



Island Government Finance
Officers' Association

Virtual Conference Report

March 23-24, 2021

VIRTUAL
IGFOA

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Executive Summary

The Island Government Finance Officers' Association (IGFOA) has met for the past 20 years to participate in professional development and networking activities and to advance an agenda for financial management improvement. IGFOA Meetings also provide a forum for participants to discuss common issues and strategies, and to develop a shared agenda for training, organizational development, and technical assistance.

The 2021 IGFOA winter conference concentrated on the release of the FY2019, Audit Improvement Update, and the presentation of the FY2019 Performer scores.

The agenda for the conference was developed following feedback from previous conferences, and current issues in government accounting. The goals of the March 2021 IGFOA conference were to:

- Share the status of each government's single audits, finance office operations during COVID-19, performance measures, and other initiatives completed since the July 2021 IGFOA summer virtual conference;
- Present and discuss updates to financial management information systems, action plan, finance office performance measures, managing FMIS procurement and installations;
- Exchange information on the latest Performer results.

The conference was held virtually on March 24, 2021 and March 25, 2021 (a day earlier in American Samoa, Hawaii and the U.S. Virgin Islands). A conference agenda has been included in this report as **Attachment 1**. A complete list of conference participants can be found as **Attachment 5**.

Welcoming Remarks

Edward M. Birn



**DEPARTMENT OF
ADMINISTRATION**
DIPATTAMENTON ATMENESTRASION
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March 24, 2021

Island Government Finance Officers' Association
Graduate School USA
900 Fort Street Mall, Suite 1540
Honolulu, Hawaii 96813

Hafa Adai! It is a privilege to be asked to welcome you to the March 2021 meeting of IGFOA.

We welcome returning members and new members alike.

All of us here have had to get use to this new method of meeting. Some think that it is impersonal. It is our job to make these connections in this new way so that we can all get the most out of these meetings.

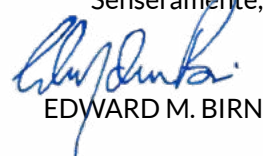
IGFOA is unique. There is no other forum where we share and hopefully resolve issues, which are specific to the islands. I know that we on Guam value these meetings as we can have access to resources, which otherwise would not be available to us. In this, we have to thank the U.S. Department of Interior for providing the funding, and we have to thank the Graduates School for all their work making it happen.

The need for robust financial systems carrying valid and up to date information is so important in these times during which we have been so often challenged. We need to report to our administrations, our legislatures and to our fund grantors how we have used the funds, that the use complies with all laws and regulations, and most importantly, that we ourselves, are comfortable that funds were well used. These requirements have stretched our systems and I am sure that all governments are feeling the pressure.

Our job is to match resources with needs. There are never enough resources and always more needs. We should use up to dates systems and current reporting practices, no matter how complex they seem to push us towards that goals. IGFOA and this meeting will help us to get these even if we cannot meet in person. Enjoy the next two (2) days in whatever time zone you are. Let us hope that we can get back to something near normal soon.

SI Yu'os Ma'ase!

Senseramente,


EDWARD M. BIRN

Nikolao Pula



United States Department of the Interior
OFFICE OF THE SECRETARY
Washington, DC 20240



Good morning and good evening everybody,

It is a great privilege to welcome you from our Washington D.C. office to the 2021 Winter IGFOA meeting. I have truly enjoyed the work that the Graduate School does for our islands, which includes jurisdictions within the U.S. territories as well as the Freely Associated States. It has been a privilege throughout the years that I've worked in the US Department of Interior to have these financial meetings, or IGFOA association meetings, with all the Island groups.

One of the themes of our work is accountability and, with the COVID pandemic going around last year and continuing into this year, the whole world has changed in many respects. I'm grateful that some of the islands do not have any COVID outbreaks and, for those islands that do, have remained diligent and accountable in doing their very best to take care of their population.

Your Graduate School Director, Jack Maykoski, has been a good friend and a great working partner. The same goes for all our contractors who have worked at the Graduate School for many years with the Office of Insular Affairs. I take my hat off and thank everyone for the great work that they do year-in and year-out.

I'm also glad that we have some new key members of IGFOA. For example:

- I welcome Chief Malemo Tausaga from Treasury of American Samoa.
- The same goes for my friend and colleague Alfred Alfred, Jr., Minister of Finance, Republic of the Marshall Islands. I just spoke to him not too long ago about our trust fund meetings.
- The Honorable Clarina Modeste-Elliott, Acting Commissioner of Finance of the U.S. Virgin Islands.
- Kaleb Udui, Minister of Finance, Republic of Palau – he's a great friend and I've known him for many years, and
- Christina Elnei, Director of Finance from Pohnpei State.

These are some of the new folks that I wanted to acknowledge. I also want to say thank you to Jason Aubuchon.

Most important, I want to say the relationships that we have with within all our jurisdictions, Office of Insular Affairs, and the Graduate School are very strong. The pandemic required us to move to virtual meetings and not the in-person meetings like we've traditionally done in the past. We are looking forward to this pandemic subsiding and that everybody will have an opportunity to receive the vaccine. When this occurs, we can hopefully and safely return to our in-person meetings.

So, I encourage you to continue working very hard for your governments. I'm glad to see your FY19 audits and look forward to hearing some of the issues and the challenges confronted by each Insular Government during the short time that we have together. Have a great two days and I'm planning to listen in because I want to hear some of the performances in the things that you have done for your governments.

Again welcome, thank you, very much and good luck in the next two days.

Nikolao Pula
Acting Assistant Secretary
Department of Interior, Office of Insular Affairs

Jack Maykoski



Jason, thank you very much, and I'd like to echo the remarks of Director Birn and Acting Assistant Secretary Nik Pula. Welcome to this version of the IGFOA conference. It's really an honor and a pleasure to be made a part of this. First of all, I'd like to say that I trust and I hope that all of you and your families are safe and healthy. I know there are many within this virtual room impacted or have loved ones that have been impacted by COVID. To that end, my thoughts and prayers go out to everybody as we go forward. Thankfully, I think we all see a bit of the light at the end of the tunnel. It is such a relief to know that vaccines are being distributed throughout the islands and people are getting their shots, and that's just fantastic news.

At the outset here, I would also like to thank Nik and the Office of Insular Affairs. It's their support for all of you, IGFOA, and to the Graduate School for the PITI-VITI program that allow for these things to happen and it's a very much an honor for us. Nik, thank you for talking about the strength of the relationships that we have, from the Graduate School to OIA to each of the governments, because we all have worked, and we continue to work very diligently and very hard to make those relationships not only strong but effective and get good results. So, thank you very much.

It's been an honor to provide technical assistance, training, and capacity building in supporting OIA's mission. I would like to thank everybody involved with IGFOA and making this event a success. We have been doing IGFOA for 20+ years. Congratulations for making this organization a dynamic one. We've had a change of membership, people have come and they have gone and we've had many people that have come back again. It's a fantastic organization that is really getting good results and really solving problems.

A little reflection, it's actually one year ago we at the Graduate School closed our office and went into telework. Who knew at that point-in-time that we would still teleworking a year later? I certainly never did. All the things we've done to engage with each other to do the work has been tremendous. The commitment all of you have shown is just quite remarkable.

The challenges are there. Challenges of keeping your citizens safe as well as challenges for those who were traveling abroad when the pandemic hit and had difficulty. Hardships were there and then more challenges occurred in bringing them home. Financial challenges that come from declining revenues, the impact that tourism I'm sure has had in terms of those revenues and keeping your government offices operating often in this new kind of remote world is not easy work to do.



On top of that, you've got your COVID vaccination clinics and programs that are reaching out to people in far-flung islands and in far-flung villages to ensure everyone receives the vaccine. As the pandemic has taken its toll, you have taken on this work to create financial relief and contingency plans. Most importantly, it is appreciated that you are carrying out your responsibilities in sustaining all the federal reporting that is incumbent on you to provide. This includes regular work of your finance offices, getting paychecks out, getting audits completed, and handling federal grants. Without these essential services, your governments wouldn't be able to operate very effectively. It's also incumbent to meet those administrative requirements to ensure compliance and that funding continues to flow into your communities and into the people in the communities.

As you rise to confront the shared challenges, organizations like IGFOA are well suited to make sure that we get the things done. Your leadership in providing all of this, your collective leadership is really outstanding. So, while this is not ideal to live and work in a virtual environment, it is one I think that we have been made to work. I'd like to congratulate Jason Aubuchon and our team in particular because they have done a tremendous job in keeping the PITI-VITI program relevant. They have continued to engage and support the work that all of you are doing, which enabling us to carry out the mission that Nik and his office so want us to do.

With that, I'd like to say on behalf of our team, thank you and welcome to this conference. I think it will be a very positive and productive one, and I look forward to peeking in and seeing what you all have been doing. Thank you, Jason, and everybody.

Sincerely,
Jack Maykoski
CEO and President, Graduate School USA

Island Government Presentations

Each insular government prepared presentations in advance of the IGFOA conference. Conference participants were provided a template and were asked to prepare presentations that reported on the following:

- FY19 Audit Results
- FY20 Audit Status
- General Operations during COVID-19
- Status of current Financial Management Information System, if applicable
- Status of Government Action Plans
- Finance Office Performance Measures

Presentations from each insular government are included as Attachments 2a-2i and are summarized below:

American Samoa



- FY19 Audit was completed in April 2020 and showed 1 Federal Qualification, 2 Financial Qualifications, zero Component Unit Qualifications, and 60% Repeat Findings.
- FY20 Audit Status is scheduled to be completed by April 30, 2021, with only two Government Activities and Grand Fund qualifications remaining to be cleared.
- Operations during COVID-19 required establishing a task force to review and approve purchase requests and creating a new "V" account system to differentiate Covid-funded grant accounts.
- Financial Management Information System, not applicable.
- Government Action Plans that involved meeting with department finance officers, sending templates to departments, and requesting reports at quarterly intervals
- Finance Office Performance Measures, not applicable

CNMI



- FY19 Audit is expected to be completed on April 30, 2021 and showed 7 Federal Qualification, 2 Financial Qualifications, 2 Component Unit Qualifications, and 19 Repeat Findings.
- FY20 Audit Status is scheduled to be opened pending the completions of the FY19. inclusion of GASB 68 has led to a significant increase in the CNMI's governmental activities deficit net position.
- Operations during COVID-19 was used to cover expenses such as the 5-day quarantine measures at separate quarantine sites, Contact Tracing, Personal Protective Equipment, and Vaccinations. Implemented measures for cost containment (e.g., hiring freeze, austerity measures, furlough of government employees) to reduce operations cost.
- The initial implementation of their Financial Management Information System, TYLER, has an anticipated completion date of January 1st, 2022 while the HR payroll system and other related systems has an expected completion date of October 1, 2022.
- Government Action Plans – The Department of Finance continues working with Information Technology Services as well as Procurement Services to resolve issues regarding Fixed Asset Management and audit findings. Procurement Services was also awarded a grant from the Office of Insular Affairs to address audit findings.
- Finance Office Performance Measures - Time to process vendor payments increased from 21 days to 27 days shift in work schedules (i.e., furloughs and four-day work week).

FSM



- FY19 Audit was completed in December 31, 2020 and showed zero Federal Qualification, zero Financial Qualifications, zero Component Unit Qualifications, and 1 Repeat Findings.
- FY20 Audit Status - Still closing FY2020 transactions, reconciling data to address the prior year audit finding, comply with the reporting requirements with respect to Airport Improvement Program.
- Operations during COVID-19 required establishing a Pandemic Unemployment Assistance Program, hired new staff and management.
- Financial Management Information System required revising bidding documents. Pending World Bank approval, contract extended with Fundware
- Government Action Plans focused on Technology & Cybersecurity – Currently being implemented by Digital FSM Project funded by the World Bank to ensure internet speed to help businesses and a shift toward eGovernment
- Finance Office Performance Measures - FSM NG encumbrances increased from \$3 million to \$14 million. Resolutions are expected to occur through collaboration with budget and manual liquidation/reconciliation.

FSM Chuuk State:



- FY19 Audit was completed in December 26, 2020 and showed 2 Federal Qualification, 1 Financial Qualifications, 1 Component Unit Qualifications, and 4 Repeat Findings.
- FY20 Audit Status – Auditors sent selection for compliance testing of Major Programs.
- Operations during COVID-19 required the national government to administer the CARES ACT funding and substantial reduction in departure fees.
- Financial Management Information System - a mid-term review was completed and no major implementation has taken place.
- Government Action Plans - travel advances need to be resolved from prior year and staff continues professional development by attending finance related training.
- Finance Office Performance Measures - encumbrances decreased from \$5.4 million to \$4.9 million. Additional cleanup is ongoing.

FSM Pohnpei:



- FY19 Audit was completed on December 26, 2020 and showed 2 Federal Qualification, 1 Financial Qualifications, zero Component Unit Qualifications, and zero Repeat Findings.
- FY20 Audit Status – Currently in progress and plan is to resolve all Qualifications and Findings from prior years by September 30, 2021.
- Operations during COVID-19 necessitated the implementation of Max-Pay Law to streamline expenditures on differential pay and overtime pay. We continued paying teachers and utilized them in raising Public Awareness in the Municipalities and delivered food to quarantine sites.
- Financial Management Information System implementation is challenging. Airport shutdown and timeline to bring in consultants unknown. Working every two weeks with the technical working committee to update our Financial Management Regulations Manual.
- Government Action Plans for Audit Resolution (aim to clear all prior year questioned costs) and Bank Reconciliation (major accounts and certificates of deposit booked and reported to Director by 15th of each month)
- Finance Office Performance Measures - All FY20 encumbrances were cleared, with the exception of the \$10,840 granted extension for Public Safety for their Fire & Rescue Training.

Guam:



- FY19 Audit was completed on August 27, 2020 and showed 3 Federal Qualification, zero Financial Qualifications, zero Component Unit Qualifications, and 3 Repeat Findings.
- FY20 Audit Status – Currently in progress with audit fieldwork 60 percent complete as of March 19, 2021 and the target completion date of April 30, 2021.
- Operations during COVID-19 were managed by the Budget office and necessitated only essential staff reporting to work and implementation of spending controls (i.e., revenue collections reviewed daily and tighter controls on cash disbursements)
- Financial Management Information System - request for information was issued with 2 responses received and a preferred provider identify.
- Government Action Plans on hold for status updates and timeline of new FMS which is expected to be completed in Summer 2021.
- Finance Office Performance Measures – Bank Reconciliation, check payment issues (i.e., check stock, print operations, payment information, fraud) and improvements (i.e., push to increase direct deposit payment, pressure seal checks, POSITIVE PAY)

Republic of Marshall Islands



- FY19 Audit was completed on December 31, 2020 and showed 2 Federal Qualification, zero Financial Qualifications, zero Component Unit Qualifications, and 5 Repeat Findings.
- FY20 Audit Status – Currently in progress; auditors are currently conducting fieldwork. Some auditors were not able to come to RMI before the closure and there has been a change in leadership.
- Operations during COVID-19 endorsed by cabinet and implemented by the Office of Chief Secretary. In addition, the Natural Disaster Committee (NDC) has been fully operational since beginning of the COVID pandemic. Essential workers were identified for each department and required to report to work.
- Financial Management Information System – To date the project has competed needs assessment and a steering committee has been established. The project has followed a deliberate methodology (e.g. full time team with experience, project manager and FMIS specialist) that has proven to work in similar projects
- Government Action Plans encumbrance clean up is on-going and payroll deduction are on a 30-day liquidation period.
- Finance Office Performance Measures – Twenty percent reduction in overdue travel advances.

Republic of Palau



- FY19 Audit was completed on February 15, 2021 and showed 2 Federal Qualification, zero Financial Qualifications, zero Component Unit Qualifications, and 3 Repeat Findings.
- FY20 Audit Status – Currently in progress a request for documents was received on February 20, 2021 and they are compiling all schedules to be submitted by March 15, 2021.
- Operations during COVID-19 - \$31.5 million was provided in US Federal Assistance to support emergency health response and economic relief measures. The Ministry of Finance also worked with the Ministry of Health and other partner agencies to streamline and prioritize procurement processing for all pandemic-related expenditure requests.
- Financial Management Information System - went live with the Finance modules on April 1, 2020 and the HR & Payroll Modules on July 1, 2020. The next step is to roll it out to our other Ministries and Agencies.
- Government Action Plans - Connect all Ministries and Agencies to the new FMIS and train staff to view reports and reconcile their accounts.
- Finance Office Performance Measures – encumbrances decreased from \$18,093,836. to \$7,523,573. Additional cleanup is ongoing.

U.S. Virgin Islands:

USVI

- FY19 Audit will be issued no later than May 2021.
- FY20 Audit Status – has not started with a projected date to begin in September 2021.
- Operations during COVID-19 – All COVID-19 funding are managed through the Office of Management and Budget Office. Competing priorities, especially while working remotely, managing, and providing services related to COVID-19 affecting the timelines responses to audit request. Additionally, a separate fund and unique project code has been created to track all COVID-19 related funds.
- Financial Management Information System – no new system implementation but continued maintenance and training on the currently-implemented Tyler system.
- Government Action Plans - To date all encumbrances have been cancelled prior to 2020 with a total of \$11 million cancelled in 2019. Additionally, purchase orders must be fully liquidated within ninety (90) days after the date of issue or conversion and one-hundred (180) days for purchaser orders tied to a contract.

Audit Improvement Program

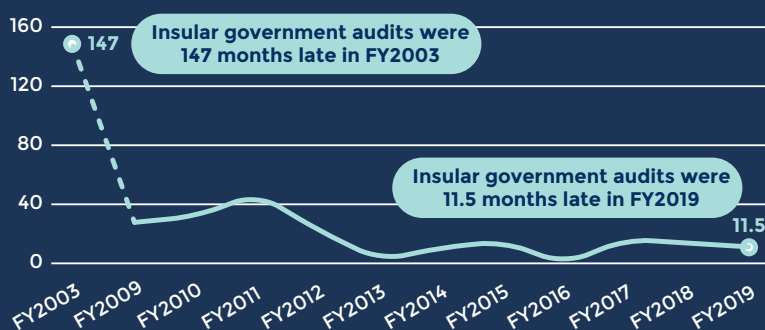
FY2019 Audit Analysis

Ms. Deborah Milks, CPA, delivered an FY19 Audit Improvement Update to IGFOA participants. Ms. Milks noted that the intent of the audit improvement program was to focus on the timeliness and results of the insular government audits. At the start of the Audit Improvement Program in FY2003, the governments were collectively 147 months late with their audits. There were 139 audit report qualifications and hundreds of audit findings. None of the governments had “clean” audit opinions. In FY2019, there were a total of 43 modifications, 5 governments have had no financial statement modifications for ten years, - a wonderful achievement.

AUDIT RESULTS: TIMELINESS

Number of Months Late FY2003–FY2019

IGFOA has achieved many successes through the years, but perhaps the most striking is the insular governments' dramatic improvement in audit timeliness. In FY2003, the ten insular governments were collectively 147 months late issuing their single audits. In FY2019 the insular governments were collectively 11 months late (as of this printing, the VI and the CNMI have not issued FY19. The issue dates are assumed to be as those governments have reported). It should be noted that the OMB automatically extended the deadline for audit submission by 6 months to December 2020 for audits due in 2020.



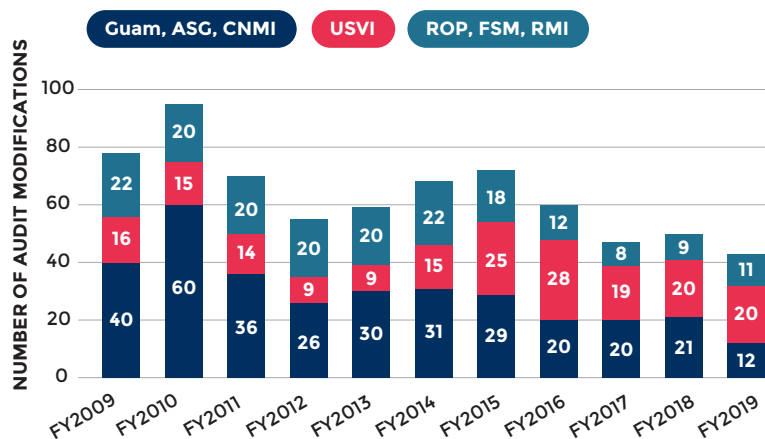
AUDIT RESULTS: QUALITY

Total Financial Statement and Federal Program Modifications FY2009–FY2019

Total Financial Statement and Federal Program Modifications FY2009–2019

The audit improvement project began with 139 audit modifications (at that time called ‘qualifications’) across all of the insular governments in FY2003. In FY2019 there were a total of 43 modifications (extrapolating from FY18 for the US Virgin Islands). The USVI is separated not only due to the date of the audit, but also the size of the government revenues and resulting major programs and findings.

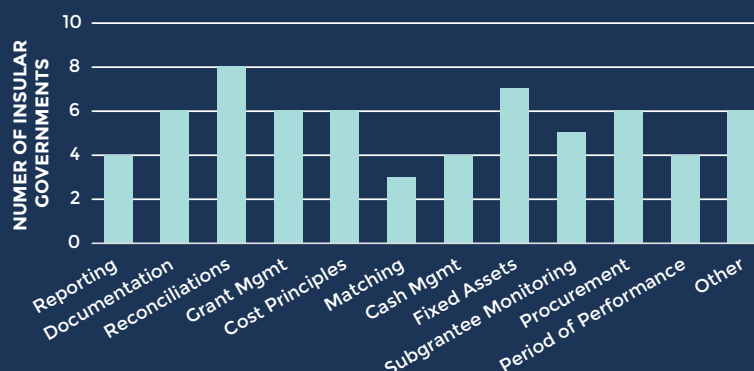
Five governments have had zero financial statement modifications for the past 10 years. Guam, ASG and the CNMI have significantly reduced the number of modifications in federal programs in the last 5 years.



TYPE OF AUDIT ISSUE AS PERCENT OF TOTAL FINDINGS

Insular Governments (excluding the USVI) FY2017

An analysis of the types of audit findings occurring across the insular areas reveals that basic financial statement reconciliations and procurement violations continue to be significant issues. One government was able to clear their multiyear finding on fixed assets. Several other governments have received OIA grants to upgrade their fixed asset systems.



The majority of audit finding concerns are due to the following:

- Reconciliation – The general ledger is not reconciled to subsidiary ledgers or source documents on a monthly basis, nor is it closed or summarized in such a manner to accurately portray the accounts and activity on a monthly basis.
- Other - Findings in the 'other' category relate to the government's inability to fund pension liabilities and operations, and issues relating to IT security problems. More specifically, the sudden requirement to work off-site has heightened the need to focus on cybersecurity issues. External auditors have noted technological vulnerabilities which could lead to cyberattacks.
- Grants Management – In FY2019 the dollars of questioned costs were relatively low in for most of the governments however, the larger questioned cost amounts were related to subgrantee monitoring and procurement.

The presentation on Insular Government FY2019 audit improvement update has been included as **Attachment 3** of these proceedings.

Insular Government FY 2019 Performeters

The Performeter provides an independent assessment of each insular government's financial health and success, based on audited financial statements. Originally developed in 2001 to serve state and local governments within the United States, the scope and methodology of the Performeter has been adapted to provide relevant analysis for the Pacific and Virgin Islands governments. The Performeter is a unique tool customized for the insular governments:

- The Performeter now provides over fifteen years of data for each government to analyze financial trends—both positive and negative;
- Insular government finance officers regularly utilize the Performeter to explain their government's overall financial health to non-financial stakeholders, especially members of legislative and executive branches;
- Since the Performeter utilizes common metrics, Performeter scores are broadly comparable across each of the insular governments;
- Each Performeter contains an AFTER Analysis (Audit Findings, Timeliness and Exception Resolution), which details the timeliness and accuracy of financial statements by tracking the number and type of single audit qualifications, and the timeliness of audit publication, for each government.

The Performeter is utilized across all the insular governments to improve public awareness of each government's fiscal health. At the outset of the Performeter project, insular governments demonstrated high levels of unreliability, as audits were issued late with numerous qualifications (modifications). Currently, Performeters are much more relevant, reflecting timely and accurate audits. In addition, today's Performeters are used strategically by both finance officers and elected officials to ensure better-informed governance.

In 2020, Performeters were developed for all eleven insular areas based on information in each government's audited financial statements for Fiscal Year 2019, and on the U.S. Virgin Islands' audited Fiscal Year 2018 financial statement. A Performeter was not developed for the U.S. Virgin Islands for Fiscal Year 2019, as their audit for this year has not yet been released. Although typically published in December 2020, Performeters were not released until late March 2021 because of COVID-related extensions to audit publication timelines in the insular areas.

