



American Samoa

Fiscal Year 2020

A Financial Statement Analysis Using Indicators of the Financial Health and Success and a Status Report of Audit Findings, Timeliness and Exception Resolution (A.F.T.E.R.) of the Territory of AMERICAN SAMOA as of and for the Year Ended September 30, 2020



This presentation is available online at <http://www.pitiviti.org>

What Is The Performer®?

- An analysis that takes a government's financial statements and converts them into useful and understandable measures of financial performance
- Financial ratios and a copyrighted analysis methodology are used to arrive at an overall rating of 0-10
- The overall reading is a barometer of ASG's financial health and performance

How to Use The Performer®

- Use the individual ratios to identify financial warning signals
- Use the overall rating as a collective benchmark of financial health and success of ASG as a whole
- Use the comparisons to prior years to monitor trends in financial indicators

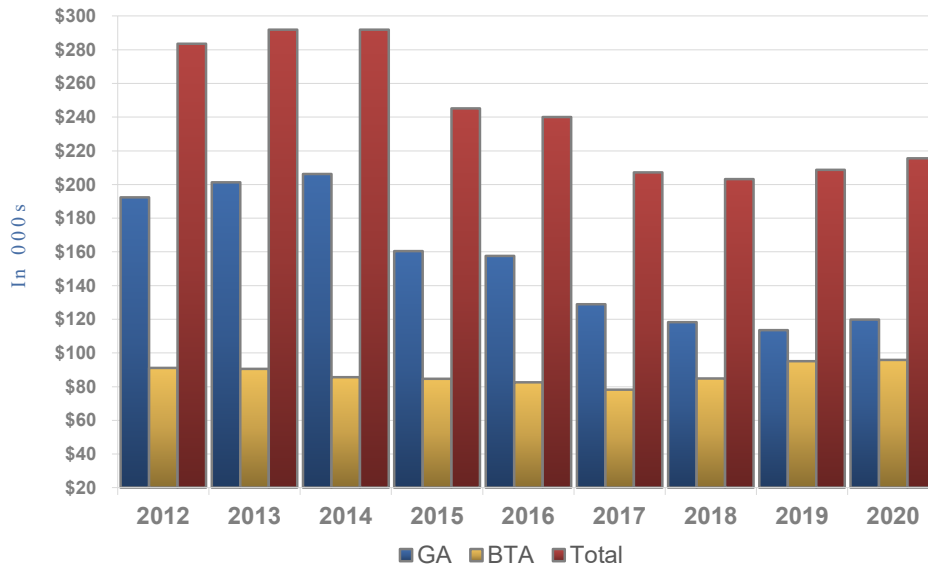
Limitations of the Performer®

- The Performer® should not be used as the only source of financial information to evaluate ASG's performance and condition
- The analysis is an overall rating of ASG as a whole and not of specific activities, funds or units
- The Performer® is based on Crawford & Associates' professional judgment and is limited as to its intended use

Change in Net Position

Did our overall financial condition improve, decline or remain steady over the past year?

Net Position at Year End



Net position includes all assets, deferred outflows, liabilities and deferred inflows of the ASG, except for fiduciary funds held for the benefit of others. It is measured as the difference between total assets, including capital assets, plus deferred outflows, and total liabilities, including long-term debt, plus deferred inflows.

For the year ended September 30, 2020, total net position increased by \$6.9 million or 3.3% from the prior year. Governmental activities (GA) net position increased by \$6.3 million, while business-type activities (BTA) increased by \$0.6 million.

Performer®
Rating

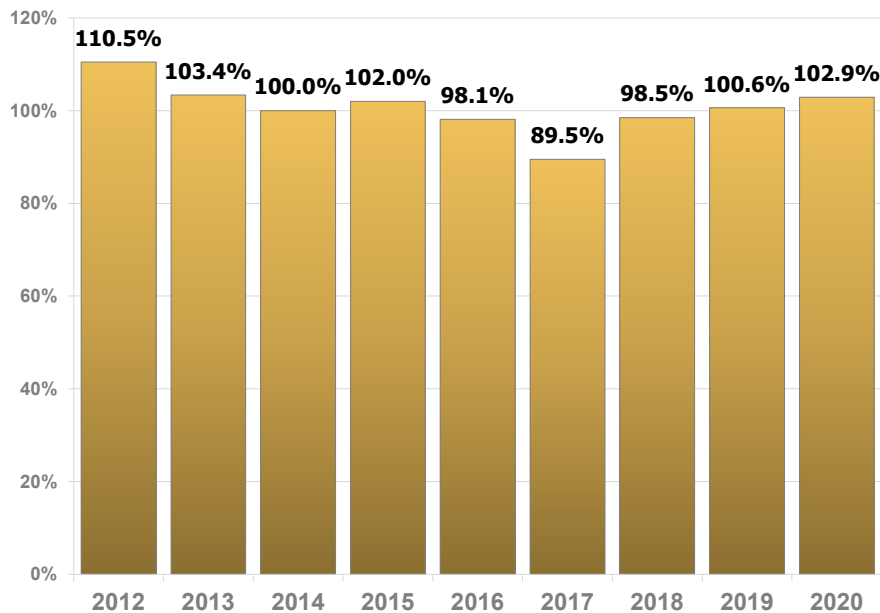
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
0.9%	10.7%	2.9%	0.02%	1.8%	-2.0%	-12.5%	-1.9%	+1.0%	+3.3%

6.6

Intergenerational Equity

Who is paying for today's costs of services?

