



Finance Leaders and professionals from 10 U.S. Insular areas and Territories convened for the IGFOA Winter 2023 Conference in Honolulu, Hawaii.

# IGFOA Island Government Finance Officers' Association Winter 2023 Report

February 14-16, 2023  
Honolulu, Hawaii



**IGFOA Island Government  
Finance Officers' Association  
Winter 2023 Report**

## TABLE OF CONTENTS

|  |    |  |           |
|--|----|--|-----------|
| Executive Summary . . . . .  | 5  | <b>Conference Evaluations . . . . .</b>                                | <b>26</b> |
| Honorable Bosede Bruce, Commissioner of Finance US Virgin Islands. . . . .   | 6  | 01 GFOA & IGFOA Meeting Agenda . . . . .                               | 28        |
| Marina Tinitali – Deputy Director of Policy, Accountability Policy, Audit Liaison Officer (ALO), Emergency Management Coordinator (EMC). . . . .   | 7  | 2a Government Presentation American Samoa. . . . .                     | 41        |
| Jason Aubuchon, Senior Director, GSUSA . . . . .   | 8  | 2b Government Presentation CNMI . . . . .                              | 46        |
| Introductions . . . . .  | 9  | 2c Government Presentation Chuuk FSM . . . . .                         | 51        |
| Agenda Opening . . . . .   | 9  | 2d Government Presentation Pohnpei FSM . . . . .                       | 56        |
| Insular Government Updates . . . . .   | 10 | 2e Government Presentation Guam . . . . .                              | 62        |
| Status of Single Audits Across Governments . . . . .   | 14 | 2f Government Presentation Republic of Marshall Islands . . . . .      | 68        |
| Updates on Implementation of GASB-87 Lease Standards, GASB -94 Public-Private and Public-Public Partnerships and GASB -96 Subscription-Based Information Technology Arrangements . . . . . | 16 | 2g Government Presentation Republic of Palau . . . . .                 | 73        |
| Insular Government Action Planning Process. . . . .  | 16 | 2h Government Presentation US Virgin Islands. . . . .                  | 79        |
| Raising Awareness of Federal Grant Access Across Insular Governments . . . . .   | 17 | 03 IGFOA Audit Status . . . . .  | 84        |
| Finance Officer Performance Measures: It’s not the numbers. It’s what you do with the numbers. . . . .   | 17 | 04 Updates on Implementation of GASB-87 and 96 . . . . .               | 96        |
| Perfometer Updates – FY20 & FY21 . . . . .   | 18 | 05 IGFOA Action Planning Framework. . . . .                            | 116       |
| Tax Reform and Tax Information Systems: Learning from Experience - Republic of Palau. . . . .  | 20 | 06 Raising Awareness of Federal Grants. . . . .                        | 121       |
| Panel Discussion: Common Challenges and Potential Next Steps . . . . .   | 20 | 07 Resetting Performance Measures. . . . .                             | 133       |
| Department of the Interior Office of Insular Affairs Presentation to the Island Government Finance Officers Association (IGFOA). . . . .   | 21 | 08 Performeter Updates and AFTER FY20 & FY21 . . . . .                 | 146       |
| Government Report-Outs on Action Plans and Next Steps . . . . .  | 22 | 09 Tax Reform and Tax Information System. . . . .                      | 171       |
| Conference Wrap-up. . . . .  | 26 | 10 Panel Discussion Common Challenges & Potential Next Steps . . . . . | 182       |
|  |    | 11 OIA Presentation Island Government Finance Officers . . . . .       | 184       |
|  |    | 12a Government Action Plan American Samoa . . . . .                    | 191       |
|  |    | 12b Government Action Plan CNMI . . . . .                              | 193       |
|  |    | 12c Government Action Plan FSM. . . . .                                | 195       |
|  |    | 12d Government Action Plan Chuuk . . . . .                             | 197       |
|  |    | 12e Government Action Plan Pohnpei . . . . .                           | 199       |
|  |    | 12f Government Action Plan Yap . . . . .                               | 201       |
|  |    | 12g Government Action Plan Guam. . . . .                               | 203       |
|  |    | 12h Government Action Plan RMI. . . . .                                | 205       |
|  |    | 12i Government Action Plan Palau . . . . .                             | 207       |
|  |    | 12j Government Action Plan USVI . . . . .                              | 209       |
|  |    | 13 GFOA Feb 2023 Close-Out Presentation . . . . .                      | 211       |
|  |    | 14 IGFOA Winter 23 Evaluations . . . . .                               | 216       |
|  |    | 15 Conference Participant Contact Information . . . . .                | 222       |



## Proceedings of the Island Government Finance Officers' Association Honolulu, Hawaii

### EXECUTIVE SUMMARY

The Island Government Finance Officers' Association (IGFOA) Winter meeting took place in Honolulu, Hawaii, from February 14-16, 2023. This was the first time since 2019 that the IGFOA had an opportunity to meet in person, and the theme for this year's conference was "Resetting."

Forty-eight finance leaders across the U.S.-affiliated Pacific Islands, including American Samoa, Commonwealth of Northern Mariana Islands, FSM National Government, Chuuk, Pohnpei, Yap, Guam, Republic of Palau, the Republic of Marshall Islands, and U.S. Virgin Islands, came together to share their experiences, exchange ideas, and discuss strategies for managing their respective island's financial situations. Their discussion covered various topics, including federal grants, GASB 87, 94, and 96, resetting performance measures, tax reform, and discussion of COVID-related challenges.

The agenda for the conference was developed following feedback from previous conferences and current issues in government accounting. The goals of the IGFOA Winter 2023 Conference were to:

- Share the status of each government's single audits,
- Provide an FMIS update, Pandemic fund status, and other initiatives completed since the June 2022 GFOA conference in Austin.
- Share the status of audit transitions affecting most governments, present audit transition principles and standards, and discuss the next steps and best practices in transitioning to new audit firms.
- Exchange information on the latest Performer analysis.
- Exchange information on federal grants available in one or more jurisdictions with the intent of increasing awareness of potential grant accessibility across all jurisdictions.
- Extend sharing of GASB lease reporting and present additional GASB updates, including GASB 96 and other matters.

The conference agenda has been included in this report as [Attachment 1](#). A complete list of conference participants can be found as [Attachment 15](#).



*The Island Government Finance Officers' Association 2023 Winter meeting commenced with warm, welcoming remarks from Commissioner Bosede Bruce of the U.S. Virgin Islands (USVI) Department of Finance.*

## Opening Remarks

# HONORABLE BOSEDE BRUCE, COMMISSIONER OF FINANCE US VIRGIN ISLANDS

I bring you greetings from the U.S. Virgin Islands on behalf of Governor Albert Bryan Jr., our governor who was just in Washington D.C. with the governors from Guam, the Commonwealth of North Mariana Islands, and the Governor of American Samoa. The National Governors Association meeting was held in Washington, D.C., and Governor Bryan was there and made sure to meet with the governors from the Territories.

It is a pleasure to meet you. I want to thank everyone first for traveling this far. It took us two days to get here. But as I sit with my colleagues, I realize that it also took everyone a long time to get here, and I realized my ignorance yesterday. When visiting Pearl Harbor, I looked at the map and realized that all the Pacific Islands are close to Asia. And I thought that we were far, but I just realized how far you are from Hawaii.

When you consider islands territories and insular areas separately, we all seem to have unique challenges. However, our unique challenges when we are all together are the same. Every time I come to one of the meetings, I speak to someone and find out that you are in the same boat as the U.S. Virgin Islands, whether it be that there is one flight that comes in, so we cannot get supplies on the island to legacy thought processes with our people who want checks in their hand when they don't want ACH payments. But that's why it's important for us to be here and why our getting together makes so much sense. And to that end, I'd like to thank the Department of the Interior's Office of Insular Affairs for making it possible for us to gather, and the IGFOA staff for supporting us.

We all have audit challenges. We have challenges getting staff on board, keeping staff on board, and weathering the impact of the pandemic. They only spoke of the silver tsunami; it was just a tsunami. People have left work and are not coming back; however, we must work hard to get people back into the office to understand that public work is essential. After 30 years of working for someone else's bottom line, it feels good to be doing this work for the people of my territory. And I'm sure you all aren't paid well, just like me. We are all here because we love our people, and we love what we do. So, I want to say welcome and thank you all for being here.



*The Island Government Finance Officer Association meeting continued with a welcome from Marina Tinali, the Department of Interior's Office of Insular Affairs Acting Deputy Director for Policy Division.*

### Opening Remarks

## **MARINA TINITALI – DEPUTY DIRECTOR OF POLICY, ACCOUNTABILITY POLICY, AUDIT LIAISON OFFICER (ALO), EMERGENCY MANAGEMENT COORDINATOR (EMC).**

Good morning, everyone. I am Marina Tinali from the Department of the Interior's Office of Insular Affairs. I want to welcome you all to this long-awaited in-person IGFOA 2023 conference. I would also like to thank the Graduate School USA for their hard work setting up all those virtual meetings; they really did their best. It was great. We got a lot accomplished. I'm glad to be here and thank you all for coming.

Today and this week, I hope you enjoy the IGFOA, get a lot out of it, and ask a lot of questions. That is why we pay them to ensure you get some answers. I'm also going to be here for the week. I will be in and out because I do have other meetings on the island. But I look forward to providing more information during the conference and meeting with some of you separately. I see a lot of new faces, so there are probably many of you who don't know me. I have been with the Department of Interior for 19 years; prior to that, I was with FEMA for 15 years. I am currently the Acting Deputy Director of the Policy Division and have been the accounting and audit liaison officer the entire time I have been with the Department of the Interior. My position was to be advertised and I told them that if they do not include audits and accountability in the announcement, I would not apply for it. I want to keep having one-on-one contact with you all and be able to share and learn from you. Thank you very much. Enjoy the conference!



*Following remarks from Marina Tinali Senior Director of the Pacific and Virgin Islands Training Initiatives then welcomed conference participants.*

## Opening Remarks

### JASON AUBUCHON, SENIOR DIRECTOR, GSUSA

Good morning, everybody. Happy Valentine's Day. Happy Tuesday. Happy IGFOA! I cannot tell you how happy we are to have everybody back together in person in real life here in Hawaii. It is just wonderful to have everybody with us. Thank you all for coming.

How many people are here for their first IGFOA? That is about half a little more than half. We had quite a few virtual IGFOA conferences in between but are getting back to the in-person sessions. I think it's going to be a really healthy process. And let me just warn you that our IGFOA conferences are working sessions and if you haven't been involved in preparing your government's presentation or past action planning or reporting on action planning or being harassed about your action plans. Welcome. We do love you. It's Valentine's Day, but you're going to be working while you're here. So we thank you all for coming.

This is our first in-person IGFOA in about three years. We did have a summer meeting in Austin last year coming out of COVID but we are as I said really pleased and really excited to have everybody back together. I do have a few notes of a few points that I'd like to make.

Firstly, I'd like to thank Commissioner Bruce and Marina Tinali for their welcoming remarks. Commissioner Bruce on behalf of the IGFOA principles and of course Marina on behalf of our funders from the Department of the Interior; without their support, we wouldn't be able to do our work and bring you all together. So we're grateful for the support and for the opportunity to continue to support IGFOA.

Our theme for this week is "resetting". That is partly because there are a lot of new faces among the participants. It's partly because of COVID delays, COVID funding challenges, COVID audit issues. We're really approaching this week as an opportunity to reset and re-establish many of the projects that we've had through the years. You'll see that throughout the agenda, as we work through the different agenda items, including many of the government presentations, which we'll be starting soon.

Those of you who have been working in the region and with the Pacific and Virgin Islands for a while would know as you look around the room exactly how much experience in the world of finance exists here in the room, among the consultants and among all of you. Really, I mean many decades and entire careers of public service working in finance. And I just like to say this each time that really, for me, the best part of these meetings is the opportunity for everybody to learn from each other and the shared peer experience that we're able to convene by bringing you all here. We really hope this is an open discussion. There are a lot of different content and topics that we're hoping to cover over the course of the next three days. But we want this to be a conversation and really the goal here throughout the next few days is for everybody to be able to learn from each other.

I would also like to thank each of the delegations for coming. We have the heads of delegation for most of the Pacific Island jurisdictions. And that's really a testament to the support that we get from all of the IGFOA principals. So let



me just briefly recognize Commissioner Bruce from the Virgin Islands, Minister Udui from Palau, Minister Wase from the Marshall Islands, Director Birn from Guam, Secretary Norita from the CNMI, Secretary of Amor from the FSM, Director Elnei from Pohnpei, Director Paul from Chuuk and representing American Samoa, Assistant Director Tuato'o. Thank you all for being with us. And for joining us.

Finally, I'd like to recognize, before I close, our technical team who are here to support the meeting. Not only did they help with the agenda development but all the work that we're going to be doing throughout the week. That starts with Kevin O'Keefe who is our facilitator, Debbie Milks who is co-facilitating working all the time helping with the audits and presentations. Debbie will help to facilitate the presentations and much of the conversation. We also have Emil Friberg joining us for the first time; he is going to be giving us a presentation on some grants management issues. And we've got Frankie Crawford. He is ready to talk Performeters, Leases and GABSB standards, and other things that are sure to excite everybody here on Valentine's Day.

So let me close on behalf of our Graduate School team, which includes myself, Judy, Monique, and Ciara. Thank you all for being with us. We wish everybody a good healthy, successful conference, and I can't wait to get started. Thank you for being here.

## INTRODUCTIONS

In this part of the meeting, IGFOA attendees were asked to pair up with someone they hadn't met before and introduce their new friends to the entire group. Once completed, attendees presented information to the entire audience on their new friend's name, the reason they were attending the conference, which jurisdiction they are from, and how many times they have participated in either IGFOA or GFOA. In addition, each person was asked to choose one of the questions from a series of questions provided and explain why they selected that question. Questions included topics such as whether they would rather have super strength or super speed. This introduction exercise allowed the attendees to get comfortable with each other before the conference began.

## AGENDA OPENING

Mr. Kevin O'Keefe then provided an overview of the Island Government Association meeting. He detailed plans for the first day of the conference, including Insular Government Updates, a discussion on the Status Audits Across Insular Governments, Audit Transitions Issues Across Insular Governments, Updates on the Implementation of GASB-87 (Lease Standards), and an overview of the Action Planning Process.

Mr. O'Keefe continued by reviewing the Day 2 schedule, which began with a federal grant presentation from Mr. Emil Friberg. Attendees would receive information about potential opportunities for their governments to access more resources. The next topic on the agenda was the GASB Update: SIBTA & PPPs with Mr. Frank Crawford, CPA, leading the content sessions. He explained that Ms. Debbie Milks would then discuss Resetting Performance Measures. Attendees would be asked to identify performance measures and introduce new ones based on current needs, such as audit findings or other challenges jurisdictions face. A presentation on tax reform and tax information system introduction would be presented, with representatives from various jurisdictions offering their insights. The day would conclude with attendees creating action plans for their respective jurisdictions, followed by a principal's dinner focusing on "What different things can IGFOA do to help address current and emerging challenges?"

Mr. O'Keefe then summarized the Day 3 schedule, which would proceed with a panel of leaders and principals on what they might charge IGFOA or themselves with doing in the future. He explained that attendees would then wrap up the meeting with reports on their action planning process and a reminder that the next meeting would be held in Portland, Oregon, in May, 2023.

Mr. O'Keefe transitioned the discussion by providing a background on the IGFOA meeting. He explained that the meetings started as an idea that came out of conferences to address the graying or the thinning out of finance operations as people retired. He shared that Ms. Debbie Milks, CPA who still happens to be with us had made much progress in helping with the IGFOA meetings. Mr. O'Keefe pointed out that there is a possible reverse or a repeat of some of the same challenges. He then transitioned the presentation to Ms. Debbie Milks, CPA to facilitate reports from the government on their action planning process. The agenda of IGFOA Winter 2023 has been included as [Attachment 1](#) of these proceedings.

## INSULAR GOVERNMENT UPDATES

Prior to starting the government presentations, Ms. Debbie Milks, CPA, reiterated the importance of these meetings and the value of sharing experiences and best practices. She mentioned that attendees are aware of constantly changing financial landscapes and emphasized the importance of staying informed and adaptable.

Representatives for 8 insular government jurisdiction – American Samoa, Commonwealth of Northern Mariana Islands, Chuuk State, Pohnpei State, Guam, The Republic of the Marshall Islands, the Republic of Palau, and the U.S. Virgin Islands – prepared their respective government updates and presented their findings at the IGFOA conference.

Each jurisdiction was provided with a template and was asked to prepare presentations that highlighted the following:

- FMIS Status
- Action Planning from June 2022
- Key Performance Measures: Cash Management, Grants Management, Capacity Building, Reconciliation, and Internal Controls
- Timeliness of Bank Reconciliations
- Reduction in invalid, Outdated Encumbrances
- Other Reconciliations – Fixed Asset Inventory, Federal Receivables, Payroll Liabilities, and Travel Advances
- Challenges and Accomplishments

### American Samoa



- Action Planning from 2022
  - » Set up ARPA Spreadsheet tracking similar to Seattle's. American Samoa reported that an ASG spreadsheet has been created. Communication between ARPA main office and sub-recipients is currently an obstacle. However, the next steps would be to set up controls between ARPA and sub-recipients.
  - » An ACH has already been set up. Tracking and posting payments continue to be obstacles. However, the next step would be to set up different ACH-only accounts.
  - » Pursue staff education and training. A CMA has been hire. However; proper training has been implemented mented for new hires and an assigned backup has not happened for account and grants analysts. Time for training is an obstacle and the goal is to have at least 1 training session during FY2023.
- **Timeliness of Bank Reconciliation** – Primary general, payroll and other large accounts are reconciled monthly. The latest reconciliation occurred in November and December 2022. Management reviews federal and other large accounts monthly and adjustments are posted, and the balance is agreed to general ledger for payroll and other accounts only.
- Reduction in Invalid, Outdated Encumbrances
  - » There was a 77 percent increase in travel encumbrances, a 62 percent decrease in supplies encumbrances, and a 61 percent increase in construction encumbrances in general funds accounts.. Treasury will work with Departments to clear outdated and invalid encumbrances.
  - » There was a 41 percent increase in travel encumbrances, a 17 percent decrease in Supplies encumbrances, and a 56 percent decrease in construction encumbrances in Federal Fund accounts. Treasury will work with Departments to clear outdated and invalid encumbrances.

## Commonwealth of the Northern Marianas Islands



- CNMI's FMIS was implemented in October 2021. Ongoing implementation with key modules (Bank Reconciliation and Capital Assets) and continued tailored training across key agencies.
- Issues resulting from the conversation of the legacy systems include imports ending balances and prior year details, data verification, tax revenue uploads, and report form changes.
- Several changes would have been made in preparation for the transition, which includes the review of balance and data, organizing the steering committee, and increased communication on the changes from JDE to Munis.
- Action Planning from 2022
  - » **Re-energize the Single Audit Committee.** Currently in the planning stages with the Public Auditor and OGM. An obstacle is engagement from agency leadership and CNMI is in the process of identifying roles and responsibilities with committees and agencies.
  - » **Set up a Tyler implementation/Steering Committee.** Major stakeholders are engaged. Several obstacles are identifying risk levels and priority next steps will be to initiate meetings.
  - » There has been a delay in the request for technical assistance to conduct a desk audit and begin succession planning. Obstacles in the implementation include possible austerity measures; however, the next step would be to identify a project lead.
- **Timeliness of Bank Reconciliation** – Primary general, payroll accounts were last reconciled in September 2021.
- Reduction in invalid, outdated encumbrances were not reported.

## Federated States of Micronesia, Chuuk State



- Chuuk State is still in the bidding process for the new FMIS system. The acquisition of a new FMIS System is managed at the national level.
- **Timeliness of Bank Reconciliation** – Primary general, payroll, and ACH accounts are reconciled monthly. The latest reconciliation occurred in December 2022. Management reviews accounts monthly, adjustments are posted, and the balance is agreed to General Ledger.
- Reduction in invalid, outdated encumbrances
  - » There was a 40 percent increase in Travel encumbrances, a 39 percent increase in Supplies encumbrances, and a 43 percent increase in all other encumbrances. Chuuk State reported that prior years' encumbrances needed to be canceled.

## Federated States of Micronesia, Pohnpei State



- Pohnpei State is still in the bidding process for the new FMIS system. The acquisition of a new FMIS System is managed at the national level.
- Action Planning from 2022
  - » **Work on implementing GASB87** - Pohnpei States reports that they do not have leases.
  - » **Employee engagement surveys** - including management and staff not aware of the implementation of an employee survey.

- » Process improvement measure payment process - staff continue to be trained on FMS Budget certification and documents. Employee commitment remains an obstacle; however, there will be continued training and discipline or rewards.
- » **Finalize RFP for FMIS** - The Federated States of Micronesia National Government will present.
- **Timeliness of Bank Reconciliation** – Primary general, payroll, and other large accounts are reconciled monthly. The latest reconciliation occurred in December 2022. Management reviews accounts monthly, adjustments are posted, and the balance is agreed to General Ledger. Pohnpei Stated reported that FY22 was completed in the 1st Quarter of FY2023 is in progress.

## Guam



- Guam's FMIS contract was signed in January 2023 and they are currently in the planning stages of the modules.
- Action Planning from 2022
  - » **Begin testing ERP by year-end.** The contract was signed in January 2023 and is a cloud-based system and bandwidth may be an issue. Guam will implement workshops, training and mentoring as the next step in the process.
  - » **Issue the RFP for banking services.** A vendor has been selected and Guam is currently negotiating the contract.
  - » **Guam is currently in the process of hiring 8-9 employees.** Internal promotions and succession plans are an issue. The next step will be to increase recruitment and list positions as continuously open until filled.
- **Timeliness of Bank Reconciliation** – Primary general, payroll, federal and other large accounts are reconciled monthly. The latest reconciliation occurred in December 2022 and January 2023. Management reviews all accounts; adjustments are posted and the balance is agreed to the General Ledger.
- Reduction in Invalid, Outdated Encumbrances
  - » Guam reported a 65 percent increase in Supplies encumbrances and a 10.94 percent decrease in miscellaneous encumbrances related to the General Fund.
  - » Guam reported a 40 percent increase in Supplies encumbrances and a 88 percent decrease in miscellaneous encumbrances related to Federal Funds.

## Marshall Islands



- A continuing contract with the software provider for training and dialogue on issues related to the new system. The Ministry is currently on data clean-up for migration of beginning balances and FY 2023 balances from the old system to the new system (Bisan) by the end of February. The most recent milestone achieved was the implementation of the payroll module in January.
- More staff training and cross-training on each module are changes that would have been made in preparation for the implementation of the new system.
- Action Planning from June 2022
  - » Migration to a new FMIS system will be completed by the end of February. Timeliness is identified as an obstacle; however, the next step is to continue with data clean-up of the old systems into the new system.
  - » Retaining and recruiting staff turnover rates are slowing down operations at the Ministry of Finance. The Ministry will continue recruitment efforts.



- **Timeliness of Bank Reconciliation** – Primary general, payroll, and ACH accounts are reconciled every 2 monthly. The latest reconciliation occurred in September 2022. Management reviews accounts except for travel advances. Adjustments are posted and the balance is agreed to General Ledger.
- Reduction in Invalid, Outdated Encumbrances
  - » There was a 34 percent increase in travel encumbrances, an 82 percent decrease in Supplies encumbrances, and an 88 percent decrease in encumbrances. RMI reported the current outstanding balance of encumbrances for FY2022 only.
  - » There was a 7 percent increase in Travel encumbrances, an 51 percent decrease in Supplies encumbrances, and a 264 percent decrease in Construction encumbrances in all Federal Funds accounts. RMI reported the current outstanding balance of encumbrances as the amount in FY2022 only.

## Palau



- Palau's FMIS was implemented in 2020 and is currently being used. Palau recently upgraded to a newer version which has proven to have its own problems. The system is slower and has a significant lag time which affects their efficiency.
- Palau had trouble with the reconciliation, used 2 different ledgers, and were not able to link actuals for both the project ledger and the general ledger – they do not recommend this approach.
- In preparation for a transition to the FMIS, Palau would have spent more time understanding the new system before going live; they also would have reconsidered separate project ledgers.
- Action Planning from 2022
  - » **Cybersecurity** – Staff contractor hired and Cybercrimes Act drafted under AG review. Extra costs and personnel resistance were presented as obstacles. The next steps would be to pass the Act in FY 2023 and create regulation, education, and awareness.
  - » **Apply ARPA Grant to CIP Projects** – A plan was submitted and is awaiting US Treasury's approval. Having difficulty accessing the portal; however, Palau has an appointment with ID.ME to grant access to the Treasury portal.
  - » **Recruiting and Retaining Staff** – new position strategy to increase recruiting efforts and training and development. Time constraints and economic distress, and lack of human resources. Plan to strengthen college recruitment, lobby HR, and implement progressive training programs.
- **Timeliness of Bank Reconciliation** – Primary general, payroll, and ACH accounts are reconciled monthly. The latest reconciliation occurred on 11/30/2022, 10/31/2022, and 09/30/2022, respectively. Management reviews accounts monthly, adjustments are posted, and the balance is agreed to General Ledger.
- Reduction in Invalid, Outdated Encumbrances
  - » There was a 24 percent increase in travel encumbrances, a 48 percent increase in Supplies encumbrances, a 13 percent increase in Construction encumbrances, and a 26 percent decrease in All Other encumbrances. RMI reported the current outstanding balance of encumbrances for FY2022 only.
  - » There was a 98 percent increase in Travel encumbrances, a 6 percent increase in Supplies encumbrances, and a 160 percent decrease in Construction encumbrances in all Federal Funds accounts.

## US Virgin Islands



- The USVI's FMIS upgrade was completed in February 2022. The project was a version upgrade to the Tyler Munis FMIS that the USVI has been using since 2006. Increased technical support is a change that should have been implemented as part of the implementation.
- Action Planning from 2022
  - » Review new ARPA Policies – USVI has employed a designated ARPA team led by an ARPA Administrator and contracted an outside agency to review all proposed projects. Grants funding of 5% has been used to support this effort. Obstacles include identifying qualified staff to increase the effectiveness of the team; however, there is an effort to increase the size of the ARPA team to include financial analysis, an ARPA Auditor, and a compliance analyst.
  - » An employee engagement survey was completed in 2022. Additional surveys will be implemented in the future.
  - » Ensure ARPA Funds are correctly shown on the Schedule of Expenditures of Federal Awards (SEFA) including key performance indicators. The FMIS has changed to record all transactions associated with ARPA funds, KPI transcriptional. This change has led to a more difficult and time-consuming reporting and reconciliation process. The next steps will be to record transactions associated with the FY to implement a reporting and reconciliation process.
- **Timeliness of Bank Reconciliation** – Primary general, payroll, federal and other large accounts are reconciled monthly. The latest reconciliation is in process. Management reviews accounts monthly, adjustments are posted and the balance is agreed to General Ledger.
- Reduction in Invalid, Outdated Encumbrances
  - » Per standard operating procedures the Travel encumbrances are straight pay. USVI reported a 90 percent increase in Supplies encumbrances, a 96 percent increase in Construction encumbrances, and a 100 percent increase in All Other encumbrances.
  - » Per standard operating procedures the Travel encumbrances are straight pay. USVI reported a 46 percent decreases in Supplies encumbrances, a 5 percent increase in Construction encumbrances, and a 100 percent increase in All Other encumbrances in the Federal Funds.

## STATUS OF SINGLE AUDITS ACROSS GOVERNMENTS

Ms. Deborah Milks, CPA delivered an update on the Status of Single Audits Across Insular governments to IGFOA participants. She explained that the U.S. Office of Management and Budget (OMB) granted automatic (6-month) no-justification-needed extensions for the issuance of audits for fiscal years ending 9-30-2019 and 9-30-2020 in response to the COVID-related disruptions. As such, those audits are considered timely if completed by 12-31-2020 and 12-31-2021, respectively. However, OMB did not grant automatic extensions for the fiscal year ending 9-30-2021, though many island governments have requested and received 3-month extensions for their FY21 audits from the US Department of the Interior.

Ms. Milks explained that the timeliness of the island government audits had suffered due to disruptions in office operations, lack of auditors' availability, and increased single audit requirements due to the large dollar and volume increases in new government programs. But the trend toward untimely audits is extremely troublesome as 9 of the 11 island governments did not meet the June 30 deadline for their FY21 audits, 3 of which have not even started the audit process. She presented the following:

- American Samoa and Guam issued their FY21 audits on time in May 2022 and July 2022, respectively.
- The FSM States of Chuuk, Kosrae and Yap completed their FY21 audits as of December 31, 2022 outside the completion window of June 2022.

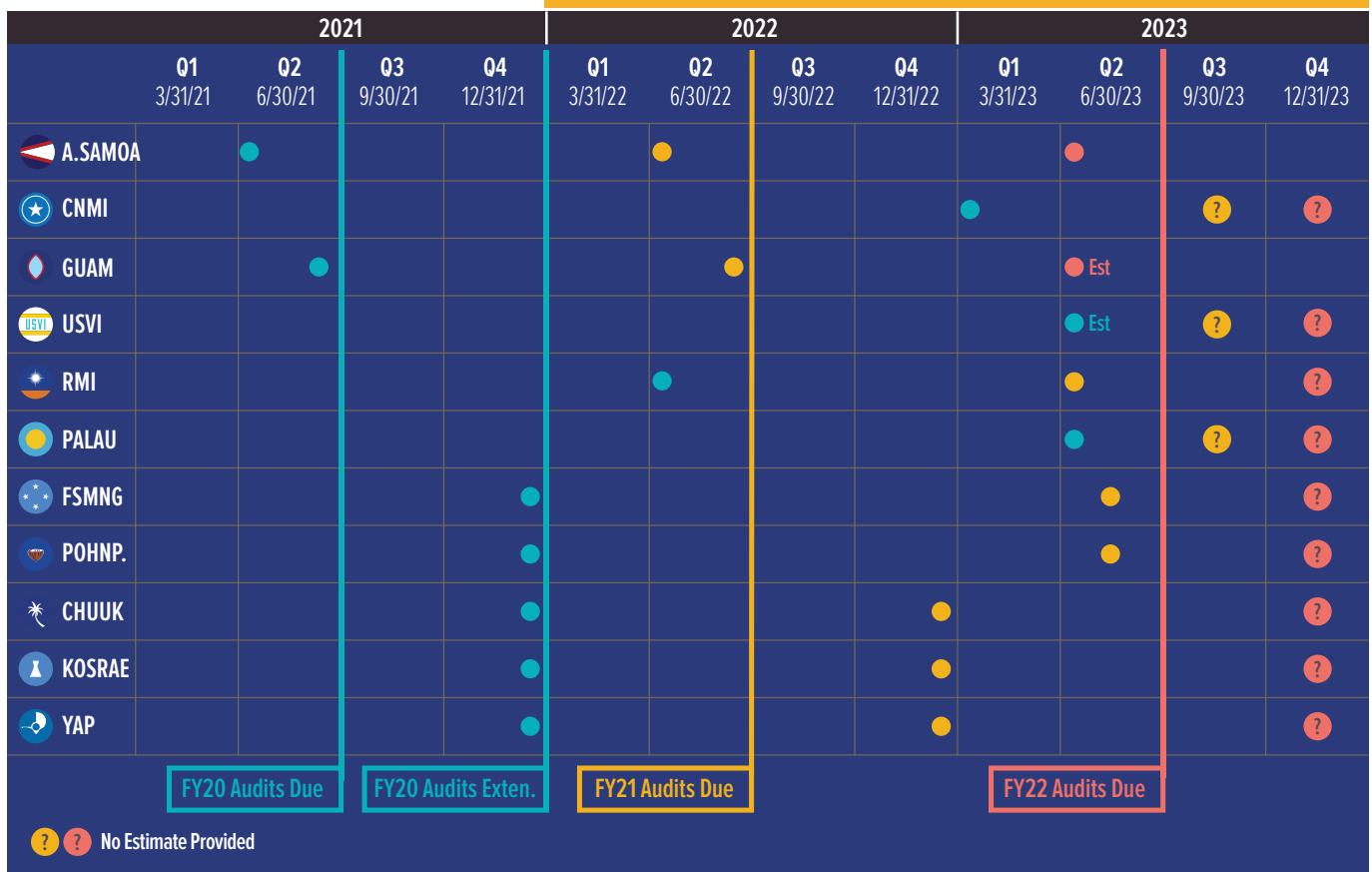
- The Federated States of Micronesia National Government, the Republic of the Marshall Islands and Pohnpei State have not yet issued FY21 audits, though they are in final draft as of March 2023.
- The US Virgin Islands and the Republic of Palau have not issued their FY2020 audits. The USVI and Palau, along with CNMI, have not begun nor have estimated dates for the completion of their FY21 audits.

Additional support and encouragement are critical to assist the governments in getting back on track. As noted above, 6 island governments still need to release their FY21 audits.

**Figure 1:**

**AUDIT TIMELINESS**  
FY21-FY23 Insular Government  
Audit Issuance Dates

Only 2 insular governments anticipate submitting timely FY22 audits. 1 government has yet to issue an FY20 audit, and 3 governments have yet to issue FY21 audits.



The Status of Single Audits Across Governments as of February 2023 presentation has been included as Attachment 4 of these proceedings.

## UPDATES ON IMPLEMENTATION OF GASB-87 LEASE STANDARDS, GASB -94 PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS AND GASB -96 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Mr. Frank Crawford, CPA, presented on the implementation of GASB-87 Lease Standards, a new accounting standard that changes how lease accounting has traditionally been implemented. Mr. Crawford explained that GASB-87 eliminates the methodology of previous lease accounting and introduces new concepts for what a lease is and what is not a lease. He provided guidance on how to determine the true “term” of a lease and explained the need for recognizing intangible capital assets, lease obligations, and deferred inflows of resources.

Mr. Crawford also discussed the GASB-96, which pertains to Subscription-Based Information Technology Arrangements. While similar to GASB-87, it has some unique differences that he addressed. The implementation deadline for both standards was September 30, 2022, and he explained that some insular governments have decided to implement both standards at the same time.

Additionally, Mr. Crawford explained GASB-94, a new accounting standard related to public-private and public-public partnerships. Although it has similarities with GASB-87 and GASB-96, it has unique differences that must be considered.

The presentation covered journal entries necessary for the implementation and subsequent reporting, whether as a lessee, lessor, or end user of IT-related software. Attendees learned how to determine the proper term for a lease using the concepts outlined within the standards. Mr. Crawford presented a case study that allowed for a customized Excel tool that he provided to help with implementation efforts.

He then explained that his team had conducted training in Guam and the CNMI to help governmental agencies understand how these standards would impact their financials. The training brought together numerous agencies to discuss the impact and he then met with each agency individually.

Mr. Crawford concluded by addressing various audit issues that would result in implementing these standards.

The *Updates on the Implementation of GASB-87 Lease Standards, GASB -94 Public-Private and Public-Public Partnerships and GASB -96 Subscription-Based Information Technology Arrangements* has been included as **Attachment 4** of these proceedings.

## INSULAR GOVERNMENT ACTION PLANNING PROCESS

Mr. Kevin O’Keefe presented the importance of planning as an essential aspect for insular governments. He explained that planning matters because it provides an opportunity to update focus areas, add new ideas and best practices, clarify and prioritize focus areas, enhance the likelihood of progress, and enable the measurement and celebration of progress.

Mr. O’Keefe explained that planning can take place at different levels, including the vision or mission statement, values, focus areas, key tasks or objectives, and key performance measures. A fictional example of the Republic of MicroPoly was provided to illustrate how planning can be executed at different levels.

Participants were informed that they would have time allocated on Thursday to work on their planning using a provided template. Mr. O’Keefe encouraged attendees to specify in their presentation what their respective jurisdiction was committing to improving at the margin. They were asked to consider how they wanted their departments to be operating in the future, whether it was five months from now or 10 years. He explained that after presenting their plans, the participants’ jurisdictions would be committed to making these improvements.

Mr. O’Keefe concluded his presentation by explaining that successful execution of planning requires assigning responsibility, setting timelines, establishing metrics, and setting specific targets.

The *Insular Government Action Planning Process* presentation has been included as **Attachment 5** of these proceedings.

