percent % of Notification of Personnel Actions processed within 2-3 days (cycle time)	SG1/PG1	n/a	90%	95%	95%	✓	
Number of days to process an invoice*	SG1/PG1	n/a	5	5	3		✓

*The word "payment" is removed to properly reflect the receipt and entry of an invoice into the ERP.

Challenges:

The Business Office presently has one (1) employee on the island of St. Thomas who is responsible for all duties. Support for Business Office functions on the island of St. Croix is provided by the Executive Assistant to the Commissioner. This area is desperately in need of a Manager.

Action Plan:

To acquire necessary personnel to support this office.

ORG 39100/39110/39120 ACCOUNTING DIVISION

Org 39100 Accounting Administration

Functional Statement:

The Accounting Administration Unit administers and supervises the Accounting Activity Centers, including the Federal Programs Unit, which monitors and supports processing and distributing federal grant funds obtained by the Government of the Virgin Islands.

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Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of days to update the ERP	SG1/PG1	1	5	1	3	✓	
Average number of days to complete month end closing process	SG2/PG1	N/A	N/A	N/A	N/A		✓

Functional Statement:

The Accounts Payable Unit is responsible for pre-audit and data entry of all vendor payment documents, files, paid documents and researching inquiries from vendors.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Average number of days from initial batch input to check run	SG1/PG1	10	2 days	5 days	2 days		✓
Average number of days from department approval to accounts payable check run	SG1/PG1	n/a	5 days	5 days	5 days	✓	

ORG 39120 GENERAL LEDGER AND FEDERAL PROGRAMS UNIT

Functional Statement:

The General Ledger Section administers appropriations and fund accounts; reports financial transactions of the Government from appropriate general ledgers; produces financial reports; prepares vendor payment documents for instrumentalities, inter-fund transfers and establishment of petty cash and imprest funds; and maintains records for bonded and long-term indebtedness.

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This Unit also assists with the preparation of the unaudited financial statements of the Government of the Virgin Islands.

The Federal Programs Unit performs pre-audit functions and data entry of all vendor payments disbursed from Federal funds. This Section also reconciles and monitors activities of all federal grants awarded to the Government of the Virgin Islands.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of days to process and update budget	SG1/PG1	1 day	1 day	1 day	1 day	8	✓
Number of days to input adjustment to GL	SG1/PG1	2 days	4 days	7 days	4 days		✓

Challenges: Implementation of ERP learning curve issues in addition to departments and agencies not meeting deadlines imposed by DOF. Also the ERP system currently operates in soft close mode, as a result balances are not available on the system for the current year. Current balances are not available; therefore monthly closing for the current fiscal year cannot be processed. In addition, fiscal officers need training specifically in reconciling so that adjustments are submitted correctly to DOF for input into the ERP system.

Action Plan: We are focusing on becoming current with our financial and single audits so that the system will not have to operate in soft close mode. Once we are current with the audits we will be able to reconcile and perform monthly closing. We have met with the various departments and agencies fiscal officers, certifying officers and program managers informing them of our policies and procedures. Our voucher examiners have taken on an additional step in reaching out to their respective department personnel to continue the information dissemination.

Key Accomplishments for FY 2010: We have assisted in completing the 2007 and 2008 audit, currently working toward the same goal for the 2009 audit. Also, we were able to implement a

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plan to prepare for a cleaner audit for 2011 by having financial management meetings for fiscal officers, certifying officers and program managers on the island of St. Thomas and St. Croix and to provide SOPPs for the API processing

ORG 39200/ 39220/ 39250/ 39260 TREASURY DIVISION

Org 39200 Treasury Directors Office

Functional Statement:

The Treasury Director's Office administers and implements the Government's cash management policies, manages the day-to-day operations and provides administrative support for all activities within the Treasury Division.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
39200 Average number of days (after FY end) to complete 100% of bank reconciliations: Easy (30) Moderate (45) Difficult (60)	SG1/PG1	n/a	180 days	30 days	30 days * 10 days** 45 90		✓ ✓ ✓

* 30 days was intended to be applicable to the Year-end reconciliation process. However, this did not reflect the three (3) categories of bank reconciliations performed at DOF.

Easy - Generally achievable within thirty (30) days; Moderate - will exceed the target days; 45 days established to satisfy requirement; and Difficult - will 90 days which is more realistic.

Org 39220

Functional Statement:

The Revenue Collections Unit is responsible for timely and accurate collecting, depositing and reporting of revenues. This Section also administers fund transfers between the Federal Government and the Government of the Virgin Islands.

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plan to prepare for a cleaner audit for 2011 by having financial management meetings for fiscal officers, certifying officers and program managers on the island of St. Thomas and St. Croix and to provide SOPPs for the API processing

ORG 39200/ 39220/ 39250/ 39260 TREASURY DIVISION

Org 39200 Treasury Directors Office

Functional Statement:

The Treasury Director's Office administers and implements the Government's cash management policies, manages the day-to-day operations and provides administrative support for all activities within the Treasury Division.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
39200 Average number of days (after FY end) to complete 100% of bank reconciliations: Easy (18) Moderate (13) Difficult (16)	SG1/PG1	n/a	180 days	30 days	30 days * 10 days** 45 90		✓ ✓ ✓ ✓

* 30 days was intended to be applicable to the Year-end reconciliation process. However, this did not reflect the three (3) categories of bank reconciliations performed at DOF.

Easy - Generally achievable within thirty (30) days; Moderate - will exceed the target days: 45 days established to satisfy requirement; and Difficult - will 90 days which is more realistic.

Org 39220

Functional Statement:

The Revenue Collections Unit is responsible for timely and accurate collecting, depositing and reporting of revenues. This Section also administers fund transfers between the Federal Government and the Government of the Virgin Islands.

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Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of business days to deposit revenues collected	SG1/PG1	1	1	1	1	✓	
Number of business days to input revenue data to ERP system	SG1/PG1	2	1	1	1	✓	

ORG 39250 DISBURSEMENT

Functional Statement:

The Disbursement Unit disseminates and mails all vendor payment checks.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of business days to disburse vendor checks	SG1/PG1	1	1	1	1	✓	

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ORG 39260 RECONCILEMENT AND AUDIT

Functional Statement:

The Reconciliation and Audit Unit reconciles and performs audits of revenue collection and banking transactions of the Government of the Virgin Islands. This Section also compiles and issues revenue reports; certifies, trains and audits Government collectors; processes dishonored checks; processes affidavits for lost checks and affidavits for checks for deceased employees; maintain files of cancelled checks; and posts revenues to the Financial Management System (FMS) and the Enterprise Planning System (ERP).

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Percent of dishonored checks based on total number collected	SG1/PG1	n/a	10%	4%	5%	✓	
Number of business days to post revenues to the General Ledger	SG1/PG1	2	2	2	2	✓	

Challenges:

In order to meet the target for bank reconciliations, the activity area needs to be staffed with personnel having the requisite skills set to be able to take reconciliation from inception to completion. It will also help to have personnel assigned to perform revenue reconciliation, and revenue monitoring, which in effect, will ensure timely and accurate posting, minimize time spent on reconciling items and facilitate the timely completion of the bank reconciliations.

Action Plan:

Hire at least four (4) capable employees for the Reconciliation Revenue Audit Activity Center.

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ORG 39000 GOVERNMENT INSURANCE FUND

Functional Statement:

The Government Insurance Fund Section provides insurance coverage to employees with liabilities and ensures compensation for job accidents when employees are entitled to medical and vocational care, as well as restoring appropriate wages. This Section also administers an Uninsured Claims Fund to compensate for uninsured employer's expenses.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Outstanding Insurance Premium Receivables*	SG1/PG1	\$785,650	\$825,450	730,000	900,000	✓	

* Approximately \$500K of total receivables is uncollectable due to bankruptcies, thereby inflating the amount of targeted receivables.

Changes in Dept. /Agency:

- In an effort to further control receivables we have continued the policy of issuing as few bills as possible to all insured. Payment is due at the time of the application, and premiums must be paid by June 30th.
- Developed a collection program to identify, track and collect premiums due the GIF from uninsured employers.
- Developed and implemented a Loss Run report to be use to track, record and report premiums paid and losses incurred by the fund. It is standard practice to have "loss runs" for each customer.

Challenges:

Rates: Do what the Actuarial Study Suggest and raise the rates, revise the code to incorporate best practices, get the Legislature to extinguish the \$500K+ in bad debt on the book.

Staffing: Two (2) enforcement officers are needed; one officer for each district, and access to LEGAL facilities to prosecute employers that do not adhere to the VI Code.

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Action Plan:

Keep automating. The GIF is in the process of obtaining insurance company software that will fully automate all of our processes. Continue to train staff in the field of insurance and make the GIF and insurance company.

Key Accomplishments for FY 2010:

Developed a collection program to identify, track and collect premiums due the GIF from uninsured employers.

Developed and implemented a Loss/Run report to be use to track, record and report premiums paid and losses incurred by the fund. It is standard practice to have "loss runs" for each customer.

The GIF forms are now fully accessible and user friendly via the Department of Finance website (eliminating the need to download and then type an application).

In anticipation of the software upgrade, back-up storage devices have been purchased, integrated and deployed to store the GIF's work.

Collected 58 MILLION in premiums during the present economic downturn, while losing over 400 employees.

ORG 39400/39410/39420/39430 MANAGEMENT INFORMATION SYSTEM

Org 39400

Functional Statement:

The Management Information System oversees and maintains the security, training, functions and operations of the Government's Enterprise Resource Planning (ERP) and its infrastructure. Functional support and post-processing services are provided to include, additional support to end-user issues, management of the helpdesk tracking system and coordination of training/workshops. The Division also provides maintenance support for all Department of Finance information technology resources.

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Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of training hours provided to staff	SG/PGI	n/a	n/a	24 hours	48hrs		✓

ORG 39410 SYSTEMS ADMINISTRATION

Functional Statement:

The Systems Administration Unit provides technical maintenance and support for the ERP application suite, core systems hardware and operating systems, its transport architecture and technical support for the ERP user community.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of days down time	SG/PGI	36 hours	24 hours	1day	1day	✓	
Number of help desk calls resolved	SG/PGI	270	450	900+	850		✓
Percent of routine help desk calls resolved within 2 hours	SG/PGI	n/a	85%		84%	✓	✓

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ORG 39420 COMPUTER OPERATIONS

Functional Statement:

The Computer Operations Unit completes all ERP end-user processes. This Unit facilitates and resolves all user issues regarding the use and functionality of the ERP. Support is also provided for the limited uses of the FMS.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of (major) end user processes supported by staff	SG1/PG1			12	13		1

Changes in Dept. /Agency:

Challenges:

- Limited staff, and other constraints
- This measure is a result of end user request for ERP support; additional calls resulted for MIS Risk assessment requirements streamline user access and passwords*

Action Plan (Plan for Meeting unmet goals):

Augment division staff through temporary STSF resources

Key Accomplishments for FY 2010:

- Supported Payroll & HR implementation
- Relocated ERP backup system to St. Croix
- Increased staff ability to effectively address end users issues
- Increase staff ability to support additional major ERP user functions

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ORG 39500 PAYROLL

Functional Statement:

The Payroll Unit processes Government payroll checks, prepares payroll related Tax reports and maintains employees' leave records; and administers the Donated Leave Program.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Average number of days to issue a payroll liability check	SG1/PG1	n/a	3 days	3 days	3 days	1	
Number of days to process a donated leave check	SG1/PG1	n/a	5 days	5 days	5 days	1	

Challenges:

After second quarter we were able to work out issues to meet our 3 day turn around for local entities and anticipate being able to keep on track. Federal amounts are dialed in same day as payroll.

The donated leave program is in the process of being transferred to the DOP. We are continuing to provide assistance in gathering the data. Once approval is obtained from the DOP Director, it is processed within the five days or better.

Action Plan

Relative to the number of days to issues a payroll liability check, we anticipate some additional staff support as a result of the infusion of State Fiscal Stabilization Funds.

As it relates to donated leave, we anticipated having this program moved forward earlier in the year. We continue to await promulgated rules and regulations to further advance the program through the Division of Personnel. Employees at the Division of Personnel were and continue to be trained.

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ORG 39600/ 39610/ 39620 REPORTING & AUDIT ASSURANCE (Administration)

Org 39600 Administration

Functional Statement:

The Reporting and Audit Assurance Administration Division establishes and administers the standards for financial reporting and internal auditing for the Government of the Virgin Islands through financial reporting and an internal audit plan.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of Audit findings	SGI/PGI	n/a	n/a	3	20	✓	
Percentage of aging audit findings resolved	SGI/PGI	n/a	n/a	80%	25%	✓	

ORG 39610 FINANCIAL REPORTING

Functional Statement:

The Financial Reporting Unit provides accounting assistance to the General Ledger area, compiling the annual unaudited financial statements of the Government of the Virgin Islands.

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Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of days to prepare annual unaudited financial statements	SGI/PGI	n/a	n/a		120		✓

ORG 39620 INTERNAL AUDIT

Functional Statement:

The internal Audit Unit assesses and test internal controls of the Government of the Virgin Islands administered through annual audit plans and audit programs.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Number of internal control violations found	SGI/PGI	n/a	n/a		18		✓

Challenges:

Our attention was focused on completing the review for two years of fixed assets and unrecorded liabilities and not on internal controls.

We did not formally record any internal control violations encountered.

Action Plan:

During the fiscal year 2011 we intend to focus more on the auditing aspect of our role and to formally document issues or situations we encounter relative to a lack of internal controls, using the established SOPP's.

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We have been able to post the SOPP's so now we have something by which to hold the departments accountable.

Key Accomplishments for FY 2010:

- Review, develop and disseminate various SOPPs to address numerous issues/concerns raised singularly and cumulatively by the audits.
- Completed the review of 2008 fixed asset documentation, in conformity to auditor specifications.
- Compiled the draft response to the FY 2008 single Audit Report, and forwarded it to OMB.
- Updated the Audit Reports Findings Status Updates for the 2006 and 2007 periods for the Financial and the Single Audit.
- Worked with the Accounting department on closing processes to approve adjustment journals to expedite the closing process, for Fiscal Year 2009. We also assisted with stripping and scanning attachments.