Revenues as a % of Annual Expenses



A measure of whether the government lived within its means in the measurement year, or was required to use prior year resources to fund a portion of current year costs, or shifted the funding of some of the current year costs to future periods.

For the year ended September 30, 2020, ASG funded 102.9% of their expenses with current year revenues, which is considered an excellent ratio, and it represents an increase in the ratio from the prior year.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
100.7%	110.5%	103.4%	100%	102%	98%	89.5%	98.5%	100.6%	102.9%

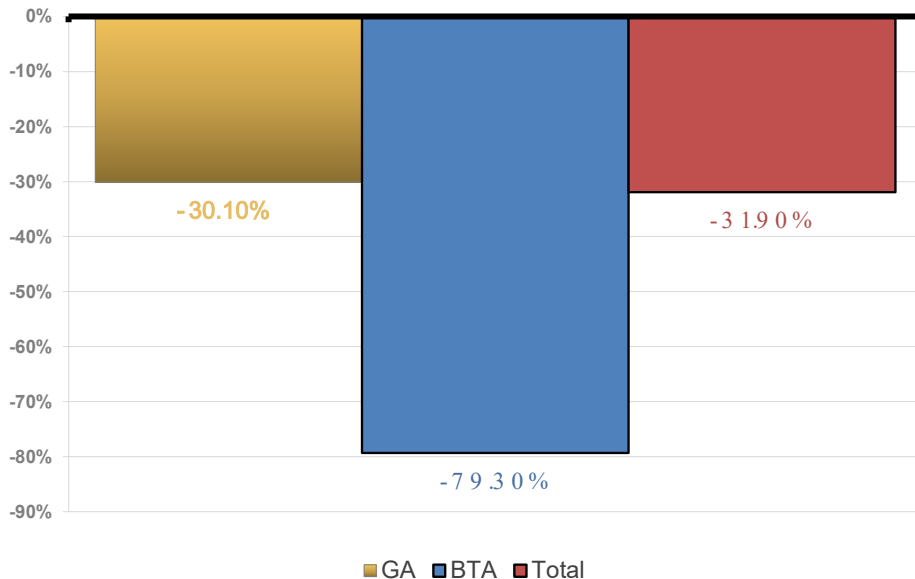
Performer®
Rating

10

Level of Unrestricted Net Position

How do our total rainy day funds look?

Unrestricted Net Position (Deficit) as a % of Annual Revenues



The level of total unrestricted net position is an indication of the amount of unexpended and available resources ASG has at a point in time to fund emergencies, shortfalls or unexpected needs.

For the year ended September 30, 2020, ASG's total unrestricted net position was in a deficit position that approximated 31.9% of annual total revenues. Governmental activities reported an unrestricted net position (deficit) of (30.1%), while business-type activities unrestricted net position was a (deficit) of (79.3%).

This indicates that there was a slight decrease in the size of the operational deficit as a percentage of total revenues when compared to the ratio of the prior period.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
-15.8%	-19.1%	-20.6%	-19%	-53.1%	-63.9%	-64.3%	-69.2%	-32.1%	-31.9%

Performer®

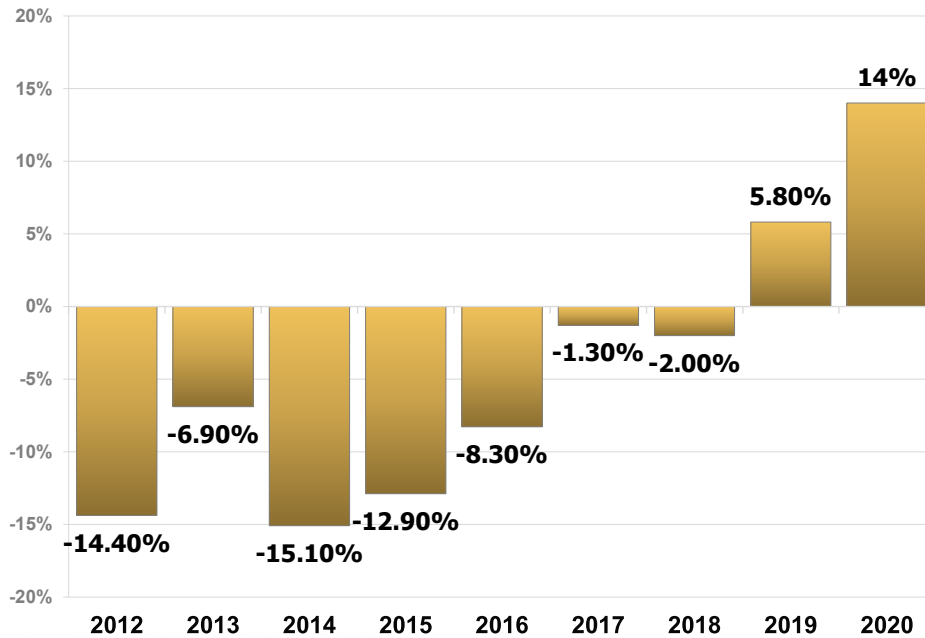
Rating

0

Level of Unassigned Fund Balance

How does our carryover look?