## RAISING AWARENESS OF FEDERAL GRANT ACCESS ACROSS INSULAR GOVERNMENTS

Dr. Emil Friberg, the former Assistant Director/Senior Economist at US GAO, presented the Raising Awareness of Federal Grant Access Across Insular Governments. He explained that as part of the EconMAP/PITI-VITI team, he reviewed single audits/schedules of federal awards of the US territories and Freely Associated States (FAS) and observed that federal grant expenditures varied among them. After discussing with territorial officials, Friberg concluded that further research was necessary.

Dr. Friberg then discussed the motives for states and territories to pursue federal grants. States that pay federal taxes aim for a fair share of federal grants, while areas that don't pay federal taxes can get pure gravy from federal grants. He also emphasized that the insular governments should never leave money on the table.

Dr. Friberg discussed the benefits and costs of federal grants. Benefits include economic impact, improved fiscal condition, and operational gains. On the other hand, costs include dependency and sustainability risks and diversionary activities. He also noted that transaction costs could arise when pursuing federal grants.

He identified three groups that should care about federal grants: finance, planning, and operations. Finance teams should focus on covering direct financial needs and freeing up resources. Planning should aim to increase and support economic activity, employment, and households. Operations should look to support activities independent of local revenues, cover unfunded needs, and improve operations.

To research federal grants, Dr. Friberg suggested three approaches. First, the central government and component units should be studied. Second, peers in territories and FAS should be analyzed. Third, stakeholders in finance, planning, and operations should be engaged. Friberg also suggested researching expenditures and awards and working with operational contacts.

Dr. Friberg presented the Schedule of Expenditures of Federal Awards as an example research approach. This approach involves using central government and component unit audits, looking at CFDA numbers, and using aggregate and disaggregate data. He used Guam and CNMI as examples, sharing observations from analyzing the aggregate data from Guam and CNMI. He emphasized the importance of not overlooking component units, which can provide valuable insights. Another example shared was the Marshall Islands/Palau Schedule of Expenditures of Federal Awards. He presented an example of analyzing the Schedule of Expenditures of Federal Awards for the Marshall Islands and Palau.

Finally, Dr. Friberg concluded by emphasizing the importance of understanding federal grants and the different motives, benefits, and costs involved.

The *Raising Awareness of Federal Grant Access Across Insular Governments presentation* has been included as **Attachment 6** of these proceedings.

## FINANCE OFFICER PERFORMANCE MEASURES: IT'S NOT THE NUMBERS. IT'S WHAT YOU DO WITH THE NUMBERS.

Ms. Deborah Milks, CPA, began her presentation by discussing the importance of performance measures. She explained that performance measures are not necessarily aimed at progressing towards a goal but rather act as a warning flag for any performance problems.

She explained the IGFOA Performance Measures project, initiated in December 2009, to address recurring audit findings. The project involved selecting measures to provide the finance office with internal progress reporting, with self-selected measures chosen by each government in 2009 and later voting on specific measures applicable to all governments in 2011.

Ms. Milks then discussed progress and issues related to tracking ten different IGFOA performance measures. These include bank reconciliations, reducing outdated encumbrances, reducing the number of days to process a federal invoice, reducing overdue travel advances, accurate revenue estimates, maintaining a fixed asset inventory, personnel

evaluations, the number of training hours, timeliness of SF425 reports and reconciliation in Federal Grant receivable balance.

She suggested resetting the ten measurements and getting familiar with measurement calculations and emphasized that the purpose of performance measures is to keep track of the kind of work the finance office must do. Ms. Milk recommended having a performance measure contact for each jurisdiction to discuss any issues with the measures.

Ms. Milks then outlined best practices for performance measures explaining that performance measures should be numerical, include a target or benchmark, and should not result in unintended consequences. She reiterated that the Performance Measures originated from the insular governments with the intent of the measures being used to identify problems.

Finally, Milks summarized reports from the IGFOA members in attendance at the February 2023 conference in Honolulu, including the timely preparation of bank reconciliations, reconciliation of travel advances, and the status of fixed asset physical inventory. She then shared dashboards that displayed trends and notes on performance measures.

To conclude, IGFOA participants will have the opportunity to review performance measures and discuss which are useful and which are not. They will meet again at the next IGFOA conference in May 2023 to determine which of the proposed measures are most applicable and to discuss how they can be implemented in practice.

The Resetting Performance Measures presentation has been included as [Attachment 7](#) of these proceedings.

## **PERFORMETER UPDATES – FY20 & FY21**

The 2020 and 2021 Performeter and A.F.T.E.R Analysis Update was presented by Frank Crawford, CPA. The presentation provided a brief review of the Performeter and A.F.T.E.R Analysis. Mr. Crawford discussed factors and circumstances contributing to the 2020 and 2021 scores and provided an update on the most recent Performeter scores and A.F.T.E.R. findings.

The Performeter provides valuable financial analysis and assessment to insular governments. Initially developed in 2001 for state and local governments, the scope and methodology of the Performeter has since been adapted to meet the unique needs of the Pacific and Virgin Islands governments. Each year, the Performeter provides a continuous, independent assessment of each insular government's financial health and success based on audited financial statements.

Traditionally, the Performeter has been utilized across insular governments to improve public awareness of each government's fiscal health. The Performeter is a unique tool customized for insular governments:

- The Performeter 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 the legislative and executive branches;
- Since the Performeter uses common metrics, Performeter scores are broadly comparable across each of the insular governments;
- Each Performeter contains an A.F.T.E.R. 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.

As a result of delays to the release of some insular government single audits, Performeter results have yet to be published for 2021 (based on FY20 audit results). Despite these delays Performeter reports have been updated for American Samoa, CNMI, Guam, the Marshall Islands, Palau, and the FSM national and state governments. Due to single audit delays, Performeter calculations for Palau and the US Virgin Islands based on the FY19 audit results have been inhibited. Once all insular government audits have been released, updated scores and trend analysis will be shared.

The due dates for the 2020 single audit filings were stretched by 6 additional month extension from their normal 9-month period deadline to a new deadline of 15 months. Five out of nine governments produced improved results in the fiscal year ending September 30, 2020, while the other four governments' scores slightly dropped.

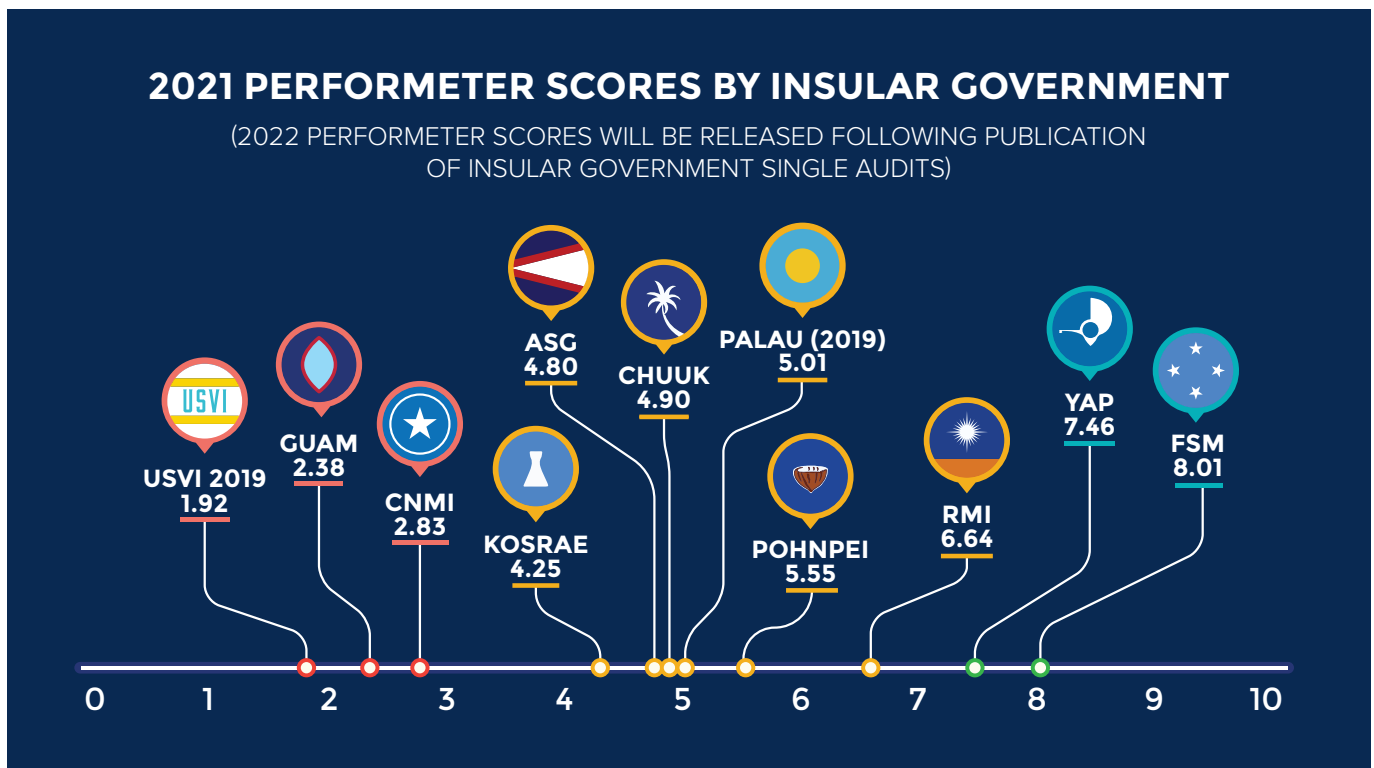
**Highlights:**

- The impact of GASB 68’s pension requirements in 2015 still remains a significant factor for all governments except the FSM and States, and the RMI.
- The Social Security programs offered by the government remain at some of their lowest funding levels in the model’s history for the FSM National Government, the RMI, and Palau.
- The CNMI’s overall Performeter score tumbled 61.1% from a score of 3.83 in 2018 to a score of 1.49 in 2019 due to the adoption of GASB 68 and 71 pension-related accounting standards but increased in FY 2020.
- The RMI settles in with a 6.64 for 2020, an increase of 17.5% from their score of a 5.65 in FY 2019, the highest score in the history of the model.
- All changes up or down in the Performeter scores from 2020 were equal to or less than 25%, except for the CNMI.
- Chuuk takes the prize for the highest percentage increase in the overall score, with a 25% improvement during FY 2020.
- FSM National overtakes Yap State to take the prize for the high score this year of 8.01, besting Yap’s score of 7.46
- Three of the nine FY 2020 government financials received unmodified opinions on their financial statements, with four others receiving qualified opinions.

The 2020 & 2021 Performeter and A.F.T.E.R Analysis Update presentation provided valuable insights into the financial health and success of the government and the factors and circumstances contributing to the 2020 scores. The presentation offered IGFOA participants the ability to understand the financial position of their government and the financial sustainability of their operations.

The *2020 and 2021 Performeter and A.F.T.E.R. Analysis* presentation has been included as *Attachment 8* of these proceedings.

**Figure 2:**



## TAX REFORM AND TAX INFORMATION SYSTEMS: LEARNING FROM EXPERIENCE - REPUBLIC OF PALAU

Mr. Kevin O'Keefe discussed the tax reform efforts in the Freely Associated States, particularly in the Federated States of Micronesia (FSM). The presentation focused on simplifying the tax system and moving toward international best practices.

Mr. O'Keefe used the (Business) Gross Revenue Tax as an example to illustrate the need for reform. A proposed solution is to replace it with a Broad-Based Consumption Tax, such as a Value-Added Tax or Goods and Services Tax, and introduce a business income tax at one or a small number of rates. The personal income tax or Wages & Salary Tax rates should also be modified to add more progressivity and broaden the base. Excise taxes (sin taxes) should be maintained or modified to protect the revenue base.

Mr. Elway Ikeda, Director Bureau of Revenue and Taxation, then presented Palau's comprehensive tax reform as an example of how tax reform can be implemented. Mr. Ikeda explained the components of Palau's Tax reform, detailed the business entities affected, and discussed the implementation process. Mr. Ikeda specifically discussed the following:

- Fourteen tax categories, implemented changes, and tax rates
- The effect on the business entities
- The tax implementation process
- Community education efforts through radio, social media, and face-to-face meetings.

Mr. Ikeda concluded the presentation by highlighting challenges in implementing tax reform. The significant challenges include limited work on consumer impact, lack of tax preparers and practitioners, weak accounting practices in the private section, and limited personnel capacity. To address these challenges, community education and consultation are critical.

The Republic of Palau: Tax Reform can be found in [Attachment 9](#) of these proceedings.

## PANEL DISCUSSION: COMMON CHALLENGES AND POTENTIAL NEXT STEPS

Panelist included:

- Alapasa Tuato'o, Assistant Director to the Treasurer of American Samoa
- Tracy Norita, Acting Secretary of Finance Commonwealth of Northern Mariana Islands
- Eugene Amor, Secretary of Finance FSM National Government
- Edward Birn, Director Department of Administration Guam
- Brenson Wase, Minister of Finance Republic of Marshall Islands
- Kaleb Udui, Minister of Finance Republic of Palau
- Bosede Bruce, Commissioner of Finance US Virgin Islands

A prior meeting was held on February 15, 2023, with finance officers in the spirit of "resetting" to discuss common and emerging needs. The panel is the report out of that effort. Mr. Kevin O'Keefe facilitated a panel discussion focused on common challenges of the insular area governments and potential next steps to resolve the issues. Challenges shared by the panelists include finance area HR gaps, high turnover rates, recruiting entities unable to respond timely to urgent needs, limited cross-training, and pay level constraints leading to loss of skilled workers. The panelists also





*Finance Leaders discussed Common Challenges and Potential Next Steps at the IGFOA 2023 Winter Conference*

noted that the finance function and staff needed to be more appreciated and that practical training opportunities were limited.

To address these challenges, the IGFOA leadership was encouraged to engage fully and explore on-island, online, sub-regional, and regional training opportunities with consideration of certificate/course credit options. Other potential next steps include piloting a Finance Function HR Capacity Study in 1 or 2 jurisdictions, developing select staff to CPA and CGFM levels over many years, and continuing to work on pay differential opportunities.

The Common *Challenges & Potential Next Steps* presentation can be found in *Attachment 10* of these proceedings.

## DEPARTMENT OF THE INTERIOR OFFICE OF INSULAR AFFAIRS PRESENTATION TO THE ISLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION (IGFOA)

Ms. Marina Tinitali, Acting Deputy Director & Policy Specialist, began her presentation by providing an overview of the Office of Insular Affairs's (OIA) mission. She explained that OIA's mission is to coordinate federal policy for the territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. Additionally, OIA administers U.S. federal assistance to freely associated states -- the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau -- under the Compacts of Free Association by providing technical and financial assistance to all insular areas.

Ms. Tinitali discussed the OIA's discretionary grant programs, which provide support to insular areas in response to the government's immediate needs. She highlighted the Technical Assistance Program for FY 2023, which has an approximate budget of \$26M and allows each government to identify and develop responses to address pressing issues and priorities. The program includes ongoing financial management and audit training for all insular areas.

The Maintenance Assistance Fund, which has an approximate budget of \$4.3M for FY 2023, was discussed. This Fund supports infrastructure maintenance practices in the seven insular areas and can be used for critical repairs to infrastructure. It provides funding for training, education, and technical advice related to maintenance, specialized maintenance equipment, and inventory development of maintenance needs.

Ms. Tinitali described the OIA's grant regulations process, including non-federal audits. She also provided the OIA website and Points-of-Contact (POCs), instructing participants to access further information and assistance. Ms. Tinitali concluded her presentation by inviting participants to save the date for the upcoming Territorial Climate and Infrastructure Workshop on May 8-12, 2023.

The Department of the Interior Office of Insular Affairs presentation can be found in *Attachment 11* of these proceedings.

## GOVERNMENT REPORT-OUTS ON ACTION PLANS AND NEXT STEPS

Ms. Debbie Milks asked each insular Government to present their action plans. As part of the IGFOA Action Plan, each government jurisdiction identified focused areas of improvement, responsible parties, and implementation timeframes. A representative from each island government was assigned as a Point-of-Contact for their respective jurisdiction and committed to providing an updated status of each action at the IGFOA 2023 Portland Conference.

### American Samoa



Point-of-Contact: Akenese Lealamanua

- Bank Reconciliation / Grants AR Reconciliation
- Travel Reimbursement Expense Report
- Update Standard Operating Procedures (SOP)
- Clean Encumbrances (At least 1-2 fiscal years)
- Personnel Evaluation

### Commonwealth of the Northern Marianas Islands



Point-of-Contact: Ryan C. Camacho

- Professional Development
  - » Work with other agencies to develop skills and incentives
  - » Develop KPIs to ensure audit readiness
- Office/DOF Improvement
  - » Resolve backlog of Bank Reconciliation w/ training
  - » Review resources to improve travel advance metrics
  - » Implement encumbrance policy
  - » Identify resources to implement GASB 87 & 94
- Audit Improvement Initiate Audit committee (Steering & working) meetings
  - » Draft OIA Resource Request
  - » Complete FMIS audit schedule configuration
  - » Verification of carry-over balances

### FSM National Government



Point-of-Contact: Eugene Amor and Akiama George

- Complete Bank Reconciliation
- Reduce outdated/inactive encumbrance by 10%

- Revive question cost resolution committee and address audit question costs.
- Work on the implementation of GASB 87
- Send four staff (CTA) to Palau for Peer Training
- Finalize and issue RFP for FMIS
- Conduct an employee engagement survey.
- Update Federal Grants draw down procedure and conduct training with relevant staff.

## Federated States of Micronesia, Chuuk State



Point-of-Contact: Jonas Paul

- Reduction of outdated encumbrance by 10%
- Question Costs: Resolution Committee
- FMIS – RFP – To Complete (RFP)

## Federated States of Micronesia, Pohnpei State



Point-of-Contact: Judy Rodriguez

- FMIS TRANSITION
  - » Encumbrance cleaning and update
  - » Travel Advance cleaning and update
  - » Supply Advance cleaning and update
  - » Account Receivables cleaning and update
- AUDIT IMPROVEMENT
  - » Prior Year Question cost to be resolved with Impact of Federal FA/COF
  - » Complete General Ledger Posting for Fixed Asset Addition and Depreciation
  - » Complete Fixed Asset Review and Survey for FY2023

## Federated States of Micronesia, Yap State



Point-of-Contact: Irene Laabrug

- FMIS Implementation
  - » Technical working group to revisit the draft FMR for implementation to be made when the FMIS gets implemented at State Level
  - » Consultant to Train Staff to perform bank reconciliation
  - » Assistant Manager-/Chief of Finance & Treasury

- » Reduce at least 10% of Invalid encumbrances
- » Recruit IT to clean up the System and train Accountant before implementation of the FMIS
- Audit Implementation
  - » Implementation of GASB for FY2022 Audit
  - » with OPA /Yap Fishing Authority Management to hopefully eliminate the Audit Opinion from Adverse to Unmodified

## Guam



Point-of-Contact: Krystyna Llagan

- Audit Implementation
  - » Restructure sections (i.e., renaming appropriation to accounts payable, creating a local section)
  - » Rotation of employees and offer training
- General Ledger
  - » Eliminate old GL balances
  - » Collections (Bounce Checks/Overpayments)
- Federal/Accounts Payable
  - » Invoices (meet with agency heads in regard to submission)
  - » Timely Payments
  - » Vendor payments (Ck or ACH)
  - » Cost allocation
- FMIS
  - » Answer all questions provided by Performa
  - » Training/workshop with Performa
  - » At least 2 modules up and live
- Recruitment
  - » Job Fairs
  - » Internships
  - » Monthly Meetings with HR

## Republic of the Marshall Islands



Point-of-Contact: Ywao Elanzo, Jr.

- FMIS
  - » Migration (reconciliation & clean out data from the old system)
  - » Roll out to the Ministries
- Legislative reform

- » Financial Management Act
- » Procurement Act
- Retain and recruit staff
  - » Retaining staff
  - » Recruit capable staff

## The Republic of Palau



Point-of-Contact: Darla Babauta and Gail Rengil

- Recruitment and Retention Program
  - » Formalize a standard training program
  - » Assign / Hire a training lead person
  - » Draft Outline of Staff Development Initiative
  - » Education & Awareness & Awareness
- FY 2021 Audit Completion
  - » Enter FY2020 adjustments
  - » Send required schedules to the auditor
  - » Fieldwork (auditor testing)
  - » Draft Issue
- ARPA
  - » Update progress

## US Virgin Islands



Point-of-Contact: Wilfredo Guzman and Somere Webber

- Single Audit Status for FY 2021 and FY 2022
  - » Complete FY 2019 and FY 2020 status up for FY21 Single Audit
  - » Complete FY 2022 SEFA
  - » Complete FY21 Single Audit
  - » Complete FY22 Single Audit
- Status of Bank Reconciliations
  - » Prioritize Bank Accounts
  - » Assess the last completion date of each bank reconciliation.
  - » Request data from Financial Institutions
  - » Begin and complete reconciliations

The insular government action plans can be found in [Attachment 12a-12j](#) of these proceedings.

## CONFERENCE WRAP-UP

The official closing of the Winter 2023 IGFOA remarks was delivered by Mr. Eugene Amor, Secretary of Finance and Administration for the Federated States of Micronesia – National Government.

Secretary Amor shared the following: Ministers, Commissioner, Secretary, and Directors, let me say a few words on our behalf to thank our organizers, Graduate School USA. I want to thank Graduate School for this excellent conference. It has been very productive, very informative, transformative, energizing, whatever you name it. It was a fantastic conference. I think the sessions are all relevant and exciting. Especially GASB87; now I know what to do in the very last hour of my life. I learned a lot from the presentations. I think the principal's dinner was very productive and very informative. Especially the peer learning around the table as we share our common issues, solutions and learnings with each other. I think this is a big plus that nothing can replace.

I always tell my staff that people should do the work, not the computer. The FMIS system and equipment will assist us in doing our work; however, the more we continue to share and exchange ideas at this type of platform will help us address our issues faster and better. So, thank you for that.

I also thank the Graduate School for the choice of the hotel; it is fantastic. However, the restaurants are quite expensive, way beyond what my daily stipend could afford. Breakfast and lunch were delicious, and I ate so much that I could skip dinner. So overall, it's been a very enjoyable week and we're always happy and pleased to meet and see you all in person. And I hope we continue to do this as we look forward. I also ask that you please lobby the government of the US and Congress to approve our new Compact package so we don't miss 10% of our revenue projections.

I may not join you in Portland because, as you know, next month is the election back in the FSM, and the citizens decide when we should retire for people in our positions. I do wish you all the best and safe travels back home. I also wish you all a very successful implementation of your action plans. Let's reset and make IGFOA great again.

## CONFERENCE EVALUATIONS

At the end of the conference, each participant completed a conference evaluation. Participants rated the IGFOA sessions as timely and relevant (**4.78 Out of 5.0**). The complete conference evaluation, along with the specific participants comments, has been included as Attachment 14 of these proceedings.

# **CONFERENCE ATTACHMENTS**

01

01

***GFOA & IGFOA Meeting Agenda***





# IGFOA



Graduate School USA



# IGFOA Winter Meeting Agenda

Island Government Finance Officers' Association

February 14-16, 2023, Honolulu, Hawaii

# AGENDA

## The goals of the 2023 Winter IGFOA conference are to:

- Share the status of each government's single audits, FMIS update, Pandemic fund status, and other initiatives completed since the June 2022 GFOA conference in Austin.
- Share the status of audit transitions affecting most governments, present audit transition principles and standards, and discuss next steps and best practices in transitioning to new audit firms.
- Exchange information on the latest Performer analysis.
- Exchange information on federal grants available in one or more jurisdictions with the intent of increasing awareness of potential grant accessibility across all jurisdictions.
- Extend sharing of GASB lease reporting and present additional GASB updates, including GASB 96 and other matters.

## MONDAY, FEBRUARY 13, 2023

1:00 p.m.



### Meeting for Conference Organizers

Pre-conference meeting for conference organizers and presenters to discuss conference agenda and outcomes.

2:00 - 4:00 p.m.



### Conference Registration

 Main Lobby

Ciara Santiago will be available from 2:00 p.m. to 4:00 p.m. for sponsored IGFOA participants to pick up meal stipends in the main lobby of the Hilton Hawaiian Village..

## TUESDAY, FEBRUARY 14, 2023

7:00 a.m.



### Buffet Breakfast

Kahili Suite, Kalia Conference Center, Hilton Hawaiian Village, Honolulu, Hawaii.

8:30 a.m.



### Start of IGFOA Conference

Kahili Suite, Kalia Conference Center, Hilton Hawaiian Village, Honolulu, Hawaii.



### Welcoming Remarks

- Hon. Bosede Bruce, Commissioner of Finance, United States Virgin Islands
- Mr. Jason Aubuchon, Director, Pacific & Virgin Islands Training Initiatives, Graduate School USA

9:00 a.m.



### Introductions & Agenda Review

*Mr. Kevin O'Keefe, Facilitator*

9:30 a.m.



### Insular Government Updates

*Ms. Deborah Milks, CPA; Mr. Kevin O'Keefe, Moderators*

Insular government presentations will feature current status and latest information on:

- Key Performance Measures
- FMIS Status
- Action Planning from Austin
- Government Challenges and Accomplishments

Presentations (7-10 minutes)

-  Republic of Palau
-  Federated States of Micronesia
-  Chuuk State, FSM
-  Republic of the Marshall Islands

10:15 a.m.







### Morning Break

10:30 a.m.



### Insular Government Updates (Continued)

Presentations (7-10 minutes)

-  Commonwealth of the Northern Mariana Islands
-  Guam
-  American Samoa
-  U.S. Virgin Islands

12:00 p.m.



### Group Photo

12:15 p.m.



### Lunch

1:15 p.m.



### Status of Single Audits Across Insular Governments

*Debbie Milks, CPA*

The impact of COVID, extensions to audit deadlines, and transitions within finance offices have all led to delays in the issuance of single audits in many insular governments. This session will feature an update from each insular government on the current status of FY20 and FY21 single audits, and a discussion of strategies to get caught up and stay timely.

2:15 p.m.



### **Audit Transition Issues Across Insular Governments**

*Debbie Milks, CPA & Frank Crawford, CPA*

1. Principles and Transition Standards for Prior/New Firms
2. Audit firm transition status by Jurisdiction
3. Best Practice & Next Steps

3:15 p.m.



### **Break**

3:30 p.m.



### **Updates on Implementation of GASB-87 (Lease Standards)**

*Mr. Frank Crawford, CPA*

Still thinking about leases? You are not alone. Many insular governments are making headway into implementing GASB 87 lease accounting, but issues continue to arise. In this session, we will take a quick look at the requirements of GASB 87, update the group on implementation progress that has been made by a couple of the governments, and visit the remaining challenges we anticipate across the insular areas to successfully implement this standard.

4:45 p.m.



### **Overview of Action Planning Process**

5:00 p.m.



### **Gather Questions; Adjourn for Day**



## **WEDNESDAY, FEBRUARY 15, 2023**

7:00 a.m.



### **Buffet Breakfast**

Kahili Suite, Kalia Conference Center, Hilton Hawaiian Village, Honolulu, Hawaii.

8:30 a.m.



### **Continuation of IGFOA Conference.**

 Kahili Suite, Kalia Conference Center

*Kevin O'Keefe*

Review results from Tuesday and overview of today's agenda

8:45 a.m.



### **Raising Awareness of Federal Grant Access Across Insular Governments**

*Emil Friberg, PhD*

This session will explore two strategies to compare across areas: single audit schedule of federal awards expenditures and USASpending.org federal obligations. We will review two pairings: Guam/CNMI and Palau/RMI as examples. We will also discuss processes for insular planning/finance, grant receiving agencies, federal processes, and interaction with DC representatives.

9:45 a.m.



### **Break**

10:00 a.m.



### **GASB Update: SIBTA & PPPs (Acronyms Rule!)**

*Frank Crawford, CPA*

Are you sure there are enough acronyms here? GASB 96 Subscription Based Information Technology Arrangements (SIBTA), which is the lease standard for IT related stuff, and GASB 94, the Public-Private and Public-Public Partnerships and Availability Payment Arrangements, or P3 standard, are the next up for implementation for your governments. This session will focus on what you need to know related to these, and if time allows, a look at a few other upcoming GASB standards that could possibly impact you.

11:15 a.m.



### **Resetting Performance Measures**

*Debbie Milks, CPA*

Tracking finance office performance measures is a key component of the IGFOA. In this session we will review and discuss current performance measures, clarify measurement calculations, and prepare for a full update of performance measures during GFOA Portland in May, 2023.

12:00 p.m.



### **Lunch**

1:15 p.m.



### **Perfometer Updates - FY20 & FY21**

*Frank Crawford, CPA*

New Perfometer scores have been calculated for each insular government (FY20 and/or FY21, depending on each government's single audit status). 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.

2:45 p.m.



### **Break**

3:00 p.m.



### **Tax Reform and Tax Information Systems**

*Kevin O'Keefe*

This session will provide real life experience on two topics of likely interest to all jurisdictions. Palau will take the lead on presenting the components of its tax reform package and the process undertaken to-date; and other jurisdictions are encouraged to add their own lessons learned. Several jurisdictions have recent experience to share with respect to replacing their tax information systems. Again, the focus will be upon lessons learned through the cycle of system specification, procurement, preparation for implementation, and trouble-shooting.

4:00 p.m.



### **Government Action Planning**

4:45 p.m.



### **Gather Questions; Adjourn for Day**

6:30 p.m.



### **Principals Dinner**

 Noi Thai Restaurant, Waikiki















**IGFOA 2017  
(Maui)**



**IGFOA 2015  
(Maui)**

## THURSDAY, FEBRUARY 16, 2023

- 7:00 a.m.  **Buffet Breakfast**  
 Kahili Suite, Kalia Conference Center, Hilton Hawaiian Village, Honolulu, Hawaii.
- 8:30 a.m.  **Continuation of IGFOA Conference.**  
 Kahili Suite, Kalia Conference Center  
*Kevin O'Keefe*  
Review results from Wednesday and overview of today's agenda
- 8:45 a.m.  **IGFOA: New Directions and Initiatives**  
*Panel Discussion with Principals*  
Moderator: Kevin O'Keefe
- 10:15 a.m.  **Break**
- 10:30 a.m.  **Government Action Planning: Compile Action Steps**
- 12:00 p.m.  **Working Lunch**
- 12:30 p.m.  **Government Report-Outs and Next Steps**
- 1:30 p.m.  **Conference Wrap-Up**
  - Advancing Government Action Plans
  - Summary of Progress During this Session
  - Next Steps
  - Conference Evaluations
- 2:00 p.m.  **Adjourn**



**Participants at  
IGFOA Kauai  
(2012)**



## IGFOA Summer 2022, Austin, TX



**GSUSA Instructor Bob  
Lavigna with IGFOA  
Participants**



**IGFOA Summer  
2022 participants in  
Austin, Texas**



## IGFOA Summer 2022, Austin, TX



IGFOA participants from Palau, FSM and CNMI



The Palau delegation to IGFOA Summer 2022.

# Participant List

## American Samoa

- **Akenese Lealamanua**, Senior Accountant, Department of Treasury
- **Alapasa Tuato'o**, Assistant Director to the Treasurer, Department of Treasury

## Commonwealth of the Northern Marianas Islands

- **Ryan Camacho**, Department of Finance
- **Tracy Norita**, Acting Secretary of Finance, CNMI Department of Finance

## FSM National Government

- **Akiama George**, Deputy Assistant Secretary, FSM National Treasury
- **Brucelene Ileyangyang**, Budget Analyst, Federal & Foreign Funds
- **Eugene Amor**, Secretary of Finance, FSM Finance & Administration
- **Melynda Irons**, Grant & Financial Analyst, FSM Finance & Administration
- **Rosihna Sylbanuz**, Manager, Accounts Payable
- **Warren Lebehn**, Manager, Federal Certification

## Chuuk, FSM

- **Jonas Paul**, Director, Department of Finance and Administration

## Pohnpei, FSM

- **Christina Elnei**, Director of Finance and Administration, Pohnpei State
- **Stacy Nanpei**, Director of Budget, Pohnpei State

## Yap, FSM

**Irene Laabrug**, Acting Director of Administration

## Guam

- **Edward Birn**, Director, Guam Department of Administration
- **Irvin Slike**, General Manager, Guam Solid Waste Authority
- **Katherine Kakigi**, Comptroller, Guam Solid Waste Authority
- **Krystyna Ilagan**, General Accounting Supervisor, Guam Department of Administration

## Republic of Palau



- **Darla Babauta**, Chief of Finance & Accounting, Ministry of Finance
- **Darren Fritz**, Senior Budget Analyst, Ministry of Finance
- **Delora Yoshiwo**, Senior Budget Analyst, Ministry of Finance
- **Elway Ikeda**, Director, Bureau of Revenue and Taxation
- **Gail Rengiil**, Director, Bureau of National Treasury
- **Kaleb Udui**, Minister, Ministry of Finance

## Republic of the Marshall Islands



- **Brenson Wase**, Minister, Ministry of Finance
- **Garcia Langimeo**, Senior Budget Officer, Compact Funds
- **Jasmine Myazoe**, Internal Auditor, Ministry of Finance
- **Neri Wase**, Budget Director, MOHSS
- **Wenda Malachi**, Budget Director, PSS
- **Ywao Elanzo Jr.**, Deputy Secretary, Ministry of Finance

## U.S. Virgin Islands



- **Bosede Bruce**, Commissioner, Department of Finance
- **Jenifer O'Neal**, Director, Office of Management and Budget
- **Somere Webber**, Grants Administrator, Office of Management and Budget
- **Wilfredo Guzman**, Deputy Commissioner, Department of Finance

## Resource Consultants

- **Deborah Milks**, CPA, GSUSA
- **Emil Friberg**, Ph.D., GSUSA
- **Frank Crawford**, CPA, GSUSA
- **Kevin O'Keefe**, GSUSA
- **Mark Sturton**, Ph.D., GSUSA

## Graduate School USA



- **Ciara Santiago**, Program Specialist, GSUSA
- **Jason Aubuchon**, Senior Director, GSUSA
- **Judith Perry**, Office Manager, GSUSA
- **Monique Wedderburn**, Program Manager, GSUSA

## U.S. Department of the Interior - Office of Insular Affairs



- **Marina Tinitali**, Acting Deputy Director for Policy Division

## Contact Information



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The Island Government Finance Officers' Association (IGFOA) is supported by the Graduate School USA's Pacific & Virgin Islands Training Initiatives (PITI-VITI), with funding assistance from the Department of the Interior's Office of Insular Affairs ([www.doi.gov/oia](http://www.doi.gov/oia)).