Status of American Recovery and Reinvestment Act (ARRA)

- The Virgin Islands has received \$ 339,026,563 in ARRA Funding
- ARRA recipients territory-wide have expended \$ 129,273,156 of funds
- ARRA Funds are being used in:
 - Capital Projects
 - Federal Entitlements
 - Loans
 - Project & Program Management
 - Social Services Projects

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**ACCEPTED RECOVERY AWARDS AND PROJECTS
PERFORMANCE SUMMARY - OCTOBER 2010**

Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
VI GOVERNMENT AGENCIES						
DHS - Department of Human Services						
Award: ARRA 2009 Strengthening Communities Fund - Total ARRA Funding \$250,000.00						
Project(s) Associated with this Award						
ARRA 2009 Strengthening Communities Fund	\$250,000.00	\$17,887.70	\$212,312.30			89
Award: Child Care Development Block Grant - Total ARRA Funding \$1,773,305.00						
Project(s) Associated with this Award						
Office of Child Care and Regulatory Services	\$1,773,305.00	\$164,864.00	\$1,554,941.00	4.00		28
Award: Community Services Block Grant - Total ARRA Funding \$1,659,311.00						
Project(s) Associated with this Award						
Benefit Enrollment Coordination	\$18,521.00	\$18,521.00	\$4,499.00			99
Community Re-Entry Program-CDBG	\$183,828.00	\$183,828.00	\$-	2.00	1.00	100
Employment Counseling Services for the Homeless Project-CDBG	\$755,540.00	\$692,041.00	\$22,820.00	118.00		99
Family Support Center-CDBG	\$130,000.00	\$130,000.00	\$-	2.00		100
Foster Youth Transitioning Out of Foster Care Project - CDBG	\$121,828.00	\$127,236.00	\$704.00	1.00		99
Marriage and Family Support Project - CDBG	\$128,800.00	\$128,800.00	\$-	8.00	2.00	100
TAMP - CDBG	\$428,000.00	\$416,158.00	\$15,841.00	2.00		99
Award: Congregate Meals ARRA - Total ARRA Funding \$162,500.00						
Project(s) Associated with this Award						
Congregate Meals ARRA	\$162,500.00	\$162,500.00	\$-			100
Award: Criminal Victims Compensation Program - Total ARRA Funding \$24,790.00						
Project(s) Associated with this Award						
Criminal Victims Compensation Program	\$24,790.00	\$24,790.00	\$-	1.00		100
Award: Food and Nutrition Service, USDA - SNAP Program - Total ARRA Funding \$51,741.00						
Project(s) Associated with this Award						
SNAP Administrative Cost	\$51,741.00	\$51,741.00	\$-			100
Award: Headstart Program - ARRA Funding - Total ARRA Funding \$474,112.00						
Project(s) Associated with this Award						
Headstart Program ARRA Funding - Head Start	\$474,112.00	\$414,644.00	\$57,766.00	9.00		99
Award: Home-Delivered Nutrition Services - Total ARRA Funding \$80,000.00						
Project(s) Associated with this Award						
Home Delivered Meals	\$80,000.00	\$80,000.00	\$-			100

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Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
Award: Rehabilitation Services - Vocational Rehabilitation Grant - Total ARRA Funding \$550,904.00						
Project(s) Associated with this Award						
Vocational Rehabilitation	\$550,904.00	\$-	\$124,820.00			13
Award: State Independent Living Grants - Total ARRA Funding \$22,823.00						
Project(s) Associated with this Award						
State Independent Living Grants	\$22,823.00	\$-	\$-			29
Award: TANFS - Total ARRA Funding \$709,793.00						
Project(s) Associated with this Award						
TANFS Project	\$709,793.00	\$243,575.00	\$466,208.00	24.00		80
DHHS - Department of Health						
Award: Health Information Technology - Total ARRA Funding \$1,000,000.00						
Project(s) Associated with this Award						
Health Information Technology	\$1,000,000.00	\$-	\$-			10
Award: Immunization and Vaccines for Children Grants - ARRA 317 - Total ARRA Funding \$191,250.00						
Project(s) Associated with this Award						
ARRA-317 Immunization and Vaccines for Children	\$191,250.00	\$27,827.97	\$66,908.00	2.00		10
Award: Infants & Toddlers w/Disabilities - Total ARRA Funding \$27,754.00						
Project(s) Associated with this Award						
Infants & Toddlers w/Disabilities	\$27,754.00	\$497.00	\$497.00			10
Award: MAP Health Information Technology - Total ARRA Funding \$251,787.00						
Project(s) Associated with this Award						
MAP-007	\$251,787.00	\$-	\$1,783.90			30
DOL - Department of Labor						
Award: SCSEP American Recovery Act - Total ARRA Funding \$269,887.00						
Project(s) Associated with this Award						
SCSEP - Recovery Act Older Americans	\$269,887.00	\$254,318.00	\$-			100
Award: Unemployment Insurance - Total ARRA Funding \$134,942.00						
Project(s) Associated with this Award						
Unemployment Insurance Administration	\$134,942.00	\$118,193.41	\$18,796.59			10
Award: Wagner-Peyser Employment Services - Total ARRA Funding \$780,913.00						
Project(s) Associated with this Award						
Wagner - Peyser	\$780,913.00	\$659,490.00	\$120,203.00	9.00		97
Award: WIA Youth/Adult/Dislocated Workers Formula Combined - Total ARRA Funding \$2,034,243.00						
Project(s) Associated with this Award						
WIA - Adults	\$327,497.00	\$294,916.00	\$33,344.00	0.54		89
WIA - Dislocated Worker Use	\$948,712.00	\$900,388.00	\$48,379.00			90
WIA Youth	\$657,944.00	\$741,806.00	\$14,563.00			60

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Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
DPWR - Planning & Natural Resources						
Award: Clean Water Act and the American Recovery and Reinvestment Act of 2009 - Total ARRA Funding \$198,306.86						
Project(s) Associated with this Award						
Clean Water State Revolving Funds	\$198,306.86	\$ -	\$198,306.86			
Award: Drinking Water Capital Improvement Grant (DWCIG) - Total ARRA Funding \$1,899,900.00						
Project(s) Associated with this Award						
Chlorine Generation (CAGA)	\$388,388.00	\$ -	\$388,388.00			40
Crocker Bay East	\$87,400.00	\$29,716.90	\$87,400.00			5
Juan P. Lu's Hospital WAPA	\$150,759.00	\$95,147.28	\$95,811.70			99
Pressure Release WAPA	\$798,872.00	\$554,419.00	\$214,152.00			30
Reef Associates Condominiums	\$247,234.00	\$230,131.07	\$17,104.93			18
Sapphire Village	\$247,410.00	\$188,189.00	\$60,220.00			99
W-DWCIG Administrative	\$79,980.00	\$67,331.07	\$22,628.93			91
W-DWCIG Technical	\$39,990.00	\$19,323.73	\$20,666.27			33
Award: WYLLUST Trust Fund ARRA2009 - Total ARRA Funding \$89,000.00						
Project(s) Associated with this Award						
WYLLUST Trust Fund	\$89,000.00	\$40,526.00	\$48,472.00	1.57		71
DPW - Department of Public Works						
Award: Ferry Boats - Total ARRA Funding \$3,000,000.00						
Project(s) Associated with this Award						
Ferry Boats	\$3,000,000.00	\$ -	\$3,000,000.00			0
Award: Territorial Highway Program (THP) - Total ARRA Funding \$18,800,000.00						
Project(s) Associated with this Award						
Eastern Federal Lands Highway Division (EFLHD) - Phase 2 Long Bay Road	\$3,537,195.00	\$4,533,189.00	\$1,553,886.00			
Queen Mary Improvements	\$4,809,009.00	\$2,290,132.57	\$2,518,876.43			59.90
Red Hook Subways and Drainage Improvements	\$1,220,300.00	\$440,944.49	\$500,415.52			5.00
Roadside Safety - St. John	\$918,131.00	\$7,131.00	\$811,000.00			0
Roadside Safety - St. Thomas/St. John	\$481,214.00	\$ -	\$481,214.00			0
Route 104 - Phase 2 - St. John	\$4,762,489.00	\$2,321,728.00	\$2,240,762.91			23.00
Award: Transit Capital Assistance - Total ARRA Funding \$1,284,112.00						
Project(s) Associated with this Award						
Refurbishment of Bus Shelters	\$1,284,112.00	\$555,188.00	\$1,188,737.19			34
LEPC - Law Enforcement Planning Commission						
Award: Edward Byrne Memorial Justice Assistance Grant (JAG) - Total ARRA Funding \$4,972,900.00						
Project(s) Associated with this Award						
Community Re-entry Program BOC	\$1,000,000.00	\$133,248.76	\$306,754.24	0.50		10
Homicide and Violent Crimes Unit DOJ	\$1,000,000.00	\$268,704.74	\$631,295.26	4.00		30

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Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
LEPC Administrative	\$272,900.00	\$86,283.83	\$182,216.17	1.00		30
VIPD - Response	\$400,000.00	\$108,839.20	\$ -			10
VIPD - Special Response Team	\$300,000.00	\$246,987.25	\$ -			10
VIPD CADET Program	\$250,000.00	\$49,290.90	\$192,633.74			15
VIPD Crime Prevention Bureau Project	\$350,000.00	\$134,827.18	\$ -			30
VIPD Insider Investigations Bureau	\$100,000.00	\$34,196.82	\$ -			30
VIPD Investigations Bureau	\$100,000.00	\$11,921.45	\$18,500.00			10
VIPD MIS Project	\$650,000.00	\$238,829.00	\$410,470.72			40
VIPD School Security Project	\$250,000.00	\$90,368.12	\$ -			20
Award: DVW Recovery Act FY09 Violence Against Women STOP Grant Program - Total ARRA Funding \$638,390.00						
Project(s) Associated with this Award						
Kohesive Inc. VAWA	\$75,000.00	\$24,408.87	\$50,543.43			10
VAWA - Women's Coalition	\$39,000.45	\$ -	\$ -			0
VAWA Administration	\$340,729.52	\$146,851.60	\$193,877.00			25
VAWA DOJ	\$147,662.00	\$80,651.55	\$66,830.45			10
VAWA RNC	\$75,000.00	\$13,727.40	\$61,272.60			5
VAWA LSRI	\$39,000.45	\$ -	\$ -			0
VAWA UNDOG	\$39,000.45	\$ -	\$ -			0
VAWA Women's Coalition Court	\$29,825.15	\$ -	\$ -			0
Award: Victims of Crime Grant Program Fiscal 2009 Recovery Act - Total ARRA Funding \$507,000.00						
Project(s) Associated with this Award						
Administrative VOCA	\$29,390.00	\$427.70	\$24,822.30			5
CAJA/Victim Needs Volunteer Admins (VVA) VOCA	\$55,000.00	\$93,000.00	\$ -	3.00		100
COAST/Substance Abuse/Mental Stress VOCA	\$90,000.00	\$90,000.00	\$ -	3.00		100
Family Resource Center VOCA	\$65,000.00	\$ -	\$ -	1.00		0
HEAL VI VOCA	\$55,000.00	\$82,361.78	\$4,636.22			34
Kohesive Inc. VOCA	\$55,000.00	\$82,546.00	\$1,482.00	1.00		97
UNIDOS VOCA	\$90,000.00	\$38,783.03	\$20,216.97	2.00		34
Victim Services USA VOCA	\$41,190.00	\$12,812.00	\$ -			3
VIRCO Disabilities VOCA	\$90,000.00	\$24,274.29	\$25,725.71	2.00		60
VOCA Women's Coalition	\$40,500.00	\$22,711.84	\$17,788.16			55
DOG - Office of the Governor						
Award: Early Childhood Advisory Council-ARRA - Total ARRA Funding \$500,000.00						
Project(s) Associated with this Award						
Early Childhood Advisory Council	\$500,000.00	\$ -	\$ -			0

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Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
Award: State Fiscal Stabilization Fund Government Services - Total ARRA Funding \$12,315,543.00						
Project(s) Associated with this Award						
SPSF Government Services	\$12,315,543.00	\$4,647,342.00	\$104,204.00			35
VI DE - Virgin Islands Department of Education						
Award: Child Nutrition Recovery Act - Total ARRA Funding \$215,764.00						
Project(s) Associated with this Award						
Child Nutrition Program, National School Lunch Program Equipment	\$215,764.00	\$215,764.00	\$ -			100
Award: Consolidated Grants to Outlying Areas - Total ARRA Funding \$15,391,161.00						
Project(s) Associated with this Award						
Consolidated Grants	\$15,391,161.00	\$2,274,453.00	\$4,325,548.00	4.00		15
Award: Education Jobs Fund - Total ARRA Funding \$13,238,600.00						
Project(s) Associated with this Award						
Ed Jobs	\$13,238,600.00	\$ -	\$ -			
Award: Emergency Food Assistance Program (EAP) - Total ARRA Funding \$17,238.00						
Project(s) Associated with this Award						
Emergency Food Assistance Program (EAP)	\$6,046.00	\$6,046.00	\$ -			100
Emergency Food Assistance Program 2010	\$6,192.00	\$6,192.00	\$ -			100
Award: Special Education - Grant to States Recovery Act - Total ARRA Funding \$324,371.00						
Project(s) Associated with this Award						
Special Education: Grants to States: Recovery Act - Part 1	\$324,371.00	\$45,727.00	\$275,643.00	4.00		30
Award: State Fiscal Stabilization Fund: Education Stabilization - Total ARRA Funding \$58,548,157.00						
Project(s) Associated with this Award						
SPSF Education Stabilization	\$58,548,157.00	\$27,171,827.00	\$2,614,890.00	407.00		80
VI EO - Energy Office						
Award: Energy Efficiency Conservation Block Grant - Total ARRA Funding \$9,893,600.00						
Project(s) Associated with this Award						
Administrative Energy Policy Development	\$195,400.00	\$12,806.00	\$152,600.00			0
Offices Traffic Light and Solar Light Replacement	\$664,500.00	\$ -	\$664,500.00			20
Virgin Islands Port Authority Airport Wind Energy/PV Installation Project	\$2,949,000.00	\$ -	\$2,949,000.00			12
Waste Management Authority Landfill Gas to Energy Pilot Project	\$3,014,046.00	\$ -	\$3,014,046.00			10
Water and Power Authority Street Lighting System Upgrade	\$5,300,000.00	\$654,000.00	\$1,500,000.00			8
Award: Recovery Act - State Energy Program (SEP) Grant Assistance Agreement - Total ARRA Funding \$20,879,099.00						
Project(s) Associated with this Award						
Administrative Program Support	\$1,171,267.00	\$616,000.00	\$655,200.41		5.00	40
Discretionary Grant Program	\$1,000,000.00	\$911.00	\$999,100.00			90
Electric Vehicle Rebate Program	\$200,000.00	\$236,700.00	\$33,300.00			85

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Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
Energy Alliance Program	\$10,000,000.00	\$ -	\$ -			0
Energy Star Appliance Rebate	\$500,000.00	\$500,000.00	\$ -			97
Public Education Outreach	\$359,700.00	\$59,572.53	\$189,600.00			53
Renewable Energy Rebate Program	\$2,940,000.00	\$300,758.46	\$2,233,241.54			25
Solar Thermal Revolving Loan Program	\$3,700,000.00	\$794,107.66	\$2,735,892.34			22
Solar Thermal in Moderate Housing Communities	\$400,000.00	\$231,800.00	\$168,200.00			25
Solar Thermal Installers Training Program	\$300,000.00	\$300,000.00	\$ -	3.00	1.00	100
Tropical Energy Code Implementation	\$250,000.00	\$17,611.66	\$232,388.32			19
Wind Resource Mapping Program	\$200,000.00	\$ -	\$200,000.00			19
Award: Recovery Act - Weatherization Assistance Program (WAP) - Total ARRA Funding \$1,815,425.00						
Project(s) Associated with this Award						
VI Weatherization Assistance Program	\$1,815,425.00	\$479,837.00	\$635,790.00	0.00		27
Award: State Energy Efficient Appliance Rebate Program (SEEARP) - Total ARRA Funding \$164,000.00						
Project(s) Associated with this Award						
Energy Efficient Appliance Rebate Program	\$164,000.00	\$603.00	\$103,337.00			1
VI SEMI-AUTONOMOUS AGENCIES						
OEI - Office of Economic Opportunity						
Award: Comprehensive Community Infrastructure Program - Total ARRA Funding \$58,888,660.00						
Project(s) Associated with this Award						
Comprehensive Community Infrastructure	\$58,888,660.00	\$ -	\$ -			1
Award: OEI Broadband - Total ARRA Funding \$3,099,396.00						
Project(s) Associated with this Award						
OEI Mapping	\$2,044,028.00	\$727,130.25	\$67,145.00		0.00	45
OEI Planning	\$460,570.00	\$460,570.00	\$ -		0.00	100
Award: Public Computer Centers Program - Total ARRA Funding \$5,031,867.00						
Project(s) Associated with this Award						
Public Computer Centers Program	\$5,031,867.00	\$ -	\$ -			0
Award: Sustainable Broadband Adoption Program - Total ARRA Funding \$2,535,082.00						
Project(s) Associated with this Award						
Sustainable Broadband Adoption Program	\$2,535,082.00	\$ -	\$ -			0
UVI - University of the VI						
Award: National Center on Minority Health and Health Disparities - Total ARRA Funding \$600,000.00						
Project(s) Associated with this Award						
Caribbean Expository NCMHD Research Center for Excellence	\$600,000.00	\$254,136.00	\$345,864.00	1.00		40

