The West Indian Company Limited
(A Blended Component Unit of the Virgin Islands Public Finance Authority)

Management's Discussion and Analysis and Financial Statements (with Independent Auditor`s Report Thereon)

Year Ended September 30, 2021

The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

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Independent Auditor's Report

To the Board of Directors
The West Indian Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The West Indian Company Limited (the "Company"), a blended component unit of the Virgin Islands Public Finance Authority, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the West Indian Company Limited, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Notes 1 and 6 to the financial statements, the Company is part of an affiliated group of entities and has entered into transactions with the group members. Our opinion is not modified with respect to this matter.

As discussed in Note 7 to the financial statements, the Company is in default on certain covenants pertaining to its loan payable and the lender may demand repayment of this obligation. However, as of report date and as further discussed in Note 15, the Company issued certain bonds, the proceeds of which were utilized to prepay the outstanding loan balance and the Company entered into loan termination, pledge termination, and guaranty termination agreements with the lender, documenting the close of the loan payable. Our opinion is not modified with respect to this matter.

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The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 14 to the financial statements, the Company is in an uncertain financial position and has reported a net deficit and has suffered losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 14. These financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

BDO USA P.C.

(formerly known as BDO USA, LLP)

December 27, 2023

Management's Discussion and Analysis

The purpose of the following management's discussion and analysis of the financial performance and activity of The West Indian Company Limited (the "Company") is to help readers understand the basic financial statements of the Company for the year ended September 30, 2021, with selected comparative information for the year ended September 30, 2020. This discussion has been prepared by management and should be read in conjunction with the basic financial statements and the notes thereto, which follow this section.

The Company

The Company is a U.S. Virgin Islands corporation that is owned by the Government of the U.S. Virgin Islands (the "Government") through the Virgin Islands Public Finance Authority (the "PFA"). The Company's operations consist primarily of servicing cruise ships owned by established cruise lines.

Over the past 10 years, the Company has hosted an average of 1.25 million cruise ship passengers per year. The Company also generates revenue from renting land and warehouses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Company's basic financial statements. The Company's basic financial statements consist of four components: 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to Financial Statements.

- The Statement of Net Position is prepared on an economic resources measurement focus and reports information about the Company using accounting methods similar to those used by private sector companies (accrual basis of accounting) and presents all assets and liabilities of the Company, with the difference between the two reported as net position.

- The Statement of Revenues, Expenses, and Changes in Net Position presents information on how the Company's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows.

- The Statement of Cash Flows provides data regarding all cash inflows the Company receives from its ongoing operations and includes all cash outflows that pay for business activities. The Statement of Cash Flows provides an analysis of the operating, investing, noncapital, and capital and related financing activities and their effect on cash and cash equivalents.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within.

Summary of Financial Results

Statement of Net Position - Table 1 summarizes the Company's Statement of Net Position as of September 30, 2021 and 2020.

Table 1: Summary of Statements of Net Position

September 30,	2021	2020	Change	% Change
Assets:				
Current assets	$ 4,765,161	$ 10,398,329	$ (5,633,168)	-54%
Capital assets, net	37,074,213	40,148,927	(3,074,714)	-8%
Total assets	$ 41,839,374	$ 50,547,256	$ (8,707,882)	-17%
Liabilities:				
Current liabilities	$ 52,765,650	$ 10,681,819	$ 42,083,831	394%
Long-term liabilities	1,228,717	42,740,150	(41,511,433)	-97%
Total liabilities	$ 53,994,367	$ 53,421,969	$ 572,398	1%
Net position:				
Net investment in capital assets	$ (4,605,806)	$ (2,105,919)	$ (2,499,887)	-119%
Restricted	2,730,324	7,021,181	(4,290,857)	-61%
Unrestricted deficit	(10,279,511)	(7,789,975)	(2,489,536)	-32%
Total net (deficit) position	$ (12,154,993)	$ (2,874,713)	$ (9,280,280)	-323%

For fiscal year 2021, the Company's assets amounted to $41.8 million, of which $3.7 million represented cash and cash equivalents, $1.1 million represented receivables, prepaid expenses and other current assets and $37.1 million represented capital assets net of accumulated depreciation. Current and other assets decreased by $5.6 million mainly due to the net effect of a decrease in cash and cash equivalents of $5.8 million, a decrease in trade accounts receivables of $198,000, a increase in prepaid expenses and other current assets of $462,000, an increase in other receivables of $10,000 and a decrease in federal grant receivables of $81,000. Capital assets decreased by $3.1 million due to the net effect of acquisition of assets of $38,000 offset by disposals and adjustments of $42,000 and depreciation expense of $3.1 million.

For fiscal year 2021, the Company's liabilities amounted to $54 million, of which $42.4 million represented direct borrowing from a bank, $9.3 million represented a payable to the Government, and $1.3 million represented compensated absences payable. Current and other liabilities increased by $42.1 million mainly due to an increase the current portion of the direct borrowing from a bank, an increase in payments in lieu of taxes ("PILOT") due to the Government of $648,000, an increase in SBA refundable advances of $253,000, and an increase in accounts payable and accrued expenses of $315,000, offset by a decrease in customer deposits of $38,000 and a decrease in the current portion of compensated absences payable of $17,000. Long-term liabilities decreased by $41.5 million due to a decrease in long-term compensated absences payable of $14,000 and a decrease in long-term direct borrowing from a bank of $41.5 million.