Unassigned Fund Balance (DEFICIT) as a Percentage of Annual Revenues



The level of unassigned fund balance is an indication of the amount of unexpended, unencumbered and available resources ASG has at a point in time to carryover into the next fiscal year to fund emergencies, shortfalls or other unexpected needs. In this analysis, only the General Fund is considered.

For the year ended September 30, 2020, the ASG unassigned fund balance of the General Fund was equal to 14% of annual General Fund revenues. This represents a significant improvement when compared to the prior year ratio.

										Performer [®]
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Rating
-11.4%	-14.4%	-6.9%	-15.1%	-12.9%	-8.3%	-1.3%	-2.0%	5.8%	14%	

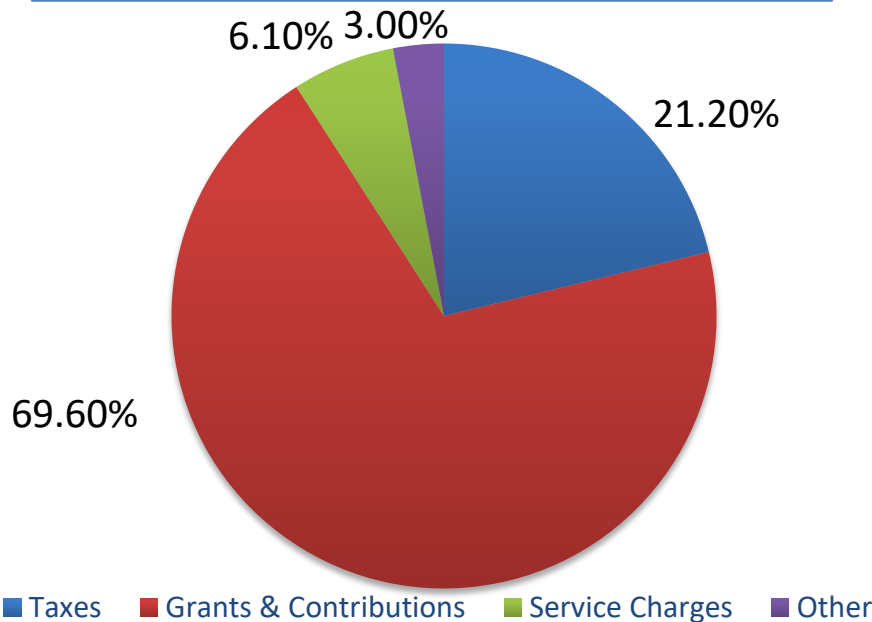
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Revenue Dispersion

How heavily are we relying on revenue sources we can't directly control?

2020 REVENUE PERCENTAGES BY SOURCE



The percentage dispersion of revenue by source indicates how dependent ASG is on certain types of revenue. The more dependent ASG is on revenue sources beyond its direct control, such as grants, the less favorable the dispersion.

For the year ended September 30, 2020, ASG had direct control over 16.2% of its revenues (Excise taxes and charges for services). This ratio indicates ASG has some exposure, as do most insular governments, to financial difficulties due to reliance on non-controlled revenue (83.8%).

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
12.3 %	13.1%	13.2 %	12.6 %	14.5 %	15.8 %	15.4 %	16.4 %	18.3 %	16.2 %

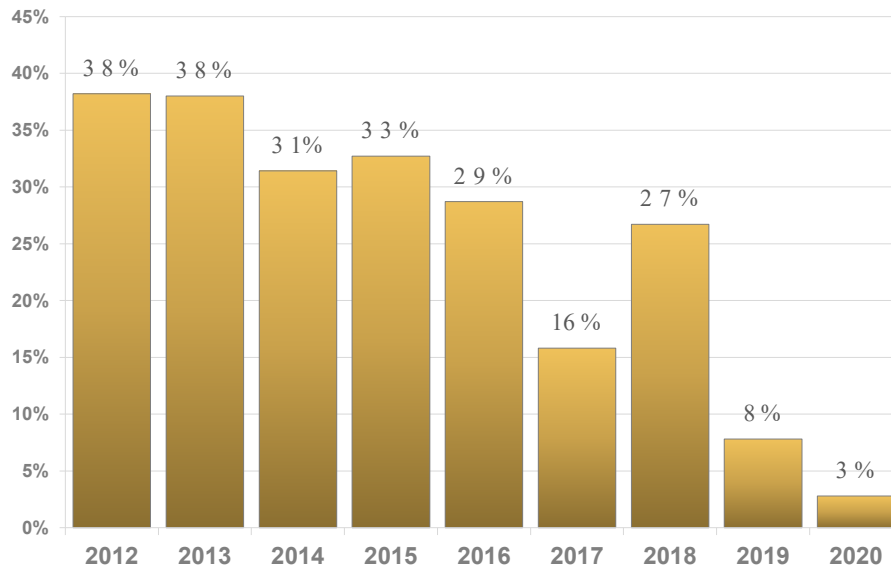
Performer®
Rating

0.8

BTA Self-Sufficiency

Did current year business-type activities (BTA) pay for themselves?

