

COMMITTEE ON BUDGET, APPROPRIATIONS & FINANCE
36TH LEGISLATURE OF THE VIRGIN ISLANDS

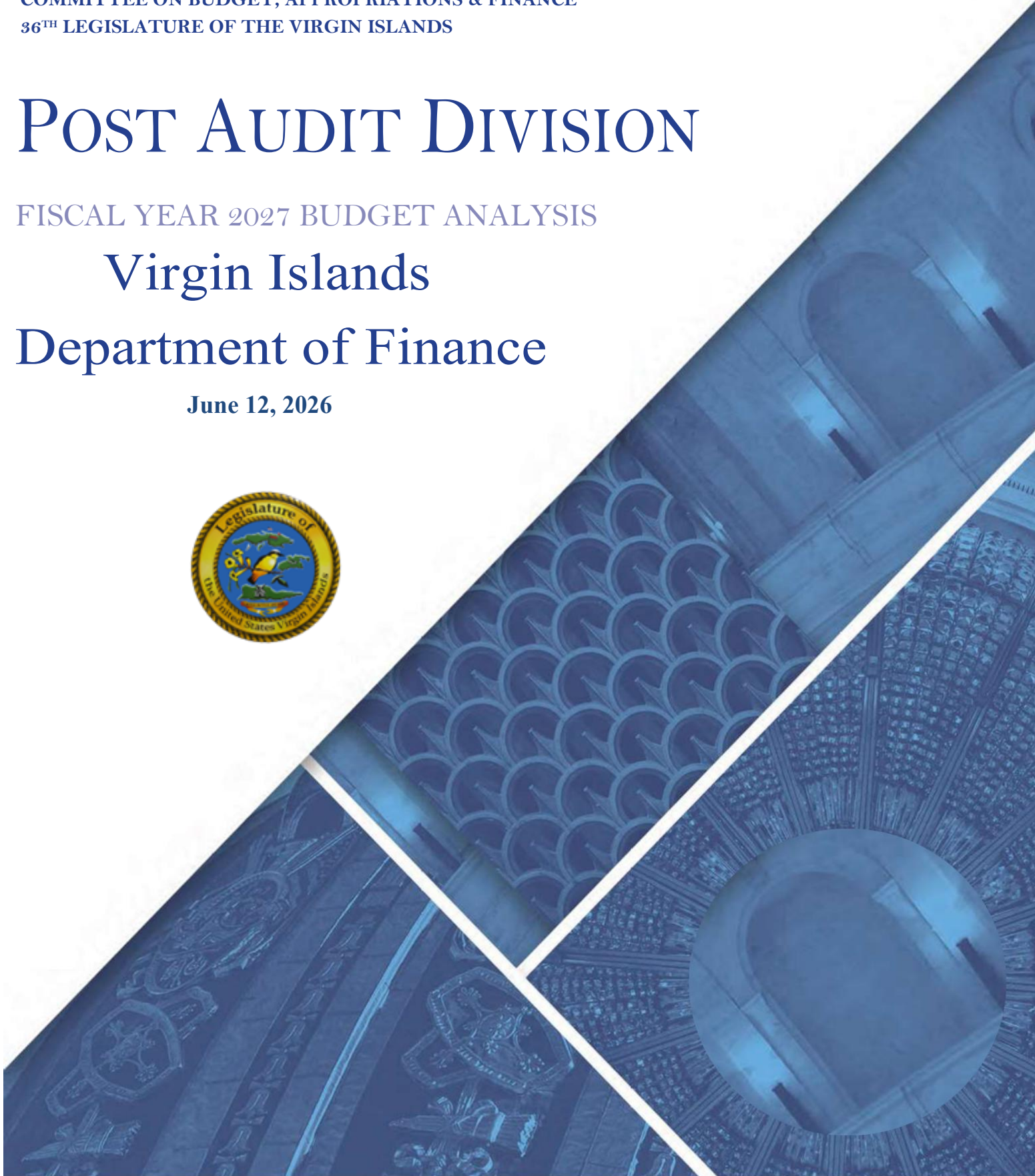
POST AUDIT DIVISION

FISCAL YEAR 2027 BUDGET ANALYSIS

Virgin Islands

Department of Finance

June 12, 2026



COMMITTEE ON BUDGET, APPROPRIATIONS & FINANCE
36TH LEGISLATURE OF THE VIRGIN ISLANDS

POST AUDIT DIVISION

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DEPARTMENT'S OVERVIEW

The Department of Finance (DOF) is guided and mandated by law under Title 3, Section 177 of the Virgin Islands Code, from which it derives its mission; “to provide oversight of federal and local finances of the Government of the Virgin Islands (GVI)”.

The primary divisions of the Department are as follows:

- Office of the Commissioner/ Board of Tax Review/ Departmental Business Office
- Treasury Division
- Accounting Payable Pre-Audit Control/General Ledger & Financial Reporting
- Payroll Division/Disbursements
- Computer Operations
- DOF Non-Operational Miscellaneous
- The Government Insurance Fund (FY 2024 Actual Expenditures only)
 - Transferred to the Department of Labor through ACT No. 8859

The Department's guided by a mission to provide efficient government financial services to all stakeholders.