2020 Performeter results were shared with the insular government heads of finance at the IGFOA Winter Conference in March 2021. Highlights from the factors and circumstances surrounding the 2020 Performeter reports, based on audited data from Fiscal Year 2019, include the following:

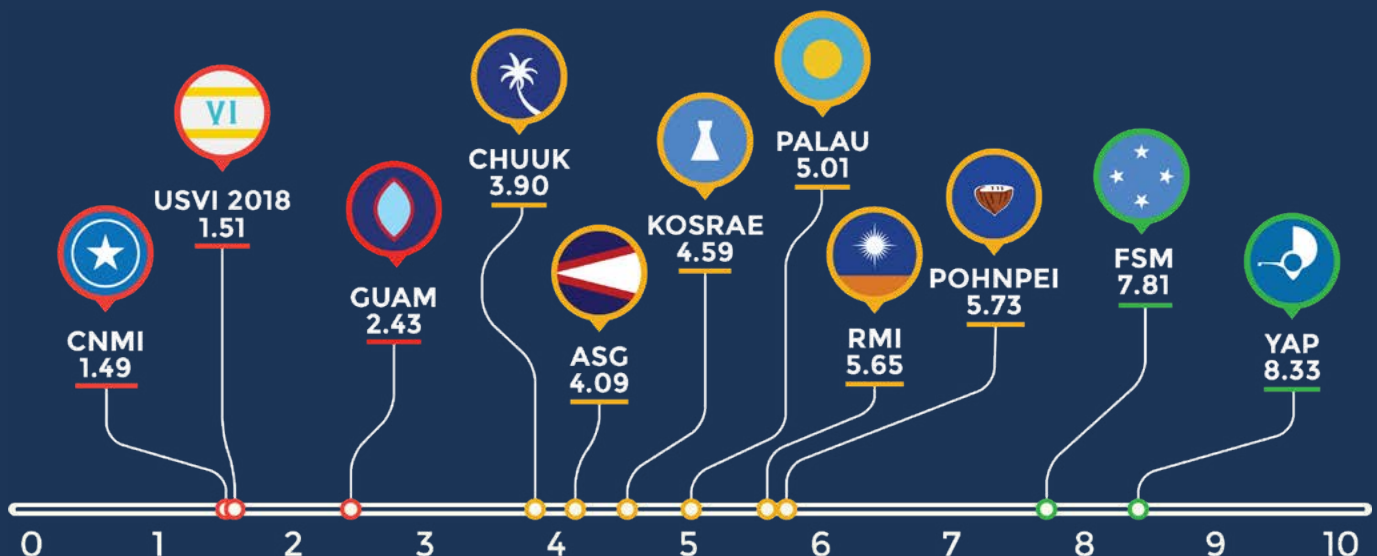
- FY2019 single audit filing deadlines were extended 6 additional months beyond their normal 9-month publication period, allowing 15 total months from the end of the fiscal year. Most of the insular governments took advantage of this extension.
- For 5 of the 10 insular governments, the fiscal year ending September 30, 2019 produced improved results. In addition, the VI's 2018 financial statements showed a 15% improvement from their FY2017 score.
- For all governments except the FSM and its four states and the RMI, the impact of GASB 68's pension requirements in 2015 remains a significant factor, with many of the governments' pension systems severely underfunded.
- For the FSM National Government, the RMI, and Palau, the Social Security programs offered by the government remain at some of their lowest funding levels in the model's history.
- Variance for all Performeter scores from last year was within 20%, except for the CNMI.
- 5 governments received unmodified opinions, (formerly known as unqualified or clean opinions) on their

financial statements, with 3 additional governments only having 1 qualification each.

- Only two governments, FSM National and Kosrae State, received unmodified (clean) opinions on both their Financial Statement audit and the audit of compliance with federal program monies (Single audit)
- 2 governments posted \$0 of new questioned costs this year, 7 governments had less than \$1 million in new questioned costs, and 2 governments had new questioned costs that exceeded \$1 million this year.
- The CNMI was able to resolve a long-standing dispute with their auditors about pension accounting with the adoption of GASB 68 and 71 pension-related accounting standards, which removed a significant qualification in the CNMI's audit report. Unfortunately, this adoption resulted in the recognition of a significant previously unreported liability, which caused their overall Performer score to tumble 61.1% from a score of 3.83 in FY2018 to a score of 1.49 in FY2019.
- The RMI continues to remain the model of consistency, deviating no more than 1.5 points over the last 10 years, settling in with a 5.65 for FY2019, a decline of 7.4% from their score of a 6.10 in FY 2018, which was their 3rd highest score in the history of the model.
- Guam takes the prize for the highest percentage increase in the overall score, with a 12.5% improvement during FY 2019.
- Kosrae comes in second this year for posting a 9.3% improvement in their score from FY 2018. For the fourth consecutive year, Kosrae posted all 0s in their AFTER analysis, with clean financial statement opinions, clean single audit opinions, no financial.

The presentation on Insular Government FY2019 Performer scores has been included as **Attachment 4** of these proceedings.

2020 PERFORMER SCORES BY INSULAR GOVERNMENT



Planning for IGFOA 2021

IGFOA participants will reconvene to attend the virtual conference of the Government Finance Officers Association (GFOA), along with finance officers representing various federal, state, and local governments of the United States and Canada, from July 12, 2021 to July 23, 2021. The IGFOA is scheduled to meet virtually in July—both before and after the GFOA conference—to discuss session content and follow-up activities in the insular governments.

Conference Evaluations

At the end of the IGFOA Winter conference, each participant completed a conference evaluation. Participants agreed that the IGFOA sessions were timely and relevant (4.8 out of 5.0). The complete conference evaluation, along with the specific participant comments, has been included as **Attachment 5** of these proceedings.

An underwater photograph featuring a sea turtle swimming towards the left in the upper right quadrant. The turtle's head and front flipper are visible. Below the turtle, a large, dark, textured coral reef structure dominates the lower half of the frame. Sunlight filters through the water from the top, creating a bright, hazy background with visible light rays.

Conference Attachments

01

01

Virtual IGFOA Agenda

Day 1

Tuesday, March 23, 2021 & Wednesday, March 24, 2021


 Add to Calendar



Join **Zoom** meeting


| | | | |
|---|---------------------|---------------------------|------------|
|  | Palau | Wednesday, March 24, 2021 | 8:00 a.m. |
|  | Guam/CNMI/Chuuk/Yap | Wednesday, March 24, 2021 | 9:00 a.m. |
|  | Pohnpei/Kosrae | Wednesday, March 24, 2021 | 10:00 a.m. |
|  | RMI | Wednesday, March 24, 2021 | 11:00 a.m. |
|  | American Samoa | Tuesday, March 23, 2021 | 12:00 p.m. |
|  | Hawaii | Tuesday, March 23, 2021 | 1:00 p.m. |
|  | Kansas/Oklahoma | Tuesday, March 23, 2021 | 6:00 p.m. |
|  | U.S. Virgin Islands | Tuesday, March 23, 2021 | 7:00 p.m. |
|  | Washington DC | Tuesday, March 23, 2021 | 7:00 p.m. |

Introductions and Welcoming Remarks

 [15 minutes]


- ▶ Hon. Edward Birn, *Director of Administration, Guam*
- ▶ Mr. Nikolao Pula, *Acting Assistant Secretary, Department of the Interior, Office of Insular Affairs*
- ▶ Mr. Jack Maykoski, *President and CEO, Graduate School USA*

Welcome New Members












 [5 minutes]

- ▶ Hon. Alfred Alfred, Jr. *Minister of Finance, Republic of the Marshall Islands*
- ▶ Hon. Christina Elnei, *Director of Finance, Pohnpei State*
- ▶ Hon. Clarina Modeste-Elliott, *Acting Commissioner of Finance, U.S. Virgin Islands*
- ▶ Hon. Kaleb Udui, *Minister of Finance, Republic of Palau*
- ▶ Hon. Malemo Tausaga, *Treasurer, American Samoa*

Insular Government Presentations

 [2 hours]

Our last virtual IGFOA meeting was 260 days ago, on July 7, 2020. The insular government presentations are designed to share updates on (a) FY18 and FY19 audits; (b) finance operations during COVID-19; (c) updates to financial management information systems; (d) action plans; and (e) finance office performance measures.

| | | | | | |
|---|----------------|---|------------------|---|---------------------|
|  | American Samoa |  | Guam |  | Pohnpei |
|  | Chuuk |  | Kosrae |  | U.S. Virgin Islands |
|  | CNMI |  | Marshall Islands |  | Yap |
|  | FSM National |  | Palau | | |



Add to Calendar:

<https://evt.to/omomidmw>

Zoom

Zoom link:

<https://pitiviti.org/igfoa-zoom>

Zoom Meeting ID:

960 4303 9716

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IGFOA










Day 2

Wednesday, March 24, 2021 & Thursday, March 25, 2021


 Add to Calendar




[Join ZOOM meeting](#)

| | | | |
|---|---------------------|---------------------------|------------|
|  | Palau | Thursday, March 25, 2021 | 8:00 a.m. |
|  | Guam/CNMI/Chuuk/Yap | Thursday, March 25, 2021 | 9:00 a.m. |
|  | Pohnpei/Kosrae | Thursday, March 25, 2021 | 10:00 a.m. |
|  | RMI | Thursday, March 25, 2021 | 11:00 a.m. |
|  | American Samoa | Wednesday, March 24, 2021 | 12:00 p.m. |
|  | Hawaii | Wednesday, March 24, 2021 | 1:00 p.m. |
|  | Kansas/Oklahoma | Wednesday, March 24, 2021 | 6:00 p.m. |
|  | U.S. Virgin Islands | Wednesday, March 24, 2021 | 7:00 p.m. |
|  | Washington DC | Wednesday, March 24, 2021 | 7:00 p.m. |


Insular Government FY2019 Audit Improvement Update

 [30 minutes]

 Ms. Deborah Milks, CPA

This session will provide an overview of insular government audit trends for FY2019, including historical trends in audit timeliness, number and types of audit qualifications, amount of questioned costs, and general observations. Time for open discussion will be included.


Insular Government FY19 Performeters

 [60 minutes]

 Mr. Frank Crawford, CPA

The FY19 Performer scores have been calculated for most insular governments. This session will review overall scores alongside progress on the Audit Findings, Timeliness of Audit Submission and Exception Resolution (A.F.T.E.R.) analysis.

Planning for Virtual GFOA 2021

 [20 minutes]

 Mr. Jason Aubuchon

 Ms. Deborah Milks, CPA

The summer meeting of the Government Finance Officers Association (GFOA) has been scheduled for July 12-23, 2021, with additional information at <https://www.gfoa.org/conference>. PITI-VITI will be sponsoring IGFOA participants to join the virtual GFOA session. Timing and logistical details will be discussed.



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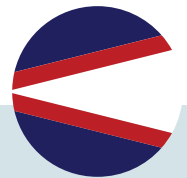
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02a

*American Samoa
Government Presentation*

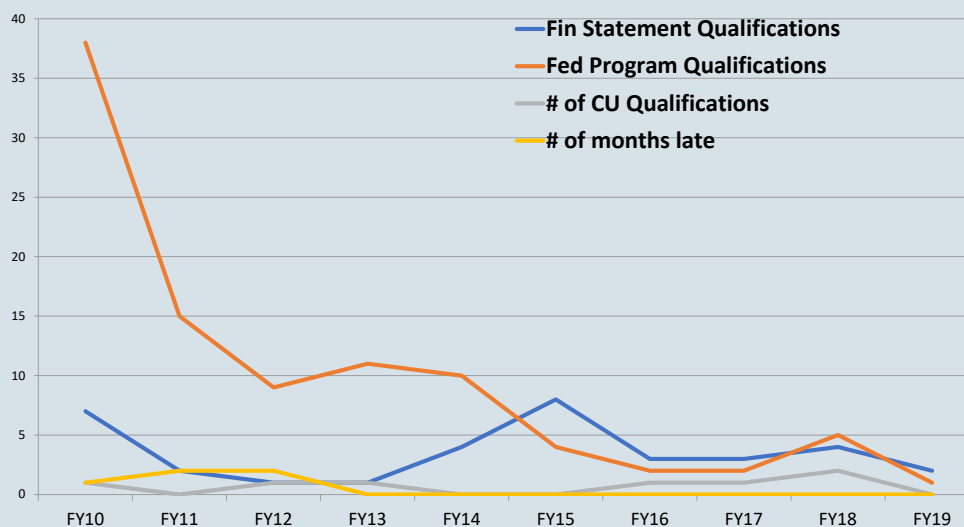




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ASG – FY2019 AUDIT RESULTS



HIGHLIGHTS FY 2019

| | |
|----------------------------|------------|
| Date Completed | April 2020 |
| # Federal Qualifications | 1 |
| # Financial Qualifications | 2 |
| # Component Unit Quals | 0 |
| # Repeat Findings | 60% |

2

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021



ASG – FY2020 AUDIT STATUS



Describe the current status of your FY20 audit.

Wrapping up field work this week. Aiming to have financial statements completed by April 30, 2021.

Describe any expected changes in your qualifications and findings from prior years.

Keeping fingers crossed for a clean FY2020 single audit. Only two qualifications (governmental activities & grant fund) left to clear!

What unusual challenges do you have for the FY20 audit?

VIRTUAL AUDITS ARE THE DEVIL!

3

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Wednesday, March 24, 2021 & Thursday March 25, 2021



ASG General Operations during COVID-19

- Outside of Treasury – Task Force created to review and approve all Covid purchase requests prior to routing through OneSolution. Each request had to have authorization form attached.
- Within Treasury – all Covid grants were created with a V account # to differentiate between regular grant accounts.
- Same purchasing process as regular grants and local accounts.

4

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Wednesday, March 24, 2021 & Thursday March 25, 2021



ASG Action Plan follow up

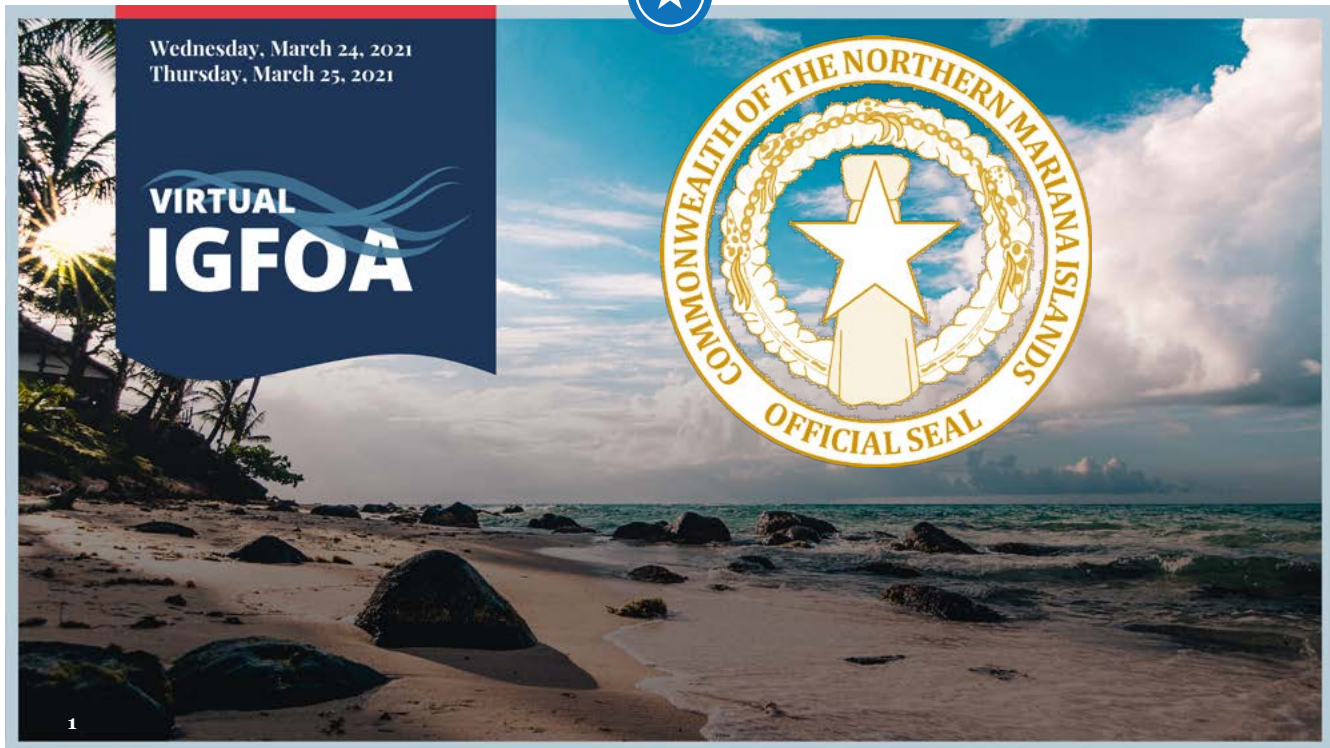
- Island Style Leadership
 - Identify concepts to tweak & share w/staff, schedule meeting date, prepare lesson plan, training, evaluation
- Encumbrance Clean-up
 - Write-out process to clear past ENC, staff meeting, perform monthly checks
- GASB 87
 - AP to pull all lease agreements, make copies, read leases and apply Frank's worksheets
- Fixed Assets
 - Project templates created, meet with department finance officers, send template to departments, request reports on quarterly basis – Template created and sent out to some departments for audit purposes.



o2b

***Commonwealth of the
Northern Mariana Islands***





VIRTUAL
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CNMI - FY2019 Audit Status (Open Audits)

- Status: On-going.
- Expected Completion Date: April 30, 2021
- Major Obstacles:
 - 1 Finding added in March 2021 Draft
 - Being reviewed by Agency

2

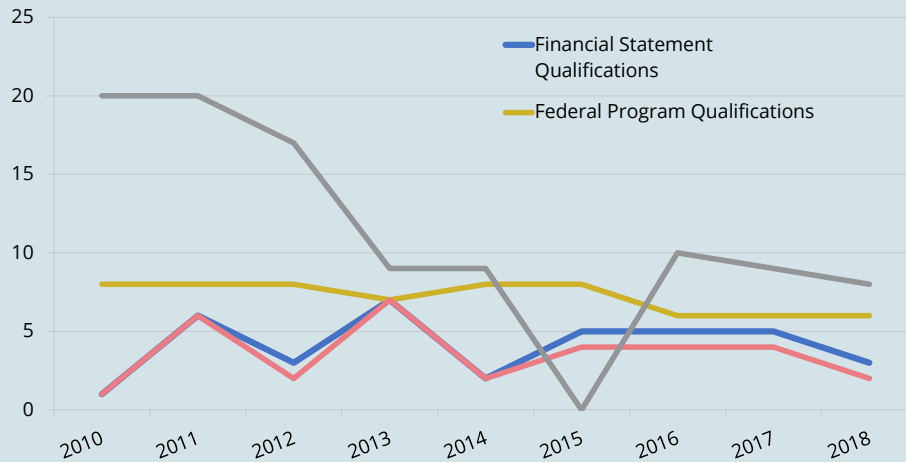
Virtual IGFOA

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CNMI - FY2019 AUDIT RESULTS



HIGHLIGHTS FY 2019

| | |
|----------------------------|---------|
| Date Completed | Pending |
| # Federal Qualifications | 7 |
| # Financial Qualifications | 2 |
| # Component Unit Quals | 2 |
| # Repeat Findings | 19 |

3

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VIRTUAL
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CNMI - FY2020 AUDIT STATUS



Describe the current status of your FY20 audit.

Pending Completion of FY 19 Audit before opening the audit for FY20

Describe any expected changes in your qualifications and findings from prior years.

With the adoption of GASB 68 for Fiscal Year 2019, this requires the CNMI to include net pension liability. As such, the inclusion of GASB 68 has led to a significant increase in the CNMI's governmental activities deficit net position

What unusual challenges do you have for the FY20 audit?

Due to the response effort of COVID19 by the CNMI government, the audit process has been delayed as well as limited in regards to majority of communications being handled via email. The timeline for the submission of FY 20 audit has not been changed so this leaves the CNMI with a short window to complete all audit requirements unless a request for extension is made.

4

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Wednesday, March 24, 2021 & Thursday March 25, 2021



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CNMI General Operations during COVID-19

- COVID response funding was used to cover expenses such as the 5-day quarantine measures at separate quarantine sites, Contact Tracing, Personal Protective Equipment, and Vaccinations.
- COVID 19 played a key role in the decline of tax revenues, such as in the case of businesses experiencing economic hardships due to the decrease in tourism numbers. Tourism is the main artery for the CNMI's revenue stream and has a significant Commonwealth-wide effect.
- Implemented measures for cost containment are still in effect including a hiring freeze, austerity measures, furlough of government employees, restricted travel authorization, and utility and fuel conservation within the Central Government to reduce operations cost.

5

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CNMI - FMIS STATUS



What is the status of your project?
What has been completed? What is the timeline for next steps?

The CNMI is in the process of incorporating the TYLER system which will be replacing the current system (JDE). The initial data formatting for the transfer of transactions is nearing completion and the Chart of Accounts has been established. Anticipated completion date for the Financial system is January 1st, 2022 while the HR payroll system and other related systems has an expected completion date of October 1st 2022, and the Intergovernmental system is set to be completed in February of 2023.

How have you set up the governance of your project?
Consultants, steering committee, subject matter experts, etc. Who is most actively working as project management?

The CNMI has hired a project manager to ensure a smooth transition between the operating systems as well as the current implementation phase. Consultation and training are being conducted simultaneously to produce the most efficient process in assisting the transition data from JDE to TYLER as well as ensure a trained staff once implementation of the new FMIS is completed.

At this stage are there any changes you would have made in your preparations? How are you maintaining regular operations as well as a major implementation?

With the current capacity, we are functioning as well as can be expected. Utilizing subject matter experts to undergo the implementation phases as well as having the primary bulk of the staff in-office to maintain regular operations.

6

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CNMI Action Plan follow up

- FMIS - as discussed in the previous slide, the CNMI has procured the TYLER system to replace the JD Edwards system. The software allows for a modernized, user-friendly format with various applications across the CNMI. This Financial management system is highly anticipated to assist the CNMI in improving its current process as well as increase and strengthen staff efficiency, productivity reporting capability, and strategic analysis.
- The CNMI DOF continues to work with the Information Technology Services division as well as the Procurement Services division to resolve issues regarding Fixed Asset Management and audit findings. Procurement Services was awarded a grant from the Office of Insular Affairs for Fixed Asset Property Management and Reconciliation to address all existing audit findings.
- Budgeting Focus: Protecting the community from COVID19 via Health and Public Safety services have remained at the top of the Governor's priority list. Utility, Port Security & Infrastructure, and Housing services have also been identified as priority functional areas.

7

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CNMI One Performance Measure



Following the aftermath of Super Typhoon Yutu, the length to process payments averaged 36 days.

Through CNMI and Federal Partners collaborative effort, DOF witnessed a decline to process payments averaged 21 days, Pre-Covid.

As revenues decreased due to the COVID-19, the CNMI had to implement necessary furloughs. The fiscal year 2021 budget mandated a four-day work week starting October 1st 2020. This led to the increased jump to process payments averaged 27 days.