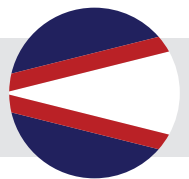
# IGFOA



# 2a

## 2a

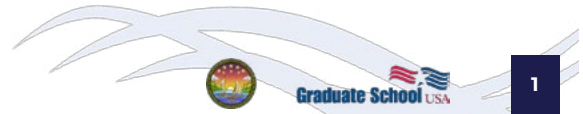
*Government Presentation American Samoa*





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Annual Winter Conference

# AMERICAN SAMOA GOVERNMENT



## ASG Action Planning from June 2022

| ASG   | Status (briefly)   | Obstacles  | Next Steps  |
|---|--|--|---|
| 1 Set up ARPA Spreadsheet tracking similar to Seattle's | ASG Spreadsheet Created  | Communication between ARPA Main Office & Subrecipients | Setup controls between ARPA & Subrecipients               |
| 2 Begin setting up the ACH process                      | ACH already setup  | Tracking and posting payments                          | Setup different account for ACH only                      |
| 3 Pursue staff education & training                     | No proper trainings yet, but training done for new hires and assigned backup for each accountant/grant analyst. Hired CMA. | Making time for proper training                        | Will try to have at least 1 proper training during FY2023 |



## ASG–Timeliness of Bank Recons

| Bank Account            | Frequency of reconciliation (daily/monthly?) | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-------------------------|--|----------------------------|-------------------------|--|
| Primary general         | Monthly – 15th                               | November                   | No                      | No   |
| Payroll                 | Monthly – 15th                               | December                   | No                      | Yes  |
| Federal (if applicable) | Monthly – 15th                               | December                   | Yes                     | No   |
| Other large accounts    | Monthly – 15th                               | December                   | Yes                     | Yes  |



## ASG–Reduction in Invalid, Outdated Encumbrances



| General Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments   |
|--------------|----------------------------|----------------------------|----------------------------|---|--|
| Travel       | \$40,348                   | \$37,744                   | \$167,703                  | \$3,101.56  | Treasury to work with Departments to clear outdated/invalid EN |
| Supplies     | \$156,974                  | \$175,268                  | \$107,912                  | \$133,308.50  | Treasury to work with Departments to clear outdated/invalid EN |
| Construction | \$94,954                   | \$212,834                  | \$547,032                  | \$108,908.40  | Treasury to work with Departments to clear outdated/invalid EN |
| All other    | \$1,789,902                | \$1,787,127                | \$1,766,493                | \$1,135,712.21  | Treasury to work with Departments to clear outdated/invalid EN |





## ASG–Reduction in invalid, outdated encumbrances



| Federal Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments   |
|--------------|----------------------------|----------------------------|----------------------------|---|--|
| Travel       | 1,079,040                  | 1,091,046                  | 1,857,043                  | 1,443,119   | Treasury to work with Departments to clear outdated/invalid EN |
| Supplies     | 15,415,992                 | 18,352,158                 | 15,688,466                 | 16,726,680  | Treasury to work with Departments to clear outdated/invalid EN |
| Construction | 16,877,818                 | 37,417,451                 | 23,939,101                 | 26,507,851  | Treasury to work with Departments to clear outdated/invalid EN |
| All other    | 33,442,872                 | 75,396,950                 | 113,483,605                | 121,896,102   | Treasury to work with Departments to clear outdated/invalid EN |



February 14-16, 2023



Graduate School USA

5

## ASG–A Few Other Reconciliations

| Account               | Frequency of reconciliation | Latest reconciliation date                | Reviewed by management? | Adjustments posted and balance agreed to the GL?          |
|-----------------------|-----------------------------|---|-------------------------|---|
| Fixed Asset inventory | Quarterly                   | December for fiscal year-end (09.30.2022) | Yes                     | Yes   |
| Federal Receivables   | Monthly                     | January                                   | Yes                     | Adjustment posted – deposits, drawdown system transaction |
| Payroll Liabilities   | Bi-Weekly (Pay-Period)      | January                                   | Yes                     | Yes   |
| Travel Advances       | Travel Basis                | Daily based on Travel Expenses            |                         | When necessary  |



February 14-16, 2023



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6



## ASG - Challenges and Accomplishments

**What has been the greatest challenge in your financial operations this last year?**

**STAFF**

- Working remotely due to COVID
- Short staff but still managed to get things done

**MANAGEMENT**

Working remotely dealing with limited contact with federal level counterpart, local POC schedules. Keeping up with COVID responses (expenses) as issued by COVID Task Force. Recruitment of qualified finance people – limited HR available; retainment of employees; month end closing process; quarterly divisional reports

**What finance office accomplishment would you like to share with your finance office colleagues?**

**STAFF**

- Shuffling of responsibilities between accountants and the ability to take on the new role and learn

**MANAGEMENT**

- Completing the 2021 year Audit. Tap into other revenue resources.

# 2b

# 2b

*Government Presentation CNMI*





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# Northern Mariana Islands



## NMI - FMIS STATUS



|  |   |
|--|---|
| <p>What is the status of your project?</p>   | <p><b>Live October 2021. Ongoing implementation with key modules (Bank Recon, Capital Assets) and continued tailored training across key agencies.</b></p>  |
| <p>What issues do you have with the conversion from your legacy system?</p>          | <ul style="list-style-type: none"> <li>• <b>Imports: ending balances/prior year details</b></li> <li>• <b>Data verification</b></li> <li>• <b>Tax revenue and other revenue uploads</b></li> <li>• <b>Report forms changes</b></li> </ul> |
| <p>At this stage are there any changes you would have made in your preparations?</p> | <ul style="list-style-type: none"> <li>• <b>Reviewed balances/data</b></li> <li>• <b>Organize a steering committee</b></li> <li>• <b>Increased communications on the changes from JDE to Munis</b></li> </ul>                             |



## CNMI Action Planning from June 2022

| CNMI  | Status (briefly)                            | Obstacles                         | Next Steps  |
|---|---|-----------------------------------|---|
| 1. Re-energize the Single Audit Committee   | Planning stages with Public Auditor and OGM | Engagement from agency leadership | Identify roles and responsibilities with committee and agencies |
| 2. Set up a Tyler Implementation/Steering Committee                                   | Major stakeholders engaged                  | Identifying risk levels/priority  | Initiate meetings   |
| 3. Request technical assistance to conduct a Desk Audit and begin Succession Planning | <i>Delayed</i>                              | Possible austerity measures       | Identify project lead   |

## NMI –Timeliness of Bank Recons

| Bank Account                   | Frequency of reconciliation (daily/monthly?) | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|--------------------------------|--|----------------------------|-------------------------|--|
| <b>Primary general</b>         |  | Sept 2021                  |                         |  |
| <b>Payroll</b>                 |  | Sept 2021                  |                         |  |
| <b>Federal (if applicable)</b> |  | Sept 2021                  |                         |  |
| <b>Other large accounts</b>    |  |                            |                         |  |

## NMI-Reduction in Invalid, Outdated Encumbrances



| General Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments |
|--------------|----------------------------|----------------------------|----------------------------|---|----------|
| Travel       |                            |                            |                            |   |          |
| Supplies     |                            |                            |                            |   |          |
| Construction |                            |                            |                            |   |          |
| All other    |                            |                            |                            |   |          |

## NMI-Reduction in invalid, outdated encumbrances



| Federal Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments |
|--------------|----------------------------|----------------------------|----------------------------|---|----------|
| Travel       |                            |                            |                            |   |          |
| Supplies     |                            |                            |                            |   |          |
| Construction |                            |                            |                            |   |          |
| All other    |                            |                            |                            |   |          |

## NMI-A Few Other Reconciliations

| Account               | Frequency of reconciliation | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-----------------------|-----------------------------|----------------------------|-------------------------|--|
| Fixed Asset inventory |                             |                            |                         |  |
| Federal Receivables   |                             |                            |                         |  |
| Payroll Liabilities   |                             |                            |                         |  |
| Travel Advances       |                             |                            |                         |  |



## NMI - Challenges and Accomplishments

|   |   |
|---|---|
| <p><b>What has been the greatest challenge in your financial operations this last year?</b></p>               | <ul style="list-style-type: none"> <li>• FMIS conversion</li> <li>• program management of Treasury funds</li> </ul> |
| <p><b>What finance office accomplishment would you like to share with your finance office colleagues?</b></p> | <ul style="list-style-type: none"> <li>• FMIS conversion</li> <li>• FY 2020 audit</li> </ul>                        |



2020

2c

*Government Presentation Chuuk FSM*





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# CHUUK STATE GOVERNMENT



## CHUUK STATE GOV'T.- FMIS STATUS



|   |                                      |
|---|--------------------------------------|
| What is the status of your project?   | <b>Still in the bidding process.</b> |
| What issues do you have with the conversion from your legacy system?          | <b>NA</b>                            |
| At this stage are there any changes you would have made in your preparations? | <b>NA</b>                            |





## CHUUK STATE GOV'T.-Timeliness of Bank Recons

| Bank Account                   | Frequency of reconciliation (daily/monthly?) | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|--------------------------------|--|----------------------------|-------------------------|--|
| <b>Primary general</b>         | Monthly                                      | December 2022              | Yes                     | Yes  |
| <b>Payroll</b>                 | Monthly                                      | December 2022              | Yes                     | Yes  |
| <b>Federal (if applicable)</b> | Monthly                                      | December 2022              | Yes                     | Yes  |
| <b>Other large accounts</b>    | Monthly                                      | December 2022              | Yes                     | Yes  |



## CHUUK STATE GOV'T.-Reduction in Invalid, Outdated Encumbrances



| General Fund        | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments  |
|---------------------|----------------------------|----------------------------|----------------------------|---|---|
| <b>Travel</b>       | 27,714.26                  | 85,819.41                  | 143,778.43                 | 143,778.43  | Prior years' encumbrances need to be cancelled. |
| <b>Supplies</b>     | 108,586.43                 | 118,171.93                 | 193,349.23                 | 144,252.02  | Prior years' encumbrances need to be cancelled. |
| <b>Construction</b> | 64,479.71                  | 66,423.96                  | 69,755.58                  | 66,465.96   | Prior years' encumbrances need to be cancelled. |
| <b>All other</b>    | 186,395.95                 | 490,933.73                 | 342,176.39                 | 338,745.59  | Prior years' encumbrances need to be cancelled. |



## CHUUK STATE GOV'T.–Reduction in invalid, outdated encumbrances



| Federal Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments   |
|--------------|----------------------------|----------------------------|----------------------------|---|--|
| Travel       | None                       | None                       | None                       | None  | Has not cleared the invalid and outdated encumbrances. |
| Supplies     | None                       | None                       | None                       | None  | Has not cleared the invalid and outdated encumbrances. |
| Construction | None                       | None                       | None                       | None  | Has not cleared the invalid and outdated encumbrances. |
| All other    | None                       | None                       | None                       | None  | Has not cleared the invalid and outdated encumbrances. |



## CHUUK STATE GOV'T.–A Few Other Reconciliations

| Account               | Frequency of reconciliation | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-----------------------|-----------------------------|----------------------------|-------------------------|--|
| Fixed Asset inventory | Annually                    | September 2022             | Yes                     | Yes  |
| Federal Receivables   | Monthly                     | December 2022              | Yes                     | Yes  |
| Payroll Liabilities   | Monthly                     | December 2022              | Yes                     | Yes  |
| Travel Advances       | Monthly                     | December 2022              | Yes                     | Yes  |



# CHUUK STATE GOV'T.- Challenges and Accomplishments

|   |  |
|---|--|
| <p><b>What has been the greatest challenge in your financial operations this last year?</b></p>               | <p>Declined in General Fund Revenue:<br/>Departure fee, Diving fee, and Hotel tax.</p>   |
| <p><b>What finance office accomplishment would you like to share with your finance office colleagues?</b></p> | <p>Finance and CFCC annual training. Finance was the lead office.<br/>Reduction of Audit Findings.<br/>Elimination of Questioned Cost.</p> |

20d

2d

*Government Presentation Pohnpei FSM*





ISLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION  
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# POHNPEI STATE GOVERNMENT



## POHNPEI - CURRENT AUDIT STATUS

|   |   |
|---|---|
| Describe the status of your current audits  | <b>FY 2021 AUDIT FOR PRIMARY GOVERNMENT IS DONE, HOWEVER IT IS NOT YET ISSUED, BECAUSE OF THE REQUIREMENTS TO INCLUDE THE FINANCIAL STATEMENTS FOR THE WHOLE STATE, INCLUDING THE COMPONENT UNITS</b>   |
| Describe any changes in your qualifications and findings from prior years.                  | <b>WE OBJECTED TO ALL FEDERAL FINDINGS FOR 2021 AND 2020. WE WERE OF THE OPINION THAT THE AUDITS WERE NOT CONDUCTED ACCORDING TO STANDARDS AND WE WERE NOT ACCORDED THE OPPORUNITY TO COMMENT ON THEIR TESTING AND OR REQUIREMENTS BEFORE THEIR FINAL DECISION.</b> |
| In general, describe the challenges to completing your audits on time.                      | <b>IT TOOK EIGHT MONTHS TO COMPLETE THE AUDIT. IN OUR OPINION IT WAS NOT PLANNED AND SUPERVISED WELL ACCORDING TO THE AUDIT STANDARDS.</b>  |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <b>WE ARE READY TO SUBMIT THE TB FOR FY2022</b>   |



## POHNPEI - CURRENT AUDIT STATUS

| AUDIT STATUS DATES   | FY2020                   | FY2021        | FY2022                                | FY2023      |
|--|--------------------------|---------------|---------------------------------------|-------------|
| 1) Audit firm contract completed—<br>date and # of years       | COMPLETE                 | COMPLETE      | COMPLETE                              | UNKNO<br>WN |
| 2) Trial balance submitted to and<br>accepted! by the auditors | COMPLETE                 | COMPLETE      | WAITING FOR NEW<br>AUDITOR TO REQUEST |             |
| 3) Field work commenced  | COMPLETE                 | COMPLETE      | PENDING REQUEST<br>TO START           |             |
| 4) Draft received  | DECEMBER 2021            | DECEMBER 2022 | PENDING REQUEST<br>TO START           |             |
| 5) Completed and submitted to<br>audit clearing house          | DECEMBER 2021            | NOT YET       | PENDING REQUEST<br>TO START           |             |
| 6) # of Federal qualifications                                 | 8 FINDINGS 6<br>RESOLVED | NOT YET       | PENDING REQUEST<br>TO START           |             |
| 7) # of Financial qualifications                               | 1 FINDING                | NOT YET       | PENDING REQUEST<br>TO START           |             |
| 8) # of Component Unit quals                                   | NONE                     | NOT YET       | PENDING REQUEST<br>TO                 |             |

## FSM Action Planning from June 2022

| FSM   | Status (briefly)   | Obstacles        | Next Steps   |
|---|--|------------------|--|
| 1 Work on implementation<br>of GASB 87                              | POHNPEI STATE DOES<br>NOT HAVE LEASES  |                  |  |
| 2 Employee engagement -<br>surveys; include<br>management and staff | NOT AWARE OF<br>EMPLOYEE SURVEY<br>IMPLEMENTED                                     |                  |  |
| 3 Process improvement -<br>measure payment process                  | WE CONTINUE TO<br>TRAIN STAFF ON FMR,<br>BUDGET CERTIFICATION<br>AND DOCUMENTATION | STAFF COMMITMENT | CONTINUE TRAINING<br>AND DICIPLINE AND OR<br>REWARDS |
| 4 Finalize RFP for FMIS   | FSM WILL PRESENT THIS  |                  |  |

## POHNPEI –Timeliness of Bank Recons

| Bank Account            | Frequency of reconciliation (daily/monthly?) | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-------------------------|--|----------------------------|-------------------------|--|
| Primary general         | MONTHLY                                      | DECEMBER 2022              | YES                     | FY 22 COMPLETED, 1ST QTR FY2023 IN PROGRESS      |
| Payroll                 | MONTHLY                                      | DECEMBER 2022              | YES                     | FY 22 COMPLETED, 1ST QTR FY2023 IN PROGRESS      |
| Federal (if applicable) | MONTHLY                                      | DECEMBER 2022              | YES                     | FY 22 COMPLETED, 1ST QTR FY2023 IN PROGRESS      |
| IG Other large accounts | MONTHLY                                      | DECEMBER 2022              | YES                     | FY 22 COMPLETED, 1ST QTR FY2023 IN PROGRESS      |

5

## POHNPEI –Reduction in Invalid, Outdated Encumbrances



| General Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments  |
|--------------|----------------------------|----------------------------|----------------------------|---|---|
| Travel       |                            |                            |                            | 292,223   | Strictly General Fund, 38k is for education sector which is invalid encumbrance |
| Supplies     |                            |                            |                            | 695,711   | About 30,000 is sector which we clear as invalids                               |
| Construction |                            |                            |                            | 1,610,877   | Mostly Sector Infrastructure, IMF school renovations                            |
| <b>TOTAL</b> |                            |                            |                            | <b>2,598,811</b>                                      |   |

6



## POHNPEI-INFRASTRUCTURE GRANT

| General Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments                                     |
|--------------|----------------------------|----------------------------|----------------------------|---|--|
| Travel       |                            |                            |                            | 38,000  | Invalid Encumbrance which will be taken      |
| Supplies     |                            |                            |                            | 30,000  | Invalids                                     |
| Construction |                            |                            |                            | 1,610,877   | Infrastructure and IMF renovation of schools |
| <b>Total</b> |                            |                            |                            | <b>1,688,877</b>                                      |  |

## POHNPEI–A Few Other Reconciliations

| Account               | Frequency of reconciliation | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-----------------------|-----------------------------|----------------------------|-------------------------|--|
| Fixed Asset inventory | BIANNUAL                    | 9/30/2021                  | YES                     | YES  |
| Federal Receivables   | ANNUAL                      | 9/30/2022                  | YES                     | YES  |
| Payroll Liabilities   | ANNUAL                      | 9/30/2022                  | YES                     | YES  |
| Travel Advances       | ANNUAL                      | REVIEW IN PROGRESS         |                         |  |

## POHNPEI - Challenges and Accomplishments

|   |  |
|---|--|
| <p><b>What has been the greatest challenge in your financial operations this last year?</b></p>               | <p>ENCUMBRANCES - COORDINATION BETWEEN OFFICES ON WHAT SHOULD BE INVALIDATED AND WHAT SHOULD WAIT.</p> <p>TRAVEL ADVANCES – TRAVEL VOUCHER FILING AND COLLECTION WAS A PROBLEM IN THE PAST. COLLECTION ENFORCEMENT HAS NOW IMPROVED ON CURRENT TRAVELS. PAST TRAVEL ADVANCES WILL BE DECIDED BY MANAGEMENT</p> |
| <p><b>What finance office accomplishment would you like to share with your finance office colleagues?</b></p> | <p>ENCUMBRANCE</p> <p>USE YOUR LAW AS YOUR GUIDANCE TO IMPROVE YOUR ENCUMBRANCE</p>  |

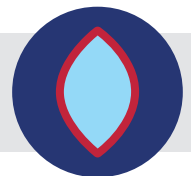
## KALAHNGAN LAP



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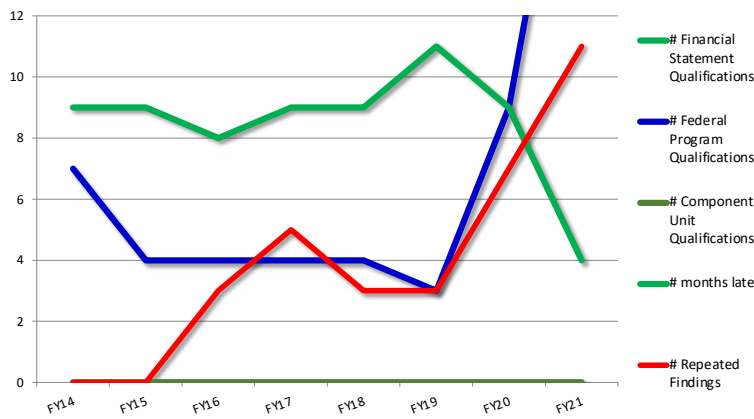
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*Government Presentation Guam*





## Guam – FY2021 Audit Results



## Guam - FMIS Status



|   |   |
|---|---|
| What is the status of your project?   | <ul style="list-style-type: none"> <li>✓ <b>Contract signed January 2023.</b></li> <li>✓ <b>Planning stages of the modules</b></li> </ul> |
| What issues do you have with the conversion from your legacy system?          | <b>No issues as of yet, this should be updated by the next IGFOA or sooner.</b>   |
| At this stage are there any changes you would have made in your preparations? | <b>None at this time.</b>   |

## Guam - Action Planning from June 2022

| Guam                                  | Status (briefly)                     | Obstacles                                    | Next Steps   |
|---------------------------------------|--------------------------------------|--|--|
| 1) Begin testing ERP by year end      | <b>Contract signed January 2023.</b> | <b>Cloud based, band-with, etc.</b>          | <b>Workshops, training, mentoring</b>                              |
| 2) Issue the RFP for banking services | <b>Vendor has been chosen</b>        | <b>None (at the moment)</b>                  | <b>Negotiations of contract</b>                                    |
| 3) Hire more staff                    | <b>Hired about 8-9 employees</b>     | <b>Internal promotions, Succession plans</b> | <b>More recruitment, opened positions under continuous opening</b> |

## Guam – Timeliness of Bank Recons

| Bank Account            | Frequency of reconciliation (daily/monthly?) | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-------------------------|--|----------------------------|-------------------------|--|
| Primary General Fund    | Monthly                                      | 17-Dec-2022 (Nov)          | Yes                     | Yes  |
| Payroll                 | Monthly                                      | 18-Jan-2023 (Dec)          | Yes                     | Yes  |
| Federal (if applicable) | Monthly                                      | 17-Jan-2023 (Nov)          | Yes                     | Yes  |
| Other large accounts    | Monthly                                      | 12-Jan-2023 (Dec)          | Yes                     | Yes  |

## Guam – A Few Other Reconciliations

| Account               | Frequency of reconciliation (daily/monthly?) | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-----------------------|--|----------------------------|-------------------------|--|
| Fixed Asset inventory | Yearly                                       | 30-Jan-2023                | Yes                     | Yes  |
| Federal Receivables   | Monthly                                      | 03-Feb-2023                | Yes                     | Yes  |
| Payroll Liabilities   | Monthly                                      | 30-Dec-2022                | Yes                     | Yes  |
| Travel Advances       | 10-days after (traveler) returns             | 30-Jun-2022                | Yes                     | Yes  |



## Guam – Comparison of Fiscal Year End Encumbrance Balances



|               | FY21 Encumbrance End Balance | FY22 Encumbrance End Balance | % Change      | FY22 Expenditures     | % FY22 Encumbrances/ Expenditures |
|---------------|------------------------------|------------------------------|---------------|-----------------------|-----------------------------------|
| Building Rent | 63,376.50                    | 118,125.34                   | 46.35%        | 6,865,783.30          | 1.72%                             |
| Capital       | 46,059.00                    | 401,922.83                   | 88.54%        | 403,336.10            | 99.65%                            |
| Contractual   | 1,174,362.88                 | 4,610,389.25                 | 74.53%        | 15,715,981.36         | 29.34%                            |
| Equipment     | 106,921.10                   | 201,770.26                   | 47.01%        | 742,066.48            | 27.19%                            |
| Miscellaneous | 224,996.45                   | 252,620.80                   | 10.94%        | 812,839,183.72        | 0.03%                             |
| Power         | 317,557.94                   | 295,915.62                   | (7.31%)       | 3,494,217.35          | 8.47%                             |
| Supplies      | 100,655.00                   | 291,722.78                   | 65.50%        | 1,772,198.69          | 16.46%                            |
| Tele Comm     | 37,313.87                    | 70,828.73                    | 47.32%        | 1,085,315.07          | 6.53%                             |
| Travel        | -                            | -                            | -             | -                     | -                                 |
| Water         | 56,833.90                    | 251,854.53                   | 77.43%        | 2,150,147.79          | 11.71%                            |
| <b>Total</b>  | <b>2,128,076.64</b>          | <b>6,495,150.14</b>          | <b>67.24%</b> | <b>845,068,229.86</b> | <b>.77%</b>                       |

## Guam – Reduction in Invalid, Outdated Encumbrances



| General Fund   | FY20 Encumbrance Balance | FY21 Encumbrance Balance | FY22 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments |
|----------------|--------------------------|--------------------------|--------------------------|---|----------|
| Building Rent  | 20,256.00                | 140,215.26               | 32,335.08                | 118,125.34  |          |
| Capital        | 19,919.30                | 0.00                     | 239,298.53               | 401,922.83  |          |
| Contractual    | 663,016.79               | 1,598,470.23             | 3,456,627.39             | 4,610,389.25  |          |
| Equipment      | 21,686.16                | 93,126.19                | 166,824.30               | 201,770.26  |          |
| Miscellaneous  | 1,445.83                 | 223,633.35               | 27,541.62                | 252,620.80  |          |
| Power          | 38,732.29                | 201,965.49               | 34,607.42                | 295,915.62  |          |
| Sub-Recipients | -                        | -                        | -                        | -   |          |
| Supplies       | 94,638.95                | 32,873.00                | 132,636.28               | 291,722.78  |          |
| Tele Comm      | 2,780.48                 | 30,250.37                | 1,836.75                 | 70,828.73   |          |
| Travel         |                          |                          |                          | 3,585.45  |          |
| Water          | 11,821.70                | 53,061.43                | 140,750.89               | 251,854.53  |          |
| <b>Total</b>   | <b>874,297.50</b>        | <b>2,373,595.32</b>      | <b>4,232,458.26</b>      | <b>6,495,150.14</b>                                   |          |

## Guam – Reduction in Invalid, Outdated Encumbrances

| Federal Fund   | FY20 Encumbrance Balance | FY21 Encumbrance Balance | FY22 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments |
|----------------|--------------------------|--------------------------|--------------------------|---|----------|
| Building Rent  | -                        | -                        | 44,817.46                | 44,817.46   |          |
| Capital        | 175,253.00               | 1,930,455.00             | 2,986,699.50             | 5,225,113.32  |          |
| Contractual    | 893,698.82               | 4,737,805.52             | 47,551,574.89            | 54,079,952.96   |          |
| Equipment      | 11,420.30                | 109,616.59               | 616,699.80               | 747,884.69  |          |
| Miscellaneous  | -                        | 202,953.43               | 26,011.69                | 228,965.12  |          |
| Power          | -                        | -                        | 73,011.21                | 73,018.16   |          |
| Sub-Recipients | 2,205,162.43             | 6,080,069.39             | 47,987,503.59            | 57,519,327.58   |          |
| Supplies       | 5,213.83                 | 202,312.36               | 1,209,846.70             | 1,420,290.44  |          |
| Tele Comm      | -                        | -                        | 2,346.31                 | 2,346.31  |          |
| Travel         | 4,512.00                 | -                        | 5,965.90                 | 13,649.07   |          |
| Water          | -                        | 15,788.85                | 37,545.67                | 53,346.42   |          |
| <b>Total</b>   | <b>3,295,260.38</b>      | <b>13,279,001.14</b>     | <b>100,542,022.72</b>    | <b>119,408,711.53</b>                                 |          |

## Guam – Challenges and Accomplishments

|   |   |
|---|---|
| <p><b>What has been the greatest challenge in your financial operations this last year?</b></p>               | <ul style="list-style-type: none"> <li>➤ <b>Data storage limits</b></li> <li>➤ <b>Technology literacy</b></li> <li>➤ <b>Hardware and software limitations</b></li> <li>➤ <b>Increased network traffic and vulnerability.</b></li> </ul> |
| <p><b>What finance office accomplishment would you like to share with your finance office colleagues?</b></p> | <p><i>Successful disbursement of financial aid to thousands of individuals and businesses while maintaining existing government financial operations</i></p>  |

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*Government Presentation Republic of Marshall Islands*





ISLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION  
Annual Winter Conference

# Republic of the Marshall Islands



## RMI - FMIS STATUS



|  |   |
|--|---|
| <p>What is the status of your project?</p>   | <p><i>A continuing contract with software provider for training and dialogue on issues related to the new system. The Ministry is currently on data clean-up for migration of beginning balances and FY 2023 balances from the old system to the new system (Bisan) by end of the February. The most recent milestone achieved was the implementation of payroll module in January.</i></p> |
| <p>What issues do you have with the conversion from your legacy system?</p>          |   |
| <p>At this stage are there any changes you would have made in your preparations?</p> | <p><i>Taken more time for staff training and cross training on each module.</i></p>   |



## RMI Action Planning from June 2022

| RMI                                | Status (briefly)                                  | Obstacles   | Next Steps  |
|------------------------------------|---|---|---|
| 1. Migration to new FMIS           | Full migration to be completed by end of February | Timeliness  | Continue with data clean up of old system into new system |
| 2. Retain and recruitment of staff | Currently process                                 | Turn over rate slowing down operations at Ministry of Finance | Continue recruitment                                      |
| 3.                                 |   |   |   |

## RMI –Timeliness of Bank Recons

| Bank Account                   | Frequency of reconciliation (daily/monthly?) | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|--------------------------------|--|----------------------------|-------------------------|--|
| <b>Primary general</b>         | Monthly                                      | September 2022             | Yes                     | Yes  |
| <b>Payroll</b>                 | Monthly                                      | September 2022             | Yes                     | Yes  |
| <b>Federal (if applicable)</b> | Monthly                                      | September 2022             | Yes                     | Yes  |
| <b>Other large accounts</b>    | Monthly                                      | September 2022             | Yes                     | Yes  |

## RMI –Reduction in Invalid, Outdated Encumbrances



| General Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments |
|--------------|----------------------------|----------------------------|----------------------------|---|----------|
| Travel       | \$460,545                  | \$430,791                  | \$650,375                  | \$650,375   |          |
| Supplies     | \$76,511                   | \$152,895                  | \$27,557                   | \$27,557  |          |
| Construction | \$553,781                  | \$3,155,359                | \$1,679,996                | \$1,679,996   |          |
| All other    | \$8,037,675                | \$9,196,139                | \$6,243,756                | \$6,243,756   |          |

## RMI –Reduction in invalid, outdated encumbrances



| Federal Funds | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments                       |
|---------------|----------------------------|----------------------------|----------------------------|---|--------------------------------|
| Travel        | \$275,428                  | \$336,387                  | \$362,373                  | \$362,373   | Compact & other Federal Grants |
| Supplies      | \$461,003                  | \$126,087                  | \$83,339                   | \$83,399  | Compact & other Federal Grants |
| Construction  | \$4,909,320                | \$4,784,512                | \$1,315,677                | \$1,315,677   | Compact & other Federal Grants |
| All other     | \$7,680,102                | \$6,577,083                | \$6,569,590                | \$6,569,590   | Compact & other Federal Grants |



## RMI –A Few Other Reconciliations

| Account               | Frequency of reconciliation | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-----------------------|-----------------------------|----------------------------|-------------------------|--|
| Fixed Asset inventory | Every 2 years               | September 30, 2021         | Yes                     | Yes  |
| Federal Receivables   | Annual                      | September 30, 2022         | Yes                     | Yes  |
| Payroll Liabilities   | Annual                      | September 30, 2022         | Yes                     | Yes  |
| Travel Advances       | Monthly                     | September 30, 2022         | In progress             | Yes  |



## RMI - Challenges and Accomplishments

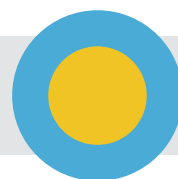
|  |                      |
|--|----------------------|
| <b>What has been the greatest challenge in your financial operations this last year?</b>               | INSERT COMMENTS HERE |
| <b>What finance office accomplishment would you like to share with your finance office colleagues?</b> | INSERT COMMENTS HERE |



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*Government Presentation Republic of Palau*





ISLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION  
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# Republic of Palau



## Palau - FMIS STATUS



|  |   |
|--|---|
| <p>What is the status of your project?</p>   | <p><b>FMIS has been implemented and is currently being used. Palau recently had an 8/22 upgrade to a newer version which has proven to have its own problems. The system is slower and has a significant lag time which affects our efficiency. Tickets submitted, full resolution pending.</b></p> |
| <p>What issues do you have with the conversion from your legacy system?</p>          | <p><b>We had trouble with the reconciliation, used 2 different ledgers, not able to link actuals for both the project ledger and the general ledger – do not recommend this approach.</b></p>   |
| <p>At this stage are there any changes you would have made in your preparations?</p> | <p><b>Spend more time understanding the new system before going live; reconsideration of separate project ledger</b></p>  |



## Palau Action Planning from June 2022

| Palau  | Status (briefly)  | Obstacles   | Next Steps  |
|--|---|---|---|
| 1 Cybersecurity - Staff - Contractor hired; Ask for help | Cybercrimes Act Drafted – under AG’s review<br>- Hired new staff                      | Extra cost & personnel resistance   | Pass Act FY23<br>Create regulation<br>Education & awareness             |
| 2 Apply ARPA Grants to CIP projects                      | Plan was submitted, awaiting US Treasury’s approval                                   | Having difficulties accessing the portal                                  | Appointment this month with ID.Me to grant access to Treasury portal    |
| 3 Work on recruiting staff and retaining staff           | New position strategy<br>Increased recruitment effort<br>Training program development | Time constraints<br>Continued economic distress<br>Lack of HR recognition | Strengthen college recruitment<br>Lobby HR<br>Progress training program |

## Palau–Timeliness of Bank Recons

| Bank Account                      | Frequency of reconciliation (daily/monthly?) | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-----------------------------------|--|----------------------------|-------------------------|--|
| <b>Primary general</b>            | Monthly                                      | 11/30/2022                 | Monthly                 | Yes  |
| <b>Payroll</b>                    | Monthly                                      | 10/31/2022                 | Monthly                 | Yes  |
| <b>Federal (if applicable)</b>    | N/A  | N/A                        | N/A                     | N/A  |
| <b>Other large accounts (ACH)</b> | Monthly                                      | 09/30/2022                 | Monthly                 | Yes  |

## Palau–Reduction in Invalid, Outdated Encumbrances



| General Fund     | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments |
|------------------|----------------------------|----------------------------|----------------------------|---|----------|
| Travel           | -                          | 53,388                     | 226,664                    | 280,052   |          |
| Services         | 107,724                    | 150,659                    | 1,034,296                  | 1,292,679   |          |
| Repair & Rentals | 22,885                     | 9,712                      | 65,054                     | 97,651  |          |
| Supplies         | 159,933                    | 622,052                    | 1,298,048                  | 2,080,032   |          |
| Construction     | 618,415                    | 975,672                    | 7,353,111                  | 8,947,197   |          |
| Property         | -                          | 25,064                     | 128,900                    | 153,964   |          |
| All other        | 118,475                    | 62,160                     | 242,218                    | 422,853   |          |
| <b>TOTAL</b>     | <b>1,027,432</b>           | <b>1,898,706</b>           | <b>10,348,291</b>          | <b>13,274,429</b>                                     |          |



## Palau–Reduction in invalid, outdated encumbrances



| Federal Funds    | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments          |
|------------------|----------------------------|----------------------------|----------------------------|---|-------------------|
| Travel           | -                          | 2,649                      | 106,927                    | 109,576   | ALL FEDERAL FUNDS |
| Services         | 61,990                     | 24,220                     | 288,098                    | 374,309   |                   |
| Repair & Rentals | 440                        | 3,506                      | 22,390                     | 26,336  |                   |
| Supplies         | 31,643                     | 166,605                    | 176,802                    | 375,050   |                   |
| Construction     | -                          | 299,379                    | 115,041                    | 414,420   |                   |
| Property         | -                          | -                          | 6,500                      | 6,500   |                   |
| All other        | -                          | 21,827                     | 29,235                     | 51,062  |                   |
| <b>TOTAL</b>     | <b>94,073</b>              | <b>518,186</b>             | <b>744,993</b>             | <b>1,357,252</b>                                      |                   |



## Palau–A Few Other Reconciliations

| Account               | Frequency of reconciliation | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|-----------------------|-----------------------------|----------------------------|-------------------------|--|
| Fixed Asset inventory | Bi-annual                   | 03/31/2022-09/30/2022      | Yes                     | No   |
| Federal Receivables   | Monthly                     | 09/30/2022                 | Yes                     | No   |
| Payroll Liabilities   | Bi-weekly / Annual          | 12/31/2022 / 09/30/2022    | Yes                     | No   |
| Travel Advances       | Monthly                     | 12/31/2022                 | Yes                     | Yes  |

## Palau- Challenges and Accomplishments

|   |  |
|---|--|
| <p><b>What has been the greatest challenge in your financial operations this last year?</b></p>               | <p>Be current on annual single audits</p> <p>Implementation of Reforms - Fiscal Responsibility and Debt Management Framework (FRDMF), Comprehensive Tax Reform (CTR)</p> |
| <p><b>What finance office accomplishment would you like to share with your finance office colleagues?</b></p> | <p>Issuing Fiscal Strategy, Economic Update, Debt Management Policy, Launching PGST and BPT, Securing financing, Progressing Digital Reform, Complete CROSS Act</p>      |





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*Government Presentation US Virgin Islands*





ISLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION  
Annual Winter Conference

# U.S. VIRGIN ISLANDS



## U.S. Virgin Islands - FMIS STATUS



|   |   |
|---|---|
| What is the status of your project?   | Our project upgrade was completed on February 24,2022.  |
| What issues do you have with the conversion from your legacy system?          | This project was a version upgrade. We have been utilizing Tyler Munis from 2006.                     |
| At this stage are there any changes you would have made in your preparations? | The change I would have liked to have seen during our preparation was increased in technical support. |