DOF AT A GLANCE

For Fiscal Year 2026, the Department of Finance received a General Fund appropriation totalling **\$12,359,602** per Act No. 9035. As of June 8, 2026, **\$7,313,898**, *representing 59% of the appropriation*, had been allotted.

The chart below illustrates the department's progression of funding.

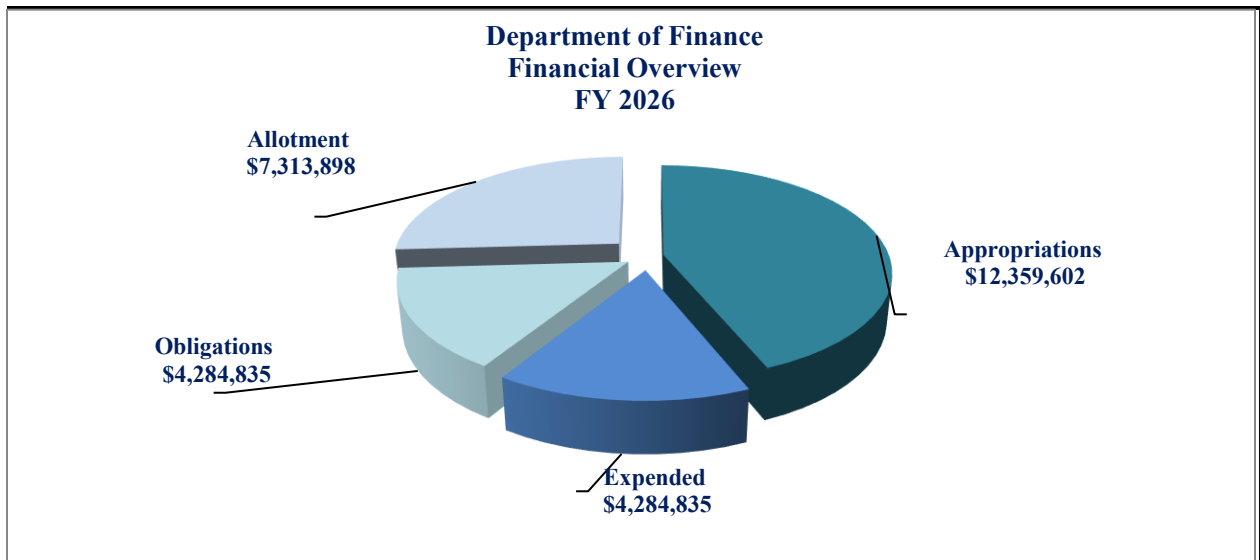


Exhibit I

FUND FLOW ANALYSIS

The Department's Fiscal Year 2026 fund flow analysis outlines the DOF's budget across five key components: appropriations, allotted amount, obligations, expenditures and balance available.

Dept.	Fund Source	Appropriation	Allotted as of June 08, 2026	Obligated	Expended as of March 31, 2026	Balance	Remarks
DOF	General	\$12,359,602	\$7,313,898	\$4,284,835	\$4,284,835	\$7,774,767	\$ 4,745,704 unallotted appropriation

Exhibit II

Based on financial records reconciled through March 31, 2026, the department had incurred **\$4,284,835** in obligations and expenditures, leaving **\$3,029,063** of unobligated allotted funds.

In addition to the unobligated allotments currently available, the department has **\$5,045,704** in appropriated funds that have not yet been allotted. After reserving **\$300,000** for Single Payer Utilities, the adjusted unallotted balance is **\$4,745,704**.

Collectively, the department has access to **\$7,774,767** in remaining funding authority, consisting of:

- **\$3,029,063** in unobligated allotted funds; and
- **\$4,745,704** in unallotted appropriations available for future allotment after accounting for the utility reserve.
- Funding authority reduces with the reconciliation of the department's financial activities for the months of April and May.

FISCAL YEAR 2027 BUDGET SUMMARY

The Governor's Fiscal Year 2027 General Fund recommendation for the Department of Finance totals **\$20,246,754**. Additionally, DOF is slated to receive additional funds to include **\$108,500**- Indirect Cost, **\$10,000,000**- VI Guaranty Insurance Fund, **\$5,000,000**-Transportation Trust Fund, **\$6,000,000**- Caribbean Basin Initiative, **\$950,000**- VI Lottery. A three (3) year financial summary is listed below in *Exhibit III*.