Percentage of BTA Expenses Covered By BTA Revenues



The self-sufficiency ratio indicates the level at which business-type activities (such as the industrial park and airport) covered their current costs with current year revenues, without having to rely on subsidies, grants or use of prior year reserves.

For the year ended September 30, 2020, ASG's total business-type activities were only 2.8% self-sufficient. This indicates that most of the current year costs were not funded by recurring current year revenues. Also, this ratio does represent a decline in the ratio from the prior year.

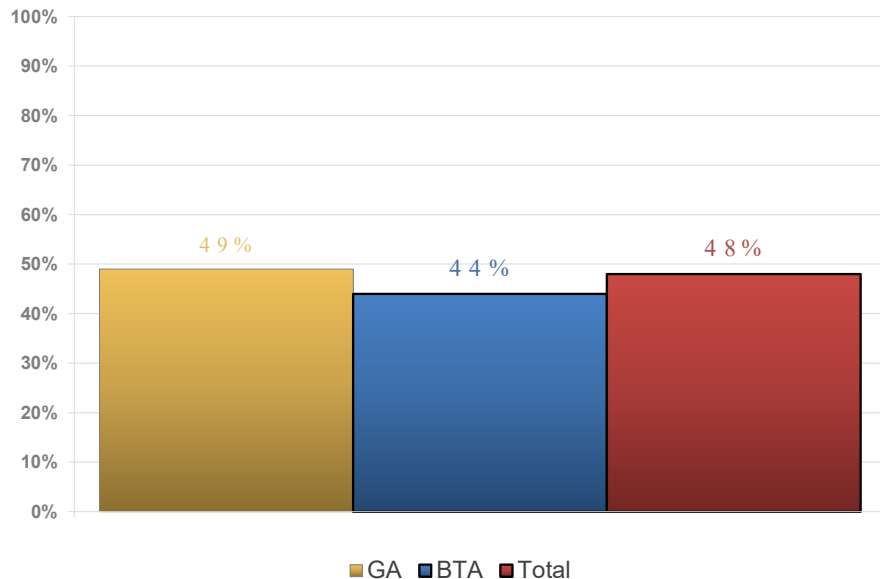
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Performer [®] Rating
24.0%	38.2%	38.0%	31.4%	32.7%	28.7%	15.8%	26.7%	7.8%	2.8%	0

0

Capital Asset Condition

How much useful life do we have left in our capital assets?

Percentage of Capital Assets' Useful Life Remaining - 2020



The capital asset condition ratio compares capital assets cost to accumulated depreciation to determine the overall percentage of useful life remaining. A low percentage could indicate an upcoming need to replace significant capital assets.

At September 30, 2020, ASG's depreciable capital assets amounted to \$767.6 million while accumulated depreciation totaled \$401.5 million. This indicates that, on the average, ASG's capital assets have 48% of their useful lives remaining. This is considered a near satisfactory financial indicator, and this ratio is consistent with that of the prior year.

Governmental activity assets have 49% of their useful lives remaining while business-type activities have 44% remaining.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
52%	61%	54%	53%	51%	51%	50%	49%	48%	48%

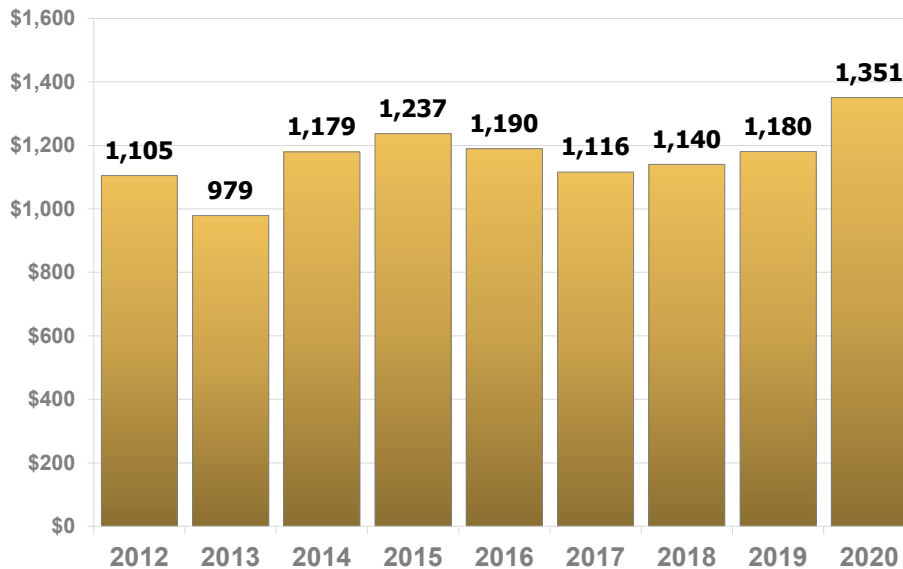
Performer[®]
Rating

4.5

Financing Margin - Taxes

Will our citizens be willing to pay increased taxes for operations or capital improvements, if needed?

Total Taxes Per Capita



The financial ratio of taxes per capita is an indication of ASG's tax burden on its citizens and other taxpayers. The ratio includes all taxes, including gross receipts, income and other taxes.

For the year ended September 30, 2020, total taxes amounted to \$77 million or \$1,351 per capita. This indicates a relatively low tax burden when compared to other insular governments, and represents an increase in taxes per capita when compared to the ratio of the prior year.