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Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
VRFA - Housing Finance Authority						
Award: Community Development Block Grant - Recovery - Total ARRA Funding \$1,816,634.00						
Project(s) Associated with this Award						
Home Expense Infrastructure	\$402,800.00	\$402,400.00	\$340,700.00			45
CDBG Recovery Administrative	\$190,614.00	\$2,000.00	\$176,000.00	8.00		5
Disaster Infrastructure	\$402,800.00	\$156,600.00	\$246,200.00			38
Ramp Rehabilitation	\$625,000.00	\$194,346.00	\$640,654.00			5
Award: Homelessness Prevention and Rapid Re-Housing Program - Total ARRA Funding \$775,578.00						
Project(s) Associated with this Award						
VRFA Homelessness Prevention and Rapid Re-Housing Program	\$775,578.00	\$69,186.00	\$607,700.00			16
Award: Low Income Housing Grants in Lieu of Tax Credits - Total ARRA Funding \$20,246,400.00						
Project(s) Associated with this Award						
Low Income Housing Grants in Lieu of Tax Credits	\$20,246,400.00	\$4,587,506.79	\$15,658,893.21			20
Award: Neighborhood Stabilization Program Recovery - Total ARRA Funding \$579,651.00						
Project(s) Associated with this Award						
Neighborhood Stabilization Program/NSP Grant	\$579,651.00	\$37,772.00	\$541,879.00			25
WICO - The West Indian Company Limited						
Award: Port Security Grant Program - Total ARRA Funding \$781,816.00						
Project(s) Associated with this Award						
Port Security Grant	\$781,816.00	\$646,000.00	\$141,816.00			99
WMA - Waste Management Authority						
Award: 2005 ARRA Wastewater Treatment Facility - Total ARRA Funding \$1,963,795.00						
Project(s) Associated with this Award						
Bayview Pump Station Upgrade and Collection System Upgrade	\$493,624.25	\$ -	\$493,624.25	1.00		60
Man Bay Sewer Line Rehabilitation	\$403,179.75	\$ -	\$403,179.75			5
Weymouth-Rhymer Sewer Line Extension and Pump Station Elimination	\$1,067,000.00	\$ -	\$1,067,000.00			75
NOT-FOR-PROFIT ORGANIZATIONS						
East End Medical Health Center Corp., St. Thomas - East End Medical Health Center Corp., St. Thomas						
Award: ARRA - Increase Services to Health Centers (East End) - Total ARRA Funding \$131,185.00						
Project(s) Associated with this Award						
ARRA - Increase Services to Health Centers (East End)	\$131,185.00	\$218,376.00	\$14,810.00	1.00	1.00	60
Award: Capital Improvement Project (East End) - Total ARRA Funding \$322,390.00						
Project(s) Associated with this Award						
Capital Improvement Program (East End)	\$322,390.00	\$271,894.00	\$28,496.00			60

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Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
Fredericksted Health Clinic - Fredericksted Health Clinic						
Award: ARRA - Increase Services to Health Centers (Fredericksted) - Total ARRA Funding \$161,435.00						
Project(s) Associated with this Award						
Increase Demand Services	\$161,435.00	\$114,755.15	\$46,679.85	2.00		60
Award: Capital Improvement Project (Fredericksted) - Total ARRA Funding \$368,745.00						
Project(s) Associated with this Award						
CIP - Health Facility Renovations	\$368,745.00	\$64,750.00	\$329,990.00	8.00		9
LSS - Lutheran Social Services VI						
Award: Early Head Start Cost of Living and Quality Improvements - Total ARRA Funding \$27,135.00						
Project(s) Associated with this Award						
Early Head Start Cost of Living and Quality Improvement	\$27,135.00	\$34,400.00	\$ -			100
Award: Early Head Start Expansion - Total ARRA Funding \$1,154,305.00						
Project(s) Associated with this Award						
Early Head Start Expansion	\$1,154,305.00	\$653,866.00	\$ -	12.00		40
VI Council on the Arts - Council on the Arts						
Award: VI Council on the Arts - Total ARRA Funding \$50,000.00						
Project(s) Associated with this Award						
VI Council on the Arts	\$50,000.00	\$95,000.00	\$ -		9.00	100
VI RC&D - VI Resource Conservation & Development Council						
Award: NOAA Coastal & Marine Habitat Restoration Project Grant - Total ARRA Funding \$2,788,292.00						
Project(s) Associated with this Award						
Coral Bay Community Council	\$1,476,048.00	\$432,448.00	\$80,600.00	3.75		60
East End Habitat Restoration	\$321,834.00	\$118,918.00	\$25,620.00		6.52	49
Fish Bay	\$534,354.00	\$442,044.00	\$29,000.00		3.75	85
Monitoring Project	\$500,004.00	\$193,718.00	\$2,000.00	2.13		49
Award: St. Croix Hurricane and Hazardous Fuel Mitigation Grant - Total ARRA Funding \$404,500.00						
Project(s) Associated with this Award						
St. Croix Forest Hurricane and Hazardous Fuel Mitigation	\$404,500.00	\$126,408.00	\$277,092.00	2.00		30
Women's Coalition of St. Croix - Women's Coalition of St. Croix						
Award: State Domestic Violence and Sexual Assault Coalitions Funding - Total ARRA Funding \$158,285.00						
Project(s) Associated with this Award						
State Domestic Violence and Sexual Assault Recovery	\$158,285.00	\$43,284.00	\$72,004.00	5.75		55
Award: Women's Coalition Transitional Housing Program - Total ARRA Funding \$495,895.00						
Project(s) Associated with this Award						
Women's Coalition Transitional Housing Program	\$495,895.00	\$188,675.40	\$308,620.36	0.90	0.90	67

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Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
BUSINESS & INDUSTRY						
Crowley - Crowley Shipping						
Award: American Recovery and Reinvestment Act Port Security Grant Program (ARRA PSGP) - Total ARRA Funding \$1,066,510.00						
Project(s) Associated with this Award						
Port Security Grant Crowley	\$1,066,510.00	\$747.00	\$1,064,863.00			
FEDERAL AGENCIES						
VI Parks - National Park Service						
Award: VI National Parks - Total ARRA Funding \$1,898,888.00						
Project(s) Associated with this Award						
VI National Park Service	\$1,898,888.00	\$-	\$-			
VRRA - Housing Authority						
Award: HUD Capital Fund Program (CFP) - Total ARRA Funding \$5,419,888.00						
Project(s) Associated with this Award						
Rural Dist. Hughes Exterior Repairs	\$440,406.02	\$279,087.01	\$40,432.01	1.00		70
Caroline R. Guadalupe Terrace	\$919,144.23	\$612,815.02	\$306,231.01	3.00		70
Estate Bowen Apartments Exterior Repairs	\$1,329,128.50	\$216,879.20	\$1,112,163.30	7.00		10
Estate TuTu Apartments Demolition	\$1,811,381.00	\$1,811,381.00	\$-			100
HUD-CFP Administrative Cost	\$600,000.00	\$602,881.57	\$51,136.43			24
Krohn at Contact Exterior Repairs	\$745,350.00	\$738,388.42	\$6,961.58	1.00		99
Muhler J. Green Terrace Repairs	\$438,004.50	\$438,004.00	\$-			24
Vacant Unit Rehabilitation-10	\$1,403,237.00	\$1,238,367.38	\$267,869.62	28.00		24
Vacant Unit Rehabilitation-10	\$1,535,561.40	\$1,535,561.40	\$-			100
ADDITIONAL FUNDS RECEIVED						
DFR - Direct Federal Residents						
Award: ARRA Division A - Additional Funds Received - Total ARRA Funding \$15,517,584.00						
Project(s) Associated with this Award						
ARRA Division A - Ron DeLuca Federal Building	\$1,840,000.00	\$1,840,000.00	\$-			100
ARRA Division A - Small Business Loans	\$1,062,500.00	\$1,062,500.00	\$-			100
ARRA Division A - Supplemental Nutrition Assistance Program (SNAP) - Temporary Increase in Benefits	\$5,916,520.00	\$5,916,520.00	\$-			100
ARRA Division A - Temporary Assistance for Needy Families Program (TANF)	\$2,345,504.00	\$2,345,504.00	\$-			100
ARRA Division A - USDA Rural Housing - Competitive Single Family Direct Loans	\$440,000.00	\$440,000.00	\$-			100
ARRA Division A - USDA Rural Housing - Competitive Single Family Guaranteed Loans	\$472,000.00	\$472,000.00	\$-			100
ARRA Division A-USDA-Business and Industry Guaranteed Loans	\$3,750,000.00	\$3,750,000.00	\$-			100

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Project	Total ARRA Funding	Actual Spent	Obligated Amount	Jobs Created	Jobs Ret.	% Comp.
Award: ARRA Division B - Additional Funds Received - Total ARRA Funding \$35,177,539.00						
Project(s) Associated with this Award						
ARRA Division B - Emergency Unemployment Compensation	\$3,983,568.00	\$3,983,568.00	\$-			100
ARRA Division B - Federal Pell Grants	\$4,813,979.00	\$4,813,979.00	\$-			100
ARRA Division B - Increase in Unemployment Compensation Benefits	\$435,128.00	\$435,128.00	\$-			100
ARRA Division B - Payment to Veterans	\$113,500.00	\$113,500.00	\$-			100
ARRA Division B - Social Security Payments	\$4,133,250.00	\$4,133,250.00	\$-			100
ARRA Division B Making Work Pay Tax Credit	\$26,000,000.00	\$26,000,000.00	\$-			100
GRAND TOTAL						
ALL AWARDS	\$35,026,543.00	\$179,940,578.48	\$69,524,946.58	810.00	90.62	

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Web browser screenshot of the V.I.P.E.A. (Volunteer in Public Emergency Assistance) website. The page displays the "Awards Received" section, which lists various categories and the number of awards received for each.

Category	Number of Awards
Agriculture and Food Development	1
Arts and Entertainment	1
Broadband	4
Education	9
Energy and Water Development	9
Fiscal Relief for Individuals	9
Fiscal Stabilization	1
Health and Human Services	24
Homeland Security/FEMA	2
Housing and Urban Development	9
Interior and Environmental Protection	4
Labor and Workforce Training	4
Law Enforcement	3
Medicaid	9
Tax Relief	9
Transportation	3


The website also includes sections for "Recover Opportunities", "OEO Support", "Recovery Links", "Transparency", and "Resources & Tools".

Graphic with a blue background featuring the word "QUESTIONS" in large white letters on the left and the word "COMMENTS" in large white letters on the right. In the center, there is a stylized eagle with a shield on its chest, holding an olive branch and arrows. Below the eagle, there is a photograph of a tropical beach with turquoise water and green hills in the background.

APPENDIX M - GASB STANDARDS UPDATE



**GASB Update:
Simplicity through Complexity**



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**Where Are They
Now?**

Effective Dates—September 30


- September 30, 2010
 - Statement 45—Employer's OPEB—Phase III
 - Statement 51—Intangible Assets
 - Statement 53—Derivative Instruments
 - Statement 57—OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans—provisions related to the use and reporting of the alternative measurement method (paragraphs 6 and 7)
 - Statement 58—Chapter 9 Bankruptcies

Effective Dates—September 30

- September 30, 2011
 - Statement 54—Fund Balance and Governmental Fund Type Definitions
 - Statement 59—Financial Instruments Omnibus
- September 30, 2012
 - Statement 57—OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans—provisions related to the frequency and timing of measurements (paragraph 8)



Comprehensive Implementation Guide 2009-2010 Edition



Comprehensive Implementation Guide


- Includes updates, and supplements all prior guides issued through June 30, 2010
 - More than 1,800 questions and answers

Suggested Guidelines For Voluntary Reporting, *SEA Performance Information*

- Final document issued—June 2010
- Conceptually based suggested guidelines for voluntary reporting of Service Efforts and Accomplishments (SEA) Performance Information
 - What the project is:
 - Focus on voluntary reporting
 - Focus on suggested guidelines
 - Focus on clarifying GASB's role
 - What the project is not:
 - Establishing performance measures
 - Establishing performance benchmarks
 - Establishing reporting standards
 - Requiring SEA reporting

Suggested Guidelines For Voluntary Reporting, *SEA Performance Information*

- Suggested Guidelines for Voluntary Reporting, *SEA Performance Information* composed of three parts:
 - Four **essential components** of an effective SEA report
 - Six **qualitative characteristics** that are appropriate for reporting SEA performance information
 - A discussion of how to **effectively communicate** SEA performance information




Suggested Guidelines For Voluntary Reporting, *SEA Performance Information*

FOUR ESSENTIAL COMPONENTS

Provide guidance to assist preparers of SEA reports in effectively communicating SEA performance information to users

- ✓ Purpose and Scope
- ✓ Major Goals and Objectives
- ✓ Key Measures of SEA Performance
- ✓ Discussion and Analysis of Results and Challenges



Suggested Guidelines For Voluntary Reporting, *SEA Performance Information*

SIX QUALITATIVE CHARACTERISTICS

Provide further guidance in the application of the essential components—assist users in comprehending and assessing government programs and services

- ✓ Timeliness
- ✓ Understandability
- ✓ Comparability
- ✓ Consistency
- ✓ Relevance
- ✓ Reliability



Other Current Projects




Other Current Projects

- Concepts Statement
 - Recognition and Measurement Attributes
- Pension (post-employment benefits) Accounting and Reporting (PV issued June 2010)
- Pre-November 30, 1989 FASB Pronouncements
- Service Concession Arrangements (SCA)
- Financial Instruments Omnibus
- Statement 14 Reexamination
- Economic Condition Reporting: Fiscal Sustainability
- Comprehensive Implementation Guide 2010-2011 Ed.
- Derivatives: Application of Termination Provisions
- Statement of Net Position
- The User Guide Series



Research Agenda



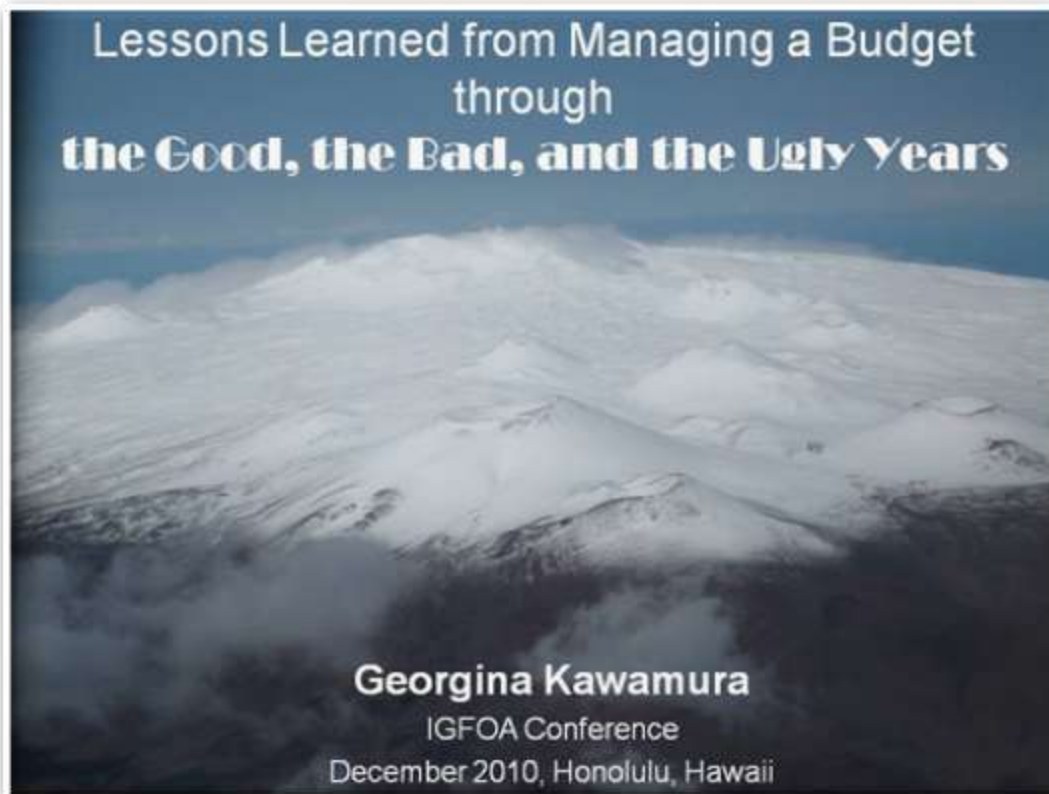
Research Agenda

- Electronic Financial Reporting—GASB to monitor and encourage use
- Government Combinations—consider the financial reporting requirements for government combinations that are accomplished through annexation, consolidation, acquisition, or other means
- Fair Value Measurement—alternatives for the further development of the definition of fair value, the methods used to measure fair value, and potential disclosures about fair value measurements
- Financial Guarantees
- Fiduciary Responsibilities

Questions?



APPENDIX N - GEORGINA KAWAMURA SLIDES



LESSONS LEARNED

- Be diligent in connecting resources to performance measures.
- Involve your employees.
- There will never be enough money to satisfy everyone's needs and wants.
- The budget cannot provide all things to all people.
- Stay on message.