Description	FY 2025 Actuals	FY 2026 Revised Budget	FY 2026 Budget Act# 9035	FY 2027 Recommendation	Variance	% Change
General Fund:						
Personnel Services	\$3,166,733	\$3,552,570	\$3,552,570	\$3,727,411	\$174,841	4.92%
Fringe Benefits	1,374,686	1,526,271	1,526,271	1,712,355	186,084	12.19%
Supplies	134,352	300,694	300,094	324,110	24,016	8.00%
Other Services & Charges	10,549,381	6,520,067	1,511,647	7,692,886	6,181,239	408.9%
Utilities	-	-	300,000	108,000	(192,000)	-64%
Capital Projects	48,896	160,000	160,000	85,000	(75,000)	-46.8%
Subtotal	15,274,048	12,059,602	7,350,582	13,649,762	\$6,299,180	13.18%
Miscellaneous						
GIF Operations	54,995	-	-	-	-	-
Dept of Finance Audit Services	618,646	447,020	447,020	600,000	152,980	34.22%
ERP System Software	221,871	350,000	350,000	350,000	-	-
GASB 45	553,289	325,000	325,000	575,000	250,000	76.9%
Annual Maintenance (IDC)	-	8,000	8,000	8,000	-	-

Description	FY 2025 Actuals	FY 2026 Revised Budget	FY 2026 Budget Act# 9035	FY 2027 Recommendation	Variance	% Change
Interest & Penalties	-	25,000	25,000	25,000	-	-
Data Archiving Warehouse	6,000	40,000	40,000	40,000	-	-
Time & Attendance Software	135,808	150,000	150,000	150,000	-	-
Telecheck Loss Prevention	-	150,000	150,000	150,000	-	-
Environmental/ Infrastructure Impact Fees	817,589	-	-	-	-	-
Hurricane Related Proc GASB	12,980	-	-	-	-	-
Upgrades, Training & Maintenance	310,904	820,000	820,000	820,000	-	-
Pension Fund	65,000	45,000	45,000	45,000	-	-
Elected Governor Retirement Fund	503,000	503,000	503,000	785,000	282,000	56.06%
Judges Pension Fund	721,723	721,000	721,000	223,992	(497,008)	-68.9%
Audit Services	2,907,000	1,200,000	1,200,000	2,600,000	1,400,000	116.6%
Dept of Finance Claim Funds	100,000	100,000	100,000	100,000	-	-
Bonding Gov't Employees	107,642	125,000	125,000	125,000	-	-
Contribution to Public Service Commission	2,079,296	-	-	-	-	-
Credit Card Compliance Officer	26,655	-	-	-	-	-
Subtotal	9,242,398	5,009,020	5,009,020	6,596,992	1,587,972	31.70%
Total General Fund	24,516,446	17,068,622	12,359,602	20,246,754	7,887,152	63.81%
Indirect Cost						
Other Services	23,375	108,500	-	108,500	108,500	100%
Capital Projects	69,600	-	-	-	-	-
Total Indirect Cost	92,975	108,500	-	108,500	108,500	100%
VI Insurance Guaranty Fund						
<i>Miscellaneous</i>	20,000,000	20,000,000	-	10,000,000	10,000,000	100%
Total VI Insurance Guaranty Fund	20,000,000	20,000,000	-	10,000,000	10,000,000	100%
Government Insurance Fund						
Personnel Services	3,831	-	-	-	-	-
Fringe Benefits	1,582	-	-	-	-	-
Miscellaneous	(364)	-	-	-	-	-
Total Government Insurance Fund	5,048	-	-	-	-	-
Transportation Trust Fund						
Transfer Out/ Special Other	10,079,154	-	-	5,000,000	5,000,000	100%
Total Transportation Trust Fund	10,079,154	-	-	5,000,000	5,000,000	100%
General Fund Non-Lapsing						
Other Services	-	1,252,715	-	-	-	-
Total General Fund Non-Lapsing	-	1,252,715	-	-	-	-
Caribbean Basin Initiative						
Transfer Out/ Special Other	6,000,000	-	-	6,000,000	6,000,000	100%
Total Caribbean Basin Initiative	6,000,000	-	-	6,000,000	6,000,000	100%
VI Lottery						
Other	-	-	-	950,000	950,000	100%
Total VI Lottery	-	-	-	950,000	950,000	100%
Southern Trust Company Settlement						
Other	24,000,000	2,000,000	-	-	-	-
Total Southern Trust Company Settlement	24,000,000	2,000,000	-	-	-	-
Casino Control Revenue Fund						
Grants/IND Gov't Agencies	635,504	265,609	-	-	-	-