Statement of Revenues, Expenses, and Changes in Net Position - Table 2 summarizes the Company's revenues, expenses, and changes in net position for the fiscal year ended September 30, 2021, and 2020.

Table 2: Summary of Statements of Revenues, Expenses, and Changes in Net Position

September 30,	2021	2020	Change	% Change
Operating revenues	$ 1,188,939	$ 5,441,406	$ (4,252,467)	-78%
Operating expenses:				
Cost of services	3,939,271	6,028,971	(2,089,700)	-35%
General and administrative expenses	625,670	664,137	(38,467)	-6%
Depreciation	3,112,861	3,185,301	(72,440)	-2%
Total Operating expenses	7,677,802	9,878,409	(2,200,607)	-22%
Operating loss	(6,488,863)	(4,437,003)	(2,051,860)	-46%
Nonoperating (expenses) income	(2,791,417)	(2,611,805)	(179,612)	7%
Change in net position	(9,280,280)	(7,048,808)	(2,231,472)	-32%
Net position – beginning of year	(2,874,713)	4,174,095	(7,048,808)	-169%
Net (deficit) position – end of year	$ (12,154,993)	$ (2,874,713)	$ (9,280,280)	-323%

For fiscal year 2021, operating revenues of $1.2 million decreased by $4.3 million from the prior year mainly due to decreased passenger dues fees received resulting from cruise ship cancellations related to the Coronavirus (COVID-19) pandemic.

Operating expenses of $7.7 million decreased by $2.2 million primarily due to a decrease in costs of services expenses of $2.1 million and a decrease in general and administrative expenses of $38,000. The Company reported an increase in net non-operating expenses of $180,000. Grant revenue decreased by $153,000 related to damage incurred following the 2017 Hurricanes and an increase in interest income of $12,000 offset by an increase in interest expense on outstanding bank loans of $32,000 and a decrease in other income of $4,000.

Capital Assets

Following is a schedule of the capital assets of the Company as of September 30, 2021 and 2020:

	Balance 9/30/2020	Additions	Disposals	Transfers	Balance 9/30/2021
Capital assets not being depreciated:					
Land	$ 5,147,278	$ -	$ -	$ -	$ 5,147,278
Construction in progress	2,584,002	20,854		(33,919)	2,570,937
Total capital assets not being Depreciated	7,731,280	20,854		(33,919)	7,718,215
Capital assets being depreciated:					
Personal property and equipment	4,765,759	17,083	(42,383)	1,262	4,741,721
Buildings and building Improvements	71,801,891	-	-	33,249	71,835,140
Total capital assets being depreciated	76,567,650	17,083	(42,383)	34,511	76,576,861
Less accumulated depreciation for:					
Personal property and equipment	(3,438,773)	(181,557)	42,383	58,692	(3,519,255)
Buildings and building Improvements	(40,711,230)	(2,931,304)	-	(59,074)	(43,701,608)
Total accumulated depreciation	(44,150,003)	(3,112,861)	42,383	(382)	(47,220,863)
Total capital assets being depreciated, net	32,417,647	(3,095,778)	-	34,129	29,355,998
Capital assets, net	$ 40,148,927	$ (3,074,924)	$ -	$ 210	$ 37,074,213

In fiscal year 2021, construction in progress decreased by $13,000 mainly due to $33,000 of transfers to buildings and building improvements and $21,000 of asset purchases. Personal property and equipment decreased by $24,000 due to net decreases of $41,000 from disposals and adjustments and increases of $17,000 due to purchases of assets. Buildings and building improvements increased by $33,000 due to transfers from construction in progress. Accumulated depreciation increased mainly due to the depreciation expense of $3.1 million.

Loan Payable

As of September 30, 2021, the Company had loans outstanding with Banco Popular de Puerto Rico including consolidated loans amounting to $41.7 million with a fixed interest rate of 5.25% amortized over a 25-year period and a five-year term expiring July 2022 and an SBA Guaranteed Paycheck Protection Program (PPP) loan with the bank in the amount of $717,200 with a fixed interest rate of 1% and a five-year term.

September 30,	Balance at 9/30/2020	Deferred Interest	New Issuances	Principal Payments	Balance at 9/30/2021
Consolidated Loans	$ 42,254,846	$ 183,209	$ -	$ (758,036)	$ 41,680,019
SBA Guaranteed Loan	-	-	717,200	-	717,200
	$ 42,254,846	$ 183,209	$ 717,200	$ (758,036)	$ 42,397,219

The loan proceeds of the consolidated loans were utilized to finance dock improvement projects and installation of 150-ton bollards. The PPP loan was used for operating expenses during the COVID-19 pandemic. The Company applied for PPP loan forgiveness in May 2022.

Effective October 2021, the Company received approval from Banco Popular de Puerto Rico to utilize the debt service reserve account at Banco Popular de Puerto Rico to satisfy loan payments. In June 2022, the Banco Popular de Puerto Rico loan was prepaid with the issuance of the Port Facilities Revenue Bonds.

Port Facilities Revenue Bonds

The Port Facilities Revenue Bonds (the "Series 2022 Bonds") were issued in June 2022 at a nominal value of $52.6 million, and a discounted value of $51.6 million. The Series 2022 Bonds were offered exclusively to qualified institutional buyers and are not debts of the PFA or the primary Government. The bonds were issued to: (i) prepay the Banco Popular de Puerto Rico loan, (ii) fund a capitalized interest fund in an amount equal to the interest accrued through December 31, 2022, (iii) fund the debt service reserve fund, (iv) finance certain improvements to docks, wharves, and ancillary facilities, (v) acquire a twenty-foot skiff for port operations, and (vi) pay certain costs of issuing the bonds. The Series 2022 Bonds are due October 1, 2032, through April 1, 2052, with interest rates of 5.875% to 6.125%.