GEORGINA'S TOP TEN BUDGET EXCUSES

- #10 We need to correct that because we changed it the last time without telling you
- #9 The budget instructions didn't say we couldn't request for this
- #8 We need all of those positions even if we haven't filled them for ten years because we're going to fill them NOW
- #7 I really didn't mean to eliminate that position last year
- #6 I didn't think the 5% cut applied to my department
- #5 Can't you get the money from another department?
- #4 We can't cut that... we're keeping it in our budget for flexibility
- #3 But you cut us last year...
- #2 But that's how we've always done it
- #1 All our budget requests are priority one

APPENDIX O - GASB 54 FUND BALANCE REPORTING

**GASB Statement 54: If you report
governmental funds, this statement
WILL affect you!**

**Fund Balance Reporting and
Governmental Fund Type Definitions**

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Statement No. 54

- Effective for periods
beginning after June
15, 2010



Origins of the Project

- Statement 34 had no effect on fund balance reporting
- Significant variation in how standards are applied, leading to significant divergence in practice
- Widespread confusion about terminology
- Mismatch between what governments are reporting about fund balance and what users of financial statements actually need
- Invitation to Comment issued 10-06
- Exposure Draft issued 2-08

Effect of the Columns

- Under the current standard amounts are classified from the perspective of the column
- Consider a government that has
 - \$100 earmarked for capital projects by the government itself
 - \$100 in property tax revenue restricted to paying debt service
 - \$100 of cash available for any purpose

Under the current standards

If the amounts constrained to specific purposes are reported in the *general fund*, they are shown as **reserved**

	GF	SRF	DSF	CPF	Non-major Funds	Total
Reserved for:						
Capital projects	\$100					\$100
Debt service	\$100					\$100
Unreserved	\$100					\$100

But...

Under the current standards

If the amounts constrained to specific purposes are reported *outside* the general fund, they are shown as **unreserved**

	GF	SRF	DSF	CPF	Non-major Funds	Total
Reserved for:						
Capital projects	\$100					\$100
Debt service	\$100					\$100
Unreserved	\$100					\$100

Under the current standards

If the amounts constrained to specific purposes are reported *outside* the general fund, they are shown as **unreserved**

	GF	SRF	DSF	CPF	Non-major Funds	Total
Reserved for:						
Capital projects						
Debt service						
Unreserved	\$100		\$100	\$100		\$300

This will change...

New Fund Balance Classifications



*Proposal called this classification "limited"

Nonspendable Fund Balance

- Not in spendable form, such as
 - Inventory
 - Long-term receivables (unless the proceeds are restricted, committed, or assigned)
- Legally or contractually required to be maintained intact
 - Corpus of a permanent fund

Restricted Fund Balance

- Same definition as for net assets in Statement 34 (as amended by Statement 46)—amounts constrained to being used for a specific purpose by
 - External parties
 - Constitutional provisions
 - Enabling legislation

Committed* Fund Balance

- Constraint on use imposed by the government itself, using its highest level of decision making authority
- Constraint can be removed or changed only by taking the same action
- Action to constrain resources should occur prior to end of fiscal year, though the exact amount may be determined subsequently

*Proposal called this classification "limited"

Assigned Fund Balance

- Amounts *intended* to be used for specific purposes
- Intent is expressed by
 - The governing body
 - A body (budget or finance committee) or official authorized by the governing body
- Residual amounts in governmental funds other than the general fund are assigned
- Appropriation of existing fund balance

Unassigned Fund Balance

- Available for any purpose
- Reported only in the general fund, except in cases of negative fund balance
 - Negative balances in other governmental funds are reported as unassigned

Under the new standards

The amounts constrained to specific purposes are reported in the same classifications *regardless of the fund they are in*

	GF	SRF	DSF	CPF	Non-major Funds	Total
Restricted for: Debt service	\$100					\$100
Committed for: Capital projects	\$100					\$100
Unassigned	\$100					\$100

Or...

Under the new standards

The amounts constrained to specific purposes are reported in the same classifications regardless of the fund they are in

	GF	SRF	DSF	CPF	Non-major Funds	Total
Restricted for: Debt service			\$100			\$100
Committed for: Capital projects				\$100		\$100
Unassigned	\$100					\$100

The funds have changed, but the fund balance classifications have not

Stabilization (Rainy-Day) Amounts

- Stabilization was not previously considered a specific purpose
- If constraints on stabilization amounts meet criteria to be reported as restricted or committed, then stabilization can be considered a specific purpose
- Stabilization amounts should not be reported as assigned

Encumbrances

- Encumbrances should not be displayed separately within the restricted, committed, and assigned categories
- Amounts are classified as restricted, committed, and assigned based on the source and strength of the constraints placed on them—encumbering those amounts does not further affect them

Level of Detail

- Level of detail requirements may be met by display or a combination of display and disclosure
 - Nonspendable by type
 - Restrictions by purpose
 - Commitments and assignments in sufficient detail that major purposes are evident to reader

Specific purpose details displayed

	General Fund	Major Special Revenue Funds Highway Fund	School Aid Fund	Major Debt Service Fund	Major Capital Projects Fund	Other Funds	Total
Fund balances:							
Nonspendable:							
Investments	\$ 125,000	\$ 108,000	\$ 18,000	—	—	—	\$ 249,000
Interfund principal	—	—	—	—	—	\$ 164,000	164,000
Restricted for:							
Social services	240,000	—	—	—	—	—	240,000
Parks and recreation	80,000	—	—	—	—	—	80,000
Education	55,000	—	—	—	—	—	55,000
Highways	—	—	—	—	\$ 444,000	—	444,000
Road surface repairs	—	24,000	—	—	—	—	24,000
Debt service reserve	—	—	—	\$ 206,000	—	—	206,000
School construction	—	—	—	—	301,000	—	301,000
Law enforcement	—	—	—	—	—	214,000	214,000
Other capital projects	—	—	—	—	51,000	—	51,000
Other purposes	30,000	—	—	—	—	—	30,000
Committed for:							
Debt service	16,000	—	—	—	—	—	16,000
Economic stabilization	210,000	—	—	—	—	—	210,000
Homeland security	110,000	—	—	—	—	—	110,000
Education	50,000	—	103,000	—	—	—	153,000
Health and welfare	75,000	—	—	—	—	—	75,000
Assigned for:							
Parks and recreation	50,000	—	—	—	—	—	50,000
Library acquisitions	50,000	—	—	—	—	—	50,000
Highway resurfacing	—	258,000	—	—	—	—	258,000
Debt service	—	—	—	306,000	—	—	306,000
Public pool	—	—	—	—	121,000	—	121,000
City Hall renovation	—	—	—	—	80,000	—	80,000
Other capital projects	50,000	—	—	—	471,000	—	521,000
Other purposes	50,000	—	73,000	—	—	178,000	329,000
Unassigned:							
Unassigned	525,000	—	—	—	—	—	525,000
Total fund balances	\$ 1,746,000	\$ 390,000	\$ 192,000	\$ 512,000	\$ 1,448,000	\$ 554,000	\$ 4,842,000

This level of detail is not required for display on the face of the balance sheet. Fund balance categories and classifications may be presented in detail or in the aggregate if sufficient detail is provided in the notes to the financial statements.

Classification totals displayed—details disclosed in the notes

	General Fund	Major Special Revenue Funds Highway Fund	School Aid Fund	Major Debt Service Fund	Major Capital Projects Fund	Other Funds	Total
Fund balances:							
Nonspendable	\$ 125,000	\$ 108,000	\$ 18,000	—	—	\$ 164,000	\$ 413,000
Restricted	405,000	24,000	—	\$ 206,000	\$ 796,000	214,000	1,645,000
Committed	461,000	—	103,000	—	—	—	564,000
Assigned	230,000	258,000	73,000	306,000	652,000	176,000	1,695,000
Unassigned	525,000	—	—	—	—	—	525,000
Total fund balances	\$ 1,746,000	\$ 390,000	\$ 192,000	\$ 512,000	\$ 1,448,000	\$ 554,000	\$ 4,842,000

Classifying Residual Balances

- Spending prioritization policies (the flow assumption)
 - Restricted vs. unrestricted
 - Committed, assigned, unassigned
 - Multiple policies
 - The “default” policy
 - Negative balances
 - General fund
 - Other funds

Classifying Residual Balances

- The flow assumption for this special revenue fund is to use restricted amounts before unrestricted amounts and to use the default policy for its unrestricted fund balance. If expenditures incurred exceed the amounts that have been restricted, committed, and assigned to a specific purpose and results in a negative residual amount for that specific purpose, amounts assigned to other purposes in that fund are reduced to eliminate the deficit.

What were the balances at the beginning of the year?

Purpose A	Total	Restricted	Committed	Assigned
Beginning Balances	5,696	2,000	2,616	1,080
Additions				
Expenditures Incurred				
Ending Balances				
Purpose B				
Beginning Balances	8,871	8,871	0	0
Additions				
Expenditures Incurred				
Ending Balances				
Purpose C				
Beginning Balances	8,040	0	0	8,040
Additions				
Expenditures Incurred				
Ending Balances				

Were additional amounts restricted, committed, or assigned?

Purpose A	Total	Restricted	Committed	Assigned
Beginning Balances	5,696	2,000	2,616	1,080
Additions				
Expenditures Incurred				
Ending Balances				
Purpose B				
Beginning Balances	8,871	8,871	0	0
Additions	1,500			1,500
Expenditures Incurred				
Ending Balances				
Purpose C				
Beginning Balances	8,040	0	0	8,040
Additions	120,000		120,000	
Expenditures Incurred				
Ending Balances				

How much was spent for each purpose?

Purpose A	Total	Restricted	Committed	Assigned	Unassigned
Beginning Balances	5,696	2,000	2,616	1,080	
Additions					
Expenditures Incurred	(7,654)	(2,000)	(2,616)	(1,080)	(1,958)
Ending Balances	(1,958)	0	0	0	(1,958)
Purpose B					
Beginning Balances	8,871	8,871	0	0	
Additions	1,500			1,500	
Expenditures Incurred	(10,000)	(8,871)		(1,129)	
Ending Balances	371	0	0	371	
Purpose C					
Beginning Balances	8,040	0	0	8,040	
Additions	120,000		120,000		
Expenditures Incurred	(11,223)		(11,223)		
Ending Balances	116,817	0	108,777	8,040	

What happens to a negative balance?

Purpose A	Total	Restricted	Committed	Assigned	Unassigned
Beginning Balances	5,696	2,000	2,616	1,080	
Additions					
Expenditures Incurred	(7,654)	(2,000)	(2,616)	(1,080)	(1,958)
Ending Balances	(1,958)	0	0	0	(1,958)
Purpose B					
Beginning Balances	8,871	8,871	0	0	
Additions	1,500			1,500	
Expenditures Incurred	(10,000)	(8,871)		(1,129)	
Ending Balances	371	0	0	371	
Purpose C					
Beginning Balances	8,040	0	0	8,040	
Additions	120,000		120,000		
Expenditures Incurred	(11,223)		(11,223)		
Ending Balances	116,817	0	108,777	8,040	

If this were the general fund, unassigned fund balance would be reduced.

Note Disclosures

- Description of authority and actions that lead to committed and assigned fund balance
- Government's policy regarding order of spending
 - Restricted and unrestricted fund balance
 - Committed, assigned, and unassigned
- Encumbrances, if significant, are disclosed in conjunction with other disclosures of significant commitments

Note Disclosures

- Stabilization arrangements
 - Authority for establishing
 - Requirements for additions
 - Conditions under which amounts may be used
- Minimum fund balance policies

Special Revenue Funds

Current Definition:

- *Special Revenue Funds* —To account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes.

Special Revenue Funds

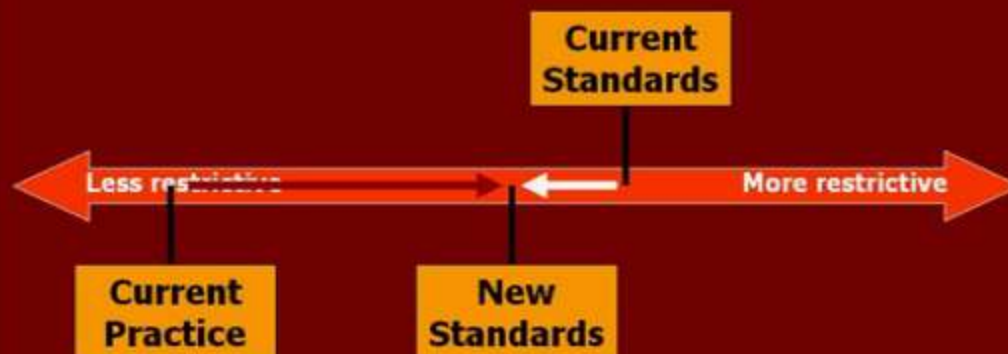
Statement 54 Definition:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Special Revenue Funds

- Report specific revenue sources restricted or committed to specified purposes other than debt service and capital projects
- Restricted or committed specific revenue sources should comprise substantial portion of fund's resources, but fund also may include other restricted, committed, and assigned resources
- Disclosure: purpose of each major special revenue fund and each revenue source or other resources reported in each

Effect of SRF Clarifications



Capital Projects & Debt Service Funds

- Text made consistent with other definitions
- Capital projects fund definition is more reflective of current practice
- Highlighted that debt service funds are *required* when
 - Legally mandated
 - Financial resources are being accumulated for principal and interest payments maturing in future years

Capital Projects and Debt Service Funds

Prior Definitions:

- *Capital projects funds*—to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments).
- *Debt service funds*—to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds

Statement 54 Definition:

- *Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Funds

Statement 54 Definition:

- Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.



Questions?

APPENDIX P--STEPS TO IMPLEMENT GASB 54

1. ANALYZE GOVERNMENTAL FUNDS BY TYPE
 - a. List each governmental fund by name
 - b. Determine substantial revenue type for each fund and assess if the substantial revenue will be continuing
 - c. For each substantial revenue identified, determine the nature of the revenue i.e. restricted, committed, assigned, or unassigned.
 - d. Determine nature of expenditures in each fund type
 - e. Assess fund type based on above
2. ANALYZE FUND BALANCES TO DETERMINE NONSPENDABLE, RESTRICTED, COMMITTED, AND ASSIGNED BALANCES
 - a. General Fund
 - i. Start with reservations and designations
 - ii. Analyze remaining balance sheet items
 1. Inventories
 2. Grant accruals less deferrals
 3. Deposits with third party
 - iii. Analyze fund balance of newly classified funds that no longer qualify as another governmental fund type
 1. Apply "use of fund balance" policy
 2. Transfers in = assigned or committed
 - iv. Update budgetary comparison schedules based on new classifications
 1. General Fund may now have more than one "fund"
 - v. Update financial statements based on new classifications
 - b. Other Governmental Funds
 - vi. Start with beginning fund balance
 - vii. Look at all revenue sources to determine whether restricted or committed or assigned
 - viii. Apply "use of fund balance" policy to determine nature of remaining fund balance
 - ix. If there are several different restricted or committed revenues in the same fund, prepare schedule showing beginning balance plus revenues minus expenses for each revenue
 1. Any negative balances should be offset with assigned balances
 2. Remaining negative balances classified as unassigned
 - x. Update financial statements based on new fund balance classifications
3. PREPARE NOTE DISCLOSURES
 - a. Fund balance classification policies and procedures
 - b. Encumbrances

- c. Details of fund balance classifications displayed in the aggregate, if not on face of financial statements
- d. Purpose for each major special revenue fund identifying which revenues and other resources are reported in each of those funds
- e. Stabilization arrangements, if any
- f. Minimum fund balance policies, if any

APPENDIX Q - EXAMPLE FINANCIAL STATEMENT FOR GASB 54

**STATE OF POHNPEI – FSM
ANALYSIS OF GOVERNMENTAL FUND CLASSIFICATIONS
FOR GASB 54 IMPLEMENTATION
SEPTEMBER 30, 2010**

FUND NAME	Majority Revenue Source	Classification of Majority Revenue Source	Expenses	FUND CLASSIFICATION	
				Before	After
General Fund	N/A			General	General

APPENDIX R – BUSINESS PROCESS IMPROVEMENT CASE STUDY

Business Process Improvement

Deborah Milks
IGFOA Conference
December 2010
Honolulu, Hawaii

What is process improvement?