Description	FY 2025 Actuals	FY 2026 Revised Budget	FY 2026 Budget Act# 9035	FY 2027 Recommendation	Variance	% Change
Intra-fund Contributions	1,757,223	841,095	-	-	-	-
Total Casino Control Revenue Fund	2,392,727	1,106,704	-	-	-	-
Community Facilities Trust Fund						
Other Services	1,195,667	-	-	-	-	-
Total Community Facilities Trust Fund	1,195,667	-	-	-	-	-
PFA Debt Service Fund						
Other Services	71,518,815	-	-	-	-	-
Total PFA Debt Service Fund	71,518,815	-	-	-	-	-
Elected Governor Retirement Fund						
Fringe Benefits	52,420	-	-	-	-	-
Other Services	580,429	-	-	-	-	-
Total Elected Governor Retirement Fund	632,849	-	-	-	-	-
Judges Pension Fund						
Other	240,221	-	-	-	-	-
Total Judges Pension Fund	240,221	-	-	-	-	-
FICA Taxes Withheld						
Fringe Benefits	63,219,147	31,756,733	-	-	-	-
Total FICA Taxes Withheld	63,219,147	31,756,733	-	-	-	-
Single Payer Utility Fund						
Utilities	259,071	300,000	-	-	-	-
Total Single Payer Utility Fund	259,071	300,000	-	-	-	-
Emergency Rental Assistance						
Other	5,512,188	-	-	-	-	-
Total Emergency Rental Assistance	5,512,188	-	-	-	-	-
Federal Funds						
Supplies	78,191	-	-	-	-	-
Other Services	158,665	-	-	-	-	-
Total Federal Funds	236,856	-	-	-	-	-
Totals	\$229,901,164	\$73,593,274	\$12,359,602	\$42,305,254	\$29,945,652	242.2%

Exhibit III

DOF Response to Post Audit Inquiry:

Other Services & Charges Variance – FY 2026 Appropriation vs. FY 2027 Recommendation

According to the Department of Finance, the FY 2026 appropriation of **\$1,511,647** reflected only the costs directly associated with the Department's ongoing operations and did not include several government-wide expenditures and miscellaneous activities administered by the Department of Finance. The FY 2027 recommendation of **\$7,692,886** was expanded to include not only the Department's regular operating expenses but also various miscellaneous obligations and special-purpose expenditures that fall under the Department's administrative and fiscal oversight responsibilities. Thereby resulting in a variance of **\$6,181,239** between the FY 2026 appropriation and the FY 2027 budget recommendation.

The **\$1.4 million variance** in audited services reflects funding required to satisfy remaining obligations under the Department's audit services contract.

OTHER SERVICES & CHARGES

Exhibit IV presents a comparative analysis of expenditures for Fiscal Year 2025, the budgeted amount for Fiscal Year 2026, and the Governor's recommendations for Fiscal Year 2027 under the Other Services and Charges line-item category.

Description	FY 2025 Expenditures	FY 2026 Budget	FY 2027 Recommended	Variance	% CHANGE
General Fund					
Credit Card Expenses	\$73,931	-	-	-	-
Debris Removal	600	-	-	-	-
Repairs and Maintenance	77,005	604,500	604,500	-	-
Automotive Repair & Maintenance	3,710	7,000	7,000	-	-
Rental Machines/Equipment	68,188	5,500	6,500	1,000	18.18%
Professional Services	4,904,452	2,665,448	4,224,949	1,559,501	58.5%
Security	445,635	270,000	86,400	(183,600)	-68.0%
Training	10,500	120,000	115,670	(4,330)	-3.61%
Communication	173,611	200,000	210,000	10,000	5.0%
Advertising & Promotion	490	5,000	5,000	-	-
Printing & Binding	321	-	-	-	-
Transportation - Not Travel	5,293	-	-	-	-
Travel	32,518	62,460	87,000	24,540	39.28%
Travel/Cash Advance	1,200	10,000	12,675	2,675	26.75%
Purchase Bulk Airline	39,400	43,814	48,200	4,386	10.01%
Insurance	107,642	125,000	125,000	-	-
Other Services NOC	34,350	1,032,345	1,006,000	(26,345)	-2.55%
Transfer Out General Fund	2,329,296	-	-	-	-
Intrafund Contribution	2,187,312	1,369,000	1,153,992	(215,008)	-15.70%
General Fund Total- 0100	10,495,452	6,520,067	7,692,886	1,172,819	17.98%
<i>Miscellaneous</i>					
General Fund					
Refunds	39,920	-	-	-	-
General Fund Total- 0100	39,920	-	-	-	-
Indirect Cost					
Repairs & Maintenance	17,760	15,000	15,000	-	-
Professional Services	5,615	-	-	-	-
Training	-	14,500	10,000	(4,500)	-31.03%
Other Services NOC	-	79,000	83,500	4,500	5.69%
Indirect Cost Total-2098	23,375	108,500	108,500	-	-
General Fund Non-Lapsing					
Professional Services	-	1,252,715	-	(1,252,715)	-100%
General Fund Non-Lapsing Total-0101	-	1,252,715	-	(1,252,715)	-100%
Southern Trust Company Settlement					
Other	24,000,000	2,000,000	-	(2,000,000)	-100%
Southern Trust Company Settlement Total-2801	24,000,000	2,000,000	-	(2,000,000)	-100%
Federal Grants All Except DOE					
Professional Services	158,665	-	-	-	-
Federal Grants All Except DOE Total-3100	158,665	-	-	-	-