8

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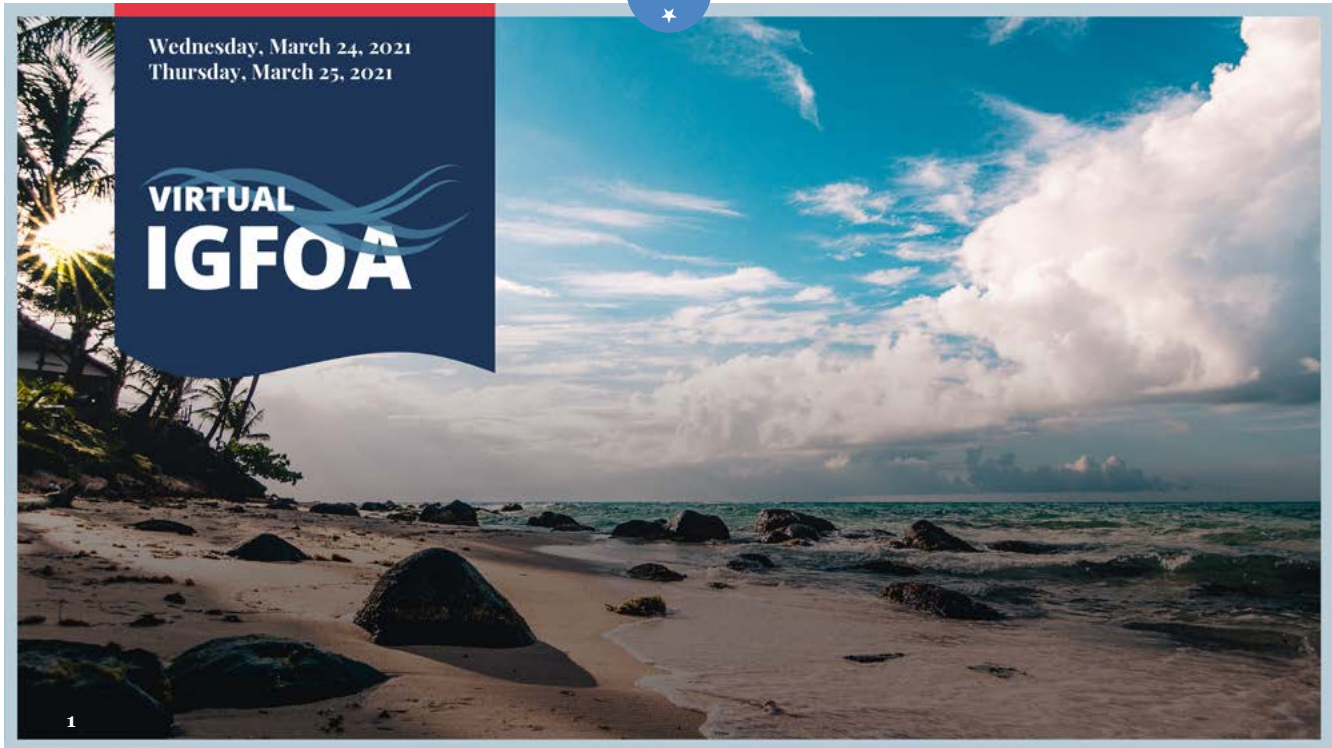
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O2C

*Federated State of
Micronesia National*

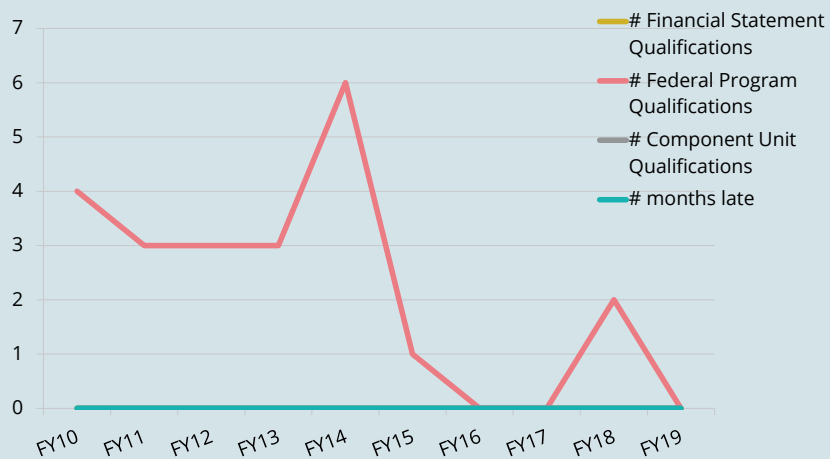




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FSM Nat'l GOVT - FY2019 AUDIT RESULTS



HIGHLIGHTS FY 2019

| | |
|----------------------------|----------|
| Date Completed | 12/31/20 |
| # Federal Qualifications | 0 |
| # Financial Qualifications | 0 |
| # Component Unit Quals | 0 |
| # Repeat Findings | 1 |

2

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021



FSM Nat'l GOVT - FY2020 AUDIT STATUS



Describe the current status of your FY20 audit.

We are still closing FY2020 transactions.

Describe any expected changes in your qualifications and findings from prior years.

None. However, we are reconciling our data to address the prior year audit finding and to comply with the reporting requirements with respect to CFDA #20.106 (Airport Improvement Program).

What unusual challenges do you have for the FY20 audit?

None as revenues declines are expected results due to COVID-19.

3

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FSM Nat'l GOVT - General Operations during COVID-19

- PUA
 - Established a new office
 - Hired new staff & management
- Local Tax Revenue – Decreased (5% Decline)
- Spending Control – Based on priority & urgency
- Changes:
 - Staff Rotation
 - Social Distancing

4

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FSM Nat'l GOVT - FMIS STATUS



What is the status of your project?
What has been completed? What is
the timeline for next steps?

Revising bidding documents – pending Worldbank approval

How have you set up the
governance of your project?
Consultants, steering committee,
subject matter experts, etc. Who is
most actively working as project
management?

***Steering Committee, InterGovernmental Working Group,
Technical Working Group***

At this stage are there any changes
you would have made in your
preparations? How are you
maintaining regular operations as
well as a major implementation?

***Without COVID 19, FSM would have implemented a new FMIS,
therefore, we have extended our contract with Fundware***

5

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FSM Nat'l GOVT - Action Plan follow up

- Action Plan: Staff Evaluation
 - Executed evaluation on management by staff
 - Management will evaluate staff (In Process)
- Government programs/services with highest priority be Health & Education
- Capital Investment were directed to fund infrastructure
- Contingency processes were implemented only to respond to COVID 19 measures and they can't be entertained as permanent to our current processes and procedures
- Technology & Cybersecurity – Currently being implemented by Digital FSM Project funded by Worldbank to ensure internet speed to help businesses and toward eGovernment
- As of 9/30/2019 – Travel Advances were at \$1.3M
- As of 9/30/20 the total is \$0.5M through recording of bad debts

6

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Wednesday, March 24, 2021 & Thursday March 25, 2021



FSM Nat'l GOVT - One Performance Measure

- Cleaning up Encumbrances
 - As of 9/30/19...FSM NG encumbrances went up to about \$14 million from \$3 million
 - One of the major challenges
 - Resolving encumbrances through collaboration with budget
 - Manual liquidation/reconciliation



o2d *Chuuk,
FSM*





Wednesday, March 24, 2021
Thursday, March 25, 2021

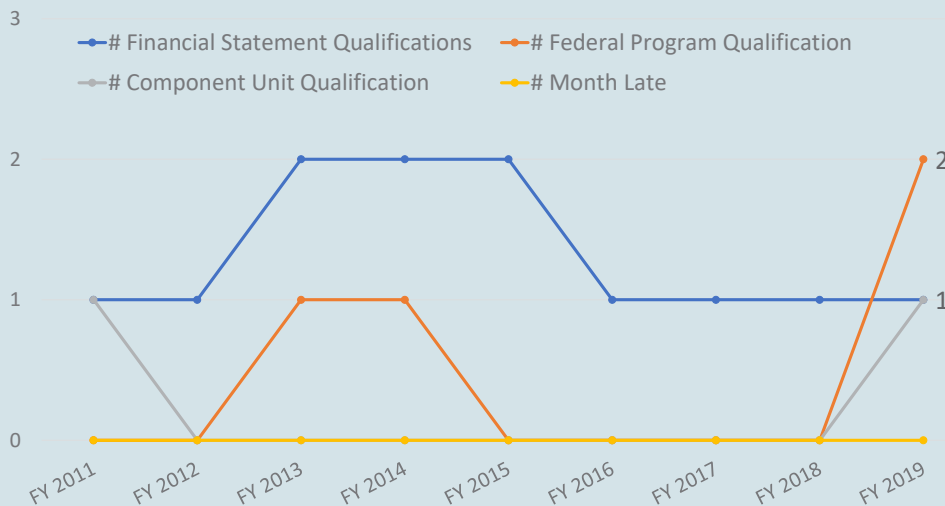
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Chuuk State Government

1

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Chuuk State Govt - FY2019 AUDIT RESULTS



HIGHLIGHTS FY 2019

| | |
|----------------------------|---------------|
| Date Completed | Dec. 26, 2020 |
| # Federal Qualifications | 2 |
| # Financial Qualifications | 1 |
| # Component Unit Quals | 1 |
| # Repeat Findings | 4 |

2

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021



Chuuk St. Gov't - FY2020 AUDIT STATUS



Describe the current status of your FY20 audit.

Auditors have sent selection for compliance testing of Major Programs.

Describe any expected changes in your qualifications and findings from prior years.

To reduce audit findings and resolve question cost.

What unusual challenges do you have for the FY20 audit?

Scanning of documents.

3

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Wednesday, March 24, 2021 & Thursday March 25, 2021



Chuuk State - General Operations during COVID-19

- CARES ACT funding administered by the national government.
- Departure fee greatly affected by CoVid.
- Finance & Budget Internal Operational Plan in place

4

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Chuuk St. Govt- FMIS STATUS



What is the status of your project?
What has been completed? What is
the timeline for next steps?

Mid term review completed.

How have you set up the
governance of your project?
Consultants, steering committee,
subject matter experts, etc. Who is
most actively working as project
management?

Focal point working closely with Working group.

At this stage are there any changes
you would have made in your
preparations? How are you
maintaining regular operations as
well as a major implementation?

No major implementation has taken place.

5

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Chuuk State - Action Plan follow up

- Travel Advance- Need to fully clean up for prior years.
- Professional Development- Attended Finance related workshops

6

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Chuuk State - One Performance Measure

- Encumbrance clean up is still ongoing.
- Cleaned up 10% (from \$5.4 million to \$4.9 million)
- Major Challenge- they still appear on the encumbrance report.

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**Thank you very much
Kinisou Chapur**

8

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Wednesday, March 24, 2021 & Thursday March 25, 2021



02e

*Pohnpei,
FSM*

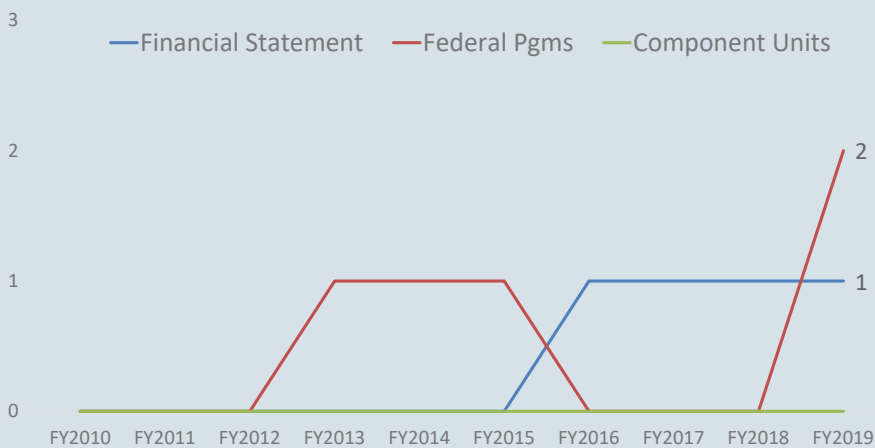




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Pohnpei State - FY2019 AUDIT RESULTS



HIGHLIGHTS FY 2019

| | |
|----------------------------|----------|
| Date Completed | 12/26/20 |
| # Federal Qualifications | 2 |
| # Financial Qualifications | 1 |
| # Component Unit Qualls | 0 |
| # Repeat Findings | 0 |

2

Virtual IGFOA

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Pohnpei State - FY2020 AUDIT STATUS



Describe the current status of your FY20 audit.

FY2020 AUDIT IS IN PROGRESS NOW.

Describe any expected changes in your qualifications and findings from prior years.

RESOLVE ALL QUALIFICATIONS AND FINDINGS FROM PRIOR YEARS BY SEPTEMBER 30, 2021.

What unusual challenges do you have for the FY20 audit?

COVID-19 ISSUES

3

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Wednesday, March 24, 2021 & Thursday March 25, 2021



Pohnpei State General Operations during COVID-19

- Training Sessions and follow the Federal Regulations on the COVID-19 expenditures.
- Implemented the Max-Pay Law to streamline expenditures on differential pay and overtime pay.
- Although school was suspended from March to September 2020, we continue to pay the teachers and utilize them to do the COVID-19 Public Awareness in the Municipalities, help out with manning the COVID-19 hotline as well as deliver food to the quarantine sites.

4

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Wednesday, March 24, 2021 & Thursday March 25, 2021



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Pohnpei State - FMIS STATUS



What is the status of your project?
What has been completed? What is the timeline for next steps?

Pending procurement of the system. The consultants are resigning and with this lock down of the airport, we do not know the timeline to bring in the consultants anymore.

How have you set up the governance of your project? Consultants, steering committee, subject matter experts, etc. Who is most actively working as project management?

At the State level, we have a Technical Working Committee and a Focal Point who coordinates the meetings with the FSM National Government and the Consultants to complete what is needed from our end.

At this stage are there any changes you would have made in your preparations? How are you maintaining regular operations as well as a major implementation?

We maintain our regular operations while we schedule what we must do for the FMIS changes:
1. We submitted our comments for the New Chart of Accounts
2. We are now working every two weeks with the Consultant to update our Financial Management Regulations Manual.

5

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Pohnpei State Action Plan follow up

AUDIT RESOLUTION

- With our new advisor and new treasury director on board, we aim to clear off all prior year questioned costs.
- Continue to train finance staff and the key staff from Departments, Agencies and Offices on audit preparedness.
- Established checklists for each finance section to monitor compliance on all processes and maintain all files intact.

BANK RECONCILIATION

- Hired two staff in the Reconciliation Section with the supervision of the Chief of Finance and the Assistant to the Finance Advisor.
- Bank Reconciliation on all Major Checking Accounts, Savings Accounts and Time Certificate of Deposits are reconciled, booked and reported to the Director on the 15th of each month.
- Continuous training from Finance Advisor on Bank Reconciliation

6

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Wednesday, March 24, 2021 & Thursday March 25, 2021



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Pohnpei State Action Plan follow up

FIXED ASSETS MAINTENANCE

- The new Manager for the Supply & Procurement Section with the assistance of the Treasury Director and Finance Advisor has established Maintenance Tool which enables efficient Fixed Assets Maintenance and Inventory Monitoring.
- Continuous training from the Finance Advisor on Fixes Assets Control.

REDIRECT BUDGETING FOCUS

PROCESS IMPROVEMENT, TECHNOLOGY AND CYBERSECURITY

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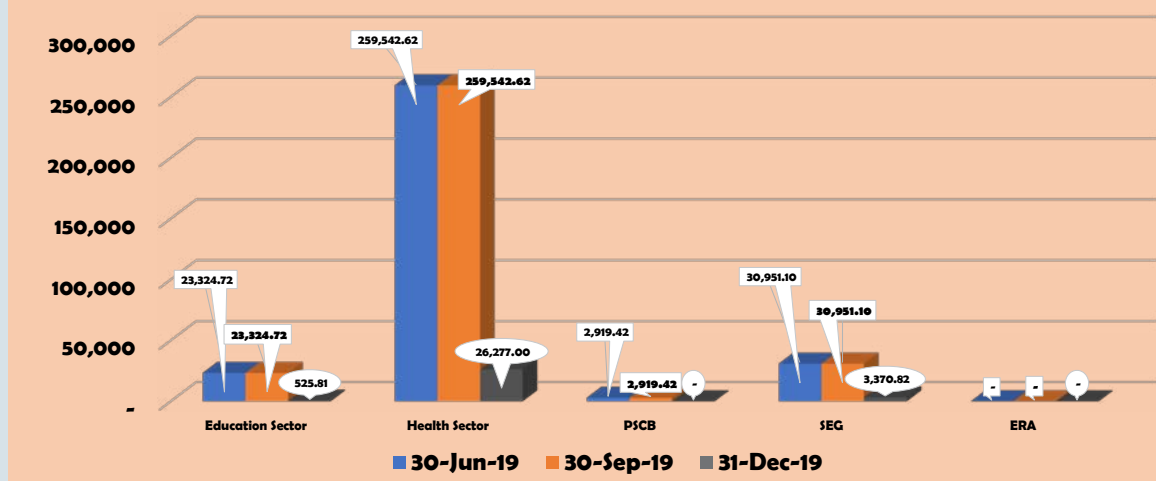
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Pohnpei State Action Plan follow up

Encumbrance Cleanup for Compact Sector Grants FY19



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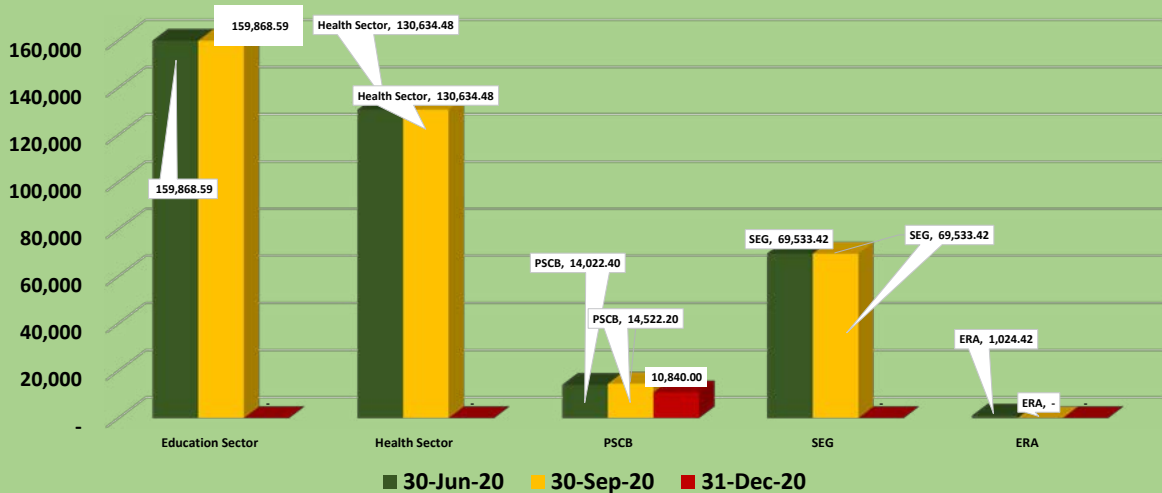
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Pohnpei State Action Plan follow up

Encumbrance Cleanup for Compact Sector Grants FY20



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One Performance Measure

Problem

- By then end of the FY2019, we could not clear out all the encumbrances.

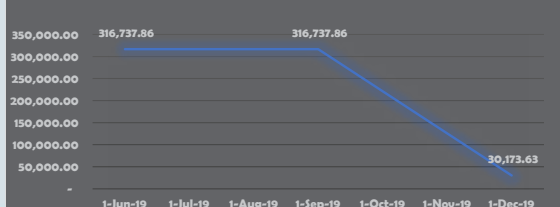
Solutions

- Continuous trainings held for all Departments, Agencies and Offices on how to properly close out their Purchase Requisitions.
- Finance to clear all prior encumbrances dating back to FY18.
- Collaboration between Finance and Departments, Agencies and Offices
- Requested OIA for a Reporting Extension in order to clear out all FY20 encumbrances

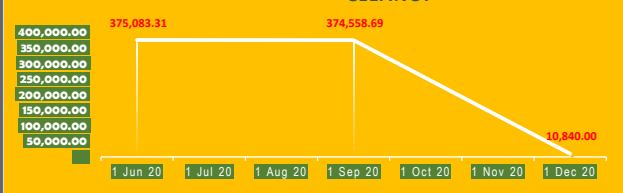
Outcome at the Closing of FY2020

- With the exception of the \$10,840 granted extension for Public Safety for their Fire & Rescue Training which was delayed due to COVID-19, all FY20 encumbrances were cleared.

FY19 Compact Sector Grants Encumbrance cleanup



FY20 COMPACT SECTOR GRANTS ENCUMBRANCE CLEANUP



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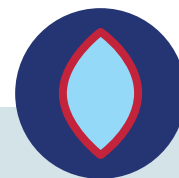
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Guam

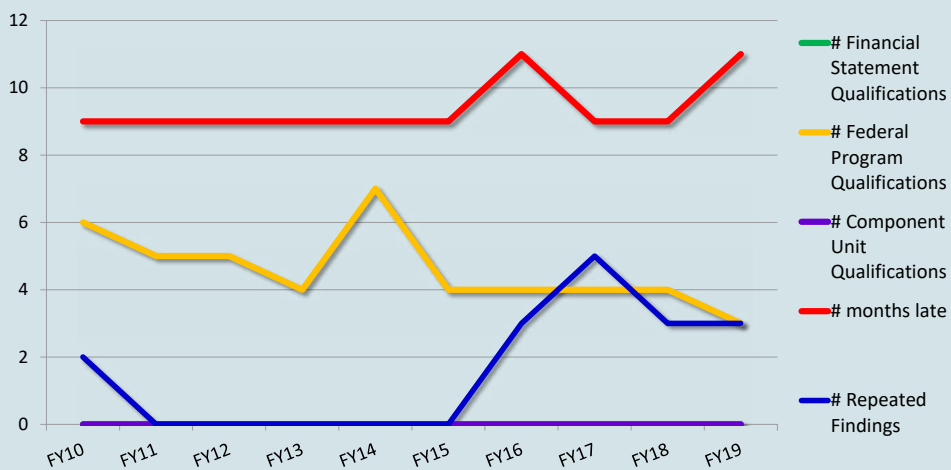




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GUAM – FY2019 AUDIT RESULTS



HIGHLIGHTS FY 2019

| | |
|----------------------------|---------|
| Date Completed | 8/27/20 |
| # Federal Qualifications | 3 |
| # Financial Qualifications | 0 |
| # Component Unit Quals | 0 |
| # Repeat Findings | 3 |

2

Virtual IGFOA

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GUAM – FY2020 AUDIT STATUS



Describe the current status
of your FY2020 audit.

Audit fieldwork 60% complete as of 03/19/2021

Target date 04-30-2021

Describe any expected
changes in your
qualifications and findings
from prior years.

Preliminary qualifications/findings currently not
available

What unusual challenges do
you have for the FY20
audit?

- No maintenance & support agreement for FMS
- No hard close of Fiscal Year 2019 financial records
- No hard close of Fiscal Year 2020 financial records
- 3 fiscal years open in a 2 fiscal year FMS

3

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021

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GUAM – FY2020 AUDIT STATUS



| <u>Audit Report</u> | <u>Draft Released</u> | <u>Target Completion</u> |
|-------------------------|-----------------------|--------------------------|
| Government-Wide | Not Provided | 30-Apr-2021 |
| Single Audit | Not Provided | 30-May-2021 |
| Solid Waste Fund | 12-Mar-2021 | Completed |
| Tourist Attraction Fund | 22-Mar-2021 | 31-Mar-2021 |
| Guam Highway Fund | 22-Mar-2021 | 31-Mar-2021 |

4

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021



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General Operations during COVID-19

Covid Response Funding

- Managed by Budget Office
- Priority: Public Health, first responders, quarantine facilities, financial assistance programs

FY2020 Revenues

- Tourism industry related revenues down
 - Airport Authority
 - Customs and Quarantine Agency
 - Solid Waste Authority
- Spending controls
 - Shutdown
 - Stimulus and other Federal Financial Aid spending

5

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021

VIRTUAL
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General Operations during COVID-19

Office/Staff Changes:

- Essential staff report to work
 - Increased staff as financial assistance program workload increased
 - Did not stagger shifts or create staff bubbles like other agencies
- Closed customer service counters
 - Appointment only or limited capacity customer service

Operational Changes:

- Submission of electronic documents via email
- Digital signature requirements for staff
- Use of virtual meeting platforms
 - Increased number of meetings

6

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021



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General Operations during COVID-19

Challenges:

- Data storage limits
- Technology literacy
- Hardware and Software limitations
- Digital policy and operating procedures
- Increased network traffic and vulnerability

Budget/Allotment/Spending Controls:

- Revenue collections reviewed daily
- Tighter controls on cash disbursements
- Additional certification for COVID funding expenses

7

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021

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GUAM – FMIS STATUS



What is the status of your project?
What has been completed? What is
the timeline for next steps?

- RFI issued for new FMS
- 2 responses received
- Preferred provider identified
- Cloud based solution proposed
- Executive Order emergency procurement

How have you set up the
governance of your project?
Consultants, steering committee,
subject matter experts, etc. Who is
most actively working as project
management?

- Pending

At this stage are there any changes
you would have made in your
preparations? How are you
maintaining regular operations as
well as a major implementation?