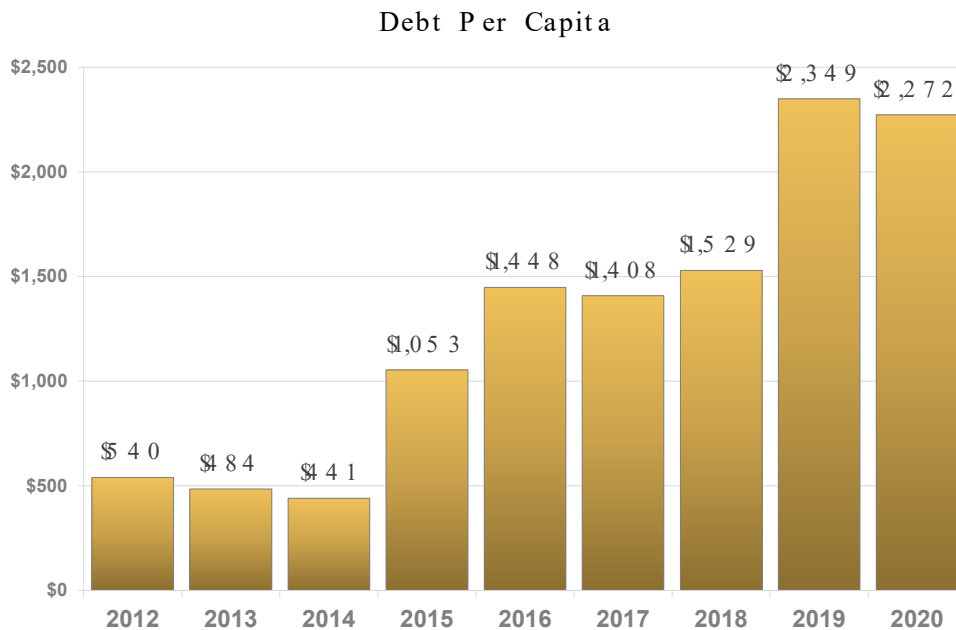
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Rating

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$65	\$1,105	\$79	\$1,179	\$1,237	\$1,190	\$1,116	\$1,140	\$1,180	\$1,351

7.6

Financing Margin - Debt

Will we be able to issue more debt, if needed?



The financial ratio of debt per capita is an indication of ASG's debt burden on its citizens and other taxpayers. The ratio does not consider debt payable from enterprise activities or alternate revenues.

For the year ended September 30, 2020, ASG had \$130 million of long-term debt or \$2,272 per capita which remains a relatively low debt burden on its citizens when compared to other insular governments, and does represent a decrease in the ratio of debt per capita from the prior year.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$ 78	\$ 40	\$ 84	\$ 41	\$1,053	\$1,448	\$1,408	\$1,529	\$2,349	\$2,272

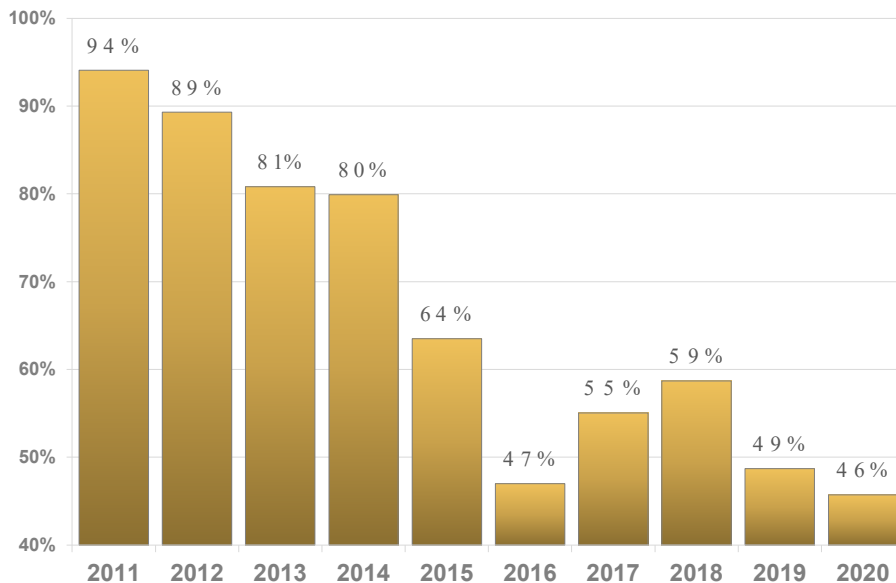
Performer[®]
Rating

6.8

Pension Plan Funding Ratio

Will we be able to pay our employees when they retire?

Plan Net Position as a Percentage of Net Pension Liability



The pension funding ratio compares the pension plan trust fund's net position to the total pension liability for pension benefits earned to date. A percentage less than 100% indicates the plan is under-funded at the valuation date.