Significant Currently-Known Facts

The following are currently known facts that could have a potential significant effect on financial position and changes in financial position in future years:

Operations

Management is addressing the changing dockage requirements of larger cruise ships and increased competition from other cruise ports by improving its dockage. In fiscal year 2017, the Company replaced 32 older 60-ton bollards with 150-ton bollards and replaced 750 feet of dock bulkhead. The Company is moving forward with a project to construct a new dock to accommodate two larger 5,000+ passenger ships. Estimated projections determine that construction of the new dock facilities will provide at least 100 additional calls. The Company continues to operate with an approved Facility Security Plan and meets any additional requirements contained in Title 33 CFR Part 105 of the Maritime Security Code of Federal Regulations.

Management has also addressed the increasing competition from other cruise ports by entering into preferential berthing rights agreements with three major cruise lines, providing the Company with guaranteed annual revenue. The Company continues to explore several means of maximizing its financial future by concentrating on growing the passenger arrivals, developing the 7-acre property located in Estate Liverpool, and renovation and reconstruction of warehouse rentals to attract new and varied purveyors of products and services to appeal to visitors and residents.

The Company is finalizing plans for the development of two additional berths, reviewing opportunities for fresh new attractions and activities to the destination, and preparing for the renovation of Estate Catherineberg into a museum pursuant to Act 8053. The Company is highly dependent on the cruise ship industry. Beginning in March 2020, the cruise ship industry was significantly affected by the global health pandemic which paused cruise ship travel through September 2021.

The cruise ship industry may also be impacted by natural disasters such as hurricanes. Climate change experts have predicted an increase in the strength and occurrence of hurricanes in the coming decades.

Working Capital Position

The Company was in a negative working capital position as of September 30, 2021, with current assets of $4.8 million and current liabilities of $52.8 million. Current liabilities include outstanding liability of payments for direct borrowing from banks amounting to $42.4 million and payments in lieu of taxes ("PILOT"), amounting to $9.3 million, due to the Government. The Company's loan with Banco Popular de Puerto Rico was repaid by the Company in June 2022, with the issuance of the Port Facilities Revenue Bonds. Management expects the PILOT liability to decrease with the renovation of the historic property located in Estate Catherineberg. Act 8053 authorizes the PILOT balance to be reduced by the value of repairs and improvements to the Estate Catherineberg property.

Coronavirus COVID-19 Pandemic

In December 2019, a novel strain of coronavirus known as COVID-19 was reported which quickly spread around the globe, including the United States and its Territories. In March 2020, the Governor of the U.S. Virgin Islands declared a state of emergency due to COVID-19. Also, in March 2020, the Centers for Disease Control and Prevention issued a No Sail Order ("Order") for cruise ships. The Company derives a material portion of its revenue from servicing cruise ships owned by established cruise lines. As a result of the Order and state of emergency, the Company announced a temporary closure of its port which remained in effect until September 6, 2021. The Company's fee for services revenue for fiscal year 2021 was impacted due to the pause in cruise operations.

Contacting the Company's Financial Management

This financial report is designed to provide the Company's customers, creditors, and other interested persons with a general overview of its finances and to demonstrate the Company's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact:

The West Indian Company Limited
P.O. Box 7660 Charlotte Amalie
St. Thomas, VI 00801
340-774-1780

Financial Statements

The West Indian Company Limited
(A Blended Component Unit of the Virgin Islands Public Finance Authority)

Statement of Net Position

September 30,	2021
Assets	
Current assets:	
Cash and cash equivalents	$ 946,769
Restricted cash	2,730,324
Trade accounts receivable, net	34,185
Grants receivable	152,437
Other accounts receivable	17,187
Prepaid expenses and other current assets	884,259
Total current assets	4,765,161
Noncurrent assets:	
Capital assets, net	37,074,213
Total assets	$ 41,839,374
Liabilities	
Current liabilities:	
Accounts payable	$ 237,093
Accrued expenses	745,338
Compensated absences payable	26,268
Customer deposits	50,784
Payable to the Government	9,308,948
Loan payable	42,397,219
Total current liabilities	52,765,650
Noncurrent liabilities:	
Compensated absences payable	1,228,717
Total noncurrent liabilities	1,228,717
Total liabilities	53,994,367
Net position:	
Net investment in capital assets	(4,605,806)
Restricted for:	
Debt service	1,164,169
Bulkhead repairs	508,299
Hurricane repairs	1,057,856
Unrestricted deficit	(10,279,511)
Total net deficit	$ (12,154,993)

See accompanying notes to financial statements.

The West Indian Company Limited
(A Blended Component Unit of the Virgin Islands Public Finance Authority)

Statement of Revenues, Expenses, and Changes in Net Position

Year ended September 30,		2021
Operating revenues		
Fees for services	$	1,188,939
Operating expenses		
Cost of services		3,939,271
General and administrative expenses		625,670
Depreciation		3,112,861
Total operating expenses		7,677,802
Operating loss		(6,488,863)
Non-operating revenues (expenses)		
Interest expense		(2,256,119)
Interest income		23,758
Grants revenue		80,431
Other income		60,513
Contribution to the Government		(700,000)
Total non-operating loss, net		(2,791,417)
Change in net position		(9,280,280)
Net (deficit) position, beginning of year		(2,874,713)
Net (deficit) position, end of year	$	(12,154,993)

See accompanying notes to financial statements.