- TBD

8

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021

GUAM – Action Plan Follow-up

Status:

- Action plans on hold for status update and timeline of new FMS
- On-going content management upgrade of existing FMS
 - Phase 2 and 3 on-going
 - Expected completion summer 2021

Moving Forward:

- Need to develop plan to prepare for new FMS
- Identify critical needs, issues, challenges, gaps
 - System Interfaces
 - PROCESS MINDSET CHANGE

GUAM – Bank Reconciliation

New Financial Assistance Programs

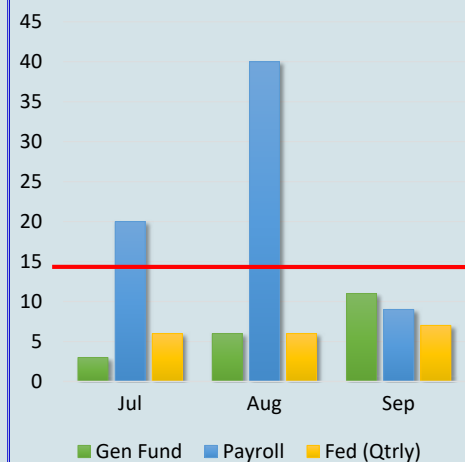
General Fund Checks

- War Claims (WC)
- Disaster Relief Program (DRP)
- Small Business Pandemic Assistance (SBPA)
- Covid Bereavement Grants (CBG)
- Emergency Rental Assistance (ERA) *New

New Checking accounts

- Economic Impact Payments (EIP)
- Pandemic Unemployment Assistance (PUA)

Bank Recon Completion





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GUAM – Bank Reconciliation

| Program | # of Checks | (\$ Total | # outstanding | \$ Outstanding | % Outstanding |
|--------------|----------------|-----------------------|---------------|----------------------|---------------|
| WC | 1,167 | 12,438,000.00 | 1 | 10,000.00 | 0.1% |
| DRP | 22,681 | 16,275,491.00 | 548 | 273,300.00 | 1.7% |
| SBPA | 2,756 | 21,402,462.77 | 28 | 122,711.70 | 0.6% |
| CBG | 120 | 1,225,850.00 | 2 | 20,000.00 | 1.6% |
| EIP | 143,844 | 203,777,334.00 | 13,193 | 13,081,052.00 | 6.4% |
| PUA | 28,836 | 40,846,755.94 | 3,086 | 4,952,974.73 | 12.1% |
| | | | | | |
| TOTAL | 199,404 | 295,965,893.71 | 16,858 | 18,460,038.43 | 23% |

EIP (Stimulus Checks) processed by Department of Revenue and Taxation

- 10% check payments returned – incorrect mailing address, Taxpayer information not updated
- Pilot project – Tax refund direct deposit

PUA processed by Department of Labor

- 90% of payments direct deposit (11,000 average, 15,100 highest, 29 payment runs)

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GUAM – Check Payment Process

General Fund Account Assistance Programs

- Manual process:
 - Vendor record data entry
 - Invoice record data entry
 - Check signature machine process
 - Hand stuff and seal envelop
 - Postage meter machine process

PUA Program – New checking account

- Improved Process
 - Print ready MICR check image
 - Pressure seal check stock – sealed quickly & ready to mail
- Manual process:
 - Payment record data entry (bank recon module)

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GUAM – Check Payment Issues

Check stock

- Inventory management
- Check stock misprint

Print operations

- Check numbers not matching check register
- Incorrect check stock used
 - EIP – 1,300 voided checks

Payment information

- Incorrect payee name format
- Incorrect mailing address format
- Invalid mailing addresses

Fraud

- Duplicate mobile deposits
- Fake checks deposits

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Wednesday, March 24, 2021 & Thursday March 25, 2021

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GUAM – Check Payment Improvements

Payment Type

- Push to increase direct deposit payments
- Pilot project for income tax direct deposit

Paper Stock

- Pressure Seal Checks
- Pressure Seal Tax Forms
 - W2, 1099Misc, 1099Int, 1099G
- Other Forms

Mailing

- Preprinted Permit postage

Security Features

- **POSITIVE PAY**
- Communication with Financial Institutions

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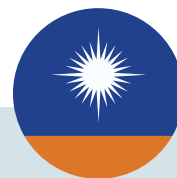
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*Republic of
Marshall Islands*





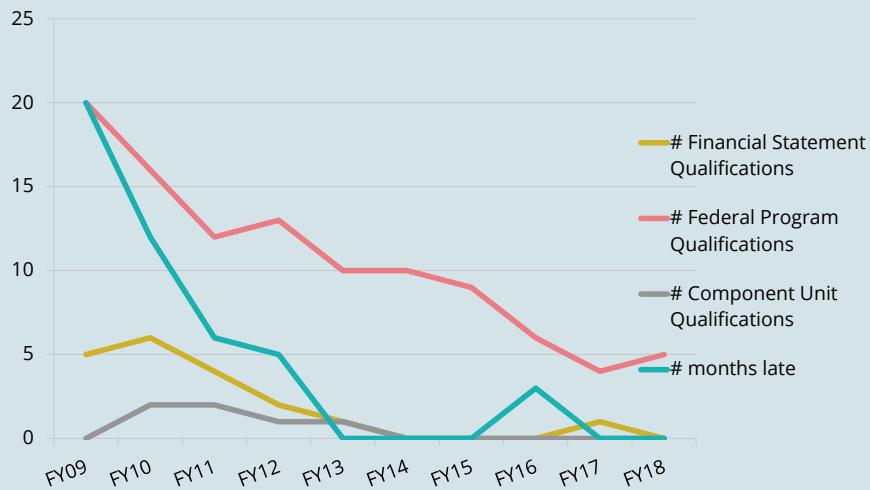
Wednesday, March 24, 2021
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RMI- FY2019 AUDIT RESULTS



HIGHLIGHTS FY 2019

| | |
|----------------------------|-------------------|
| Date Completed | December 31, 2020 |
| # Federal Qualifications | 2 |
| # Financial Qualifications | 0 |
| # Component Unit Quals | 0 |
| # Repeat Findings | 5 |

2

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021



RMI- FY2020 AUDIT STATUS



Describe the current status of your FY20 audit.

Ongoing-- Auditors are currently doing fieldwork.

Describe any expected changes in your qualifications and findings from prior years.

None

What unusual challenges do you have for the FY20 audit?

- ***Some of our auditors weren't able to come to RMI before the closure of our borders.***
- ***Change in leadership (Secretary, AS of budget, and AS of accounting, and consultant)***

3

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Wednesday, March 24, 2021 & Thursday March 25, 2021



RMI- General Operations during COVID-19

How has your Government managed federal Covid response funding?

- Covid response plan is endorsed by cabinet and implemented by the Office of Chief Secretary. In addition, the Natural Disaster Committee (NDC) has been fully operational since beginning of Covid pandemic.

How has Covid affected your 2020 revenues?

- A total of \$30.6M worth of grant was received to use for Covid financing from donor partners for FY20.

Were changes made in the spending control process?

- Yes, there were changes made in the spending control process. During this State of Emergency, our office closely monitors our revenue collections and adjusts with cash availability.

How has your office managed our staff and operations during this SOE?

- Our office has identified the essential workers for each department who will report to work when government declares the closure of businesses due to Covid.

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RMI- FMIS STATUS



What is the status of your project? What has been completed? What is the timeline for next steps?

To date the project has completed:

- **Needs Assessment for a Financial Management Information System (FMIS) which includes: detailing the legal and other requirements for compliance and the key accounting principles to be adhered to during the design of the business processes, highlighting key concepts in areas:**
 - *definition of entity for consolidation purposes,*
 - *commitment controls, including multi-year contracts,*
 - *single treasury account,*
 - *dimensions of the chart of accounts,*
 - *concepts unique to US GAAP for (state) and local governments and the USM OMB and Title 2 compliance requirements.*
- **Developed business process and functional requirements**
- **Developed bid documents and completed the bid evaluation:**
- **Undertook a limited bid request process, 8 companies were requested to bid**
- **The working group reviewed the bid evaluation committee recommendation and accepted the recommendation. The Steering Committee approved the recommendation and subsequently the recommendation was sent to the World Bank for 'no objection' Still awaiting the World Bank 'no objection'**

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RMI- FMIS STATUS

How have you set up the governance of your project? Consultants, steering committee, subject matter experts, etc. Who is most actively working as project management?

The project has established:

- **A steering Committee chaired by the Chief Secretary with representatives from Ministry of Finance, Ministry of Health, Ministry of Education, Public Service Commission, EPSO, Auditor General's Office and Attorney General's Office.**
- **A working Group chaired by the Secretary of Finance and with representatives from all key stakeholders**
- **A Public Finance Management Project Implementation Unit with a full time Project Manager**

At this stage are there any changes you would have made in your preparations? How are you maintaining regular operations as well as a major implementation?

At this stage the project would not have made any changes. The project has followed a deliberate methodology that has proven to work in similar projects. Having a full-time team with substantial experience implementing FMIS in other countries including a full-time project manager and FMIS Specialist, Human Resource Development Specialist and Change Management Specialist working with a working group that represents key stakeholders has ensured the project has been kept on track as well as ensuring the system design meets the RMIS requirements as well as takes into account the ongoing support, management, capacity building and training requirements of RMI.



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RMI - Action Plan follow up

- Encumbrance clean up: On-going
- TA: We have been doing payroll deductions on a 30 day liquidation period. There has been a significant drop in TA due to travel restrictions.

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| RMI Ministry of Finance Performance Measures | Target | Period | Prior Period 2 | Prior Period 1 | Current Period 0 | Trend | Notes | Audit issue? |
|--|---------------------------------|-----------|----------------|----------------|------------------|-------|-------|--------------|
| CASH MANAGEMENT | | | | | | | | |
| Reduction in overdue travel advances | 20% reduction from prior period | Quarterly | 15% | 20% | 20% | | | No |

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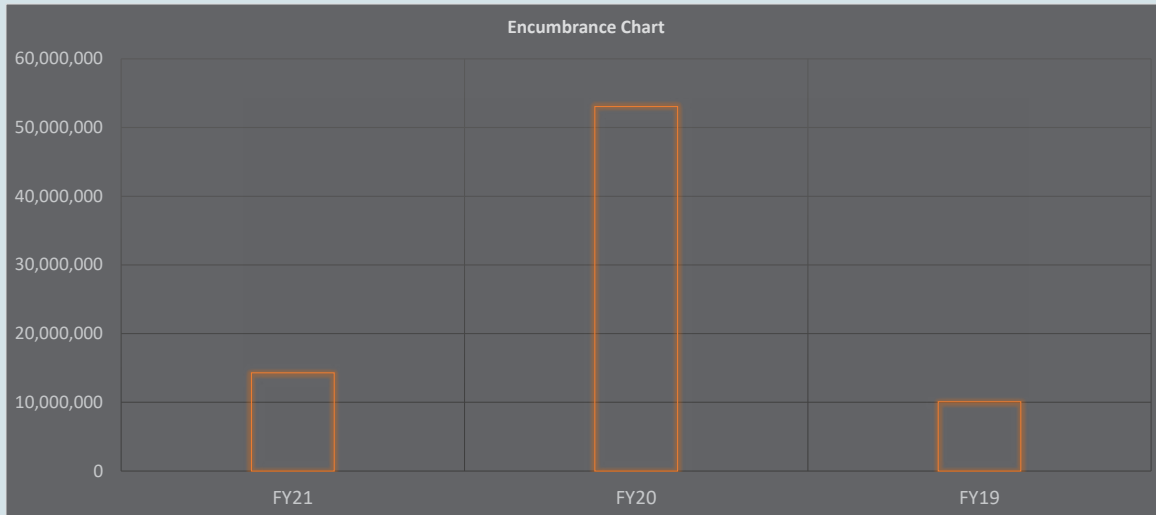
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Encumbrance Diagram



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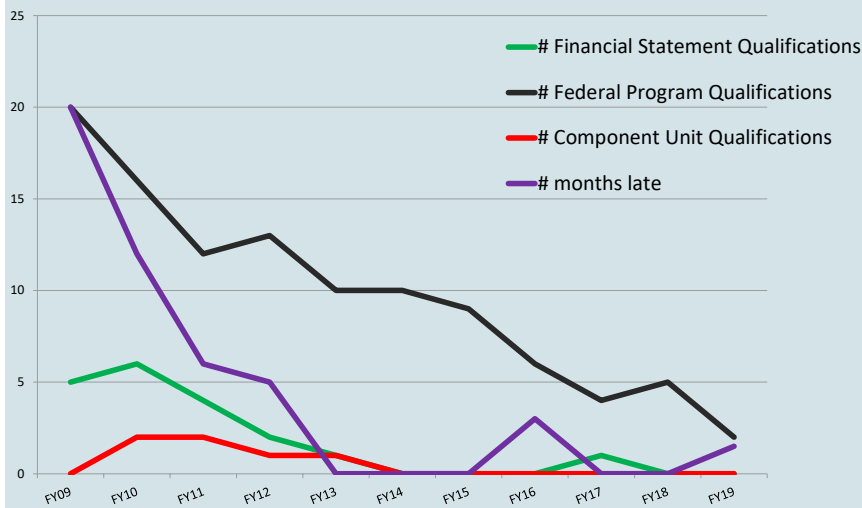




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Palau - FY2019 AUDIT RESULTS



HIGHLIGHTS FY 2019

| | |
|----------------------------|------------|
| Date Completed | 02/15/2021 |
| # Federal Qualifications | 2 |
| # Financial Qualifications | 0 |
| # Component Unit Quals | 0 |
| # Repeat Findings | 3 |

2

Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021



PALAU - FY2020 AUDIT STATUS



Describe the current status of your FY20 audit.

Received Request for Documents on February 20, 2021. Compiling all schedules together to be submitted by March 16, 2021.

Describe any expected changes in your qualifications and findings from prior years.

We finally cleared the finding on Equipment and Real Property, hoping to clear the unearned revenues and allowable costs.

What unusual challenges do you have for the FY20 audit?

Change of our Financial System and all the COVID Grants

3

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Palau General Operations during COVID-19

How has your government managed federal Covid response funding?

- \$31.5 million provided in US Federal Assistance in response to the COVID-19 Pandemic
 - 30% for emergency health response measures primarily provided through the US DHHS
 - Administered by the ROP Ministry of Health with accounting provided by the Ministry of Finance
 - Utilized to build capacity for surveillance; prevention and containment; health care and emergency response; and communications
 - 70% for economic relief measures provided under the CARES Act of 2020
 - Includes Pandemic Unemployment Assistance and Federal Pandemic Unemployment Compensation
 - The Palau Government signed an Agreement implementing the CARES Act with the US Department of Labor through the Palau's Workforce Innovation and Opportunity Act (WIOA Office).

How has Covid affected your 2020 revenues?

- Provisional General Fund revenues in fiscal year 2020 decreased 19% overall
 - 18% drop in tax revenues & 21% decline in non-tax revenues.
- The reduction was less than initially anticipated largely due to sustained consumer spending from mitigation programs including Palau's own Coronavirus Relief One Stop Shop Act and the US CARES Act of 2020.
- However, General Fund revenues are anticipated to further fall in fiscal year 2021 by 26% overall with taxes projected to fall by 25% and non-tax by another 31% due to continued border restrictions.

4

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Wednesday, March 24, 2021 & Thursday March 25, 2021



Palau General Operations during COVID-19 Con't

Were changes made in the spending control process?

While no changes were made in the spending control process as development partners and donors relaxed their procurement requirements in recognition of the urgent nature health response measures, Palau took the additional steps of providing COVID-19 pandemic funding through the Hospital Trust Fund that allows the Minister of Health to waive procurement requirements through a declaration of health emergency. The Ministry of Finance also worked with the Ministry of Health and other partner agencies to streamline and prioritize procurement processing for all pandemic-related expenditure requests.

Palau further partnered with the WIOA Office to implement the CARES act instead of having to establish the administrative structure and procedures necessary in order to do so. Partnering with the WIOA Office, which had already the administrative setup to administer federally-funded programs mandated under the Workforce Innovation and Opportunity Act of 2014, ensured that available relief assistance would be disbursed to those affected much more quickly.

5

Virtual IGFOA

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PALAU - FMIS STATUS



What is the status of your project?
What has been completed? What is the timeline for next steps?

We went live with our Finance modules on April 1, 2020 and our HR & Payroll Modules on July 1, 2020. The next step is to roll it out to our other Ministries and Agencies.

How have you set up the governance of your project?
Consultants, steering committee, subject matter experts, etc. Who is most actively working as project management?

Finished. Ruth Wong as our project manager, Minister Sadang was our Steering Committee Chair, and all Finance Directors and Chiefs were in the committee.

At this stage are there any changes you would have made in your preparations? How are you maintaining regular operations as well as a major implementation?

Yes, make sure to do reference check on your Project Managers & Implementation Consultants and request for someone with accounting background. Due to COVID and flight restrictions, our Reporting sessions and year-end processing were done online, not as good as if the instructors were on island.

6

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Palau Action Plan follow up

- **FMIS:** Connect all Ministries and Agencies to the new FMIS and train staff to view reports and reconcile their accounts.
- **Cybersecurity:** Recently finished the E-Government assessment with the help of ADB. Our next step is to do the Cybersecurity assessment and develop a policy. This is with the help of consultants hired by ADB.
- **Travel Outstanding:** Total TA outstanding as of 9/30/19 was \$802,130.84. Because of Covid19, there was minimal Travel in FY2020, so we were able to clear most of the outstanding travel and brought down the balance to \$95,445.83 as of 09/30/20.

Palau One Performance Measure

ENCUMBRANCE:

| By Object Class | Encumbrance 09/30/19 | 9/30/2020 |
|------------------|----------------------|---------------------|
| Services | 2,590,809.80 | 961,634.89 |
| Repair & Rentals | 256,959.09 | 104,608.44 |
| Supplies | 3,623,807.12 | 1,604,584.49 |
| Construction | 10,899,218.15 | 4,580,997.52 |
| Property | 282,540.99 | 2,450.00 |
| All Others | 440,501.42 | 269,298.33 |
| Total: | 18,093,836.57 | 7,523,573.67 |



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US
Virgin Islands





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Government of the Virgin Islands - FY2019 Audit Status (Open Audits)

- 2019 audit in progress and will be issued no later than May 2021.
- 2020 audit has not started yet, and projected date is set for September 2021.
- Weekly and in cases daily audit meetings are keeping us on target for the expected issuance date.
- COVID-19 has impacted our audit for 2019. Whereby our auditors would visit with the various agencies and be able to get timely responses, we have that challenge where agencies and departments are struggling with competing priorities, especially while working remotely, managing and providing services related to COVID-19.
- Lack of reconciliations on various levels within departments and agencies and the increase federal dollars to be audited has also opened some Accounts Payable challenges for which we are working through with the auditors to determine completeness.

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Virtual IGFOA

Wednesday, March 24, 2021 & Thursday March 25, 2021



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Government of the Virgin Islands FY2020 AUDIT STATUS



Describe the current status of your FY20 audit.

Not yet started. Fiscal year 2019 is expected to be issued May 2021.

Describe any expected changes in your qualifications and findings from prior years.

FY2019 audit - we may receive a disclaimer for one component unit due to a breach in security systems. We expect that most of the opinions will remain the same for 2019 and 2020, if we are unable to adjust quickly. (Delayed audits is not assisting in the process.)

What unusual challenges do you have for the FY20 audit?

We have not started 2020. The challenges for FY2019 include the increase amount of federal dollars to audit and the consideration of cost incurred verses project worksheets and determining when to book a payable and when to report on the SEFA.

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GVI General Operations during COVID-19

All COVID-19 \$ are managed through our Office of Management and Budget office.

- **DOF's role:** Established one checking account to conduct bank reconciliations for the advanced funds. COVID-19 funds received through a federal grant (reimbursable) utilizes the federal cash account.
- **OMB's role:** Established control of allotments and releases to agencies through an allotment letter for further processing on ERP system. For federal reimbursable COVID-19 grants, the federal award document with budget is entered on ERP system.
- **Agency's role:** Enter invoices against established accounts with supporting allotment letter or federal budget awards.
- **We have created a separate fund and have created a unique project code to track all COVID-19 related funds.**

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GVI General Operations during COVID-19 cont.. Financial Perspective

- As we continue to address COVID-19 challenges, the VI has not experienced a significant decline in revenues due to:
 - Ongoing Capital and Disaster Related projects
 - Continued payments of stimulus funds
 - Unemployment benefits
 - Other CARES Act related funding benefiting the residents continue to stimulate the economy which assist with maintaining a decent level of revenues for taxes.
(9.2% decline in collections for the first six months compared to prior year, same period.)
- However, there are some revenue streams that have affected the potential \$ that the Territory can receive.
 - Halt of Cruise Lines
 - Major delay in hotel occupancy
 - Tourist arrivals fell by 33.4%
- Decline in taxes (Real Property taxes, Gross Receipt taxes, Excise Taxes).. Excise taxes due to pending litigations.

5

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GVI General Operations during COVID-19 cont..

- CARES Act
 - Total Awarded \$545.6M
 - Expended \$300.9M
 - Remaining Bal \$244.7M
- Allotment & Budget Cuts
 - No budget cuts are currently in place since a very conservative budget was submitted for FY 2020.
 - Potential decrease in budget for FY 2021 and FY 2022
 - A continued conservative approach to spending is still in effect. As demonstrated in the recent training provided by Graduate School, our Peformeter scores are slowly improving due to the reduction in allotments.
- The Financial Team which reports and meets with the Governor regularly continues to monitor the economic health of the Territory.

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GVI General Operations during COVID-19 cont.. Operational Perspective

- Microsoft 365, specifically Microsoft Teams for virtual meetings and trainings.
- Established drop boxes through GVI for vendors to leave information for processing.
- Allowance for teleworking. (Agreements on a case by case basis.)
- Encouraging ACH/EFT set up for vendor payments.
- Agencies and Departments are working under the "new normal". Individuals who could return, did so on February 22, 2021.

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GVI One Performance Measure

Encumbrance Clean UP

- Pursuant to SOPP 305 last updated July 12, 2020, purchase orders must be fully liquidated within ninety (90) days after the date of issue or conversion and one-hundred (180) days for purchaser orders tied to a contract.
- To date we have cancelled all encumbrances prior to 2020. The reason for not yet cancelling those beyond the 180 days is because we continue to get justifications to reopen on a daily basis due to the lengthy process of contract.
- The Department of Finance expects to meet with the Department of Property and Procurement to see how we can mitigate; otherwise we will have to change our policies.
- The total cancelled for 2019 is \$11M.