- Process tweaking vs process re-engineering
- Does not mean you need a new computer
 - Technology is an *enabler* of process improvement, not a substitute for it.
- Lean philosophy—doing more for less
 - Involve all the staff in eliminating waste
 - Add value by respecting staff
 - Reduce non-value added steps

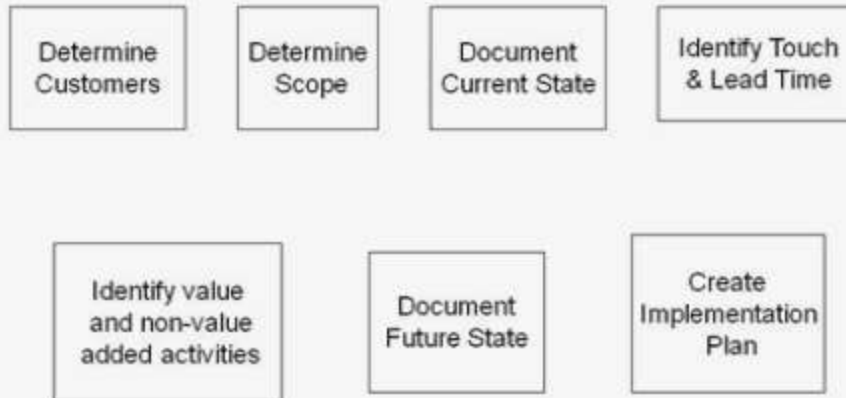
Which process to work on?

- Those that are so fundamentally inefficient that they need to be completely improved in order to meet basic services;
- Processes with the biggest potential return on the resources invested in improving them (e.g., processes that cut across several functional units where opportunities to reduce hand-offs, reviews, cycle time, and costs may be greatest);
- Processes where change management issues can be more easily resolved because there is strong agreement on the need for change;
- Processes that can be redesigned with currently available resources and infrastructure;
- Less complex processes where improvement goals can be achieved within a short period of time and experience can be gained in reengineering.

Or another way to figure it out

- *dysfunction*: which processes are functioning the worst?;
- *importance*: which are the most critical and influential in terms of customer satisfaction;
- *feasibility*: which are the processes that are most likely to be successfully reengineered

Components of a process review



MEASURE, MEASURE, MEASURE!

Value-Added Definitions

□ Value-Added

Any activity that increases the form or functionality of the product or service.

These are things a knowledgeable customer is willing to pay for.

□ Non-Value-Added

Any activity that does not add function and is not necessary.

These activities should be eliminated.

□ Non-Value-Added but Necessary

Any activity that does not add function but is necessary with the current process.

These activities should be eliminated, simplified or reduced.

What is “value added”?

Ask

- Why do we do
- What we do
- The Way we do it?

and

- What value does this step add to the outcome?

Is a step wasteful?

5 Common Wastes

Waiting

Waiting for information, copies, approvals, documentation

Accuracy & Adequacy Defects

Incomplete work, mistakes, misunderstanding

Staffing

Not using staff skills or abilities (or using the wrong staff)

Transportation

Moving around paper to next approver, to copier, to file room

Excesses

Too many approvals, too many copies, too many e-mails, duplicated information systems

Measuring Improvement

- Know when each step occurs in the process
- Know who does what and how long it takes
- Identify length of time between steps
- Know how many times a step and/or process occurs in a year
- Identify the soft dollar value of each step—payroll costs x length of time x # of occurrences
- Identify hard dollars saved – printing, paper, postage, electricity, fuel, equipment, etc.

The hard part--Implementation

- Need visible support from Directors
- Designate an “owner” of the process
- Form a team to do the mapping, the brainstorming, identifying potential barriers to implementing alternative processes
- AND support the implementation
- Test the new process before committing
- Measure the new process
- Keep measuring!

APPENDIX S - LEADERSHIP ISLAND STYLE



LEADERSHIP WORKS

The Way to Grow™

Leadership Island Style®

Presented to

**Island Government Finance Officers'
Association**

December 8, 2010

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LEADERSHIP WORKS™

LEADERSHIP ISLAND STYLE®**"ISLAND STYLE"**

Island Style is a state of mind and a way of being. It's anyone who lives aloha. Birthplace, ethnicity or Hawaii residency are not requirements for being an island style person.

Island style folks are usually raised in the intimacy of a "village." Villages, like small towns, close-knit families, churches and barrios, create intimacy. People brought up in these intimate environments tend to be nice, well-mannered, responsible and cooperative.

"It takes a village to raise a child." African Proverb

THE ISLAND GIFT: ONE**THE THREE-WAY BLEND**

The people of islands have been touched by three great cultures:

- Blessings from the East: Humility, respectfulness, education, consciousness and centeredness.
- Blessings from the West: Achievement, individualism, independence, drive and ingenuity.
- Blessings from Polynesia: Generosity, hospitality, gentleness, inclusiveness and warmth.

LEADERSHIP APPLICATION**Two Think™**

"Two Think" is the ability to simultaneously hold two contradictory beliefs or thoughts in one's mind, then to creatively resolve the tension between these conflicting ideas by generating a new one that contains elements of both but is superior to either one.

"It is this discipline – not superior strategy or faultless execution – that is the defining characteristic of most exceptional businesses and the people who run them." Roger Martin

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LEADERSHIP WORKS™

LEADERSHIP ISLAND STYLE®**TWO THINK™ - EXAMPLE #1**

ET - Real leaders seek two types of results:

- **Efficacy**
- **Transformation**

EFFICACY

The capacity to produce a desired effect.

- Near-sighted
- Today vision
- Microscopic
- Short-term
- Managerial focal point

TRANSFORMATION

The capacity to innovate and achieve a sustainable future.

- Far-sighted
- Tomorrow vision
- Telescopic
- Long-term
- Leadership focal point

A TWO THINK™ - EXAMPLE #2**CULTURAL TENDENCIES**

Eastern and Polynesian cultures tend to be circular.

- Inclusive
- Collaborative
- Interdependent

Western culture tends to be linear.

- Hierarchical
- Assertive
- Independent

Real leaders do circular preparation **AND** linear execution.

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TWO THINK™ - EXAMPLE #3

"Preserve the core **AND** stimulate progress."

READ TO LEAD

Built to Last by Jim Collins

THE ISLAND GIFT: TWO

THE SPIRIT OF ALOHA

ALOHA is a language so powerful, the deaf can hear and the blind can see. Adapted from a statement by Mark Twain

"I now know what the aloha spirit means. I hope it is contagious for it could change the world." Jackie Kennedy

Aloha means being nice, well-mannered and considerate. No "talk stink."

Place truth over harmony, respectfully.

LEADERSHIP APPLICATION

True aloha means staying in the "bowl" and not being a "banana" who fails to follow rules or practice the values of the organization.

LEADERSHIP APPLICATION

True aloha means taking care of the "next process." Do anything possible to make it easy for the next person in the flow.

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LEADERSHIP WORKS™

LEADERSHIP ISLAND STYLE®**THE ISLAND GIFT: THREE****A GIVING HEART**

Island people are naturally giving.

LEADERSHIP APPLICATION**PEAK PERFORMANCE****PEAK PERFORMER**

- High skill
- High will

KEY DIAGNOSIS

- Is the ill in the skill?
- Is the ill in the will?

Skill and will are task specific.

WHAT REAL LEADERS GIVE

To improve skill, provide direction:

- Clarify
- Explain
- Teach
- Demonstrate
- Supervise

To improve will, provide support:

- Listen
- Reassure
- Encourage
- Prioritize
- Mediate

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LEADERSHIP WORKS®

LEADERSHIP ISLAND STYLE®**THE ISLAND GIFT: SEVEN****WILL AND STRENGTH**

Just because people are nice and humble, doesn't mean they're weak. Island people come from tough immigrant stock.

LEADERSHIP APPLICATION

When faced with "hot water" or difficulties in life, make "tea." Avoid being a whining, complaining "carrot" or an angry, bitter "hard boiled egg."

People are like tea bags – you never know how strong they are until they get in "hot water." Adapted from a quote by Eleanor Roosevelt

THE ISLAND GIFT: EIGHT**LOKAHI**

Peace, unity and harmony.

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APPENDIX T - FINANCE OFFICE PERFORMANCE MANAGEMENT

Finance Office Performance Management

Deborah Milks
IGFOA Conference
December 2010, Honolulu, Hawaii

Discussion

- Did you prepare your finance office measures just for this conference?
- Do you have a regular reporting format?
- Can you link performance measures to process improvement?
- Can you see the benefit in measuring performance?

Performance Measure

- % of receivables to current assets
 - Y government FY2008 33%
- # days after month end to complete bank recon
 - X government October 2010 completed

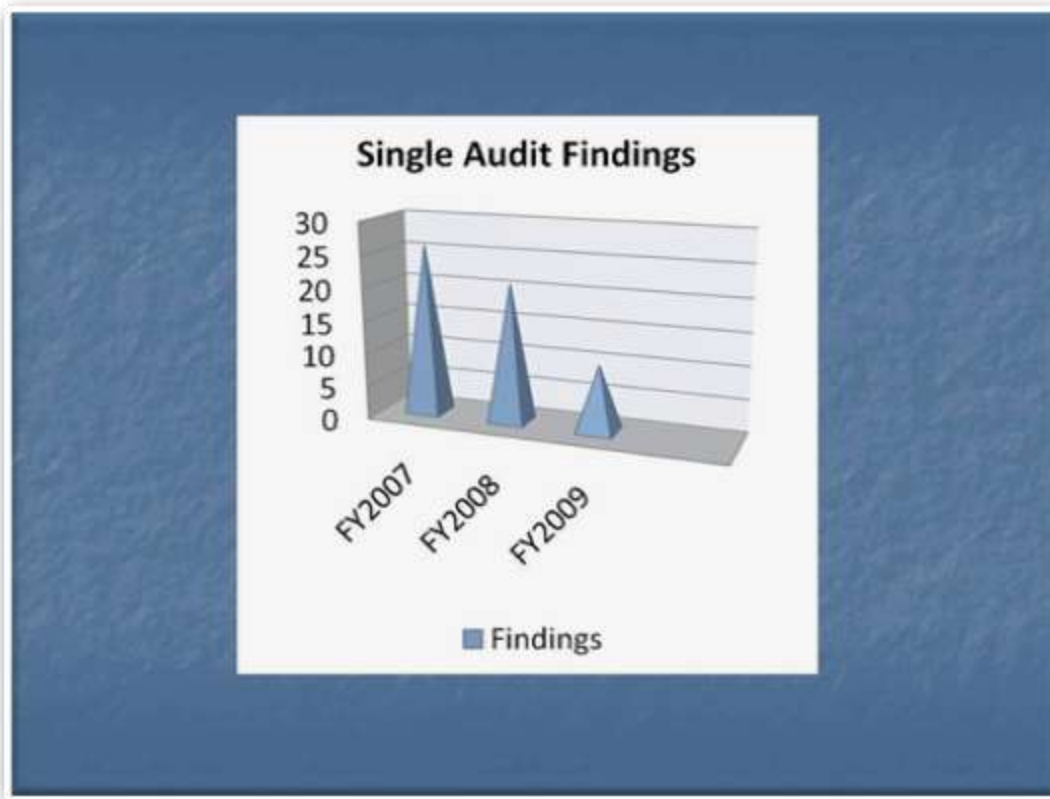
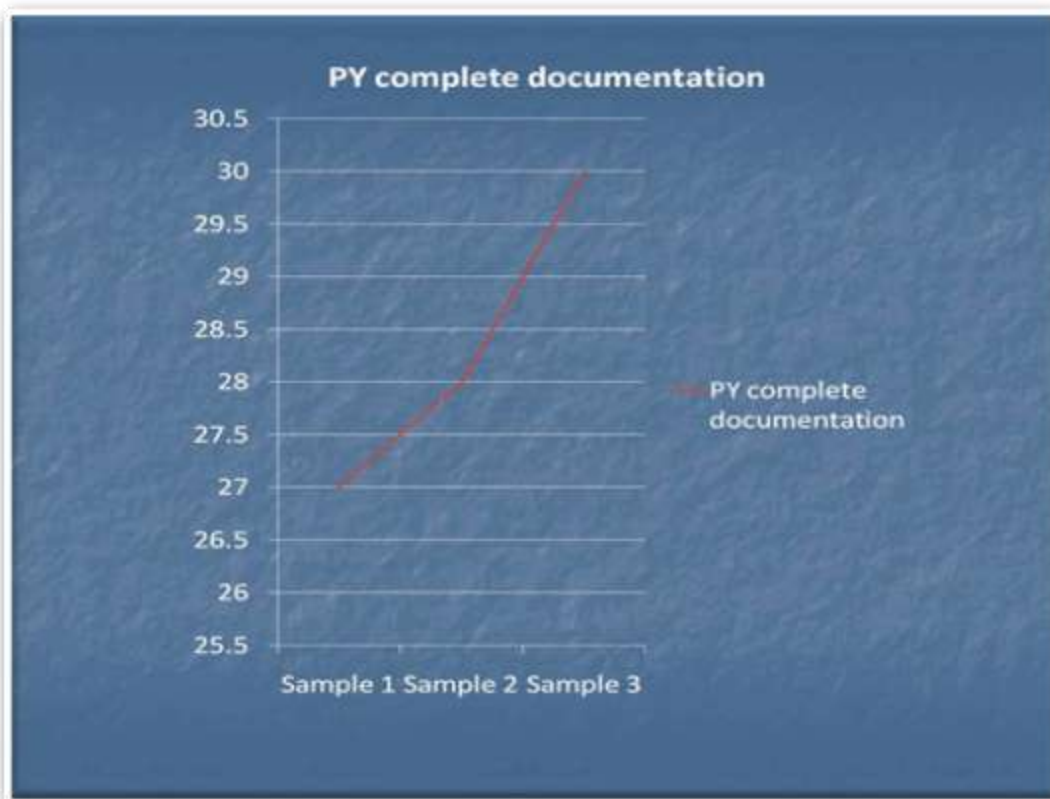
Accounts Receivable & Advances / Current Assets

	FY2008	FY2009
•Guam	23%	18%
•Palau	47%	45%
•ASG	59%	47%
•Yap	72%	
•Pohnpei	33%	
•Kosrae	68%	
•CNMI	52%	
•RMI	22%	

A few comments

- The measure should be meaningful
- The measure should be a number
- Set a target or benchmark
- Figure out who & how & how often you will collect the data
 - Supervisor of travel (WHO) will submit the advance aging report (HOW) to the Director 5 days after month end (HOW OFTEN)
- What is your follow through action?

Examples follow



documents, files, paid documents and researching inquiries from vendors.

Key Performance Indicators(KPI)	SG/PG	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 10 Target	FY 10 Target Met	FY 10 Target Not Met
Average number of days from initial batch input to check run	SG1/PG1	10	2 days	5 days	2 days		✓
Average number of days from department approval to accounts payable check run	SG1/PG1	n/a	5 days	5 days	5days	✓	

ORG 39120 GENERAL LEDGER AND FEDERAL PROGRAMS UNIT

Functional Statement:

The General Ledger Section administers appropriations and fund accounts; reports financial transactions of the Government from appropriate general ledgers; produces financial reports; prepares vendor payment documents for instrumentalities, inter-fund transfers and establishment of petty cash and imprest funds; and maintains records for bonded and long-term indebtedness.

City of Atlanta

Note that this includes only the targets. The targets don't provide much information to a standard user. For instance, 7 certified financial reports is a number in isolation of how many financial reports the office is required to prepare.