## USVI Action Planning from June 2022

| USVI   | Status (briefly)  | Obstacles   | Next Steps   |
|--|---|---|--|
| 1 Review policies - ARPA (new)   | The GVI has employed a designated ARPA team lead by an ARPA Administrator to manage review and process payments for these funds. Along with the ARPA team, we contracted an outside agency to review all proposed projects to ensure that the scope of work is within the lines of the ARPA Agreement. All of this has been done with the 5% administrative fee allowed by the grant. | The internal ARPA team is still growing however difficulties finding qualified staff means the we are missing a few components which will make the team more effective. | Increase the size of the ARPA team to include additionally Financial Analysts, ARPA Auditor and Compliance Analyst.                                |
| 2 Employee engagement survey   | An employee survey was completed in 2022  | None  | More survey will be implemented in the future.   |
| 3 Ensure the ARPA funds are correctly shown on the Schedule of Expenditures of Federal Awards (SEFA); include key performance indicators (KPI) | Projects have been created in the local Munis system to record all transactions associated with the ARPA funds.<br>KPI- All transactions are recorded in Munis.<br>All Transactions are recorded under the project associated with the corresponding fiscal year.   | The large number of transactions can lead to a difficult/time consuming reporting and reconciliation process.   | Create a new project for each fiscal year to record transactions associated with said fiscal year to make the reporting and reconciliation process |

## U.S. Virgin Islands–Timeliness of Bank Recons

| Bank Account                   | Frequency of reconciliation (daily/monthly?) | Latest reconciliation date | Reviewed by management? | Adjustments posted and balance agreed to the GL? |
|--------------------------------|--|----------------------------|-------------------------|--|
| <b>Primary general</b>         | Monthly                                      | In progress                | In progress             | Monthly  |
| <b>Payroll</b>                 | Monthly                                      | In progress                | In progress             | Monthly  |
| <b>Federal (if applicable)</b> | Monthly                                      | In progress                | In progress             | Monthly  |
| <b>Other large accounts</b>    | Monthly                                      | In progress                | In progress             | Monthly  |

## U.S. Virgin Islands–Reduction in Invalid, Outdated Encumbrances

| General Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments                              |
|--------------|----------------------------|----------------------------|----------------------------|---|---------------------------------------|
| Travel       | \$0                        | \$0                        | \$0                        | \$0   | *Travel is straight pay per our SOPP. |
| Supplies     | \$282K                     | \$578K                     | \$1.1M                     | \$3.3M  | General Fund and Asset Recovery Fund  |
| Construction | \$112K                     | \$869K                     | \$1.7M                     | \$4.5M  | General Fund and Asset Recovery Fund  |
| All other    | \$3M                       | \$4.5M                     | \$9M                       | \$25M   | General Fund and Asset Recovery Fund  |

## U.S. Virgin Islands–Reduction in invalid, outdated encumbrances

| Federal Fund | FY2020 Encumbrance Balance | FY2021 Encumbrance Balance | FY2022 Encumbrance Balance | Current balance of encumbrances dated 9/30/22 & prior | Comments                              |
|--------------|----------------------------|----------------------------|----------------------------|---|---------------------------------------|
| Travel       | \$0                        | \$0                        | \$0                        | \$0   | *Travel is straight pay per our SOPP. |
| Supplies     | \$152K                     | \$1.2M                     | \$648K                     | \$2.4M  | All Federal Funds                     |
| Construction | \$257K                     | \$4.09M                    | \$4.2M                     | \$24.8M   | All Federal Funds                     |
| All other    | \$3M                       | \$7.1M                     | \$16.9M                    | \$26.4M   | All Federal Funds                     |

## U.S. Virgin Islands –A Few Other Reconciliations

| Account               | Frequency of reconciliation  | Latest reconciliation date  | Reviewed by management?  | Adjustments posted and balance agreed to the GL?                         |
|-----------------------|--|---|--|--|
| Fixed Asset inventory | Annually   | FY' 2021, but ongoing   | Capital Asset Coordinator  | Not yet known. Under review.   |
| Federal Receivables   | Annually   | FY' 2021  | Extended Accounting Team (CPAs)  | Yes, it is a manual adjustment to the working trial balance> financials. |
| Payroll Liabilities   | Monthly  | 12/31/2022<br>* We measure the draw downs and notify agencies of lack of draw down. | All general journals are approved by Department of Finance through a workflow. | \$1.3M in adjustments for the first quarter of FY' 2023 -                |
| Travel Advances       | Nonexistence; we are working with on a soft ware (Concur) that would automatically reconcile travel advances to expense reports. | n/a   | n/a  | n/a  |

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## U.S. Virgin Islands - Challenges and Accomplishments

|   |   |
|---|---|
| <p><b>What has been the greatest challenge in your financial operations this last year?</b></p>               | <p>The greatest challenge that we face is the inability to receive information on time to complete the audit. We are also challenged with a staff shortage due to individuals retiring.</p> |
| <p><b>What finance office accomplishment would you like to share with your finance office colleagues?</b></p> |   |

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*IGFOA Audit Status*



# AUDIT STATUS

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## ASG - CURRENT AUDIT STATUS

|   |  |
|---|--|
| Describe the status of your current audits  | <ul style="list-style-type: none"> <li>• <b>Trial Balance submitted</b></li> <li>• <b>Audit Field Work</b></li> </ul>  |
| Describe any changes in your qualifications and findings from prior years.                  | <ul style="list-style-type: none"> <li>• <b>Pending FY2022 audit to determine any changes</b></li> </ul>   |
| In general, describe the challenges to completing your audits on time.                      | <ul style="list-style-type: none"> <li>• <b>Short Staff</b></li> <li>• <b>Borders closed mostly during fiscal year 2022</b></li> <li>• <b>Limited access/work done due to working remotely</b></li> <li>• <b>GAO Audit done simultaneously with Annual Audit (FY2022)</b></li> </ul> |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <ul style="list-style-type: none"> <li>• <b>Aim to complete by March 31, 2023</b></li> </ul>   |



## ASG - CURRENT AUDIT STATUS

| AUDIT STATUS DATES  | FY2020            | FY2021            | FY2022           | FY2023 |
|---|-------------------|-------------------|------------------|--------|
| 1) Audit firm contract completed—date and # of years        | Yes               | Yes               | Yes              | TBA    |
| 2) Trial balance submitted to and accepted! by the auditors | December 29, 2020 | January 25, 2022  | January 13, 2023 | TBA    |
| 3) Field work commenced                                     | January 2021      | February 01, 2022 | January 17, 2023 | TBA    |
| 4) Draft received   | April 27, 2021    | April 26, 2022    | TBA              | TBA    |
| 5) Completed and submitted to audit clearing house          | June 2021         | June 2022         | TBA              | TBA    |
| 6) # of Federal qualifications                              | 1                 | 0                 | TBA              | TBA    |
| 7) # of Financial qualifications                            | 0                 | 0                 | TBA              | TBA    |
| 8) # of Component Unit quals                                | 1                 | 1                 | TBA              | TBA    |



## CHUUK STATE GOV'T.- CURRENT AUDIT STATUS

|   |   |
|---|---|
| Describe the status of your current audits  | <b>FY2021 audit report was submitted to US Federal Audit Clearinghouse on December 31, 2022. FY2022 audit has not started since the contract with the new Audit Firm is not signed yet.</b>   |
| Describe any changes in your qualifications and findings from prior years.                  | <b>6 findings in FY2019 were reduced to 3 and resolved the 32,532 questioned cost. FY2020 finding on Equipment and Real Property Management was resolved. Findings on Land Leases and Chuuk Housing Authority remain in FY2021 and a new finding on Special Tests and Provisions- Employee Evaluations.</b> |
| In general, describe the challenges to completing your audits on time.                      | <b>Scanning of documents and uploading to the auditor's website. Auditor did not continuously perform the audit.</b>  |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <b>Chuuk State Government is ready for FY2022 audit and waiting for the auditor to commence. To complete the audit on or before the due date.</b>   |



## CHUUK STATE GOV'T.- CURRENT AUDIT STATUS

| AUDIT STATUS DATES  | FY2020               | FY2021               | FY2022           | FY2023           |
|---|----------------------|----------------------|------------------|------------------|
| 1) Audit firm contract completed—date and # of years        | Audit is complete.   | Audit is complete.   |                  |                  |
| 2) Trial balance submitted to and accepted! by the auditors | Audit is complete.   | Audit is complete.   | Has not started. | Has not started. |
| 3) Field work commenced                                     | Audit is complete.   | Audit is complete.   | Has not started. | Has not started. |
| 4) Draft received   | Audit is complete.   | Audit is complete.   | Has not started. | Has not started. |
| 5) Completed and submitted to audit clearing house          | Submitted to US FCH. | Submitted to US FCH. |                  |                  |
| 6) # of Federal qualifications                              | 1                    | 1                    |                  |                  |
| 7) # of Financial qualifications                            | 2                    | 2                    |                  |                  |
| 8) # of Component Unit quals                                | 1                    | 1                    |                  |                  |



## NMI - CURRENT AUDIT STATUS

|   |   |
|---|---|
| Describe the status of your current audits  | <b><i>FY 2020 completed January 31, 2023</i></b>                |
| Describe any changes in your qualifications and findings from prior years.                  | <b><i>Disclaimer to financial statements; Procurement</i></b>   |
| In general, describe the challenges to completing your audits on time.                      | <b><i>Pandemic &amp; employee turnover</i></b>                  |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <b><i>Conduct FY 2021 and 2022 concurrently by Dec 2023</i></b> |



## NMI - CURRENT AUDIT STATUS

| AUDIT STATUS DATES  | FY2020       | FY2021           | FY2022           | FY2023           |
|---|--------------|------------------|------------------|------------------|
| 1) Audit firm contract completed—date and # of years        | Deloitte     | In progress (EY) | In progress (EY) | In progress (EY) |
| 2) Trial balance submitted to and accepted! by the auditors | Yes          | March 2023       | March 2023       | N/A              |
| 3) Field work commenced                                     | Yes          | No               | No               | N/A              |
| 4) Draft received   | Jan 18, 2023 | No               | No               | N/A              |
| 5) Completed and submitted to audit clearing house          | Jan 31, 2023 | N/A              | N/A              | N/A              |
| 6) # of Federal qualifications                              | 31           | N/A              | N/A              | N/A              |
| 7) # of Financial qualifications                            | 22           | N/A              | N/A              | N/A              |
| 8) # of Component Unit quals                                |              | N/A              | N/A              | N/A              |

## FSM Nat'I - CURRENT AUDIT STATUS

|   |  |
|---|--|
| Describe the status of your current audits  | <b><i>The FY2021 single audit still ongoing as of today.</i></b>                                       |
| Describe any changes in your qualifications and findings from prior years.                  | <b><i>We resolved the FY2020 finding (ALN 17.225 - \$95,798) with the U.S department of Labor.</i></b> |
| In general, describe the challenges to completing your audits on time.                      | <b><i>It took a lot of time to prepare schedules for balance sheet account.</i></b>                    |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <b><i>We are at the final stage and we resolving potential findings.</i></b>                           |

## FSM Nat'l - CURRENT AUDIT STATUS

| AUDIT STATUS DATES  | FY2020         | FY2021               | FY2022 | FY2023 |
|---|----------------|----------------------|--------|--------|
| 1) Audit firm contract completed—date and # of years        |                | March 20,2022        |        |        |
| 2) Trial balance submitted to and accepted! by the auditors | 08/27/21       | September 2022       |        |        |
| 3) Field work commenced                                     |                | October 2022         |        |        |
| 4) Draft received   | Not Received ! | Audit still on going |        |        |
| 5) Completed and submitted to audit clearing house          | 12/31/21       | Audit still on going |        |        |
| 6) # of Federal qualifications                              | 1              | Audit still on going |        |        |
| 7) # of Financial qualifications                            | 1              | Audit still on going |        |        |
| 8) # of Component Unit quals                                |                | Audit still on going |        |        |



## Guam – Current Audit Status

|   |  |
|---|--|
| Describe the status of your current audits  | <b><i>RFP was awarded to E&amp;Y. FY22 should be beginning soon.</i></b>   |
| Describe any changes in your qualifications and findings from prior years.                  | <b><i>Increases with both qualifications and findings for FY2021.</i></b>  |
| In general, describe the challenges to completing your audits on time.                      | <ul style="list-style-type: none"> <li>✓ <b><i>FMS Software Issues – Balance discrepancies</i></b></li> <li>✓ <b><i>New Financial Assistance programs – Increased reporting</i></b></li> <li>✓ <b><i>Advanced Funding – Disbursement tracking challenges</i></b></li> <li>✓ <b><i>New auditors therefore there may be new requirements.</i></b></li> </ul> |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <p><b><i>FY2021 Completed.</i></b></p> <p><b><i>FY2022 Audit is on-going, target completion May 2023</i></b></p>   |



## Guam – Current Audit Status

| AUDIT STATUS DATES  | FY2020      | FY2021      | FY2022      | FY2023 |
|---|-------------|-------------|-------------|--------|
| 1) Audit firm contract completed—date and # of years        | -           | -           | No, 3 years | No     |
| 2) Trial balance submitted to and accepted! by the auditors | -           | -           | No          | No     |
| 3) Field work commenced                                     | -           | -           | No          | No     |
| 4) Draft received   | 22-Apr-2021 | 25-Jun-2022 | No          | No     |
| 5) Completed and submitted to audit clearing house          | 01-Jun-2021 | 18-Jul-2022 | No          | No     |
| 6) # of Federal qualifications                              | 9           | 22          | n/a         | n/a    |
| 7) # of Financial qualifications                            | 0           | 0           | n/a         | n/a    |
| 8) # of Component Unit quals                                | 0           | 0           | n/a         | n/a    |

## Palau - CURRENT AUDIT STATUS

|   |  |
|---|--|
| Describe the status of your current audits  | <p><b><i>FY20 audit draft pending from auditor. Multiple delays (11/15/22, 12/30/22, 01/15/23). Final draft promised by 02/10/23. Auditors are still requesting documents and reports.</i></b></p> <p><b><i>FY21 schedules ready pending FY20 audit adjustments</i></b></p> <p><b><i>FY22 RFP needed, Deloitte v. EY</i></b></p> |
| Describe any changes in your qualifications and findings from prior years.                  | <p><b><i>FY2020 Draft pending. Expect 3 qualifications – WIOA, TACMOR, COFA Road Maintenance</i></b></p>   |
| In general, describe the challenges to completing your audits on time.                      | <p><b><i>Unresponsive external auditors, ERP reconciliation challenges (Unfamiliar FMIS reports for auditor)</i></b></p>   |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <p><b><i>FY2021 – June 2023</i></b></p> <p><b><i>FY2022 – December 2023</i></b></p> <p><b><i>Realistic considering commitment by auditor</i></b></p>   |

## Palau- CURRENT AUDIT STATUS

| AUDIT STATUS DATES  | FY2020 | FY2021 | FY2022               | FY2023               |
|---|--------|--------|----------------------|----------------------|
| 1) Audit firm contract completed—date and # of years        | YES    | YES    | NO<br>RFP in process | NO<br>RFP in process |
| 2) Trial balance submitted to and accepted! by the auditors | YES    | NO     | NO                   | NO                   |
| 3) Field work commenced                                     | YES    | NO     | NO                   | NO                   |
| 4) Draft received   | NO     | NO     | NO                   | NO                   |
| 5) Completed and submitted to audit clearing house          | NO     | NO     | NO                   | NO                   |
| 6) # of Federal qualifications                              | TBD    |        |                      |                      |
| 7) # of Financial qualifications                            | TBD    |        |                      |                      |
| 8) # of Component Unit quals                                | 0      |        |                      |                      |

## POHNPEI - CURRENT AUDIT STATUS

|   |   |
|---|---|
| Describe the status of your current audits  | <b>FY 2021 AUDIT FOR PRIMARY GOVERNMENT IS DONE, HOWEVER IT IS NOT YET ISSUED, BECAUSE OF THE REQUIREMENTS TO INCLUDE THE FINANCIAL STATEMENTS FOR THE WHOLE STATE, INCLUDING THE COMPONENT UNITS</b>   |
| Describe any changes in your qualifications and findings from prior years.                  | <b>WE OBJECTED TO ALL FEDERAL FINDINGS FOR 2021 AND 2020. WE WERE OF THE OPINION THAT THE AUDITS WERE NOT CONDUCTED ACCORDING TO STANDARDS AND WE WERE NOT ACCORDED THE OPPORUNITY TO COMMENT ON THEIR TESTING AND OR REQUIREMENTS BEFORE THEIR FINAL DECISION.</b>           |
| In general, describe the challenges to completing your audits on time.                      | <b>IT TOOK EIGHT MONTHS TO COMPLETE THE AUDIT. IN OUR OPINION IT WAS NOT PLANNED AND SUPERVISED WELL ACCORDING TO THE AUDIT STANDARDS.</b>  |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <b>FOR FY 2022 POHNPEI STATE GOVERNMENT HAS ISSUED ITS UN-AUDITED FINANCIAL STATEMENTS. MEANING THAT ALL OUR BANK ACCOUNTS HAVE BEEN RECONCILED, REVENUE ACCOUNTS HAVE BEEN RECONCILED WITH SEFA AND FSM RECORDS (EXCEPT FOR THE INVESTMENT GAINS ADMINISTERED BY THE FSM</b> |

## POHNPEI - CURRENT AUDIT STATUS

| AUDIT STATUS DATES  | FY2020                   | FY2021        | FY2022                                | FY2023      |
|---|--------------------------|---------------|---------------------------------------|-------------|
| 1) Audit firm contract completed—date and # of years        | COMPLETE                 | COMPLETE      | COMPLETE                              | UNKNO<br>WN |
| 2) Trial balance submitted to and accepted! by the auditors | COMPLETE                 | COMPLETE      | WAITING FOR NEW<br>AUDITOR TO REQUEST |             |
| 3) Field work commenced                                     | COMPLETE                 | COMPLETE      | PENDING REQUEST<br>TO START           |             |
| 4) Draft received   | DECEMBER 2021            | DECEMBER 2022 | PENDING REQUEST<br>TO START           |             |
| 5) Completed and submitted to audit clearing house          | DECEMBER 2021            | NOT YET       | PENDING REQUEST<br>TO START           |             |
| 6) # of Federal qualifications                              | 8 FINDINGS 6<br>RESOLVED | NOT YET       | PENDING REQUEST<br>TO START           |             |
| 7) # of Financial qualifications                            | 1 FINDING                | NOT YET       | PENDING REQUEST<br>TO START           |             |
| 8) # of Component Unit quals                                | NONE                     | NOT YET       | PENDING REQUEST<br>TO                 |             |

## RMI - CURRENT AUDIT STATUS

|   |   |
|---|---|
| Describe the status of your current audits  | <b><i>FY 2020 audit was completed on May 2022. FY 2021 draft was received on 01/02/23.</i></b>  |
| Describe any changes in your qualifications and findings from prior years.                  | <b><i>None.</i></b>   |
| In general, describe the challenges to completing your audits on time.                      | <b><i>The delay in completion of FY 2020 audit was due to Covid-19 and the lack of audit staff on island, whereas FY 2021 delay is mainly due to few government SOEs not submitting trial balances on time.</i></b> |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <b><i>March 2023 is the target to complete FY 2021 audit</i></b>  |



## RMI - CURRENT AUDIT STATUS

| AUDIT STATUS DATES  | FY2020 | FY2021    | FY2022 | FY2023 |
|---|--------|-----------|--------|--------|
| 1) Audit firm contract completed—date and # of years        | Yes    | Yes       |        |        |
| 2) Trial balance submitted to and accepted! by the auditors | Yes    | Yes       |        |        |
| 3) Field work commenced                                     | Yes    | Yes       |        |        |
| 4) Draft received   | Yes    | Yes       |        |        |
| 5) Completed and submitted to audit clearing house          | Yes    | Currently |        |        |
| 6) # of Federal qualifications                              | 2      | 2         |        |        |
| 7) # of Financial qualifications                            | 0      | 0         |        |        |
| 8) # of Component Unit quals                                | 0      | 0         |        |        |

## U.S. Virgin Islands - CURRENT AUDIT STATUS

|   |  |
|---|--|
| Describe the status of your current audits  | <i>It is late. We have not yet completed our 2020 audit. We expect to have issued no later than March 2023.</i>  |
| Describe any changes in your qualifications and findings from prior years.                  | <i>No changes. We are currently at the stage of reviewing the yellow book findings, which most of them are reoccurring.</i>  |
| In general, describe the challenges to completing your audits on time.                      | <i>Posting delays, reconciliations with external systems to the Enterprise Resource Planning (ERP) system, and the lateness of financial reporting by component units.</i> |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <i>We requested access to our external auditor's portal to start uploading 2021 audit information, as well as to consider doing the same for 2022.</i>                     |

## U.S. Virgin Islands - CURRENT AUDIT STATUS

| AUDIT STATUS DATES   | FY2020   | FY2021                   | FY2022                   | FY2023                   |
|--|--|--------------------------|--------------------------|--------------------------|
| <b>1) Audit firm contract completed—date and # of years</b>        | Yes. Executed 5.10.2018  | Yes: Executed 10.15.2021 | Yes: Executed 10.15.2021 | Yes: Executed 10.15.2021 |
| <b>2) Trial balance submitted to and accepted! by the auditors</b> | Third Draft - January 25, 2023: Pending the following Major Component Units: Virgin Islands Port Authority ; Juan F. Luis Hospital | Not yet Started.         | Not yet Started.         | Not yet Started.         |
| <b>3) Field work commenced</b>                                     | Yes.   | Not yet Started.         | Not yet Started.         | Not yet Started.         |
| <b>4) Draft received</b>   | Very shortly.  | Not yet Started.         | Not yet Started.         | Not yet Started.         |
| <b>5) Completed and submitted to audit clearing house</b>          | No.  | Not yet Started.         | Not yet Started.         | Not yet Started.         |
| <b>6) # of Federal qualifications</b>                              | Not yet received.  | Not yet Started.         | Not yet Started.         | Not yet Started.         |
| <b>7) # of Financial qualifications</b>                            | Not yet received. Preliminary seems to have the same repeated findings.  | Not yet Started.         | Not yet Started.         | Not yet Started.         |
| <b>8) # of Component Unit quals</b>                                | Pending.   | Not yet Started.         | Not yet Started.         | Not yet Started.         |

## YAP STATE GOVERNMENT - CURRENT AUDIT STATUS

|   |   |
|---|---|
| Describe the status of your current audits  | <p><b>YSG Financial Final Audit Report for FY21</b></p> <ul style="list-style-type: none"> <li>• <b>December 31<sup>st</sup>, 2022</b></li> <li>• <b>Current-Pending</b></li> </ul>   |
| Describe any changes in your qualifications and findings from prior years.                  | <p><b><i>We've managed to eliminate question cost for FY20 &amp; FY21 Audit. However, there's still an Adverse opinion which is still hindering the overall financial audit status for the whole YSG.</i></b></p>   |
| In general, describe the challenges to completing your audits on time.                      | <p><b><i>Since it's been confirm that there will be a new Auditing Firm to conduct the Yap State Government Financial Audit for FY22 and onward. We're anticipating a tremendous impact and major challenges in order to finish the audit on a timely manner.</i></b></p> |
| What is your timeline for catching up with your audits (if applicable) and is it realistic? | <p><b><i>YSG Audit are up to date. However, with new changes of auditing firm, there will be challenges to tackle.</i></b></p>  |

## YAP STATE GOVERNMENT - CURRENT AUDIT STATUS

| AUDIT STATUS DATES   | FY2020            | FY2021            | FY2022                  | FY2023        |
|--|-------------------|-------------------|-------------------------|---------------|
| <b>1) Audit firm contract completed—date and # of years</b>        | Yes               | Yes               | As to date, not started | Not Started   |
| <b>2) Trial balance submitted to and accepted! by the auditors</b> | Yes               | Yes               | Same as Above           | Same as Above |
| <b>3) Field work commenced</b>                                     | Yes               | Yes               | Same as Above           | Same as Above |
| <b>4) Draft received</b>   | Yes               | Yes               | Same as Above           | Same as Above |
| <b>5) Completed and submitted to audit clearing house</b>          | December 31, 2021 | December 31, 2022 | Same as Above           | Same as Above |
| <b>6) # of Federal qualifications</b>                              | None              | None              | Same as Above           | Same as Above |
| <b>7) # of Financial qualifications</b>                            | None              | None              | Same as Above           | Same as Above |
| <b>8) # of Component Unit quals</b>                                | 1                 | 1                 | Same as Above           | Same as Above |

# 04

## 04

### *Updates on Implementation of GASB-87 and 96*

# ***GASB's Lease (87), SBITA (96) and P3 (94) Standards: Practical Implications and Adoption Challenges***

*IGFOA February 2023*



## **What We Will Cover Today**

- Overview of the GASB standards
- Scope considerations
- Accounting for leases (lessee) and SBITAs
- Identifying and documenting key provisions
- Outlays other than subscription payments
- Separating components and allocating contract prices
- Selection of discount rate
- Preparing required disclosures
- Common questions/issues



## Terminology and Abbreviations

|        |  |
|--------|--|
| AICPA  | American Institute of CPAs   |
| BAML   | Bank of America Merrill Lynch  |
| CPE    | Continuing Professional Education  |
| EMMA   | Municipal Securities Rulemaking Board's Electronic Municipal Market Access |
| FYE    | Fiscal Year End  |
| GASB   | Governmental Accounting Standards Board                                    |
| GAQC   | Governmental Audit Quality Center  |
| IG     | Implementation Guide   |
| IT     | Information Technology   |
| OAS    | Option-Adjusted Spread   |
| MD&A   | Management discussion and analysis   |
| PV     | Present Value  |
| SBITAs | Subscription-Based Information Technology Arrangements                     |
| SLGs   | State and Local Governments  |



### ► Overview of the GASB Standards



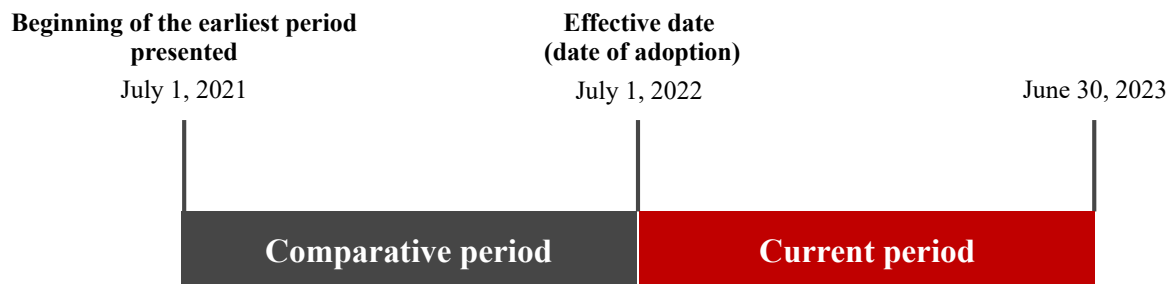
## Scope and Timing

| GASB Statement No. 87, <i>Leases</i>  | GASB Statement No. 96, <i>Subscription Based Information Technology Arrangements (SBITAs)</i>     |
|---|---|
| Establishes a single reporting model for lease accounting based on the foundational principle that leases are financings of the right to use an asset.  | Establishes standards of accounting and financial reporting for SBITAs by a government end user.  |
| Effective for annual reporting periods beginning after June 15, 2021, and interim periods beginning the year after. Apply retroactively to all periods presented.   | Effective for periods beginning after June 15, 2022. Apply retroactively to all periods presented |
| GASB Statement No. 96 amends GASB Statement No. 87 to exclude SBITAs from the scope of the Lease standard. Tangible capital assets associated with a SBITA that were recognized under GASB Statement No. 87 will be restated when GASB Statement No. 96 is adopted. |   |



## SBITA Transition Considerations

- ▶ Following are relevant dates for a calendar year-end:



- ▶ Other considerations:
  - Use facts and circumstances that existed at the beginning of the earliest period restated, **NOT** the commencement date of the SBITA.





## Definitions

| Leases  | SBITAs  |
|---|---|
| <p>A contract (e.g., an agreement between two or more parties that creates enforceable rights and obligations) that conveys control of the right to use <b>another entity’s nonfinancial asset (the underlying asset)</b> as specified in the contract for a period of time in an exchange or exchange-like transaction.</p>                                | <p>A contract that conveys control of the right to use <b>another party’s (a SBITA vendor’s) IT software, alone or in combination with tangible capital assets (the underlying IT assets)</b>, as specified in the contract for a period of time in an exchange or exchange-like transaction.</p>   |
| <p>In order to “convey control of the right to use of the underlying asset”, a contract should have both of the following:</p> <ul style="list-style-type: none"> <li>• The right to obtain the present service capacity from use of the underlying asset</li> <li>• The right to determine the nature and manner of use of the underlying asset</li> </ul> | <p>In order to “convey control of the right to use of the underlying asset”, a contract should have both of the following:</p> <ul style="list-style-type: none"> <li>• The right to obtain the present service capacity from use of the underlying <b>IT</b> asset</li> <li>• The right to determine the nature and manner of use of the underlying <b>IT</b> asset</li> </ul> |



## Types of SBITAs

| Short-Term SBITAs  | All Other SBITAs  |
|--|---|
| <ul style="list-style-type: none"> <li>• Maximum possible term at commencement of the subscription term of 12 months or less</li> <li>• No recognition of subscription liability or subscription asset required</li> <li>• Short term payments are expensed as incurred</li> </ul> | <ul style="list-style-type: none"> <li>• Subscription liability and subscription asset are recognized at the commencement of the subscription term</li> </ul> |



## Topics That Are The Same For Leases and SBITAs

- Lease/Subscription Term
- Short-Term Lease/SBITA
- General Recognition and Measurement
- Contracts with Multiple Components
  - Generally, account for lease (etc.) and non-lease (etc.) components as separate contracts and multiple underlying assets as separate lease (etc.) components
  - Allocate contract price to different components
- Modifications and Terminations



### ► Is This Contract in Scope?



## What Is Excluded?



### SBITAs

Contracts that solely provide IT support services

Contracts that convey control of the right to use another party's combination of IT software and tangible capital assets that meets the definition of a lease in GASB Statement No. 87, *Leases*, in which the software component is insignificant when compared to the cost of the underlying tangible capital asset

Governments that provide the right to use their IT software and associated tangible capital assets to other entities through SBITAs

Contracts that meet the definition of a P3 in GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Licensing arrangements that provide a perpetual license to governments to use a vendor's computer software, which are subject to Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*



## Relationship Between Leases and SBITAs

- All SBITAs meet definition of lease
- Accounting depends on what the underlying asset is:
  - Tangible capital assets alone – GASB Statement No. 87
  - IT software alone – GASB Statement No. 96
  - IT software in combination with tangible capital assets:
    - Software component is insignificant compared to cost of underlying tangible capital asset – GASB Statement No. 87
    - Otherwise – GASB Statement No. 96



## Multifunctional Printer

Features include:

- Printing, copying, scanning, faxing, and other tasks
- Software to connect to an IT system



## Intelligent Vehicles

▶ Features include:

- Autopilot
- Full self-driving capabilities



## Website Subscriptions

- ▶ Including:
  - News services
  - Bloomberg
  - Morningstar



## Laptops

- ▶ Features include:
  - Operating software
  - Microsoft 365



## Cloud Computing Arrangements



## Digital Textbooks





## Software

- ▶ Including:
- Microsoft 365
- QuickBooks Online
- ERP Software



What about Software that automatically renews?



Governmental Audit  
Quality Center

- ▶ Overview of Accounting for Leases (Lessee) and SBITA





## Initial Reporting

|                         | Assets   | Liability  |
|-------------------------|--|--|
| <b>Leases (Lessee)</b>  | Intangible right-to-use lease asset = Lease liability plus prepayments and any ancillary costs to place asset to use           | Lease liability = PV of expected lease payments over lease term        |
| <b>SBITA (End User)</b> | Intangible right-to-use subscription asset = Subscription liability + prepayments + capitalizable initial implementation costs | Subscription liability = PV of expected SBITA payments over SBITA term |



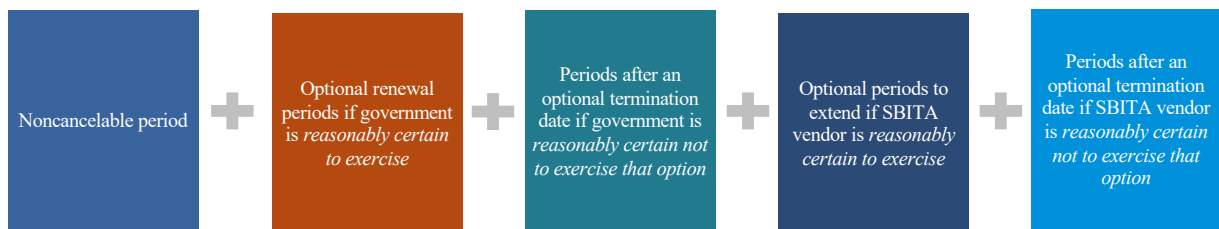
## Subsequent Reporting

|                         | Assets  | Liability   |
|-------------------------|---|---|
| <b>Leases (Lessee)</b>  | Amortize lease asset over shorter of useful life of asset or lease term           | Reduce lease liability by principal portion of lease payments<br>Recognize (accrue) interest payable        |
| <b>SBITA (End User)</b> | Amortize subscription asset over shorter of useful life of IT asset or SBITA term | Reduce subscription liability by principal portion of SBITA payments<br>Recognize (accrue) interest payable |



# Identifying and Documenting Key Provisions

## Subscription Term



The SBITA term excludes periods in which both the government and SBITA vendor have options to terminate regardless of probability.

Fiscal funding or cancellation clauses ignored *unless* reasonably certain of being exercised



## Subscription Payments

| Subscription payments include:                    |                   |
|---|-------------------|
| Fixed payments                                    | \$ 200,000        |
| Variable payments that depend on an index or rate | 150,000           |
| Variable payments fixed in substance              | —                 |
| Termination penalties <sup>1</sup>                | —                 |
| (Subscription contract incentives) <sup>2</sup>   | ( — )             |
| Any other payments <sup>1</sup>                   | —                 |
| <b>Total subscription payments</b>                | <b>\$ 350,000</b> |

<sup>1</sup> Included only if reasonably certain to be exercised/required.

<sup>2</sup> Subscription contract incentives receivable from the SBITA vendor after commencement of the subscription term are ordinarily a reduction (offset) in the calculation of total subscription payments.



## Initial Measurement of Subscription Liability

|   |          |   |
|---|----------|---|
| <b>Subscription Liability</b><br><b>\$309,950</b> | <b>=</b> | <b>PV of <i>Expected</i> SBITA Payments</b> |
|---|----------|---|

| Payment Date         | Amount    |
|----------------------|-----------|
| At Signing - Deposit | \$ 50,000 |
| Beginning of Year 2  | \$ 50,000 |
| Beginning of Year 3  | \$ 50,000 |
| Beginning of Year 4  | \$ 50,000 |
| Beginning of Year 5  | \$ 50,000 |
| End of Year 5        | \$150,000 |

The security deposit is not a SBITA payment.



▶ Outlays Other Than Subscription Payments



## Accounting for Stages of Implementation

| Preliminary Project Stage  | Initial Implementation Stage   | Operational & Additional Implementation Stage  |
|--|--|--|
| <ul style="list-style-type: none"><li>• Outlays expensed as incurred</li></ul> | <ul style="list-style-type: none"><li>• Outlays should be capitalized as part of the subscription asset</li><li>• If no subscription asset is recognized (for example, short-term SBITA), outlays should be expensed as incurred</li></ul> | <ul style="list-style-type: none"><li>• Outlays expensed as incurred unless they meet specific capitalization criteria</li></ul> |

Outlays related to the implementation of the SBITA can overlap or occur in multiple cycles and are recognized based on the nature and timing of the outlay (activity).