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GVI Another Performance Measure

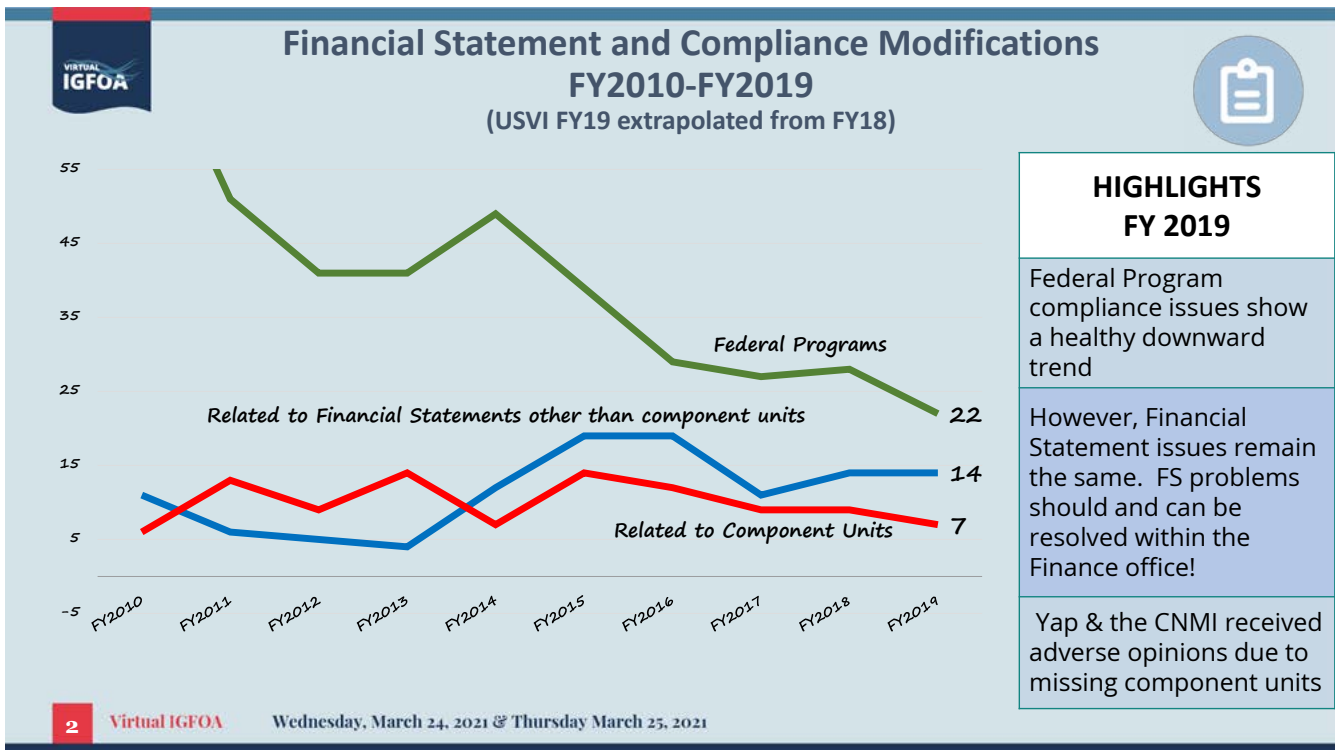
Processing of Invoices at the Department of Finance

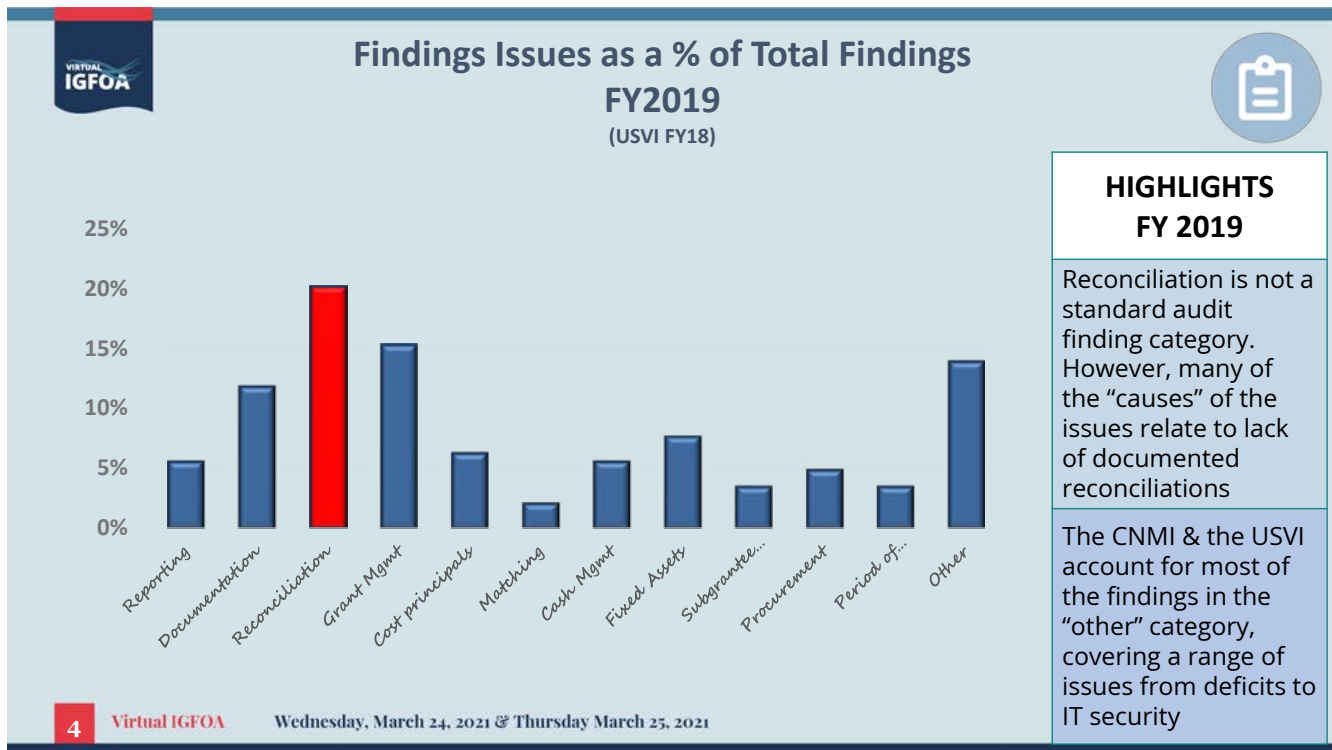
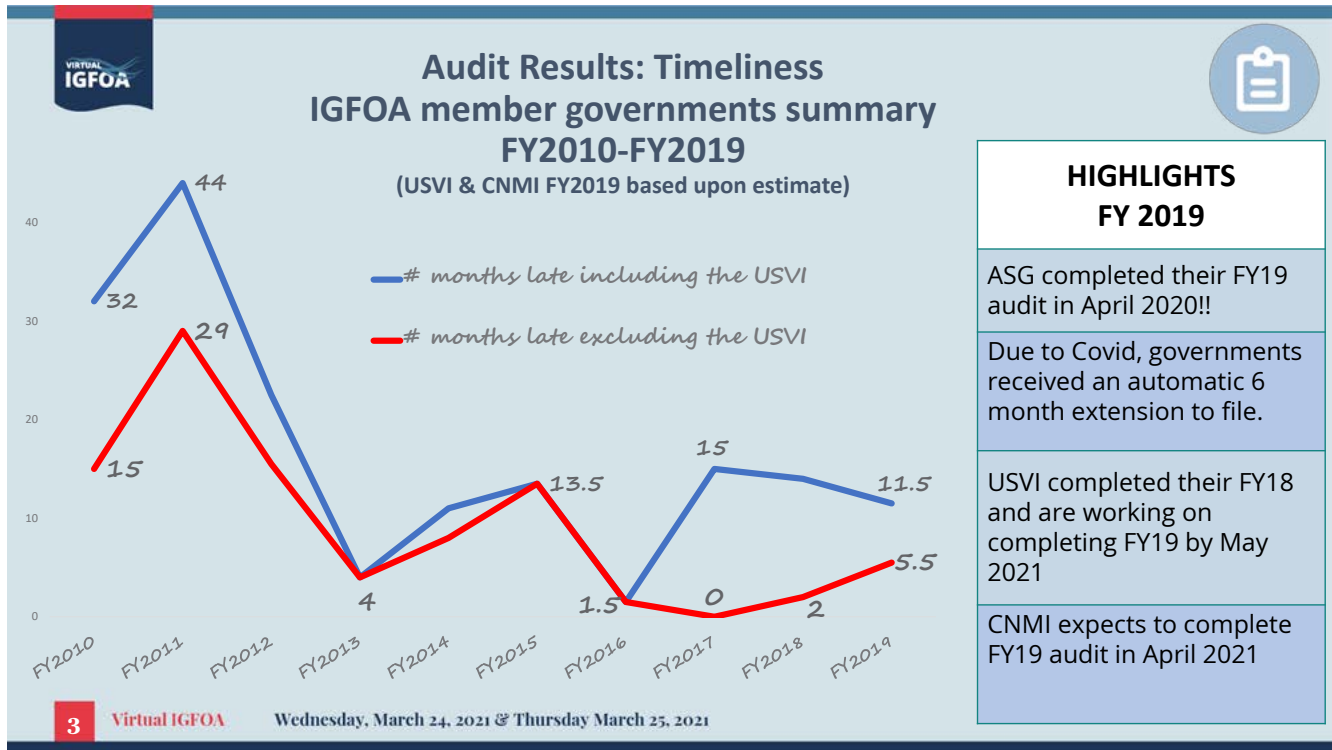
- We have a MUNIS report that shows the date at which the invoices were received by our AP unit.
- Analysts have ten (10) business days to process an invoice. It can either be rejected or approved.
- ERP also have ways for end users to track their invoices all the way through to payment.
- Weekly meetings on Friday's are kept to ensure that everyone is on task.
- We have to work out an end-to-end timely submittal of invoices.
- We have been able to meet our target until February which pulled from our resources to handle stimulus but are working on how we can remedy that challenge when it arises. (Monthly KPIs)

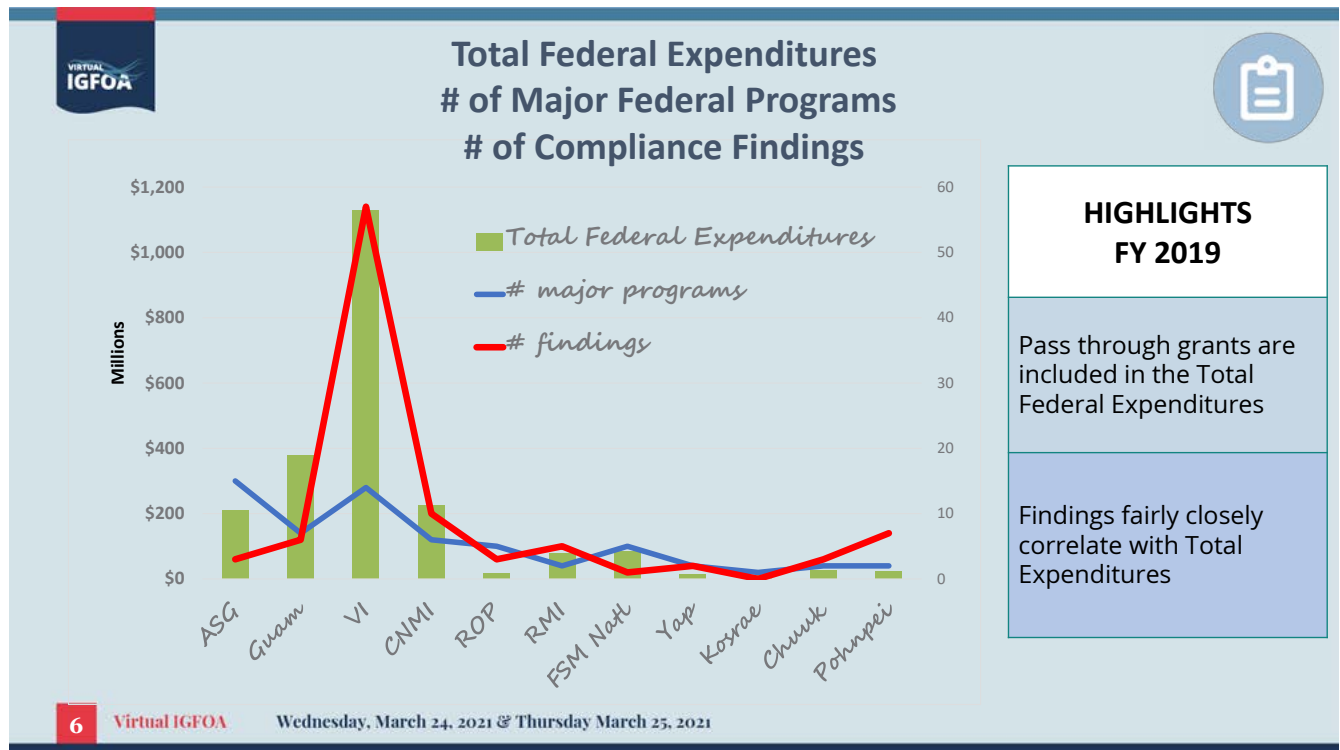
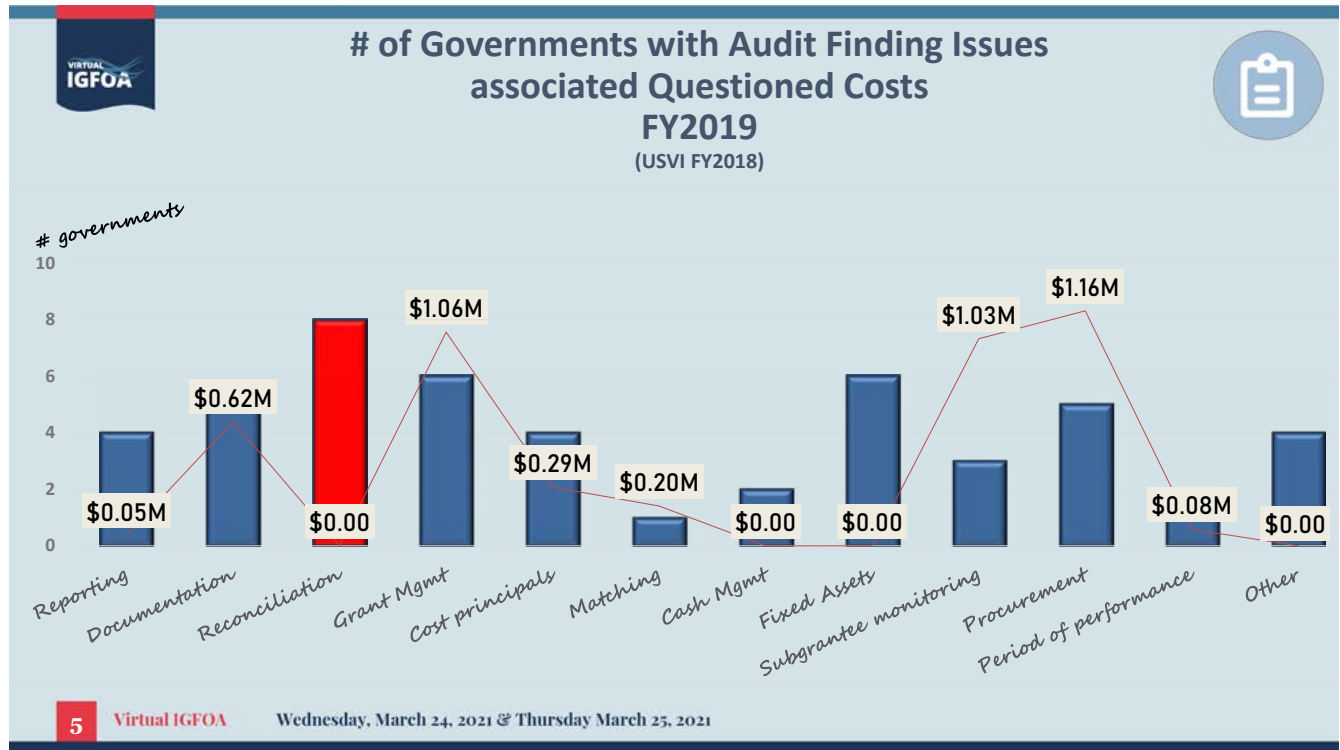


03

***Insular Government Audit Improvement
Program FY2019 Audit Analysis***









**Finding 2018-004, 2017-007, 2016-007, 2015-009, 2014-005, 2013-009, and 2012-010
Equipment and Real Property Management
Material Weakness in Internal Controls over Compliance, Material Noncompliance**

Federal Agencies-

Department of Education Office of Elementary and Secondary Education

Department of Transportation Federal Aviation Administration (FAA)

Department of Health & Human Services

Department of Agriculture Food and Nutrition Service

Federal Programs-

CFDA 84.403 - Consolidated Grant to the Outlying Areas

CFDA 20.106 - Airport Improvement Program

CFDA 93.224/93.527- Health Center Program Cluster

CFDA 10.555 - National School Lunch Program

Condition and Context:

Equipment records maintained are incomplete and inaccurate or are not maintained at all. For the four programs listed above, we noted that the programs do not have formal controls in place to monitor federal funded equipment purchases to ensure that property management records are updated and maintained in accordance with 2 CFR 200.313.

Status as of September 30, 2019:

With the hiring of a Comptroller and additional staff, this issue has been addressed and corrected in the current period.

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Section I - Summary of Auditors' Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| Internal control over financial reporting: | |
| 2. Material weakness(es) identified? | No |
| 3. Significant deficiency(ies) identified? | None reported |
| 4. Noncompliance material to financial statements noted? | No |

Federal Awards

Internal control over major federal programs:

- | | |
|---|------------|
| 5. Material weakness(es) identified? | No |
| 6. Significant deficiency(ies) identified? | None noted |
| 7. Type of auditors' report issued on compliance for major federal programs: | Unmodified |
| 8. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 9. Identification of major federal programs: | |

CFDA Number Name of Federal Program or Cluster

| | |
|--------|---|
| 15.875 | Economic, Social and Political Development of the Territories - Compact of Free Association Compact Sector Grants |
|--------|---|

- | | |
|--|-----------|
| 10. Dollar threshold used to distinguish between Type A and Type B Programs: | \$750,000 |
| 11. Auditee qualified as low-risk auditee? | Yes |

Section II - Financial Statements Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

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Condition:

- For 10 (or 40%) of 25 transactions tested, Travel Advances for transportation cost was excessively estimated as it appears to circumvent the 80% advance and 20% claim upon return travel policy. Actual transportation cost receipts was significantly less than cash advanced to travelers for transportation cost. This is not a standard Pohnpei State's travel practice and this practice appears to be exclusively utilized by the Kolonia Community Health Center (CHC).

| Per Transaction Detail: | | | | | | |
|-------------------------|------------|--------|-----------------|-------|-----|---------|
| No. | Date | Ref | Amount | Prog | Yr. | Account |
| 1 | 10/31/2018 | 242146 | \$ 1,493 | 37100 | 18 | 8110 |
| 2 | 12/21/2018 | 241640 | 2,460 | 37100 | 18 | 8110 |
| 3 | 12/21/2018 | 241641 | 120 | 37100 | 18 | 8110 |
| 4 | 12/21/2018 | 241643 | 2,460 | 37100 | 18 | 8110 |
| 5 | 12/21/2018 | 241645 | 2,460 | 37100 | 18 | 8110 |
| 6 | 12/21/2018 | 241642 | 2,460 | 37100 | 18 | 8110 |
| 7 | 05/02/2019 | 241641 | 136 | 37100 | 18 | 8110 |
| 8 | 07/17/2019 | 241645 | 285 | 37100 | 18 | 8110 |
| 9 | 04/22/2019 | 249809 | 800 | 37100 | 19 | 8110 |
| 10 | 08/01/2019 | 257847 | 1,109 | 37100 | 19 | 8110 |
| | | | <u>\$13,783</u> | | | |

Finding No: 2019-008
Area: Cash Management

Criteria: To monitor and update the federal grants expenditure and reimbursement on a regular basis is fundamental and critical for maintaining accurate financial records and help minimize cash flow shortage in the general fund.

Condition: For the Community Health Clinic program, the Pohnpei State Government received cash one time within the fiscal year or in the subsequent fiscal year.

Cause: There were no monitoring procedures established for Health Center Program funds drawdowns. Funds were not drawn-down timely to fund program expenditures.

Effect: As a result of this condition, the general fund was utilized for Health Center Program expenditures, which caused cash flow shortages in the Pohnpei State Government general fund. Funds were received on January 18, 2019; however, this drawdown was for the reimbursement of expenditures incurred from October 1, 2017 to September 30, 2018.

Recommendation: The Pohnpei State Government, Division of Finance should monitor and update federal grants expenditures and should obtain timely Federal reimbursements.



Finding No.: 2019-007
Area: Accounts Receivable

Criteria: Timely drawdowns of grant expenditures should occur to reimburse the General Fund.

Condition: Grants may not be timely billed and collected. Specifically, over sixty-one percent (61%) of federal grant receivables aggregating \$10,770,504 recorded by the Ministry of Finance, Banking and Postal Services have yet to be billed and collected as of our report date.

Cause: RepMar lacks adequate policies and procedures requiring periodic and timely analysis of grant expenditures to ascertain whether reimbursement of grant expenditures can occur. Further, drawdown requests are not monitored for timely reimbursement and resolution of errors.

Effect: The General Fund bears the cost of grant expenditures, including foregoing potential earnings of over \$100,000 on funds that could have been invested. The impact of this matter on the General Fund resulted in an emphasis-of-matter paragraph included in our report on RepMar's financial statements.

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Criteria:

Receivables from Federal agencies should be timely reconciled to the subsidiary ledger. Management should monitor collections of receivables and follow up with the respective Federal agencies as to delays in the collection process.

Condition:

Receivables from Federal agencies were understated by \$2M at September 30, 2019. An adjustment was proposed to correct the misstatement.

The Republic did not timely request reimbursement from the U.S. Treasury, and as a result, receivables from Federal agencies at September 30, 2019 increased by \$2M, of which approximately \$1M has not been collected for over 2 years.

| Grant Fund | Receivable 9/30/2019 | Receivable 9/30/2018 |
|---------------------------------|-------------------------|-------------------------|
| 350100 U.S. Federal Grants | \$ 2,271,266 | \$ 2,160,381 |
| 350200 OTIA Direct Grants | 1,471,800 | 573,575 |
| 420100 Non-DOI Capital Projects | 593,808 | 637,248 |
| 540000 Infrastructure Grants | 1,091,794 | - |
| | <u>\$ 5,428,668</u> | <u>\$ 3,371,204</u> |


Virtual IGFOA Wednesday, March 24, 2021 @ Thursday March 25, 2021

Criteria - Actual conditions must be taken into account in selecting the base to be used in allocating the expenses in each grouping to the benefitted functions. When an allocation can be made by assignment of a cost grouping directly to the function benefitted, the allocation must be made in that manner. When the expenses in a grouping are more general in nature, the allocation should be made using a selected base which produces results that are equitable to both the Federal Government and the governmental unit.

Condition - DOE did not reconcile and record indirect costs accurately in the accounting system and did not accurately allocate the share of indirect costs to the program. It appears that indirect costs of approximately \$264,458 were excluded and this resulted in an understatement of indirect costs claimed for the period.

Questioned Costs - Not applicable.

Context - This condition was identified per review of DOE's compliance with the specified requirements. For fiscal year 2018, DOE has an approved indirect cost rate agreement of 25.14% from 10/1/2017 - 12/13/2017 and of 21.65% from 12/14/2017 - 9/30/2018.

Effect - Reimbursable amounts were understated. 

Condition:

For two (or 33%) of six expenditures tested, aggregating \$606,016 of total program costs of \$962,619, disbursements represent 50% advances of the contract amount. No receiving report or other supporting document was provided to substantiate that services were rendered, as follows:

| <u>Acct No.</u> | <u>Cost Center</u> | <u>Date</u> | <u>Voucher No.</u> | <u>Amount</u> |
|-----------------|--------------------|-------------|--------------------|---------------|
| 1106 | F83826 | 07/19/2019 | 377291 | \$ 149,400 |
| 1106 | R73825 | 06/05/2019 | 372378 | \$ 144,300 |

Cause:

The Republic lacks controls over compliance with applicable allowable costs/cost principles requirements relative to adequate documentation.

Effect:

The Republic is in noncompliance with applicable allowable costs/cost principles requirements. No questioned cost is presented as Federal funds were not drawn to reimburse the locally funded disbursements.

Recommendation:

Republic management should establish and implement internal controls over the adequate documentation of transactions to substantiate compliance with applicable allowable costs/cost principles. Responsible personnel should periodically monitor prepayments and document such supporting records as receiving reports.

- Suva, Fiji Embassy September 2019 reconciling items:
 - \$177,295 unreconciled deposits, of which \$165,467 are unresolved from prior years
 - \$201,557 disallowed disbursements, of which \$153,997 are unresolved from prior years
 - \$55,678 unknown differences unresolved
- Tokyo, Japan Embassy September 2019 reconciling items:
 - \$478,833 unreconciled deposits, of which \$417,286 are unresolved from prior years
 - \$435,771 disallowed disbursements, of which \$398,637 are unresolved from prior years
 - \$187,291 unknown differences, of which \$157,016 are unresolved from prior years
 - \$52,338 net unknown withdrawals, disbursements, and deposits unresolved
- Taipei, Taiwan Embassy September 2019 reconciling items:
 - \$69,560 other deposits, of which \$37,422 are unresolved from prior years
 - \$75,284 disallowed disbursements, of which \$73,186 are unresolved from prior years
 - \$7,045 unknown difference unresolved from prior years
- UN Mission September 2019 reconciling items:
 - \$277,902 unreconciled receipts, of which \$230,415 are unresolved from prior years
 - \$16,815 unknown difference unresolved from prior year
 - \$373,748 disallowed disbursements, of which \$338,597 are unresolved from prior years
- Washington, D.C. Embassy September 2019 reconciling items:
 - \$23,327 other deposits, of which \$18,723 are unresolved from prior years
 - \$60,283 disallowed disbursements, of which \$51,419 are unresolved from prior years
 - \$12,595 unknown difference unresolved from prior years
- Arkansas Consulate September 2019 reconciling items:
 - \$5,470 unreconciled deposits unresolved
 - \$13,085 disallowed disbursements, of which \$12,380 are unresolved from prior years
 - \$1,335 unknown difference unresolved from prior years
- Seoul, Korea Embassy September 2019 reconciling items:
 - \$53,424 unreconciled deposits unresolved
 - \$8,608 unknown difference unresolved
 - \$69,067 disallowed disbursements, of which \$66,297 are unresolved from prior years

Criteria: A system of internal control provides for adequate monitoring and tracking of commitments related to open purchase orders and unfulfilled contracts. Encumbrances should be reviewed and adjusted for balances that are no longer valid.