ATL Stats Performance Metrics for Finance

Performance Measure	2010 Target
Revenue Collection Rate for Business Licenses	95%
Revenue Collection Rate for Property Tax	95%
Revenue Collection Rate for Solid Waste	90%
Financial Close Cycle Time (from month end)	10 Work Days
Number of Certified Financial Reports	7
Forecasting Cycle Time (from end of quarter close)	20 Work Days
Average AP Invoice Days Payable	40

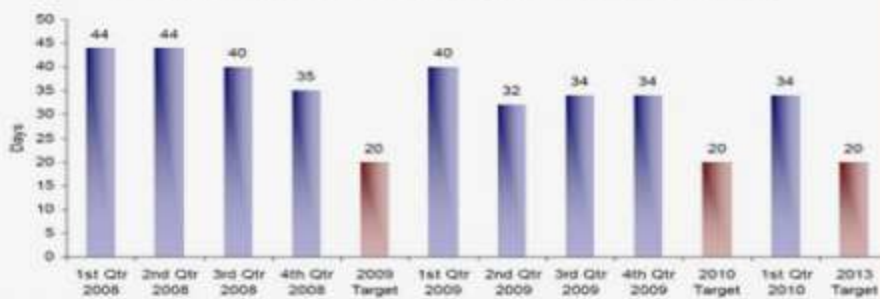
Note: # 4, 5, 7, 9, & 10 measure the effectiveness of the financial operations (as opposed to the financial health of the government or a policy)

Finance

City Finances	Page
1. Bond Ratings	3
2. Return on Operating Assets	5
3. Liability and workers compensation claims paid	6
Internal Processes	
4. Collection Effectiveness Indicator (CEI)	7
5. Finance Department Budget by Business Line	8
6. Average Number of Days to Pay an Invoice	9
7. Percent of Payments meeting Best Practices Payment Terms	10
8. Percent of Targeted Supplies that are Green Purchases	11
9. Payroll cost per FTE	12
10. Accounts payable cost per voucher	13
Appendix	
Liability and workers compensation by department	14
Future Measures	
Revenue Collection cost	
Percent of Invoices Paid at Discount	

This presentation is good in that it shows the trend (are we getting better or worse?) Also, it explains why that measure is significant and exactly what the office is doing to make it work.

Average number of days to pay an invoice (all vendors)

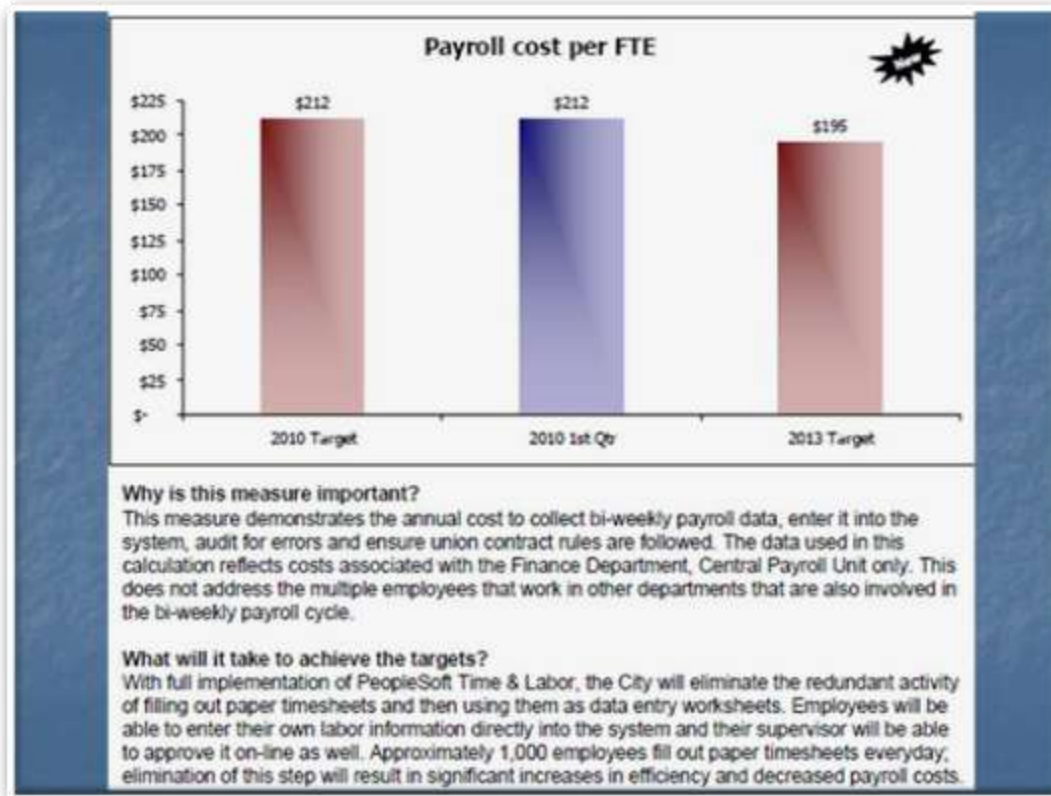


April 20, 2010 9 Why is this measure important?

The "days to pay" measure indicates whether the City is complying with its contractual obligations and state law. State law requires municipalities to pay invoices within 35 days of invoice date or according to contract terms; the City is required to pay invoices within 35 days.

What will it take to achieve the targets?

Continued focus on adherence to established processes, for example: a) emphasizing to vendors and City departments that invoices should be mailed to Accounts Payable so invoices can be tracked to ensure timely payment; b) timely entry of procurement transactions into COMPASS; and c) successful employment and implementation of Business Process Improvement (BPI) initiatives.



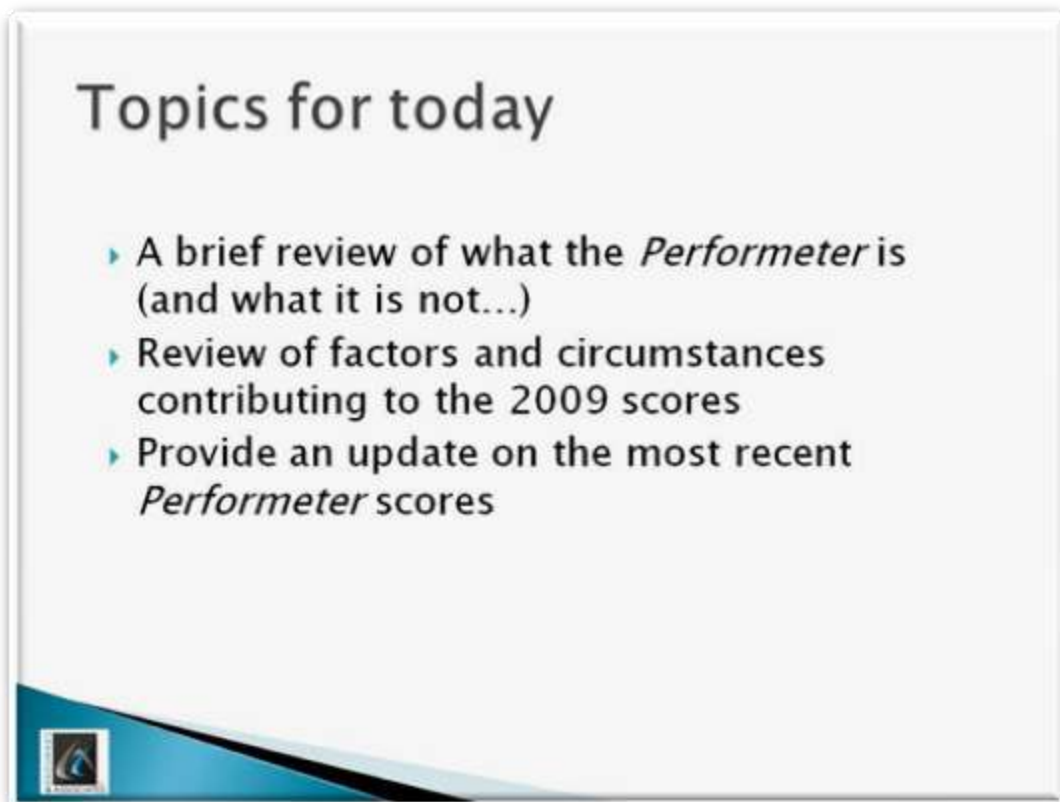
This set of measures is good in that it links to the finance office goals, but they don't include targets and there are too many of them.

City of San Francisco	
Provide effective systems for payroll (budgeting, accounting & purchasing) function	Percent of employees for whom systems are available for departmental use Percentage of system users who were able to accomplish needed tasks using systems
Ensure that the City follows appropriate accounting procedures	Number of findings of material & significant weakness in annual City audit Number of audit findings with questioned costs in annual Single Audit Percentage of departmental financial transactions with errors found during post-audit Percentage of client department ratings for Finance and Accounting Services Team of "good" or "excellent"
Manage the citywide family of financial professionals	Number of training units provided in City financial systems & procedures Percentage of systems training evaluations that are good or excellent Percentage of departments that successfully close their accounts by 90 days after the end of the fiscal year Percentage of major departments that have been trained in cost recovery policies and procedures
Provide accurate, timely information to support fiscal planning	Percentage by which actual revenues vary from budget estimates Percentage by which actual expenditures vary from 9 month estimates Percentage by which actual revenues vary from mid-year estimates Rating of general obligation bonds
Provide accurate, timely financial transactions	Percentage of payroll transactions not requiring correction Percentage of documents for Controller approval processed in 5 days
Provide accurate, timely financial reporting	City receives certificate of achievement for excellence in financial reporting from GFOA Number of days from previous fiscal year end to complete the City's comprehensive financial report

Prompt reconciliation of cash accounts: Selected Cities

- Boca Raton, FL 15 days of calendar month end
- Corpus Cristi, TX Reconcile bank statements within 2 weeks of receipt
- Denver, CO 80% of bank reconciliations completed by last day of following month
- Cambridge, MA 99% of bank accounts reconciled within 45 days
- San Clemente, CA 100% of banks reconciled to the general ledger within 30 days of month end (actual 64%)

APPENDIX U - PERFORMETER UPDATES



A brief review...

- ▶ The *Perfometer* measures the **financial health and success** of a government using a scale that all users (including decision makers) can understand, 0-10, with 0 = poor, 5 = satisfactory, and 10 = excellent
- ▶ Uses financial ratios for the evaluation
- ▶ The evaluation is only as **reliable** as the information found in the annual audited financial statements, and most **relevant** when the information can be used in a timely manner
- ▶ Relevance and reliability are the key concepts in accountability



Factors and Circumstances for 2009

- ▶ For some, the fiscal year ending September 30, 2009 was not a good year financially; for others, it featured a year of recovery from the investment fair value decline of the prior year
 - Some governments continued to decline by incurring more expense than earning in revenue during the year; others featured a combination of cost cuts and revenue enhancements, along with the rise in the fair value of investments, to turn things around for the year
 - Market value of investments held increased significantly between September 2009 and September 2010
 - Pension plan woes continue for most
 - Spending patterns changed for most, some good, some bad
 - Fund balance deficits and net assets deficits increased for some, decreased for others, with a few remaining relatively stagnant

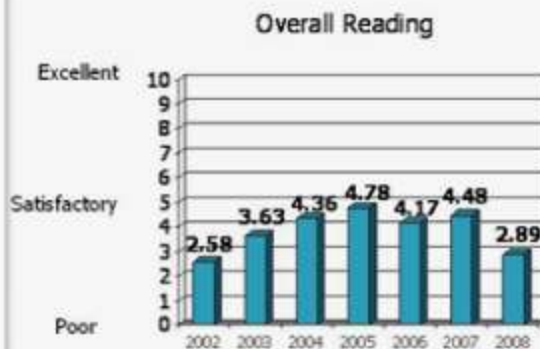


Factors and Circumstances for 2009

- ▶ Good news though (or bad news, depending on how you look at it)
 - Most governments, even when considering component units, are receiving unqualified (clean) opinions on their financial statements
 - A few are even receiving unqualified opinions on their compliance with federal program monies (Single audit)
 - A few even have no questioned costs, or very little questioned costs



VI Performer® Reading

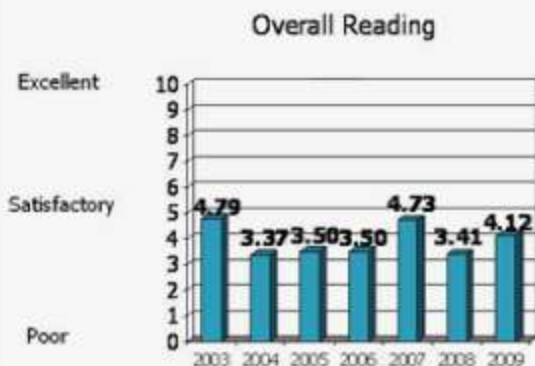


The 2008 reading of 2.89 indicates the evaluator's opinion that the VI's overall financial health and performance declined during FY 2008, due to significant declines in the fair value of investments. This decline was typical of many of the insular governments during the fiscal year that ended September 30, 2008.

The decline in the current year score was due in a large part to the significant decline in the fair value of investments. However the reading is also influenced by relatively high tax and debt burdens per capita (when compared to other insular governments), and a high debt to asset ratio.



Chuuk Performer® Reading

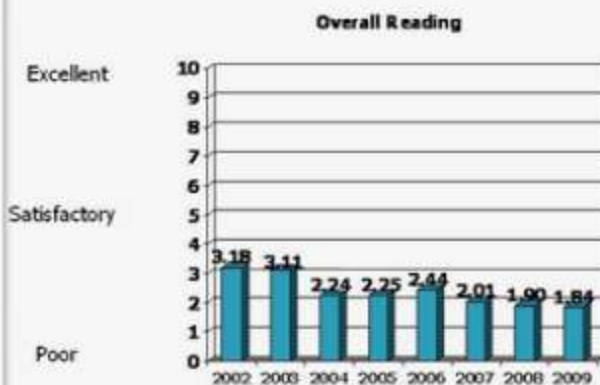


The 2009 reading of 4.12 indicates that in the evaluator's opinion, Chuuk's overall financial health and performance is considered less than satisfactory as of and for the fiscal year ended September 30, 2009, however it is an improvement from the score in the prior period.

Chuuk's low level of unrestricted net assets, insufficient General Fund unreserved fund balance, low revenue dispersion, and insufficient current and quick ratios are the primary reasons for the continued less than satisfactory reading of the current year, although many ratios showed improvements from their comparable ratios of the prior period.



CNMI Performer® Reading

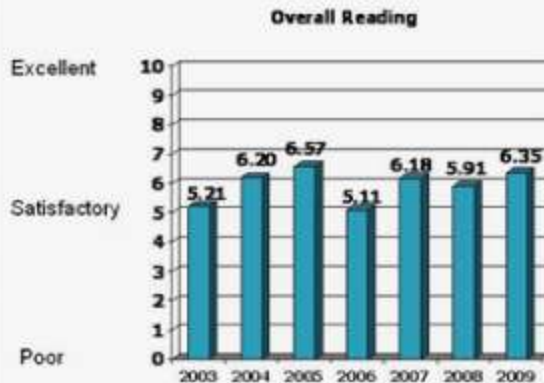


The 2009 reading of 1.84 indicates the evaluator's opinion that the CNMI's overall financial health and performance continued to be less than satisfactory as of and for the fiscal year ended September 30, 2009, with continued declines in the reading when compared with the prior periods.

In addition to a \$20 increase in the amounts due to the employee benefit plans system, the current year increase in the net assets deficit, the deficit unrestricted net assets, the General Fund's fund balance deficit, and its insufficient current and quick ratios are the primary contributing factors to the continued low readings.



FSM Performer® Reading

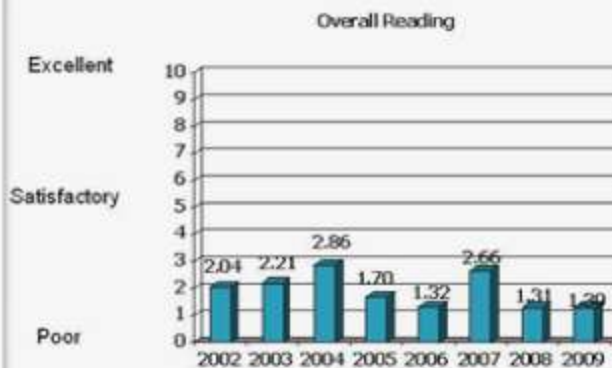


The 2009 reading of 6.35 indicates the evaluator's opinion that the FSM National Government's overall financial health and performance has improved over the past period, and is considered above satisfactory.

The FSM's increase in net assets, unrestricted net assets level, excellent intergenerational equity, General Fund unreserved fund balance, and low tax and debt burdens per capita are the significant factors in the above satisfactory reading of the current period.



