

ASSURANCES - NON-CONSTRUCTION PROGRAMS

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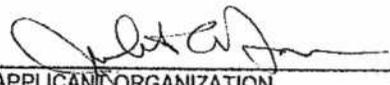
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE Director
APPLICANT ORGANIZATION Office of Economic Opportunity Public Finance Authority	DATE SUBMITTED March 9, 2010

**U.S. Department of Commerce
Broadband Technology Opportunities Program
Authentication and Certifications**

1. I certify that I am the duly Authorized Organization Representative (AOR) of the applicant organization, and that I have been authorized to submit the attached application on its behalf.
2. I certify that I have examined this application, that all of the information and responses in this application, including certifications, and forms submitted, all of which are part of this grant application, are material representations of fact and true and correct to the best of my knowledge, that the entity(ies) that is requesting grant funding pursuant to this application and any subgrantees and subcontractors will comply with the terms, conditions, purposes, and federal requirements of the grant program; that no kickbacks were paid to anyone; and that a false, fictitious, or fraudulent statements or claims on this application are grounds for denial or termination of a grant award, and/or possible punishment by a fine or imprisonment as provided in 18 U.S.C. §1001 and civil violations of the False Claims Act.
3. I certify that the entity(ies) I represent have and will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, codes, orders and programmatic rules and requirements relating to the project. I acknowledge that failure to do so may result in rejection or deobligation of the grant or loan award. I acknowledge that failure to comply with all federal and program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.
4. I certify that the entity(ies) I represent has and will comply with all applicable administrative and federal statutory, regulatory, and policy requirements set forth in the Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements ("DOC Pre-Award Notification"), published in the Federal Register on February 11, 2008 (73 FR 7696), as amended; DOC Financial Assistance Standard Terms and Conditions (Mar. 8, 2009); the Department of Commerce American Recovery and Reinvestment Act Award Terms (Apr. 9, 2009); and any Special Award Terms and Conditions that are included by the Grants Officer in the award.
5. I certify that any funds awarded to the entity(ies) I represent as a result of this application will not result in any unjust enrichment of such entity(ies) or duplicate any funds such entity(ies) receive under federal universal service support programs administered by the Universal Service Administrative Corporation (USAC).
6. I certify that the entity(ies) I represent has secured access to pay the 20% of total project cost or has petitioned the Assistant Secretary of NTIA for a waiver of the matching requirement.

3/8/10
Date

[Signature]
Authorized Organization Representative Signature

JULIO A. FRANCIS
Print Name

DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY
Title

VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY
(a blended component of the Government of the United States Virgin Islands)
Statement of Net Assets
September 30, 2008 and 2007

	2008	2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 24,777,211	\$ 30,254,524
Restricted cash and cash equivalents	73,765,951	78,562,867
Restricted investments, at fair value	140,255,229	127,925,499
Receivables, net	1,246,081	1,845,295
Restricted loan receivable - Government of the U. S. Virgin Islands	39,925,118	37,358,759
Investments, at fair value	-	1,092,814
Prepaid expenses and other assets	795,966	854,688
Total current assets	<u>280,765,556</u>	<u>277,894,446</u>
Noncurrent assets		
Restricted cash and cash equivalents	1,875,184	1,848,499
Restricted investments, at fair value	97,757,378	96,917,725
Restricted loan receivable - Government of the U. S. Virgin Islands	1,017,441,153	1,049,922,716
Bond discounts and issuance costs	5,748,395	6,889,935
Capital assets, net of depreciation	49,349,804	47,186,228
Total noncurrent assets	<u>1,172,171,914</u>	<u>1,202,765,103</u>
Total assets	<u>\$ 1,452,937,470</u>	<u>\$ 1,480,659,549</u>
LIABILITIES		
Current liabilities		
Accrued expenses and other liabilities	\$ 2,895,574	\$ 4,795,481
Loans payable related to capital assets	416,188	623,212
Notes payable	3,632,216	2,773,759
Deferred revenue	193,714	193,714
Bonds payable	34,750,000	32,170,000
Interest payable	28,643,698	29,387,057
Total current liabilities	<u>70,531,390</u>	<u>69,943,223</u>
Noncurrent liabilities		
Loans payable related to capital assets	23,140,793	21,391,814
Notes payable	5,212,733	1,401,394
Bonds payable (including a reduction of \$10,496,872 and \$11,645,720 in 2008 and 2007, respectively, due to a deferred amount on defeased bonds)	1,034,553,128	1,068,154,280
Restricted assets held for the Government of the U. S. Virgin Islands	141,238,948	151,522,897
Deferred revenue	193,716	387,430
Payable from restricted assets	118,243,685	102,693,269
Total non-current liabilities	<u>1,322,583,003</u>	<u>1,345,551,084</u>
Total liabilities	<u>1,393,114,393</u>	<u>1,415,494,307</u>
NET ASSETS		
Invested in capital assets, net of related debt	27,668,007	27,019,701
Restricted	27,183,366	26,858,285
Unrestricted	4,971,704	11,287,256
Total net assets	<u>\$ 59,823,077</u>	<u>\$ 65,165,242</u>

The accompanying notes are an integral part of these financial statements.

VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY
(a blended component of the Government of the United States Virgin Islands)
Statements of Revenues, Expenses and Changes in Net Assets
Years ended September 30, 2008 and 2007

	2008	2007
OPERATING REVENUES		
Charges for services	\$ 14,143,632	\$ 13,452,690
Other	78,611	1,045,935
Total operating revenues	<u>14,222,243</u>	<u>14,498,625</u>
OPERATING EXPENSES		
General and administrative	15,238,834	11,301,718
Depreciation and amortization	2,112,630	1,633,871
Total operating expenses	<u>17,351,464</u>	<u>12,935,589</u>
Operating (loss) income	<u>(3,129,221)</u>	<u>1,563,036</u>
NONOPERATING REVENUES		
(EXPENSES)		
Interest income		
Cash, cash equivalents and investments	6,055,283	6,955,063
Loans receivable	57,744,283	59,632,680
Other investment income	193,714	193,715
Amortization of bond discount and issuance costs	(2,002,577)	(2,002,578)
Amortization of deferred amount on defeased bonds	(1,148,853)	(1,841,537)
Interest expense	(59,130,593)	(61,027,419)
Gain (loss) on fixed assets	2,500	(7,052)
Contribution to the USVI Government	(100,000)	(1,000,000)
Total nonoperating income	<u>1,613,757</u>	<u>902,872</u>
Income before transfers	(1,515,464)	2,465,908
TRANSFERS		
Payments on behalf of Government of the U. S. Virgin Islands	<u>(3,826,701)</u>	<u>(3,648,117)</u>
Change in net assets	(5,342,165)	(1,182,209)
Total net assets at beginning of fiscal year	<u>65,165,242</u>	<u>66,347,451</u>
Total net assets at end of fiscal year	<u>\$ 59,823,077</u>	<u>\$ 65,165,242</u>

The accompanying notes are an integral part of these financial statements.

VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY
(a blended component of the Government of the United States Virgin Islands)
Statements of Cash Flows
Years ended September 30, 2008 and 2007

	2008	2007
Cash flows from operating activities		
Cash received from customers	\$ 14,821,457	\$ 13,281,486
Cash paid to suppliers and employees for services	(16,480,020)	(10,761,738)
Other cash receipts	-	1,045,935
	<u>(1,658,563)</u>	<u>3,565,683</u>
Net cash (used in) provided by operating activities		
Cash flows from investing activities		
Purchases of investments	(323,850,315)	(467,099,177)
Interest received on cash, cash equivalents and investments	14,994,054	13,684,295
Investment maturities and sales	311,773,746	507,104,570
	<u>2,917,485</u>	<u>53,689,688</u>
Net cash provided by investing activities		
Cash flows from capital and related financing activities		
Proceeds from the sale of property and equipment	2,500	
Proceed from the issuance of long term debt	2,211,226	1,780,650
Acquisition of property and equipment	(4,241,096)	(5,021,668)
Interest payment on long-term debt related to capital assets	(1,297,316)	(1,364,803)
Principal payments on loans payable related to capital assets	(674,446)	(484,372)
	<u>(3,999,132)</u>	<u>(5,090,193)</u>
Net cash provided by (used in) capital and related financing activities		
Cash flows from non-capital financing activities:		
Funds received for debt service	122,030,948	98,536,838
Payment in lieu of taxes	(700,000)	-
Transfer from the Government of the U.S. Virgin Islands	5,041,500	-
Proceeds from issuance of notes payable	7,650,000	-
Interest paid on bonds and notes payable	(58,311,093)	(60,228,082)
Payment of issuance costs	(151,133)	(421,058)
Transfer to the Government of the U.S. Virgin Islands	(3,826,700)	(3,648,117)
Principal payments on bonds and notes payable	(32,166,611)	(33,030,000)
Payments on behalf of Government of the U.S. Virgin Islands	(47,074,245)	(86,000,845)
	<u>(7,507,334)</u>	<u>(84,791,264)</u>
Net cash (used in) non-capital financing activities		
Net increase in cash, cash equivalents and and restricted cash	(10,247,544)	(32,626,086)
Cash, cash equivalents and restricted cash at beginning of fiscal year	<u>110,665,890</u>	<u>143,291,976</u>
Cash, cash equivalents and restricted cash at end of fiscal year	<u>\$ 100,418,346</u>	<u>\$ 110,665,890</u>

The accompanying notes are an integral part of these financial statements.

VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY
(a blended component of the Government of the United States Virgin Islands)
Statements of Cash Flows
Years ended September 30, 2008 and 2007

	2008	2007
Reconciliation of operating (loss) income to net cash provided by operating activities		
Operating (loss) income	\$ (3,129,221)	\$ 1,563,036
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,112,630	1,633,871
Provision for doubtful accounts	(41,490)	-
Changes in operating assets and liabilities that increase (decrease) cash		
Receivables	640,704	(171,201)
Prepaid expenses and other assets	58,722	(55,817)
Accrued expenses and other liabilities	(1,299,908)	595,794
Total adjustments	<u>1,470,658</u>	<u>2,002,647</u>
Net cash provided by operating activities	<u>\$ (1,658,563)</u>	<u>\$ 3,565,683</u>
Supplemental information of non-cash investing and non capital financing activities		
Notes paid on behalf of the Authority by the Government of the USVI	<u>\$ 2,983,593</u>	<u>\$ 3,412,870</u>

The accompanying notes are an integral part of these financial statements.

VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY
(a blended component of the Government of the United States Virgin Islands)
Unaudited Statements of Revenues, Expenses and Changes in Net Assets
Years ended September 30, 2009 and 2008

	2009	Restated 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 30,752,051	\$ 24,777,211
Restricted cash and cash equivalents	74,899,684	73,765,951
Restricted investments, at fair value	277,223,305	140,255,229
Receivables, net	1,822,603	1,246,081
Restricted loans receivable - Government of the Virgin Islands	45,336,255	39,925,118
Prepaid expenses and other assets	450,816	795,966
Total current assets	<u>430,484,714</u>	<u>280,765,556</u>
Noncurrent assets		
Restricted cash and cash equivalents	1,897,152	1,875,184
Restricted investments, at fair value	113,142,658	97,757,378
Restricted loan receivable - Government of the U. S. Virgin Islands	1,335,701,122	1,017,441,153
Bond discounts and issuance costs	4,784,744	5,748,395
Capital assets, net of depreciation	48,752,449	49,349,804
Total noncurrent assets	<u>1,504,278,125</u>	<u>1,172,171,914</u>
Total assets	<u>\$ 1,934,762,839</u>	<u>\$ 1,452,937,470</u>
LIABILITIES		
Current liabilities		
Accrued expenses and other liabilities	\$ 2,257,579	\$ 2,895,574
Loans payable related to capital assets	438,198	416,188
Notes payable	10,556,255	3,632,216
Deferred revenue	193,716	193,714
Bonds payable	33,050,000	34,750,000
Interest payable	31,985,043	28,643,698
Total current liabilities	<u>78,480,791</u>	<u>70,531,390</u>
Noncurrent liabilities		
Loans payable related to capital assets	22,935,562	23,140,793
Notes payable	108,481,122	5,212,733
Bonds payable (including a reduction of \$9,964,039 and \$10,496,872 in 2009 and 2008, respectively, due to a deferred amount on defeased bonds)	1,252,035,961	1,034,553,128
Restricted assets held for the Government of the Virgin Islands	271,212,273	141,238,948
Deferred revenue	-	193,716
Payable from restricted assets	142,102,222	113,333,685
Total non-current liabilities	<u>1,796,767,140</u>	<u>1,317,673,003</u>
Total liabilities	<u>1,875,247,931</u>	<u>1,388,204,393</u>
NET ASSETS		
Invested in capital assets, net of related debt	25,378,689	27,668,007
Restricted	27,316,460	27,183,366
Unrestricted	6,819,759	9,881,704
Total net assets (as restated)	<u>\$ 59,514,908</u>	<u>\$ 64,733,077</u>

The accompanying notes are an integral part of these financial statements.

VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY
(a blended component of the Government of the United States Virgin Islands)
Unaudited Statements of Revenues, Expenses and Changes in Net Assets
Years ended September 30, 2009 and 2008

	2009	<i>Restated</i> 2008
OPERATING REVENUES		
Charges for services	\$ 9,027,791	\$ 10,573,632
Other	<u>3,557,355</u>	<u>78,611</u>
Total operating revenues	<u>12,585,146</u>	<u>10,652,243</u>
OPERATING EXPENSES		
General and administrative	13,216,769	15,238,834
Depreciation and amortization	<u>2,334,968</u>	<u>2,112,630</u>
Total operating expenses	<u>15,551,737</u>	<u>17,351,464</u>
Operating (loss) income	<u>(2,966,591)</u>	<u>(6,699,221)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income		
Cash, cash equivalents and investments	5,833,503	6,055,283
Loans receivable	60,263,831	57,744,283
Other investment income	193,714	193,714
Budgetary allocation	3,500,000	3,570,000
Amortization of bond discount and issuance costs	(2,546,516)	(2,002,577)
Amortization of deferred amount	(532,884)	(1,148,853)
Interest expense	(61,634,475)	(59,130,593)
Basis Swap Termination Fee	-	4,910,000
Gain (loss) on fixed assets	(237,727)	2,500
Contribution to the USVI Government	<u>-</u>	<u>(100,000)</u>
Total nonoperating income	<u>4,839,446</u>	<u>10,093,757</u>
Income before transfers	1,872,855	3,394,536
TRANSFERS		
Payments on behalf of Government of the U. S. Virgin Islands	<u>(7,091,024)</u>	<u>(3,826,701)</u>
Change in net assets	(5,218,169)	(432,165)
Total net assets at beginning of fiscal year	<u>64,733,077</u>	<u>65,165,242</u>
Total net assets at ending of fiscal year	<u>\$ 59,514,908</u>	<u>\$ 64,733,077</u>

The accompanying notes are an integral part of these financial statements.