Condition: Tests of encumbrances noted the following:

General Fund

1. Subsidiary ledger encumbrances of \$24,140,436 differed from the general ledger of \$6,194,027 at September 30, 2019. The difference of \$17,946,409 was corrected through a proposed audit reclassification.
2. Of five encumbrances tested, aggregating \$13,070,500, an underlying contract was not provided.

| Fund | Business Unit | General Ledger Account | Obligating Document No. | General Ledger Amount |
|------|---------------|------------------------|-------------------------|-----------------------|
| 1010 | N/A | 1160 | 677885 OC | \$ 17,052 |

3. The encumbrance aging includes a negative balance of \$304,101, which has been outstanding for more than five years. There was no evidence of DOF review of outstanding encumbrances.

| Fund | Amount |
|-------|------------|
| 1010 | \$ 41,803 |
| 1013 | 1,728 |
| 1015 | 200 |
| 2037 | 2,270 |
| 2039 | 8,100 |
| 2058 | 250,000 |
| Total | \$ 304,101 |

Grants Assistance Funds

1. Subsidiary ledger encumbrances of \$10,130,429 differed from the general ledger of \$48,538,909 at September 30, 2019. The difference of \$38,408,480 was corrected through a proposed audit reclassification.
2. The encumbrance aging includes a negative balance of \$1,013,281, which has been outstanding for more than five years. There was no evidence of DOF review of outstanding encumbrances.



Criteria: In accordance with applicable special tests and provisions requirements, State agencies must establish and maintain a program for conducting periodic risk analyses to ensure that appropriate, cost effective safeguards are incorporated into new and existing systems. State agencies must perform risk analyses whenever significant system changes occur. State agencies shall review the ADP system security installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices. The State agency shall maintain reports on its biennial ADP system security reviews, together with pertinent supporting documentation, for HHS on-site reviews (45 CFR section 95.621).



Criteria - Per the Uniform Guidance in 2 CFR Section 200.309, a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or passthrough entity

Per the Uniform Guidance in 2 CFR Section 200.343(b), unless the federal awarding agency or pass-through entity authorized an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

Condition - We sampled and selected 60 non-payroll expenditures and noted 1 instance where the expenditure was incurred outside the period of performance.

Questioned Costs - Not determinable.

Finding No: 2019-009
Area: Loan Guarantee Obligation

Criteria: ADB loans payable guaranteed by the State of Pohnpei should be recorded in the financial statements to comply with GASB 70.

Condition: ADB loans guaranteed by the State of Pohnpei on behalf of a component unit, which does not evidence the ability to repay the debt were not recorded in the accounting system to conform with GASB 70.

Cause: Management is of the opinion that such loans are not a State liability as drastic measures have been put in place or are being proposed at the component unit to allow it to return to profitable operations.

Effect: The departure from GASB 70 requirements resulted in a report modification.

| | | | |
|----------|--|--------------------|--|
| 2019-009 | We agree with the finding and we will try to request again for the Legislature to allow us to record PUC's ADB loans in our books for FY2021 to comply with GASB 70. | September 30, 2020 | Ms. Christina Elnei Director/DOTA Email: elnei1221@gmail.com |
|----------|--|--------------------|--|

USVI Single Audit Report FY18 - v2.pdf (SECURED) - Adobe Acrobat Reader DC (32-bit)

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Compliance Requirement: Data Collection Form and Single Audit Reporting Package

Program:

- CFDA # 10.551, 10.561 Supplemental Nutrition Assistance Program Cluster (SNAP)
- CFDA # 10.555, 10.559 Child Nutrition Cluster
- CFDA # 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- CFDA # 17.225 Unemployment Insurance (UI)
- CFDA # 20.205 Highway Planning and Construction Cluster
- CFDA # 84.027 Special Education - Grants to States (IDEA, Part B)
- CFDA # 84.403 Consolidated Grant to the Outlying Areas
- CFDA # 93.600 Head Start
- CFDA # 93.767 Children's Health Insurance Program (CHIP)
- CFDA # 93.778 Medicaid Cluster
- CFDA # 97.030 Community Disaster Loans
- CFDA # 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Criteria - The Uniform Guidance in 2 CFR Section 200.512, *Report Submission*, establishes that the audit shall be completed and the data collection form and reporting package shall be submitted to the Federal Audit Clearinghouse (FAC) within the earlier of 30 days after receipt of the auditor's report or nine (9) months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

Condition - The Government did not comply with the required submission date of the data collection form and reporting package to the FAC for the fiscal year ended September 30, 2018. The due date for this report was no later than June 30, 2019.

Questioned Costs - Not applicable.

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govguam_single_audit_19_final_08.27.20.pdf (SECURED) - Adobe Acrobat Reader DC (32-bit)

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Criteria:

In accordance with applicable procurement and suspension and debarment requirements, emergency procurement is allowable when there exists a threat to public health, welfare, or safety under emergency conditions as declared or approved by the Governor. Furthermore, only costs resulting from proper procurements should be charged to Federal awards.

Condition:

For four (or 13%) of 31 transactions tested, aggregating \$6.7 million out of \$14.4 million in total non-payroll program expenditures, emergency procurement was used either monthly or bimonthly to procure services for the Guam Medical Referral Assistance Office relative to serving families who have to travel for medical care. However, the procurement file does not contain sufficient documentation to substantiate existing emergency conditions that prevented formal bid procedures in advance of the known contract expiration dates. Furthermore, the procurement authority documented on the purchase orders indicate that the Chief Procurement Officer ratified a solicitation or award of a contract that was determined to be in violation of the law. Federal expenditures associated with the noncompliant procurement method are questioned costs.

| Federal Award No. | Transaction No. | Check No. | Contract Month | Vendor No. | Prior Reference | Amount Tested |
|-------------------|-----------------|-----------|----------------|------------|-----------------|---------------|
| D17AF00038 | J190620311 | 664478 | Nov 2018 | T0093612 | P196A00926 | \$ 59,800 |
| D17AF00038 | J190620469 | 670582 | Jan/Feb 2019 | F0096108 | P196A02431 | 119,600 |
| D17AF00038 | J190620529 | 671986 | Mar 2019 | T0093612 | P196A02575 | 59,800 |
| D18AF00045 | J190320819 | 675973 | May/Jun 2019 | T0093612 | P196A03680/1 | 91,250 |
| | | | | | | \$ 330,450 |

During FY 2019, GovGuam charged the Federal program a total of \$517,250 under eight such noncompliant procurements with the same contractor for the months of October 2018 through June 2019.

Cause:

GovGuam did not effectively plan for the expiration of existing contracts and did not enforce compliance with applicable procurement requirements.

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ROP_comp19-FINAL-02.16.21.pdf (SECURED) - Adobe Acrobat Reader DC (32-bit)

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Criteria:

Unearned revenues representing advanced non-federal grant funds should be supported by grant awards or equivalent to identify grant terms and conditions, and status reports or equivalent to substantiate validity.

Condition:

Tests of unearned revenues from non-federal sources noted the following:

a. Advanced funds at 9/30/2019 under the following cost centers lacked status reports, subsequent activity reports or equivalent to evidence that grant projects are valid and active:

| Cost center no. | Unearned revenue 9/30/2019 |
|-----------------|----------------------------|
| G7SGS1 | \$ 400,000 |
| P9SGS1 | \$ 400,000 |
| P8MCS1 | \$ 210,000 |
| R78996 | \$ 123,111 |
| M88926 | \$ 16,666 |

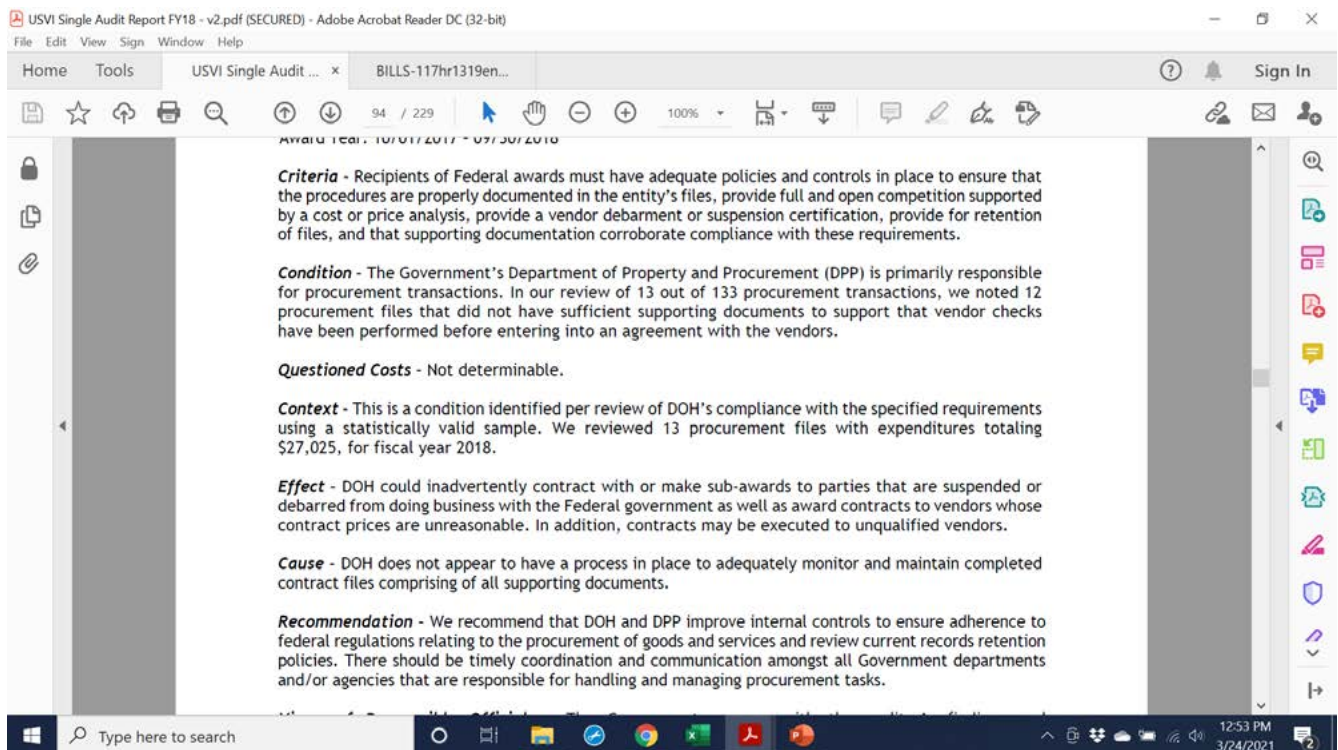
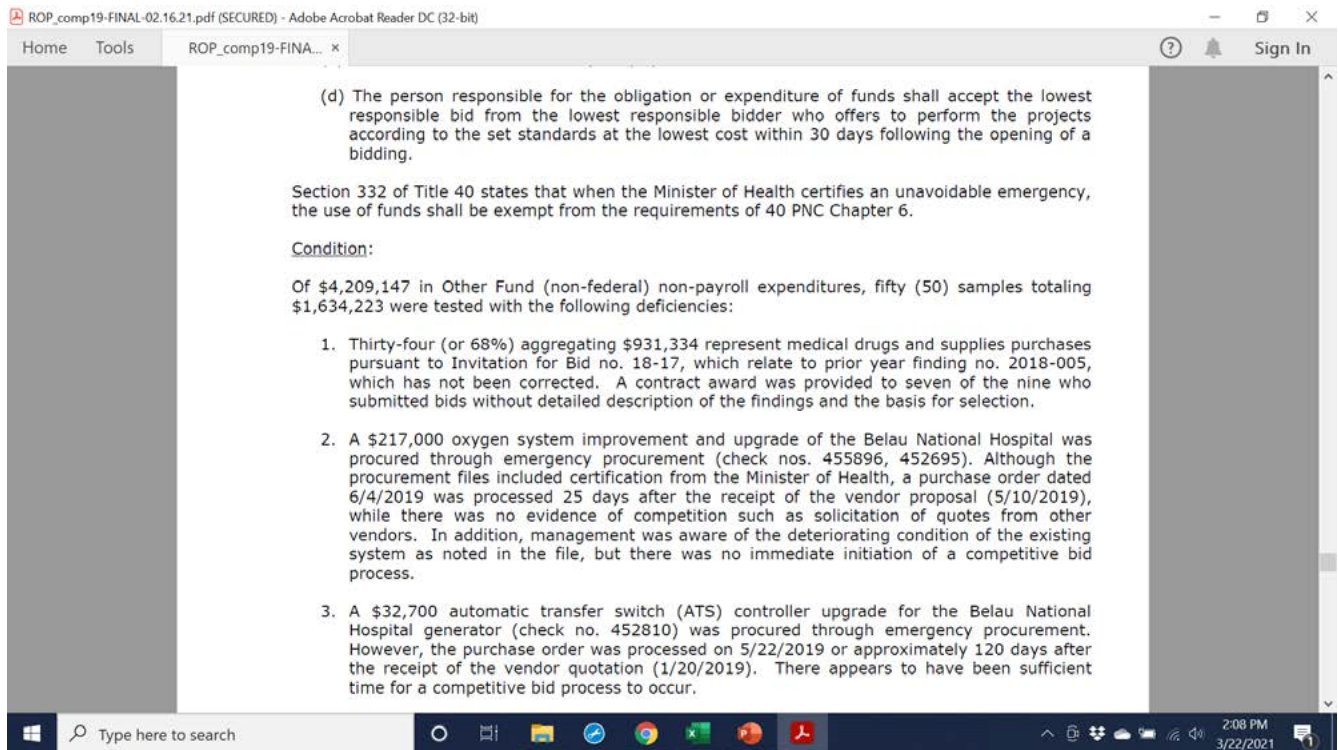
b. There were no grant awards or equivalents for cost center nos. G7SGS1, P9SGS1, R78996 and P8MCS1.

Cause:

The Division of Grants did not maintain a centralized grant filing system to support the existence and validity of the recorded advanced funds. Recording of advanced funds is primarily based on instructions from implementing offices with or without a supporting grant award or equivalent. The Republic appears to lack monitoring controls over the status of advanced funds.

Effect:

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04

***Insular Government FY 2019 Performer[®]
and A.F.T.E.R Analysis Update***

2019 Performer® and A.F.T.E.R Analysis Update

Presentation to IGFOA 2021
Prepared and Presented by Frank Crawford, CPA
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1

Topics for today

- ▶ A brief review of what the *Performer* and *A.F.T.E.R Analysis* is (and what it is not...)
- ▶ Review of factors and circumstances contributing to the 2019 scores and causes
- ▶ Provide an update on the most recent 2019 *Performer* scores and A.F.T.E.R. findings for 2019



2

A brief review...

- ▶ The *Performer* 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



3

A brief review...

- ▶ In addition, we have continued to divide up the overall score by its 3 components which are Financial Position, Financial Performance, and Financial Capability (also known as Financial Sustainability), and reported the individual scores for each of the 3 components.



A brief review...

- ▶ With this additional separation of components of the score, each government can now see the weakest and strongest components of their overall score
- ▶ For example, an overall score of a 3.8 might actually consist of an excellent score of 10 on Financial Performance, a poor score of 1.5 on Financial Position, and a Financial Capability score of 3.6. The combinations of these scores are what drives the overall score of 3.8.
- ▶ Lastly, a small red, yellow and green “speedometer” is on each rating slide, and gives the reader some perspective.



5

A brief review...

- ▶ The A.F.T.E.R. Analysis is very simple analysis of the status of audit findings, the timeliness of the submission of the audit and the resolution of certain audit exceptions; this analysis can be used to track a government's progress towards eliminating its most significant findings and exceptions, along with tracking the timeliness of submission to the Federal Clearinghouse.



6

Factors and Circumstances for 2019

- ▶ Due dates for the 2019 single audit filings were stretched by 6 additional month extension from their normal 9 month period deadline to a new deadline of 15 months. Most of the governments took advantage of that extension.
- ▶ For 5 of the 10 governments (and one unknown since the VI hasn't released FY 2019 yet), the fiscal year ending September 30, 2019 produced improved results. In addition, the VI's 2018 financial statements showed a 15.3% improvement from FY 2017 score.



7

Factors and Circumstances for 2019

- ▶ Highlights
 - For all governments except the FSM and States, and the RMI, the impact of GASB 68's pension requirements in 2015 still remains a significant factor, with many of the governments' pension systems remaining severely underfunded
 - For the FSM National Government, the RMI, and Palau, the Social Security programs offered by the government remain at some of their lowest funding levels in the model's history.



Factors and Circumstances for 2019

► Highlights

- The CNMI was able to resolve a long-standing dispute with their auditors about pension accounting, with the adoption of GASB 68 and 71 pension-related accounting standards, which removed a significant qualification in the CNMI's audit report.
- Unfortunately, the adoption of the pension-related accounting standards caused the recognition of a significant previously unreported liability, which caused their overall Performer score to tumble 61.1% from a score of 3.83 in 2018 to a score of 1.49 in 2019.



Factors and Circumstances for 2019

► Highlights

- The RMI continues to remain the model of consistency, deviating no more than 1.5 points over the last 10 years, settling in with a 5.65 for 2019, a decline of 7.4% from their score of a 6.10 in FY 2018, which was their 3rd highest score in the history of the model



Factors and Circumstances for 2019

► Highlights

- All changes up or down in the Performer scores from 2019 were less than 20%, except as previously noted for the CNMI
- Guam takes the prize for the highest percentage increase in the overall score, with a 12.5% improvement during FY 2019.
- Kosrae comes in second this year for posting a 9.3% improvement in their score from FY 2018.
- Yap State overtakes FSM National to take the prize for the high score this year of 8.33, besting FSM National's score of 7.81



Factors and Circumstances for 2019

► Highlights

- 5 governments received unmodified opinions, (formerly known as unqualified or clean opinions) on their financial statements, with 3 additional governments only having 1 qualification each
- Only two governments, FSM National and Kosrae State, received unmodified (clean) opinions on both their Financial Statement audit and the audit of compliance with federal program monies (Single audit)
- Kosrae posted the golden goose award with goose eggs (0s) all over their AFTER analysis in 2019 (for the 4th consecutive year), with a clean financial statement opinions, clean single audit opinions, no financial statement internal control or compliance findings, no grant internal control or compliance findings, and zero current and cumulative questioned costs. Several other governments were very close with only a few findings tripping them up
- 2 governments posted \$0 of new questioned costs this year, 7 governments had less than \$1 million in new questioned costs, and 2 governments had new questioned costs that exceeded \$1 million this year.



THE PERFORMETER

Current Scores Based on FY19 Audit Data

A 7-10 SCORE INDICATES:

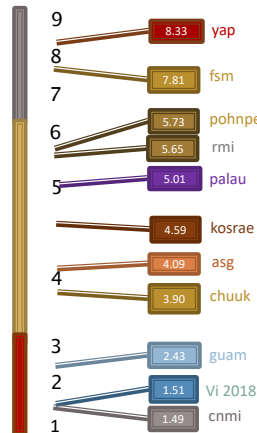
- repetitive positive performances for several years
- sufficient cash flows to pay vendors and employees
- relatively low tax and debt burdens per capita
- ability to consistently live within their means

A 4-6 SCORE INDICATES:

- lower than satisfactory levels of reserves
- satisfactory capital asset useful lives remaining
- moderate levels of tax and debt burdens per capita
- and the beginnings of cash flow issues that often delay on-time payments to vendors

A 0-3 SCORE INDICATES:

- significant unrestricted net position deficit and/or a deficit in their general fund unassigned fund balance
- a significant tax and/or debt burden per capita
- severe cash flow issues
- Making the deficit worse by incurring more expense than earning in revenue



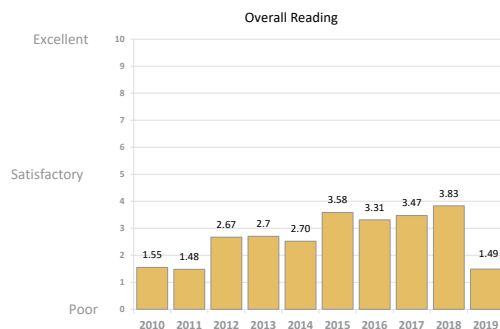
VTI Graduate School USA

13

Performer® Reading

How Was Our Overall Financial Performance?

DRAFT



For the 2019 fiscal year, the readings by ratio category were as follows:

| | |
|------------------------------|------------|
| Financial Position | 0.1 |
| Financial Performance | 0.2 |
| Financial Capability | 3.5 |

The 2019 reading of 1.49 indicates the evaluator's opinion that the Commonwealth of the Northern Marianas Islands Government's overall financial health and performance produced a significant decline when compared to the prior period, due primarily to the implementation of GASB pension-related standards during the year. The CNMI recognized a significant pension liability as a result of the implementation.

In addition, the Commonwealth's operational performance dropped during the year, with declines in tax revenue, cash flow and several other related ratios.

FY 19 Overall Performer® Reading: 1.49



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| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|------------------------------------|----------|---------|---------|---------|---------|----------|
| Change in Net Position | -11.2% | 10% | 37.4% | 53.7% | 16.9% | -10.7% |
| Intergenerational Equity | 105.4% | 109.4% | 126.5% | 118.8% | 102.6% | 90.6% |
| Level of Unrestricted Net Position | -128.8% | -121.5% | -57.0% | -34.1% | -35.2% | -126.3% |
| Level of Unassigned Fund Balance | -67.2% | -69.1% | -37.4% | -19.7% | -33.7% | -60.6% |
| Revenue Dispersion | 72% | 68.4% | 70.5% | 73.2% | 73.2% | 51% |
| Capital Asset Condition | 37% | 35% | 33% | 31% | 32% | 29% |
| Financing Margin – Taxes | \$2,632 | \$2,510 | \$3,896 | \$4,817 | \$4,598 | \$3,367 |
| Financing Margin – Debt | \$6,384 | \$5,670 | \$4,947 | \$4,926 | \$3,253 | \$10,453 |
| Pension Plan Funding | N/a | N/a | N/a | N/a | 14% | 18% |
| Debt to Assets | 202.9% | 199.5% | 154.7% | 121.9% | 121.4% | 336.3% |
| Debt Service Load | Not used | 3.3% | 3.3% | 2.7% | 2.4% | 1.7% |
| Current Ratio | 0.39 | 0.31 | 0.55 | 0.75 | 0.49 | 0.37 |
| Quick Ratio | 0.25 | 0.18 | 0.36 | 0.58 | 0.31 | 0.13 |
| Performer Reading | 2.52* | 3.58* | 3.31* | 3.47* | 3.83 | 1.49 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

15

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| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Number of F.S. Opinion Qualifications/Exceptions | 6 | 3 | 7 | 2 | 5 | 5 | 5 | 3 | 3 |
| Number of Major Federal Program Qualifications/Exceptions | 8 | 8 | 7 | 8 | 8 | 6 | 6 | 6 | 4 |
| Number of F.S. Findings | | | | | | | | | |
| A. Internal Control and Compliance | 0 | 2 | 2 | 2 | 1 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 19 | 18 | 11 | 13 | 12 | 12 | 14 | 14 | 14 |
| C. Compliance Only | 3 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 |
| TOTAL | 22 | 20 | 13 | 15 | 13 | 13 | 15 | 14 | 14 |
| Percentage of Findings Repeated | 72.7% | 72.7% | 100% | 60% | 85% | 92% | 80% | 93% | 93% |
| Number of Single Audit Findings | | | | | | | | | |
| A. Internal Control and Compliance | 22 | 28 | 0 | 2 | 22 | 18 | 9 | 10 | 10 |
| B. Internal Control Only | 0 | 0 | 29 | 36 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 3 | 0 | 1 | 0 | 5 | 0 | 0 | 0 | 0 |
| TOTAL | 25 | 28 | 30 | 38 | 27 | 18 | 9 | 10 | 10 |
| Percentage of S.A. Findings Repeated | 56% | 56% | 50% | 39.5% | 59% | 61% | 56% | 55% | 60% |
| Number of months after Y/E the F.S. were Released | 20 | 17 | 9 | 9 | ? | 10 | 9 | 8 | 18 |
| Number of Qualifications/Exceptions Related to C.U. | 6 | 2 | 7 | 2 | 4 | 4 | 4 | 2 | 2 |
| \$ of Questioned Costs-Current Year | \$4,223,661 | \$6,620,692 | \$10,288,891 | \$3,754,204 | \$3,200,953 | \$16,067,272 | \$1,393,892 | \$369 | \$878,297 |
| \$ of Questioned Costs- Cumulative | \$28,938,525 | \$35,559,217 | \$45,848,108 | \$26,187,584 | \$17,114,454 | \$31,568,469 | \$21,722,238 | \$20,317,045 | \$21,195,342 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$0 | \$0 | \$23,414,727 | \$55,526 | \$1,613,257 | \$11,240,123 | \$1,405,562 | \$0 |

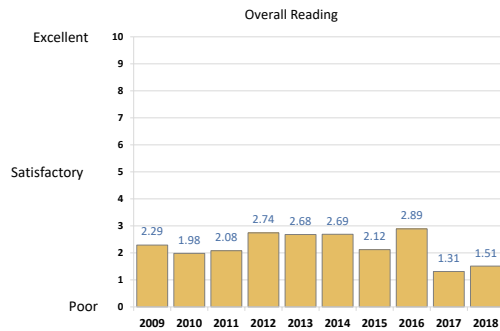
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Performer® Reading

How Was Our Overall Financial Performance?