The West Indian Company Limited
(A Blended Component Unit of the Virgin Islands Public Finance Authority)

Statement of Cash Flows

Year ended September 30,	2021
Cash flows from operating activities	
Cash received from customers	$ 1,398,984
Cash paid to employees	(2,059,178)
Cash paid to suppliers	(2,683,308)
Net cash used in operating activities	(3,343,502)
Cash flows from noncapital financing activities	
Grants revenue	161,485
Contribution to the Government	(51,559)
Net cash provided by noncapital financing activities	109,926
Cash flows from capital and related financing activities	
Acquisition of capital assets	(37,937)
Disposal of assets and adjustments to capital assets	(211)
Return of refundable advance	(464,400)
Proceeds of PPP loan	717,200
Principal added to loan payable	183,209
Principal payments on loan payable	(758,036)
Interest paid	(2,256,119)
Net cash used in capital and related financing activities	(2,616,294)
Cash flows from investing activities	
Interest income	23,758
Net cash provided by investing activities	23,758
Decease in cash and cash equivalents	(5,826,112)
Cash and cash equivalents, beginning of year	9,503,205
Cash and cash equivalents, end of year	$ 3,677,093
Cash and cash equivalents include:	
Unrestricted	$ 946,769
Restricted:	
Cash segregated for payment of principal and interest on loan payable	1,164,169
Cash segregated for payment of bulkhead repairs	508,299
Cash segregated for payment of hurricane repairs	1,057,856
	$ 3,677,093

See accompanying notes to financial statements.

The West Indian Company Limited
(A Blended Component Unit of the Virgin Islands Public Finance Authority)

Statement of Cash Flows (continued)

Year ended September 30,	2021
Reconcilation of operating loss to net cash provided by operating activities:	
Operating loss	$ (6,488,863)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Provision for doubtful accounts	(152,636)
Depreciation	3,112,861
Other income	60,513
Changes in operating assets and liabilities:	
Trade accounts receivable	350,232
Other accounts receivable	(9,996)
Prepaid expenses and other current assets	(461,596)
Accounts payable	(3,844)
Accrued expenses	318,800
Compensated absences payable	(30,906)
Customer deposits	(38,067)
Total adjustments	3,145,361
Net cash provided by operating activities	$ (3,343,502)

See accompanying notes to financial statements.

1. Reporting Entity

The West Indian Company Limited (the "Company"), incorporated in the U.S. Virgin Islands, is owned by the Government of the U.S. Virgin Islands (the "Government") through the Virgin Islands Public Finance Authority ("PFA"). The Company's operations consist primarily of servicing cruise ships owned by established cruise lines.

The financial statements of the Company are not intended to present fairly the financial position and results of operations of the Government or the PFA. Only the accounts of the Company are included in the reporting entity. There are no component units that should be considered for inclusion in the Company's financial statements.

2. Summary of Significant Accounting Policies

The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted, standard-setting body for establishing governmental accounting and financial reporting standards.

Measurement Focus and Basis of Accounting

The Company complies with all applicable GASB pronouncements. The operations of the Company are presented as an enterprise fund and as such, the financial statements are reported using the economic measurement focus and the accrual basis of accounting. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period incurred regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Company distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Company's principal ongoing operations. The principal operating revenues of the Company are charges to customers for fees. Operating expenses for the Company's include the cost of services, general and administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating items.

When both restricted and unrestricted resources are available for use, it is the Company's policy to use restricted resources first, then unrestricted resources as they are needed.

Standards for external financial reporting for state and local governments also require that resources be classified for accounting and reporting purposes into net position categories and to report the changes in net position.

Net position represents the residual interest in the Company's assets after liabilities are deducted and consist of the following categories:

- *Net investment in capital assets:* Capital assets, net of accumulated depreciation less outstanding principal balances of debt and accounts payable attributable to the acquisition, construction, or improvement of those assets. The portion of debt attributed to the unspent debt proceeds is included in the same net position component as the unspent proceeds.

- *Restricted:* These result when constraints on the use of net position are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted:* Net position that is not subject to externally imposed stipulations.

Taxes

The Company is exempt from the payment of all U.S. Virgin Islands taxes on all its assets and income. However, the Company is required to make an annual payment in lieu of taxes ("PILOT") to the Government, of the greater of ten percent of net revenues or $700,000 retroactive to fiscal year 2006 and thereafter. Also see Note 6.

Cash and Cash Equivalents

The Company considers cash on hand, demand deposits, and other short-term investments with original maturities of three months or less from the date acquired by the Company to be cash and cash equivalents.

Trade and Other Accounts Receivables

Trade and other accounts receivables consist of amounts due under cruise line agreements, leases of warehouses and land, and receivables due from the Government Employees' Retirement System of the U.S. Virgin Islands ("GERS"). Receivables are recorded at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The adequacy of the allowance for doubtful accounts is evaluated by management based upon past collection experience.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of amounts paid by the Company for services not yet provided by vendors, which primarily relate to property and liability insurance.

Capital Assets

Capital assets are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the asset. Assets with costs above $500 and a useful life of at least one year are capitalized. Estimated useful lives of capital assets are as follows:

	Years
Personal property and equipment	3 - 25
Buildings and building improvements	5 - 40

When assets are retired, the cost and related accumulated depreciation of the property is removed from the accounts and any gain or loss is recognized. Expenses for major renewals and betterments are capitalized, while maintenance and repairs which do not extend the life of the assets are recorded as expenses.