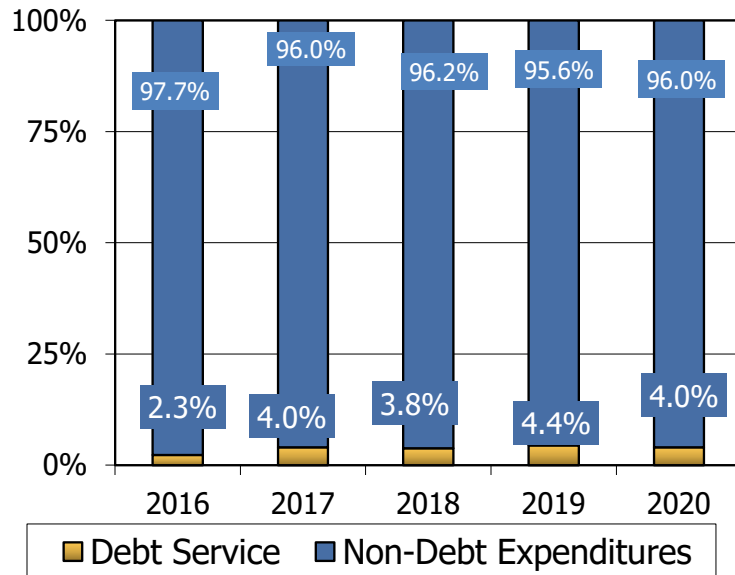
At September 30, 2020 (based upon the measurement date of September 30, 2019) ASG's pension plan trust fund net position was 45.7% of the total pension liability, which represents a slight decline in the ratio when compared to the ratio of the prior period. This is considered to be an unfavorable ratio.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Performer [®] Rating
94.1%	89.3%	80.8%	79.9%	63.5%	46.8%	55.0%	58.7%	48.7%	45.7%	0

Debt Service Load

How much of our annual non-capital budget is loaded with disbursements to pay off long-term debt

Percentage of Debt Service to Non-Debt Expenditures



The debt service load ratio measures the extent to which Palau’s non-capital expenditures were comprised of debt service payments on long-term debt.

For the year ended September 30, 2020, ASG’s total non-capital expenditures amounted to \$341 million, of which \$14 million (or 4.0%), were payments for principal and interest on long-term debt. This represents a slight improvement in the ratio when compared to the prior period. In our model, this is still considered an excellent ratio and indicates that for every dollar ASG spent on non-capital items, 4.0 cents of that dollar was used for debt service.

										Performer [®]
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Rating
n/a	n/a	n/a	n/a	6.4%	2.3%	4.0%	3.8%	4.4%	4.0%	10

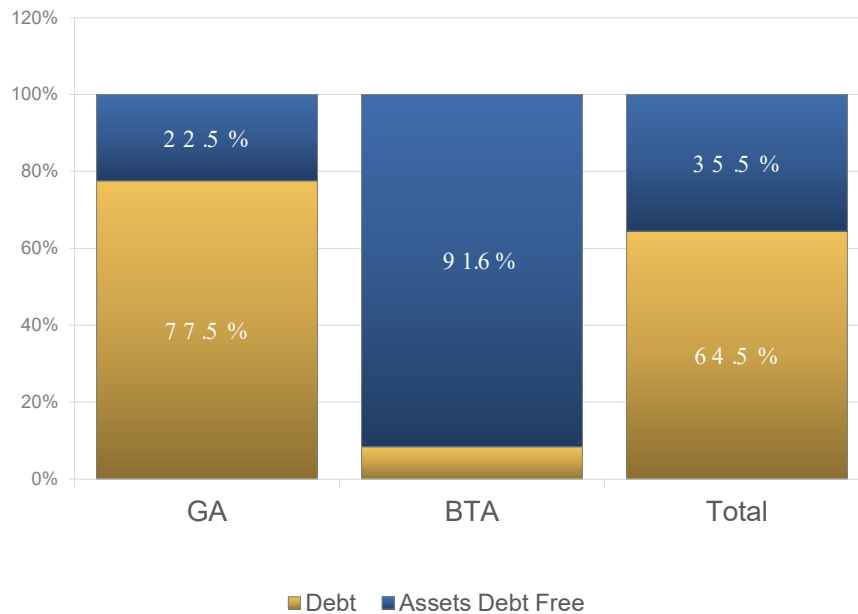
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15

Debt to Assets

Who really owns ASG?

Percentage of Debt to Assets - 2020



The debt to assets ratio measures the extent to which ASG had funded its assets with debt. The lower the debt percentage, the more equity ASG has in its assets.

At September 30, 2020, approximately 64.5% of ASG's \$553 million of total assets were funded with debt or other obligations. This is a less than satisfactory financial indicator and indicates that for each dollar of ASG assets it owns, it owes 64.5 cents of that dollar to others. It also represents an increase in the ratio when compared to the ratio of the prior period.