For the 2018 fiscal year, the readings by ratio category were as follows:

Financial Position 0.8
Financial Performance 1.8
Financial Capability 2.2

The 2018 overall reading of 1.51 indicates the evaluator's opinion that the VI's overall financial health and performance slightly improved during the year.

The VI is still recovering from a number setbacks that it suffered in the previous 2 fiscal years, however that recovery will stretch over several years into the future.

FY 18 Overall Performer® Reading:

1.51



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| Ratio | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|-------------------------------------|---------|---------|----------|---------|----------|----------|
| Change in Net Position | -9.1% | 4.0% | -7.1% | 0.1% | -20.0% | -1.4% |
| Intergenerational Equity | 90.8% | 104.5% | 82.8% | 100.2% | 70.9% | 91.3% |
| Level of Unrestricted Net Position | -149.8% | -146.9% | -357.2% | -267.7% | -382.7% | -269.6% |
| Level of Unassigned Fund Balance | -1.5% | -12.4% | -8.6% | -8.2% | -36.3% | -10.3% |
| Revenue Dispersion | 51.8% | 43.5% | 45.9% | 37.7% | 58.1% | 31.5% |
| BTA Self-Sufficiency | 70.7% | 64% | 68.9% | 81.2% | 99.5% | 59.3% |
| Capital Asset Condition | 53% | 54% | 55% | 54% | 49% | 48% |
| Financing Margin – Taxes | \$8,411 | \$9,058 | \$7,728 | 8,441 | \$7,944 | \$8,783 |
| Financing Margin – Debt/Obligations | \$8,104 | \$8,632 | \$31,186 | 37,194 | \$41,686 | \$41,298 |
| Pension Plan Funding | 41% | 37% | 27% | 20% | 16% | 16% |
| Debt Service Load | N/A | N/A | 26% | 18.8% | 13.3% | 10.1% |
| Debt to Assets | 171% | 176.3% | 314.7% | 323.3% | 407% | 365.3% |
| Debt Service Coverage | 2.39 | 0.23 | 1.66 | 2.13 | 0.23 | 0.54 |
| Current Ratio | 0.83 | 1.3 | 0.94 | 0.90 | 0.72 | 1.01 |
| Quick Ratio | 0.84 | 0.54 | 0.58 | 0.49 | 0.39 | 0.58 |
| Overall Performer Reading | 2.68 | 2.69 | *2.12 | *2.89 | 1.31 | 1.51 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

The Performer® is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PITI-VITI Program through the United States Department of the Interior.

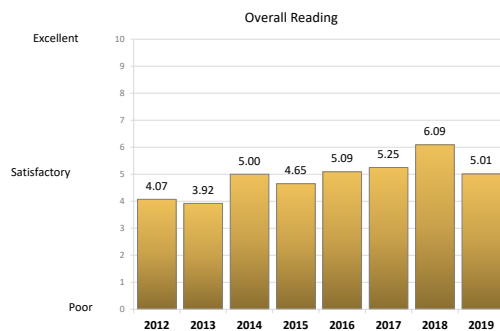
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Number of F.S. Opinion Qualifications/Exceptions | 7 | 6 | 9 | 16 | 19 | 9 | 13 |
| Number of Major Federal Program Qualifications/Exceptions | 2 | 3 | 6 | 9 | 9 | 10 | 7 |
| Number of F.S. Findings | | | | | | | |
| A. Internal Control and Compliance | - | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 8 | 8 | 12 | 12 | 12 | 13 | 13 |
| C. Compliance Only | 0 | 0 | 2 | 3 | 3 | 4 | 4 |
| TOTAL | 8 | 8 | 14 | 15 | 15 | 17 | 17 |
| Percentage of Findings Repeated | 100% (estimate) | 100% (estimate) | 100% (estimate) | 100% (estimate) | 100% (estimate) | 100% (estimate) | 100% (estimate) |
| Number of A-133 Findings | 13 | 14 | 46 | 57 | 56 | 71 | 57 |
| A. Internal Control and Compliance | - | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | - | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 13 | 14 | 46 | 57 | 56 | 71 | 57 |
| TOTAL | | | | | | | |
| Percentage of A-133 Findings Repeated | Unable to determine | Unable to determine | 100% | 84% | (100% estimate) | (100% estimate) | (100% estimate) |
| Number of months after Y/E the F.S. were Released | 16 | 9 | 12 | 9 | 9 | 24 | 21 |
| Number of Qualifications/Exceptions Related to C.U. | 5 | 4 | 3 | 6 | 5 | 3 | 4 |
| \$ of Questioned Costs-Current Year | \$3,328,464 | \$0 | \$1,172,427 | \$348,349 | \$0 | \$163,394 | \$283,945 |
| \$ of Questioned Costs- Cumulative | \$5,730,775 | \$0 | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |
| \$ of Questioned Costs Resolved – Current Year | \$833,186 | \$5,730,775 | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |

19

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Performer® Reading

How Was Our Overall Financial Performance?



For the 2019 fiscal year, the readings by ratio category were as follows:

Financial Position **6.12**
Financial Performance **1.30**
Financial Capability **5.27**

The 2019 reading of 5.01 indicates the evaluator's opinion that the Palau Government's overall financial health and performance decreased during the fiscal year ended September 30, 2019, but still remains an above satisfactory reading.

Palau has maintained a relatively consistent level of scoring over the past 11 years. However, Palau's overall financial health did decline during the 2019 fiscal year. The primary reasons for the above satisfactory reading are the high level General Fund's level of unassigned fund balance, the low debt service load ratio, the high readings of current and quick ratios, and the high overall above satisfactory financial position reading. However, declines in other ratios led to the decrease in the current year score.

FY 19 Overall Performer® Reading:

5.01



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| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|---------|---------|---------|---------|----------|----------|
| Change in Net Position | 1.1% | -8.5% | 3.2% | 5.8% | 42.4% | -5.7% |
| Intergenerational Equity | 89.8% | 92.6% | 91.3% | 87.2% | 162% | 81.9% |
| Level of Unrestricted Net Position | -7.8% | -106.8% | -95.8% | -106.8% | -59.4% | -117% |
| Level of Unassigned Fund Balance | 13.3% | 26.4% | 33.2% | 42.5% | 42.2% | 60.4% |
| Revenue Dispersion | 55.8% | 61% | 58.3% | 69% | 38.1% | 65.2% |
| Capital Asset Condition | 38% | 32% | 27% | 25% | 25% | 24% |
| Financing Margin – Taxes | \$1,656 | \$1,930 | \$2,073 | \$2,077 | \$2,117 | \$2,011 |
| Financing Margin – Debt/Obligations | \$1,317 | \$7,446 | \$8,524 | \$9,987 | \$10,680 | \$10,530 |
| Pension Plan Funding | 23% | 14% | 12% | 12% | 10% | 10% |
| Debt Service Load | N/A | 3.3% | 2.7% | 2.8% | 2.7% | 4.1% |
| Debt to Assets | 13.1% | 46.5% | 49.2% | 48.6% | 44.5% | 44.7% |
| Current Ratio | 1.72 | 2.86 | 3.90 | 4.87 | 5.85 | 5.34 |
| Quick Ratio | 0.93 | 1.87 | 1.99 | 2.54 | 2.88 | 2.32 |
| Overall Performer Reading | 4.99 | 4.65* | 5.09* | 5.25* | 6.09 | 5.01 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

21

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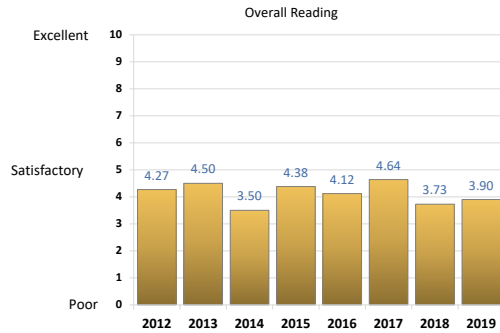
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Major Federal Program Qualifications/Exceptions | 7 | 7 | 6 | 9 | 5 | 3 | 1 | 2 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 1 | 3 | 1 |
| B. Internal Control Only | 3 | 3 | 3 | 1 | 1 | 5 | 0 | 3 |
| C. Compliance Only | 8 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| TOTAL | 11 | 3 | 4 | 1 | 2 | 6 | 3 | 4 |
| Percentage of Findings Repeated | 80% | 0% | 50% | 0% | 0% | 33% | 100% | 75% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 18 | 19 | 9 | 17 | 11 | 7 | 3 | 3 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 18 | 19 | 10 | 17 | 11 | 7 | 3 | 3 |
| Percentage of S.A. Findings Repeated | 57% | 47% | 80% | 29% | 73% | 43% | 67% | 0% |
| Number of months after Y/E the F.S. were Released | 13.5 | 10 | 9 | 9.5 | 9.5 | 9 | 9 | 16.5 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$763,348 | \$183,006 | \$72,875 | \$354,018 | \$97,206 | \$0 | \$174,130 | \$44,448 |
| \$ of Questioned Costs- Cumulative | \$2,754,298 | \$2,690,163 | \$826,527 | \$753,136 | \$319,767 | \$314,686 | \$488,816 | \$359,134 |
| \$ of Questioned Costs Resolved – Current Year | \$1,559,418 | \$247,141 | \$1,936,511 | \$427,409 | \$204,848 | \$57,338 | \$0 | \$174,130 |

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Performer® Reading

How Was Our Overall Financial Performance?



For the 2019 fiscal year, the readings by ratio category were as follows:

| | |
|-----------------------|------|
| Financial Position | 0.63 |
| Financial Performance | 3.67 |
| Financial Capability | 7.88 |

The 2019 reading of 3.90 indicates the evaluator's opinion that Chuuk Government's overall financial health and performance was considered less than satisfactory as of and for the fiscal year ended September 30, 2019, but does represent an increase from the reading of the prior year.

Chuuk's improvement of revenue dispersion, quick ratio, current ratio, debt to asset ratio, low debt and taxes margins, and low debt service load contributed to the improvement in the overall score. The size of the unrestricted net position deficit, the decline in the change in net position, the size of the General Fund unassigned fund balance deficit, and insufficient current and quick ratios remain the primary reasons for the less than satisfactory reading of the current year.

FY 19 Overall Performer® Reading:

3.90



The Performer® is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PITI-VITI Program through the United States Department of the Interior.

| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position | -3.7% | 0.3% | 0.7% | 7.6% | -3.0% | -3.6% |
| Intergenerational Equity | 93.4% | 97.3% | 97.7% | 102.4% | 94.3% | 94.4% |
| Level of Unrestricted Net Position | -64.4% | -61.7% | -55.4% | -45.8% | -41.1% | -43.9% |
| Level of Unassigned Fund Balance | 124.1% | -133.8% | 110.2% | -82.3% | -76.9% | -85.5% |
| Revenue Dispersion | 11.3% | 11.5% | 12% | 11.6% | 13.2% | 27.7% |
| Capital Asset Condition | 23% | 22% | 20% | 19% | 17% | 15% |
| Financing Margin – Taxes | \$106 | \$114 | \$133 | \$144 | \$137 | \$139 |
| Financing Margin – Debt/Obligations | \$235 | 192 | \$184 | \$177 | \$163 | \$148 |
| Debt Service Load | N/A | 1.4% | 1.2% | 1.4% | 1.7% | 1.7% |
| Debt to Assets | 39.4% | 37.9% | 37.2% | 38.6% | 41% | 39.2% |
| Current Ratio | 0.22 | 0.20 | 0.33 | 0.38 | 0.29 | 0.39 |
| Quick Ratio | 0.07 | 0.08 | 0.08 | 0.12 | 0.16 | 0.19 |
| Overall Performer Reading | 3.48 | 4.38* | 4.12* | 4.64* | 3.73 | 3.90 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

The Performer® is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PITI-VITI Program through the United States Department of the Interior.



| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|------|-----------|-----------|-----------|-----------|-----------|------|----------|
| Number of F.S. Opinion Qualifications/Exceptions | 1 | 1 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Number of Major Federal Program Qualifications/Exceptions | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 1 |
| Number of F.S. Findings | | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 5 | 4 | 5 | 2 | 2 | 2 | 2 | 3 | 3 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 5 | 4 | 5 | 2 | 2 | 2 | 2 | 3 | 3 |
| Percentage of Findings Repeated | 20% | 50% | 60% | 100% | 100% | 100% | 100% | 67% | 100% |
| Number of Single Audit Findings | | | | | | | | | |
| A. Internal Control and Compliance | 1 | 1 | 3 | 2 | | | | | 3 |
| B. Internal Control Only | 0 | 0 | 1 | 1 | 4 | 1 | 0 | 1 | 0 |
| C. Compliance Only | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| TOTAL | 2 | 1 | 4 | 3 | 4 | 1 | 1 | 1 | 3 |
| Percentage of S.A. Findings Repeated | 100% | 100% | 25% | 50% | 25% | 100% | 100% | 100% | 33% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 15 |
| Number of Qualifications/Exceptions Related to C.U. | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$0 | \$0 | \$194,238 | \$114,918 | \$55,292 | \$0 | \$0 | \$0 | \$32,532 |
| \$ of Questioned Costs- Cumulative | \$0 | \$0 | \$194,238 | \$309,156 | \$364,448 | \$364,448 | \$0 | \$0 | \$32,532 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$364,448 | \$0 | \$0 |

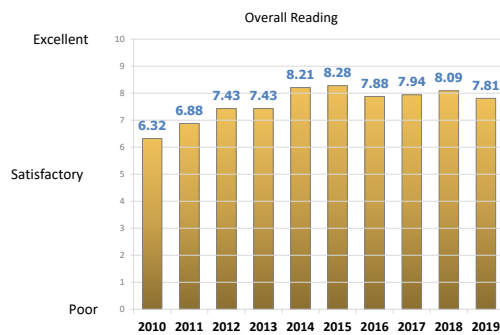
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The Performer® is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PITI-VITI Program through the United States Department of the Interior.



Performer® Reading

How Was Our Overall Financial Performance?



For the 2019 fiscal year, the readings by ratio category were as follows:

Financial Position 7.2
Financial Performance 8.8
Financial Capability 8.2

The 2019 reading of 7.81 indicates the evaluator's opinion that the Federated States of Micronesia Government's overall financial health and performance decreased when compared to the prior period, but continues to be considered well above satisfactory.

The FSM National Government's continued consistency and improvements in unrestricted net position, debt to assets, taxes and debt per capita amounts, and high levels of current and quick ratios are the significant factors in the well above satisfactory reading of the current period.

FY 19 Overall Performer® Reading:

7.81



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| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position | 8.9% | 12.7% | 15% | 17.6% | 25% | 5.9% |
| Intergenerational Equity | 126% | 167.9% | 162.8% | 163.3% | 227.2% | 130.2% |
| Level of Unrestricted Net Position | 79.8% | 113.1% | 118.3% | 119.6% | 151.2% | 200.0% |
| Level of Unassigned Fund Balance | 54.5% | 24% | 18.9% | 19.2% | 16.3% | 14.4% |
| Revenue Dispersion | 35% | 38.4% | 16.1% | 22.5% | 48.1% | 41.4% |
| Capital Asset Condition | 71% | 74% | 71% | 67% | 72% | 67% |
| Financing Margin – Taxes | \$387 | \$166 | \$193 | \$371 | \$986 | \$763 |
| Financing Margin – Debt/Obligations | \$555 | \$494 | \$483 | \$537 | \$512 | \$480 |
| Pension Plan Funding | 16% | 16% | 16% | 18% | 15% | 15% |
| Debt Service Load | n/a | 4.0% | 2.4% | 2.2% | 2.7% | 3.3% |
| Debt to Assets | 19% | 17.7% | 16.9% | 18.9% | 13.2% | 12.8% |
| Current Ratio | 11.16 | 7.31 | 8.33 | 8.34 | 10.01 | 10.62 |
| Quick Ratio | 6.39 | 4.93 | 5.94 | 6.14 | 8.26 | 9.15 |
| Overall Performer Reading | 8.21 | 8.28* | 7.88* | 7.94* | 8.09 | 7.81 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

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The Performer* is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PITI-VITI Program through the United States Department of the Interior.



| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------|-------------|-------------|-------------|-------------|----------|----------|------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Major Federal Program Qualifications/Exceptions | 3 | 3 | 6 | 1 | 0 | 0 | 2 | 0 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 2 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 2 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
| Percentage of Findings Repeated | 100% | 100% | 100% | 100% | 100% | 0% | 0% | 0% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 9 | 7 | 12 | 5 | 2 | 1 | 2 | 1 |
| B. Internal Control Only | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 9 | 9 | 12 | 5 | 2 | 1 | 2 | 1 |
| Percentage of S.A. Findings Repeated | 77.7% | 77.7% | 16.7% | 0% | 50% | 0% | 0% | 100% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 15 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$709,783 | \$2,665,578 | \$580,807 | \$28,936 | \$0 | \$0 | \$0 | \$0 |
| \$ of Questioned Costs- Cumulative | \$3,060,019 | \$3,642,795 | \$4,223,602 | \$4,257,599 | \$27,391 | \$27,391 | \$0 | \$0 |
| \$ of Questioned Costs Resolved – Current Year | \$2,861,600 | \$2,082,802 | \$0 | \$33,580 | \$4,230,168 | \$0 | \$27,391 | \$0 |

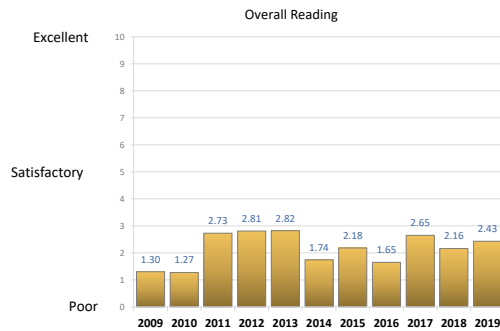
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Performer® Reading

How Was Our Overall Financial Performance?



For the 2019 fiscal year, the readings by ratio category were as follows:

| | |
|-----------------------|-------------|
| Financial Position | 0.29 |
| Financial Performance | 7.49 |
| Financial Capability | <u>2.82</u> |
| Overall | 2.43 |

The 2019 reading of 2.43 indicates the evaluator's opinion that the Government of Guam's overall financial health and performance improved when compared to the reading of the previous year.

The primary reasons for improvement were the positive change in net position of 40.1 million and the improvement in intergenerational equity. However, the 2.43 Performer reading is still considered a well below satisfactory reading.

FY 19 Overall Performer® Reading:

2.43

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| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|----------|----------|----------|----------|----------|----------|
| Change in Net Position | -16.1% | -4.6% | -11.5% | 5.5% | -0.7% | 1.6% |
| Intergenerational Equity | 96.5% | 97.2% | 94.7% | 102.2% | 98.8% | 103.7% |
| Level of Unrestricted Net Position | -74.7% | -155.0% | -153.5% | -163.9% | -285.1% | -262.5% |
| Level of Unassigned Fund Balance | -19.7% | -27.3% | -31.5% | -23.9% | -27.1% | -21.2% |
| Revenue Dispersion | 35.5% | 34.9% | 35.3% | 35.2% | 37.8% | 40.3% |
| Capital Asset Condition | 61% | 59% | 57% | 57% | 52% | 50% |
| Financing Margin – Taxes | \$4,280 | \$4,013 | \$4,240 | \$4,368 | \$4,378 | \$4,492 |
| Financing Margin – Debt/Obligations | \$9,051 | \$13,709 | \$14,632 | \$15,802 | \$24,670 | \$22,359 |
| Pension Plan Funding | 54% | 57% | 53% | 49.8% | 54.0% | 57.2% |
| Debt Service Load | Not used | 8.2% | 7.3% | 8.1% | 8.4% | 8.7% |
| Debt to Assets | 90.7% | 143.8% | 151.0% | 158.0% | 246.2% | 220.4% |
| Current Ratio | 0.79 | 0.83 | 0.90 | 1.02 | 0.98 | 1.08 |
| Quick Ratio | 0.23 | 0.14 | 0.36 | 0.20 | 0.21 | 0.28 |
| Overall Performer Reading | 1.74 | 2.18* | 1.65* | 2.65* | 2.16 | 2.43 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

30

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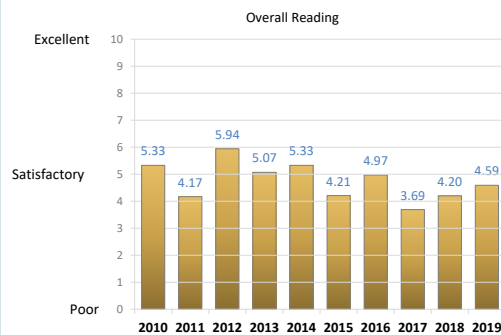
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------|-------------|----------|----------|-----------|-----------|-----------|-------------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Major Federal Program Qualifications/Exceptions | 5 | 4 | 7 | 4 | 4 | 4 | 4 | 2 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 4 | 3 | 3 | 1 | 0 | 0 | 1 | 2 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 4 | 3 | 3 | 1 | 0 | 0 | 1 | 2 |
| Percentage of Findings Repeated | 100% | 100% | 33% | 0% | 0% | 0% | 0% | 50% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 3 | 5 | 6 | 8 | 9 | 7 | 3 | 6 |
| B. Internal Control Only | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 3 | 5 | 7 | 8 | 9 | 7 | 3 | 6 |
| Percentage of S.A. Findings Repeated | 0% | 0% | 14% | 12.5% | 33% | 71% | 100% | 33% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 8 | 9 | 9 | 11 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$35,293 | \$18,178 | \$46,293 | \$348 | \$432,056 | \$135,451 | \$549,023 | \$1,113,368 |
| \$ of Questioned Costs- Cumulative | \$45,370 | \$53,471 | \$99,764 | \$14,798 | \$432,056 | \$567,507 | \$694,425 | \$1,662,391 |
| \$ of Questioned Costs Resolved – Current Year | \$926,514 | \$1,418,760 | \$10,077 | \$0 | \$85,314 | \$14,450 | \$348 | \$145,402 |

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Performer® Reading

How Was Our Overall Financial Performance?



For the 2019 fiscal year, the readings by ratio category were as follows:

Financial Position 2.5
Financial Performance 6.6
Financial Capability 6.3

The 2019 overall reading of 4.59 indicates the evaluator's opinion that Kosrae's overall financial health and performance increased from the previous period, but remains slightly below the satisfactory reading.

Kosrae's current year rating increase is due primarily to the increase in intergenerational equity, the increase in the current and quick ratios, and the decrease in the size of the unrestricted net position deficit.