The Company reviews the carrying value of its capital assets to determine if circumstances exist indicating impairment. If facts or circumstances support the possibility of impairment, management follows the guidance in GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries. If impairment is indicated, an adjustment is made to the carrying value of the capital assets.

Compensated Absences

Unpaid vacation and sick leave compensation, as well as the Company's share of related social security taxes, is accrued as benefits are earned by employees if attributable to past services and if it is probable the Company will compensate employees for such benefits. Amounts accrued are measured using salary rates in effect as of September 30.

The change in compensated absences is as follows for the year ended September 30, 2021:

	Beginning Balance	Increases	Net of Decreases and Adjustments	Ending Balance	Due Within One Year
Compensated absences payable	$ 1,285,890	$ 204,877	$ (235,782)	$ 1,254,985	$ 26,268

Fees for Services

The Company derives its operating revenue from the operation of its cruise ship port, related agency activities, and rental of its land and warehouse facilities. Revenues are recognized when they are realized or realizable and are earned. Revenues are realized when cash or claims to cash (receivable) are received in exchange for goods or services.

The Company's ability to earn revenue was severely impacted during fiscal year 2021 due to the No Sail Order ("Order") for cruise ships issued by the Centers for Disease Control and Prevention. The Order was imposed in March 2020 and remained effective through September 6, 2021. As a result, the Company accepted only four customers during the fiscal year. The revenue of one customer, a private yacht, generated more than 10% of port dockage and port service revenue.

Grants and Contributions

The Company from time-to-time may receive Federal and territorial government grants. The assets and revenues arising from government grants are recorded when the Company meets the eligibility requirements of the grants. If resources are received in advance of satisfying certain eligibility requirements, the recognition of revenues is deferred.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of Accounting Pronouncements

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial purposes and how those activities should be reported. The requirements of this Statement are effective for the Company's financial statements for the year ended September 30, 2021. The Company has evaluated this Statement and has determined there is no impact on the financial statements, as it does not engage in fiduciary activities, or control the assets of beneficiaries with whom a fiduciary relationship exists.

In August 2018, GASB issued Statement No. 90, Majority Equity Interests-An Amendment of GASB Statements No. 14 and No.61. This Statement improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for the Company's financial statements for the year ended September 30, 2021. The Company has evaluated this Statement and has determined there is no impact on the financial statements as it does not have a majority equity interest in a legally separate organization.

Following are statements issued by GASB that are effective in future years. In light of the COVID-19 pandemic, on May 8, 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, to provide relief to governments. This Statement, which was effective upon issuance, postpones the effective dates of certain provisions in these upcoming pronouncements for one year, except for GASB Statement No. 87 which is postponed for eighteen months. Certain provisions of GASB Statement No. 92 are excluded from GASB Statement No. 95. along with provisions in GASB Statement No. 93 related to lease modifications.

GASB Statement No.		Adoption Effective in Fiscal Year (as Revised)
87	Leases	2022
89	Accounting for Interest Cost Incurred Before the End of a Construction Period	2022
91	Conduit Debt Obligations	2023
92	Omnibus 2020	2022
93	Replacement of Interbank Offered Rates	2022
96	Subscription–Based Information Technology Agreements	2023
97	Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32	2022

Following are statements issued by GASB that are effective in the immediate future years as based on the original effective dates.

GASB Statement No.		Adoption Effective in Fiscal Year
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	2023
98	The Annual Comprehensive Financial Report	2022
99	Omnibus 2022	2023
100	Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62	2024
101	Compensated Absences	2024

Earlier application of all standards is permitted to the extent specified in each pronouncement as originally issued. The Company is currently evaluating the impact of these statements.

3. Cash and Cash Equivalents

Cash and cash equivalents, segregated by category, at September 30, 2021, are as follows:

	Bank Balance	Carrying Amount
Restricted	$ 2,730,323	$ 2,730,324
Unrestricted	1,098,566	946,769
Total	$ 3,828,889	$ 3,677,093

Unrestricted cash and cash equivalents may be used for operational purposes. Restricted cash of $1,164,169 represents cash segregated for debt service requirements under the Company's loan agreements, $508,299 is restricted for an escrow account required by the Army Corps of Engineers' Financial Assurance policy for mitigation related to bulkhead repairs, and an insurance recovery escrow account of $1,057,856 represents insurance claims received for property damage related to the 2017 hurricanes.

Under the terms of the Company's loan agreement with Banco Popular de Puerto Rico ("the Bank"), the Bank holds insurance proceeds in escrow to cover the reconstruction of facilities.

Custodial credit risk is the risk that in the event of bank failure, the Company's deposit may not be returned. The Company does not have a custodial risk policy. The Company maintains its deposits at two financial institutions, which at times may exceed federally insured limits. Generally, the Federal Deposit Insurance Corporation insures depositor funds up to $250,000. Of the total funds held by the financial institutions as of September 30, 2021, $500,000 was covered by the FDIC, approximately $278,000 was fully collateralized, and approximately $3.05 million was uninsured. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its deposits. As of September 30, 2021, approximately $3.3 million or 87% of the Company's deposits were held at Banco Popular de Puerto Rico.