Guam Performer® Reading



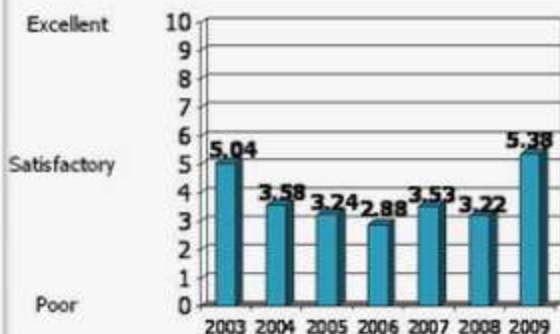
The 2009 reading of 1.30 indicates the evaluator's opinion that GovGuam's overall financial health and performance declined slightly overall from the rating of the previous year, mainly to due the financial position and performance in the 2009 fiscal year.

The government's current year overall deficit and cumulative deficit, a deficit position of the General Fund unreserved fund balance deficit ratio, and a significantly higher debt per capita ratio are the primary causes for the low score. Other contributing factors are pension plan funding woes and insufficient current and quick ratios. Although the sizes of the deficit were reduced this year, it appears the main cause of the reduction was a change in the application of pension accounting principles.



Kosrae Performer® Reading

Overall Reading

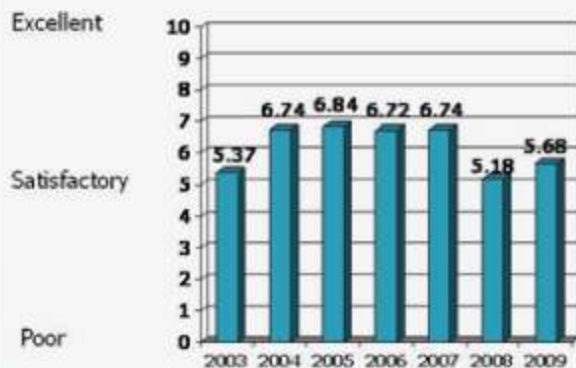


The 2009 reading of 5.38 indicates the evaluator's opinion that Kosrae's overall financial health and performance has risen above the satisfactory mark for the first time since these ratios have been calculated.

Kosrae's improvements in multiple ratios such as the increase in net assets, the decrease in the size of the deficits, and improved intergenerational equity are the primary causes for the improved reading. However, other ratios continue to hamper the score, such as limited useful lives remaining of capital assets, and low current and quick ratios.

Pohnpei Performer® Reading

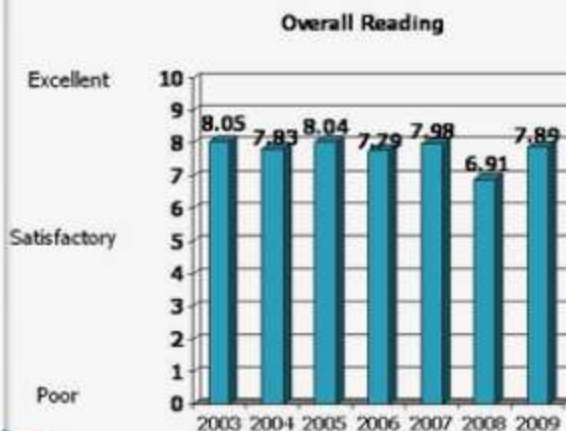
Overall Reading



The 2009 reading of 5.68 indicates the evaluator's opinion that Pohnpei's overall financial health and performance is considered above satisfactory, and has improved overall from the prior period.

General Fund fund balance, although declining, remains strong, while other ratios improved and others declined. Low tax and debt burdens per capita (when compared to other insular governments) and a low debt-to-assets ratio help contribute to the overall above satisfactory score.

Yap Performer® Reading

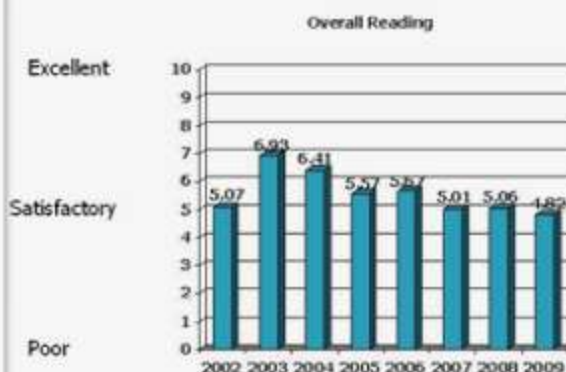


The 2009 reading of 7.89 indicates the evaluator's opinion that the Government of Yap's overall financial health and performance is well above satisfactory, and a significant recover from the decline suffered in the prior period.

Yap's level of unrestricted net assets, the General Fund's level of unreserved fund balance, low tax and debt burdens per capita, an excellent debt-to-asset ratio, and excellent current and quick ratios are the primary reasons for the favorable reading.



ASG Performer® Reading



The 2009 reading of 4.82 indicates the evaluator's opinion that the American Samoa Government's overall financial health and performance declined to a point just below satisfactory, mainly due to the General Fund deficit appearing for the first time since these readings have existed.

The current year reading is a result of some ratios improving slightly, such as intergenerational equity, and others, such as the unreserved fund balance deficit of the General Fund, and current and quick ratios, declining.



RMI Performer® Reading

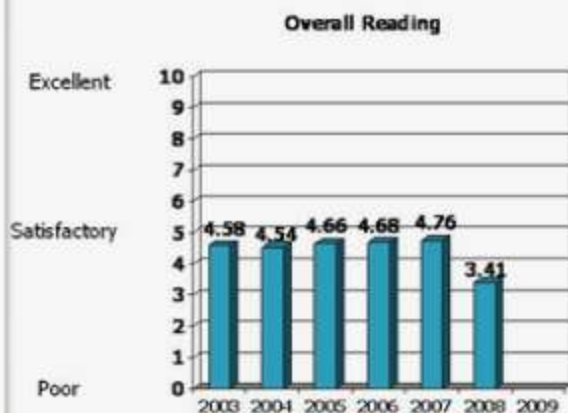


The 2009 reading of 4.47 indicates the evaluator's opinion that the RMI's overall financial health and performance improved from the prior year, edging closer to a satisfactory reading.

The improvement of this year's reading is due to an overall recovery of most ratios from their reading in the prior year. However, some ratios continue to be low, such as the reserve level ratios, the unfunded pension plan status, and low current and quick ratios.



Palau Performer® Reading



The 2009 reading of indicates the evaluator's opinion that the Palau Government's overall financial health and performance...to be continued...

This reading, ...to be continued...



Questions?



APPENDIX V - OIA BUDGET

2011 Budget Request Office of Insular Affairs

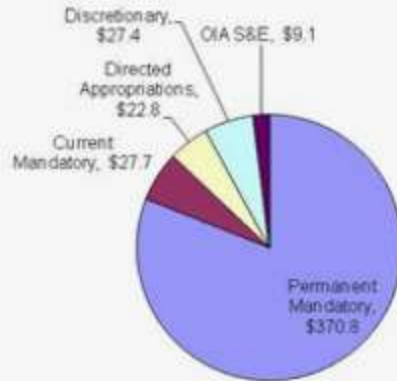


2011 Budget Request Office of Insular Affairs

- OIA's Budget – The Big Picture
- 2011 Budget Presentation
 - Assistance to Territories
 - Empowering Insular Communities
 - Compacts of Free Association (Current)
 - Compacts of Free Association (Permanent)
 - Palau Compact
 - Fiscal Payments
- Wrap Up

The Big Picture

OIA 2011 Budget Request - \$457.7 Million

Discretionary - \$27.4 million

- General Technical Assistance - \$12.1 million
- Maintenance Assistance Fund - \$2.2 million
- Brown Tree Snake Control - \$3.0 million
- Coral Reef Initiative - \$1.0 million
- Water & Wastewater Projects - \$793,000
- Empowering Insular Communities - \$5.0 million
- Federal Services - \$2.8 million
- Enwetak - \$500,000

Permanent Indefinite - \$370.8 million

- Compacts of Free Association - \$224.8 million
- Fiscal Payments (Guam Section 30, VI Rum Taxes) - \$146.0 million

Current Mandatory - \$27.7 million

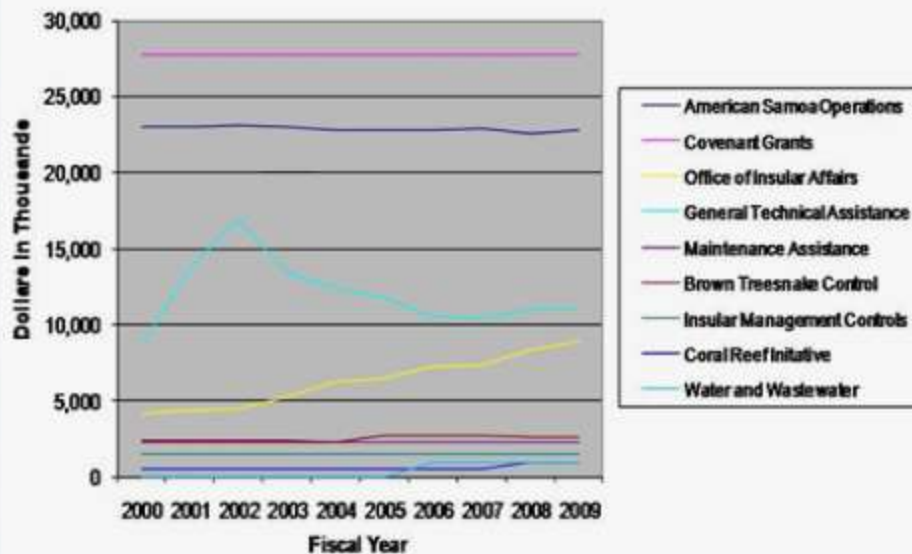
- Covenant CIP - \$27.7 million

Directed Appropriation - \$22.8 million

- American Samoa Operations - \$22.8 million

The Big Picture

2000-2009 Assistance to Territories



FY 2011 Budget at a Glance Office of Insular Affairs (Dollars in Thousands)					2011 Budget Request	
	2009 Actual	2010 Budgeted	Fiscal Year 2010 6-Month Change	Program Change	2011 Request	
Assistance to Territories						
American Samoa Operations	22,752	22,752	0	0	22,752	
Covenant Grants	27,720	27,720	0	0	27,720	
Office of Insular Affairs	8,880	8,880	-480	-280	8,880	
General Technical Assistance	11,218	18,302	0	-3,218	12,084	
Maintenance Assistance	2,241	2,241	0	0	2,241	
Disaster Response Control	2,000	2,000	0	0	2,000	
Insular Management Controls	1,482	0	0	0	0	
Coral Reef Initiative	1,000	1,000	0	0	1,000	
Water and Wastewater	1,000	1,000	-207	-800	793	
Quam Infrastructure	0	2,000	0	-2,000	0	
Empowering Insular Communities	0	0	0	-5,000	5,000	
Total Assistance to Territories	78,880	85,795	-187	-1,388	80,870	
Compact of Free Association - Current						
Federal Services	2,918	2,918	0	0	2,918	
Paleu Program Grant Assistance	2,000	2,000	0	-2,000	0	
Shoreline	800	800	0	0	800	
Paleu Compact Scholarship	0	12,000	0	-12,000	0	
Total Compact of Free Association - Current	5,718	17,718	0	-14,000	9,718	
Total Compact Discretionary/Mandatory	85,598	103,513	-187	-15,388	90,588	
Compact of Free Association - Other						
Marshall Islands Compact	87,008	88,170	0	-1,170	87,008	
Federated States of Micronesia Compact	122,541	124,034	0	-1,494	122,541	
Paleu Compact	11,147	0	0	-20,780	20,780	
Compact Impact	30,000	30,000	0	0	30,000	
Judicial Training	331	331	0	-48	343	
Disaster Assistance Emergency Fund	400	400	0	-48	407	
Total Compact (Other)	251,427	263,935	0	-22,776	238,159	
Quam Section 30 Income Taxes	38,000	38,000	0	0	38,000	
LI Run Erosion Taxes	126,892	126,892	0	-31,000	127,892	
Total Fiscal Payments (Other)	164,892	164,892	0	-31,000	143,892	
Grand Total - Office of Insular Affairs	409,378	414,135	-187	-22,888	387,720	

Assistance to Territories

2011 Budget Request

Activity/Subactivity	2009 Actual		2010 Budgeted		Fiscal Year 2010 6-Month Change		Program Change (%)		2011 Request		Inc. (+)/Dec. (-) From 2010	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
ASSISTANCE TO TERRITORIES												
(1) American Samoa Operations	2	22,752	2	22,752	0	0	0	0	2	22,752	0	0

- American Samoa Operations 2010 Usage

- Education - \$14.3 million
- LBJ Hospital - \$7.7 million
- High Court of American Samoa - \$855,000



LBJ Tropical Medical Center - American Samoa

Assistance to Territories

2011 Budget Request

Activity/Subactivity	2009 Actual		2010 Requested		Fixed Costs & Related Changes		Program Changes (+/-)		2011 Request		Inc. (+)/Dec. (-) from 2010	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
ASSISTANCE TO TERRITORIES												
(7) Covenant Grants - Mandatory												
Northern Mariana Islands Construction		11,330		10,995		0		-995		10,000		-995
American Samoa Construction		9,380		9,383		0		+1,117		10,500		+1,117
Guam Construction		4,840		5,360		0		-334		5,026		-334
Virgin Islands Construction		2,170		1,982		0		+212		2,194		+212
Sub-Total, Covenant Grants	0	27,720	0	27,720	0	0	0	0	0	27,720	0	0

- **Covenant CIP**

- General infrastructure construction including water, sewer, power, schools and hospitals
- Competitive Criteria



Fiber Optic Cable Landing in American Samoa

Assistance to Territories

2011 Budget Request

Activity/Subactivity	2009 Actual		2010 Requested		Fixed Costs & Related Changes		Program Changes (+/-)		2011 Request		Inc. (+)/Dec. (-) from 2010	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
ASSISTANCE TO TERRITORIES												
(5) Territorial Assistance												
Office of Insular Affairs	31	8,870	35	9,280	0	-50	0	-270	35	9,010	0	-270
General Technical Assistance	1	11,018	1	13,302	0	0	0	-3,218	1	12,084	0	-3,218
Maintenance Assistance Fund		2,341		2,341		0		0		2,341		0
Island Tree-to-Island Control		2,631		3,000		0		0		3,000		0
Island Management Controls		1,433		0		0		0		0		0
Coral Reef Initiative		1,000		1,000		0		0		1,000		0
Water and Wastewater Projects		1,000		1,900		-267		-900		793		-1,107
Guam Infrastructure		0		2,000		0		-2,000		0		-2,000
Empowering Insular Communities		0		0		0		+5,000		5,000		+5,000
Sub-Total, Territorial Assistance	32	28,195	39	34,723	0	-157	0	-1,368	39	33,108	0	-1,323

- **Office of Insular Affairs**

- Fixed Costs for 2011 - \$129,000
 - Absorbing \$33,000 for the change in non-foreign COLA/ Locality Pay Adjustment
 - DOI-wide operational reductions \$46,000
- \$250,000 program decrease

Assistance to Territories

2011 Budget Request

Activity/Subactivity	2009 Actual		2010 Estimated		Fixed Costs & Related Changes		Program Changes (+/-)		2011 Request		Inc. (+)/Dec. (-) From 2010	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
ASSISTANCE TO TERRITORIES												
(9) Territorial Assistance												
Office of Insular Affairs	31	8,850	38	9,280	0	+50	0	-250	38	9,080	0	-200
General Technical Assistance	2	11,018	1	15,302	0	0	0	-3,218	1	12,084	0	-3,218
Maintenance Assistance Fund		2,341		2,341		0		0		2,341		0
Islands Treasures Grants		3,631		3,000		0		0		3,000		0
Insular Management Controls		1,455		0		0		0		0		0
Coastal Reef Initiative		1,000		1,000		0		0		1,000		0
Water and Wastewater Projects		2,000		1,900		-207		-800		793		-1,107
Ocean Infrastructure		0		2,000		0		-2,000		0		-2,000
Empowering Insular Communities		0		0		0		+5,000		5,000		+5,000
Sub-Total, Territorial Assistance	32	28,195	39	34,723	0	-157	0	-1,368	39	33,108	0	-1,520

- General Technical Assistance
 - \$3.2 million program decrease
 - \$1.2 million decrease for 2010 American Samoa Tsunami earmark
 - \$2.0 million general program decrease
- Water and Wastewater Projects
 - \$900,000 decrease for 2010 U.S. Virgin Islands earmark
 - \$207,000 decrease for DOI-wide operational reductions

Assistance to Territories

2011 Budget Request

 Technical Assistance
 Grant Awards 2009 / Estimate for 2010 & 2011

Recipient	2009 Awards	2010 Estimate	2011 Estimate
Direct Grants to Insular Areas			
American Samoa	\$1,150,393	\$1,000,000	750
American Samoa Tsunami Recovery	80	\$1,200,000	80
CSM	\$1,604,129	\$1,000,000	750
Guam	\$1,380,868	\$1,000,000	750
U.S. Virgin Islands	\$801,252	\$1,000,000	750
Federated States of Micronesia	\$497,800	\$800,000	750
Republic of the Marshall Islands	\$396,764	\$800,000	750
Republic of Palau	\$548,883	\$800,000	750
Total Direct Grants	\$6,492,899*	\$7,600,000	\$6,700,000
*Includes insular management control grants			
Cooperating & Other TA Programs (Provides Benefits to Multiple Insular Areas)			
2009 Awards	2010 Estimate	2011 Estimate	
UTD&A Grad. School FTE VTH www.usdoj.gov	\$1,580,128	\$1,600,000	\$1,600,000
U.S. Bureau of Commerce, BEA (RVC/F-GA)	\$1,000,000	\$600,000	80
Cleaving Foundation	\$900,000	\$1,000,000	750
Asian Fisheries	\$258,300	\$268,300	\$268,300
Pacific Basin Development Center	\$189,383	\$199,128	750
4 and 8th Grade Cans Program (JMI)	\$994,000	\$995,235	\$995,235
Prior Service Benefit Program	\$877,000	\$1,000,000	\$1,000,000
Island Training	\$520,000	\$520,000	\$520,000
Economic Development	\$201,364	\$200,000	\$200,000
CDC	\$50,000	\$50,000	\$50,000
CSM/Confidentiality Office	\$54,134	\$250,000	\$250,000
CSM Immigration, Labor and Law Enforcement	\$300,000	750	750
University of Hawaii Pacific Business Center Pr.	\$131,364	750	750
Total Other	\$6,413,763	\$6,464,461	\$6,670,035
Total Technical Assistance	\$12,906,662	\$14,064,461	\$13,370,035
Grand Total, Technical Assistance	\$19,409,561	\$21,664,461	\$20,070,035

2009 Appropriation: \$71,418,000 (Additional grants made from carryover funds). Grants include insular management control grants.