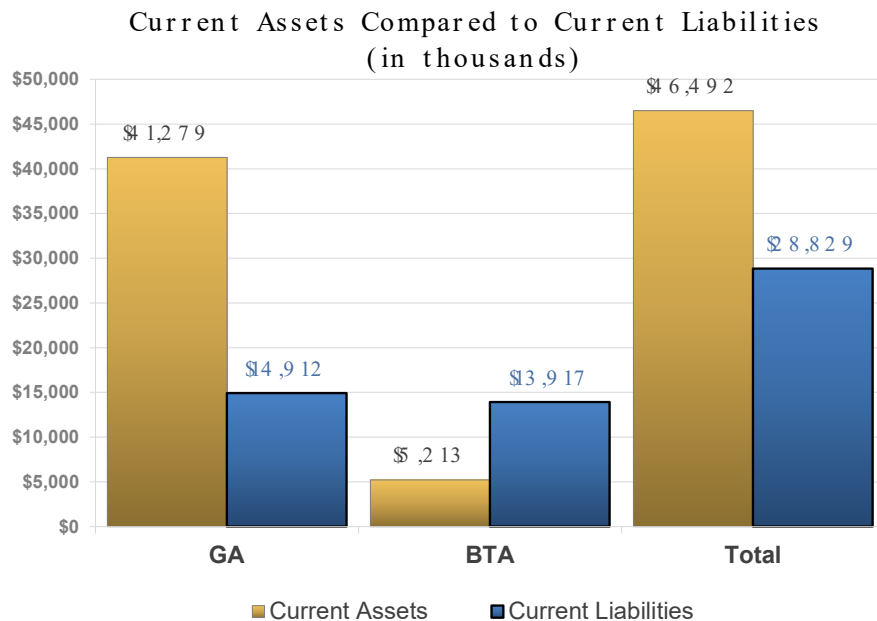
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2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
31.2%	28.2%	26.1%	25.8%	49.8%	63.6%	67.1%	58.3%	57.9%	64.5%

3.2

Current Ratio

Will our vendors and employees be pleased with our ability to pay them on time?



The current ratio is one measure of ASG's ability to pay its short-term obligations. The current ratio compares total current assets and liabilities. A current ratio of 2.00 to 1 indicates good current liquidity and an ability to meet the short-term obligations. This ratio includes only the General Fund (ASG's primary operating fund) and ASG's proprietary type enterprise funds.

At September 30, 2020, ASG had a ratio of current assets to current liabilities of 1.61 to 1. This indicates that ASG had \$1.61 of current assets to pay each \$1 of current liabilities and is considered an unfavorable indicator of liquidity, but represents an improvement from the ratio of the prior year.

Performer[®]
Rating

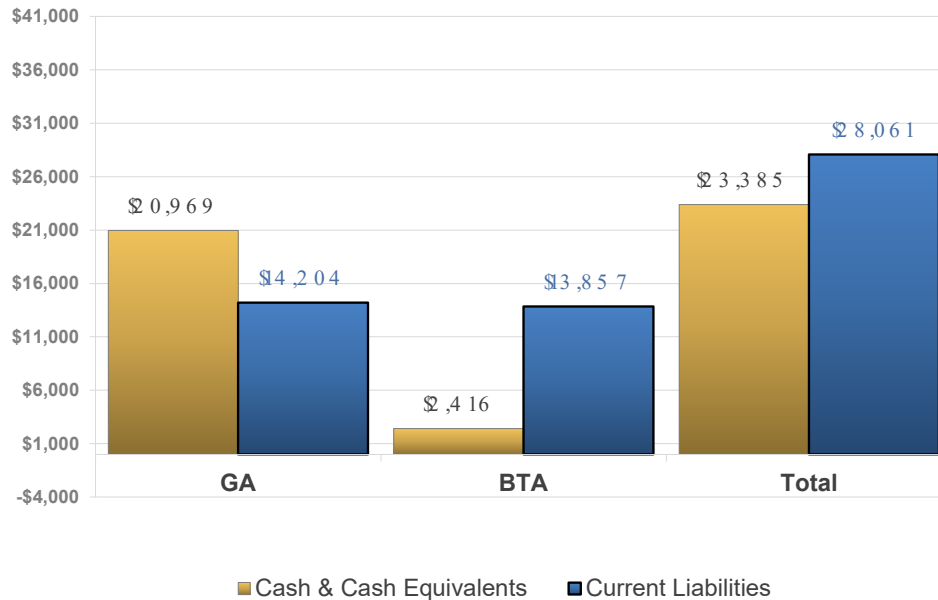
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
.97	.97	1.10	.87	.80	.97	1.11	1.13	1.10	1.61

3.1

Quick Ratio

How is our short-term cash position?

Cash and Cash Equivalents Compared to Current Liabilities - 2020



The quick ratio is another, more conservative, measure of ASG’s ability to pay its short-term obligations. The quick ratio compares total cash and short-term investments to current liabilities, less deferred revenue. A quick ratio of 1.00 to 1 indicates adequate current liquidity and an ability to meet the short-term obligations with cash. This measure includes only the General Fund, ASG’s primary operating fund, and ASG’s proprietary funds.