4. Trade Accounts Receivable

The Company's trade accounts receivable balance as of September 30, 2021, was comprised of the following:

Warehouse and land rentals	$ 178,600
Cruise lines	8,221
Less: allowance for doubtful accounts	(152,636)
Total	$ 34,185

5. Capital Assets

Capital assets as of September 30, 2021, are comprised as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 5,147,278	$ -	$ -	$ -	$ 5,147,278
Construction in progress	2,584,002	20,854	-	(33,919)	2,570,937
Total capital assets not being depreciated	7,731,280	20,854	-	(33,919)	7,718,215
Capital assets being depreciated:					
Personal property and equipment	4,765,759	17,083	(42,383)	1,262	4,741,721
Buildings and building Improvements	71,801,891	-	-	33,249	71,835,140
Total capital assets being depreciated	76,567,650	17,083	(42,383)	34,511	76,576,861
Less accumulated depreciation for:					
Personal property and equipment	(3,438,773)	(181,557)	42,383	58,692	(3,519,255)
Buildings and building Improvements	(40,711,230)	(2,931,304)	-	(59,074)	(43,701,608)
Total accumulated depreciation	(44,150,003)	(3,112,861)	42,383	(382)	(47,220,863)
Total capital assets being depreciated, net	32,417,647	(3,095,778)	-	34,129	29,355,998
Total capital assets, net	$ 40,148,927	$ (3,074,924)	$ -	$ 210	$ 37,074,213

During fiscal year 2019, the Company received insurance recoveries from the 2017 Hurricanes of approximately $4.0 million, inclusive of recoveries for business income losses. At year end, approximately $1.1 million of this amount is held in escrow with the bank. See Note 3.

6. Payable to the Government

On October 10, 2007, the Legislature of the U.S. Virgin Islands (the "Legislature") approved Bill No. 27-0151 to require the Company to make an annual payment in lieu of taxes ("PILOT") to the Government, of the greater of ten percent of net revenues or $700,000 retroactive to fiscal year 2006 and thereafter. As of September 30, 2021, the Company's outstanding balance of unpaid PILOT for fiscal years 2008 through 2021 amounted to approximately $9.3 million.

The bonds and notes issued by the PFA, which owns the Company, are supported by the Government's pledged revenues and the PFA is highly dependent on the Government repaying its loans to the PFA for the PFA to repay its obligations and fund its operations. The Government is in a significant net deficit position. This situation could have an impact on the Company, whereby the Government may need to collect the amount due in order to address its own financial difficulties, and its dependency on PFA for financial support in such case. To date, revenues pledged for debt service have not been significantly impacted by the Government's financial condition.

On June 14, 2018, the Legislature passed Act 8053, to accept the transfer of a historic property located in Estate Catherineberg, from the Company to the Government as a public decorative art museum, as part of a negotiated settlement of the amount due. The Company will be responsible for paying the costs of transferring and converting the property to a museum, as well as its annual maintenance and these amounts paid will reduce the unpaid PILOT amount owed.

The passage of Act 8053, authorizing the Government to purchase Estate Catherineberg provides relief to the Company. Although the Company will continue to pay for the maintenance of Estate Catherineberg, the expenses will now reduce the outstanding PILOT balance. As of the date of this report, the transfer of the property has not yet occurred due to pending repair work for the damages caused by the hurricanes in 2017.

7. Loan Payable

In July 2017, the Company consolidated various loans with Banco Popular de Puerto Rico ("the Bank") in the amount of $41,680,019 at a fixed interest rate of 5.25% per annum, amortized on a 25-year term with a final maturity date of July 2022. Upon maturity, should the Company stay in compliance with the current terms of the loan, it may refinance the loan for a term not to exceed twenty (20) years, subject to new terms and conditions.

The Company may prepay the loan, however there is a prepayment penalty of 2% of the outstanding principal of the loan. Security and collateral for the loan include a first-priority security interest in the Company's assets, a pledge of the Company's revenues and the unlimited continuing repayment guarantee from PFA in event of default. The loan contains a provision that in an event of default, the Bank may by written notice to the Company (i) immediately terminate the commitments of the Bank, and (ii) declare the principal of and interest accrued on the loan due and payable.

The Company must also maintain insurance on its facilities at full replacement cost value and business interruption insurance equal to one year's net revenues. The Company is required to meet all payments in lieu of taxes due to the Government.

In May 2020, the Company was notified by the Bank that monthly payments on the outstanding loan payable would be deferred for 90 days as a result of the COVID-19 pandemic. In September 2020, an additional 90-day moratorium was granted to the Company with regular repayments resuming in November 2020.

In April 2021, the Company received an SBA guaranteed PPP loan in the amount of $717,200. The loan was subject to a fixed interest rate of 1.0%. The maturity of the loan is five years from the date of the first disbursement of the loan. The Company applied for forgiveness of the loan in May 2022 and the loan was forgiven in October 2022.

Loan payable activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Deferred Interest	Loan Proceeds	Principal Payments	Ending Balance	Due within One Year
Consolidated bank loans	$ 42,254,846	$ 183,209	$ -	$ 758,036	$ 41,680,019	$ 41,680,019
SBA guaranteed loan	-	-	717,200	-	717,200	717,200
Total	$ 42,254,846	$ 183,209	$ 717,200	$ 758,036	$ 42,397,219	$ 42,397,219

Future principal payments on the loan are as follows:

Year ending September 30,	Principal	Interest	Total
2022	$ 42,397,219	$ 1,989,800	$ 44,387,019

Consolidated Bank Loan Covenants

The Company is required to maintain a Debt Service Reserve Fund ("DSR") with the bank in the amount of $2,242,662. The Company is also required to maintain a Debt Service Coverage Ratio Reserve ("DSCR") with an amount equal to the shortfall, if any, between the Company's earnings before interest, taxes, depreciation, and amortization ("EBITDA") and the Company's required annual DSCR, so that net revenues are not less than 1.25 times annual debt service payments. The Company is also required to maintain a Fixed Coverage Ratio ("FCR") of 1.10 times EBITDA divided by the current portion of long-term debt ("CPLTD") plus interest expense, PILOT, maintenance, and capital expenses. The loan agreement also requires the Company to deliver the year-end audited financial statements within 180 days of its fiscal year end.