Description	FY 2025 Expenditures	FY 2026 Budget	FY 2027 Recommended	Variance	% CHANGE
Casino Control Revenue Fund					
Grants/IND Gov't Agencies	635,504	265,609	-	(265,609)	-100%
Intra-fund Contributions	1,757,223	841,095	-	(841,095)	-100%
Casino Control Revenue Fund Total-2092	2,392,728	1,106,704	-	(1,106,704)	-100%
Community Facilities Trust					
Other Services NOC	1,195,667	-	-	-	-
Community Facilities Trust Total-2290	1,195,667	-	-	-	-
PFA Debt Service Fund					
Other Services NOC	5,000,000	-	-	-	-
Bank Charges	15	-	-	-	-
Payment of Principal	4,635,349	-	-	-	-
Payment of Interest	19,849	-	-	-	-
Payment of Bond Principal	39,375,000	-	-	-	-
Payment of Bond Interest	22,488,602	-	-	-	-
PFA Debt Service Fund Total-4000	71,518,815	-	-	-	-
Elected Governor Retirement Fund					
Annuities	580,429	-	-	-	-
Elected Governor Retirement Fund Total -7000	580,429	-	-	-	-
Judges Pension Fund					
Annuities	238,095	-	-	-	-
Judges Pension Fund Total-7004	238,095	-	-	-	-
Emergency Rental Assistance					
Other	5,512,188	-	-	-	-
Emergency Rental Assistance Total-2011	5,512,188	-	-	-	-
VI Insurance Guaranty					
Miscellaneous	20,000,000	20,000,000	-	(20,000,000)	-100%
VI Insurance Guaranty Total-2108	20,000,000	20,000,000	-	(20,000,000)	-100%
Government Insurance Fund					
Miscellaneous	(364)	-	-	-	-
Government Insurance Fund Total-2108	(364)	-	-	-	-
Transportation Trust Fund					
Transfer Out/ Special Other	10,079,154	-	-	-	-
Transportation Trust Fund Total-8008	10,079,154	-	-	-	-
Caribbean Basin Initiative					
Transfer Out/ Special Other	6,000,000	-	-	-	-
Caribbean Basin Initiative Total-3015	6,000,000	-	-	-	-
Other Services and Charges	\$152,234,123	\$30,987,986	\$7,801,386	(\$23,186,600)	-74.82%

Exhibit IV

DOF Response to Post Audit Inquiry:

Professional Services Variance – FY 2026 Budgeted Amount vs. FY 2027 Recommendation

The FY 2027 recommendation for *Professional Services* reflects a **58.5% increase** over the FY 2026 funding level. According to the Department of Finance, the increase is driven by the inclusion of **\$3,823,000** in proposed expenditures identified in the *Miscellaneous Section of the Budget* (Exhibit III), **\$379,949** for professional service contracts detailed in Exhibit VII, and **\$22,000** for MIS bid procedures.

EXPENDITURES

Provided by the Department of Finance, *Exhibit V* presents a detailed line-item comparison of the Department's financial activity, including FY 2025 actual expenditures, FY 2026 expenditures through March 31, 2026, and FY 2027 budget recommendations.

Description	FY 2025 Expenditure	FY 2026 10/1/25-03/31/26	FY 2027 Recommendation
Personnel Services			
Classified Employees	\$939,996	\$372,674	\$1,421,987
Unclassified Employees	1,581,765	657,716	2,187,400
Overtime Salaries	10,195	5,757	15,000
Lump Sum Payments	2,928	52,721	103,024
Other Differential	2,852	2,887	-
Fees & Compensation NOC	13,016	3,175	-
Holiday Pay	244,058	108,677	-
All Other	381,725	200,008	-
Subtotal	3,176,534	1,403,615	3,727,411
Fringe Benefits			
Employer Contribution Retirement	603,931	237,015	683,592
F.I.C.A	196,945	87,024	231,099
Medicare	46,060	20,353	54,048
Health Insurance Premium	528,341	251,168	740,015
Worker's Compensation Premium	3,616	3,616.42	3,601
Subtotal	1,378,894	595,559	1,712,355
Supplies			
Office Supplies	13,938	10,345	46,800
Operating Supplies	68,597	5,856	167,560
Small Tools/ Minor Equipment	10,699	-	5,500
All Other	40,730	19,304	104,250
Subtotal	133,963	35,505	324,110
Other Services & Charges			
Professional Services	4,904,452	1,894,591	4,224,949
Communications	173,611	65,083	210,000
Travel	32,518	35,359	87,000
Transportation- Not Travel	5,293	422	-
Advertising & Promotion	490	-	5,000
Printing & Binding	321	-	-
Insurance	107,642	-	125,000
Repairs & Maintenance	77,005	14,984	604,500
Rental - Land & Building	-	9,506	-
Rental -Machine & Equipment	68,188	39,106	6,500
Training	10,500	9,200	115,670
Security	445,635	41,264	86,400
All Other	1,535,782	34,984	2,227,867
Subtotal	7,361,435	2,144,498	7,692,886
Capital Outlays			
Machinery & Equipment	48,896	-	85,000
Subtotal	48,896	-	85,000
Electricity	228,030	96,477	75,000
Water	31,041	9,181	33,000
Subtotal	259,071	105,658	108,000
Grand Total	\$12,358,793	\$4,284,835	\$13,649,762

Exhibit V

PERSONNEL SERVICES

The Governor’s FY 2027 General Fund Recommendation allocates **\$3,727,411** for personnel services; reflecting a **\$174,841 (5%)** increase above the FY 2026 appropriation of **\$3,552,570**. An extended directory of the Department of Finance *personnel is available in Appendix I*. Additionally; total staffing increased from 50 in FY 2026 to 53 in FY 2027.