FY 19 Overall Performer® Reading:

4.59



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The Performer® is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PITI-VITI Program through the United States Department of the Interior.



| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position | 23.8% | -3.4% | 42.4% | -2.4% | -0.9% | -0.6% |
| Intergenerational Equity | 138.4% | 88.8% | 178.6% | 92.6% | 95.1% | 95.9% |
| Level of Unrestricted Net Position | -23.2% | -31.4% | -6.9% | -19.3% | -11.7% | -9.1% |
| Level of Unassigned Fund Balance | -32.7% | -43.1% | -38.1% | -58.3% | -24.8% | -28.0% |
| Revenue Dispersion | 4.2% | 7.8% | 3.6% | 8.7% | 7.7% | 8.0% |
| Capital Asset Condition | 35% | 33% | 44% | 45% | 43% | 41% |
| Financing Margin – Taxes | \$201 | \$214 | \$232 | \$240 | \$244 | \$254 |
| Financing Margin – Debt/Obligations | \$643 | \$614 | \$690 | \$681 | \$605 | \$540 |
| Debt Service Load | N/A | 2.0% | 2.6% | 2.8% | 3.0% | 3.3% |
| Debt to Assets | 16% | 17.5% | 14.8% | 16.2% | 14.2% | 12.3% |
| Current Ratio | 1.8 | 0.65 | 1.13 | 0.98 | 1.25 | 1.63 |
| Quick Ratio | 3.25 | 0.50 | 0.52 | 0.44 | 0.70 | 1.07 |
| Overall Performer Reading | 5.33 | 4.21* | 4.97* | 3.69* | 4.20 | 4.59 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

33

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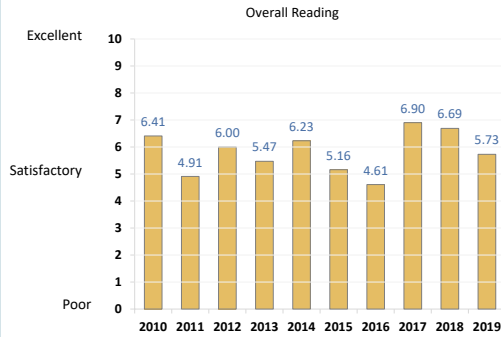
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|------|------|------|------|------|------|------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Major Federal Program Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Percentage of Findings Repeated | 100% | 100% | 0% | 0% | 0% | 0% | 0% | 0% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Percentage of S.A. Findings Repeated | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 9 | 8 | 8.5 | 15 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$ of Questioned Costs- Cumulative | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

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Performer® Reading

How Was Our Overall Financial Performance?



For the 2019 fiscal year, the readings by ratio category were as follows:

| | |
|-----------------------|-----|
| Financial Position | 3.7 |
| Financial Performance | 7.7 |
| Financial Capability | 6.9 |

The 2019 overall reading of 5.73 indicates the evaluator's opinion that Pohnpei's overall financial health and performance declined when compared to the prior period.

Pohnpei's overall financial health declined during the 2019 fiscal year but maintained an above satisfactory reading. The primary reasons for the above satisfactory reading are the low debt service load ratio, its low tax and debt burdens per capita, its low debt to assets ratio, and the positive unrestricted net position and intergenerational equity. The current year decline of the General Fund's unassigned fund balance also contributed significantly to the lower overall score.

FY 19 Overall Performer® Reading:

5.73



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| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position | 23.7% | -3.0% | -3.5% | 15.8% | 8.3% | 16.8% |
| Intergenerational Equity | 123.8% | 95.6% | 91.6% | 114.7% | 108.8% | 101.6% |
| Level of Unrestricted Net Position | -7.0% | -8.5% | -8.9% | 5.6% | 11.7% | 16.8% |
| Level of Unassigned Fund Balance | 7.5% | 1.7% | -5.0% | 24.6% | 23.7% | -3.5% |
| Revenue Dispersion | 9.3% | 12.4% | 14.8% | 14.1% | 16% | 17.6% |
| Capital Asset Condition | 31% | 29% | 27% | 25% | 24% | 22% |
| Financing Margin – Taxes | \$251 | \$277 | \$268 | \$312 | \$383 | \$369 |
| Financing Margin – Debt/Obligations | \$154 | \$132 | \$128 | \$125 | \$118 | \$110 |
| Debt Service Load | N/A | 0.4% | 1.9% | 0.8% | 0.7% | 0.6% |
| Debt to Assets | 10.9% | 19.2% | 20.2% | 15% | 14.2% | 10.7% |
| Current Ratio | 1.88 | 1.80 | 1.76 | 1.67 | 1.37 | 1.30 |
| Quick Ratio | 0.90 | 0.77 | 0.68 | 0.99 | 0.83 | 0.80 |
| Overall Performer Reading | 6.23 | *5.16 | *4.61 | *6.90 | 6.69 | 5.73 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

The Performer® is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PITI-VITI Program through the United States Department of the Interior.

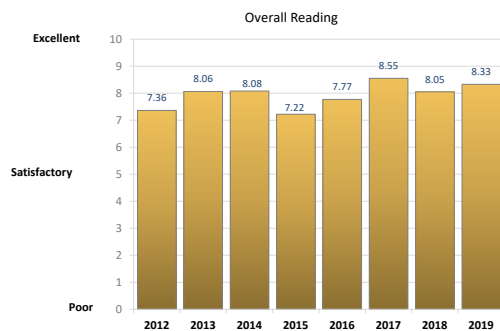


| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|-----------|-----------|-------------|-------------|-----------|-----------|-------------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| Number of Major Federal Program Qualifications/Exceptions | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 2 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 0 | 1 | 1 | 1 | 2 | 1 | 1 | 2 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 1 | 1 | 1 | 2 | 1 | 1 | 2 |
| Percentage of Findings Repeated | 0% | 0% | 0% | 0% | 0% | 100% | 100% | 50% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 1 | 3 | 4 | 4 | 0 | 1 | 1 | 7 |
| B. Internal Control Only | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1 | 4 | 4 | 4 | 1 | 1 | 1 | 7 |
| Percentage of S.A. Findings Repeated | 100% | 25% | 25% | 25% | 100% | 100% | 0% | 14% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 15 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$0 | \$0 | \$541,593 | \$368,539 | \$0 | \$0 | \$0 | \$735,506 |
| \$ of Questioned Costs- Cumulative | \$0 | \$121,682 | \$663,275 | \$1,032,816 | \$1,032,816 | \$584,803 | \$584,803 | \$1,320,309 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$121,682 | \$0 | \$0 | \$0 | \$448,013 | \$0 | \$0 |

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Performer® Reading

How Was Our Overall Financial Performance?



For the 2019 fiscal year, the readings by ratio category were as follows:

Financial Position 10.0
Financial Performance 8.1
Financial Capability 6.8

The 2019 overall reading of 8.33 indicates the evaluator's opinion that the Government of Yap's overall financial health and performance improved during the year, and remains well above satisfactory

Yap's overall unrestricted net position, the General Fund's level of unassigned 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 well above satisfactory rating.

FY 19 Overall Performer® Reading:

8.33



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| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position | 4.4% | -5.1% | 2.4% | 8.2% | 3.9% | 3.8% |
| Intergenerational Equity | 101.6% | 81.8% | 92.5% | 102.3% | 95.3% | 108.8% |
| Level of Unrestricted Net Position | 224.8% | 277.4% | 284.7% | 222.4% | 314.3% | 286.6% |
| Level of Unassigned Fund Balance | 165.1 | 259.2% | 127.3% | 145.2% | 99.6% | 113.5% |
| Revenue Dispersion | 11.4% | 15% | 14.5% | 11.9% | 16% | 13% |
| BTA Self-Sufficiency | 78.9% | 67.5% | 70.2% | 62.4% | 70.6% | 77.5% |
| Capital Asset Condition | 21% | 18% | 16% | 16% | 16% | 14% |
| Financing Margin – Taxes | \$287 | \$290 | \$307 | \$365 | \$287 | \$251 |
| Financing Margin – Debt/Obligations | \$448 | \$369 | \$353 | \$542 | \$504 | \$462 |
| Debt Service Load | N/A | 2.1% | 2.2% | 1.5% | 1.5% | 1.9% |
| Debt to Assets | 10.6% | 9.6% | 8.6% | 10.2% | 10.7% | 8.4% |
| Current Ratio | 3.29 | 3.10 | 3.46 | 3.15 | 3.22 | 4.70 |
| Quick Ratio | 2.69 | 2.60 | 2.79 | 2.72 | 2.43 | 3.07 |
| Overall Performer Reading | 8.08 | *7.22 | *7.77 | *8.55 | 8.05 | 8.33 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

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| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------|-----------|-----------|-------------|-------------|-----------|-----------|-----------|
| Number of F.S. Opinion Qualifications/Exceptions | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 |
| Number of Major Federal Program Qualifications/Exceptions | 5 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Number of F.S. Findings | | | | | | | | |
| A. Internal Control and Compliance | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| B. Internal Control Only | 4 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 |
| TOTAL | 4 | 1 | 1 | 1 | 2 | 1 | 1 | 1 |
| Percentage of Findings Repeated | 0% | 0% | 100% | 100% | 50% | 100% | 100% | 100% |
| Number of Single Audit Findings | | | | | | | | |
| A. Internal Control and Compliance | 2 | 3 | 5 | 3 | 4 | 2 | 2 | 2 |
| B. Internal Control Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 2 | 3 | 5 | 3 | 4 | 2 | 2 | 2 |
| Percentage of S.A. Findings Repeated | 50% | 0% | 0% | 67% | 25% | 0% | 50% | 50% |
| Number of months after Y/E the F.S. were Released | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 15 |
| Number of Qualifications/Exceptions Related to C.U. | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 |
| \$ of Questioned Costs-Current Year | \$3,660 | \$45,776 | \$129,385 | \$30,354 | \$74,514 | \$95,055 | \$375,880 | \$174,758 |
| \$ of Questioned Costs- Cumulative | \$822,143 | \$864,259 | \$993,644 | \$1,023,998 | \$1,098,512 | \$277,044 | \$652,924 | \$645,693 |
| \$ of Questioned Costs Resolved – Current Year | \$0 | \$3,660 | \$0 | \$0 | \$0 | \$916,523 | \$0 | \$7,231 |

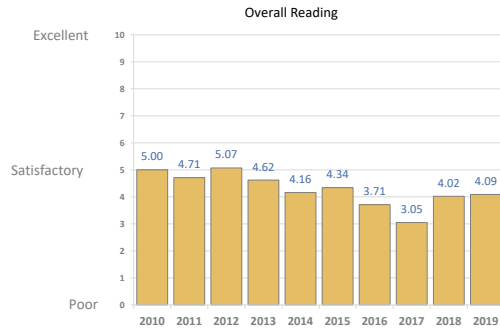
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Performer® Reading

How Was Our Overall Financial Performance?



For the 2019 fiscal year, the readings by ratio category were as follows:

Financial Position 1.66
Financial Performance 6.08
Financial Capability 6.10

The 2019 reading of 4.09 indicates the evaluator's opinion that the American Samoa Government's overall financial health and performance remained relatively consistent during the year, but still remains at a level below satisfactory. However, several financial position ratios continued their improvement that began in FY 2018, including the unrestricted net position deficit and the General Fund's positive unassigned fund balance deficit.

FY 19 Overall Performer® Reading:

4.09



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| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position | 0.0% | 1.8% | -2.0% | -12.5% | -1.9% | +1.0% |
| Intergenerational Equity | 100% | 101.6% | 98.1% | 89.5% | 98.5% | 100.6% |
| Level of Unrestricted Net Position | -19.0% | -53.1% | -63.9% | -64.3% | -69.2% | -32.1% |
| Level of Unassigned Fund Balance | -15.1% | -12.9% | -8.3% | -1.3% | -2.0% | +5.8% |
| Revenue Dispersion | 12.6% | 14.5% | 15.8% | 15.4% | 16.4% | 18.3% |
| BTA Self-Sufficiency | 31.4% | 32.7% | 28.7% | 15.8% | 26.7% | 7.8% |
| Capital Asset Condition | 53% | 51% | 51% | 50% | 49% | 48% |
| Financing Margin – Taxes | \$1,179 | \$1,237 | \$1,190 | \$1,116 | \$1,140 | \$1,180 |
| Financing Margin – Debt/Obligations | \$1,053 | \$1,053 | \$1,448 | \$1,408 | \$1,529 | \$2,349 |
| Pension Plan Funding | 80% | 63.5% | 46.8% | 55% | 58.7% | 48.7% |
| Debt Service Load | N/A | 6.4% | 2.3% | 4.0% | 3.8% | 4.4% |
| Debt to Assets | 25.8% | 49.8% | 63.6% | 67.1% | 58.3% | 57.9% |
| Current Ratio | 0.87 | 0.80 | 0.97 | 1.11 | 1.13 | 1.10 |
| Quick Ratio | 0.43 | 0.42 | 0.41 | 0.48 | 0.60 | 0.14 |
| Overall Performer Reading | 4.16 | 4.34* | 3.71* | 3.05* | 4.02 | 4.09 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

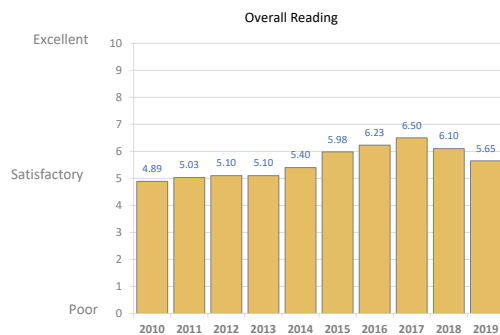
The Performer® is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PITI-VITI Program through the United States Department of the Interior.

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Number of F.S. Opinion Qualifications/Exceptions | 2 | 1 | 1 | 4 | 8 | 3 | 3 | 4 | 2 |
| Number of Major Federal Program Qualifications/Exceptions | 15 | 9 | 11 | 10 | 4 | 2 | 2 | 5 | 1 |
| Number of F.S. Findings | | | | | | | | | |
| A. Internal Control and Compliance | 0 | 2 | 3 | 1 | 1 | 1 | 1 | 1 | 0 |
| B. Internal Control Only | 3 | 3 | 4 | 7 | 6 | 5 | 4 | 2 | 3 |
| C. Compliance Only | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 6 | 5 | 7 | 8 | 7 | 6 | 5 | 3 | 4 |
| Percentage of Findings Repeated | 83% | 80% | 57% | 87.5% | 86% | 100% | 100% | 100% | 50% |
| Number of Single Audit Findings | | | | | | | | | |
| A. Internal Control and Compliance | 5 | 11 | 5 | 5 | 2 | 4 | 0 | 4 | 3 |
| B. Internal Control Only | 0 | 7 | 5 | 3 | 4 | 0 | 3 | 0 | 1 |
| C. Compliance Only | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| TOTAL | 6 | 18 | 10 | 8 | 6 | 4 | 4 | 4 | 4 |
| Percentage of S.A. Findings Repeated | 50% | 22% | 90% | 50% | 33% | 100% | 50% | 50% | 50% |
| Number of months after Y/E the F.S. were Released | 11 | 11 | 9 | 9 | 7 | 7 | 8 | 7 | 7 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 1 | 0 | 2 | 1 | 1 | 2 | 0 |
| \$ of Questioned Costs-Current Year | \$2,377,962 | \$2,606,662 | \$0 | \$279,912 | \$0 | \$0 | \$0 | \$881,844 | \$0 |
| \$ of Questioned Costs- Cumulative | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |
| \$ of Questioned Costs Resolved – Current Year | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |

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Performer® Reading

How Was Our Overall Financial Performance?



For the 2019 fiscal year, the readings by ratio category were as follows:

Financial Position 3.9
Financial Performance 5.3
Financial Capability 7.7

The 2019 overall reading of 5.65 indicates the evaluator's opinion that the RMI's overall financial health and performance declined when compared to the prior period.

Although the RMI's overall financial health declined slightly during the 2019 fiscal year, it remains an above satisfactory reading. The primary reasons for the above satisfactory reading are the low debt service load ratio, its low tax and debt burdens per capita, its high intergenerational equity, and its low debt to assets ratio. This becomes the ninth consecutive year that the RMI has scored above a 5.

FY 19 Overall Performer® Reading:

5.65



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| Ratio | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position | 16% | 2.0% | 9.0% | 16.2% | 1.2% | -2.4% |
| Intergenerational Equity | 114.9% | 102.1% | 111.9% | 114.9% | 99.1% | 97.5% |
| Level of Unrestricted Net Position | -24.2% | -21.4% | -13.1% | -7.8% | -0.8% | -9.1% |
| Level of Unassigned Fund Balance | -1.9% | 6.5% | 10.9% | 15.1% | 14.8% | 11.6% |
| Revenue Dispersion | 32.8% | 36.1% | 32.2% | 28.9% | 33% | 35.4% |
| Capital Asset Condition | 49% | 46% | 44% | 43% | 42% | 40% |
| Financing Margin – Taxes | \$266 | \$274 | \$310 | \$327 | \$354 | \$377 |
| Financing Margin – Debt/Obligations | \$926 | \$886 | \$842 | \$805 | \$766 | \$732 |
| Pension Plan Funding | 24% | 16% | 16% | 16% | 18% | 18% |
| Debt Service Load | n/a | 3.1 | 3.1% | 2.4% | 2.5% | 2.5% |
| Debt to Assets | 39.9 | 37.8% | 35% | 32.4% | 30.6% | 33.3% |
| Current Ratio | 2.21 | 2.08 | 1.93 | 2.02 | 1.97 | 2.05 |
| Quick Ratio | 0.39 | 0.51 | 0.34 | 0.46 | 0.45 | 0.39 |
| Overall Performer Reading | 5.35 | *5.98 | *6.23 | *6.50 | 6.10 | *5.65 |

*Notes years that the overall score has been restated for comparison purposes

Performer Individual Ratios Summary and Comparison to Prior Years

45

The Performer* is developed by Crawford & Associates, LLC, with support from the Graduate School USA's PITI-VITI Program through the United States Department of the Interior.



| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Number of F.S. Opinion Qualifications/Exceptions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Major Federal Program Qualifications/Exceptions | 1 | 3 | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 2 |
| Number of F.S. Findings | | | | | | | | | | |
| A. Internal Control and Compliance | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| B. Internal Control Only | 4 | 2 | 4 | 7 | 6 | 6 | 1 | 3 | 2 | 2 |
| C. Compliance Only | 0 | 0 | 0 | 1 | 3 | 1 | 2 | 0 | 0 | 1 |
| TOTAL | 5 | 2 | 4 | 8 | 9 | 8 | 3 | 3 | 2 | 3 |
| Percentage of Findings Repeated | 20% | 50% | 75% | 75% | 78% | 88% | 67% | 33% | 50% | 50% |
| Number of Single Audit Findings | | | | | | | | | | |
| A. Internal Control and Compliance | 6 | 12 | 7 | 3 | 4 | 12 | 9 | 8 | 9 | 5 |
| B. Internal Control Only | 1 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Compliance Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 7 | 12 | 7 | 7 | 4 | 12 | 9 | 8 | 9 | 5 |
| Percentage of Single Audit Findings Repeated | 14% | 41.7% | 100% | 100% | 100% | 42% | 89% | 100% | 75% | 80% |
| Number of months after Y/E the F.S. were Released | 9 | 17 | 10 | 12 | 17 | 14 | 9 | 9 | 9 | 15 |
| Number of Qualifications/Exceptions Related to C.U. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| \$ of Questioned Costs-Current Year | \$2,243,301 | \$3,156,810 | \$35,857 | \$71,294 | \$318,321 | \$626,246 | \$67,261 | \$188,885 | \$398,764 | \$1,399,371 |
| \$ of Questioned Costs- Cumulative | \$4,249,153 | \$7,405,963 | \$7,441,820 | \$2,355,004 | \$2,673,325 | \$3,297,321 | \$1,917,560 | \$1,951,064 | \$2,518,629 | \$3,702,459 |
| \$ of Questioned Costs Resolved – Current Year | \$710,185 | \$1,196,066 | \$0 | \$5,158,110 | \$0 | \$1,650 | \$1,447,662 | \$155,381 | \$0 | \$215,941 |

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Questions?



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05

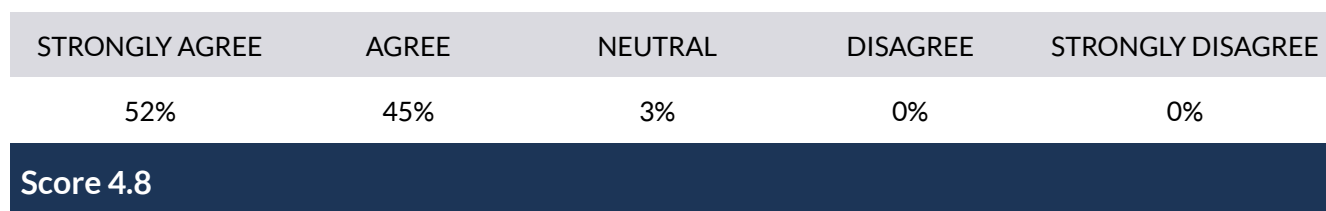
*Conference
Evaluation*

IGFOA Virtual
March 23-24, 2021

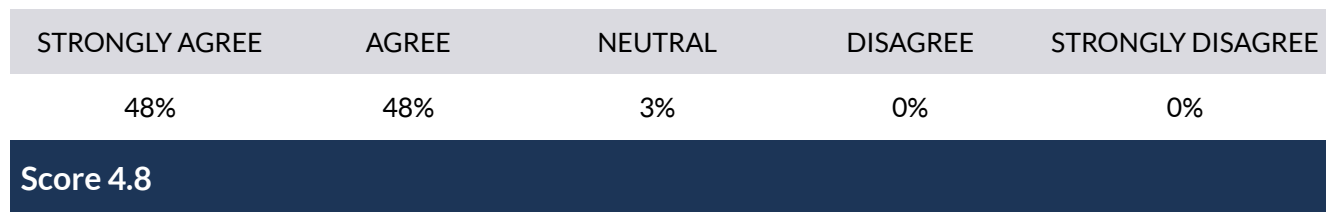
Conference Evaluation

To ensure that conferences and meetings conducted by Graduate School USA are as responsive as possible, please take a few minutes to complete this evaluation. Your input and comment will be 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.

1. The IGFOA sessions were relevant and timely.



2. Logistic support provided by Graduate School USA were handled well.



As we prepare for the IGFOA summer conference, please recommend topics or subject areas you would like to discuss.

Fixed Assets Management

Finance Measures

Resolutions of audit findings

Performance Management, Compliance and Reporting, Leadership and Change Management

Can we also touch base on some tax issues and challenges, and how this can improve government funds?

Direct Federal Grant Processing

Budgeting

Accountability on Grant Management,

GASB update

Fix Asset Reporting

Internal Controls, Leadership & Management Strategies, Audit Issues

Reconciliation

Electronic Bid Submission

1. Reconciliation other than Bank Reconciliation 2. Bank service 3. Investment Policy/Cash Management

Managing tension in the workplace

Audit preparation

Compliance

Managing Banking and Investment Services for Government, Creating and Managing KPIs for Operations

More Covid19 issues related to new regs., if any or new accounting requirements.

Reporting Standards and procedures

Please suggest any improvements to future virtual IGFOA sessions.

None at this time. Well prepared!

Virtual IGFOA session is very nice since it is our first.

Satisfied with Graduate School's Coordination every session I've participated in.

Currently doing great...

No more virtual sessions please :-)

How is world bank assist the IGFOA? Any vital work from the bank can improve the programs.

None other than that each Government should invest in better zoom equipment so that we can hear and see everyone well.

Marshall Islands presentation was okay; however, their audio was not coming clear so i recommend that each state of participant test their equipment before the sessions ..

It was a well prepare

I can't think of any improvements. Graduate School has been doing a very good job with managing our virtual sessions

Since I got on board; so far the virtual sessions I have attended went great! The sessions were resourceful.

Improving technical difficulties on participants' part

None, very good sessions. Very good organization and planning. Very good presentations by qualified people.

Timing maybe adjusted to ensure everyone is comfortable and not sleepy.

An exercise for all participants during sessions.

Any other comments or recommendations?

Open-Ended Response

Good job to all the instructors/coordinators for this IGFOA sessions.

I would like to recommend longer virtual sessions.

Grateful for the great opportunities and to all those individuals or groups who made it all possible. Kalahngan lap!

Great Job!

Looking forward to our in-person sessions where I find that I am more engaged and productive

It would be nice to the training in person so that we can have time for networking with others.

Kaselehla, I am fortunate to be part of this undertaking and I look forward to future IGFOA sessions! It was always an honor and a great privilege to be surrounded by all Experts and Professionals. Kalahngan to you all and God bless!

Clearing encumbrances, I requested Virgin Island team to share their laws and regulations so we can implement in our FMR amendment.

I really appreciate these trainings. I am able to develop a strategic plan to prepare before audits.

Virtual sessions are remarkable!

Any chance to work in some personal/staff development presentations? Like 30 min presentation and 20 minute Q&A. Maybe we can establish minimum improvement hours taken like Continuing Education

We could perhaps have virtual party (cocktails) online too.....



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**Contact List Conference
Participant IGFOA 2021**

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