## Stages of Implementation

| Preliminary Project Stage   | Initial Implementation Stage  | Operation and Additional Implementation Stage  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Conceptual formulation and evaluation of alternatives</li> <li>• Determination of the existence of needed technology</li> <li>• Final selection of alternatives for the SBITA</li> </ul>                     | <ul style="list-style-type: none"> <li>• Ancillary charges related to designing the chosen path, such as configuration, coding, testing, and installation associated with the government's access to the underlying IT assets</li> <li>• Other ancillary charges necessary to place the subscription asset into service</li> <li>• Initial implementation stage completed when the subscription asset is placed into service</li> </ul> | <ul style="list-style-type: none"> <li>• Maintenance, troubleshooting, and other activities associated with the government's ongoing access to the underlying IT assets</li> <li>• Additional implementation activities, such as those related to additional modules that occur after the subscription asset is placed into service</li> </ul> |
| <p>Data conversion is considered an activity of the initial implementation stage <b>only</b> when necessary to place the subscription asset into service. Otherwise, considered an activity of the operation and additional implementation stage.</p> |   |  |
| <p>Training cost are expensed as incurred, regardless of the stage the costs are incurred</p>   |   |  |

### ▶ Separating Components and Allocating Contract Prices



## Separating Components

### Step 1: Identify separate components



- Contracts may contain multiple components (e.g., multiple pieces of equipment)
- If components have different subscription terms, they must be accounted for separately
- If underlying assets are in different major classes of assets for disclosure purposes, they must be accounted for separately **Disclosure of major classes of subscription assets is not required. Required for Leases only!**

### Step 2: Identify any nonsubscription components



- Nonsubscription components must be separated from subscription components and accounted for separately
- Nonsubscription components should be accounted for under applicable nonsubscription guidance. Many times, these components are service contracts.

### Step 3: Allocate the contract price



- Use prices for individual components that are included in the contract, as long as not unreasonable
- If contract doesn't include separate prices for individual components or they seem unreasonable, use judgment to determine the best estimate for allocation to each component, but always maximizing the use of observable information



Nonsubscription components include separate perpetual licensing arrangement (excluded from GASB Statement No. 96) and maintenance services for the IT assets.

## Separating Components: Allocating Contract Prices



1 Identify stated prices in contract

2 Evaluate whether stated prices are “not unreasonable” (using professional judgment and maximizing use of observable inputs)

3 Assign contract prices that are “not unreasonable” to individual components (if they are only associated with an individual component)

4 Allocate remaining contract prices to applicable components, if practicable (allocate based on best estimates, maximizing use of observable inputs)

5 Measure subscription liability (lessee) using contract prices for each lease component

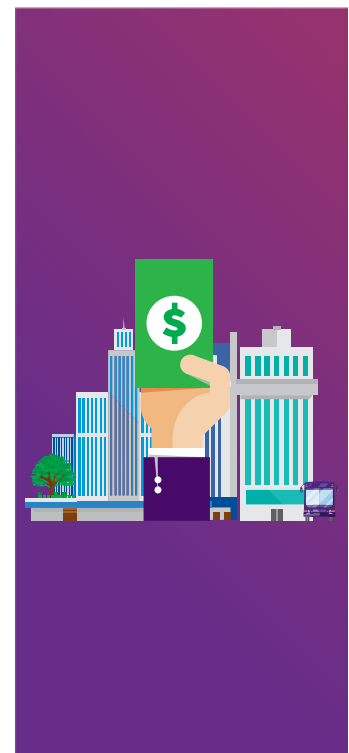


▶ Selection of Discount Rate



## Discount Rate

- Most SBITAs do not explicitly state SBITA vendor's rate
  - Even if it does, may be difficult to evaluate whether stated rate is reasonable
- Most governments (end users) will use their incremental borrowing rate
  - Will not be one size fits all (different rates across subscriptions)
  - Should be based on facts and circumstances of subscription (payment amounts, payment structure, length of subscription, etc.)
  - Will be significant effort in year of adoption, as well as subsequent periods
    - Helpful to develop yield curve for transition date





## Discount Rate: Determining Incremental Borrowing Rate

- Entity-specific rate that reflects the creditworthiness of a government
  - Start with debt issuance of government, debt issuance of a comparable government, or risk-free rate
  - Adjust for any financing specific items (credit rating, secured vs. unsecured, taxable vs non-taxable, collateral)
  - Adjust for specific terms (term, payment structure, payment amounts, geographical location)



**BAML Ice Index has data on various government debt issuances, including different ratings, durations, types.**



## Discount Rate: BAML Ice Index

| As of Date | Description                  | Face Value LOC | Maturity Date | Rating | Industry Lvl 4 Desc                     | Effective Duration | Modified Duration | OAS | Effective Yield |
|------------|------------------------------|----------------|---------------|--------|---|--------------------|-------------------|-----|-----------------|
| 03/01/2021 | TEXAS WATER DEV BRD          | 50             | 10/15/2055    | AAA    | Revenue - Water & Sewer                 | 18.15              | 22.14             | -25 | 1.72            |
| 03/01/2021 | TEXAS WATER DEV BRD          | 58.69          | 10/15/2054    | AAA    | Revenue - Water & Sewer                 | 12.04              | 18.14             | -7  | 1.91            |
| 03/01/2021 | TAMPA FLA                    | 77.505         | 10/01/2054    | AAA    | Revenue - Utilities - Other             | 11.13              | 17.45             | 7   | 2.01            |
| 03/01/2021 | UNIVERSITY VA                | 100            | 09/01/2054    | AAA    | Revenue - Education                     | 14.41              | 21.47             | -44 | 1.52            |
| 03/01/2021 | ARLINGTON TEX HIGHER ED FIN  | 41.255         | 08/15/2054    | AAA    | Revenue - Leasing COPS & Appropriations | 14.78              | 20.4              | -5  | 1.91            |
| 03/01/2021 | CLEVELAND TEX INDPT SCH DIST | 39.285         | 02/15/2054    | AAA    | GO - Local                              | 12.39              | 19.13             | -19 | 1.76            |
| 03/01/2021 | TEXAS WATER DEV BRD          | 68.33          | 10/15/2052    | AAA    | Revenue - Water & Sewer                 | 10.57              | 17.4              | -21 | 1.81            |
| 03/01/2021 | YSLETA TEX INDPT SCH DIST    | 74.245         | 08/15/2052    | AAA    | GO - Local                              | 11.97              | 18.74             | -26 | 1.7             |
| 03/01/2021 | MONTGOMERY CNTY MD HSG OF    | 99.25          | 07/01/2052    | AAA    | Revenue - Multi-Family Housing          | 18.5               | 22.76             | -62 | 1.35            |
| 03/01/2021 | CLEVELAND TEX INDPT SCH DIST | 80.295         | 02/15/2052    | AAA    | GO - Local                              | 12.18              | 17.92             | -17 | 1.83            |
| 03/01/2021 | SOUTH CAROLINA ST HSG FIN &  | 42.5           | 01/01/2052    | AAA    | Revenue - Single Family Housing         | 10.58              | 13.31             | 0   | 1.92            |
| 03/01/2021 | SOUTH DAKOTA HSG DEV AUTH    | 32.455         | 11/01/2051    | AAA    | Revenue - Single Family Housing         | 19.44              | 18.71             | 49  | 1.91            |
| 03/01/2021 | TEXAS WATER DEV BRD          | 76.02          | 10/15/2051    | AAA    | Revenue - Water & Sewer                 | 9.67               | 17.35             | -29 | 1.72            |

Source: <https://indices.theice.com>

**Add OAS to benchmark to determine starting point**



▶ Preparing Required Disclosures



# 05

## 05

### *IGFOA Action Planning Framework*

## Why spend time planning?

- Provides a timely opportunity to update/modify focus areas
- Allows for addition of new ideas and best practices
- Encourages clarification and prioritization of focus areas
- Enhances likelihood of progress—simply by writing and sharing
- Enables measurement of progress and celebration of that progress



## At what “level” are we planning?

**X** Vision or Mission Statement

&

<Values>

- **Focus Areas**—the key building blocks of your strategy

✓ **Key Tasks** (Objectives)

To be measured by Key Performance Measures



## A sample from the Republic of MicroPoly?

- Vision or Mission Statement

➤ *To prudently manage the financial operations of MicroPoly to meet or exceed the service expectations of our customers while achieving full compliance.*



## A sample from the Republic of MicroPoly?

<Values>

- Service-Orientation
- Accountability
- Continuous Learning
- Forward Looking



# A sample from the Republic of MicroPoly?

## Focus Areas

- Improve Client-Facing service delivery
- Implement Priority Components of PFM Reform
- Invest in Cross-Training for Redundancy
- Optimize technology for quality improvements



| IGFOA ACTION PLAN                           |   |  |                                    |
|---|---|--|------------------------------------|
| Jurisdiction: _____                         |   | February 2023 (Honolulu) - May 2023 (Portland, OR) |                                    |
|   |   | Page ___ of ___                                    |                                    |
|   |   | Draft Date: _____                                  |                                    |
| FOCUS AREA for improvement:<br># ___ of ___ |   | Responsible Parties                                | Financial & Technical Support (\$) |
| Key Tasks:                                  | > |  |                                    |
|   | > |  |                                    |
|   | > |  |                                    |
|   | > |  |                                    |
| FOCUS AREA for improvement:<br># ___ of ___ |   | Responsible Parties                                | Financial & Technical Support (\$) |
| Key Tasks:                                  | > |  |                                    |
|   | > |  |                                    |
|   | > |  |                                    |
|   | > |  |                                    |



## Planning at the next level...

Tasks (objectives) should include:

- Who is Responsible?
- Timeline for completion (tasks are completable!)
- Metrics (i.e. key performance measures)
- Specific Targets (again, key performance measures)





06

06

*Raising Awareness of Federal Grants*

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## Background

- Emil Friberg – part of EconMAP/PITI-VITI team; previously Assistant Director/Senior Economist at US GAO (retired).
- GAO reviewed single audits/schedules of federal awards of the US territories and Freely Associated States (FAS). I observed that federal grant expenditures varied among US territories and the FAS.
- Discussed this with territorial officials who suggested that further research was warranted.



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## Federal Grants: Motivation

- Fair share – motive for states that pay federal taxes
- Pure gravy – motive for areas that don't pay federal taxes
- Never leave money on the table



## Federal Grants: Benefits and Costs

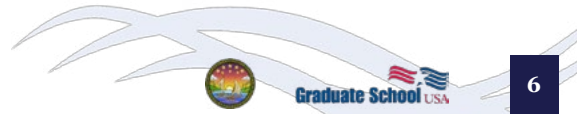
- Benefits:
  - Economic impact
  - Fiscal condition
  - Operational gains
- Costs:
  - Dependency, plus sustainability risk
  - Diversionary activity (tail wags the dog)
  - Transaction costs

## Federal Grants: Who Should Care?

- Finance
  - Cover direct financial needs
  - Free up resources
  - Indirect revenue gains via economic expansion
- Planning
  - Increase/support economic activity
  - Support employment and households
- Operations
  - Support activities independent of local revenues
  - Cover unfunded needs, improve operations

## Federal Grants: How to Research?

- Know thyself: central government **PLUS** components
- Study your peers: territories/FAS
- Engage stakeholders: finance, planning, operations
- Research approaches:
  - Expenditures: Schedule of expenditures of federal awards
  - Awards: Federal database analysis
  - People: operational contacts--federal/territorial/FAS



## Research Approach: Schedule of Expenditures of Federal Awards

- Use central government and component unit audits
- Look at CFDA #s (Catalog of Federal Domestic Assistance #s) of federal award expenditures
- Use aggregate data and then disaggregate data
  - By awarding federal agency
  - By function
- Example: FY19 audits (complete, pre-COVID); Guam/CNMI, US Dept. Agriculture/US Dept. Transportation; RMI/Palau, US HHS



## Research Example: Guam/CNMI Schedule of Expenditures of Federal Awards

| FY2019 Audit Data  | CNMI    | Guam    |
|--|---------|---------|
| # CFDA used by central government                        | 95      | 158     |
| Federal award expenditures by central government (\$mil) | \$224.4 | \$377.8 |
| # CFDA used by component units (n=6, CNMI; n=9, Guam)    | 76      | 140     |
| Federal award expenditures by component units (\$mil)    | \$171.4 | \$192.8 |
| Total # CFDA (some duplicates)                           | 171     | 298     |
| Total federal award expenditures (\$mil)                 | \$395.9 | \$570.6 |

Note: FY 18 data used for CNMI Commonwealth Health Corporation. May omit grants not listed by CFDA.

## Research Example: Guam/CNMI Schedule of Expenditures of Federal Awards

- Observations on aggregate data:
  - Don't overlook the component units: #s and \$s
  - Per capita analysis: Guam 154,000 & CNMI 47,000 population; \$8,400 CNMI vs \$3700 Guam per capita
  - Look at level of individual CFDA #s:
    - Does your government get the grant others get?
    - If there is a gap in grant awards, how significant? Financial? Operations?
    - Extraordinary reasons to differ? For example, Super Typhoon Yutu? Does per capita analysis make sense?

## Research Example: Guam/CNMI Schedule of Expenditures of Federal Awards

- USDA grants:
  - CNMI (central government, schools, college, healthcare corporation) used 14 CFDA. Expenditures totaled \$53.1 million. All 14 CFDA were also used by Guam.
  - Guam (central government, schools, college, university) used 39 CFDA. Expenditures totaled \$134 million. Of the 25 CFDA unique to Guam, they totaled \$1.3 million, about 1 percent of Guam’s USDA grants.



## Research Example: Guam/CNMI Schedule of Expenditures of Federal Awards

- USDA grants: Guam and CNMI observations:
  - Financial “gap” is small from the perspective of CNMI not having all the grants Guam expended.
  - About half the difference represents University of Guam USDA research grants – may not be available to small colleges/universities.
  - Child and adult nutrition programs at the Guam Department of Education were most of the remainder, one was \$379,000 grant for “state administrative expenses” for child nutrition.



## Research Example: Guam/CNMI Schedule of Expenditures of Federal Awards

- Transportation grants:
  - CNMI (central government, port-includes airport) used 7 CFDA's. Expenditures totaled \$12.5 million. Six of these CDFAs were also used by Guam. The CFDA unique to CNMI was small--\$2,217.
  - Guam (central government, ports, airport) used 13 CFDA's. Expenditures totaled \$47.6 million. Of the 7 CFDA's unique to Guam, they totaled about \$400,000 or less than one percent of \$47.6 million of Guam's transportation grants.

## Research Example: Guam/CNMI Schedule of Expenditures of Federal Awards

- Transportation grants: Guam and CNMI observations:
  - CNMI had a "small" grant that Guam did not use. If multiyear grant spending, a single audit year review could under/overstate the "value" of that CFDA.
  - Airports: CNMI, 3 airports, \$8.2 million; Guam, 1 airport, \$7.8 million. Per capita review not relevant, Spending could be sensitive to single year analysis.
  - Highways: CNMI, \$2.8 million; Guam, \$37.8 million. Miles of road differences? Needs of US Dept. of Defense?
  - \$400,000 Guam grants not used by CNMI were mostly for highway safety. CNMI opportunity?

## Research Example: Marshall Islands/Palau Schedule of Expenditures of Federal Awards

| FY2019 Audit Data  | RMI    | Palau  |
|--|--------|--------|
| # CFDA used by central government                        | 26     | 42     |
| Federal award expenditures by central government (\$mil) | \$78.4 | \$17.3 |
| # CFDA used by component units (n=5, RMI; n=2, Palau)    | 14     | 16     |
| Federal award expenditures by component units (\$mil)    | \$11.9 | \$5.2  |
| Total # CFDA (some duplicates)                           | 40     | 58     |
| Total federal award expenditures (\$mil)                 | \$90.2 | \$22.5 |

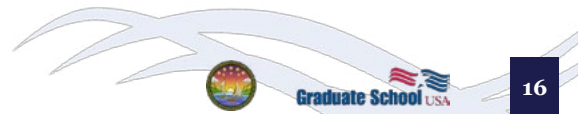
## Research Example: Marshall Islands/Palau Schedule of Expenditures of Federal Awards

- HHS grants:
  - RMI (central government, college) used 21 CFDA. Expenditures totaled \$6.3 million. 7 CFDA were not used by Palau, they totaled \$1.1 million and were 18% of RMI HHS grants.
  - Palau (central government, college) used 24 CFDA. Expenditures totaled \$5.7 million. 10 CFDA were not used by RMI, they totaled \$1.56 million and were 18% of Palau HHS grants.
  - Worth investigating: hospital preparedness, etc.



## Research Approach: Overall Observations on Schedule of Expenditures of Federal Awards

- Brute force approach: 1:3 for territories, 1:2 FAS
- Doable and understandable
- Challenge of timeliness for the grant hunt, audits
- Operations staff may find this a useful exercise
- Caution – external events shape the grant environment – natural disasters and high-risk status; per capita thinking may or may not be valid
- See this as opportunity, not as defect



## Research Approach: Federal Awards Federal Spending Database

- [Government Spending Open Data | USAspending \(https://www.usaspending.gov/\)](https://www.usaspending.gov/)
- This source covers grants, loans, contracts of the federal government. Each federal “award” has 101 possible categories of information recorded, including awarding agency data, recipient data, and award financial information.
- Searchable by “state” where the territories and FAS are listed as states, and by zip codes.



## Research Example: RMI and Palau Federal Awards -- Federal Spending Database

- RMI and Palau review, “custom award data” tab

Your selected options are...

Award Types  
Grants

Agency                      Sub Agency  
Awarding Agency            —

All

Date Range  
Location                      10/01/2018 - 09/30/2019

Recipient Location  
Marshall Islands, United States

Date Type  
Action Date

File Format  
CSV

Your selected options are...

Award Types  
Grants

Agency                      Sub Agency  
Awarding Agency            —

All

Date Range  
Location                      10/01/2018 - 09/30/2019

Recipient Location  
Republic of Palau, United States

Date Type  
Action Date

File Format  
CSV

## Research Example: RMI and Palau Federal Awards -- Federal Spending Database

- And the results:

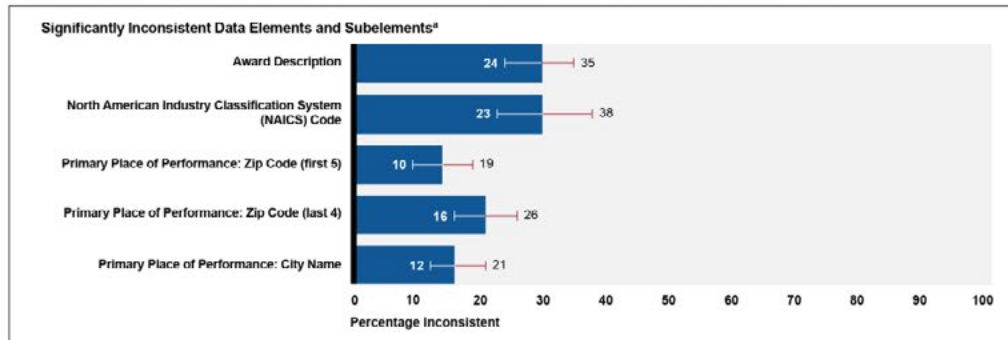
| FY19                            | RMI | Palau |
|---------------------------------|-----|-------|
| New awards                      | 36  | 19    |
| Continuation of an award        | 8   | 13    |
| Revision                        | 25  | 9     |
| Adjustment to completed project | 5   | 3     |

- Problem: when comparing this award list to audit CFDA lists, there are omissions, including HHS and certain education grants.
- Value of this data source: TBD.

# Research Approach: Federal Awards Federal Spending Database

- GAO review found problems in location data.

Figure 3: Significantly Inconsistent Data Elements and Subelements, Quarter Four of Fiscal Year 2018



Source: GAO analysis of USAspending.gov database downloaded on 2/11/2019 and agency sources. | GAO-20-75

Note: Range bars display confidence intervals (sampling errors) for the estimates at the 95 percent confidence level.



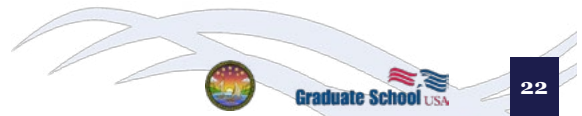
## Research Approach: People

- Operational contacts
  - Mine federal grant managers, be in touch with peer leadership (territorial/FAS)
  - Use opportunities to gather information
    - Conferences
    - Training
  - Think about communities of practice
- Big Question: zero sum grant environment or not?



## Wrap Up

- Likely opportunities for additional federal grants
  - Audit reviews are doable, not currently timely, sometimes do not use CFDA numbers.
  - Multiple stakeholders in each territory/FAS; a lot of players
  - Operational units have the most at stake and to gain
- 
- CFDA information across governments and component units could be made more accessible for review



# 07

## 07

### *Resetting Performance Measures*



ISLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION  
Annual Winter Conference

## Finance Office Performance Measures

*"It's not the numbers. It's what you do with the numbers"*



## Some quotes from audit findings

Cash is the most liquid of assets and has the highest risk for theft, embezzlement, and misappropriation. Timely preparation of complete and accurate bank reconciliations is key to maintaining adequate control over both cash receipts and disbursements.

General Fund bank reconciliations included approximately \$24.6M of unreleased checks and \$1.8M of stale dated checks as of September 30, 2021; understating cash and understating liabilities. An audit reclassification was proposed to correct the misstatements.



## General Reconciliation audit finding

Various reconciling issues were identified such as:

- recording lease expenditures as prepayments;
- recording collections as liabilities,
- recording unreleased checks as a reduction of cash,
- understatements and overstatements of accruals,
- unreconciled differences in grant receivables and deferred revenues,
- capital lease liabilities,
- recognizing grant contributions and receivables due from a grantor when expenditures were incurred, and
- recognizing deferred revenues from a grantor when expenditures were not incurred.



## IGFOA Performance Measures

- Selected to address recurring, overarching audit findings
- The project was initiated in December 2009 with self selected measures chosen by each government
- In 2011 the IGFOA membership voted on a suite of measures which were applicable to all the governments
- Over time, some measures were dropped and more measures added
- The purpose was to provide the finance office with internal progress reporting and the offices reported their results to each other at the semiannual conferences.
- The reporting languished over the last several years and we are now resetting the project.



| IGFOA CURRENT MEASURES                           | FOCUS                    |
|--|--------------------------|
| Bank reconciliations completed on a timely basis | Internal Controls        |
| Reduction in invalid, outdated encumbrances      | Internal Controls        |
| Number of days to process an invoice (federal)   | Grant & Cash Management  |
| Reduction in overdue travel advances             | Cash Management          |
| Revenue Estimates within target %                | Budget & Cash Management |



| IGFOA CURRENT MEASURES   | FOCUS                   |
|--|-------------------------|
| Completion of fixed asset inventory                              | Internal Controls       |
| Completion of Personnel Evaluations                              | Capacity Building       |
| # training hours per finance employee                            | Capacity Building       |
| Timeliness of SF425 reports                                      | Grant Management        |
| Reconciliation and Reduction in Federal Grant Receivable balance | Grant & Cash Management |





| IGFOA PREVIOUS MEASURES                             | FOCUS           |
|---|-----------------|
| 1. Number of days to process an invoice (general)   | Cash Management |
| 2. Completion of comprehensive Cash Management Plan | Cash Management |
|   |                 |
|   |                 |
|   |                 |
|   |                 |
|   |                 |

| IGFOA PROPOSED MEASURES NOT ADOPTED         | FOCUS             |
|---|-------------------|
| Collection of General Accounts Receivable   | Cash Management   |
| # of days to close (quarterly)              | Internal Controls |
| # days of cash on hand                      | Cash Management   |
| # employees clearing advances               | Cash Management   |
| % of unspent federal funds                  | Grant Management  |
| Time to process notice of personnel actions | Personnel         |

## Performance measure best practices

- It must be a number
  - It should include a target or benchmark
  - The presentation should show a trend.
  - It should be fairly easy to gather the data
  - It should not result in unintended consequences
  - It should not be used to “punish”
- 
- Ultimately it should show progress towards a goal and/or a warning flag for performance problems



## Targets

Reason for targets

- Motivational value
- Hold staff accountable
- Without targets, performance is too ambiguous

How to reach the target:

- Redesign the work;
- Distort priorities and the process
- “Game the numbers”



---

## What do you do if the measure isn't meeting your target?

- Quit that “program”
- Fire someone
- Stop measuring
- Change the target
- Assign more people to help
- Improve the process
  - Measure to see if your improvement helps



---

## Why our measures are little different

- We are not going to stop a process if the outcomes are bad
- We have no excuses



---

## How to investigate lack of performance

- Root cause analysis

Looks below the immediate cause of under-performance to the root cause.

- Process mapping

Process mapping tools are used to visualize the steps in a process and draw analysts' attention to potential points of failure such as bottlenecks, hand-offs of work between people, and non-value adding process steps

- Set variance tolerances

Establish upper and lower parameters for what constitutes acceptable, normal variation in a measure.



---

## Defects of Performance Measurement

Just going through the motions to comply with requirements

- Rote compliance with measurement requirements , rather than using measures for more substantive purposes

A lack of resources necessary to achieve the desired level of performance

- Unavoidable to some extent in an environment of financial scarcity
- Work against the perception that improvement can only be made by spending more money on a program
- Process improvement is an example of a tool that can achieve drastic improvements, while potentially lowering costs



# IGFOA measures as reported February 2023

The following three slides summarize the reports from the IGFOA members in attendance at the February 2023 conference in Honolulu.














**ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION**

## Are the Major Bank Reconciliations Timely?

|                   | Last completed reconciliation | Audit finding?  |
|-------------------|-------------------------------|---|
| AMERICAN SAMOA    | Nov/Dec 2022                  | Unspecified lack of G/L recons  |
| CNMI              | Sept 2021                     | Yes, FY20 three major accts   |
| FSM: NATIONAL     | Dec 2022                      | Yes, FY20 FSM Embassy Acct  |
| FSM: KOSRAE       | Not reported                  | No  |
| FSM: POHNPEI      | Dec 2022                      | No  |
| FSM: CHUUK        | Dec 2022                      | No  |
| FSM: YAP          | Sept 2022 & 2021              | No  |
| GUAM              | Nov/Dec 2022                  | Unreleased & stale dated checks<br>FY20 Embassy Accts–Unknown differences, unreconciled entries |
| MARSHALL ISLANDS  | Sept 2022                     |   |
| PALAU             | Sept, Oct, Nov 2022           | No, FY2019  |
| US VIRGIN ISLANDS | Not reported                  | Yes   |












  
**ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION**

## Are Travel Advances Reconciled?

|   | Last completed date | Progress |
|---|---------------------|----------|
|  AMERICAN SAMOA    | Jan 2023            | ↑        |
|  CNMI              | Not reported        | ?        |
|  FSM: NATIONAL     | Sept 2021           | ↑        |
|  FSM: KOSRAE       | Not reported        | ?        |
|  FSM: POHNPEI      | Underway            | ?        |
|  FSM: CHUUK        | Dec 2022            | ↑        |
|  FSM: YAP          | Sept 2021           | →        |
|  GUAM              | June 2022           | →        |
|  MARSHALL ISLANDS  | Sept 2022           | →        |
|  PALAU             | Sept 2022           | ↑        |
|  US VIRGIN ISLANDS | n/a                 | n/a      |

  
**ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION**

## Is the fixed asset physical inventory current ?

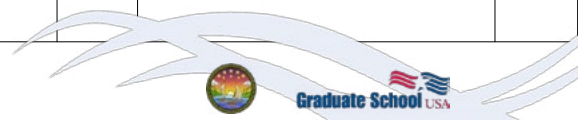
|   | Last completed date | Progress |
|---|---------------------|----------|
|  AMERICAN SAMOA    | Sept 2022           | ↑        |
|  CNMI              | Sept 2020           | →        |
|  FSM: NATIONAL     | Sept 2022           | ↑        |
|  FSM: KOSRAE       | Not reported        | ?        |
|  FSM: POHNPEI      | Sept 2021           | ↑        |
|  FSM: CHUUK        | Sept 2022           | ↑        |
|  FSM: YAP          | Sept 2021           | →        |
|  GUAM              | Jan 2023            | ↑        |
|  MARSHALL ISLANDS  | Sept 2021           | →        |
|  PALAU             | Sept 2022           | ↑        |
|  US VIRGIN ISLANDS | Sept 2021           | →        |

# Examples of the IGFOA performance dashboard

Some members have continued to measure some, if not all of the of the IGFOA selected measures. The following are examples of their results in the current dashboard format.



| FSM Nat'l Department of Finance Performance Measures | Target                                  | Period   | 2020   | 2021                  | 2022                  | Trend | Notes  | Audit issue? |
|--|---|----------|--|-----------------------|-----------------------|-------|--|--------------|
| Cash Management                                      |   |          |  |                       |                       |       |  |              |
| Reduction in overdue travel advances                 | _____% reduction from prior period      | Mntly    | \$3.1M as of 09/30/20  | \$3.5M as of 09/30/21 | \$4.3M as of 09/30/22 |       | Majority of long outstanding travel advances from FY2020 and prior years will be written off through audit process. We are working together to determine how much should be written off. |              |
| Revenue Estimates within target %                    | _12_ % over or under estimated revenues | Annually | Actual revenue (\$102M) was 12% over the estimate Revenues (\$91M) (GF only) |                       |                       |       | Budget Office estimates annual revenues before each congressional session.   |              |



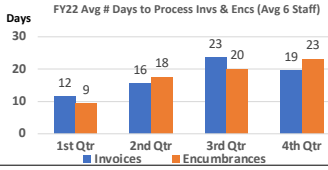
| RMI Department of Finance Performance Measures | Target              | Period | Prior Period 2 | Prior Period 1 | Current Period 0 | Trend | Notes                                 | Audit issue? |
|--|---------------------|--------|----------------|----------------|------------------|-------|---------------------------------------|--------------|
| <b>Capacity Building</b>                       |                     |        |                |                |                  |       |                                       |              |
| Percentage of personnel evaluations completed  | 100 %               | Annual | 0%             | 100%           | 100%             | ↑     |                                       | No           |
| # of training hours per finance employee       | 40 hrs per employee | Annual | 100%           | 100%           | In progress      | →     | Only two staff attended virtual APIPA | No           |
|  |                     |        |                |                |                  |       |                                       |              |

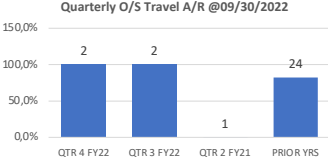
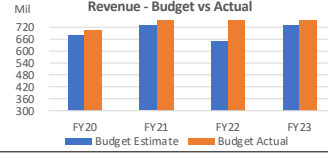


| U.S. Virgin Islands Department of Finance Performance Measures | Target                            | Period             | April June              | July Sept               | Oct Dec                 | Trend | Notes   | Audit issue? |
|--|-----------------------------------|--------------------|-------------------------|-------------------------|-------------------------|-------|---|--------------|
| <b>Reconciliation and Internal Control</b>                     |                                   |                    |                         |                         |                         |       |   |              |
| Completion of Fixed Asset Inventory                            | 100% completed and AJEs posted    | Annual or biannual | 40%                     | 20%                     | 28%                     | ↑     | Currently in progress.  | Yes.         |
| Bank Reconciliations completed on a timely basis               | 10 business days after month end  | Monthly            | Unreconciled            | Unreconciled            | Unreconciled            | ↓     | The GVI currently have 39 active Bank Accounts that are reconciled by the Dept. of Finance  | Yes          |
| Reduction in Federal Grant Receivable balance                  | ___% of federal AR/federal expend | Annually           | \$32M Fed. Rec.         | \$52M Fed. Rec.         | \$36.5M Fed. Rec.       | ↓     | GVI will need to work on a target for federal receivables by developing a comprehensive outlook on all federal funds and outstanding drawdowns for a specific period.   | Annually     |
| Reduction in invalid, outdated encumbrances                    | 0% invalid encumbrances           | Annually           | Currently not Measuring | Currently not Measuring | Currently not Measuring | →     | GVI is working with a consulting group to find the best resolution to assist with purchase order validations. Currently, we are consistently having to leave purchase orders open tied to contractual agreements. | Annually     |





| Guam Department of Administration Performance Measures     | Target   | Period                   | Prior Period 2   | Prior Period 1            | Current Period 0          | Trend | Notes   | Audit issue? |  |
|--|--|--------------------------|--|---------------------------|---------------------------|-------|---|--------------|--|
| <b>Grants Management</b>                                   |  |                          |  |                           |                           |       |   |              |  |
| Number of days to process an invoice paid by federal funds | 15 days from vendor invoice date to check date | Average over one quarter | <u>FY22 Q2</u><br>16 Days  | <u>FY22 Q3</u><br>23 Days | <u>FY22 Q4</u><br>19 Days | →     |  |              |  |
| Timeliness of SF425 reports                                | ___% of reports filed on time                  | Quarterly                | Some federal reports are required to be filed only on an annual basis, however, most are quarterly so this measure should be calculated every three months. The number filed on time should include the portion of the reports that the program managers are required to complete.   |                           |                           |       |   |              |  |
| % & \$ of unspent federal funds                            | ___% unspent funds/ total funds                | Annual                   | Calculating this measure is complicated by multi-year grants. Some governments split the measure into those grants which are carried over from year to year and those which are clearly one year at a time. The calculation should be fairly straightforward based upon the difference in grant authorizations and grant expenditures as of the period being measured. |                           |                           |       |   |              |  |

| Guam Department of Administration Performance Measures | Target                              | Period    | Prior Period 2                         | Prior Period 1                      | Current Period 0                    | Trend | Notes   | Audit issue? |
|--|-------------------------------------|-----------|--|-------------------------------------|-------------------------------------|-------|---|--------------|
| <b>Cash Management</b>                                 |                                     |           |  |                                     |                                     |       |   |              |
| Reduction in overdue travel advances                   | 10% reduction from prior period     | Quarterly | <u>FY22 Q2</u><br>97.4% O/S<br>\$26.60 | <u>FY22 Q3</u><br>0% O/S<br>\$3.37K | <u>FY22 Q4</u><br>0% O/S<br>\$5.97K | →     |  |              |
| Revenue Estimates within target %                      | 5% over or under estimated revenues | Quarterly | <u>FY2021</u><br>15.56%                | <u>FY2022</u><br>26.25%             | <u>FY2021</u><br>24.87%             | →     |  |              |
| Completion of comprehensive Cash Management Plan       | 100% completed, approved, & updated | Annual    | <u>FY2021</u><br>100%                  | <u>FY2022</u><br>100%               | <u>FY2023</u><br>100%               | →     |   |              |

08

08

*Performer Updates and AFTER FY20 & FY21*

# 2020 Performer<sup>®</sup> and A.F.T.E.R Analysis Update

Presentation to IGFOA 2023  
Prepared and Presented by Frank Crawford, CPA  
Crawford & Associates, P.C.  
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[frank@crawfordcpas.com](mailto:frank@crawfordcpas.com)  
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1

## Topics for today

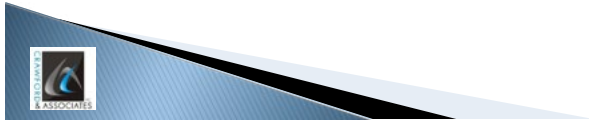
- ▶ A brief review of what the *Performer* and *A.F.T.E.R Analysis* is (and what it is not...)
- ▶ Review of factors and circumstances contributing to the 2020 scores and causes
- ▶ Provide an update on the most recent 2020 *Performer* scores and A.F.T.E.R. findings for 2020



2

## A brief review...

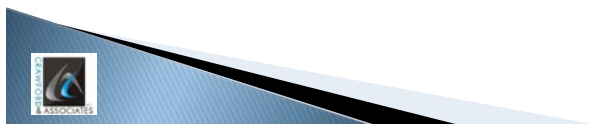
- ▶ The *Performer* measures the **financial health and success** of a government using a scale that all users (including decision makers) can understand, 0–10, with 0 = poor, 5 = satisfactory, and 10 = excellent
- ▶ Uses financial ratios for the evaluation
- ▶ The evaluation is only as **reliable** 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 number at the bottom right of each slide gives the reader some perspective of the score of each ratio.



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 2020

- ▶ Due dates for the 2020 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 9 governments (and two unknowns since the VI and Palau haven't released FY 2020 yet), the fiscal year ending September 30, 2020 produced improved results, while the other 4 governments' scores were just slightly dropped.



7

## Factors and Circumstances for 2020

- ▶ 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 2020

### ▸ Highlights

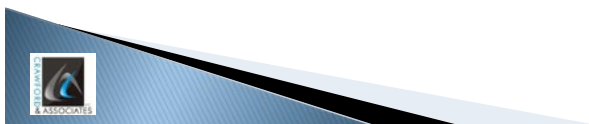
- In 2019, the CNMI was able to resolve a long-standing dispute with their auditors about pension accounting, with the adoption of GASB 68 and 71 pension-related accounting standards, which removed a significant qualification in the CNMI's audit report.
- Unfortunately, the adoption of the pension-related 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.
- However, in FY 2020, and \$58 million reduction in their net pension liability caused the CNMI's total net position deficit to shrink by \$24 million, increasing their overall Performer score.