At September 30, 2020, ASG had a ratio of cash and cash equivalents to current liabilities of .83 to 1. This indicates that ASG has, for every one dollar of current liabilities, 83 cents of cash and cash equivalents to fund them. This is considered a less than satisfactory indicator of liquidity, but represents an improvement from the ratio of the previous period.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
.88	.71	.86	.43	.42	.41	.48	.60	.14	.83

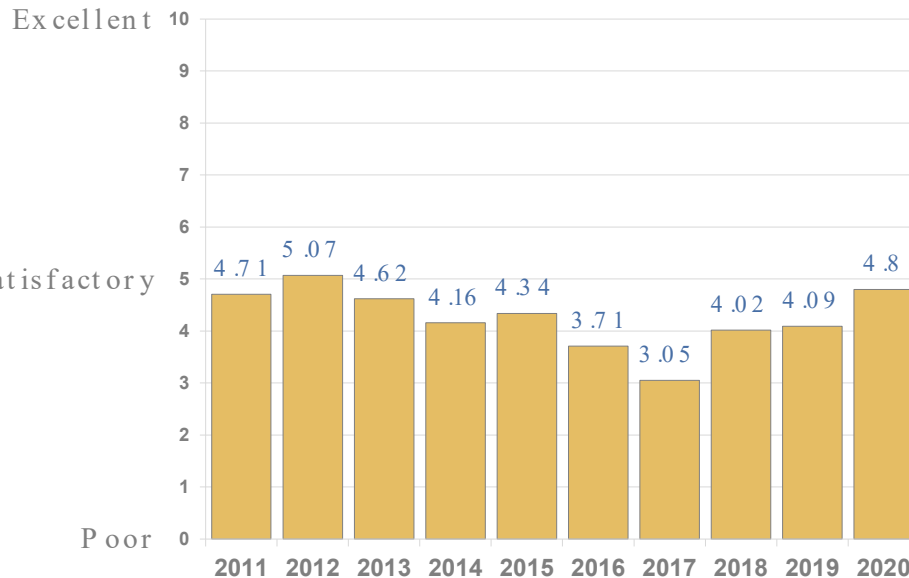
Performer®
Rating

4.2

Performer® Reading

How Was Our Overall Financial Performance?

Overall Reading



For the 2020 fiscal year, the readings by ratio category were as follows:

Financial Position	3.09
Financial Performance	6.67
Financial Capability	5.95

The 2020 reading of 4.8 indicates the evaluator's opinion that the American Samoa Government's overall financial health and performance improved during the year, but still remains at a level just 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.

FY 2020 Overall Performer® Reading: **4.8**

Ratio	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Change in Net Position	18%	-2.0%	-12.5%	-19%	+10%	+3.3%
Intergenerational Equity	101.6%	98.1%	89.5%	98.5%	100.6%	102.9%
Level of Unrestricted Net Position	-53.1%	-63.9%	-64.3%	-69.2%	-32.1%	-31.9%
Level of Unassigned Fund Balance	-12.9%	-8.3%	-1.3%	-2.0%	+5.8%	+14%
Revenue Dispersion	14.5%	15.8%	15.4%	16.4%	18.3%	16.2%
BTA Self-Sufficiency	32.7%	28.7%	15.8%	26.7%	7.8%	2.8%
Capital Asset Condition	51%	51%	50%	49%	48%	48%
Financing Margin – Taxes	\$1,237	\$1,190	\$1,116	\$1,140	\$1,180	\$1,351
Financing Margin – Debt/ Obligations	\$1,053	\$1,448	\$1,408	\$1,529	\$2,349	\$2,272
Pension Plan Funding	63.5%	46.8%	55%	58.7%	48.7%	45.7%
Debt Service Load	6.4%	2.3%	4.0%	3.8%	4.4%	4.0%
Debt to Assets	49.8%	63.6%	67.1%	58.3%	57.9%	64.5%
Current Ratio	0.80	0.97	1.11	1.13	1.10	1.61
Quick Ratio	0.42	0.41	0.48	0.60	0.14	0.83
Overall Performer Reading	4.34*	3.71*	3.05*	4.02	4.09	4.8

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

Performer Individual Ratios - Summary and Comparison to Prior Years

What is the A.F.T.E.R. Analysis?

- The A.F.T.E.R. Analysis is very simply an 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.

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of F.S. Opinion Qualifications/Exceptions	1	1	4	8	3	3	4	2	1
Number of Major Federal Program Qualifications/Exceptions	9	11	10	4	2	2	5	1	1
Number of F.S. Findings									
A. Internal Control and Compliance	2	3	1	1	1	1	1	0	0
B. Internal Control Only	3	4	7	6	5	4	2	3	2
C. Compliance Only	0	0	0	0	0	0	0	1	1
TOTAL	5	7	8	7	6	5	3	4	3
Percentage of Findings Repeated	80%	57%	87.5%	86%	100%	100%	100%	50%	67%
Number of Single Audit Findings									
A. Internal Control and Compliance	11	5	5	2	4	0	4	3	1
B. Internal Control Only	7	5	3	4	0	3	0	1	1
C. Compliance Only	0	0	0	0	0	1	0	0	3
TOTAL	18	10	8	6	4	4	4	4	4
Percentage of S.A. Findings Repeated	22%	90%	50%	33%	100%	50%	50%	50%	75%
Number of months after Y/E the F.S. were Released	11	9	9	7	7	8	7	7	7
Number of Qualifications/Exceptions Related to C.U.	0	1	0	2	1	1	2	0	0
\$ of Questioned Costs-Current Year	\$2,606,662	\$0	\$279,912	\$0	\$0	\$0	\$881,844	\$0	\$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

Thank You!

- We would like to commend and thank ASG's management, the U.S. Department of the Interior and the Graduate School USA for allowing us to present this financial analysis. We hope it serves as a useful and understandable compliment to ASG's annual financial report.
- This report is available online at <http://www.pitiviti.org>.
- Visit our website at <http://www.crawfordcpas.com> for other useful tools for governments.