Department of Finance			Position Classification				Adjustments
Fiscal Year 2027			Unclassified		Classified		
Fund Name	Pos #	FY 2027 Budget	Pos #	Total	Pos #	Total	Total
<i>General Fund</i> – 0100	53.00	\$3,727,411	26.00	2,187,400	27.00	\$ 1,421,987	\$118,024
Grand Total	53.00	\$ 3,727,411	26.00	\$2,187,400	27.00	\$ 1,421,987	\$118,024

Department of Finance			Position Classification				Adjustments
Fiscal Year 2026			Unclassified		Classified		
Fund Name	Pos #	FY 2026 Budget	Pos #	Total	Pos #	Total	Total
<i>General Fund</i> – 0100	50.00	\$3,552,570	25.00	2,032,000	25.00	\$ 1,387,995	\$132,575
Grand Total	50.00	\$ 3,552,570	25.00	\$2,032,000	25.00	\$ 1,387,995	\$132,575

Exhibit VI

PROFESSIONAL SERVICES CONTRACTS

Exhibit VII displays the DOF Professional Service Contracts.

Vendor	Type of Service	Amount	Terms
ADT	Fire Alarm System	\$3,739	Renewal Pending
BDO, USA, LLP	Audit Services	2,600,000	05/01/24-04/30/25
Benham, Hodge & Upson	Audit Assistance Services	350,000	05/01/24-12/31/26
Buck Global LLC	Actuarial Services	43,800	04/24/24-04/24/26
Buck Global LLC	Actuarial Services	155,000	10/24/24-10/24/26
Just Elevate	Consulting Services	49,500	None Provided
MLC Holding/ Import Supply	Generator Maintenance	4,290	10/01/23-09/30/24
Oliver Exterminating	Exterminating Services	5,400	10/01/24-09/30/25
OMNI Systems	Cloud Base Back Up System	10,500	Renewal Pending
Ranger American Security	Security Services	86,400	10/01/24-09/30/25
Stipend	-	3,000	-
Tempaire	A/C Maintenance	8,000	None Provided
Tyler Executive Time	Consulting Financial Support	80,000	Renewal Pending
Tyler Technologies	Consulting/Financial Support	1,436,060	06/01/21-09/30/25
Virgin Islands Cleaning	Janitorial Services	42,200	10/01/24-09/30/25
Workforce Systems	Software Maintenance	187,970	Renewal Pending
Workforce Systems	Software Maintenance	187,970	Renewal Pending
Oliver Wyman	Actuarial Services	45,000	11/08/23-11/08/25
XEROX	Copier Machine Maintenance	20,350	08/01/23-09/30/24
Totals		\$5,319,179	

Exhibit VII

VEHICLE

The Department of Finance maintains a fleet of six vehicles, with four assigned to St. Thomas/St. John District and two assigned to the St. Croix District. A detailed inventory of these vehicles is provided in *Exhibit VIII*. The department reported \$2,090 for gasoline expenses and \$6,595 for vehicle maintenance and repairs.

Plate No.	Year	Make	Model	Funding	Condition	Office
THR-269	2021	Ford	Explorer	General	Good	STT/STJ
DF-4	2020	Chevy	Equinox	General	Good	STT/STJ
DF-8	2020	Chevy	Equinox	General	Good	STT/STJ
DF-13	2021	Chevy	Colorado	General	Poor	STT/STJ
DF-2	2020	Chevy	Equinox	General	Fair	STX
DF-9	2021	Tesla	Model 3	General	Good	STX

Exhibit VIII

COMPLIANCE, OVERSIGHT & CORRECTIVE ACTION REVIEW

Released on January 27, 2026, the Fiscal Year 2023 audit performed by BDO, USA PC resulted in an unmodified audit opinion on the Government's financial statements; however, the independent auditors identified *material weaknesses, significant deficiencies, and instances of noncompliance affecting financial reporting and the administration of major federal award programs*. Audit findings were reported in the areas of *financial statement preparation, federal grant management, expenditure reporting, and capital asset accounting, highlighting the need for strengthened internal controls, improved financial oversight, and enhanced accountability across government agencies*.