Assistance to Territories

2011 Budget Request

Activity/Subactivity	2009 Actual		2010 Budget		Fixed Costs & Related Changes		Program Changes (+/-)		2011 Request		Inc. (+)/Dec. (-) from 2010	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
ASSISTANCE TO TERRITORIES												
(5) Territorial Assistance												
Office of Insular Affairs	31	\$,850	38	9,280	0	+50	0	-250	38	9,080	0	-200
General Technical Assistance	1	11,018	1	15,302	0	0	0	-5,218	1	12,084	0	-5,218
Maintenance Assistance Fund		2,241		2,241		0		0		2,241		0
Brown Treesnake Control		2,831		3,000		0		0		3,000		0
Insular Management Controls		1,453		0		0		0		0		0
Coral Reef Initiative		1,000		1,000		0		0		1,000		0
Water and Wastewater Projects		1,000		1,000		-207		-900		793		-1,187
Coast Infrastructure		0		2,000		0		-2,000		0		-2,000
Empowering Insular Communities		0		0		0		+5,000		5,000		+5,000
Sub-Total, Territorial Assistance	52	28,191	39	34,723	0	-157	0	-1,368	39	33,198	0	-1,525

- Budget authority unchanged from 2010 President's Budget

Assistance to Territories

2011 Budget Request

Activity/Subactivity	2009 Actual		2010 Budget		Fixed Costs & Related Changes		Program Changes (+/-)		2011 Request		Inc. (+)/Dec. (-) from 2010	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
ASSISTANCE TO TERRITORIES												
(5) Territorial Assistance												
Office of Insular Affairs	31	\$,850	38	9,280	0	+50	0	-250	38	9,080	0	-200
General Technical Assistance	1	11,018	1	15,302	0	0	0	-5,218	1	12,084	0	-5,218
Maintenance Assistance Fund		2,241		2,241		0		0		2,241		0
Brown Treesnake Control		2,831		3,000		0		0		3,000		0
Insular Management Controls		1,453		0		0		0		0		0
Coral Reef Initiative		1,000		1,000		0		0		1,000		0
Water and Wastewater Projects		1,000		1,000		-207		-900		793		-1,187
Coast Infrastructure		0		2,000		0		-2,000		0		-2,000
Empowering Insular Communities		0		0		0		+5,000		5,000		+5,000
Sub-Total, Territorial Assistance	52	28,191	39	34,723	0	-157	0	-1,368	39	33,198	0	-1,525

- The Empowering Insular Communities program is designed to:
 - Strengthen the foundations for economic development in the islands by addressing challenges preventing reliable delivery of critical services needed to attract investment
 - Pursue economic development initiatives that encourage private sector investment in the insular areas

Assistance to Territories

2011 Budget Request

- Empowering Insular Communities

- Criteria Based Allocations
 - *Does the proposal address a shortcoming in the delivery of a critical public service that could deter investment?*
 - *Does the proposal demonstrate that its implementation will result in increased private sector investment in the insular areas?*
- Theme for 2011 funding will be two critical public service delivery issues:
 - upgrading civilian infrastructure on Guam to enable the military relocation
 - the creation and implementation of comprehensive sustainable energy strategies.



Compacts of Free Association - Current

2011 Budget Request

Activity/Subactivity	2009 Actual FTE Amount	2010 Requested FTE Amount	Fixed Costs & Related Changes FTE Amount	Program Changes (if) FTE Amount	2011 Request FTE Amount	Inc. (v)Dec. (\$) from 2010
COMPACTS OF FREE ASSOCIATION - CURRENT						
(1) Federal Services	2,313	2,313	0	0	2,313	0
(2) Palau Program Grant Assistance	2,000	2,000	0	-2,000	0	-2,000
(3) Environmental	500	500	0	0	500	0
(4) Palau Compact Extension	0	12,000	0	-12,000	0	-12,000
TOTAL REQUIREMENTS	0	5,313	0	-14,000	0	-14,000

- Budget authority unchanged from 2010 President's Budget



Compacts of Free Association - Current

2011 Budget Request

Activity/Subactivity	2009 Actual		2010 Enacted		Fixed Costs & Related Changes		Program Changes (+/-)		2011 Request		Inc. (+)/Dec. (-) from 2010	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
COMPACTS OF FREE ASSOCIATION - CURRENT												
(1) Federal Services		2,818		2,818	0	0		0		2,818	0	
(2) Palau Program Grant Assistance		2,000		2,000	0	-2,000		0		0	-2,000	
(3) Elementary		500		500	0	0		0		500	0	
(4) Palau Compact Extension		0		12,000	0	-12,000		0		0	-12,000	
TOTAL REQUIREMENTS	0	5,318	0	17,318	0	0	0	-14,000	0	3,318	0	-14,000

- Palau Program Grant Assistance
 - Expires with the old Compact
- Palau Compact Extension
 - Scored as discretionary and at \$12.0 million even
 - Actual awarded \$11.2 million in accordance with P.L. 111-88



Compacts of Free Association - Permanent

2011 Budget Request

Activity/Subactivity	2009 Actual		2010 Enacted		Fixed Costs and Related Changes		Program Changes		2011 Request		Inc. (+)/Dec. (-) from 2010	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Assistance to the Marshall Islands:												
Senior Grants		57,181		56,148		0		72		56,220		72
Audit		500		500		0		0		500		0
Trust Fund		10,784		11,236		0		771		11,997		771
Emergency Readjustment		0		0		0		0		0		0
Emergency Loan Payment		17,110		16,839		0		900		17,739		900
Elemental		1,433		1,439		0		26		1,465		26
Subtotal, Marshall Islands Assistance	0	67,009	0	66,173	0	0	0	1,770	0	67,942	0	1,770
Assistance to the Federated States of Micronesia (FSM)												
Senior Grants		81,129		81,950		0		546		82,496		546
Trust Fund		25,912		21,554		0		1,298		22,852		1,298
Audit		500		500		0		0		500		0
Subtotal, FSM Assistance	0	107,541	0	104,004	0	0	0	1,844	0	105,848	0	1,844

- Summary of RMI and FSM assistance



Compacts of Free Association - Permanent

2011 Budget Request

Activity/Subactivity	2009 Actual		2008 Request		Fixed Costs and Related Changes		Program Changes		2011 Request		Inc. (+)/Dec. (-) from 2009	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Compact Impact		30,000		30,000		0		0		30,000		0
Refugee Training		331		337		0		6		343		6
Disaster Assistance Emergency Fund		456		458		0		9		467		9

- Other FSM & RMI Compact of Free Association items
 - Compact Impact Enumeration

U.S. Census Bureau 2008 FAS Populations and Compact Impact Funding

	FAS Population	Compact Impact
Hawaii	12,215	\$11,229,742
Guam	18,306	\$16,827,026
CHMI	2,100	\$1,930,443
American Samoa	15	\$13,789
Total	32,635	\$30,000,000

Compacts of Free Association - Palau

2011 Budget Request

Activity/Subactivity	2009 Actual		2008 Request		Fixed Costs and Related Changes		Program Changes		2011 Request		Inc. (+)/Dec. (-) from 2009	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Assistance to the Republic of Palau												
Section 211 (Government Operations)		6,781		0		0		0		0		0
Section 215 (Initiative Adjustment)		4,566		0		0		0		0		0
Palau Legislative Proposal		0		0		0		30,750		30,750		30,750
Subtotal, Assistance to the Republic of Palau	0	11,347	0	0	0	0	0	30,750	0	30,750	0	30,750

- 2010 Palau Compact Extension shown as current discretionary
- Palau Legislative Proposal totals \$250.0 million over 15 years



APPENDIX W - ACTION PLAN TEMPLATE

Action Planning from IGFOA December 2010

	Who	Begin	Complete by	Comments/Resources
GASB 54 Fund Balance				
Technical Steps				
Analyze Governmental Funds by Type				
Analyze Fund balance				
Prepare note disclosures				
Performance Measures				
Determine which areas to measure				
Who will collect				
How often is it collected				
Who receives the report				
What is the benchmark				
Determine format for reporting measures				
Process Improvement				
Leadership				
Perfometer				

APPENDIX X - CONFERENCE EVALUATION SUMMARY

(22 Evaluations Returned)

To ensure that conferences and meetings that the Graduate School conducts for the PITI and VITI programs are as responsive as possible, please take a few minutes to fill out this evaluation. Your input and comments will be very useful to us in planning future events.

On a scale of 1 - 5, with 5 being the highest score and 1 being the lowest score, please rate the IGFOA Meeting by circling the appropriate number.

1) The IGFOA conference sessions were relevant and timely.

Strongly Agree	Strongly Agree	Neutral	Disagree	Disagree
(77%)	(23%)	(0%)	(0%)	(0%)

Score: 4.8

2) The conference=s objectives were substantially met.

Strongly Agree	Strongly Agree	Neutral	Disagree	Disagree
(50%)	(50%)	(0%)	(0%)	(0%)

Score: 4.5

3) Logistics for bringing participants to and from Honolulu were handled satisfactorily.

Strongly Agree	Strongly Agree	Neutral	Disagree	Disagree
(57%)	(33%)	(10%)	(0%)	(0%)

Score: 4.5

4) The conference site (hotel) was comfortable and conducive to the meeting.

Strongly Agree	Strongly Agree	Neutral	Disagree	Disagree
(64%)	(32%)	(4%)	(0%)	(0%)

Score: 4.6

5) Support services by the Graduate School staff during the conference were handled well and in a timely manner.

Strongly Agree	Strongly Agree	Neutral	Disagree	Disagree
(64%)	(36%)	(0%)	(0%)	(0%)

Score: 4.6

6) Overall, this conference of the Island Government Finance Officers' Association (IGFOA) was:

Excellent	Very Good	Average	Fair	Disappointing
(64%)	(36%)	(0%)	(0%)	(0%)

Score: 4.6

7) What sessions of the IGFOA Conference were the most relevant and meaningful to you?

- GASB 54 and Leadership Session
- Sessions on Budget / Management that support and promote good work being discussed and implemented in IGFOA Members jurisdictions.
- Fund Balance GASB 54, Leadership Training, Process Improvement, Everything
- GASB 54, Pacific Leader
- GASB 54 and Leadership
- The Leadership Workshop by Glenn
- GASB 54
- GASB 54 and Performance Measures
- Performance Measures
- GASB 54

- I liked Glenn's presentation because it relates to my island. I also enjoyed all the presentations. They helped me understand GASB 54 and other related issues about accounting.
- All sessions were very relevant. Wished we had more time for GASB 54 to go through the entire process rather than just the beginning stages.
- GASB 54 presentation and Island Style presentation
- Performer and Leadership sessions
- Presentation by Frank Crawford about the GASB 54 and Glenn Furuya presentation
- GASB 54 and Performance Measures
- GASB 54
- Management Island Style
- GASB 54, Finance Performance Measures and Leadership Island Style
- GASB 54 and Leadership
- All

8) What are the two most important items that you learned during the week, and how will you apply each when you return home?

- Single Audit – inform the governor of where we stand with the audit and how important it is that we resolve the issues. Performance Measures – share with others, the measure we've implemented so they can be encouraged to implement in their department.
- GASB 54 - Frank's spreadsheet in starting the GASB 54. Performance Measures as a way to see how we're doing and how we can improve especially if tied to single audit improvement
- Performance and Reporting according to agreed process
- GASB 54 Implementations and Leadership Island Style
- My government share of FY 2012 Compact Funding which will help in my FY 2012 Budget Preparations. The idea of setting the to do list and what to expect in May 2011.
- GASB 54 , Leadership Practices
- Leadership Skill
- Leadership Skills – Determining difference of importance of being Linear or Circular
- Skill and Will = Employment Evaluation and GASB 54 = Staff Training
- GASB 54, the fact that it was the first time I heard
- GASB 54 requirements and Leadership Island Style
- That I am SPECIAL and I am wired to be a great Leader. Need to reevaluate our processes and improve on them. Understanding GASB 54.

- Island Style Leadership (same/same humility). GASB 54 needs to be implemented and how to implement
- The GASB 54. Will work on the classification with help from an auditor to better understand it for briefing with the legislature.
- GASB 54 requirements – start preliminary work with team. Performance Measures – establish and track
- Performance Measures - Improve efficiency in Customer Service
- GASB 54 and Leadership
- Is the ill in the skill of the will? hehe

9) What sessions or aspects during the week were the least relevant and meaningful to you?

- All sessions were meaningful and will be of assistance
- All were applicable
- Lessons learned by speaker Georgina Kawamura
- OIA Budget
- Leadership session
- GASB 54 (X2)
- None (X8)

10) Please list any measurable achievement your government has made as a result of being represented at IGFOA conferences.

- Being at IGFOA conferences allows us to be current with GASB rules and such. Seeing how other governments improve processes and what their best practices are motivates us to look at our processes and evaluate ourselves.
- Elimination of Question Cost. Cleaner Single Audit
- Being able to work with our legislature and making them understand their State Financial Statement for better decision making. This was possible as a result of discussions and presentations during IGFOA
- Improved office process
- Improved performances
- Progress with Audits of Performance Measures
- Improvement in the Single Audit
- Clean Audits and No Question Cost
- Performance Management

- GASB-informed
- Corrective measures in the single audit
- Learning through collaboration with others
- We are catching up with our audits
- Performances in our processes – like travel and payroll
- Performer Measures and Audits
- Awareness of issues and sharing of best practices
- Performance Measurement
- Performance
- Unknown

11) Please provide any other comments concerning the IGFOA Conference that will make future conferences and meetings more meaningful and enjoyable.

- Continue to do a great job
- Great Conference
- Answers to decrement must be addressed as serious problem
- For those who pay their own travel cost and accommodation here, is it possible to get the assistance of USDA Graduate School in the rates of Hotel
- Keep up the Goodwork!
- We would prefer to overnight in LA on the way to the conference rather than traveling the whole distance in one day
- GASB 54 training or consultation

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