For the year ended September 30, 2021, the Company was not in compliance with the DSR, DSCR, FCR and audit reporting requirement for the year ended September 30, 2021. The loan agreement considers any noncompliance of the covenants as default. However, as of the report date and as further discussed in Note 15, the Company issued certain bonds, the proceeds of which were utilized to prepay the outstanding loan balance and the Company entered into loan termination, pledge termination, and guaranty termination agreements with the Bank, documenting the close of the consolidated bank loans.

8. Refundable Advance

In May 2020, the Company received an initial set of certain proceeds in the amount of $464,400 from the Paycheck Protection Program (“PPP”). The arrangement was guaranteed by the Small Business Administration (“SBA”) and was not required to be collateralized or have any covenants. The Company did not expend any portion of these loan proceeds pending the completion of an analysis with respect to its qualification in the newly established program. The loan proceeds, including interest of $3,895 were subsequently returned to the lender in March 2021.

9. User Agreements and Fixed Rentals

viNGN, INC. d/b/a Virgin Islands Next Generation Network (“viNGN”)

In 2012, the Company entered into a six-year lease for the provision of office space to viNGN, a wholly owned subsidiary of the PFA. The lease was subsequently amended to reduce monthly lease payments from October 1, 2016 through the remainder of the lease term. Effective December 2017, the Company entered into a second lease amendment with viNGN extending the lease through December 31, 2022.

Future estimated minimum fixed rentals for the remaining fiscal years are as follows:

Year ending September 30,	
2022	$ 129,600
2023	32,400
Total	$ 162,000

Rental income for the year ended September 30, 2021, under this agreement amounted to $129,600.

Warehouse and Land Rentals

The Company leases several warehouses and land to commercial businesses under the terms of several lease agreements. The lease agreements include contracts with non-cancelable terms for fixed rental charges. The agreements expire at various dates through 2025. During the year ended September 30, 2021, the Company generated revenues of $796,819 through leasing arrangements.

As of September 30, 2021, the leased property included depreciable capital assets of approximately $4.7 million, less accumulated depreciation of approximately $2.9 million, for a net book value of $1.8 million.

Future estimated minimum fixed rentals under the non-cancelable lease agreements follow:

Year ending September 30,	2022	2023	2024	2025	Total
Land rentals	$ 454,000	$ 466,000	$ 474,250	$ 487,000	$ 1,881,250

Berthing Right Agreements

The Company has entered into agreements with certain cruise lines providing preferential berthing rights in exchange for passenger service charges ("PSC") with guaranteed annual revenue due to the Company. The agreements commenced on October 1, 2016, and extend through September 30, 2026, with two optional five-year extension periods through September 30, 2036. The Company will track and reconcile passenger manifests on an annual basis to determine amounts due to or owed by the Company.

10. Grants and Contributions

Following Hurricanes Irma and Maria in September 2017, the Company submitted expenses for reimbursement to the Federal Emergency Management Agency ("FEMA") for repairs and additional expenses incurred. Total expenses approved by FEMA during the year ended September 30, 2021, were $45,697. The Company also received an additional $13,734 from FEMA for COVID-19 assistance.

11. Commitments and Contingencies

Litigation

During the normal course of business, the Company is a defendant in various lawsuits. In the opinion of management and legal counsel, the outcome of these cases and resulting liability, if any, is either adequately covered by insurance or should not materially affect the Company's financial position.

Grant Funds

In connection with Federal and state government grant programs, the Company is obligated to administer and spend the grant monies in accordance with regulatory restrictions and is subject to audit by the grantor agencies. In cases of non-compliance, the agencies involved may require the Company to refund program monies. Management believes these non-compliance instances, if any, should not materially affect the Company's financial position.

12. Retirement Plan

The Company sponsors a defined contribution retirement and savings plan (the "Plan") for its employees. Under the provisions of the Plan, employees must contribute at least 3% of their gross compensation but may also contribute up to 7%. The Company matches 3% of the employees' contribution plus a non-elective distribution at the discretion of the Company, which is divided among eligible employees, proportionate to compensation.

Required contributions to the pension and savings plan made and charged to operations were approximately $48,000 for the year ended September 30, 2021. The Company does not offer other post-retirement benefits to its employees.

13. Risk Management

As with all business enterprises, the Company is exposed to various risks of losses, including potential liability issues in the normal course of business as well as property losses that can result from thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Company mitigates this risk of loss by purchasing commercial insurance, including general liability, property, vehicle, and employee health, life and accident. The Company's commercial insurance policies cover catastrophic exposures, as well as those risks required to be insured by law or contract.

It is the policy of the Company to insure what in its opinion are adequate amounts of risk coverage, especially in relation to the cost of such coverage, the effect of such is to retain a significant portion of certain risks related primarily to physical loss of property and business interruption. There were no reductions in coverage from the prior year, and the settlements have not exceeded insurance coverage for each of the past three years.