A significant finding involved the timeliness and methodology of the year-end closing process (Finding 2023-001(a)), where delays in account reconciliations, financial statement preparation, and review procedures resulted in numerous adjustments and corrections during the audit. Auditors attributed these issues to insufficient internal controls, limited financial reporting resources, and inadequate review processes. *To address these concerns, the Department of Finance, in collaboration with the Office of Management and Budget (OMB) and the Department of Property and Procurement (DPP), plans to strengthen monthly fiscal oversight, formalize closing procedures, improve reporting mechanisms, update policies, and provide targeted training to financial personnel, with expected improvements beginning in FY 2026 and measurable results anticipated by FY 2027.*

The audit also highlighted the Government's deficit in unrestricted net position (Finding 2023-001(c)), driven by recurring operating losses, significant debt obligations, unfunded pension and post-employment benefit liabilities, and the lingering financial impact of hurricane recovery efforts. Management was advised to continue implementing long-term financial planning and balanced budgeting strategies to restore financial stability. *Corrective actions include maintaining conservative revenue projections, maximizing federal reimbursements and drawdowns, and pursuing cost containment measures to operate within budgetary constraints.*

Several findings were associated with federal grant management and reporting. ***Under Finding 2023-003(a), weaknesses in controls over the Schedule of Expenditures of Federal Awards (SEFA) resulted in inaccurate reporting of approximately \$43.5 million in federal expenditures and the misclassification of transactions as subrecipient expenditures.*** Auditors determined that controls over SEFA preparation and reconciliation were not properly designed or implemented. In response, management committed to conducting **quarterly reviews of Assistance Listing Numbers (ALNs), strengthening reconciliation procedures, enhancing grant documentation, and providing additional training to grant management personnel.**

Additional federal grant accounting deficiencies were identified in Finding 2023-003(b), where auditors noted inadequate documentation supporting federal drawdowns, revenue recognition, and receivable monitoring. ***The absence of reliable records hindered verification of grant activity and collection efforts.*** To address these concerns, the GVI has agreed to:

- Implement detailed drawdown tracking schedules
- Maintain supporting documentation within the Enterprise Resource Planning (ERP) system
- Retain approval records and bank confirmations
- Produce comprehensive reports for management, auditors, and oversight agencies.

Similarly, finding 2023-003(c) identified errors in federal grant accounting, ***including the improper classification of approximately \$4.9 million in local reimbursements as federal grant revenue.*** Per the audit, the issue stemmed from *inadequate monitoring and reconciliation procedures.* ***Corrective actions include implementing a standardized reconciliation process and conducting monthly reconciliations between Treasury cash receipt records and the OMB Federal Grant Management Unit to ensure accurate classification of federal and local revenues.***

The audit also reported deficiencies in capital asset accounting (Finding 2023-004(a)), ***including omitted capital asset additions totalling approximately \$6.6 million,*** *recording errors affecting prior fiscal periods, and uncertainty regarding opening balances and accumulated depreciation.* Auditors attributed these issues to incomplete accounting records and reliance on manual processes. ***Corrective measures include enhanced reconciliation procedures between supporting documentation and the capital asset register, improved invoice processing workflows, updated policies governing invoice submissions, and additional staff training on capitalization and period-end reporting requirements.***

Overall, the audit findings underscore the need for stronger financial management practices, enhanced internal controls, improved grant oversight, and more timely and accurate financial reporting. According to the report, management was advised to develop corrective action plans focused on strengthening accountability, standardizing processes, improving reconciliations, enhancing documentation, and increasing staff training to promote compliance with accounting standards, federal requirements, and sound fiscal management practices.

SUMMARY

The Department of Finance (DOF) FY 2027 Governor’s recommended budget is as follows:

\$13,649,762	Governor's General Fund Recommendation
\$6,596,992	Miscellaneous Section
\$20,246,754	Total Governor's Recommendation
	Other Funds
\$108,500	Indirect Cost Fund
\$108,500	Total Other Funds
\$20,355,254	FY 2027 Total Operating Budget