## Factors and Circumstances for 2020

### ▸ Highlights

- The RMI continues to remain the model of consistency, deviating no more than 1.5 points over the last 11 years, settling in with a 6.64 for 2020, an increase of 17.5% from their score of a 5.65 in FY 2019. This is the highest score that the RMI has had in the history of the model.



## Factors and Circumstances for 2020

### ▶ Highlights

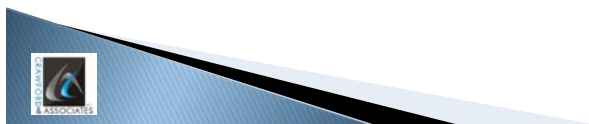
- All changes up or down in the Performer scores from 2020 were equal to or less than 25%, except as previously noted for the CNMI
- Outside of the CNMI nearly doubling their score due to the pension issue, Chuuk takes the prize for the highest percentage increase in the overall score, with a 25% improvement during FY 2020.
- RMI comes in second this year for posting a 17.5% improvement in their score from FY 2019, followed closely by ASG with a 17.4% increase.
- FSM National overtakes Yap State to take the prize for the high score this year of 8.01, besting Yap's score of 7.46



## Factors and Circumstances for 2020

### ➤ Highlights

- 3 of the 9 FY 2020 government financials received unmodified opinions, (formerly known as unqualified or clean opinions) on their financial statements, with 4 other 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)
- No government won the golden goose award with goose eggs (0s) all over their AFTER analysis in 2020, 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. A couple of governments were very close with only one finding tripping them up
- Questioned costs seemed to spike on nearly everyone this year, probably due to the beginnings of the increased federal assistance that began pouring in





# THE PERFORMETER

Current Scores Based on FY19 Audit Data

**A 7-10 SCORE INDICATES:**

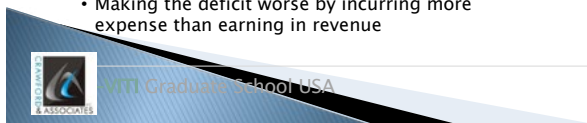
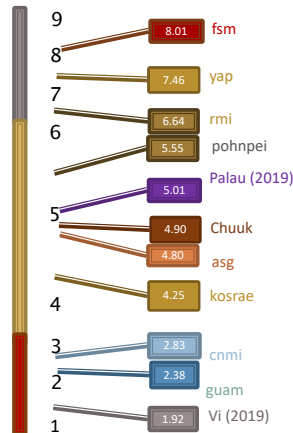
- repetitive positive performances for several years
- sufficient cash flows to pay vendors and employees
- relatively low tax and debt burdens per capita
- ability to consistently live within their means

**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

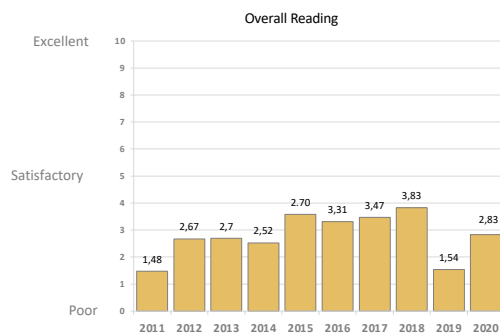
**A 0-3 SCORE INDICATES:**

- 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



## Performer® Reading

How Was Our Overall Financial Performance?



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

- Financial Position** 0.1
- Financial Performance** 8.5
- Financial Capability** 3.2

The 2020 reading of 2.83 indicates the evaluator's opinion that the Commonwealth of the Northern Marianas Islands Government's overall financial performance improved when compared to the prior period, due primarily to a \$58 million reduction of the net pension liability, which allowed the CNMI to post a positive reduction of their prior year net position deficit of \$24 million. Without this net pension liability reduction, the CNMI net position deficit would have instead grown by \$24 million.

Performer® Rating  
**2.83**

FY 20 Overall Performer® Reading: **2.83**

14

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| Ratio                              | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019  | FY 2020  |
|------------------------------------|---------|---------|---------|---------|----------|----------|
| Change in Net Position             | 10%     | 37.4%   | 53.7%   | 16.9%   | -10.7%   | 4.9%     |
| Intergenerational Equity           | 109.4%  | 126.5%  | 118.8%  | 102.6%  | 90.7%    | 105%     |
| Level of Unrestricted Net Position | -121.5% | -57.0%  | -34.1%  | -35.2%  | -125.5%  | -105.9%  |
| Level of Unassigned Fund Balance   | -69.1%  | -37.4%  | -19.7%  | -33.7%  | -64.1%   | -79.3%   |
| Revenue Dispersion                 | 68.4%   | 70.5%   | 73.2%   | 73.2%   | 50.4%    | 40.8%    |
| Capital Asset Condition            | 35%     | 33%     | 31%     | 32%     | 29%      | 28%      |
| Financing Margin – Taxes           | \$2,510 | \$3,896 | \$4,817 | \$4,598 | \$3,367  | \$3,318  |
| Financing Margin – Debt            | \$5,670 | \$4,947 | \$4,926 | \$3,253 | \$11,576 | \$10,879 |
| Debt to Assets                     | 199.5%  | 154.7%  | 121.9%  | 121.4%  | 336.3%   | 213.6%   |
| Debt Service Load                  | 3.3%    | 3.3%    | 2.7%    | 2.4%    | 1.6%     | 1.7%     |
| Current Ratio                      | 0.31    | 0.55    | 0.75    | 0.49    | 0.28     | 0.37     |
| Quick Ratio                        | 0.18    | 0.36    | 0.58    | 0.31    | 0.13     | 0.15     |
| Performer Reading                  | 3.58*   | 3.31*   | 3.47*   | 3.83    | 1.54*    | 2.83     |

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

Performer Individual Ratios Summary and Comparison to Prior Years

15

The Performer<sup>®</sup> 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         | 2020         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Number of F.S. Opinion Qualifications/Exceptions          | 3            | 7            | 2            | 5            | 5            | 5            | 3            | 4            | 5            |
| Number of Major Federal Program Qualifications/Exceptions | 8            | 7            | 8            | 8            | 6            | 6            | 6            | 4            | 4            |
| Number of F.S. Findings                                   |              |              |              |              |              |              |              |              |              |
| A. Internal Control and Compliance                        | 2            | 2            | 2            | 1            | 0            | 0            | 0            | 0            | 1            |
| B. Internal Control Only                                  | 18           | 11           | 13           | 12           | 12           | 14           | 14           | 14           | 21           |
| C. Compliance Only  | 0            | 0            | 0            | 0            | 1            | 1            | 0            | 0            | 0            |
| TOTAL   | 20           | 13           | 15           | 13           | 13           | 15           | 14           | 14           | 22           |
| Percentage of Findings Repeated                           | 72.7%        | 100%         | 60%          | 85%          | 92%          | 80%          | 93%          | 93%          | 64%          |
| Number of Single Audit Findings                           |              |              |              |              |              |              |              |              |              |
| A. Internal Control and Compliance                        | 28           | 0            | 2            | 22           | 18           | 9            | 10           | 11           | 14           |
| B. Internal Control Only                                  | 0            | 29           | 36           | 0            | 0            | 0            | 0            | 0            | 26           |
| C. Compliance Only  | 0            | 1            | 0            | 5            | 0            | 0            | 0            | 0            | 0            |
| TOTAL   | 28           | 30           | 38           | 27           | 18           | 9            | 10           | 11           | 40           |
| Percentage of S.A. Findings Repeated                      | 56%          | 50%          | 39.5%        | 59%          | 61%          | 56%          | 55%          | 55%          | 20%          |
| Number of months after Y/E the F.S. were Released         | 17           | 9            | 9            | 7            | 10           | 9            | 8            | 19           | 28           |
| Number of Qualifications/Exceptions Related to C.U.       | 2            | 7            | 2            | 4            | 4            | 4            | 2            | 2            | 2            |
| \$ of Questioned Costs-Current Year                       | \$6,620,692  | \$10,288,891 | \$3,754,204  | \$3,200,953  | \$16,067,272 | \$1,393,892  | \$369        | \$3,739,720  | \$47,874,171 |
| \$ of Questioned Costs- Cumulative                        | \$35,559,217 | \$45,848,108 | \$26,187,584 | \$17,114,454 | \$31,568,469 | \$21,722,238 | \$20,317,045 | \$24,056,765 | \$69,822,065 |
| \$ of Questioned Costs Resolved – Current Year            | \$0          | \$0          | \$23,414,727 | \$55,526     | \$1,613,257  | \$11,240,123 | \$1,405,562  | \$0          | \$2,108,871  |

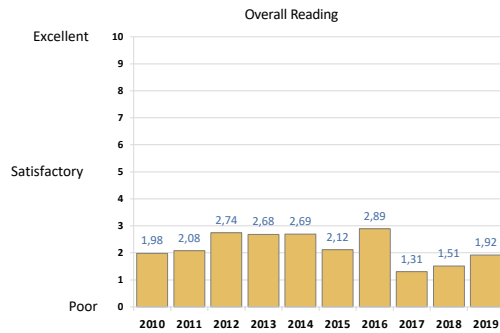
16

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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** 0.7  
**Financial Performance** 3.4  
**Financial Capability** 2.3

The 2019 overall reading of 1.92 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 3 fiscal years, however that recovery will stretch over several years into the future.

FY 19 Overall Performer® Reading:

**1.92**

17

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| Ratio                               | FY 2014 | FY 2015  | FY 2016 | FY 2017  | FY 2018  | FY 2019  |
|-------------------------------------|---------|----------|---------|----------|----------|----------|
| Change in Net Position              | 4.0%    | -7.1%    | 0.1%    | -20.0%   | -1.4%    | -3.9%    |
| Intergenerational Equity            | 104.5%  | 82.8%    | 100.2%  | 70.9%    | 91.3%    | 91.5%    |
| Level of Unrestricted Net Position  | -146.9% | -357.2%  | -267.7% | -382.7%  | -269.6%  | -284.3%  |
| Level of Unassigned Fund Balance    | -12.4%  | -8.6%    | -8.2%   | -36.3%   | -10.3%   | -12.6%   |
| Revenue Dispersion                  | 43.5%   | 45.9%    | 37.7%   | 58.1%    | 31.5%    | 32.6%    |
| BTA Self-Sufficiency                | 64%     | 68.9%    | 81.2%   | 99.5%    | 59.3%    | 68.1%    |
| Capital Asset Condition             | 54%     | 55%      | 54%     | 49%      | 48%      | 54%      |
| Financing Margin – Taxes            | \$9,058 | \$7,728  | 8,441   | \$7,944  | \$8,783  | \$9,295  |
| Financing Margin – Debt/Obligations | \$8,632 | \$31,186 | 37,194  | \$41,686 | \$41,298 | \$47,552 |
| Pension Plan Funding                | 37%     | 27%      | 20%     | 16%      | 16%      | 16%      |
| Debt Service Load                   | N/A     | 26%      | 18.8%   | 13.3%    | 10.1%    | 9.7%     |
| Debt to Assets                      | 176.3%  | 314.7%   | 323.3%  | 407%     | 365.3%   | 335.7%   |
| Debt Service Coverage               | 0.23    | 1.66     | 2.13    | 0.23     | 0.54     | 1.41     |
| Current Ratio                       | 1.3     | 0.94     | 0.90    | 0.72     | 1.01     | 1.13     |
| Quick Ratio                         | 0.54    | 0.58     | 0.49    | 0.39     | 0.58     | 0.20     |
| Overall Performer Reading           | 2.69    | *2.12    | *2.89   | 1.31     | 1.51     | 1.92     |

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

### Performer Individual Ratios Summary and Comparison to Prior Years

18

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|   | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Number of F.S. Opinion Qualifications/Exceptions          | 6                   | 9                   | 16                  | 19                  | 9                   | 13                  | 11                  |
| Number of Major Federal Program Qualifications/Exceptions | 3                   | 6                   | 9                   | 9                   | 10                  | 7                   | 11                  |
| Number of F.S. Findings                                   |                     |                     |                     |                     |                     |                     |                     |
| A. Internal Control and Compliance                        | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| B. Internal Control Only                                  | 8                   | 12                  | 12                  | 12                  | 13                  | 13                  | 13                  |
| C. Compliance Only  | 0                   | 2                   | 3                   | 3                   | 4                   | 4                   | 5                   |
| TOTAL   | 8                   | 14                  | 15                  | 15                  | 17                  | 17                  | 18                  |
| Percentage of Findings Repeated                           | 100% (estimate)     | 100% (estimate)     | 100% (estimate)     | 100% (estimate)     | 100% (estimate)     | 100% (estimate)     | 100% (estimate)     |
| Number of A-133 Findings                                  |                     |                     |                     |                     |                     |                     |                     |
| A. Internal Control and Compliance                        | 14                  | 46                  | 57                  | 56                  | 71                  | 57                  | 51                  |
| B. Internal Control Only                                  | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| C. Compliance Only  | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| TOTAL   | 14                  | 46                  | 57                  | 56                  | 71                  | 57                  | 51                  |
| Percentage of A-133 Findings Repeated                     | Unable to determine | 100%                | 84%                 | (100% estimate)     | (100% estimate)     | (100% estimate)     | (100% estimate)     |
| Number of months after Y/E the F.S. were Released         | 9                   | 12                  | 9                   | 9                   | 24                  | 21                  | 21                  |
| Number of Qualifications/Exceptions Related to C.U.       | 4                   | 3                   | 6                   | 5                   | 3                   | 4                   | 5                   |
| \$ of Questioned Costs- Current Year                      | \$0                 | \$1,172,427         | \$348,349           | \$0                 | \$163,394           | \$283,945           | \$278,600           |
| \$ of Questioned Costs- Cumulative                        | \$0                 | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |
| \$ of Questioned Costs Resolved – Current Year            | \$5,730,775         | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine | Unable to determine |

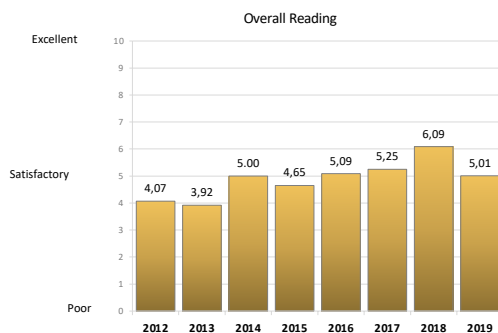
19

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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



20

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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

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 | 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 V/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 |

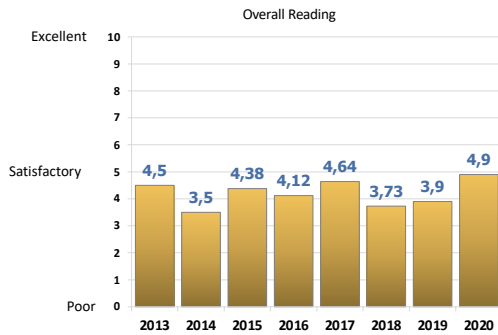
22

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# Performer® Reading

## How Was Our Overall Financial Performance?



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

|                       |     |
|-----------------------|-----|
| Financial Position    | 0.7 |
| Financial Performance | 9.5 |
| Financial Capability  | 7.9 |

The 2020 reading of 4.9 indicates the evaluator’s opinion that Chuuk Government’s overall financial health and performance was considered near satisfactory as of and for the fiscal year ended September 30, 2020, and represents an increase from the reading of the prior year.

Chuuk’s improvement of revenue dispersion, debt to asset ratio, change in net assets, intergenerational equity, 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 size of the General Fund unassigned fund balance deficit, and insufficient current and quick ratios remain the primary reasons for the slightly less than satisfactory reading of the current year.

FY 20 Overall Performer® Reading:

**4.9**

23

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| Ratio                               | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position              | 0.3%    | 0.7%    | 7.6%    | -3.0%   | -3.6%   | 36.8%   |
| Intergenerational Equity            | 97.3%   | 97.7%   | 102.4%  | 94.3%   | 94.4%   | 98.7%   |
| Level of Unrestricted Net Position  | -61.7%  | -55.4%  | -45.8%  | -41.1%  | -43.9%  | -36.8%  |
| Level of Unassigned Fund Balance    | -133.8% | 110.2%  | -82.3%  | -76.9%  | -85.5%  | -71.1%  |
| Revenue Dispersion                  | 11.5%   | 12%     | 11.6%   | 13.2%   | 27.7%   | 27%     |
| Capital Asset Condition             | 22%     | 20%     | 19%     | 17%     | 15%     | 22%     |
| Financing Margin – Taxes            | \$114   | \$133   | \$144   | \$137   | \$139   | \$157   |
| Financing Margin – Debt/Obligations | 192     | \$184   | \$177   | \$163   | \$148   | \$145   |
| Debt Service Load                   | 1.4%    | 1.2%    | 1.4%    | 1.7%    | 1.7%    | 2.1%    |
| Debt to Assets                      | 37.9%   | 37.2%   | 38.6%   | 41%     | 39.2%   | 30.6%   |
| Current Ratio                       | 0.20    | 0.33    | 0.38    | 0.29    | 0.39    | 0.42    |
| Quick Ratio                         | 0.08    | 0.08    | 0.12    | 0.16    | 0.19    | 0.17    |
| Overall Performer Reading           | 4.38*   | 4.12*   | 4.64*   | 3.73    | 3.90    | 4.93    |

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

### Performer Individual Ratios Summary and Comparison to Prior Years

24

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|   | 2012 | 2013      | 2014      | 2015      | 2016      | 2017      | 2018 | 2019     | 2020     |
|---|------|-----------|-----------|-----------|-----------|-----------|------|----------|----------|
| Number of F.S. Opinion Qualifications/Exceptions          | 1    | 2         | 2         | 2         | 1         | 1         | 1    | 1        | 1        |
| Number of Major Federal Program Qualifications/Exceptions | 0    | 1         | 1         | 0         | 0         | 0         | 0    | 1        | 0        |
| Number of F.S. Findings                                   |      |           |           |           |           |           |      |          |          |
| A. Internal Control and Compliance                        | 0    | 0         | 0         | 0         | 0         | 0         | 0    | 0        | 1        |
| B. Internal Control Only                                  | 4    | 5         | 2         | 2         | 2         | 2         | 3    | 3        | 1        |
| C. Compliance Only  | 0    | 0         | 0         | 0         | 0         | 0         | 0    | 0        | 0        |
| TOTAL   | 4    | 5         | 2         | 2         | 2         | 2         | 3    | 3        | 2        |
| Percentage of Findings Repeated                           | 50%  | 60%       | 100%      | 100%      | 100%      | 100%      | 67%  | 100%     | 100%     |
| Number of Single Audit Findings                           |      |           |           |           |           |           |      |          |          |
| A. Internal Control and Compliance                        | 1    | 3         | 2         | 4         | 1         | 0         | 1    | 3        | 1        |
| B. Internal Control Only                                  | 0    | 1         | 1         | 0         | 0         | 1         | 0    | 0        | 0        |
| C. Compliance Only  | 0    | 0         | 0         | 0         | 0         | 0         | 0    | 0        | 0        |
| TOTAL   | 1    | 4         | 3         | 4         | 1         | 1         | 1    | 3        | 1        |
| Percentage of S.A. Findings Repeated                      | 100% | 25%       | 50%       | 25%       | 100%      | 100%      | 100% | 33%      | 100%     |
| Number of months after Y/E the F.S. were Released         | 9    | 9         | 9         | 9         | 9         | 9         | 9    | 15       | 15       |
| Number of Qualifications/Exceptions Related to C.U.       | 0    | 0         | 0         | 0         | 0         | 0         | 0    | 0        | 0        |
| \$ of Questioned Costs-Current Year                       | \$0  | \$194,238 | \$114,918 | \$55,292  | \$0       | \$0       | \$0  | \$31,381 | \$0      |
| \$ of Questioned Costs- Cumulative                        | \$0  | \$194,238 | \$309,156 | \$364,448 | \$364,448 | \$0       | \$0  | \$31,381 | \$31,381 |
| \$ of Questioned Costs Resolved – Current Year            | \$0  | \$0       | \$0       | \$0       | \$0       | \$364,448 | \$0  | \$0      | \$0      |

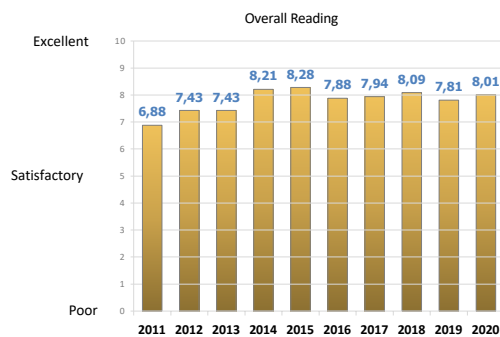
25

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## Performer® Reading

### How Was Our Overall Financial Performance?



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

**Financial Position** 8.0  
**Financial Performance** 8.9  
**Financial Capability** 7.7

The 2020 reading of 8.01 indicates the evaluator's opinion that the Federated States of Micronesia Government's overall financial health and performance increased when compared to the prior period, and 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 20 Overall Performer® Reading:

**8.01**

26

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| Ratio                               | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position              | 12.7%   | 15%     | 17.6%   | 25%     | 5.9%    | 6.3%    |
| Intergenerational Equity            | 167.9%  | 162.8%  | 163.3%  | 227.2%  | 130.2%  | 131.8%  |
| Level of Unrestricted Net Position  | 113.1%  | 118.3%  | 119.6%  | 151.2%  | 200.0%  | 272.8%  |
| Level of Unassigned Fund Balance    | 24%     | 18.9%   | 19.2%   | 16.3%   | 14.4%   | 50.6%   |
| Revenue Dispersion                  | 38.4%   | 16.1%   | 22.5%   | 48.1%   | 41.4%   | 22.4%   |
| Capital Asset Condition             | 74%     | 71%     | 67%     | 72%     | 67%     | 63%     |
| Financing Margin – Taxes            | \$166   | \$193   | \$371   | \$986   | \$763   | \$254   |
| Financing Margin – Debt/Obligations | \$494   | \$483   | \$537   | \$512   | \$480   | \$463   |
| Pension Plan Funding                | 16%     | 16%     | 18%     | 15%     | 15%     | 15%     |
| Debt Service Load                   | 4.0%    | 2.4%    | 2.2%    | 2.7%    | 3.3%    | 3.3%    |
| Debt to Assets                      | 17.7%   | 16.9%   | 18.9%   | 13.2%   | 12.8%   | 13.1%   |
| Current Ratio                       | 7.31    | 8.33    | 8.34    | 10.01   | 10.62   | 9.52    |
| Quick Ratio                         | 4.93    | 5.94    | 6.14    | 8.26    | 9.15    | 8.27    |
| Overall Performer Reading           | 8.28*   | 7.88*   | 7.94*   | 8.09    | 7.81    | 8.01    |

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

Performer Individual Ratios Summary and Comparison to Prior Years

27

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|   | 2013        | 2014        | 2015        | 2016        | 2017     | 2018     | 2019 | 2020     |
|---|-------------|-------------|-------------|-------------|----------|----------|------|----------|
| Number of F.S. Opinion Qualifications/Exceptions          | 0           | 0           | 0           | 0           | 0        | 0        | 0    | 0        |
| Number of Major Federal Program Qualifications/Exceptions | 3           | 6           | 1           | 0           | 0        | 2        | 0    | 0        |
| Number of F.S. Findings                                   |             |             |             |             |          |          |      |          |
| A. Internal Control and Compliance                        | 0           | 0           | 0           | 0           | 0        | 0        | 0    | 0        |
| B. Internal Control Only                                  | 1           | 1           | 1           | 1           | 0        | 0        | 0    | 1        |
| C. Compliance Only  | 0           | 0           | 0           | 0           | 0        | 0        | 0    | 0        |
| TOTAL   | 1           | 1           | 1           | 1           | 0        | 0        | 0    | 1        |
| Percentage of Findings Repeated                           | 100%        | 100%        | 100%        | 100%        | 0%       | 0%       | 0%   | 0%       |
| Number of Single Audit Findings                           |             |             |             |             |          |          |      |          |
| A. Internal Control and Compliance                        | 7           | 12          | 5           | 2           | 1        | 2        | 1    | 1        |
| B. Internal Control Only                                  | 2           | 0           | 0           | 0           | 0        | 0        | 0    | 0        |
| C. Compliance Only  | 0           | 0           | 0           | 0           | 0        | 0        | 0    | 0        |
| TOTAL   | 9           | 12          | 5           | 2           | 1        | 2        | 1    | 1        |
| Percentage of S.A. Findings Repeated                      | 77.7%       | 16.7%       | 0%          | 50%         | 0%       | 0%       | 100% | 0%       |
| Number of months after Y/E the F.S. were Released         | 9           | 9           | 9           | 9           | 9        | 9        | 15   | 15       |
| Number of Qualifications/Exceptions Related to C.U.       | 0           | 0           | 0           | 0           | 0        | 0        | 0    | 0        |
| \$ of Questioned Costs- Current Year                      | \$2,665,578 | \$580,807   | \$28,936    | \$0         | \$0      | \$0      | \$0  | \$95,798 |
| \$ of Questioned Costs- Cumulative                        | \$3,642,795 | \$4,223,602 | \$4,257,599 | \$27,391    | \$27,391 | \$0      | \$0  | \$95,798 |
| \$ of Questioned Costs Resolved – Current Year            | \$2,082,802 | \$0         | \$33,580    | \$4,230,168 | \$0      | \$27,391 | \$0  | \$0      |

28

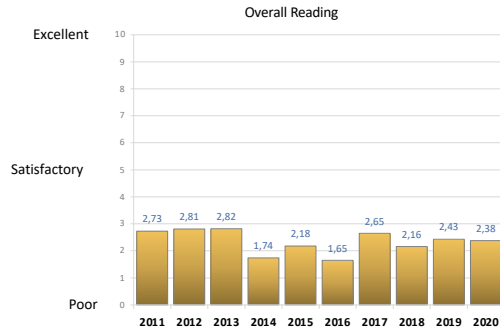
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# Performer<sup>®</sup> Reading

## How Was Our Overall Financial Performance?



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

|                       |             |
|-----------------------|-------------|
| Financial Position    | 0.58        |
| Financial Performance | 7.12        |
| Financial Capability  | <u>2.50</u> |
| <b>Overall</b>        | <b>2.38</b> |

The 2020 reading of 2.38 indicates the evaluator's opinion that the Government of Guam's overall financial health and performance remained relatively steady when compared to the reading of the previous year.

Several ratios noted improvements in financial health and performance, while other ratios declined somewhat. The remaining ratios were mostly unchanged.

FY 20 Overall Performer<sup>®</sup> Reading:

**2.38**

29

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| Ratio                               | FY 2015  | FY 2016  | FY 2017  | FY 2018  | FY 2019  | FY 2020  |
|-------------------------------------|----------|----------|----------|----------|----------|----------|
| Change in Net Position              | -4.6%    | -11.5%   | 5.5%     | -0.7%    | 1.6%     | 0.4%     |
| Intergenerational Equity            | 97.2%    | 94.7%    | 102.2%   | 98.8%    | 103.7%   | 100.4%   |
| Level of Unrestricted Net Position  | -155.0%  | -153.5%  | -163.9%  | -285.1%  | -262.5%  | -195.6%  |
| Level of Unassigned Fund Balance    | -27.3%   | -31.5%   | -23.9%   | -27.1%   | -21.2%   | -15.5%   |
| Revenue Dispersion                  | 34.9%    | 35.3%    | 35.2%    | 37.8%    | 40.3%    | 27.1%    |
| Capital Asset Condition             | 59%      | 57%      | 57%      | 52%      | 50%      | 48%      |
| Financing Margin – Taxes            | \$4,013  | \$4,240  | \$4,368  | \$4,378  | \$4,492  | \$4,656  |
| Financing Margin – Debt/Obligations | \$13,709 | \$14,632 | \$15,802 | \$24,670 | \$22,359 | \$25,264 |
| Pension Plan Funding                | 57%      | 53%      | 49.8%    | 54.0%    | 57.2%    | 56%      |
| Debt Service Load                   | 8.2%     | 7.3%     | 8.1%     | 8.4%     | 8.7%     | 6.6%     |
| Debt to Assets                      | 143.8%   | 151.0%   | 158.0%   | 246.2%   | 220.4%   | 231.8%   |
| Current Ratio                       | 0.83     | 0.90     | 1.02     | 0.98     | 1.08     | 1.19     |
| Quick Ratio                         | 0.14     | 0.36     | 0.20     | 0.21     | 0.28     | 0.53     |
| Overall Performer Reading           | 2.18*    | 1.65*    | 2.65*    | 2.16     | 2.43     | 2.38     |

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

### Performer Individual Ratios Summary and Comparison to Prior Years

30

The Performer<sup>®</sup> 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.

|   | 2013        | 2014     | 2015     | 2016      | 2017      | 2018      | 2019        | 2020        |
|---|-------------|----------|----------|-----------|-----------|-----------|-------------|-------------|
| Number of F.S. Opinion Qualifications/Exceptions          | 0           | 0        | 0        | 0         | 0         | 0         | 0           | 0           |
| Number of Major Federal Program Qualifications/Exceptions | 4           | 7        | 4        | 4         | 4         | 4         | 2           | 6           |
| Number of F.S. Findings                                   |             |          |          |           |           |           |             |             |
| A. Internal Control and Compliance                        | 0           | 0        | 0        | 0         | 0         | 0         | 0           | 0           |
| B. Internal Control Only                                  | 3           | 3        | 1        | 0         | 0         | 1         | 2           | 2           |
| C. Compliance Only  | 0           | 0        | 0        | 0         | 0         | 0         | 0           | 0           |
| TOTAL   | 3           | 3        | 1        | 0         | 0         | 1         | 2           | 2           |
| Percentage of Findings Repeated                           | 100%        | 33%      | 0%       | 0%        | 0%        | 0%        | 50%         | 50%         |
| Number of Single Audit Findings                           |             |          |          |           |           |           |             |             |
| A. Internal Control and Compliance                        | 5           | 6        | 8        | 9         | 7         | 3         | 6           | 16          |
| B. Internal Control Only                                  | 0           | 1        | 0        | 0         | 0         | 0         | 0           | 0           |
| C. Compliance Only  | 0           | 0        | 0        | 0         | 0         | 0         | 0           | 0           |
| TOTAL   | 5           | 7        | 8        | 9         | 7         | 3         | 6           | 16          |
| Percentage of S.A. Findings Repeated                      | 0%          | 14%      | 12.5%    | 33%       | 71%       | 100%      | 33%         | 31%         |
| Number of months after Y/E the F.S. were Released         | 9           | 9        | 9        | 8         | 9         | 9         | 11          | 8           |
| Number of Qualifications/Exceptions Related to C.U.       | 0           | 0        | 0        | 0         | 0         | 0         | 0           | 0           |
| \$ of Questioned Costs-Current Year                       | \$18,178    | \$46,293 | \$348    | \$432,056 | \$135,451 | \$549,023 | \$1,113,368 | \$1,113,516 |
| \$ of Questioned Costs- Cumulative                        | \$53,471    | \$99,764 | \$14,798 | \$432,056 | \$567,507 | \$694,425 | \$1,662,391 | \$2,975,907 |
| \$ of Questioned Costs Resolved – Current Year            | \$1,418,760 | \$10,077 | \$0      | \$85,314  | \$14,450  | \$348     | \$145,402   | \$0         |

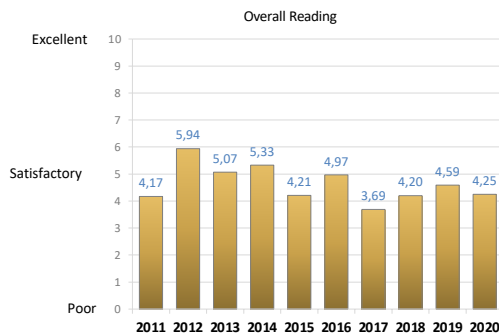
31

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## Performer® Reading

### How Was Our Overall Financial Performance?



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

**Financial Position**      2.7  
**Financial Performance**    4.7  
**Financial Capability**      6.3

The 2020 overall reading of 4.25 indicates the evaluator's opinion that Kosrae's overall financial health and performance decreased from the previous period, and remains slightly below the satisfactory reading.

Kosrae's current year rating decrease is due primarily to the decrease in intergenerational equity, and the decrease in the current and quick ratios.

FY 20 Overall Performer® Reading:

**4.25**

32

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| Ratio                               | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position              | -3.4%   | 42.4%   | -2.4%   | -0.9%   | -0.6%   | -2.7%   |
| Intergenerational Equity            | 88.8%   | 178.6%  | 92.6%   | 95.1%   | 95.9%   | 91%     |
| Level of Unrestricted Net Position  | -31.4%  | -6.9%   | -19.3%  | -11.7%  | -9.1%   | -3.1%   |
| Level of Unassigned Fund Balance    | -43.1%  | -38.1%  | -58.3%  | -24.8%  | -28.0%  | 0.1%    |
| Revenue Dispersion                  | 7.8%    | 3.6%    | 8.7%    | 7.7%    | 8.0%    | 9.5%    |
| Capital Asset Condition             | 33%     | 44%     | 45%     | 43%     | 41%     | 39%     |
| Financing Margin – Taxes            | \$214   | \$232   | \$240   | \$244   | \$254   | \$279   |
| Financing Margin – Debt/Obligations | \$614   | \$690   | \$681   | \$605   | \$540   | \$510   |
| Debt Service Load                   | 2.0%    | 2.6%    | 2.8%    | 3.0%    | 3.3%    | 3.4%    |
| Debt to Assets                      | 17.5%   | 14.8%   | 16.2%   | 14.2%   | 12.3%   | 14.1%   |
| Current Ratio                       | 0.65    | 1.13    | 0.98    | 1.25    | 1.63    | 1.46    |
| Quick Ratio                         | 0.50    | 0.52    | 0.44    | 0.70    | 1.07    | 0.62    |
| Overall Performer Reading           | 4.21*   | 4.97*   | 3.69*   | 4.20    | 4.59    | 4.25    |

\*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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|   | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|------|------|
| 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    | 1    | 0    | 0    | 0    | 0    | 0    |
| B. Internal Control Only                                  | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 1    |
| C. Compliance Only  | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| TOTAL   | 1    | 0    | 1    | 0    | 0    | 0    | 0    | 1    |
| Percentage of Findings Repeated                           | 100% | 0%   | 0%   | 0%   | 0%   | 0%   | 0%   | 0%   |
| Number of Single Audit Findings                           |      |      |      |      |      |      |      |      |
| A. Internal Control and Compliance                        | 0    | 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   | 0    | 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    | 8    | 8.5  | 15   | 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  |

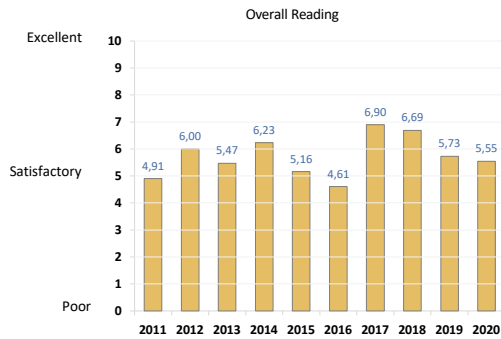
34

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# Performer® Reading

## How Was Our Overall Financial Performance?



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

**Financial Position** 4.0  
**Financial Performance** 6.1  
**Financial Capability** 6.9

The 2020 overall reading of 5.55 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 2020 fiscal year but maintained a satisfactory reading. The primary reasons for the 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.