14. Liquidity and Management's Plan

The Company has been financially challenged and its situation was exacerbated by a global occurrence. The management team unveiled its plan for the immediate future focusing on exploration of alternative revenue sources, reduction of operating expenses, and investment of Federal funds to facilitate the restart of cruise operations.

Global Pandemic

In March 2020, the Governor of the U.S. Virgin Islands declared a state of emergency due to the coronavirus pandemic known as COVID-19. Also, in March 2020, the Centers for Disease Control and Prevention ("CDC") issued a No Sail Order ("Order") for cruise ships.

In August 2021, the Governor extended the state of emergency due to the strain of coronavirus known as COVID-19 to January 10, 2022. The state of emergency was approved by the President of the United States under the provisions of the Stafford Act and the National Emergencies Act. A federally approved state of emergency activates federal assistance to states in the form of financial, logistical, and technical assistance.

The Company derives a material portion of its revenue from servicing cruise ships owned by established cruise lines. As a result of the Order and state of emergency, the Company announced a temporary closure of its port. The Company's fee for services revenue for fiscal year 2021 was severely impacted due to this pause in cruise operations. Also see Note 15.

Economic Relief Legislation

Also, in March 2020, the President of the United States signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to state, territorial, local, and tribal governments. Also see Note 15.

15. Subsequent Events

Economic Relief Legislation

In November 2021, the Company was awarded a $4.0 million subgrant under the American Rescue Plan (ARP) Act of 2021. The grant period is from November 2021 to November 2023 and provides funding to assist with costs associated with the re-starting the cruise sector of U.S. Virgin Islands tourism, including employee-related costs.

Agreements and Legal Obligations

Consolidated Bank Loan

In March 2022, the Company was granted a moratorium on principal payments due February 1, 2022, March 1, 2022, and April 1, 2022. Moratorium payments, if not paid sooner, are due in full on the maturity date of the loan in July 2022.

In June 2022, the Company prepaid the consolidated loan from the Bank, including outstanding moratorium payments, in the amount of $41,396,188. The Company also paid accrued interest of $265,626 and a prepayment penalty of $122,335. The Company entered into loan termination, pledge termination and guaranty termination agreements with the Bank, documenting the close of the loan.

Port Facilities Revenue Bonds

In June 2022, the Company issued the Port Facilities Revenue Bonds, Series 2022A and Series 2022B. The Series 2022 Bonds were issued at a nominal value of $52,625,000 and discounted value of $51,572,500. The Series 2022A and 2022B Bonds are privately placed and were offered exclusively to qualified institutional buyers and were not registered under the Securities Act, or any state securities laws. The bonds are limited obligations of the Company and are not the debts of PFA or the Government.

The Series 2022 Bonds were issued to: (i) prepay the Bank loan, (ii) fund a capitalized interest fund in an amount equal to interest accrued through December 31, 2022, (iii) fund the debt service reserve fund, (iv) finance certain capital improvements to docks, wharves, and ancillary facilities, (v) acquire a twenty-foot skiff for port operations, and (vi) pay certain costs of issuing the bonds. The Series 2022 Bonds are due from October 1, 2032, to April 1, 2052, with interest rates of 5.875% to 6.500%. Interest is payable semiannually on April 1st and October 1st commencing October 1, 2022.

Government Employee Retirement System Agreements

In May 2023, the Company entered into a Limited Release and Settlement Agreement (Settlement Agreement) with the Government Employee Retirement System of the Virgin Islands (GERS), to settle claims each entity had made against the other in connection with a management agreement that had terminated on March 1, 2020. Under the terms of the Settlement Agreement, the Company released claims against GERS in the amount of $370,532, and GERS released claims against the Company in the amount of $706,357.

In May 2023, the Company and GERS also entered into a Shared Cost Agreement to split equally the shared utility, maintenance, water, and certain other costs at Havensight Mall. As part of the agreement, GERS paid the Company a catch-up payment of $249,541 for costs incurred from March 2020 through December 2022.

Passenger Tariff increase

In the first quarter of fiscal year 2023, management notified cruise lines of a planned tariff increase per passenger of $1.24 of which WICO received a $1 increase on January 1, 2023. The $1 increase in tariff will amount to a 15% increase in passenger fee revenue.

Cruise Passengers in the Post-Pandemic Era

The Company observed a resurgence in cruise passengers as cruise lines gradually lifted pandemic-related restrictions in response to the subsiding pandemic. Notably, during the latter part of fiscal year 2022, there was a notable upswing in cruise ship passenger occupancy and ship arrivals. This positive trend persisted throughout fiscal year 2023, with cruise ship passenger occupancy surpassing 90%. Looking ahead to fiscal year 2024, the Company foresees a continuation of this upward trajectory. They anticipate that passenger occupancy will surpass 95% and expect a further increase in cruise calls and passenger volume, extending well into fiscal year 2025.

Forgiveness of Paycheck Protection Program Loan

In October 2022, as authorized by the CARES Act, SBA remitted to Banco Popular $717,200 in principal and $10,579 in interest in forgiveness of the Paycheck Protection Program loan of the Company.

Management's Evaluation

Management has evaluated any events or transactions occurring after September 30, 2021, the statement of net position date, through December 27, 2023, the date the financial statements were available to be issued, and noted that there have been no additional events or transactions which would require adjustments to or disclosure in the Company's financial statements for the year ended September 30, 2021.