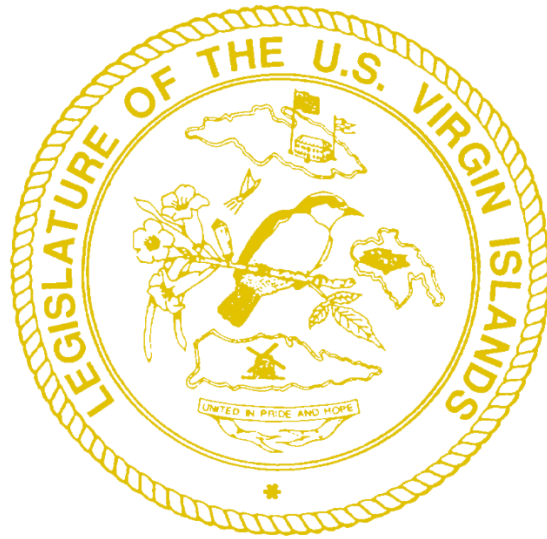
Theodora Philip, DBA
Post Auditor

APPENDIX II

PERSONNEL LISTING

POSITIONS	SALARIES	FTE	STATUS
FUND 100			
UNCLASSIFIED			
ACCOUNTING OPERATIONS MANAGER	\$80,000	1.00	FILLED
ADMINISTRATIVE SPECIALIST	50,000	1.00	FILLED
ADMINISTRATIVE SPECIALIST	57,200	1.00	FILLED
ADMINISTRATIVE SPECIALIST	55,000	1.00	FILLED
ASSISTANT DIRECTOR TREASURY	85,000	1.00	FILLED
BUDGET CONTROL FINANCIAL ANALYST	80,000	1.00	FILLED
CAPITAL ASSETS COORDINATOR	70,200	1.00	FILLED
CHIEF OF STAFF	85,000	1.00	FILLED
COMMISSIONER	135,000	1.00	FILLED
CONTRACT ASSISTANT	75,000	1.00	FILLED
CREDIT CARD COMPLIANCE OFFICER	80,000	1.00	FILLED
DEPUTY COMMISSIONER	110,000	1.00	FILLED
DIRECTOR ACCOUNTING	105,000	1.00	FILLED
DIRECTOR MANAGEMT INFO SYSTEMS	105,000	1.00	FILLED
DIRECTOR TREASURY	100,000	1.00	FILLED
EXECUTIVE. ASST. COMMISSIONER	115,000	1.00	FILLED
EXECUTIVE. ASST. COMMISSIONER	115,000	1.00	FILLED
FINANCIAL PLAN & ANALYST MANAGER	65,000	1.00	FILLED
PAYROLL DIRECTOR	105,000	1.00	FILLED
SPECIAL ASSISTANT	90,000	1.00	FILLED
SPECIAL PROJECT CORDINATOR	65,000	1.00	FILLED
SPECIAL PROJECT CORDINATOR	65,000	1.00	FILLED
SPECIAL PROJECT FACILTIES COORD	85,000	1.00	FILLED
TECHNICAL SUPPORT SPECIALIST	65,000	1.00	FILLED
TECHNICAL SUPPORT SPECIALIST	65,000	1.00	FILLED
SUBTOTAL	2,107,400	25.00	
UNCLASSIFIED			
ASSISTANT DIRECTOR PAYROLL	80,000	1.00	VACANT
SUBTOTAL	80,000	1.00	

POSITIONS	SALARIES	FTE	STATUS
FUND 100			
CLASSIFIED			
ADMINISTRATIVE OFFICER I	36,751	1.00	FILLED
ACCOUNTING ANALYST	45,524	1.00	FILLED
ACCOUNTING ANALYST	43,330	1.00	FILLED
CHIEF ACCOUNTS PAYABLE	59,248	1.00	FILLED
DATA PROCESSING ANALYST	102,870	1.00	FILLED
DISBURSEMENT ANALYST	39,770	1.00	FILLED
FINANCIAL REPORTING ANALYST	53,832	1.00	FILLED
FINANCIAL REPORTING ANALYST	49,263	1.00	FILLED
HUMAN RESOURCES GENERALIST	86,686	1.00	FILLED
INFORMATION TECHNOLOGY SPECIALIST	49,002	1.00	FILLED
PAYROLL AUDIT ANALYST	41,261	1.00	FILLED
PAYROLL AUDIT ANALYST	42,293	1.00	FILLED
PAYROLL AUDIT ANALYST	40,254	1.00	FILLED
PAYROLL AUDIT ANALYST	40,254	1.00	FILLED
RECONCILIATION & AUDIT ANALYST	43,330	1.00	FILLED
RECONCILIATION & AUDIT MANAGER	62,850	1.00	FILLED
SENIOR DATA PROCESSING ANALYST	104,231	1.00	FILLED
SUPERVISOR CENTRAL PAYROLL	60,480	1.00	FILLED
SUPERVISOR CENTRAL PAYROLL	64,181	1.00	FILLED
SUBTOTAL	1,065,409	19.00	
CLASSIFIED			
ADMINISTRATIVE SECRETARY	35,592	1.00	VACANT
ACCOUNTING ANALYST	46,662	1.00	VACANT
ACCOUNTING ANALYST	46,662	1.00	VACANT
FINANCIAL REPORTING ANALYST	45,524	1.00	VACANT
FINANCIAL REPORTING ANALYST	45,524	1.00	VACANT
INFORMATION TECHNOLOGY SPECIALIST	46,642	1.00	VACANT
SENIOR PROCESSING ANALYST	43,330	1.00	VACANT
TREASURY ANALYST	46,642	1.00	VACANT
SUBTOTAL	356,578	8.00	
OVERTIME	10,000		
OVERTIME	5,000		
LUMPSUM	100,000		
LUMPSUM	3,024		
SUBTOTAL	118,024		
GRAND TOTAL DOF	\$3,727,411	53.00	



COMMITTEE ON BUDGET, APPROPRIATIONS & FINANCE
- POST AUDIT DIVISION -

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