FY 20 Overall Performer® Reading:

**5.55**

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| Ratio                               | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position              | -3.0%   | -3.5%   | 15.8%   | 8.3%    | 2.2%    | 0.1%    |
| Intergenerational Equity            | 95.6%   | 91.6%   | 114.7%  | 108.8%  | 101.6%  | 97.7%   |
| Level of Unrestricted Net Position  | -8.5%   | -8.9%   | 5.6%    | 11.7%   | 16.8%   | 14.2%   |
| Level of Unassigned Fund Balance    | 1.7%    | -5.0%   | 24.6%   | 23.7%   | -3.5%   | 0.5%    |
| Revenue Dispersion                  | 12.4%   | 14.8%   | 14.1%   | 16%     | 17.6%   | 16.9%   |
| Capital Asset Condition             | 29%     | 27%     | 25%     | 24%     | 22%     | 21%     |
| Financing Margin – Taxes            | \$277   | \$268   | \$312   | \$383   | \$369   | \$367   |
| Financing Margin – Debt/Obligations | \$132   | \$128   | \$125   | \$118   | \$110   | \$107   |
| Debt Service Load                   | 0.4%    | 1.9%    | 0.8%    | 0.7%    | 0.6%    | 0.6%    |
| Debt to Assets                      | 19.2%   | 20.2%   | 15%     | 14.2%   | 10.7%   | 12%     |
| Current Ratio                       | 1.80    | 1.76    | 1.67    | 1.37    | 1.30    | 1.37    |
| Quick Ratio                         | 0.77    | 0.68    | 0.99    | 0.83    | 0.80    | 0.83    |
| Overall Performer Reading           | *5.16   | *4.61   | *6.90   | 6.69    | 5.73    | 5.55    |

\*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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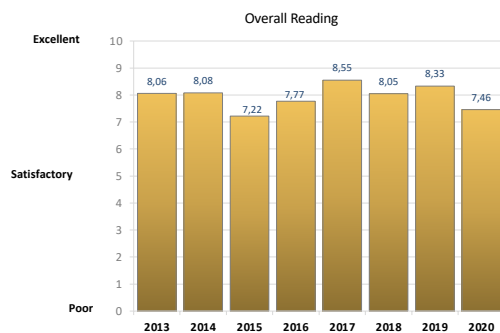
|   | 2013      | 2014      | 2015        | 2016        | 2017      | 2018      | 2019        | 2020        |
|---|-----------|-----------|-------------|-------------|-----------|-----------|-------------|-------------|
| Number of F.S. Opinion Qualifications/Exceptions          | 0         | 0         | 0           | 1           | 1         | 1         | 1           | 1           |
| Number of Major Federal Program Qualifications/Exceptions | 1         | 1         | 1           | 0           | 0         | 0         | 2           | 2           |
| Number of F.S. Findings                                   |           |           |             |             |           |           |             |             |
| A. Internal Control and Compliance                        | 0         | 0         | 0           | 0           | 0         | 0         | 0           | 1           |
| B. Internal Control Only                                  | 1         | 1         | 1           | 2           | 1         | 1         | 2           | 0           |
| C. Compliance Only  | 0         | 0         | 0           | 0           | 0         | 0         | 0           | 0           |
| TOTAL   | 1         | 1         | 1           | 2           | 1         | 1         | 2           | 1           |
| Percentage of Findings Repeated                           | 0%        | 0%        | 0%          | 0%          | 100%      | 100%      | 50%         | 100%        |
| Number of Single Audit Findings                           |           |           |             |             |           |           |             |             |
| A. Internal Control and Compliance                        | 3         | 4         | 4           | 0           | 1         | 1         | 7           | 8           |
| B. Internal Control Only                                  | 1         | 0         | 0           | 1           | 0         | 0         | 0           | 0           |
| C. Compliance Only  | 0         | 0         | 0           | 0           | 0         | 0         | 0           | 0           |
| TOTAL   | 4         | 4         | 4           | 1           | 1         | 1         | 7           | 8           |
| Percentage of S.A. Findings Repeated                      | 25%       | 25%       | 25%         | 100%        | 100%      | 0%        | 14%         | 88%         |
| Number of months after Y/E the F.S. were Released         | 9         | 9         | 9           | 9           | 9         | 9         | 15          | 15          |
| Number of Qualifications/Exceptions Related to C.U.       | 0         | 0         | 0           | 0           | 0         | 0         | 0           | 0           |
| \$ of Questioned Costs-Current Year                       | \$0       | \$541,593 | \$368,539   | \$0         | \$0       | \$0       | \$735,506   | \$1,156,774 |
| \$ of Questioned Costs- Cumulative                        | \$121,682 | \$663,275 | \$1,032,816 | \$1,032,816 | \$584,803 | \$584,803 | \$1,320,309 | \$1,822,350 |
| \$ of Questioned Costs Resolved – Current Year            | \$121,682 | \$0       | \$0         | \$0         | \$448,013 | \$0       | \$0         | \$0         |

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## Performer® Reading

### How Was Our Overall Financial Performance?



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

**Financial Position** 10.0  
**Financial Performance** 3.7  
**Financial Capability** 6.8

The 2020 overall reading of 7.46 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 20 Overall Performer® Reading:

**7.46**

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| Ratio                               | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position              | -5.1%   | 2.4%    | 8.2%    | 3.9%    | 3.8%    | 5.0%    |
| Intergenerational Equity            | 81.8%   | 92.5%   | 102.3%  | 95.3%   | 108.8%  | 87.9%   |
| Level of Unrestricted Net Position  | 277.4%  | 284.7%  | 222.4%  | 314.3%  | 286.6%  | 337.6%  |
| Level of Unassigned Fund Balance    | 259.2%  | 127.3%  | 145.2%  | 99.6%   | 113.5%  | 198.7%  |
| Revenue Dispersion                  | 15%     | 14.5%   | 11.9%   | 16%     | 13%     | 13.7%   |
| BTA Self-Sufficiency                | 67.5%   | 70.2%   | 62.4%   | 70.6%   | 77.5%   | 75.6%   |
| Capital Asset Condition             | 18%     | 16%     | 16%     | 16%     | 14%     | 13%     |
| Financing Margin – Taxes            | \$290   | \$307   | \$365   | \$287   | \$251   | \$286   |
| Financing Margin – Debt/Obligations | \$369   | \$353   | \$542   | \$504   | \$462   | \$449   |
| Debt Service Load                   | 2.1%    | 2.2%    | 1.5%    | 1.5%    | 1.9%    | 2.0%    |
| Debt to Assets                      | 9.6%    | 8.6%    | 10.2%   | 10.7%   | 8.4%    | 9.0%    |
| Current Ratio                       | 3.10    | 3.46    | 3.15    | 3.22    | 4.70    | 3.92    |
| Quick Ratio                         | 2.60    | 2.79    | 2.72    | 2.43    | 3.07    | 2.47    |
| Overall Performer Reading           | *7.22   | *7.77   | *8.55   | 8.05    | 8.33    | 7.46    |

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

Performer Individual Ratios Summary and Comparison to Prior Years

39

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|   | 2013      | 2014      | 2015        | 2016        | 2017      | 2018      | 2019      | 2020      |
|---|-----------|-----------|-------------|-------------|-----------|-----------|-----------|-----------|
| Number of F.S. Opinion Qualifications/Exceptions          | 2         | 2         | 2           | 2           | 1         | 1         | 1         | 1         |
| Number of Major Federal Program Qualifications/Exceptions | 2         | 2         | 1           | 1           | 1         | 1         | 1         | 1         |
| Number of F.S. Findings                                   |           |           |             |             |           |           |           |           |
| A. Internal Control and Compliance                        | 0         | 0         | 0           | 0           | 1         | 1         | 1         | 1         |
| B. Internal Control Only                                  | 1         | 1         | 1           | 0           | 0         | 0         | 0         | 0         |
| C. Compliance Only  | 0         | 0         | 0           | 2           | 0         | 0         | 0         | 0         |
| TOTAL   | 1         | 1         | 1           | 2           | 1         | 1         | 1         | 1         |
| Percentage of Findings Repeated                           | 0%        | 100%      | 100%        | 50%         | 100%      | 100%      | 100%      | 100%      |
| Number of Single Audit Findings                           |           |           |             |             |           |           |           |           |
| A. Internal Control and Compliance                        | 3         | 5         | 3           | 4           | 2         | 2         | 2         | 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   | 3         | 5         | 3           | 4           | 2         | 2         | 2         | 0         |
| Percentage of S.A. Findings Repeated                      | 0%        | 0%        | 67%         | 25%         | 0%        | 50%       | 50%       | 0%        |
| Number of months after Y/E the F.S. were Released         | 9         | 9         | 9           | 9           | 9         | 9         | 15        | 15        |
| Number of Qualifications/Exceptions Related to C.U.       | 2         | 2         | 2           | 2           | 1         | 1         | 1         | 1         |
| \$ of Questioned Costs- Current Year                      | \$45,776  | \$129,385 | \$30,354    | \$74,514    | \$95,055  | \$375,880 | \$174,758 | \$0       |
| \$ of Questioned Costs- Cumulative                        | \$864,259 | \$993,644 | \$1,023,998 | \$1,098,512 | \$277,044 | \$652,924 | \$645,693 | \$645,693 |
| \$ of Questioned Costs Resolved – Current Year            | \$3,660   | \$0       | \$0         | \$0         | \$916,523 | \$0       | \$7,231   | \$0       |

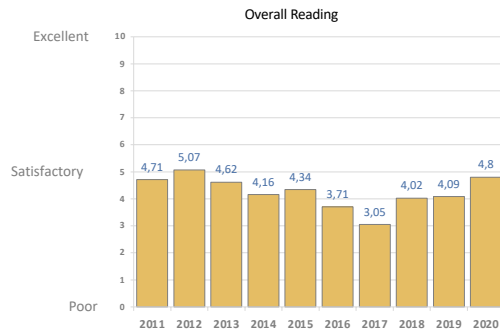
40

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## Performer® Reading

### How Was Our Overall Financial Performance?



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**

41

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| Ratio                               | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position              | 1.8%    | -2.0%   | -12.5%  | -1.9%   | +1.0%   | +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

42

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|   | 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 |

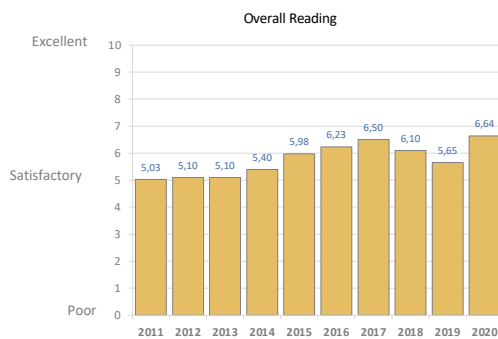
43

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## Performer® Reading

### How Was Our Overall Financial Performance?



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

**Financial Position**            **4.4**  
**Financial Performance**       **10**  
**Financial Capability**          **7.7**

The 2020 overall reading of 6.64 indicates the evaluator's opinion that the RMI's overall financial health and performance improved when compared to the prior period.

The RMI's overall financial health improved during the 2020 fiscal year, and 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, its low debt to assets ratio, intergenerational equity, and the change in net assets. This becomes the tenth consecutive year that the RMI has scored above a 5.

FY 20 Overall Performer® Reading:

**6.64**

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| Ratio                               | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Change in Net Position              | 2.0%    | 9.0%    | 16.2%   | 1.2%    | -2.4%   | 12.4%   |
| Intergenerational Equity            | 102.1%  | 111.9%  | 114.9%  | 99.1%   | 97.5%   | 103.4%  |
| Level of Unrestricted Net Position  | -21.4%  | -13.1%  | -7.8%   | -0.8%   | -9.1%   | -2.7%   |
| Level of Unassigned Fund Balance    | 6.5%    | 10.9%   | 15.1%   | 14.8%   | 11.6%   | 11.1%   |
| Revenue Dispersion                  | 36.1%   | 32.2%   | 28.9%   | 33%     | 35.4%   | 32.0%   |
| Capital Asset Condition             | 46%     | 44%     | 43%     | 42%     | 40%     | 44%     |
| Financing Margin – Taxes            | \$274   | \$310   | \$327   | \$354   | \$377   | \$368   |
| Financing Margin – Debt/Obligations | \$886   | \$842   | \$805   | \$766   | \$732   | \$746   |
| Pension Plan Funding                | 16%     | 16%     | 16%     | 18%     | 18%     | 18%     |
| Debt Service Load                   | 3.1     | 3.1%    | 2.4%    | 2.5%    | 2.5%    | 4.5%    |
| Debt to Assets                      | 37.8%   | 35%     | 32.4%   | 30.6%   | 33.3%   | 31.6%   |
| Current Ratio                       | 2.08    | 1.93    | 2.02    | 1.97    | 2.05    | 2.05    |
| Quick Ratio                         | 0.51    | 0.34    | 0.46    | 0.45    | 0.39    | 0.80    |
| Overall Performer Reading           | *5.98   | *6.23   | *6.50   | 6.10    | *5.65   | 6.64    |

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

Performer Individual Ratios Summary and Comparison to Prior Years

45

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|   | 2011        | 2012        | 2013        | 2014        | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Number of F.S. Opinion Qualifications/Exceptions          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Number of Major Federal Program Qualifications/Exceptions | 3           | 2           | 2           | 2           | 2           | 2           | 1           | 2           | 2           | 1           |
| Number of F.S. Findings                                   |             |             |             |             |             |             |             |             |             |             |
| A. Internal Control and Compliance                        | 0           | 0           | 0           | 0           | 1           | 0           | 0           | 0           | 0           | 0           |
| B. Internal Control Only                                  | 2           | 4           | 7           | 6           | 6           | 1           | 3           | 2           | 2           | 3           |
| C. Compliance Only  | 0           | 0           | 1           | 1           | 1           | 2           | 0           | 0           | 1           | 0           |
| TOTAL   | 2           | 4           | 8           | 9           | 8           | 3           | 3           | 2           | 3           | 3           |
| Percentage of Findings Repeated                           | 50%         | 75%         | 75%         | 78%         | 88%         | 67%         | 33%         | 50%         | 50%         | 67%         |
| Number of Single Audit Findings                           |             |             |             |             |             |             |             |             |             |             |
| A. Internal Control and Compliance                        | 12          | 7           | 3           | 4           | 12          | 9           | 8           | 9           | 5           | 3           |
| B. Internal Control Only                                  | 0           | 0           | 4           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| C. Compliance Only  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 1           |
| TOTAL   | 12          | 7           | 7           | 4           | 12          | 9           | 8           | 9           | 5           | 4           |
| Percentage of Single Audit Findings Repeated              | 41.7%       | 100%        | 100%        | 100%        | 42%         | 89%         | 100%        | 75%         | 80%         | 75%         |
| Number of months after Y/E the F.S. were Released         | 17          | 10          | 12          | 17          | 14          | 9           | 9           | 9           | 15          | 20          |
| Number of Qualifications/Exceptions Related to C.U.       | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| \$ of Questioned Costs-Current Year                       | \$3,156,810 | \$35,857    | \$71,294    | \$318,321   | \$626,246   | \$67,261    | \$188,885   | \$398,764   | \$1,399,371 | \$4,518,402 |
| \$ of Questioned Costs- Cumulative                        | \$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 | \$8,220,861 |
| \$ of Questioned Costs Resolved – Current Year            | \$1,196,066 | \$0         | \$5,158,110 | \$0         | \$1,650     | \$1,447,662 | \$155,381   | \$0         | \$215,941   | \$0         |

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.

# Questions?



09

09

*Tax Reform and Tax Information System*



ISLAND GOVERNMENT FINANCE OFFICERS ASSOCIATION  
Annual Winter Conference

# Tax Reform & Tax Information Systems Learning from Experience



## History... as in decades of history (FAS and Flag Territories)

### ➤ Trust Territory Legacy

- ✓ Focus was on simplification
- ✓ Not tuned to independent status (FAS)
- ✓ Not tuned to the (evolving) structure of each economy
- ✓ Across most tax categories focus has been on rising rates vs. broadened base



## One common tax as an example

### ➤ (Business) Gross Revenue Tax as an example

- ✓ Focus was on simplification
- ✓ In economic terms: a sales tax hidden inside a so-called business tax
- ✓ Introduces distortions through:
  - ❖ Cascading
  - ❖ Different implicit tax rates on different business activities
  - ❖ Punitive for start-up and newer businesses



## Reform Outline: Moving Toward International Best Practice

### ➤ (B)GRT and import tax replaced with a Broad-Based Consumption Tax

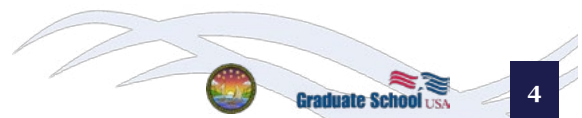
- ❖ Value-Added Tax or Goods and Services Tax
- ❖ Broad-Based is good, but lack of progressivity is bad—needs to be mitigated

### ➤ Business income tax introduced at one or a small number of rates

### ➤ Personal income tax or Wages & Salary Tax rates modified:

- ❖ Firstly, to add more progressivity to mitigate impact of VAT/GST
- ❖ Secondly to broaden the base to include non-wage sources (benefits)

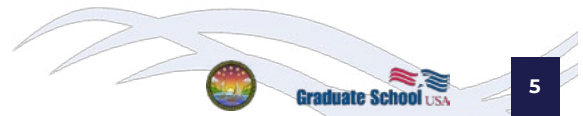
### ➤ Excise taxes (sin taxes) maintained/modified to protect revenue base





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Annual Winter Conference

# Republic of Palau: Tax Reform



## Palau - Comprehensive Tax Reform

- *RPPL 11-11: Palau Goods and Services Tax Act – Enacted September 2021*
- *Effective Date: January 1, 2023*



## Components of Palau's Tax Reform

| Tax Type                            | Change   | Rate  |
|-------------------------------------|----------|---|
| Palau Goods and Services Tax (PGST) | NEW      | 10%<br>On import and supply of most goods and services                  |
| Business Profits Tax (BPT)          | NEW      | 12% on net income<br>(For PGST persons, and banks)                      |
| Gross Revenue Tax (GRT)             | MODIFIED | 4% of business gross receipts<br>(For businesses grossing \$50k-\$300k) |
| Additional Business License Fee     | NEW      | \$100/yr<br>For business entities grossing less than \$50k              |
| Salary and Wage Tax                 | REDUCED  | 0-8,000; 6%<br>8,001-40,000; <del>12%</del> 10%<br>40,001+; 12%         |
| Hotel Room/Vessel Occupancy Tax     | REDUCED  | <del>12%</del> 10%, or <del>\$12</del> \$10<br>per night                |
| Import Tax                          | REMOVED  | 3% on most goods<br>Now zero-rated                                      |

## Components of Palau's Tax Reform

| Tax Type                         | Change   | Rate   |
|----------------------------------|----------|--|
| Carbon Tax                       | MODIFIED | <del>5¢</del> 2¢ per gallon  |
| International Transportation Tax | NEW      | 4% on revenues derived from transport of persons, goods, and cargo to outside of Palau |
| Nonresident Tax (withholding)    | NEW      | Insurance premiums; 5%<br>Interest, royalties, technical fees, etc.; 10%               |
| Land Transaction Proceeds Fee    | NEW      | 4% on proceeds of lease or transfer of land  |

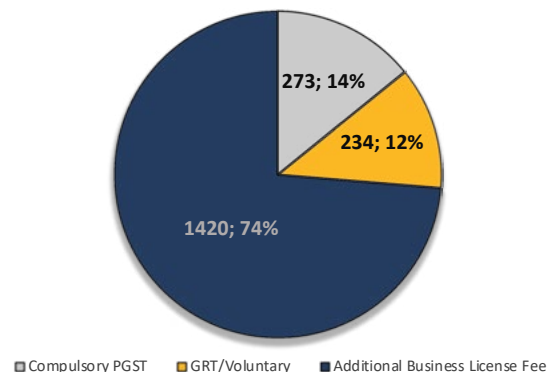
## Components of Palau's Tax Reform

| Tax Type                           | Change | Rate   |
|------------------------------------|--------|--|
| <b>Wages and Salary Tax Refund</b> | NEW    | Palauan Citizens earning \$15k and below   |
| <b>Social Assistance Payments</b>  | NEW    | 4% of informal-market revenue<br>Palauan citizens engaged in sector,<br>making \$15k or less         |
| <b>Child Raising Subsidy</b>       | NEW    | \$100 per child<br>Low-income, eligible for Wages and Salary<br>Refund or Social Assistance Payments |

## Business Entities Affected

| Status   | Income  |
|--|---|
| Compulsory PGST/BPT                              | <ul style="list-style-type: none"> <li>More than \$300k in annual taxable supplies</li> <li>FIAC-Companies</li> </ul> |
| GRT or Voluntary PGST                            | Annual gross revenue from 50,001-300,000  |
| Additional Business License Fee (Small Business) | \$50k and Below in Annual Gross   |

Business Entities by Tax Class





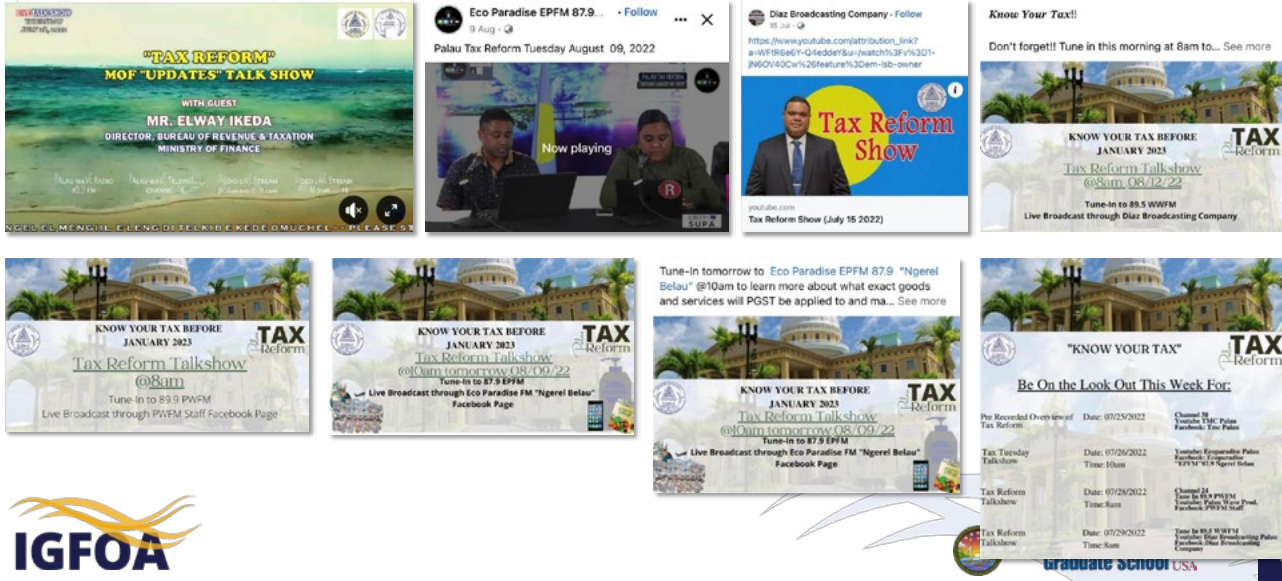
## Implementation Process

- Driven by steering committee appointed by MOF as provided by law
- Phased-Approach based on key dates
- Taxpayer Focused
- Prioritization of most-affected taxpayers
- Change Management

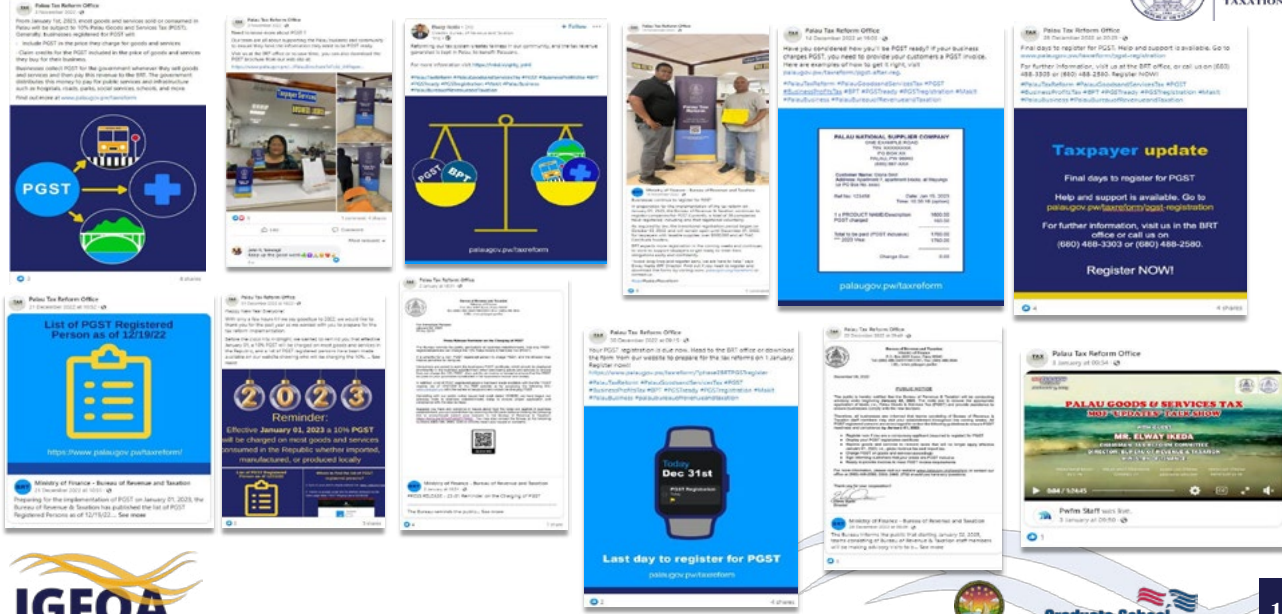
## Implementation Process

| Focus Areas                        | Objectives  |
|------------------------------------|---|
| <b>Regulations</b>                 | Regulations on ALL taxes  |
| <b>Forms and Processes</b>         | Develop new forms and processes; Update forms on existing Taxes |
| <b>Tax Information System</b>      | Interim Solutions, Long-term Solutions                          |
| <b>BRT and Taxpayer Training</b>   | Capacity Building for Tax Employees and Taxpayers               |
| <b>Communications and Outreach</b> | Public Education and Raising Awareness of New Tax Law           |

# Radio: Community Education



# COMMUNICATIONS: Social Media



# COMMUNICATIONS: Social Media



**IGFOA**

Graduate School USA 15

## Face-to-face community education

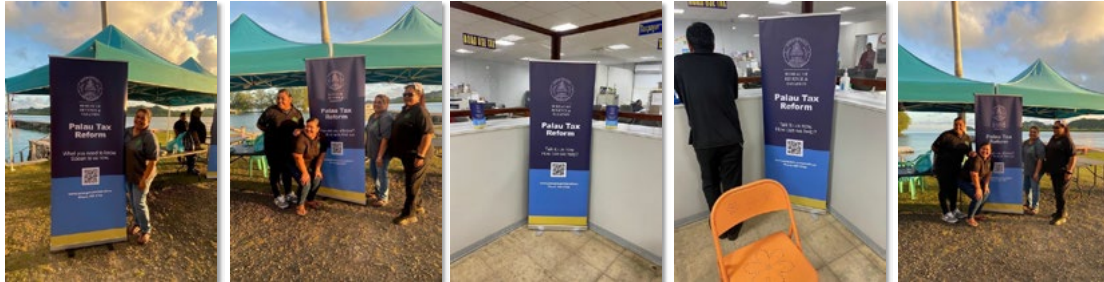


**IGFOA** February 14-16, 2023

Graduate School USA 16



## Face-to-face community education



Graduate School USA

## Face-to-face



Director Elway presenting communication summary (using Snapshot to October 31)  
at Economic Symposium on 17 November 2022



## Major Challenges

| Obstacles/Challenges                            | Moving Forward  |
|---|---|
| Limited work on Consumer-Impact                 | <ul style="list-style-type: none"> <li>• Pivoted Communications Strategy post-effective date</li> <li>• Focus on Pricing</li> <li>• Continued Taxpayer Education</li> </ul> |
| Lack of Tax Preparers and Practitioners         | <ul style="list-style-type: none"> <li>• Identify Potential Consultants to train</li> </ul>   |
| Weak Accounting Practices in the Private Sector | <ul style="list-style-type: none"> <li>• Partner with SBDC to deliver tailored training to businesses</li> </ul>  |
| Limited Personnel Capacity                      | <ul style="list-style-type: none"> <li>• Partnerships with MOF-Taiwan, ATO, etc. on training opportunities</li> <li>• Developing Message Guides</li> </ul>                  |

That will be all, Thank  
You

# 10

# 10

*Panel Discussion Common Challenges & Potential Next Steps*

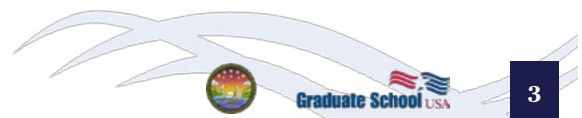
## Challenges Now Common Across IGFOA Jurisdictions

- Finance area **HR gaps and high turnover** in most jurisdictions
- **Recruiting** entities not able to respond timely to urgent needs
- **Shallow bench** to backfill in key positions & **limited cross-training**
- **Pay level** constraints have led to **loss of skilled workers to agencies/enterprises** with higher pay levels
- Finance function and staff is **underappreciated**
- Limited availability of **practical training** (on-demand and on-island)



## Potential Next Steps

- IGFOA leadership to fully engage to respond to **current challenges**
- On-island, online, sub-regional and regional **training opportunities** to be explored with consideration of certificate/course credit options
- Pilot test a **Finance Function HR Capacity Study** in 1 or 2 jurisdictions
- Consider a program to **develop select staff** to CPA level and CGFM level over a period of many years
- Keep working on **pay differential** opportunities





**11**

***OIA Presentation Island Government Finance Officers***





## Department of the Interior Office of Insular Affairs



**ISLAND GOVERNMENT FINANCE OFFICERS  
ASSOCIATION (IGFOA)  
WINTER CONFERENCE: FEBRUARY-2023**

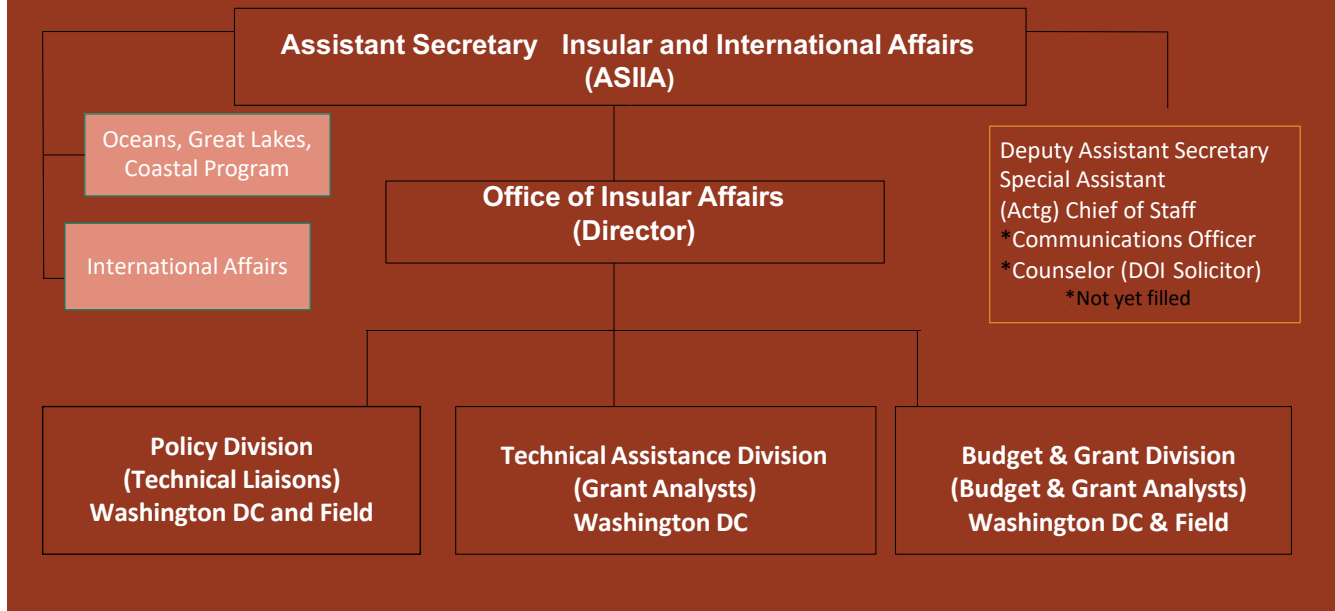


### Office of Insular Affairs (OIA) - Mission

- The Assistant Secretary for Insular Areas carries out the administrative responsibilities of the Secretary of the Interior in coordinating federal policy for the territories of American Samoa, Guam, the U.S. Virgin Islands and the Commonwealth of the Northern Mariana Islands.
- The Assistant Secretary is also responsible for administering and overseeing U.S. federal assistance to the freely associated states of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau under the Compacts of Free Association, as well as providing technical and financial assistance to all the Insular Areas.
- These responsibilities are executed through the Office of Insular Affairs.

## Organization Chart-Office of Insular Affairs

(functional as of 02/16/23)



## OIA Discretionary Grant Programs

### Technical Assistance Program: FY 2023-Approx \$26M

“The program provides support not otherwise available to the insular areas to meet immediate needs and to combat deteriorating economic and fiscal conditions and to maintain the momentum needed to make and sustain meaningful systematic changes.”

“Some programs are necessary on an ongoing basis for the insular areas; including, but not limited to ongoing financial management, management, and audit training for all insular areas.”

“The ongoing programs were incorporated into the Technical Assistance Program because there was no other source of funds in the Federal budget for these projects.”

“The Technical Assistance program allows each government to identify pressing issues and priorities and develop action plans to mitigate these problems. Direct grants, reimbursable agreements, and contracts with technical assistance providers, both within and outside the Federal government, are keys to implementation.”

Source: <https://www.doi.gov/oia/budget>; FY 2023 Budget Justifications

## OIA Discretionary Grant Programs

### TAP-Maintenance Assistance Fund: FY 2023 Approx \$4.3M

“The Maintenance Assistance fund is used to support, develop, improve, and as much as possible, institutionalize infrastructure maintenance practices in the seven insular areas.”

“Funds can also be used for critical repairs to infrastructure.”

“The program underwrites training, education, and technical advice related to maintenance. Funding is used to purchase specialized maintenance equipment or information technology related to maintenance. The program also funds the cost of inventories of maintenance needs, development of maintenance plans, and fund urgent repairs.”

“...also provides funding to address general regional training needs and allows the insular governments to share expertise and develop maintenance practices appropriate to the region. The program has proven to be an effective method of institutionalizing better maintenance practices throughout the U.S. affiliated islands.”

Source: <https://www.doi.gov/oia/budget>: FY 2023 Budget Justifications

## OIA – Grant Regulations, Including Non-Federal Audits

- Title 2, Code of Federal Regulations: Grants & Agreements
- SUBTITLE A—OFFICE OF MANAGEMENT AND BUDGET GUIDANCE FOR GRANTS AND AGREEMENTS
  - Chapter I Office of Management and Budget Governmentwide Guidance for Grants and Agreements
  - Chapter II Office of Management and Budget Circulars and Guidance (commonly referred to as “Part 200”)
- SUBTITLE B - FEDERAL AGENCY REGULATIONS FOR GRANTS AND AGREEMENTS
- For Non-Federal Audits (includes Single Audits):
- Title 2, Subtitle A, Chapter II, Part 200, Subpart F
- **§ 200.500 Purpose:** This part sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of non-Federal entities expending Federal awards.

