



Government of the United States Virgin Islands

**Agreed-Upon Procedures Report
Gross Receipts Tax Collections
Quarter Ended December 31, 2021**

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Independent Accountant's Report

To the Commissioner
Department of Finance
Government of the United States Virgin Islands

We have performed the procedures enumerated below on the gross receipts tax collections of the Government of the United States Virgin Islands (the Government) for the quarter ended December 31, 2021. The Government is responsible for its gross receipts tax collections records for the quarter ended December 31, 2021.

The Government has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting in evaluating the Government's assertion that the Government's gross receipts tax collections for the quarter ended December 31, 2021, are accurate and complete. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. We make no representation regarding the sufficiency of the procedures described below, either for the purpose for which the report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We read Sections 43, 44, and 45 of Subtitle 1 of Title 33 of the Virgin Islands' Code, applicable to the imposition and collection of gross receipts taxes.
2. We obtained the monthly gross receipts tax collections for the quarter ended December 31, 2021, from the monthly "Unaudited General Fund Statement of Revenue" prepared by the Revenue Audit Division of the Government's Department of Finance.
3. We obtained from management of the Government, the First Bank (the Collecting Agent) account statements, which include deposits of the monthly gross receipts tax revenue collected for each of the three months in the quarter ended December 31, 2021.
4. For the quarter ended December 31, 2021, we obtained the "General Fund Daily Distribution Worksheets" prepared by the Revenue Audit Division of the Government's Department of Finance. We then added the total daily gross receipts tax collections as presented in the "General Fund Daily Distribution Worksheets" for each of the three months in the quarter ended December 31, 2021, and compared the sum of those amounts to the monthly gross receipts tax collections as presented in the monthly "Unaudited General Fund Statement of Revenue" reports and observed the following:

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Gross Receipts Tax Collections

<i>Month 2021</i>	Unaudited General Fund Statement of Revenue	General Fund Daily Distribution Worksheets	Difference
October	\$ 13,310,179	\$ 13,742,628	\$ (432,449)
November	19,935,270	19,971,342	(36,072)
December	18,861,811	18,962,960	(101,149)
	\$ 52,107,260	\$ 52,676,930	\$ (569,670)

The Government has represented that the differences observed between the sum of the total daily gross receipts tax collections as presented in the "General Fund Daily Distribution Worksheets" and the monthly gross receipts tax collections presented in the "Unaudited General Fund Statement of Revenue" are due to checks returned by the banks for non-sufficient funds (NSF) that are reflected in the "Unaudited General Fund Statement of Revenue" as a reduction in the gross receipts tax collections. We compared the resulting differences presented in the above table to the total monthly NSF checks per the First Bank monthly statements, and observed the following:

<i>Month 2021</i>	Total Difference From Above	Returned Checks Deposited in First Bank	Difference Unidentified by the Government
October	\$ (432,449)	\$ (432,449)	\$ -
November	(36,072)	(36,072)	-
December	(101,149)	(101,149)	-
	\$ (569,670)	\$ (569,670)	\$ -

5. For the quarter ended December 31, 2021, we compared the total daily gross receipts taxes collected as presented in the "General Fund Daily Distribution Worksheets" with the amounts deposited in First Bank (the Collecting Agent) as per the bank statements. Identified differences are documented in procedure No. 6.



6. We compared the total of the daily gross receipts tax collections, as derived from procedure No. 4, per the "General Fund Daily Distribution Worksheets" to the total amounts deposited in the First Bank gross receipts tax collections bank account, for each of the three months in the quarter ended December 31, 2021, and observed the following:

<i>Month 2021</i>	General Fund Daily Distribution Worksheets	First Bank Account Statements	Difference
October	\$ 13,742,628	\$ 13,744,157	\$ (1,529)
November	19,971,342	20,018,330	(46,988)
December	18,962,960	18,986,794	(23,834)
	\$ 52,676,930	\$ 52,749,281	\$ (72,351)

The Government has represented that the differences observed between the totals of the daily gross receipts tax collections per the "General Fund Daily Distribution Worksheets" and the bank statements were caused by the following:

<i>Description</i>	October Amount
Interest earned during October 2021	\$ 118
Amounts not related to gross receipts tax deposited in the First Bank account that are pending to be withdrawn and deposited to the correct bank account	9,657
Gross receipts tax erroneously deposited in a different bank account, which are pending to be withdrawn and deposited to the First Bank account	(8,246)
Total difference identified	1,529
Total difference reported	(1,529)
Difference unidentified by the Government	\$ -



<i>Description</i>	November Amount
Interest earned during November 2021	\$ 149
Amounts not related to gross receipts tax deposited in the First Bank account that are pending to be withdrawn and deposited to the correct bank account	65,469
Gross receipts tax erroneously deposited in a different bank account, which are pending to be withdrawn and deposited to the First Bank account	(18,630)
Total difference identified	46,988
Total difference reported	(46,988)
Difference unidentified by the Government	\$ -

<i>Description</i>	December Amount
Interest earned during December 2021	\$ 227
Amounts not related to gross receipts tax deposited in the First Bank account that are pending to be withdrawn and deposited to the correct bank account	36,615
Gross receipts tax erroneously deposited in a different bank account, which are pending to be withdrawn and deposited to the First Bank account	(13,008)
Total difference identified	23,834
Total difference reported	(23,834)
Difference unidentified by the Government	\$ -



We were engaged by the Government to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the gross receipts tax collections of the Government for the quarter ended December 31, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Government and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Government of the United States Virgin Islands and the Virgin Islands Public Finance Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

February 14, 2022

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