## OIA – Cognizant Agency

### OIA as the Cognizant Agency – Single Audits: Monitor and Assist (includes but not limited to)

- Progress of completion
- Confirm Receipt of Completed Reports by the Federal Audit Clearinghouse
- Obtain and review Reports
- Communicate with auditee and others regarding findings/corrective actions
- Issue Management Determination on sufficiency of Corrective Actions Plans (CAP)
- Monitor resolution of findings - includes review of supporting documentation for confirmation
- Address Questioned Costs (QCs) related to awards from/through OIA (direct grants & compact funds)
- Liaise with other Federal agencies if requested by Insular Grantee or Auditee

**NOTE:** Although QCs may be resolved in the Single Audit process, further review of the resolution of QCs may continue by the Federal awarding agency

## OIA Website and POCs

**OIA Website** <https://www.doi.gov/oia>

**Points of Contact (POCs)** (in addition to your grant manager):

**OIA Policy Division** (all OIA emails: first name\_last name@ios.doi.gov)

- **Director:** Basil Ottley
- **Deputy Director (Acting) & Policy Specialist:** Marina Tinali
  - Audits, Emergency Management, and issues of USVI, American Samoa, RMI, FSM and Palau
- **USVI:** Contact Basil Ottley and Marina Tinali
- **American Samoa:** Lydia Nomura (Field Representative)
- **CNMI:** Francisco Taitano (Policy Desk Officer) and Harry Blanco (Field Representative)
- **Guam:** Francisco Taitano (Policy Desk Officer) and Dong Choe (Field Representative)

## OIA Website and POCs

- **OIA Website** <https://www.doi.gov/oia>
- **Points of Contact (POCs)** (in addition to your grant manager):
- OIA emails: first name\_last name@ios.doi.gov)

**OIA Hawaii Field Office (HFO)** Compact of Free Association/ Compact Grants

- **Team Leader:** Stephen Savage
- **Field Representative for FSM:** Cheryl Berkindine
- **Field Representative for RMI:** Fred Nysta
- **Assistance with Palau (HFO):** Martin Moore

## Interagency Group on Insular Areas; E.O. 13537 (est. 2010)

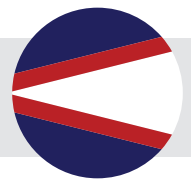




# 12a

## 12a

*Government Action Plan American Samoa*



IGFOA ACTION PLAN

February 2023 (Honolulu) - May 2023 (Portland, OR)

Page 1 of 1

2/16/2023

Jurisdiction: American Samoa  
 POC: Akenele Lealamanua

| FOCUS AREA for improvement:<br># ___ of ___                    | Responsible Parties                 | Financial & Technical Support (\$) | Timeframe              |
|--|-------------------------------------|------------------------------------|------------------------|
| Key Tasks:<br>> Bank Reconciliation / Grants AR Reconciliation | Chief Accountant/Assistant Director |                                    | Monthly                |
| > Travel Reimbursement Expense Report                          | Chief Accountant/Assistant Director |                                    | From 30 days to 5 days |
| > Update SOP   | Chief Accountant / Accountant       |                                    | By fiscal year-end     |
| > Clean Encumbrance (At least 1-2 fiscal years)                | Accountant / Budget / Departments   |                                    | By fiscal year-end     |
| > Personnel Evaluation   | Chief Accountant/Assistant Director |                                    | Annual                 |
| >  |                                     |                                    |                        |

February 2023 IGFOA highlighted topics: > Follow-up from prior action plans (Austin)  
 > Audit improvement tasks  
 > Audit transition tasks  
 > FMIS status/transition  
 > Possible "Reset" of Finance office performance measures  
 >Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94  
 >Consider actions to optimize federal grant utilization  
 >Tax reform and/or tax information system tasks



# 12b

## 12b

*Government Action Plan CNMI*



IGFOA ACTION PLAN  
February 2023 (Honolulu) - May 2023 (Portland, OR)

Jurisdiction: **Northern Mariana Islands**  
POC: Ryan C. Camacho

Page 1 of 1  
Draft Date: February 17, 2023

| FOCUS AREA for improvement: | Professional Development                                  | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|---|---------------------|------------------------------------|-----------|
| # 1 of 2                    | Work with other agencies to develop skills and incentives | SOF                 | OIA, NMC                           |           |
| Key Tasks:                  | > Develop KPIs to ensure audit readiness                  | DOF Directors       | ??                                 |           |
|                             | >   |                     |                                    |           |
|                             | >   |                     |                                    |           |

| FOCUS AREA for improvement: | Office/DOF Improvement                               | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|--|---------------------|------------------------------------|-----------|
| # 2 of 3                    | Resolve backlog of Bank Reconciliation w/ training   | FS Director         | Tyler                              |           |
| Key Tasks:                  | > Review resources to improve travel advance metrics | FS Director         | Tyler                              |           |
|                             | > Implement encumbrance policy                       | SOF/FS Director     | GFOA/Graduate School               |           |
|                             | > Identify resources to implement GASB 87 & 94       | Ryan                | Tyler                              |           |

| FOCUS AREA for improvement: | Audit Improvement                                  | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|--|---------------------|------------------------------------|-----------|
| # 3 of 3                    | Initiate Audit committee (Steering & working) mtgs | Ryan                |                                    | Mar-23    |
| Key Tasks:                  | > Draft OIA Resource Request                       | Ryan                | OIA                                | Mar-23    |
|                             | > Complete FMIS audit schedule configuration       | Shalee              | Tyler                              | Apr-23    |
|                             | > Verification of carry-over balances              | Ryan&Agnes          | OIA, Tyler                         | May-23    |

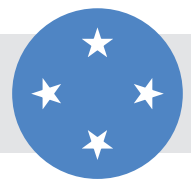
February 2023 IGFOA highlighted topics: > Follow-up from prior action plans (Austin)  
 > Audit improvement tasks  
 > Audit transition tasks  
 > FMIS status/transition  
 ++ Others as relevant

> Possible "Reset" of Finance office performance measures  
 > Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94  
 > Consider actions to optimize federal grant utilization  
 > Tax reform and/or tax information system tasks

# 12c

## 12c

*Government Action Plan FSM*



IGFOA ACTION PLAN

February 2023 (Honolulu) - May 2023 (Portland, OR)

Page 1 of 1

Jurisdiction: ESM National Government

POC: Eugene Amor Secretary of Finance

POC: Akiama George Assistant Secretary of Finance

Draft Date: 02/2023

| FOCUS AREA for improvement:<br># ___ of ___                                  | Responsible Parties                 | Financial & Technical Support (\$) | Timeframe  |
|--|-------------------------------------|------------------------------------|------------|
| > Complete Bank Reconciliation   | Deputy Chief of Assistant Secretary | Local                              | Monthly    |
| > Reduce outdated/inactive encumbrance by 10%                                | Manager Federal Certification       | Local Fund                         | May-23     |
| > Revive question cost resolution committee and address audit question costs | National & State Finance            | Local Fund                         | Mar-23     |
| > Work on implementation of GASB 87  | Accounts Payable Manager            | Local Fund                         | Sept. 2023 |

| FOCUS AREA for improvement:<br># ___ of ___   | Responsible Parties        | Financial & Technical Support (\$) | Timeframe  |
|---|----------------------------|------------------------------------|------------|
| > Send four staff (CTA) to Palau for Peer Learning                                  | Assistant Secretary of CTA | Local Fund                         | April 2023 |
| > Finalize and issue RFP for FMIS   | Project Manager            | World Bank/Graduate School USA     | May-23     |
| > Conduct employee engagement survey  | Treasury/Budget Advisor    | Local Fund                         | May-23     |
| > Update Federal Grant draw down procedure and conduct training with relevant staff | Grants and Finance Analyst | Local Fund                         | April 2023 |

February 2023 IGFOA highlighted topics:

- > Follow-up from prior action plans (Austin)
- > Audit improvement tasks
- > Audit transition tasks
- > FMIS status/transition
- > Possible "Reset" of Finance office performance measures
- > Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94
- > Consider actions to optimize federal grant utilization
- > Tax reform and/or tax information system tasks

# 1201

# 12d

*Government Action Plan Chuuk*



IGFOA ACTION PLAN

February 2023 (Honolulu) - May 2023 (Portland, OR)

Page 1 of 1

Draft Date: 02/2023

Jurisdiction: Chuuk State Government

POC: Jonas Paul

| Key Tasks:  | Responsible Parties                  | Financial & Technical Support (\$) | Timeframe |
|---|--------------------------------------|------------------------------------|-----------|
| <p>FOCUS AREA for improvement:<br/># 1 of 1</p>     |                                      |                                    |           |
| Outstanding Encumbrances                            |                                      |                                    |           |
| Question Costs                                      | Finance Advisor (Rene)               | \$ -                               | May, 2023 |
| FMIS  | Finance Advisor (Rene)               | \$ -                               | May, 2023 |
|   | Director / World Bank Representative | \$ -                               | May, 2023 |
| <p>FOCUS AREA for improvement:<br/># ___ of ___</p> |                                      |                                    |           |
|   |                                      |                                    |           |
|   |                                      |                                    |           |
|   |                                      | \$ -                               |           |

February 2023 IGFOA highlighted topics:

- > Possible "Reset" of Finance office performance measures
- > Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94
- > Consider actions to optimize federal grant utilization
- > Tax reform and/or tax information system tasks

# 12e

## 12e

*Government Action Plan Pohnpei*



**IGFOA ACTION PLAN**  
**February 2023 (Honolulu) - May 2023 (Portland, OR)**

| FOCUS AREA for improvement: |   | FMIS TRANSITION                         | Responsible Parties                 | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|---|---|-------------------------------------|------------------------------------|-----------|
| # ___ of ___                |   |   |                                     |                                    |           |
| Key Tasks:                  | > | ENCUMBERANCE CLEANING AND UPDATE        | FA / COF / CERTIFICATION            |                                    | 5/31/2023 |
|                             | > | TRAVEL ADVANCE CLEANING AND UPDATE      | FA/COF/TA ACCOUNTANT                |                                    | 5/31/2023 |
|                             | > | SUPPLY ADVANCE CLEANING AND UPDATE      | FA/COF/PROCUREMENT/PAYABLE          |                                    | 5/31/2023 |
|                             | > | ACCOUNTS RECEIVABLE CLEANING AND UPDATE | FA/COF/FEDERAL PROGRAM COORDINATORS |                                    | 5/31/2023 |

| FOCUS AREA for improvement: |   | AUDIT IMPROVEMENT  | Responsible Parties     | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|---|--|-------------------------|------------------------------------|-----------|
| # ___ of ___                |   |  |                         |                                    |           |
| Key Tasks:                  | > | PRIOR YEAR QUESTIONS COST TO BE RESOLVED WITH IMPACTED FEDERAL | FA /COF                 |                                    | 5/31/2023 |
|                             | > | COMPLETE GL POSTING FOR FIXED ASSET ADDITION AND DEPRECIATION  | FA/PROPERTY MANAGEMENT  |                                    | 5/31/2023 |
|                             | > | COMPLETE FIXED ASSESS REVIEW AND SURVEY FOR FY 2023            | COF/PROPERTY MANAGEMENT |                                    | 9/30/2023 |

February 2023 IGFOA highlighted topics:

- > Follow-up from prior action plans (Austin)
  - > Audit improvement tasks
  - > Audit transition tasks
  - > FMIS status/transition
- > Possible "Reset" of Finance office performance measures
  - > Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94
  - > Consider actions to optimize federal grant utilization
  - > Tax reform and/or tax information system tasks



# 12f

# 12f

*Government Action Plan Yap*



IGFOA ACTION PLAN  
 February 2023 (Honolulu) - May 2023 (Portland, OR)

| # | of | FOCUS AREA for improvement: | FMS Implementation  | Responsible Parties                                 | Financial & Technical Support (\$) | Timeframe   |
|---|----|-----------------------------|---|---|------------------------------------|-------------|
|   |    | Key Tasks:                  |   |   |                                    |             |
|   |    | FMR                         | Technical working group to revisit the draft FMR for implementation to be made when the FMS get implemented at State Level  | Technical Working Group-reassigned                  | \$ -                               | 9/30/2023   |
|   |    | Bank Reconciliation         | Consultant to Train Staff to perform bank reconciliation  | Assistant Manager-/Chief of Finance & Treasury      | \$ -                               | May, 2023   |
|   |    | Outstanding Encumbrance     | Reduce at least 10% of invalid encumbrances   | Chief of Finance & Treasury, laabrug123@gmail.com   | \$ -                               | April, 2023 |
|   |    | IT Recruitment              | Recruite IT to clean up the System and Train Accountant before implementation of the FMIS                                   | Chief of Finance & Treasury, laabrug123@gmail.com   | \$ -                               | July, 2023  |
|   |    | FOCUS AREA for improvement: | Audit Implementation  |   |                                    |             |
|   |    | Key Tasks:                  |   |   |                                    |             |
|   |    | GASB 87 Leases              | Implementation of GASB for FY2022 Audit   | Assistant Manager                                   | \$ -                               | 6/30/2023   |
|   |    | Audit Adverse Opion         | Set up Meeting with OPA, Yap Fishing Authority Management to hopefully eliminate the Audit Opion from Adverse to Unmodified | OAS Director/Consultant/Chief of Finance & Treasury | \$ -                               | 9/30/2023   |

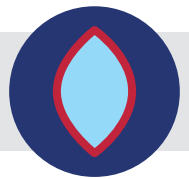
February 2023 IGFOA highlighted topics:

- > Possible "Reset" of Finance office performance measures
- > Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94
- > Consider actions to optimize federal grant utilization
- > Tax reform and/or tax information system tasks

# 120

## 12g

*Government Action Plan Guam*



# IGFOA ACTION PLAN

February 2023 (Honolulu) - May 2023 (Portland, OR)

Page 1 of 1

Draft Date: 2/15/23

Jurisdiction: Guam

POC: Krystyna Liagan

| FOCUS AREA for improvement: | Accounting Department Structure  | Responsible Parties                     | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|--|---|------------------------------------|-----------|
| # 1 of 5                    |  |   |                                    |           |
| Key Tasks:                  | Restructure sections (i.e. renaming appropriation to accounts payable, creating a local section) | Management (Director, Goody, and Grace) | -                                  | May-23    |
| >                           |  |   |                                    |           |
| >                           | Rotation of employees and offer training   | Management (Goody and Grace)            | -                                  | May-23    |

| FOCUS AREA for improvement: | General Ledger                           | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|--|---------------------|------------------------------------|-----------|
| # 2 of 5                    |  |                     |                                    |           |
| Key Tasks:                  | Eliminate old GL balances                | Helen Legaspi       | -                                  | Feb-23    |
| >                           |  |                     |                                    |           |
| >                           | Collections (Bounce Checks/Overpayments) | Helen Legaspi       | -                                  | Apr-23    |

| FOCUS AREA for improvement: | Federal/Accounts Payable                                   | Responsible Parties                           | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|--|---|------------------------------------|-----------|
| # 3 of 5                    |  |   |                                    |           |
| Key Tasks:                  | Invoices (meet with agency heads in regards to submission) | Management (Director, Goody, Grace, Krystyna) | -                                  | Apr-23    |
| >                           | Timely Payments  | Mike/Krystyna                                 | -                                  | Apr-23    |
| >                           | Vendor payments (Ck or ACH)                                | Krystyna                                      | -                                  | May-23    |
| >                           | Cost allocation  | Management (Director, Goody, Grace, Krystyna) | -                                  | Apr-23    |

# 12h

# 12h

*Government Action Plan RMI*



IGFOA ACTION PLAN

February 2023 (Honolulu) - May 2023 (Portland, OR)

Page 1 of 1

15-Feb-23

Jurisdiction: Republic of the Marshall Islands

POC: Ywao Elanzo, Jr.

| FOCUS AREA for improvement: |   | FMIS  | Responsible Parties  | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|---|---|----------------------|------------------------------------|-----------|
| # 1 of 1                    |   |   |                      |                                    |           |
| Key Tasks:                  | > | Migration (reconciliation & clean out data from old system) | Accounting & Budget  | Bisan                              | Mar-23    |
|                             | > | Roll out to Ministries                                      | Secretary of Finance | Secretary of Finance               |           |
|                             | > |   |                      |                                    |           |
|                             | > |   |                      |                                    |           |

| FOCUS AREA for improvement: |   | Legislative reform       | Responsible Parties  | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|---|--------------------------|----------------------|------------------------------------|-----------|
| # 2 of 2                    |   |                          |                      |                                    |           |
| Key Tasks:                  | > | Financial Management Act | Secretary of Finance | Nitijela                           |           |
|                             | > | Procurement Act          | Secretary of Finance | Nitijela                           |           |
|                             | > |                          |                      |                                    |           |
|                             | > |                          |                      |                                    |           |

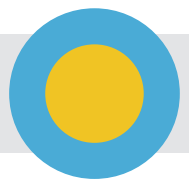
| FOCUS AREA for improvement: |   | Retain and recruit staff | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-----------------------------|---|--------------------------|---------------------|------------------------------------|-----------|
| # 3 of 3                    |   |                          |                     |                                    |           |
| Key Tasks:                  | > | Retaining staff          | Senior management   | Secretary of Finance               | Currently |
|                             | > | Recruit capable staff    | HR                  | Secretary of Finance               | Currently |
|                             | > |                          |                     |                                    |           |
|                             | > |                          |                     |                                    |           |

February 2023 IGFOA highlighted topics: > Follow-up from prior action plans (Aus > Possible "Reset" of Finance office performance measures  
 >Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94  
 >Consider actions to optimize federal grant utilization  
 >Tax reform and/or tax information system tasks  
 > Audit improvement tasks  
 > Audit transition tasks  
 > FMIS status/transition

12i

12i

*Government Action Plan Palau*



# IGFOA ACTION PLAN

February 2023 (Honolulu) - May 2023 (Portland, OR)

Page 1 of 3

Jurisdiction: Palau

POC: Darla Babauta and Gail Rengil

Draft Date: 02/17/23

| FOCUS AREA for improvement:                   |   | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|---|---|---------------------|------------------------------------|-----------|
| # 1 of 5<br>Recruitment and Retention Program |   |                     |                                    |           |
| Key Tasks:                                    | > Formalize standard training program           | Minister / Treasury | \$0 Tax Reform                     | 30-Apr    |
|   | > Assign / Hire training lead person            | Minister / Treasury | \$30k                              | 30-Apr    |
|   | > Draft Outline of Staff Development Initiative | Minister            | \$0 Consultants                    | 31-Mar    |
|   | > Education & Awareness                         | Minister / Treasury | \$3k                               | 30-Apr    |

| FOCUS AREA for improvement:         |                                      | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|-------------------------------------|--------------------------------------|---------------------|------------------------------------|-----------|
| # 2 of 5<br>FY2021 Audit Completion |                                      |                     |                                    |           |
| Key Tasks:                          | > Enter FY2020 adjustments           | Darla / BNT         | \$0                                | 28-Feb    |
|                                     | > Send required schedules to auditor | Darla / BNT         | \$0                                | 15-Mar    |
|                                     | > Field work (auditor testing)       | Darla / BNT         | \$0                                | 15-May    |
|                                     | > Draft Issue                        | Darla / BNT         | \$0                                | 30-May    |

- February 2023 IGFOA highlighted topics:
- > Follow-up from prior action plans (Austin)
    - > Audit improvement tasks
    - > Audit transition tasks
    - > FMIS status/transition
  - > Possible "Reset" of Finance office performance measures
    - > Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94
    - > Consider actions to optimize federal grant utilization
    - > Tax reform and/or tax information system tasks



# 12j

## 12j

*Government Action Plan USVI*



IGFOA ACTION PLAN

Jurisdiction: USVI

February 2023 (Honolulu) - May 2023 (Portland, OR)

Page 1 of 1

POC Wilfredo Guzman and Somere Webber

Draft Date: 02/15/2023

| FOCUS AREA for improvement:                                    | Responsible Parties       | Financial & Technical Support (\$)              | Timeframe               |
|--|---------------------------|---|-------------------------|
| # 1 of 2<br>Single Audit Status for FY 2021 and FY 2022        |                           |   |                         |
| Key Tasks:   |                           |   |                         |
| > Complete FY 2019 and FY 2020 status up for FY21 Single Audit | OMB Compliance Unit       |   | 1 Month/March 2023      |
| > Complete FY 2022 SEFA  | OMB FGMU/ Compliance Unit | Contract signed to perform FY20-22 Single Audit | 10 months/December 2023 |
| > Complete FY21 Single Audit                                   | OMB FGMU/ Compliance Unit | Contract signed to perform FY20-22 Single Audit | 5 Months/July 2023      |
| > Complete FY22 Single Audit                                   | OMB FGMU/ Compliance Unit | Contract signed to perform FY20-22 Single Audit | 10 months/December 2023 |

| FOCUS AREA for improvement:                                   | Responsible Parties | Financial & Technical Support (\$) | Timeframe |
|---|---------------------|------------------------------------|-----------|
| # ___ of ___<br>Status of Bank Reconciliations                |                     |                                    |           |
| Key Tasks:  |                     |                                    |           |
| > Prioritize Bank Accounts                                    | DOF Treasury Dept   |                                    | 1 week    |
| > Assess the last completion date of each bank reconciliation | DOF Treasury Dept   |                                    | 1 week    |
| > Request data from financial Institutions                    | DOF Treasury Dept   |                                    | 30 days   |
| > Begin and complete reconciliations                          | DOF & Consultant    | \$525,000                          | 90 days   |

February 2023 IGFOA highlighted topics: > Follow-up from prior action plans (Austin)  
 > Audit improvement tasks  
 > Audit transition tasks  
 > FMIS status/transition  
 ++ Others as relevant

Possible "Reset" of Finance office performance measures  
 >Emerging GASB matters: GASB 87 leases; GASB 96; GASB 94  
 >Consider actions to optimize federal grant utilization  
 >Tax reform and/or tax information system tasks

13

13

*GFOA Feb 2023 Close-Out Presentation*



# WHAT'S NEXT?



1

## Preparing for GFOA 2023

- The 2023 GFOA Summer Conference is in **Portland, Oregon**.
- The conference will be **on-site** for participants:
  - Typically over 6,000 attendees, Sessions, vendors, functions, etc.
- GSUSA has procured a room block for hosted participants at the **Portland Marriott Downtown Waterfront**
  - Complimentary TriMet pass valid on all forms of public transportation through the duration of the event.
- We will start working on travel very soon, and will need to **identify hosted participants** in the next few weeks.

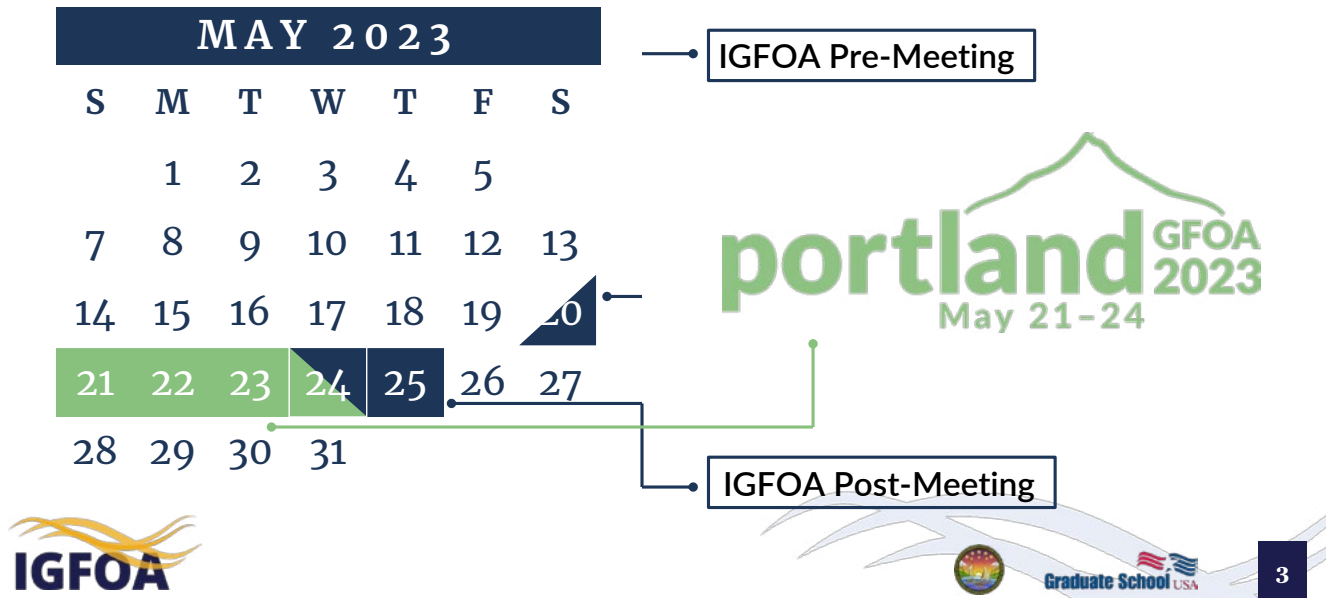


📅 February 14-16, 2023



2

# Summer GFOA Planning



## Potential Topics for GFOA 2023

- Making the most of the **GFOA Conference**
  - Session assignments, session highlights, etc....
- Insular Government **Finance Office Updates**
  - Audits, Performance Measures, etc.
- Resetting **Performance Measures**
- Connecting with **GFOA** – Legislative/Institutional Highlights
- **Other Topics?**

## Winter IGFOA Timing Considerations

- For further discussion in Portland...
- Winter IGFOA historically timed for **early December**:
  - Historically better for hotel availability
  - Spaces summer/winter meetings more evenly, BUT
  - Will FY21 audits be released by December?
- Are there **advantages** to having a winter meeting close to the summer meeting?



## Closing Out IGFOA

- IGFOA **evaluations** will be distributed shortly.
- Slides, Performeters, etc. will be shared via **Dropbox link**...
- Close-Out email **in a few weeks** to share/request:
  - Follow-up reporting on Performance Measures
  - Links to slides, Performeters, professional photos
  - Conference Report (when completed)
- Other **Notable Dates**:
  - ELDP in Pohnpei April 17, 2023; CNMI August 14, 2023
  - GFOA in Portland week of May 21, 2023
  - APIPA 2023 in Majuro week of August 28, 2023



## Closing Out IGFOA

# THANK YOU!

- Please take extra notepads, pens, etc.



14

14

*IGFOA Winter 23 Evaluations*

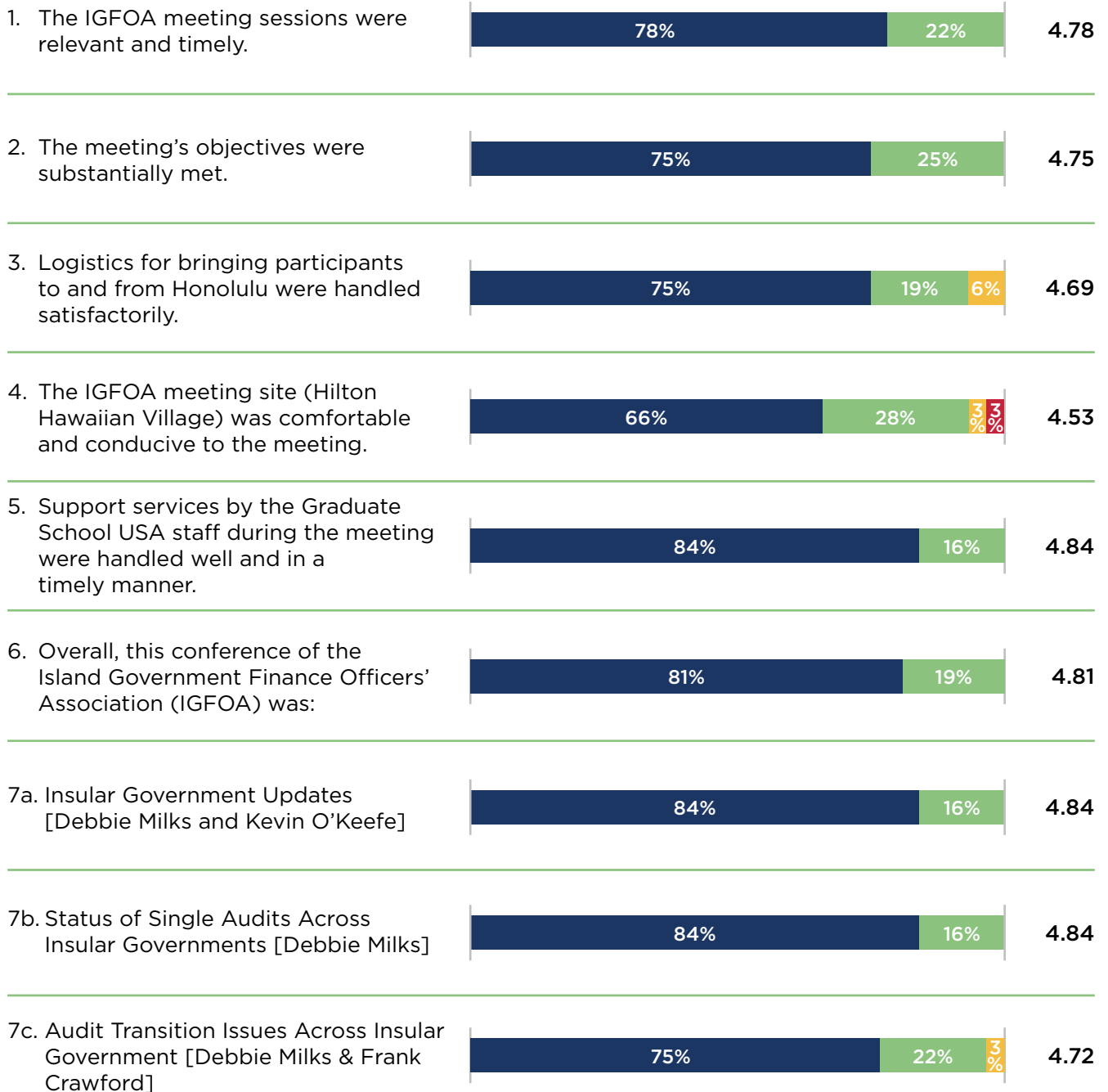




# CONFERENCE EVALUATION RESULTS

February 14-16, 2023

**LEGEND:**



|   |     |     |      |
|---|-----|-----|------|
| 7d. Updates on Implementation of GASB-87 (Lease Standards) [Frank Crawford]             | 72% | 28% | 4.72 |
| 7e. Raising Awareness of Federal Grant Access Across Insular Governments [Emil Friberg] | 72% | 25% | 4.69 |
| 7f. GASB Updates: SIBTA & PPPD (Acronyms Rule!) [Frank Crawford]                        | 81% | 19% | 4.81 |
| 7g. Resetting Performance Measures [Debbie Milks]                                       | 84% | 13% | 4.81 |
| 7h. Performer Updates - FY20 & FY21 [Frank Crawford]                                    | 78% | 19% | 4.75 |
| 7i. Tax Reform and Tax Information Systems [Kevin O'Keefe]                              | 72% | 28% | 4.72 |
| 7j. Panel Discussion with Principals [Kevin O'Keefe]                                    | 75% | 22% | 4.72 |

8. What sessions of the IGFOA Meeting were the most relevant and meaningful to you?

- Status of Audit for Island Nations; Also, the "Audit Transition Issues Across Insular Governments"
- Federal Grants
- Performer and FMIS Planning
- (1)FMIS positive discussions (2)FIMS performer
- Jurisdiction's presentations
- All of the sessions
- All of them. Ms. Tinitali also provided some very good and useful information from DOI. I'm thankful for that
- All the sessions were relevant and meaningful. Since I'm an accountant all of the topics were interesting and relevant
- Reports and interactive opportunities... especially with peers and in front of peers.
- Grant access, tax reform
- I'd say all
- GASB & SBITA
- Status of Single Audits and updates on implementation of GASB 87

Audit status update

All, especially resetting performance measures and hearing updates and best practices from the other jurisdictions

All sessions are meaningful and useful

(1) Status of single audits (2) Update of GASB 87 Status of single audits and resetting performance measures

Federal grant access, Tax reform, Single audits

GASB 87

As you know, Guam's score on the Performer measures disappoints. We feel that Guam's performance in timely reporting and fiscal responsibility is not reflected in the evaluation. A discussion is helpful.

---

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

(1) The performer to see how we can approve our score. (2) The lovely GASB87 and SBITAS - go home and figure out who will do and start it going

Common challenge - lack of resource in reference to recruitment of personnel - Training sponsored by USDA highly requested

Staffing retention and cross training ideas

GAS87

Performer Measures

(1)Action items and the need to push through to implement (2) Performers and audit findings

(1) GASB 87 (2) Capacity building (3) IA overview

(1)Leases recoding/calculation (2)Resetting the FMIS implementation

(1) Tax reform - need to do a plan for this (2) Pay raise/Employee engagement - need to initiate a plan for this

(1)Question cost (2)FMIS

Setting up FMIS and Bank recons

(1)Brackets are bad (2)SBITA

(1) GASB 87 (lease) will need to be implemented. The discussion was informative and a first step to implementation (2) AL No. that will be used instead of CFDA No.

(1) Approaches to addressing Recruiting and retention - implement action plan item (2) Understanding of GASB 87 & SBITA - follow up program of Treasury implementation - assign responsible person on project

(1)Common experience with systems and alternative solutions - will get and try learned approaches back home

My 2 key takeaways are the performance measures, updates, and nah it's more than 2. All, I have gained a lot, I will if I may report the progress in May.

Performer update for FY20 & FY21 and Raising awareness of Federal Grant Access Across Insular Governments

FMIS Update and Performer

(1)CFDA change to AL (2) Updates on GASB 87. I'm in process of controlling SGFA and I just learned that it is no longer called CFDA but AL.

FMIS Suggestions and recommendations

Tax reform lessons, FMIS lessons

Performance measures, their importance to the overall improvement of the financial management system

All are important and useful that will go back home and share

Overall, they are all important

(1) We all have the same issues (2) Sharing ways on how to resolve each issues

Raising awareness of federal grant access across insular governments and Resetting performance measurers  
Resetting performance measures and tax information systems. Currently resetting performance measures  
governeent-wide and interested in a new tax information system

GASB 87, Grant Access

The meeting itself - from what we shared from one another and from the Graduate School resource  
personnel, we already have plans to adopt them

SBITA - planning; Audit changes - will need auditors

---

10. What sessions or aspects during the week were the least relevant and meaningful to you?

All the sessions to me were meaningful. I loved the interactions every area had to offer.

All were informative and useful

GASB 87 - Not an accountant

Awareness of Fed. Grants not important

All relevant

Question and answer session

All the sessions I think were relevant to my work

GASB 87

None I could think of, all are relevant

Raising awareness of Federal Grant Access Across Insular Governments

Raising awareness and tax reform

All the three days are relevant and meaningful to me. I've learned that before migrating in the new system,  
clear encumbrances or get rid of old inactive balance

All sessions were highly relevant to our work

GASB 87 could be shorter, more summarized

None, all were relevant

Perfomater updates

Performance measures - after we spend time doing this, what will happen?

I would say all - because they provided things learned and to apply from different perspectives

Grants management

---

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

(1) Networking with other areas to learn (2) Learning what works and doesn't work

(1) Travel Advance (2) AR reconciliation Action plan to focus on short term goals.

Going back to RMI to bring back the ideas shared within the region

Bank recon.

Understand ways to build more capacity among employees

Sharing the ideas of what others have, and the challenges and achievement

IGFOA supports and continues to engage with insular governments to ensure we are doing the right thing to  
improve the lives of our people.

Being able to achieve action plans

Action taken to progress audits through unsuccessful

Strengthening collaboration with peers

All

Peer learning

Have not been in sessions consistently but can say that performance measure is very helpful if consistently monitored

Stay on top of audit and change FMIS design in line with lessons learned

Training = by attending this workshop staff are able to learn new relevant info that can be applied at work

(1)Employee evaluation (2)Bank Recon (3)Federal AL

Participants have generally learned new techniques that help them with their job performance

It provides a level of engagement that ranks and files staff appreciate.

We have actually restructured our ministry and rearranged our offices. Most staff are now working in one open room cooperatively.

Sharing of smiles, problems

---

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

I know it's done in ELDP, maybe an exercise where island areas group up and make a small presentation of what we can do to network and assist each other

Room was too cold, other than that - Thank you

Always meaningful & enjoyable

No comment, just perfect

No more comments. I am glad I attended the sessions and learned from them.

None, but the staff were very attentive to our needs and deserve a BIG THANK YOU!

It is very nice to be able to see how other insular governments are doing w/ their audits as well as their challenges so we can work on solutions together

Very well organized and run

It just gets better every time

Thanks. So far, so good

Thanks for an excellent conference

None, all were relevant

IGFOA did great

For single audit - we want to be up to date for our audits

Need to incorporate more on the budget and management into the meetings. One size does not fit all so meetings tailored so heavily to only the finance aspect does a disservice to governments in general

I truly appreciate the experience of the presenters, however, (1) Do not tell us to "sit down and pay attention" We are not children. (2) We are finance professionals and know most of what happens in audits. To make comments that we don't is insulting.

Good luck

15

15

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